The Harold Ickes Redevelopment:  
A Look into Mixed-Income Housing in Chicago’s Plan for Transformation

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Table Of Contents

I. Executive Summary......................................................... 3
II. Introduction ................................................................. 4
III. Events Leading To The Plan for Transformation........... 5
    a. The History of the Chicago Housing Authority...........5
    b. The Gautreaux Case.........................................................7
    c. Post-Gautreaux CHA.......................................................8
IV. The Plan for Transformation........................................ 10
    a. The Goals of the Plan......................................................10
    b. The Progress of the Plan..................................................12
    c. The Plan for Transformation 2.0.................................13
V. Mixed-Income Housing............................................... 14
    a. The Rise of Mixed-Income Development...................14
    b. The Benefits of Mixed-Income Housing.....................19
    c. The Challenges of Mixed-Income Housing................22
    d. Mixed-Income Housing’s Impact on Existing Neighborhoods.22
VI. The Harold Ickes Redevelopment.................................25
    a. The History of Harold Ickes.........................................25
    b. The Habitat Company’s Roll.........................................27
    c. Information From the Discovery Sessions..................29
    d. The Sustainability of Harold Ickes.............................31
    e. Financing the Harold Ickes Redevelopment..................33
VII. Conclusion.......................................................................36
VIII. Appendix........................................................................41
IX. Bibliography......................................................................43
I. Executive Summary

This thesis takes a closer look at Chicago’s Plan for Transformation with a specific focus on the redevelopment of the Harold Ickes Homes and mixed-income development. It details the history of the Plan for Transformation, looking at how the CHA was formed and how decades of troubling decisions forced the U.S Department of Housing and Urban Development to intervene. This history includes the famous Gautreaux case, in which the district court found the CHA and HUD guilty of practicing De Jure housing segregation and sentenced the CHA to disperse public housing from primarily minority neighborhoods. This belief of de-concentrating poverty in the hopes of improving living conditions for low-income families is still relevant today, as seen in the dramatic shift of public housing into mixed-income development. The Plan For Transformation aims to rehabilitate or build 25,000 public housing units in the greater Chicago area, with 10 high-rise sites to be demolished and replaced with mixed-income developments.

Mixed-Income Development has seen a major rise in popularity over the last twenty years as a promising means of de-concentrating poverty and revitalizing inner city neighborhoods. However, the task of creating mixed-income housing is extremely risky, costly, and complicated. For these reasons, it is important that developers of mixed-income housing understand what factors can help make them successful. Looking at existing developments, this thesis highlights some of the challenges and opportunities that come with mixed-income housing. It will cover particular strategies that have allowed a number of developments to maintain a high level of demand for market-rate units; which ultimately keeps a mixed-income development financially feasible. With many of the Chicago’s mixed-income sites in the early phases of development, understanding what techniques have shown to be successful will be extremely useful.

The scale of Chicago’s mixed-income effort is larger than anywhere else in the country with over 16,000 units planned in 10 different sites. This thesis focuses on one of these sites, the Harold Ickes Homes. Currently in the early phases of development, Harold Ickes has begun planning with an emphasis on four guiding principles: Connectivity, Sustainability, Activity, and Opportunity. When finished, the Harold Ickes Homes will provide 600 new mixed-income units for the city of Chicago. The Habitat Company, a Chicago based development firm who took over as receiver for the development of public housing for the CHA, will oversee the project. The redevelopment of Harold Ickes is still a work in progress, awaiting the finalization of the plan for transformation 2.0 to determine what’s next. So far, no development team has been selected for Harold Ickes but it is predicted one will be assembled by the end of 2012. As such, no financing or design plans have been completed. The project is currently on hold until after the Plan for Transformation 2.0 is completed. Yet despite the temporary hold, Habitat Co. has been working hard with community outreach programs and planners to ensure that the master plan will be both financially feasible and incorporate sustainable design.
I. Introduction

The Chicago Housing Authority’s (CHA) “Plan for Transformation” has produced one of the largest efforts of mixed-income development in United States history. All of Chicago’s infamous high-rise public housing projects have been demolished to make way for mixed-income developments. This decision to implement mixed-income developments corresponds to the growing belief that de-concentrating poverty provides low-income families with a greater opportunity to prosper. If these beliefs hold true, then mixed-income developments could dramatically improve the lives of millions of families placed in public housing. The increased use of mixed-income housing across the globe provides a great opportunity to examine the possibilities and challenges of this approach. My research is based on the redevelopment of one of Chicago’s ten new mixed-income developments, the Harold Ickes Homes. I am a candidate Master of Sustainable Real Estate Development at Tulane University, and my research has focused on sustainable mixed-income developments. The clients that I have been working with are Chealon Shears and Anthony Alvarez. Shears is the Senior Development Manager for The Habitat Company, which is one of the largest multifamily property developers and managers in the country. \(^1\) Habitat is also the receiver for the CHA per a federal court order, and is currently managing the development of Harold Ickes. Alvarez is a Development Manager for the CHA, which is the largest owner of rental housing in Chicago as well as

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orchestrator of the Plan for Transformation. ² Finally, my advisor for both the paper and research is Casius Pealer, an Adjunct Lecturer at Tulane University.

The Plan for Transformation was enacted to reformulate the entire landscape of public housing in Chicago. Thousands of families will be, or already have been, affected by this dramatic change. As a result it is important to follow how the plan is progressing, as well as determine ways it can improve. One of the most anticipated features of the plan is the construction of 10 major mixed-income developments. There are high hopes for these developments, as a strategy to revitalize neighborhoods that have been plagued by decades of substandard living conditions and concentrated levels of poverty. As one of these new developments, the Harold Ickes Homes hopes to serve as a catalyst for positive change and urban revival. Providing approximately 600 new units to an already vibrant part of town, this mixed-income development has serious potential to drastically improve this community. Therefore, the ultimate goal of this paper is to gather enough information to offer recommendations to the future developer regarding holistic sustainable development. I will attempt to accomplish this goal by examining the Plan for Transformation as a whole, as well as other mixed-income projects across the country.

II. Events Leading to the Plan For Transformation

A. History of the Chicago Housing Authority

In 1999 the Chicago Housing Authority (CHA), with the approval from the U.S. department of Housing and Urban Development, set forth a Plan for Transformation to redevelop and revitalize the city of Chicago’s public housing. This plan, according to the CHA, “is the largest, most ambitious redevelopment effort of public housing in the United States, with the goal of rehabilitating or redeveloping the entire stock of public housing in Chicago.” The plan could not have come sooner for the CHA, who battled decades of scrutiny over policy decisions that, as many argued, resulted in concentrated poverty and substandard living for many tenants. To understand the relevance and magnitude of this plan, it is important to have an understanding of the events that led to its enactment.

Beginning in the 1930’s, with the passing of the National housing act, Chicago began to build public housing for its most impoverished citizens. However, mismanagement, along with underlying racial motives, placed these early developments in pockets of the city that were predominantly black, reinforcing social isolationism. The insufficient quantity and poor quality of these early projects caused severe problems for these neighborhoods such as unemployment, substance abuse and crime. In the 1950’s, headed by mayor John Daley, the CHA elected to build high-rises to replace these declining neighborhoods in order to solve these problems.

Initially these projects showed great promise, offering 14,895 brand new public housing units to families across the city. Except near the same time these high rises were

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6 Kristine Berg, 5.
7 Claiborne Taylor, 6.
constructed, the federal government decreased overall financial support for housing assistance.\(^8\) This resulted in a significant lack of funding for the CHA, who was tasked with managing and performing maintenance on all of their developments. With virtually no maintenance provided for these buildings, they began to rapidly deteriorate. In addition, the organizational instability of the agency left them completely unprepared to manage these high-rise buildings.\(^9\) Unable to accurately keep financial and organizational records, these projects were essentially ignored for decades. It turned out that by placing large quantities poor families into even closer corridors, the high-rises merely exacerbated the issues the CHA was trying to eliminate.

**B. The Gautreaux Case**

Dealing with inadequate housing quality, crime, and unemployment was only the beginning for the CHA. At the completion of the high-rises in the early 60’s, only one of the thirty-three public housing structures in Chicago was less than 84% black.\(^10\) This was over ten years after the agency had already battled the Committee Against Discrimination on charges of exclusionary housing policies.\(^11\) Families who were severely afflicted by years of negligible management and questionable policies were fed up and began to voice their opposition of the CHA. In 1966, the American Civil Liberties Union challenged the CHA and the U.S. Department of Housing and Urban Development (HUD) in a class action suit known more commonly as the Gautreaux case. The case included nearly 40,000 Chicago Public Housing residents and alleged that the CHA and HUD were practicing de

\(^8\) Kristine Berg, 6.
\(^9\) Kristine Berg, 6.
\(^10\) Claiborne Taylor, 6.
\(^11\) Ibid, 6.
jure housing segregation.¹² Nearly three years later, the district court sided with the Gautreaux plaintiffs, concluding that the two agencies had violated the fourteenth amendment by using race as a criteria when selecting housing sites. ¹³

The results from the Gautreaux case have had long lasting implications for public housing in Chicago. Immediately following the case, the CHA was prohibited from building any additional public housing in predominantly black neighborhoods and was ordered to desegregate housing into new non-minority communities.¹⁴ The case against HUD ordered relief in the form of section 8 vouchers to help move a number of CHA residents into neighborhoods that were less than 30% black. ¹⁵ Additionally, HUD had to implement a program that would aid in moving black families beyond city limits in what became known as the Gautreaux Assisted Housing Program.¹⁶ This emphasis on de-concentration in order to increase opportunity and enhance the quality of life for public housing tenants has continued to be the philosophy that drives public housing policy today.

C. Post-Gautreaux CHA

While the Gautreaux case was a monumental step forward for the CHA, the problems that faced public housing only continued to worsen. Slowed down by litigation, administrative weaknesses, and opposition from white communities, the “scattered site”

¹³ Ibid.
¹⁶ Claiborne Taylor, 7.
program provided minimal change towards de-concentrating public housing. Over the next twenty years following the ruling, only several hundred units were actually built. Due to this inactivity, Judge Marvin Aspen abolished the CHA’s authority placing them into receivership, which remained active until May 2010. A Chicago-based development firm, Habitat Company, was appointed as the receiver to carry out the court-issued orders. Possessing more experience and freedom than the CHA, Habitat Co. built or renovated 1,846 scattered-site units in predominantly white neighborhoods. Despite their efforts however, community opposition to these new units severely limited their ability to provide a noticeable change for the city.

A questionable workforce and high turnover in upper management plagued the Agency in the 1980’s and 1990’s. As a result “Constant management flux meant that there was little institutional memory and that new initiatives repeatedly crowded out existing programs.” To make matters worse, significant cuts in federal funding also meant significant cuts in security. As drug dealers and gangs took over these projects, the CHA lacked adequate resources to stop them, leaving many public housing residents in severely poor living conditions. In a report of the National Commission on Severely Distressed Public Housing submitted to Congress in 1992, it was determined that about 86,000 of CHA’s dwellings were in severely distressed conditions. Effectively handling public housing in Chicago had proven to be an insurmountable task for the agency. And

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17 Ibid, 8.  
18 Claiborne Taylor, 8.  
19 Ibid, 8.  
20 Kristine Berg, 6.  
21 Ibid.  
according to the CHA themselves, “by 1996, the operations of the Authority were in such disarray that the U.S. Department of Housing and Urban Development took control of the Agency.” With the financial help of the newly formed Housing Opportunities for People Everywhere (HOPE VI) program, HUD was able to call the CHA to action, mandating the demolition of approximately 14,000 public housing units. The CHA followed by designing one of the largest and most ambitious redevelopment plans in the history of the United States, the Plan for Transformation.

III. The Plan For Transformation

A. The Goals of the Plan

In 1999, under the leadership of Mayor Richard M. Daley and with the approval of HUD, the CHA embarked on a $1.5 billion dollar “Plan for Transformation” to rehab or rebuild a projected 25,000 public housing units by 2015. This plan is driven by three main goals: to improve the quality of affordable housing by renewing the physical structure of CHA properties, to promote self-sufficiency for public housing residents, and to reform the administration of the agency. To reintegrate residents into the overall fabric of the city, the CHA will utilize a number of housing strategies such as new mixed-income developments, renovated scattered-site developments, rehabilitated traditional public housing, acquisition/rehabilitation through the property investment initiative, and

25 Lawrence J. Vale and Erin Graves, 6.
26 Kristine Berg, 1.
project-based voucher units. In keeping up with their second goal, the agency has implemented a number of policies that place personal responsibility into the hands of the residents, as well as support services to build skills and promote self-sufficiency. Finally, to re-establish the credibility of the CHA, they have privatized the management of their developments and returned social services and policing back to the city. In doing so they have gained the expertise, as well as the support, required to properly manage such large projects.

The influence of the plan for transformation reaches far beyond the built environment itself, but given that this paper aims to understand the development of public housing, specifically mixed-income housing, I am going to place a majority of my focus on matters concerning real estate. In the plan’s goal of creating new and improved housing opportunities for low-income Chicagoans, it has called for a complete reformulation of the existing public housing landscape. The breakdown of the proposed 25,000 new units is as follows: 5,325 units of Family Housing, 2,543 units of Scattered Site Housing, 9,435 units of Senior Housing, and 7,697 units of Mixed-Income housing. One of the most visible changes resulting from the plan is the demolition of 10 high-rise towers, which were some of the most notoriously brutal public housing projects in the country. The CHA has elected to place mixed-income developments in the footprint of these former high-rise sites, with the hopes of finally breaking up these concentrated pockets of high poverty. The demolition and construction of these new communities has been categorized into three phases by the CHA. The first phase covers relocation and demolition, the second phase

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28 Kristine Berg, 2.
deals with construction, return readiness, and marketing, and lastly the third phases focuses on post-occupancy and community building. Although many of these sites are still in phases 1 and 2 of planning, a few have already produced units for CHA residents. The Parkside of Old Town alone (formerly Cabrini Extension North) is projected to have 23 public housing units, 34 affordable, and 15 market-rate units available by the end of 2012. The CHA, as well as the private developers involved, are confident that these mixed-income projects will generate communities that encourage prosperity and a higher quality of living for residents.

B. The Progress of the Plan

In the midst of its 13th year, the plan has made significant progress towards increasing the quality, safety, and affordability of CHA’s properties. According to CHA’s most recent annual report, at the end of 2011 the agency had delivered 21,203 housing units or 85% of the delivery goal of 25,000 units. The number of mixed-income units was brought up to 3,229; a significant advancement considering these units require the demolition and relocation of large high-rise sites before they can even start construction. Furthermore, at the End of Fiscal Year 2012, the CHA anticipates another 845 units to bring the total percentage of revitalized housing stock to 88%. While the CHA reported a failure to reach its projected unit delivery, it remains confident that by the end of 2012 it will be back on pace. Still, it is quite remarkable that the Plan has continually moved

forward with its production of the proposed 25,000 new units, while simultaneously providing housing units to new and displaced families throughout the city. In FY2012, the CHA estimates the authorization of 37,989 Housing Choice Vouchers (HCVs) and anticipates that 37,229 HCVs will be leased during the year. Additionally, the CHA predicts that it will lease up 17,793 of its projected 25,000 new units by the end of 2012.

C. The Plan For Transformation 2.0

Despite the level of success already accomplished by the plan, it has had to overcome some serious obstacles. The initial plan envisioned the full 25,000 units to be accomplished over a ten-year period. However a reduction in federal funds, an increase in construction and labor costs, and unanticipated obstacles forced the CHA and HUD to reach an agreement in 2006 to extend the plan’s timeframe by five years to 2015. In addition, a downturn of the economy in 2008 severely crippled the plan as the housing slump limited the CHA’s ability to both sell properties and find housing for the large quantity of tenants with housing vouchers. To help overcome these challenges, the CHA has appointed new management in CEO Charles Woodyard. Woodyard is leading a recalibration of the original plan dubbed “the new plan 2.0”, in an effort to re-evaluate the direction of the plan. Collaborating with the City of Chicago, HUD and John D. & Catherine T. MacArthur Foundation, the CHA’s plan for Transformation 2.0 looks to “explore new tools and strategies for completing initial goals and planning for the Housing

34 Ibid, 21.
35 Chicago Housing Authority, Amended FY2012 Moving to Work Annual Plan: Plan for Transformation Year 13, (March 27, 2012), 30
36 Lawrence J. Vale and Erin Graves, 8.
Authority’s future role in providing affordable housing options.” 38 The recalibration is still a work-in-progress, is gathering information and input from a wide variety of stakeholders to ensure the next phase of the plan is executed properly. As Mayor Rahm Emanuel stated, “The Plan for Transformation has been a historic and valuable program that has changed the fortunes of thousands of Chicagoans, now is the time to craft the plan for the next generation, to create safe, affordable housing options for families and propel Chicagoans toward economic independence throughout our neighborhoods.”39 With a majority of the mixed-income projects still in the early phases of development, it will be interesting to see what influence version 2.0 has on their future.

**IV. Mixed Income Housing**

A. The Rise of Mixed-Income Development

Across the country mixed-income developments have been embraced by policy makers and developers alike, as a promising strategy to de-concentrate poverty and revitalize communities in the inner city. These developments aim to attract middle-income families to the sites of former public housing, while simultaneously retaining a portion of the low-income families. They expect to accomplish this, by rebuilding high quality housing with reasonable rents. As a central piece of the Plan for Transformation, mixed-

Income development in Chicago is being implemented on a scale greater than anywhere else in the country; Atlanta’s mixed-income initiative, the next largest effort to date, is nearly a third of the size.\textsuperscript{40} As noted above, all high-rise public housing developments in Chicago have been demolished as part of the plan. 10 new mixed-income developments, ultimately containing over 16,000 units of housing, will replace these infamous high-rise towers.\textsuperscript{41} These developments will range in size from 137 units to 3161, and cost between $35 million and $600 million.\textsuperscript{42} The breakdown of unit combinations for these developments, based on CHA’s general guidelines, is one-third public housing units, one-third subsidized units, and one-third market-rate units.\textsuperscript{43} The unprecedented scale of this effort towards mixed-income development provides an unequaled opportunity to learn about the possibilities and challenges of this approach.

The movement towards mixed-income developments has gained tremendous support over the last twenty years, as it has coincided with the widely held belief that housing that spreads poverty is far superior to housing that lumps poverty together.\textsuperscript{44} According to HUD, “The concentration of the poorest families creates problems that predictably become unmanageable, and the larger the public housing development, the more complex the problems.”\textsuperscript{45} Proponents of mixed-income housing view this concentration of poor households in multifamily projects as the reason for severe problems amongst low-income families like joblessness, drug abuse, and welfare dependency. In addition, it is believed that mixed-income communities offer better

\textsuperscript{40} Mark L. Joseph, 92.
\textsuperscript{41} Robert Chaskin and Mark Joseph, “Building Community in Mixed-Income Developments” (Research, The University of Chicago School of Social Service Administration, 2009), 3.
\textsuperscript{42} Mark L. Joseph, 99.
\textsuperscript{43} The Chicago Housing Authority (2005)
\textsuperscript{45} Ibid, 3.
schools; lower crime rates, better access to jobs, and enhanced safety.\textsuperscript{46} For these reasons, congress created the HOPE IV initiative, which has significantly increase public subsidies for mixed-income housing across the United States.\textsuperscript{47} Despite the $4.5 billion dollars subsidized by the HOPE IV program, little is currently known about the factors that contribute to mixed-income success.\textsuperscript{48} However, looking into existing mixed-income communities as well as the one’s being built in Chicago, a great deal of information is available regarding the challenges and successes of mixed income.

B. The Benefits of Mixed-Income Housing

While many of the perceived benefits of mixed-income housing are difficult to measure, there are a number of studies that demonstrate how mixed-income has provided an effective alternative for public housing. A quality example of successful mixed-income housing would be Harbor Point in Boston Massachusetts. Flooded with crime and drugs, this site had become a classic case of a troubled high-rise public housing project. Much like the projects in Chicago, this development was previously owned by the city’s housing authority but was turned over to private developers to rehabilitate.\textsuperscript{49} The developers of Harbor Point placed significant emphasis on making the units attractive, the community safe, and providing amenity packages that sufficiently attract market-rate tenants. The rents at Harbor Point range from $795-$1,395 per month, and nearly 400 of its units are subsidized by Section 8 vouchers or the states equivalent program. The income mix is split with 70% market-rate units and 30% subsidized units. Financing this development

\begin{itemize}
  \item \textsuperscript{46} Ibid, 6.
  \item \textsuperscript{47} Mark L. Joseph, 92-93
  \item \textsuperscript{48} Paul C. Brophy and Rhonda N. Smith, 4.
  \item \textsuperscript{49} Paul C. Brophy and Rhonda N. Smith, 7.
\end{itemize}
required $250 million; with the state providing $154 million in a combination of loans and grants, HUD providing $12 million, an Urban Initiatives loan of $9 million, and the remaining $75 million coming from equity. There are a number of takeaways from the Harbor Point development regarding successful mixed-income communities, the most important being its ability to sufficiently attract market-rate tenants. It accomplished this in part because of its desirable location, but also because it offered amenities unavailable at similar rents downtown like a swimming pool, tennis courts, fitness center and free parking.\textsuperscript{50} With a steady stream of income from market-rate tenants, Harbor point is able to properly manage and maintain the property, as well as offer increased security. Another point to learn from this project comes from one of its downfalls; a lack of an aggressive job training and/or placement program has limited upward mobility for the subsidized tenants.\textsuperscript{51}

In an analysis of seven successful mixed-income housing projects, Paul Brophy and Rhonda Smith have detailed several important lessons and suggestions for creating a successful project. While they emphasize that every mixed-income project has its own unique set of challenges, there are a few basic principles that will help improve the functionality of a mixed-income development anywhere.\textsuperscript{52} Their first finding states that mixed income housing works best when it emphasizes the fundamentals of real estate development and management. Just like any other successful development in real estate, mixed-income projects work best when they implement superior design, excellent

\textsuperscript{50} All figures regarding the Harbor Point Redevelopment were taking from Paul C. Brophy and Rhonda N. Smith, 7-9.
\textsuperscript{51} Paul C. Brophy and Rhonda N. Smith, 9.
\textsuperscript{52} Ibid, 23.
management and maintenance, and are financial viable.\textsuperscript{53} If developers sacrifice any of the above elements to cut costs because it is not a full market-rate development, then the project will be less desirable to market-rate renters who ultimately make the project financially viable. This coincides with the next finding that mixed-income housing will only work where there are sufficient units aimed at the higher income population to create a critical mass.\textsuperscript{54} While the optimal combination of incomes needed in order to be a successful development varies from project to project, it is imperative that the developer finds a mix that maintains the projects desirability to market-rate tenants. Overloading the market rate units will mean insufficient public housing for low-income tenants, but overloading the low-income units will jeopardize the marketability of higher priced units.\textsuperscript{55} Determining the strength of the market will help developers understand what mix will work with their site; if the market is high, then you will have an easier time selling market-rate units regardless of the number of low-income units.

Another important aspect that makes mixed-income optimal is when the income mix is not emphasized in marketing, and there are no differences in the nature and quality of units offered.\textsuperscript{56} By making units indistinguishable, not only does the developer appeal to more prospective renters by placing emphasis on the developments particular features, but also promotes social integration. Full integration is shown to have a positive impact on the functioning of mixed-income developments as well. A difficulty for many mixed-income projects is keeping a peaceful co-existence between residents of different

\textsuperscript{53} Ibid, 23-24.
\textsuperscript{54} Ibid, 25.
\textsuperscript{55} Paul C. Brophy and Rhonda N. Smith, 25-26
\textsuperscript{56} Ibid, 26.
incomes. Not differentiating units by income will eliminate assumptions regarding income level of other residents based on design features; which could ultimately push tenants apart from each other. In addition, equal quality units will promote an equal sense of belonging amongst tenants regardless of their income level. Some residents in Chicago’s early mixed-income developments have expressed concern that there is unequal participation in community building activities. It would be interesting to see how this might change if residents could not differentiate between neighbors of different classes, something that must continue to be studied.

C. Challenges of Mixed-Income Housing

Mixed-Income developments have proven to be successful when there is a high level of coordination from both the private and public sectors. The development process for mixed-income projects is “extremely risky, costly, and complicated, and requires considerable capacity and persistence on the part of the developer.” Because of this complexity, collaboration is necessary at several levels. From the public sector, cooperation from the federal, state, county, and city levels of government is often required. City governments alone must rely on a variety of departments to work together to be successful, including housing, infrastructure, social services, schools, and streets. The relationship between City agencies, the housing authority, and the private developer of mixed-income projects is crucial to the success of a project. If one of these players is

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57 Robert Chaskin and Mark Joseph, introduction.
58 Ibid, 5.
60 Mark L. Joseph, 97
61 Ibid, 97-98
62 Ibid, 98.
underperforming, it is exceedingly difficult for the other to pick up the slack. With the number of moving parts involved in the mixed-income development process, it is imperative that the city and developers build strong relationships with each other and local resident representatives as early as possible.

As the home of such a large-scale public-private partnership, Chicago presents a level of complexity and intensity for mixed-income housing unseen anywhere else in this country. Most of the developers asked to produce affordable housing for the Plan had never experienced a development process of this magnitude or difficulty. The entire redevelopment process has taken place amidst major funding cuts for public housing from the federal government, after a number of lawsuits against the CHA, through intense media scrutiny, and demands from an extensive range of stakeholders. One developer described the challenges presented in Chicago as follows:

*The difference in this particular instance is that there are a lot more moving parts... the role becomes a little more complicated due to the supportive services aspect particularly, and all the financing, and then all of the stakeholders that you don’t typically see in a real estate development... {It} really was a big learning curve for us.*

The sheer scale of mixed-income development deals taking place simultaneously across the city made an already difficult process even more complex. With the large quantity of players involved mixed with a rapid pace for completion, there was an increased demand for limited sources like financing for subsidized units. Competition for low-income

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63 Mark L. Joseph, 105
64 Ibid.
65 Ibid.
66 Ibid.
housing tax credits became increasingly high, which ultimately led to an increased lag time to close on the credits. The time and energy consumed simply structuring and closing these development deals has been a serious roadblock for many developers. For these reasons, developments like Harold Ickes have been delayed well passed their initial time schedule. As funding from Hope VI and other federal programs has become more and more scarce, these developments are finding it increasingly difficult to get access to capital. 

There are a number of challenges facing mixed-income development from the construction side as well. Construction and unit delivery must keep pace with market demand, if the market is strong, then the development must keep building as the market allows. However, with the incorporation of subsidized units, the entire process must be financed as it is being built. This means if there are any delays with the subsidies, there will be delays on the market-rate unit production as well. An additional obstacle often faced by mixed-income developers is finding ways to finance indistinguishable units. Design standards of subsidized units must conform to the standards of mixed-income units. Furthermore, these units must keep pace with surrounding market-rate units in order to be competitive. The challenge comes from the difficulty of financing subsidized units to match their market-rate counterparts. Another difficulty expressed by developers of mixed-income housing is building both the rental and for sale units concurrently. There are concerns that if you build out the for rent components quicker, then you will increased

67 Ibid.  
69 Mark L. Joseph, 105  
70 Ibid, 106.  
71 Ibid.
the difficulty of marketing the for-sale components. Rental unit construction depends largely on available subsidies, whereas for-sale unit construction depends on pre-sales and strength of market demand\textsuperscript{72}. As a result, it is often difficult for developers to keep these two components of construction on pace with each other. These challenges are all issues that have been expressed by developers in the Plan for Transformation. With the Harold Ickes redevelopment being one of the last mixed-income projects in the plan, it will be interesting to see what strategies the developers use to counter some of these challenges.

D. Mixed-Income Housing’s Impact on Existing Neighborhoods

One of the perceived benefits of mixed-income developments, outside its impact on the lives low-income tenants, is its ability to incite positive neighborhood change. Many economists believe that property values are one of the strongest determinants of neighborhood strength.\textsuperscript{73} As a result, a lot of focus has been placed on how public housing affects the property values in surrounding neighborhoods. The research to date on the price effects of properties near public housing has produced mixed results, but as advances in modeling and available data increase, the research has become more quantifiable and better understood.\textsuperscript{74} A commonly accepted belief is that the negative externalities that come from public housing depress the surrounding neighborhood property values.\textsuperscript{75} Yet a number of studies have shown that public housing has the ability to enhance neighborhood property values through the elimination of neighborhood

\textsuperscript{72} Ibid.
\textsuperscript{74} Edward Bair and John M. Fitzgerald, 775
eyesores as well as improving the existing public housing space.\textsuperscript{76} One study on the hedonic estimation of the impact of HOPE VI on neighborhood property values shows that public housing developments may increase surrounding property values. The study found that HOPE VI projects display a large positive externality. For a $200,000 home, locating one-quarter mile closer to a HOPE VI development showed an increase in value of $16,600-20,500, holding everything else constant.\textsuperscript{77} Other studies have shown that housing values are not affected by their proximity to public housing, another example proving that public housing developments should not be feared rather encouraged. These findings directly conflict with the Not In My Back Yard (NIMBY) phenomena displayed by many community members who feel that public housing is a negative externality on surrounding homes.\textsuperscript{78}

The introduction of mixed-income developments has shown to have a number of additional improvements to neighborhoods as well. In a study of four HOPE VI redevelopment projects in Atlanta, Louisville, Pittsburgh, and St. Louis, there have been discernable improvements in the formerly distressed neighborhoods where these projects were located.\textsuperscript{79} One noticeable finding showed that household incomes actually grew at a much faster rate in these redevelopment areas than the rest of their respective cities or regions. In each case, the median household incomes grew by 23 percent to as high as 193 percent in a single decade between 1990 and 2000.\textsuperscript{80} In the Park DuValle development located in Louisville, the median household income rose from $7,744 to $22,701 in ten

\textsuperscript{76} Abt Associates Inc., 10.
\textsuperscript{77} Edward Bair and John M. Fitzgerald, 783
\textsuperscript{78} Ibid.
\textsuperscript{80} Mindy Turbov and Valerie Piper, 22.
years. Another significant impact of these developments was a sizeable decrease in unemployment rates in the development areas and surrounding communities. In all four cases, the unemployment rates dropped over a ten-year period, with the smallest change being -2 percent, and the largest being -18 percent. Lastly, the redeveloped sites exhibited enhanced public safety as well as a decrease in crime rates. In Atlanta’s Centennial Place development, the overall rate of Crime in the public housing site and its immediate area dropped 93 percent between 1993 and 2004. From these findings, it is safe to say that a well-built and maintained mixed-income development has the potential to not only improve property values in the neighborhood its located, but also to improve the overall quality of life for those residences as well.

Yet, there are many valid concerns about the changes to a neighborhood brought forth by mixed-income development. An increase in quality and value of properties located near public housing sites is not always a positive result for neighborhoods. There is a growing concern that these increased property values will effectively displace lower income families who will be unable to afford the higher housing costs associated with a revitalized neighborhood. Gentrification has proven to be a serious challenge for federal and local policymakers, as it often pushes out public housing families who suddenly become unable to pay for increased rents. If left alone, the sudden rise of property values can effectively remove most low-income families defeating the purpose of creating public housing in the first place. One suggested strategy to counter this problem would be

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81 Ibid, 23.
82 Mindy Turbov and Valerie Piper, 26.
83 Ibid, 27.
84 Ibid.
85 Abt Associates Inc., 6
86 Ibid.
to provide protection in the form of tax rebates or freezes for existing low income owners to combat the increase in property values.\textsuperscript{87} Since one of the main arguments for mixed-income development is its ability to improve neighborhood conditions, it is imperative for developers, planners, and city officials alike to understand how to deal with the challenges from gentrification that will likely occur.

The Plan for Transformation’s mixed-income effort will have a tremendous effect on a number of major neighborhoods throughout the city. Understanding how other mixed-income developments have been catalysts for attracting positive social and economical change, the CHA can implement similar strategies to achieve comparable success. However, further research is needed on the effects of mixed-income housing on property values, especially in the city of Chicago. Looking at the individual prices of property along existing projects, for example the Cabrini Green row-homes, might offer valuable insight on the influence of mixed-income development. Advancements in technology and methodology will likely produce more thorough studies moving forward, allowing developers to fully understand the impact of mixed-income housing.

V. The Harold Ickes Redevelopment

A. The History of Harold Ickes

Named after United States Administrator and Politician, Harold L. Ickes, The Harold Ickes housing project was opened in 1955.\textsuperscript{88} Designed by the Chicago-based architectural firm of Skidmore, Owings & Merrill, the Harold Ickes housing complex once

\textsuperscript{87} Ibid, 7.
housed over 1,000 families in Chicago’s south side. The complex consisted of 11 9-story high-rise buildings located at the corner of Cermak Road and S State Street. Much like the rest of Chicago’s high-rise housing projects, the Harold Ickes homes suffered decades of neglect as little to no maintenance was provided for the complex. Plagued with crime, drugs, and high unemployment, the Harold Ickes Homes became a serious threat to the city of Chicago. In 1999, with the creation of the Plan for Transformation, the Harold Ickes Homes became one of the ten high-rise sites in Chicago to be demolished and rebuilt as a mixed-income development. Yet despite efforts to relocate existing tenants, the Harold Ickes housing development continued to plunder. Finally due to safety concerns, the CHA began closing the development in 2007, with the final families moving out in April 2010. 

Today, all that remains from the old Harold Ickes Homes is a vacant lot, ready to be transformed into a vibrant mixed-income development. However the development of Harold Ickes has taken a momentary halt, as its future rides on what is determined from the recalibration of the Plan for Transformation. According to CHA developer Anthony Alvarez, “Given the realities of the economy and real estate market in which we are operating, now is a good time to evaluate the lessons learned and investigate the best practices moving forward effectively.” Expected to be released by the end of the first quarter 2012, the Request For Qualifications (RFQ) for the Harold Ickes redevelopment includes ways to “effectively build a strong sustainable community that provides

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opportunity to its residents.” ⁹¹ Despite the temporary stoppage, Habitat Co has already created a working group - consisting of residents, City of Chicago officials, community leaders, and numerous stakeholders - to ensure the new development integrates community and city needs. ⁹² And while it is only in the early phases of development, the Harold Ickes Redevelopment provides a great opportunity to examine mixed-income housing that places a significant emphasis on sustainability.

B. The Habitat Company’s Role

The redevelopment of this site will be one of many Plan for Transformation projects under the control of The Habitat Company LLC. In 1987, Habitat was appointed the role of Receivership for the development of non-elderly public housing for the Chicago Housing Authority. Then in 2010, Habitat’s role changed from receiver to Gautreaux Development Manager per the Receivership Transition Order. ⁹³ This order aims to slowly transition duties and responsibilities back to the CHA, with a full transfer by May 31, 2013. ⁹⁴ Habitat has been involved in working with the CHA, and other government agencies to move the plan for transformation forward. Their participation in the Plan for Transformation includes, but is not limited to:

- Consensus building with public officials, community stakeholders, and HUD.
- Negotiation, development, approval of master planning, community planning, and infrastructure planning, project site phasing.
- Procurement and oversight of developers

⁹¹ Ibid.
⁹³ Chealon Shears, “Directed Research Information,” e-mail interview, (March 27, 2012).
⁹⁴ Ibid.
• Underwriting and approval recommendation to project pre-development, construction and operating budgets.
• Participating in the financial closings of projects via review of closing documents.
• Assisting CHA with acquiring and inspecting properties and vacant sites for acquisition
• Assisting CHA with oversight and management of post-closing construction activity, along with review and approval of construction draws and change orders for hard and soft construction costs.
• Reviewing and approving recommendations of architectural drawings, permitting review drawings, and conducting cost reviews, along with helping the CHA secure HUD approval of these drawings.  

Given the early stages of planning that the Harold Ickes Redevelopment has been able to accomplish, Habitat’s involvement has been limited to primarily consensus building and participating in working groups.  Habit was an active participant in the Discovery sessions, where the vision and objectives of the redevelopment were brainstormed. They also provided the ideas of what type of information, requirements, and eligibility/scoring criteria that would be included in the Request for Qualifications.  When the Plan for Transformation 2.0 is finally complete, Habitat will be able to select a developer to move the project forward.

95 Chealon Shears, “Directed Research Information,” e-mail interview, (March 27, 2012).
96 Ibid.
97 Ibid.
C. Information From The Discovery Sessions

Habitat and CHA have come together with a number of stakeholders as well as residents forming a ‘working group’ to help create a vision for this development. In their discovery session meetings, they have provided a plan for how they will transform not only the new Harold Ickes Homes but the entire neighborhood as well. And while these plans are all but finalized, they offer some valuable insight as to how the CHA and Habitat will develop this mixed-income project. The emerging vision for the new Harold Ickes homes is to develop a village in the city, what they refer to as “A gateway to prosperity and opportunity” as well as “a showcase for sustainable, affordable development.” 98 This vision is based on four guiding principles: connectivity, sustainability, activity, and opportunity. From the connectivity standpoint, Harold Ickes hopes to be a welcoming place where people are encouraged to spend time and participate in recreation. 99 In terms of sustainability, the new Ickes will be built to last, using quality materials and practices to be maintained over a long period of time. For activity, the new Ickes aims to be a thriving, lively neighborhood to be shared by all people despite age or income. Finally in terms of opportunity, the new Ickes plans to function as a gateway to prosperity and full participation in society for all of its residents through education, employment, and civic participation. 100

One major component of the plan to redevelop Harold Ickes is to promote positive growth for the surrounding neighborhood. Creating new buildings for public housing tenants alone will not be sufficient, as seen from the past failures of public housing in

99 Ibid.
100 Ibid.
Chicago. It is going to take a sizeable effort to ensure that the building is a catalyst for improvement in the local community. As such, the working group’s plan has placed a great deal of emphasis on using the new Harold Ickes homes to improve the community. With goals like improving safety, accessibility, environmental quality, and social diversity, the new Harold Ickes homes want to help re-establish this part of town as a hot spot for social interaction. Through proper design and planning, this site could potentially serve as a central gateway between existing developments like the McCormick Place Convention Center and Chinatown. This increase in population and activity will also make the vacant lots across State Street ideal locations for retail stores. Pharmacies, grocery stores, Laundromats, and hardware stores are all types of retail that discovery sessions addressed as potential beneficiaries. And if public funds are available, they have discussed the possibility of building a library or media center across the street as well.

The current plans have also focused extensively on promoting economic development and job creation. Based on its proximity to a number of economic drivers, Harold Ickes will provide a number of opportunities for tenants to prosper. A few resources that Ickes Homes will be able to utilize include: The Chinatown Chamber of Commerce, McCormick Place, Chicago Department of Workforce Development, Mercy Hospital, US Department of Labor, GreenCorps, OAI, Inc., and National Teachers

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104 Ibid, 30.
These organizations and businesses not only offer a wide variety of jobs, but will provide tenants access to job training as well. In addition to these existing markets, the plan for Harold Ickes expects to create economic development of its own. The working group has already collaborated with organizations like Local First Chicago to address this topic. The basic concept driving Local First Chicago is that communities operate the most effectively if their needs are met at the most local level possible. De-localized economies have shown to be less economically, environmentally, and politically secure than local economies. In addition, local economies ensure that economic power and responsibility stay as close to the community as possible. In order improve the economy surrounding Harold Ickes; they must continue to partner up with organizations that promote local business.

D. The Sustainability of Harold Ickes

One of the more admirable features of the Harold Ickes redevelopment is the dedication to sustainability. The plan for transformation as a whole has been very progressive in incorporating sustainable design. One of the major areas of focus in the recalibration of the plan is on ‘sustainability strategies’. The reason for this attention toward green building is the growing concern that our over-consumption of natural resources is causing major changes in our environment. In order to ensure the same resources and quality of life will be available to future generations, we must start working

105 Ibid.
106 Ibid, “section on Local First Chicago”.
to reduce our environmental footprint now. Sustainability then becomes an important step in protecting our environment and ultimately our survival. In the realm of real estate, sustainability is of the utmost importance as the manufacturing, design, construction, and operation of all buildings are responsible for the consumption of countless natural resources. 109 In the United States alone, buildings account for 39% of total energy use, 68% of total electricity consumption, 30% of landfill waste, 38% of carbon dioxide emissions, and 12% of total water consumption. 110 While these numbers are alarmingly high, they also illustrate how much energy and resources could potentially be saved from more environmentally responsible buildings. Sustainable design offers numerous economic and social benefits in addition to the helping the environment. It can reduce the operating costs of buildings, improve the productivity of occupants, as well as enhance occupant health and comfort, and improve indoor air quality. 111 The advantages of sustainable design are becoming easier to obtain with advancements in technology, making it an appealing option for many developers.

The new Harold Ickes is envisioned to be a sustainable urban village that incorporates green design, healthy lifestyles, and social equity. Given the current state of the project, no specific details regarding green features can be examined. They have committed to using quality materials and sustainable practices, but without a developer and an architect they have not determined exactly what practices will be used. Still, with guidance from the U.S. Green Building Council and Blacks In Green™, the working group

111 Ibid.
has highlighted some principles they would like to incorporate into Harold Ickes.\textsuperscript{112} These principles include utilizing sustainable practices to reduce water and energy use, but also promoting transportation alternatives and incorporating green space.\textsuperscript{113} Perhaps the greenest features of Harold Ickes will be its accessibility to surrounding places. One of the leading contributors of carbon emissions is the automobile,\textsuperscript{114} and since Harold Ickes in close proximity to numerous destinations a car will not be required for tenant transportation. More people walking and biking does not only reduce environmental damage, but promotes a healthier and cleaner community as well. Another way Harold Ickes will be more sustainable is by increasing the density of this neighborhood. While somewhat counterintuitive, people in high-density areas drive less and use less energy than people in low-density areas.\textsuperscript{115} This has to do with the increase in walkability for more dense places, but also from the fact that buildings are able to combat the elements of nature more efficiently when other buildings surround them. Housing units placed close together require less heat in the winter, and less air-conditioning in summer than units that stand alone.\textsuperscript{116} While it may not be as innovative as solar panels or geothermal heating, a well-planned increase in density could be Harold Ickes’ greenest attribute.

E. Financing The Harold Ickes Redevelopment

Given the current state of Harold Ickes, no official budget has been produced for the redevelopment of the site. However looking at the budgets of similar projects can offer


\textsuperscript{113} Ibid


\textsuperscript{115} David Owen, \textit{Green Metropolis: Why Living Smaller, Living Closer, and Driving Less Are Keys to Sustainability}, (New York, Riverhead, 2009), 47.

\textsuperscript{116} Ibid.
valuable insight into how a mixed-income development like this is financed. The example I have focused on is a rental budget that details the sources and uses of a similar mixed-income CHA redevelopment project in Chicago. Much like Harold Ickes, this project relies heavily on public sources of financing to ensure that units are affordable to low and very low-income families over the long term. Of a total of 181 units, the specific mix of units for this project included 83 public housing units (46%), 68 tax credit units (37.5%), and 30 market rate units (16.5%).

The single-largest source of capital came in the form of tax credits—though these technically produce private equity for a project, they are still fundamentally a public source of financing. Over a ten-year period, the total tax credit allocation for the sample project was $24,976,700 ($2,497,670 per year). The projected tax credit price was $0.98, so the final allocation ends up producing $24,474,918 of equity for the project. Given the payment schedule proposed by the investor, this specific project anticipated needing a bridge loan of $19,831,089 during construction. This will result in them having somewhat less money to spend from tax credit equity, as the bridge loan will require payments of interest.

Additional public sources include $11,829,617 from CHA, in the form of two loans. One loan is an $8,329,617 loan at 0% interest, and the other is a $3,500,000 loan with interest charged at the Applicable Federal Rate (AFR). These loans provide an additional source of funds for the more deeply subsidized public housing units. The City of Chicago provided additional financing in the form of a soft HOME loan from the Department of Housing at $9,484,000. There is likely no interest for this loan, and it will be repaid only if and when the project begins to produce significant cash flow. The final

117 For more precise details on sources and uses, see appendix.
public source of funds comes from an Affordable Housing Program (AFP) grant of $600,000 from the Federal Home Loan Bank (FHLB). Finally, the project was expected to be able to support private financing from a $3,500,000 first mortgage loan, and a deferred developer fee of $212,800. The total financing for this particular development was projected at $50,101,335.

The uses of these funds were broken down in a number of ways. The residential hard costs and management office equaled $30,484,721. The construction general requirements, overhead, and profit, equated to about 14% of the costs or $4,708,727. The construction contingency was set at 5% equaling $1,883,481. Architectural services like design, planning, and supervision totaled $1,220,290. The developer fee for this project was 5.71%, or $2,861,968. As noted above, $212,800 of this fee was deferred in this project meaning the developer will be paid after completion. Paying the developer last ensures their interest and participation throughout the entirety of the project.

The overall development cost on this project per unit was $276,803 and as noted above the unit mix consisted of 16.5% market rate, 37.5% tax credit units, and 46% public housing (CHA) units. It is important to note that despite the lower return from rent in the CHA and Tax Credit units, they cost the same to construct as the units that will be rented at market rate. This below-market return from market rate investment is why access to substantial public capital is required to finance a mixed-income development. While this budget was not made for the Harold Ickes redevelopment, it shows the complexity of sources and uses that will be required to finance mixed-income housing projects such as Harold Ickes, in Chicago and in other public housing redevelopment projects around the country.
VI. Conclusion

Already in its 13th year, the Plan for Transformation has made substantial progress towards improving the landscape of Chicago’s public housing. The high-rise projects that were once a source of much shame and hopelessness are now gone. In their place, the city is developing thousands of units of mixed-income housing. The development process for mixed-income projects is very complex, requiring major collaborative efforts between public and private entities, as well as risk-taking developers. Yet if properly designed, these developments offer a promising opportunity to improve the lives of many low-income families. For this reason, Chicago has embarked on the largest effort of mixed-income development in the history of the United States. The Harold Ickes redevelopment will play a significant role as one of the ten mixed-income developments to be added. Projects like Harold Ickes provide unprecedented information on an increasingly popular strategy for public housing.

The purpose of this thesis was to examine the Harold Ickes redevelopment to develop a better understanding of how mixed-income projects are created. Unfortunately, shortly after I selected to research the Harold Ickes redevelopment, it was placed on temporary hold. My research was then transformed from a specific case study to an examination of the Plan for Transformation and mixed-income development as a whole. From this research, I learned a great deal about how mixed-income developments can be successful, as well as some challenges they often face. While it is difficult to provide suggestions for Harold Ickes without the knowledge of its specific goals, there are a couple strategies that have benefitted similar projects that will help Harold Ickes as well.
Looking at what has worked for these projects will, at the very least, give the developers of Harold Ickes some additional guidance.

One essential requirement for the success of a mixed-income development is the ability to effectively attract and retain market rate tenants. Since these projects often earn little revenue from subsidized units, they must rely heavily on the rents of market-rate units. Mixed-income projects like Harbor Point in Boston achieved success in large part due to their ability to keep their market-rate units occupied. This continual cash flow allows projects to maintain the attractiveness of its units through increased maintenance, as well as provide increased security to keep the community safe. It will also ensure that the project has the resources to be sustained over a longer period of time. Nevertheless, leasing up a project’s market rate units on a consistent basis is easier said than done. But there are strategies to help improve the likelihood of capturing market rate tenants, which Harold Ickes should implement when it begins the development process. First, the developers and architects of Harold Ickes must ensure that the project incorporates the basic fundamentals of real estate development and management. Harold Ickes should incorporate the highest quality design, management, and maintenance available, as much as its financial modeling will allow. While this appears obvious, making any cuts because the project contains heavily subsidized units will only result in an inferior project. The second strategy would be to spend the necessary money to guarantee the market analysis for Harold Ickes is as thorough as possible. A strong market analysis will give the developer thorough information regarding potential tenants. Understanding the potential tenants as well as what their needs are, will give the developers a competitive advantage. The more the units of Harold Ickes can adapt and attend to these needs, the greater the

118 Paul C. Brophy and Rhonda N. Smith, 8.
demand they can generate. A market analysis will also provide information on what
shared amenities should be included in Harold Ickes as well. For example, if there is no
fitness gym in close proximity to the site, then a gym inside of Harold Ickes could
markedly increase the attractiveness of living there. Having the highest level of knowledge
possible concerning potential tenants will be an added value throughout the development
process. While these two strategies are fairly simple, they can often be overlooked in
projects that don’t produce large profits.

Another successful strategy for mixed-income developments is providing as many
services to tenants as possible. The working group for Harold Ickes has already contacted
and reached agreements with companies and organizations that help with job training,
placement, and education. My advice would be to continue to build up these relationships
as well as search for more. Studies of other developments have shown that income mixing
alone is not a sufficient catalyst for upward mobility. If Harold Ickes wants to accomplish
its goal of being a “gateway to prosperity and opportunity”, then providing services to
increase the skills of its low-income tenants is imperative. There were a number of quality
organizations addressed in the discovery sessions, and I think it is crucial that Harold
Ickes utilizes their resources moving forward.

Unfortunately, my ability to offer more helpful suggestions was severely limited.
As noted above, shortly after selecting to research the Harold Ickes Redevelopment, the
project was placed on hold pending the recalibration of the plan. To make matters worse,
the Plan for Transformation 2.0 will not be finalized until summer, so no further planning
for Harold Ickes was able to take place. My Clients Chealon Shears and Anthony Alvarez
were very helpful in providing me with the information I requested, but were themselves
quite limited as well. Considering the fact there has not even been a developer selected, there are also no design plans, no financial budgets, or any finalized information regarding the redevelopment available. One of the things that did draw me to this project was the focus on green design and sustainable features. My hope was to learn what strategies were going to be used by Harold Ickes as well as how they would finance them. But this early in the development phase, this information simply does not exist and has provided me with a great deal of frustration. Nonetheless, I was able to reformulate my thesis around the Plan for Transformation and still learned a substantial amount about mixed-income developments. I look forward to following the progress of this project as soon as the Plan for Transformation 2.0 is complete.

Future research on mixed-income development is essential if it is going to be the primary approach for new public housing. These developments are already growing in popularity and are surfacing across the country. Yet despite this rising popularity, a great deal remains to be learned about what makes mixed-income developments successful, and what makes them fail. One particular area that needs continued research is determining the optimal combination of incomes needed for a successful project. Many federal programs currently permit a ratio of 80 percent market-rate units to 20 percent subsidized units, and The CHA guidelines use a combination of 33% market rate, 33% subsidized, and 33% public housing. But it remains unknown whether or not either of these combinations are the most effective. And while every mixed-income project has its own unique goals, a greater understanding of the efficacy of these combinations will help save a substantial amount of time, money, and effort in the future. Additional research is needed to determine the most efficient methods of achieving upward mobility as well. One of the
main arguments supporting mixed-income developments claims they offer a greater opportunity for low-income tenants to advance than traditional public housing. However, many mixed-income projects have not seen the rise in employment for low-income tenants as expected. Research should determine what strategies produce the greatest results as well as what services are required to achieve these results. If it can produce this information, then it could save millions in wasted attempts through trial and error. The more knowledge made available about mixed-income housing, the more effective it can be at improving the lives of low-income tenants. And As I have stated throughout this paper, the mere size of Chicago’s effort at mixed-income development provides a tremendous opportunity to research this practice.
VI. Appendix

Location of Harold Ickes

Proposed budget - Sources
### Proposed Budget Uses

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<tr>
<th>Description</th>
<th>Project Totals</th>
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<tr>
<td>Environmental Remediation (Paid &amp; Managed by CHA Outside of L.P. Budget)</td>
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Total Development Costs: 50,101,335
VIII. Bibliography


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