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Chicago Housing Authority CEO Lauds Progress On Controversial Plan For Transformation, Advocates Remain Skeptical

(Comments of Leah Levinger included)

Chicago Housing Authority CEO Eugene Jones, Jr. spoke at the City Club of Chicago Monday afternoon, detailing the agency's progress toward reaching a key goal under the original Plan for Transformation and lauding the agency's success. But some housing advocates are not that impressed.

The Chicago Housing Authority is on track to hit its original Plan for Transformation goal of 25,000 redeveloped housing units by the end of 2017.

That's according to CHA CEO Eugene Jones, Jr., who spoke at the City Club of Chicago Monday afternoon. During his speech, Jones also said the public housing agency is in the process of spending down its controversial reserve funds.

CHA's billion-dollar Plan for Transformation, initially intended to be a 10-year plan, began in 2000 [with the goal](#) of replacing public high rises with mixed-use developments and creating 25,000 rehabbed or new replacement public housing units.

Since the Plan for Transformation's launch in 2000, CHA has delivered 22,386 new apartments, or 90 percent of the 25,000-unit goal, Jones said. Of those 22,386 apartments, 16,885 are rehabbed units in traditional CHA sites, 2,547 are "units in mixed-income developments on former CHA sites," and 2,954 are units in "project-based voucher subsidized housing," according to the agency.

"CHA today looks much different than it did in the 1990s, and even since 2000, when the plan was launched," said Jones, who [became CHA's acting CEO](#) in 2015 and was [tapped](#) to permanently fill the position in January 2016.

"Today, new mixed-income developments include a mix of renters and homeowners who live side by side and reflect the kind of economic diversity that every sustainable community should have with new resources, from new retail to parks and community centers that enhance the lives of residents," he said.

By the end of 2017, Jones said the CHA will meet the 25,000-unit goal of the original Plan for Transformation.

But Leah Levinger, executive director of the Chicago Housing Initiative, a coalition of community groups working on housing issues, said she was skeptical of that timeline.

Levinger noted that [CHA completed 379 new units](#) in fiscal year 2015, less than the 1,040 new units CHA had projected to deliver that year.

"At the rate that CHA is going, we're talking about seven more years before the CHA will actually reach the 25,000-unit mark," Levinger said. "His projections don't seem realistic to me."

CHA serves 64,000 families and is the second largest public housing agency in the United States.

During his speech, Jones sought to dispel "rumors" about the CHA, particularly those concerning the agency's cash reserves.

"It seems like everyone thinks ... I'm a leprechaun that has a pot of money," Jones said of the controversy surrounding CHA's reserves.

Housing advocates [have been raising concerns](#) about CHA's reserves ever since the Center for Tax and Budget Accountability (CTBA) released a report on the topic back in August 2014. CTBA's report claimed that the CHA [built up \\$432 million in reserves](#) between 2008 and 2012 by holding onto millions of dollars in federal funds intended for housing vouchers.

Jones said the CHA began 2015 with \$221 million in reserves. By the end of 2015, CHA's reserves stood at \$154 million, he said, adding that the agency is "budgeted to spend \$109 million this year."

"By the end of 2016, we anticipate having almost \$45 million, and we expect to use the balance of reserves in 2017," Jones said.

Levinger, however, alleged that the CHA has used reporting practices through which some funds are "renamed" in such a way that the money "doesn't count towards their available dollars." The way CHA categorizes its available cash is an "area of ongoing debate between advocates and the CHA," she added.

Jones looked ahead during his speech, speaking about the CHA's development plans for the future.

Over the next two years, CHA expects to deliver 1,000 additional housing units. Among them will be 111 affordable housing units as part of CHA's rehab of the Presbyterian Homes on Chicago's North Side. In March, CHA [purchased three Presbyterian Homes](#) buildings, which provide subsidized rent for seniors. The original owner of the Presbyterian Homes [was initially looking to sell the properties](#) to a for-profit buyer, meaning the senior residents could have been forced out of their homes.

Seventy-one of the 111 units at Presbyterian Homes are occupied, and the current residents will be allowed to remain in their homes through CHA's project. Forty vacancies will be filled by those on CHA's waitlist.

Jones commented on CHA's key accomplishments in 2015, during which the agency invested over \$170 million in capital construction and development projects, a 26 percent increase in spending compared to 2014.

"I'm proud of that progress," Jones said. "Am I satisfied? No. But I'm proud of it so far."

Last year, there were more than 500 housing units under construction, and 5,625 additional Housing Choice Vouchers were provided to Chicagoans, according to the housing agency. Overall, CHA's Housing Choice Voucher program, which provides rental assistance to low-income families, currently serves 46,000 households. By comparison, CHA provided vouchers to 30,000 families back in 1999.

"We acknowledge that CHA has put more vouchers in circulation since the press exposed how much money they were sitting on, and that is positive. And we hope that they will continue to move in the right direction," Levinger said. "But the issue for us isn't just how much housing is available right now. It's also what's the accountability structures to ensure that the CHA operates accountably and transparently in perpetuity, regardless of who is in charge."

In response to the CTBA's 2014 report, the Chicago Housing Initiative began a push for greater city oversight of the CHA.

Since September 2014, activists have pressed the Chicago City Council to pass the [Keeping the Promise Ordinance](#), under which the CHA would have to provide the council with quarterly reports on, among other things, vacant and offline housing, its voucher utilization rate and progress building replacement public housing.

The CHA would also have to increase the number of annual available housing vouchers and meet voucher funding utilization benchmarks. City funding for CHA projects could be withheld if the agency fails to meet the ordinance's requirements.

Additionally, the measure would require one-for-one replacement of standing low-income housing units that go into redevelopment.

The administration and the CHA oppose the Keeping the Promise Ordinance, with Jones [previously calling the proposal](#) a "waste of time."

"[T]he Emanuel Administration and the Chicago Housing Initiative have the same objective: providing as much affordable housing for those in need as possible," [according to the mayor's office](#). "This ordinance unfortunately would get in the way of achieving this goal."

Although the CHA now has new leadership, Chicago Housing Initiative leaders say the Keeping the Promise Ordinance is still necessary. It's important to establish such conditions for CHA, according to the group, because the housing agency has less federal oversight due to deregulation.

"They actually have a deregulation contract in place with [the U.S. Department of Housing and Urban Development] through 2028 that allows them to continue to do the same things they were doing," Levinger said. "There's nothing preventing CHA from going back to underusing available voucher money. There's no performance standards on rebuilding public housing. There's no performance standards on vacancies ... Our point has been there needs to be some regulatory and oversight body that is accountable to Chicago citizens that steps into that vacuum."

If the Keeping the Promise Ordinance is approved, the proposed mandate of one-for-one unit replacement would impact the contentious redevelopment plan for the Lathrop Homes, a public housing development near the Logan Square and Bucktown neighborhoods. The plan to convert the Lathrop Homes [into a mixed-use development](#) is expected to eliminate 525 of the 925 on-site public housing units.

At the City Club of Chicago, Jones was asked about the 525 units. He said CHA wants to work in collaboration with interested parties in finding available land on Chicago's North Side that would house those units.

"If you find the land and we can make the deal and so forth, that's what we're gonna do," he said. "It's not CHA finding (the land), it's in collaboration. We will build on our sites if we can, but we need the help with the alderman, the advocacy groups and so forth because this is a partnership."