Chicago Partners in the American Dream:  
A Local Effort within the National Homeownership Strategy

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March, 1997

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This paper has been written for the selected readings of the 1997 Affordable Comfort Conference,  
Chicago, Illinois, April 20-25, 1997. The work was supported by the U.S. Department of Energy,  
Assistant Secretary for Energy Efficiency and Renewable Energy, Office of Building Technologies, under  
contract W-31-109-ENG-38.
Chicago Partners in the American Dream: A Local Effort within the National Homeownership Strategy

President Clinton and the U.S. Department of Housing and Urban Development (HUD) have set a goal of increasing homeownership in America. Currently the rate of homeownership is approximately 64 percent of the population. The goal is to raise that rate to 67.5 percent by the year 2000, a higher rate than ever recorded in U.S. history. Achieving the goal will require about 8 million families to acquire homes of their own.

HUD has developed a plan for reaching the national homeownership goal. The plan is known as the National Homeownership Strategy. It was formulated with input from more than 50 public- and private-sector groups and consists of 100 objectives designed to make homeownership easier and affordable for American families. Among the objectives are expanded use of energy conservation and new construction technologies. The groups participating in the formulation of the National Homeownership Strategy formed a collaboration that was named the National Partners in Homeownership. The National Partners includes such organizations as the American Bankers Association, the American Planning Association, Habitat for Humanity International, the National Congress of Community Economic Development, and the U.S. Department of Energy.

Chicago Partners in the American Dream is a collaboration of Chicago organizations implementing the National Homeownership Strategy on a local level. It has made achieving the objectives of the Strategy the foundation for its local partnership. The Chicago Partners in the American Dream is a grassroots collaboration, combining the experience, resources, and expertise of a variety of local organizations. The partnership includes community development organizations, nonprofit and for-profit housing developers, fair housing groups, economic development organizations, and lenders. In addition, the City of Chicago’s Department of Housing and Department of Planning and Development, Cook County’s Community and Economic Development Association, the Federal Home Loan Bank of Chicago, the Illinois Housing Development Authority, Argonne National Laboratory, HUD, the Local Initiative Support Corporation, and many other local organizations are participating in this undertaking. By establishing common goals, working cooperatively, sharing successes, and improving the flow of information, the partnership will dramatically increase homeownership levels in the Chicagoland area.

The fundamental goal of the Chicago Partners in the American Dream is to create 5,000 homeownership opportunities in nine to twelve focused areas within Empowerment Zone/Enterprise Communities in the Chicagoland market by the end of the year 2000. The initial six focused area developments are being in the West Garfield Park, Washington Park, Central Englewood, Southeast Englewood, Woodlawn, and North Pullman neighborhoods.

1 A full list of partners can be found on a world wide web version of the partnership booklet at http://www.dis.anl.gov/Bldgs/Chicago-Partners/ on the Internet.

2 For information of each neighborhood and the plans for the focused area developments, consult the web site mentioned in footnote 1.
Focused Area Developments

The key strategic decision made by the Chicago Partners has been to concentrate its effort to increase homeownership in targeted low- and moderate-income geographic areas. The goal of this targeting is to catalyze economic activity through new residential development to revitalize the life of the community. In each limited geographic area, a large number of buildings will be constructed and rehabbed. A comprehensive plan will be developed for each focus area, including access to public transportation, defensible space, income diversity, energy efficiency, and environmental concerns.

The Chicago Partners works with organizations from targeted neighborhoods to produce Focused Area Development plans - comprehensive plans for community and homeownership developments. The plans address such community assets as churches, parks, and historic districts; economic development, including links to public transportation; and needed public investments, such as infrastructure repairs. Including these concerns in the Focused Area Development plans will strengthen the neighborhoods and ensure the investment of new homeowners.

With Focused Area Developments, the Chicago Partners achieves the maximum possible leveraged impact on the particular communities. Focused development optimizes benefits by concentrating investment and bringing in new homeowners who exert positive effects on the entire community. Focused investment stimulates broader economic activity and provides new business for local retail and service companies. In addition, the concentration of new homeowners helps reduce crime, improve schools, and stabilize neighborhoods. This approach involves current residents and existing institutions in the planning process, strengthening local leadership and solidifying neighborhood institutions.

The Chicago Partners’ criteria for a project for a Focused Area Development are described below. The projects chosen thus far were selected from submissions from various community organizations as the ones best meeting the standards and criteria. Future projects undertaken will be selected on the same basis.

Community Commitment
- The project has the participation or support of neighborhood institutions, including churches, community-based organizations, police, elected officials, and civic and business groups.
- The project is making systematic efforts to involve every household in the Focused Area Development in the planning process.

Limited Size
- The project encompasses two to eight blocks and involves the development of 100 to 800 units of resident-owned housing.
- The area is appropriate for the scale of the project. The project should comprehensively transform the character of the area, replacing abandoned properties and more than 75 percent of deteriorated housing.
- One or more sides of the area are bounded by an advantageous nonhousing land use (e.g., a major park or a retail strip) if possible.

Defensible Space
- The site plan and housing design incorporate safety-enhancing concepts, such as fencing, lighting, window treatments, and control of public places.
- The area-wide plan includes designs for public areas and walkways that are pedestrian-friendly, ensuring clear lines of sight for people in public places and enhancing sidewalks and paths with greenery and public art.
Area plans use measures to reduce the flow of undesired traffic, such as cul de sacs, one-way streets, calming circles, and alley closings.

Community Reconstruction
- The Focused Area Development must be served by bus or train public transportation.
- The area plan establishes short walking distances between numerous homes in the focus area and desirable existing or planned amenities, such as public transportation, food stores, health care services, schools, recreation facilities, and retail businesses.
- Traffic flows around rather than through the residential area.
- The plan incorporates high standards of energy efficiency in building construction.

Economic Diversity Planning
- Planned housing is priced for a diverse income range, with various types of residential structures (single-family detached, triplex, townhouse) and a mix of forms of ownership (single-family mortgage, condo, cooperative).
- The plan maximizes rehabilitation rather than new construction and encourages existing homeowners to invest in their property.

Good Neighbor Program
- The plan seeks to integrate new residents into the community through picnics, block parties, cleanup days, and holiday celebrations.
- The plan fosters structures that develop leadership within the area, such as homeowners associations, block clubs, and neighborhood safety patrols.

Use of Existing Programs
- The area should be located in or adjacent to a designated Empowerment Zone or Enterprise Community, Designated Redevelopment or Tax Increment Financing district, or target area for HUD, the State of Illinois, Cook County, or the City of Chicago, where the project will benefit from prior planning and special access to public and private resources.
- The plan aims to achieve optimum leverage from public-sector programs.
- The plan seeks to secure the commitment of public-sector programs that will enhance development of housing, commercial districts, and public space within or near the focus area.

The Committee Structure of the Partnership

To make the plans for the focused area developments a reality, the Partners have created five committees to concentrate on different elements of the homeownership process. These committees are: Finance, Production, Buildings Communities and Opening Markets, Homeownership Education, and Raising Awareness.

Financing
The Committee on Financing has responsibility for putting together financing to turn redevelopment plans into houses and applicants into homeowners. This committee comprises an impressive group of agencies and institutions offering both public and private financial assistance. This assistance includes programs by the city, the county, and the state, as well as federal programs. For example, the Federal Home Loan Bank of Chicago has agreed to make available the use of its Affordable Housing Program and Community Investment Program in support of this effort. Through these programs, potential homeowners are able to benefit from a statewide down-payment assistance/closing costs program. In addition, the finance committee is working to obtain commitments from the county and the city for such resources as
reduced sale price on vacant land.

The committee's priorities include: mortgage options and homebuyer education; subsidies to reduce down payment and mortgage costs; lender processing-time reduction; small rental properties to support affordable home financing; and home rehabilitation financing.

Production
The Committee on Production focuses on reducing the costs of building new homes and rehabilitating existing homes, and on lowering the cost of operating the homes after occupancy. The members of the committee include experienced community developers and planners. Part of their effort involves identifying cost-saving measures that use new construction methods and technologies while maintaining housing performance and operating affordability. Energy conservation is recognized as an important factor in keeping housing affordable.

Among the National Homeownership Strategy's 100 objectives, the committee's priorities include: home rehabilitation research; technical evaluation and guidance on energy conservation; affordable home technology programs; and affordable home design and construction.

Building Communities
The Committee on Building Communities implements the strategy of developing a focused area and selects the communities for development. The principal community-building strategies address local conditions, capitalize on community resources, and build on local institutions. In the process of selecting communities, the committee considers those areas that have been ignored by the traditional housing markets and, thus, have received less investment than other neighborhoods. As the committee reaches out to these communities, it takes particular note of the need to open markets to racial and ethnic minorities, who have had less opportunity for homeownership.

The committee, with review from the entire Chicago Partners membership, created a set of standards that define the Chicago Partners' criteria for a Focused Area Development. By using these standards, the first six focused area developments noted above were selected in 1996, and additional developments will be selected in 1997. Chicago Partners will provide project review and other resources for all of these developments. It will direct local groups to resources that are appropriate for their projects and assist as many groups as possible to achieve their goals.

In establishing the connection between Chicago Partners and local communities, the Committee on Building Communities gives particular emphasis to the following strategies: homeownership zones; comprehensive community revitalization; employer-assisted homeownership; energy and location efficient mortgages; and “one-stop” home financing centers.

Homeownership Education
The Committee on Homeownership Education and Counseling connects first-time homebuyers with counseling programs. Counseling services include outreach to explain the homebuying process, information about the types of properties and financing available, pre-purchase counseling to help individual households overcome specific obstacles to homeownership, and post-purchase guidance to assist families in carrying out such responsibilities as maintenance and budgeting.

The committee pools the resources and expertise of housing counseling agencies, real estate sales professionals, mortgage lenders, government agencies, and other providers in the homebuying process to provide education and counseling for all homebuyers who want these services. A set of quality standards
and a list of education/counseling providers is currently being developed by this committee. The following items have been designated for immediate implementation: core curriculum design; creation of a housing counseling resource center; and funding for counseling agencies and the resource center.

**Raising Awareness**

The Committee on Raising Awareness defines its mission as a campaign of public education, primarily focusing on potential homebuyers in the targeted neighborhoods. Homeownership can be increased by raising public awareness of the advantages of owning a home. The aim of the committee is to educate people living in the targeted neighborhoods and those from minority groups who might not consider themselves potential homebuyers. The committee works with local media to publicize success stories and report on new programs and initiatives. These publicity efforts also educate both the public and government officials about the importance of government programs in increasing homeownership.

The following approaches have been developed to achieve these goals: publicizing homeownership opportunities and achievements; site visits to focused area developments; homeownership educational centers and special events; and educating homebuyers and homeowners through technology and the media.

**Chicago Partners as a Model for Other Homeownership Efforts**

The partnership in Chicago may serve as a model for other cities trying to increase homeownership rates in low-income communities. By setting high standards and encouraging cooperation among partners, the effort has received praise from several national leaders. The Secretary of HUD, Andrew Cuomo, has said: “The Chicago Partners in the American Dream was one of the first local partnerships to sign on to the National Homeownership Strategy. The partnership’s ambitious targeted area developments will go a long way toward making the American Dream a reality for more Chicago area residents than ever before.” And Marina Carrott, Commissioner for Chicago’s Department of Housing (DOH), stated: “The Chicago Partners for the American Dream has brought together not-for-profit community-based organizations, lending institutions, developers, and governmental agencies to develop homeownership opportunities throughout the City of Chicago, and DOH is proud to be a part of these efforts.”

In the years ahead, as the Chicago Partners work together to achieve their goal of 5,000 new homeowners by the end of the year 2000, it is hoped that others will join in the successes that are developed and create homes in all parts of the country that families can afford and take pride in.

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