In Chicago, an Attempt to Upgrade a Neighborhood

By ROBERT SHAROFF

A NEW housing development rising on the city's North Side is the first step in what city officials hope will be the transformation of one of Chicago's most notorious public housing projects into one that mixes the economic classes and makes the area more like Old Town or Lincoln Park, two gentrified neighborhoods it borders.

The public housing project is Cabrini-Green, which sits on a 70-acre parcel of land a stone's throw from tony areas like Michigan Avenue and the Gold Coast, but which for years has served as a symbol of urban blight and the failure of public housing policy.

City officials say the new project, called North Town Village, will be a model for other cities looking to redevelop blighted public housing projects.

"We feel we're at a critical point where we can move ahead with what is truly a great vision for redeveloping outdated public housing," said Christopher R. Hill, Chicago's commissioner of planning and development. "If it works here, it will work in other places. But this is the first."

The new project, which occupies seven acres that abut the northwest corner of Cabrini-Green, is to consist of 261 residences in a variety of low-rise buildings, mainly two- and three-story town houses and condominiums, with a few larger buildings. Some of the units will be for sale, and some for rent.

The building materials are mainly brick and stone and the architectural details in the Victorian or neo-Classical style. The architect is Todd Main, a principal with Bauhs, Dring & Main Ltd. in Chicago.

Renderings show a design similar to a number of other housing developments, public and private, that have been built downtown in the last few years.

What is different is the location and the prospective tenant base. Although there are other new developments in Chicago neighboring large tracts of public housing, North Town Village is the largest, and the first to include three distinct components: market-rate units, "affordable" homes with income ceilings for tenants and public housing. The land, which is steps away from several of Cabrini-Green's high-rise towers, was sold by the city to the developers, Holsten Real Estate Development Corporation and Kenard Corporation, at a reduced price of about $5.5 million in exchange for their commitment to go along with the city's plans for the area. That price is about half of the market price of similar property.

THE development is designed to have 50 percent market-rate units, 30 percent public housing units and 20 percent low-income units. (The 40 low-income rental units are intended for families that make no more than 60 percent, or $40,000, of the city's median income, and the 12 low-income units for sale are intended for families that make 120 percent, or $81,000, of the median income.)

In a change that reflects the city's new approach to public housing, the Chicago Housing Authority will lease the public units from the developers but not manage them. Instead, the project will be managed by a private company. "We're getting out of the business of running and managing programs," said Terry Peterson, the authority's chief executive officer.

Prices for the 93 market-rate units that are for sale start at $146,900 for a one-bedroom condominium and climb to almost $500,000 for a three-story town house. "We have mixed all three income groups completely throughout the development," said Peter Holsten, president of Holsten Real Estate. "Every building has all three income groups in it. You'll have an expensive town house with a public housing family next door."
Harold Lichterman, president of Kenard, added: "There's no difference at all between the market rate and the affordable and public units. If the market rate gets a fireplace, the public unit gets a fireplace."

The project is expected to cost about $65 million; about half of the financing is being provided by grants and subsidies. "It's a very expensive project," Mr. Holsten said. "We're really trying to build a brand-new community here, and it's more than just bricks and mortar. We're putting a lot of energy into the people part."

The "people part" includes an extensive screening program for public housing families that includes drug testing, and a program designed to ease their entry into the private housing market, with neighbors from different economic classes. "For many of them, this will be their first private housing experience," Mr. Holsten said. "The program will teach them how to take care of their unit and what it's like to live in a private housing community."

Construction on North Town Village began last spring, and the project is expected to be completed in mid-2002. Some units will be ready for occupancy by next spring.

Reaction from buyers of the market-rate units has been positive. The sales office opened in mid-June and all but six of the 93 market-rate units have been snapped up. One of the early sales was to Kevin and Jennifer Hardman, who currently live west of the downtown Loop business district.

"The location is wonderful," said Mr. Hardman, a marketing manager at a suburban manufacturing company. "It's an area with a lot of potential. We didn't jump into this for altruistic reasons. It was a financial decision. We wanted the best home we could find for the money."

He added, however: "We're excited to be a part of the experiment. I'm a big believer in mixed-income communities."

The split between market-rate, public and low-income units is one the city sees as key to its larger goal of redeveloping the area. Cabrini-Green, built over 20 years beginning in 1942, has been a major trouble spot on the North Side for many years.

THE heart of the complex is a series of 14 brick high-rises -- many of the "open gallery" variety, meaning that there are no internal hallways -- along with several blocks of row houses and smaller buildings. At its peak occupancy, the complex housed as many as 15,000 low-income tenants and was a hub of gang and drug-trafficking activity in the city. Things got so bad in the late 70's that Jane E. Byrne, then the mayor, lived in the complex for about a month in 1981 in an effort to restore order. Eight years ago, Cabrini-Green made national headlines when a 7-year-old boy who lived there was shot and killed by a sniper on his way to school.

Development in the area around the Cabrini-Green houses stagnated in the 80's, but in the 90's, as the downtown housing boom gathered force, developers began taking another look at the blocks surrounding the complex. "It's some of the best land in the entire city," said Harry Huzenis, a principal with Jameson Realty Group, a residential brokerage firm in the neighborhood. "It's more affordable than Old Town or Lincoln Park but it has a lot of the same advantages in terms of location," he said -- about 10 blocks from the Loop.

The sticking point for many developers and prospective homeowners, however, remains Cabrini-Green. In the mid-90's, the city unveiled a plan to redevelop the area that included demolishing many of the largest high-rises and turning over some of the land to private developers. It also moved ahead with an aggressive public works program for the neighborhood that included building a park at the intersection of Division and Orleans Streets; two schools, including an elite, $35 million magnet school; a library; and a police station.

Two high-rises had already been torn down and several others had been boarded up when work came to a halt in the wake of a lawsuit filed by the Cabrini-Green Local Advisory Council, a tenants' group. The suit challenged the city's right to tear down the buildings without first guaranteeing residents equivalent or better housing in the neighborhood.

The lawsuit was resolved with the signing of a consent decree last month in which the city promised to build 700 units of public housing, including those in North Town Village, in an area bounded by North Avenue, Wells Street, Chicago Avenue and the Chicago River in exchange for the right to demolish three more high-rises.

"We got a good settlement," said Cora Moore, 62, president of the Local Advisory Council and a 40-year Cabrini-Green
resident. "We want to live right here on the same land we've been living on all the time. We want a decent, sanitary place to live. Our goal has been accomplished."

If all goes according to plan, the units will be contained in low-rise buildings similar to those of North Town Village. "For the last 30 to 40 years," said Mr. Peterson of the Chicago Housing Authority, "we've isolated public housing residents socially and economically. But the residents are ready for a change. We want to integrate them back into the fabric of the community."