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Citizens, Local Government and the Development of Chicago's Near South Side

Discussion Paper No. 90, November 1997

David C. Ranney, Patricia A. Wright and Tingwei Zhang with commentary by Marcel Acosta and Judy Meima

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Preface

As one of their contributions to preparations for the World Summit for Social Development (Copenhagen, March 1995), UNRISD and the United Nations Volunteers (UNV) undertook a project on **Social Integration at the Grassroots: The Urban or “Pavement” Dimension**. Its purpose was to survey and highlight the current and potential contributions of volunteer effort towards social integration at the local level. Between July 1994 and March 1995, local activists prepared case studies of innovative or especially instructive efforts by community organizations and volunteer groups to combat grave urban social problems in 17 cities on four continents.

A common theme to emerge from these city-level case studies was that community responses to urban social problems could achieve much greater multiplier effects if they occurred in a context of genuine support from a stronger, more open local government. UNRISD and UNV therefore embarked on another project with the aim of better understanding the successes of and constraints on collaboration between community organizations (including volunteer groups) and local authorities. This project, **Volunteer Action and Local Democracy: A Partnership for a Better Urban Future** (VALD), presented its preliminary findings from eight cities — Chicago, East St. Louis, Ho Chi Minh City, Jinja, Johannesburg, Lima, Mumbai and São Paulo — at the Habitat II Conference (Istanbul, June 1996).

This Discussion Paper combines a series of contributions from the VALD project in Chicago: an overview study of the social, political and economic forces that tend to limit the influence of community organizations on decision-making in the city of Chicago; three case studies on the interaction between Chicago authorities and community organizations around urban redevelopment issues in Chicago’s Near South Side neighbourhoods of Chinatown, South Loop and South Armour Square; and the reactions to the main themes of the study by a Chicago Department of Planning and Development official and a prominent NGO activist.

The central questions posed by this study are where are poor people in Chicago to live, and who has the right to decide? The authors assert that, in spite efforts by low-income and marginalized groups to organize to defend their interests, their housing choices are determined largely by powerful business coalitions that have little incentive accommodate the interests or preferences of low-income groups. This is a result of several factors, including the legacy of institutionalized racism, the complexity of the urban development process, the inequitable use of taxpayer subsidies to finance housing and infrastructure serving the middle and upper classes, and the City’s abdication of responsibility to regulate the use of urban space for the benefit of all citizens.

Furthermore, according to the authors, when citizens become developers by creating community development corporations (CDCs), a tension arises between using CDCs in the interests of poor people and the fact that the development process itself is designed for contrary class interests. The authors point out a need to change the decision-making process by placing limits on abuses of state power, such as those highlighted by the case studies, and to make community organizations — particularly CDCs — accountable to the poor people they are chartered to serve. The authors also argue that coalitions addressing poor people’s interests should not focus all of their energy on gaining power in local government. The electoral victory of such a coalition in Chicago, and the subsequent administration of progressively-inclined Mayor Harold Washington, Chicago’s first Black mayor, did not significantly change the nature of urban property development. The case studies point out that poor people’s issues must be articulated from both class and race perspectives. In that regard, the mixed income community has not offered a viable solution to the problems outlined in the case studies. If the mixed income community is used for the benefit of dominant political

interests, it can eliminate affordable housing and facilities for the very poor and erode their political power by dispersing them.

A key conclusion drawn by the authors is that strong class-based community organization and an organizing agenda that confronts the biased nature of the urban property development process are of crucial importance. The authors outline a number of specific rules and regulations that need changing, emphasize that an organizing agenda must address both race and class if progress is to be made, and claim that alliances that go beyond neighbourhood boundaries can be more effective than organizations that are confined to a particular geographical area.

Anecdotal evidence from VALD case studies in Lima and Mumbai suggest that recent liberalizations of urban land markets are forcing similar choices on low-income centre-city residents in these cities.

David C. Ranney is Associate Professor at the University of Illinois at Chicago's College of Urban Planning and Public Affairs (UIC-CUPPA). Patricia A. Wright is Associate Director of UIC's Nathalie P. Voorhees Center for Neighborhood and Community Improvement. Tingwei Zhang is Assistant Professor at UIC-CUPPA, and is also co-ordinating VALD project research in China. Together, the authors have spent four decades working to build the capacity of community groups and NGOs in the affected neighbourhoods through applied and action-oriented research.

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Dharam Ghai
Director

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The authors are also grateful to the citizens of the South Armour Square Neighbourhood Coalition, Chinatown Chamber of Commerce, Chicago Coalition for the Homeless, the Statewide Housing Action Coalition, and the South Loop Development without Displacement Campaign for their participation and comment upon this study.

A number of individuals with these organizations, the University of Illinois at Chicago, and the city of Chicago contributed to this study. They include Marcel Acosta, Donna Cavato, Roberta Feldman, Nacho Gonzalez, Ron Hesselgrave, Marc Jolin, Judy Meima, Anne Ray, Jenny Yang and Lynne Westphal.

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David C. Ranney
Patricia A. Wright
Tingwei Zhang

Abbreviations and Acronyms

CADC	Chinese-American Development Corporation
CAHC	Chicago Affordable Housing Coalition
CASL	Chinese-American Service League
CCAC	Chicago Central Area Committee
CCH	Chicago Coalition for the Homeless
CDBG	Community Development Block Grant
CDC	community development corporation
CHA	Chicago Housing Authority
CIO	Congress of Industrial Organizations
CRA	Community Reinvestment Act
CRA	Chinatown Redevelopment Association
DOH	Department of Housing, city of Chicago
DPD	Department of Planning and Development, city of Chicago
HUD	Department of Housing and Urban Development (federal government level)
IDFA	Illinois Development Finance Authority
IHDA	Illinois Housing Development Authority
ISFA	Illinois Sports Finance Authority
IWW	International Workers of the World
LISC	Local Initiative Support Corporation
NRA	Neighborhood Redevelopment Assistance (Chinatown)
SASNC	South Armour Square Neighbourhood Coalition
SHAC	Statewide Housing Action Coalition, Illinois
SRO	single room occupancy (hotel)
TIF	tax increment financing
UDAG	Urban Development Action Grant

Introduction

This study focuses on the efforts of community organizations to influence the development of three Chicago neighbourhoods. While each case is different, together they demonstrate both the problems of and opportunities for collaborations between local government and community organizations in the local development process. The three cases are all situated on Chicago's Near South Side (see attached map) and involve local development projects in three communities or neighbourhoods, South Loop, South Armour Square and Chinatown. Public sector initiatives on the Near South Side have been grounded in a goal to attract middle and upper income people to live in these areas of Chicago. While financial incentives have been made available toward this end, there has been a lack of comparable resources for housing that is affordable for the very poor — who are, presently, the majority in these neighbourhoods. As new expensive, “upscale”, housing is built, publicly owned and subsidized housing is deteriorating or being eliminated.

The Near South Side was built around two key industries — the railroads, and printing and publishing. These industries provided an anchor for a significant warehousing district and a number of small supplier industries. The area was also the original location of Chicago's Black and Chinese neighbourhoods. Major economic and demographic forces set in motion the developmental and socio-economic changes that define the problems these communities face today.

Major technological changes in the printing industry led to its collapse in the South Loop and, with it, the decline of associated warehousing activity. Between 1970 and 1987, the number of printing industry establishments in the area declined from 96 to 45.¹ Today only a handful are left, and the traditional “printer’s row” area has been converted to expensive restaurants and condominiums. The Near South Side was also the centre of Chicago’s massive railroad industry. The railroad yards provided a source of employment for nearby residents, and their location relative to the Chicago River and major truck arteries made the area an attractive location for a variety of manufacturing industries as well. The general decline in manufacturing, along with changes in transportation technologies, sealed the doom of the railroad yards and many of the manufacturing firms in their vicinity. The area is littered with abandoned factory buildings, creating a land base that is ripe for “alternative” development. For example, a major upper income residential area known as Central Station is currently being built on land once used by the railroad industry.

These changes, which have undermined the employment base of Near South Side residents, were preceded by economic and demographic push forces which increased the area’s population. Blacks migrated from the southern United States in two major waves at the conclusion of the First and Second World Wars. Many moved to Chicago and settled in the few areas of the city where they were allowed to live — of which the Near South Side was one. This eventually caused massive overcrowding and racial tensions with traditionally white neighbourhoods to the west, which felt threatened by the need of adjacent Black neighbourhoods for more space. The city government sought to defuse these tensions with the construction of a major expressway to serve as a barrier to Black expansion westward, and the construction of massive high-rise public housing developments, as will be described below.

Expansion of Chinatown was similarly constrained by ethnic discrimination, declining economic opportunities and expressway construction. Yet waves of migration continued, and the neighbourhood became overcrowded and infrastructure run down. Even its traditional base of restaurants and shops was threatened by these physical and economic constraints.

In this paper, we argue that citizen-government collaboration in Chicago is shaped by and, in turn, shapes three kinds of forces: a) demographic/economic; b) ideological/political; and c) institutional.² We use these forces to explain how low-income Black and Chinese people became concentrated in the Near South Side of Chicago, and why their neighbourhoods then became attractive to higher income people. Furthermore, we explain that without direct intervention of the affected community through the mobilization of citizen organizations and other activists to counter these forces, the original residents would be driven from their homes.

The study is presented in three parts. Part I describes the demographic/economic, ideological/political and institutional context of the study. Part II summarizes the three cases (longer versions are included in the appendix). Part III draws together the common themes that emerge from the case studies, as well as three community focus groups and 28 interviews.³ These include the class bias inherent in the process of urban redevelopment in Chicago, which militates against the effective participation of poor people. As a result, a number of community organizations have evolved into not-for-profit community development corporations (CDCs), in an effort to initiate real estate development that protects and promotes the interests of low-income groups. But our cases caution us that CDCs contain a duality. Even when urban redevelopment is undertaken by community organizations or CDCs, the class bias tends to remain.

Chicago political administrations, 1955-present	
Mayor	Dates of administration
Richard J. Daley	1955-1976
Michael Bilandic	1976-1979
Jane Byrne	1979-1983
Harold Washington	1983-1987
Eugene Sawyer	1987-1989
Richard M. Daley	1989-present

We also examine the role of local government. Our cases span several different political administrations (listed above), including those of a progressive Black mayor, Harold Washington, who vowed to reform local government on behalf of the poor. The case studies reveal, however, that there are limits to state power. Under the Washington administration, the process of urban redevelopment on which we focus changed very little. Moreover, our study suggests that behind the concept of the “mixed income community” — which is often put forward as a solution to the problems encountered in urban redevelopment in American cities, and will be explained below — is the reality that there are serious divisions among people in Chicago based on **both** class and race: Black, white and Chinese people are divided by race, and all three racial groups are also divided on class lines. The mixed income community is an abstract and hollow notion until it is defined in the political arena, where the race/class divisions come into play. The case studies reveal that, in practice, the mixed income community does not address the fundamental question of where poor people are to live. Part III closes with two views of the possibilities for citizen-local government collaboration. One is from the perspective of an activist and the other a local government official.

The present paper was written jointly by three authors. But it is also the product of a collaboration that included a number of community organizations. These included the South Armour Square Neighborhood Coalition, the Chinatown Chamber of Commerce, the Chicago Coalition for the Homeless, the Statewide Housing Action Coalition, and the South Loop Development without Displacement Campaign.⁴ Twenty-eight interviews of government officials, private real estate developers, community organization members and journalists were also carried out. Finally, there was an exhaustive review of newspaper articles and other published documents about the areas being studied.⁵

Part I: The Context of Community Development in Chicago

Demographic/Economic Context

Chicago, a city of 2.8 million people, lies at the heart of a metropolitan region with a population of 6.7 million. Within this region, the city of Chicago, a municipality, is one of 1,067 different political jurisdictions. These include 218 other municipal governments, 98 township governments, 258 school districts, 487 other “single purpose districts” (which manage and finance many of the area’s parks, water supply and sewerage facilities), and 5 county governments. In addition, the US federal government and the government of the state of Illinois have some jurisdiction over Chicago.

The multiple jurisdictions in the Chicago metropolitan region reflect a trend of demographic and economic decentralization that began after the Second World War. The construction of highways, the availability of financing for suburban housing development, and changes in manufacturing technology requiring large tracts of horizontal space caused people and economic activity to migrate to suburban areas. While 68 per cent of the Chicago area

population resided in the city of Chicago in 1960, by 1990 the proportion had dropped to 38 per cent. During the same period, the population of the city of Chicago decreased by 22 per cent, while that of the metropolitan area increased by nearly 40 per cent.

The initial exodus of population beginning in the 1950s consisted of middle and upper income white people, due to fact that many suburban communities would not allow Black people to live in their communities and banks would not lend them money.⁶ While civil rights struggles in the 1960s and 1970s eliminated many overt forms of discrimination, racial and class segregation patterns remain to this day. Migrations of other racial groups — primarily Latinos and Asians — also took place within specific areas of the city, reinforcing the concentration of the area’s lower income population and its people of colour.

Today the white population is a minority of the total population of the city of Chicago. The estimated racial composition of the city is shown in the table below.

Racial composition of the city of Chicago, 1996	
White	38 per cent
Black	38 per cent
Latino	20 per cent
Asian	4 per cent

US Census, Claritas Marketing Information, 1996.

Beginning in the 1960s, two trends merged to counteract the racial and class aspects of decentralization. Federal funds and city policy both increasingly aimed at redevelopment of portions of the city and replacement of housing for low-income residents with upper income residences, in an effort to attract middle and upper income people back to the city. Using subsidies from federal and local government sources, large tracts of affordable housing were demolished and replaced by expensive new units. Other housing units were rehabilitated and either resold or leased at very high rents. At the same time, as a result of the civil rights movement of the 1960s, new areas of the city of Chicago and some suburbs opened up to Blacks and Latinos.

The combined result of these trends was threefold. First, some parts of the city of Chicago changed rapidly from lower income Black or Latino to middle or upper income white majority areas. Lower income people were forced out of their neighbourhoods as rents and taxes increased beyond what they were able to pay — a process that has become known as **gentrification**. Second, people who were forced out of gentrified areas of Chicago concentrated in racially segregated neighbourhoods (termed “ghettos” in the 1960s), where the remaining stock of affordable housing was located. Third, middle and upper income Black and Latino residents left these ghettos for racially desegregated suburban communities or more upscale Chicago neighbourhoods. While Chicago’s Black neighbourhoods previously had a mix of lower and middle income people, many now hold concentrations of very poor people. For example, the average income in the Near South Side, which is predominantly Black (with a small Chinese enclave) is half that of the city as a whole. More than 60 per cent of the residents of the area fall below the US government’s official “poverty line”, while in the city of Chicago as a whole, 22 per cent of the residents are below that line (US Census, 1990).

The concentrations of poverty in the city of Chicago and in our study area have been exacerbated by changes in the Chicago metropolitan region’s economic base. The key aspect of that change is the decline in manufacturing employment. Prior to the 1970s the employment base of the Chicago area was predominantly in manufacturing. In the mid-1970s this base began to decline, and it nearly collapsed in the 1980s: between 1979 and 1989, the

Chicago metropolitan area suffered a net loss of over 151,700 jobs.⁷ This loss was due, in part, to technological changes in manufacturing, which required less labour, as well as to global economic integration, as a result of which firms have become increasingly internationalized and highly mobile.⁸ The city of Chicago alone lost nearly 129,000 jobs, and over half of this job loss was suffered by Black and Latino workers.⁹ Between 1990 and 1995 this trend continued. In the state of Illinois (within which the Chicago area dominates), manufacturing employment lost an additional 16,000 jobs as its share of total employment fell from 19 per cent to 17 per cent.¹⁰

The manufacturing job loss represented a considerable loss of income to workers generally, but particularly to Black and Latino workers. The lost jobs paid “living wages”¹¹. They were also a point of labour market entry for the grown children of workers, through parental union and company ties. The jobs that have replaced those lost in manufacturing lack the labour market connections of the old jobs, and are inferior in a number of other ways as well. Nearly one third of all new jobs created in Illinois since 1991 are temporary help jobs that pay lower wages and often lack benefits, such as health insurance.¹² Twenty-three per cent of all employed workers in Illinois work at part time jobs and nearly 6 per cent are forced to work at more than one job to earn a living. In the Chicago metropolitan area, over 150,000 workers are employed in temporary and/or part time jobs and earn less than a living wage. Blacks and Latinos make up 55 per cent of these workers, although they comprise only 26 per cent of the total workforce.¹³

There are also large numbers of people who are unemployed. Some have given up looking for work, or try to subsist in the informal economy or on government welfare payments. In 1994 it was estimated that there were 285,459 unemployed workers and welfare recipients in Illinois;¹⁴ they are concentrated in the Chicago area. In the city of Chicago there were six of these workers for every job available, and over 40 workers for each available job that pays a living wage.

Ideological/Political Context

Politics, race and class: Theoretical perspectives

Citizen interaction or collaboration with local government takes place within a context that is both ideological and political. In the United States, basic notions of economic and social justice that developed out of the class struggles in the 1930s and the civil rights struggles of the 1960s are under attack. In the national political arena, there is a major assault on the concept of affirmative action and the laws that require it. (Affirmative action means that all groups who have historically suffered discrimination must be given special consideration in employment decisions, admission to universities and financial aid to pay for university-level education.) In addition, there is a basic challenge to the notion that government should provide a safety net so that all citizens have housing, enough to eat, medical care and a basic living allowance. Since President Franklin D. Roosevelt’s New Deal of the 1930s, there have been numerous federal government programmes toward these ends, including subsidies for food, housing, medical care and financial payments to households with dependent children.

Unlike previous historic periods where people of colour had to fight overt discrimination, the present twin assault on affirmative action and the social safety net is coming both from the white political majority and from some middle and upper class people of colour. Furthermore, this assault is not coming solely from the politically conservative; many who consider themselves to be progressive have joined forces with their historic enemies on the right.

This strange political climate involves a complex mixture of racial and class perspectives. The prevailing view on both right and left includes a number of elements. One is that poverty is

predominantly a behavioural, rather than an economic problem. Progressive¹⁵ Black intellectuals, such as William Julius Wilson, have popularized the notion that very poor people who have dropped out of the labour market constitute an “underclass”.¹⁶ In Wilson’s work, economic conditions, particularly high rates of unemployment and spatial concentrations of very poor people, have negative behavioural ramifications. And these behaviours become an impediment to labour market success. While Wilson favours a variety of governmental programmes to improve the employability of the urban poor, in practice the policy emphasis stemming from his analysis has been on correcting behaviours. One element of this emphasis is the notion that the poor people who constitute this “underclass” are in need of middle class role models who can, through proper mentoring, address the behaviour problem.

[I]f the truly disadvantaged segments of an inner-city area experience a significant increase in long-term spells of joblessness, the basic institutions in that area would remain viable if much of the base of their support comes from the more economically stable and secure families. Moreover, the very presence of these families during such periods provides mainstream role models that help keep alive the perceptions that education is meaningful, that steady employment is a viable alternative to welfare, and that family stability is the norm, and not the exception.¹⁷

As we will see later in this paper, this view provides justification for some of the development policies such as the “mixed income community” that are dominant on Chicago’s Near South Side.

A more conservative view of the “underclass” phenomenon is that government social safety net programmes have created a dependency that inhibits the development of types of behaviour that are consistent with labour market entry. Black and white conservatives have argued that affirmative action undermines ambition, since employment results from government decree rather than merit. Furthermore, programmes like public aid for families with dependent children reward those who refuse to work and foster dependency on the government dole.¹⁸ But even many progressives join conservatives in calling for the replacement of government dependency with “self-help”, “self-sufficiency” and “empowerment”.

These views have been attacked from the left. Adolf Reed Jr., for example, has argued that the underclass framework has undermined the ability of Black urban poor people to mobilize and make effective demands on the political system.¹⁹ For one thing, Reed argues, emphasis on individual behaviours diverts attention away from the underlying political/economic dynamic that causes poverty to begin with. Second, it is a third person discourse **about** poor people that presumes their incompetence in finding solutions to the problems they face. Third, the association of the underclass framework with the rhetoric of “self-help” and “empowerment” precludes a role for government in eradicating poverty.²⁰ Reed points out that the current version of self-help is premised on the view that the pathology dominant in inner city neighbourhoods undermines the possibility of normal civic life; that as a result the problems of these neighbourhoods are beyond the reach of government action; and that therefore these problems can be addressed only by a private, voluntarist, responsible middle class. In short, the prevailing underclass framework is incompatible with the notion of broad-based citizen participation in the development of government policy. Government action is reduced to enhancing market forces.

One important manifestation of these prevailing ideologies is the approach to the redevelopment of inner city neighbourhoods. The notion of the mixed income community has gained wide popularity across the United States. In neighbourhoods where there is a heavy concentration of poor Black people, middle class property developers and real estate promoters — both white and Black — and many residents are seeking solutions to

neighbourhood problems through the development of expensive real estate projects that are designed to attract middle class residents to the area. At times this emphasis has bred opposition to the construction of lower cost, government subsidized housing on the grounds that “we have too many poor people in our community”. On the other hand, some residents argue that this diverts attention from the problems faced by people most in need. It is also argued that the increase in expensive housing will eventually make the neighbourhood unaffordable to its current residents, forcing them to concentrate into a shrinking base of affordable housing units. Prior experiences lend support to this claim: in many cities in the United States, including Chicago, very expensive neighbourhoods have resulted from government subsidized redevelopment that forced lower income residents out²¹.

The notion of the mixed income community, however, has different meanings in different circumstances. Powerful, politically connected, often white real estate developers have historically made use of federal government money and local government connections to drive poor people out of particular areas only to replace their residences with more expensive private homes served by costly commercial infrastructure. In these instances, poor people’s organizations have insisted on “set asides” for lower income people — arguing, in other words, for mixed income communities. To the extent that this position is taken from the vantage point of the **right** to decent housing and the **obligation** of government to ensure that right, it tends to clash with the prevailing ideology about the primacy of market-based solutions and the notion that the problems of members of the “underclass” are behavioural.

Politics, race and class in Chicago

The relationship of politics, race and class to ideology as described above takes on a particularity in the Chicago context. In the cases of South Loop, Armour Square and Chinatown developed below, the interrelationships of politics, race and class are crucial to our understanding of collaborations between community organizations and local government, as well as the nature of real democracy. How the general political/ideological context described above plays itself out in Chicago, however, requires some background on Chicago’s history.

Chicago’s political history is one of a continuous interplay of class and race. Chicago has historically been a focal point for labour organizing. Three massive labour upheavals in the latter part of the nineteenth century were focused in Chicago. A general strike in 1877 led to violent struggles between workers and police. In 1886, violence around the movement to limit the working day to eight hours resulted in the arrest and execution of leading political activists. In 1894, a strike against the Pullman Railroad Car Company spread throughout the Chicago area, becoming a general strike, and federal troops were brought to the city to restore order. In the twentieth century, that tradition has continued. Chicago was critical to the birth of industrial unionism, with the founding of the International Workers of the World (IWW) in 1905 and the establishment of the Congress of Industrial Organizations (CIO) in the 1930s. As US corporations began to accept the inevitability of trade unions in the late 1930s, the Chicago political establishment increasingly attempted to accommodate organized labour, seeking its support.

Race and ethnicity have always been factors in Chicago’s labour history and its political history. Chicago was a major destination for waves of immigration from Europe in the late nineteenth and early twentieth centuries, and the city’s labour movements, and politicians, both attempted to bring the new immigrants into their fold. Many of these immigrants became leaders in both the labour movement and in Chicago’s city government. The city of Chicago is broken down into small political districts called wards, each represented on the city council by an alderman. Because the city as a whole has long been ethnically heterogeneous, politicians learned very early to play to the dominant ethnic groups in their ward in order to

mobilize their constituents. Out of this, a system of patronage was established through which wards could elect an alderman to serve on the city council. The mayor provided “his aldermen” (i.e., of his party) with various political favours and resources (such as city jobs) which could, in turn, be distributed by the alderman to his constituents. At the same time, the mayor and aldermen supported the business élite — often with police suppression of labour militancy.

The Chinese population has historically been left out of this system of patronage, isolated from the Chicago political mainstream.²² The lack of representation is not only a result of the relatively small size of the population, but of historical factors dealing specifically with race as well. In the nineteenth century, Chinese immigrants were welcomed into the United States because of the need for cheap labour to build the railroads and to mine gold in California. But toward the middle of the century, a surplus of labour caused a wave of anti-immigrant racism not dissimilar to the attacks on Latino immigrants today. Even organized labour movements lobbied government to ban Chinese immigrants. Anti-Chinese sentiment manifested itself in national laws that sanctioned discrimination against the Chinese and prevented them from gaining political representation. The Chinese Exclusion Act and the Geary Act of 1882, and the National Origin Law of 1924, prevented Chinese from becoming US citizens (and hence voters or political office holders) and also prevented them from operating businesses other than restaurants and laundries. The Chinese were excluded from attending public schools. These laws prevailed until 1943. Even today, there are no Chinese aldermen in most big cities, including Chicago. Racism and the Chinese exclusion laws are at the heart of this marginalization.

Black workers, like the Chinese, have historically been another notable exception to the Chicago system of political assimilation and representation. There have been a number of different waves of Black migration to Chicago.²³ Following the end of slavery in the southern United States in the mid-1860s, Chicago’s Black population grew at a rapid rate. Between 1870 and 1900, that population increased from 955 to over 30,000. Severe repression against Blacks in the southern states in the early 1900s set off another wave of migration, and between 1910 and 1930 the population grew from 44,103 to 234,000. Blacks also migrated north from the southern United States following both World Wars.

Nationally and in Chicago, the white dominated labour movement often excluded Black workers — and because of this exclusion Black workers were at times willing to cross picket lines during labour conflicts and take white union jobs. The competition for jobs, as well as racism, led to serious and sometimes violent conflict between Black and white workers. Between 1917 and 1919, organized gangs of Irish and Polish workers frequently attacked Blacks on the street. During the summer of 1919, a Black youth was killed by whites who stoned him while he was swimming. Blacks retaliated and a three day “race riot”, which in reality was an armed conflict, broke out during which gangs of whites raided Black neighbourhoods. Both whites and Blacks were killed in the conflict.

While instances of violent racial repression continued from time to time, the white majority aimed, for the most part, to contain Blacks in certain areas of Chicago by maintaining segregated neighbourhoods, schools and public facilities. During the 1960s, civil rights leader Dr. Martin Luther King Jr. attempted to integrate Chicago’s white neighbourhoods. He was met with political resistance from Mayor Richard J. Daley and some Black politicians who had been accommodated into Chicago’s political system. King also met violent resistance when he attempted to march in white neighbourhoods.

From its 1919 “race riot” to Martin Luther King’s failed efforts to combat Chicago’s residential segregation at the turning point of the civil rights movement, overt forms of racism in Chicago continued unabated. Racism in the public sphere and in political institutions also

continued to exist, but it was forced to appear in disguise. Chicago's political system has continuously served to guarantee the existence of white privilege, which has taken different forms at different times, in the private realm.²⁴ The election of Chicago's first Black mayor, Harold Washington, in 1983 reflected a ground-swell of sentiment by Black people, along with some white and Latino allies, against the racist political practices — favouritism, payoffs and other forms of corruption — that had been common in Chicago up to that time.

One recent analysis argues that there have been three stages in the evolution of Chicago's political treatment of its Black citizens.²⁵ Between 1923 and 1947, two Black aldermen on the city council were supposed to represent all Blacks in Chicago, making this a period of "symbolic representation". During the next 20 years, the number of Black aldermen tripled, marginally increasing the number of Black representatives relative to the Black population. Yet all six aldermen were completely loyal to the Democratic Party machine generally and, specifically, to its leader for 12 of those years, Richard J. Daley. This period, 1947-1967, has been termed a period of "machine representation".

The year 1967 began what Alkalimat and Gills call a period of "proportional representation", during which the number of Black aldermen increased to 19. These were eventually divided between the "machine regulars" and more "independent", reform-minded Democrats. Between 1967 and 1971, the percentage of Blacks on the city council relative to the number of Black people in Chicago showed a dramatic increase. This change was precipitated by the civil rights movement of the 1960s, which precipitated a new historic initiative whereby Chicago's Black residents began to organize outside the confines of "machine politics" for better schools, better housing and an end to racism. Mayor Richard J. Daley and his political "machine" fought this movement by manipulating and co-opting some Black politicians. (For example, in 1966, it was the leading Black politician, Ralph Metcalf, who joined the mayor in his effort to force Dr. King to leave town.)²⁶

The period of proportional representation was shaken in 1969 when the police murdered Fred Hampton, a charismatic leader of a militant Black organization (the Black Panther Party). Hampton was assassinated by Illinois state police while sleeping in his bed in Chicago. Another Panther member, Mark Clark, was also killed by the bullets directed at his leader. The leader of the raid, State's Attorney Edward Hanrahan, was a major local Democratic Party leader. The news of Hampton's death shocked Black citizens, leading to a virtually spontaneous shift in Black political consciousness. One Black activist and former Democratic Party precinct captain, who helped mobilize the vote at election time for the Black politicians who ran his neighbourhood, recalled in an interview with the authors that, on hearing the news of Hampton's death, he had raced to the office of his Black alderman for an explanation, only to find that no one in the office would even discuss the matter.²⁷

The silence in the ward office foreshadowed the muted support Daley received thereafter from prominent Black Chicago politicians. Thus ended the "political career" of one obscure precinct captain, who never worked for the regular Democratic Party again. He explained to the writers of this paper that the Chicago political system at that time was one in which whites controlled city politics and policies, and the machine-loyal Blacks controlled Black citizens — a system that today is known as "plantation politics". He termed it a "boss-Black relationship".²⁸

A clear break from the boss-Black relationship thus began the period of proportional representation in 1967. However, that same break also led Black voters and their leaders to recognize the need to gain control over city government in order to put an end to the machine system once and for all. That thinking lay behind the movement that culminated with the election of Harold Washington as mayor of Chicago in 1983. Allied to this movement of Chicago Blacks was a decisive percentage of the Latino and progressive white electorate.

Putting a Black person in office was seen as outward, visible opposition to Chicago's racism. By upsetting the "machine", with its patronage and privilege, it was hoped that the role of local government in the enforcement of the day-to-day racism of private life could be eliminated. Thus the chant "We want Harold" became a symbolic battle cry for an end to racism; the blue Washington campaign button was its emblem. The meaning of the Washington movement and its reform campaign to dismantle state-sanctioned white privilege was not lost on the old machine forces and their constituencies. Race became **the** campaign issue — the only issue.

Two prominent themes emerged in Washington's speeches, and ultimately came to characterize his administration: "fair share" and "unity".²⁹ Fair share had a dual meaning. Blacks, Latinos and women were to be treated fairly and get their fair share of the resources of city government. However, the particularity of this meaning became generalized to mean that the city of Chicago was entitled to its fair share from the federal government. The theme of unity had a similar duality. Blacks and other minorities would have to unite to get their fair share in Chicago — but all Chicagoans would have to unite in order for the city to get its fair share at the national level.

When Washington took office as mayor of Chicago in 1983, his supporters did not hold a majority in the city council where city laws are made. Throughout his first term in office, Mayor Washington faced a concerted effort on the part of the majority bloc of white aldermen to impede his administration at every turn. "The Vrdolyak 29", so named for "Fast Eddie" Vrdolyak, the white alderman and head of the Cook County Democratic Party who spearheaded the opposition, obstructed every possible Washington initiative. White intransigence guaranteed that racism remained **the** issue for Washington's entire first term in office. It was not until the beginning of his second term, in 1987, that the city council majority supported the mayor and Washington could potentially pursue his own agenda more thoroughly. Furthermore, between 1983 and 1987, the vision of what the Harold Washington movement **stood for** underwent a shift. The first term, 1982-1986, saw the politics of fair share and unity directed toward Chicago's minorities. In 1987, with the commencement of Washington's second term, the emphasis shifted to racial and class unity to gain a fair share from the federal government. Nevertheless, fair share through ethnic and **class** unity, in both senses, remained the vision of what the Washington **administration** stood for.

However, in concrete terms — those determined by the political and economic powers of the city of Chicago — the reality of "fair share" was quite limited. While the Black and Latino communities could find in the humane practice and rhetoric of the Washington administration some improvement in their treatment by city government, their overall condition changed very little. The anti-Washington forces, however, were infuriated and felt threatened by even the possibility that fair share — from the perspective of Blacks and Latinos — could become a reality. Their fears and fury took the form of various charges that reflected more what they were afraid of than reality. For example, they accused the Washington administration of being "anti-development" in the midst of a major downtown building boom and construction of a highly subsidized baseball stadium (construction of which necessitated the destruction of a Black neighbourhood, as described in the case study of South Armour Square, below). Increasingly, the response of the Washington administration to persistent white racism was political compromise, professional administration and a preoccupation with its own preservation.

With Harold Washington's sudden and untimely death shortly after his election to a second term in 1987, there was an immediate effort by white politicians to regain control over city hall and Chicago politics, while Black politicians manoeuvred to determine who would "take over" the Washington mantle. Thousands of people took to the streets upon learning that many of the late Mayor's white political enemies planned to install one of their own, or a

Black puppet, as acting mayor. Despite a raucous and unprecedented protest, a Black alderman, Eugene Sawyer, was installed as acting mayor, as nearly 5,000 furious demonstrators chanted “No more deals” outside city hall. Sawyer was supported by some of the most notorious white anti-Washington aldermen. Sawyer’s rival, Alderman Timothy Evans, claimed the people supported him. He went on to form a “Harold Washington Party”, leaving Sawyer to run against Richard M. Daley (son of the former mayor) in the Democratic Party primary. Both Sawyer and Evans lost overwhelmingly in the subsequent elections. Significant numbers of Blacks and Latinos who had voted for Washington in previous elections did not vote at all, and a number of white progressives who had voted for Washington turned and supported Daley.

Richard M. Daley is now in his second term of office. The coalition of progressive whites, Blacks and Latinos that put Harold Washington in office is gone. Washington was successful, however, in ending the “the boss-Black” system of political control that prevailed during Richard J. Daley’s time in office. The race and class politics of the present Mayor Daley have adapted well to the conditions described earlier. Unlike his father, who focused much of his political energy on Chicago’s downtown, the present Mayor is paying attention to Chicago’s neighbourhoods — its distinctive residential areas outside of the city’s central business district or downtown. But he is doing so within the political/ideological context of the “mixed income community”. This will be described in more detail below as we examine the history of planning and property development in the Near South Side. But first we outline one other aspect of the context of our cases — the institutional framework that citizens face in their efforts to influence how urban development decisions are made.

Institutional Context

Citizens who wish to influence the development of their neighbourhoods must do so within the confines of the institutions that have the resources, legal authority and organization to affect policy and the real estate development process itself. In this section, we briefly explain the nature of local institutions in Chicago that provide a context for the real estate developments that are the subject of our cases.

Municipal government

The Chicago municipal government consists of the mayor and city council. The mayor is elected by the entire city population. The council members — aldermen — are elected by the residents of sub-city districts called wards. Each of Chicago’s 50 wards has one alderman. Historically, aldermen have had considerable influence over what happens in their ward. Much of this power is informal; it is a part of how Chicago politics operate.

There are also a number of other governmental jurisdictions in the physical area of the city of Chicago. The most significant of these from a budgetary and political perspective is the public school district. It is governed by a school board which is appointed by the mayor of Chicago. The school district has the power to levy taxes. It’s budget is separate from the city’s.

Local government finances

A key to understanding the process of neighbourhood real estate development is the nature of the financial resources available to local government. The city of Chicago receives approximately 27 per cent of its operating revenues from the federal government and the state

of Illinois in the form of intergovernmental transfers. Taxes on real estate property generate 19 per cent of revenues, other taxes 32 per cent, and the remainder derives from various fees and charges. In addition, the city can borrow money in the form of revenue bonds (which are paid off with revenues generated by the funded project) or general obligation bonds (which are paid from current revenue sources).

The real estate property tax is critical to funding education and municipal services. Periodically, the value of all real estate property is determined; then, each year, a property tax rate is set by a number of different political jurisdictions that operate in the geographical area in which a particular piece of property is located. Within the boundaries of the city of Chicago, for example, seven separate political jurisdictions levy taxes on the value of the real estate. Some jurisdictions, such as the Chicago public school system, are highly dependent on the tax levied on the owners of property. Owners who rent housing units generally pass the tax on to their tenants in the form of higher rents. The total amount of tax is large, thus controversial, and because it is levied by a variety of governmental jurisdictions it is very difficult for citizens to control. The distribution of the 1994 total property tax revenues among the seven jurisdictions that operate within the physical boundaries of the city of Chicago is shown in the table below.

Distribution of property tax revenues, 1994	
City of Chicago	25 per cent
Board of Education	46 per cent
Cook County	12 per cent
Park District	8 per cent
City Colleges	5 per cent
School Finance Authority	3 per cent
Forest Preserve District	1 per cent

Cook County Tax Collector Office, State of Illinois, 1994.

The property tax also sets up a tension in real estate and property development decisions. Both government and private sector property developers have an interest in increasing property values, as high property values enhance municipal public revenues and private profits. But for small property owners and renters with minimal incomes, high property values may mean that their taxes and rents increase so much that they are no longer able to afford to live in their accustomed neighbourhood. The process through which rising property values force lower income residents out of a neighbourhood is what we have termed **gentrification**. This process poses a major dilemma for community organizations and local governments concerned about enhancing the quality of the neighbourhood. Efforts to improve the neighbourhood may well result in rising property values — which may, in turn, make it impossible for low-income residents to remain in the area. Thus “success” in neighbourhood improvement may work against the interests of the very people it was meant to serve. The mixed income community, as discussed above, may appear to be a solution — but it is hard to implement in reality. In Chicago’s political/ideological context, the mixed income community can be a path to gentrification.³⁰

Tools for affordable housing ³¹

The supply of and access to affordable housing in Chicago’s Near South Side are determined by the interaction of a number of tools and institutions. Some of these, touched upon in our case studies, are listed below. But, in Chicago and most other cities, a wider array of tools and

institutions are available and makes the environment within which the urban (re)development process takes place even more complex.

Tax increment financing (TIF): The tension inherent in the property tax's relation to development is heightened by its use as a form of construction subsidy. Special laws enable developers to make use of the increased property taxes that are generated by the redevelopment of an area to finance the development in the first place. This process is known as **tax increment financing (TIF)**. The TIF process involves issuing bonds to finance new construction in an area that is considered blighted and depressed. The city issues the bond and is allowed to pay it back with the increase in various state and local taxes that result from the improved status of the property. The assumption is that the redevelopment will provide new and added value, an increment, which can be used to pay back the bond which financed some of the site improvements.

As discussed below, TIF was instrumental in the redevelopment of both Chinatown and the South Loop. But there is debate over the extent to which TIF contributes to the ability of low-income residents to live in a given area and how much it contributes to keeping them out. In Chicago, TIF has been used mainly for commercial and industrial projects. But in Rockford, Illinois, and in a number of other states, TIF has been used to subsidize affordable housing.³²

Public housing: The US federal government finances a programme of public housing in which the government builds, maintains, owns and manages housing units for low-income residents. In Chicago, this programme is administered by the Chicago Housing Authority (CHA, established in 1937), an independent municipal corporation governed by a Board of Commissioners (appointed by the mayor of Chicago and approved by the city council). The CHA presently administers more than 38,000 housing units in 1,800 buildings where over 121,000 people live.³³ Despite the fact that there is a long waiting list to get into public housing, there is a vacancy rate of over 13 per cent due to poor maintenance and management. CHA housing has been plagued by a variety of problems, including crime and physical deterioration. Although a law forbids demolition of units unless replacements are built, many units are actually being demolished because the law is currently suspended and threatened with being rescinded in the US Congress. Different communities often resist the construction of such public housing, due both to racism (84 per cent of public housing household heads are Black) and the CHA's reputation for poor management. Indeed, because of serious management problems, the CHA was recently taken over by the federal government's Department of Housing and Urban Development (HUD). It is currently being managed by an interim HUD team.

Section 8 housing: A special programme of housing assistance for low-income people is known as "Section 8". This federal government-financed programme is administered locally by the CHA. The programme provides rent subsidies for low-income people so that they pay a maximum of 30 per cent of their income for rent. Some Section 8 funds are given directly to tenants in the form of certificates. They then find their own housing, and the CHA reimburses the owner of the housing for the difference between market rent and 30 per cent of the tenant's income. Other Section 8 funds are designated for particular housing units. In these cases the real estate developer receives the funds and then finds qualified tenants for the housing units that have been built. In Chicago, there are 2,300 project-based certificates and 13,800 tenant-based certificates. The average value of a Section 8 certificate (based on the difference between market rents as established by the federal government and 30 per cent of the income of eligible tenants) is about US\$ 7,500 per year. In recent years, the number of new Section 8 certificates has dwindled. The federal government budget signed by President Clinton in April 1996 eliminates all new Section 8 funding except that required for court settlements and people displaced by urban redevelopment. In Chicago, more than 14,000 people who are eligible for Section 8 have been placed on a waiting list due to lack of

certificates. Because of lack of funding, only 25 per cent of eligible tenants obtain the scarce certificates. An estimated 200 families have been on a waiting list for more than 20 years!³⁴

Below market rate loans: There are a variety of federal and state government housing assistance programmes that provide property developers with loans at interest rates below the market rate, allowing them to charge below market rents. Over 12,000 housing units in the Chicago area have received these subsidies. However, high construction costs often make it difficult to bring rents down sufficiently to benefit very low-income people. Another problem with this type of subsidy is that it is often more profitable to operate this housing charging market rents. As subsidized mortgages mature, there is no incentive to continue renting the housing units at affordable rates. (This is also true of project-designated Section 8 housing.) It has been estimated that there are currently 15,000 subsidized housing units that are at risk of being lost by the year 2000 through conversion to market rate rents.³⁵

Tax credits: The lack of sufficient project-based Section 8 funds has caused more and more property developers interested in low-income housing to take advantage of tax credits. US tax laws allow corporations to claim tax credits for expenditures on low-income housing units. Such units must be rent-restricted and occupied by tenants with annual incomes of 80 per cent or less of the Chicago median gross income.

Community Development Block Grants (CDBG) and HOME grants: Chicago receives funds to rehabilitate housing from the federal government's Community Development Block Grants (CDBG) and HOME programme. Between 1988 and 1990, the city of Chicago allocated nearly US\$ 35 million to rehabilitate multi-unit buildings. In 1992, an additional US\$ 20 million was allocated for this purpose using funds from the HOME programme.³⁶

Private market rate loans: Private market rate loans from commercial banks are generally needed to fund parts of urban redevelopment projects. A study of 27 Chicago organizations engaged in the construction of housing and infrastructure for low-income residents revealed that, between 1988 and 1992, 38 per cent of their funding, or US\$ 126.4 million, came from commercial banks.³⁷ Under a federal government law, the Community Reinvestment Act (CRA), banks are required to make funding available for such initiatives.

Local development institutions

The process of reconstructing deteriorated sections of the city involves the construction of new housing and the rehabilitation of old housing; the construction and/or rehabilitation of commercial and industrial facilities and the construction of new infrastructure. In this study we call this process community development. In the United States community development involves a number of public, private and not-for-profit institutions. The decline in direct subsidies from the government has meant that community development including the construction of lower cost housing has become increasingly complex. Housing and community development groups have been forced to seek multiple sources of funding for their projects in order to keep rents affordable. In most real estate development projects there are at least five sources of financing. The complexity of community development financing has made it increasingly difficult for the majority of community organizations to secure the necessary resources to control the process. Interviews with not-for-profit organizations trying to develop low cost housing have indicated a high level of frustration.³⁸

The development process involves actors from three different sectors — private, not-for-profit and public. Below we describe the role of and some of the institutions within each.

Private sector development: Much urban real estate is developed by private entrepreneurs. These individuals or companies conceive the project, secure financing from public and private sources, meet governmental regulations or arrange for changes in those regulations, hire architects and builders, and sometimes manage the resulting structures. Private developers are motivated by potential profits. Even when it is possible to construct affordable and profitable housing projects, greater profits can usually be earned elsewhere. Private developers, therefore, tend not to worry about affordable housing or the needs or preferences of low-income residents. Nevertheless, in some cases, private developers can be found who determine that, with available subsidies, they can both make a profit **and** meet the needs of lower income residents. But in many instances, citizen action is needed to convince property developers to accommodate community interests. Citizens are therefore not without leverage. Indeed, in many areas targeted for redevelopment, including those in our case studies, the use of public subsidies by private developers **requires** citizens' attention. Our interviews with government officials confirmed that it is easier to deal with property developers who have a project and a plan to finance it. Much of the work of local government officials consists of examining proposals from developers and facilitating implementation of those that seem well-conceived. Citizen groups who oppose these plans need, therefore, to organize to make their views heard.

Not-for-profit development: In the United States, as a result of the complexity of the urban (re)development process described above and the decreasing public support for housing and other services for low-income groups, many organizations representing those groups have been pushed to become both property developers and service providers. Without the funding base of public revenues or private profits, these organizations have changed their legal status in order to receive tax exempt government or private foundation money. Thus many NGOs have become not-for-profit corporations. The following types exist in Chicago.

- *City-Wide Citizen Advocacy Organizations* have a definite mission and constituency and are organized throughout Chicago or, in some cases, the state of Illinois. Examples of such organizations that appear in the case studies in the next section of this paper are the Chicago Coalition for the Homeless and the Chicago Affordable Housing Coalition.
- *Community-Based Citizen Advocacy Organizations* are similar to the above, but they are organized in a sub-area of the city. These community-based organizations define their work in terms of definite geographic boundaries. The boundaries are determined by the

organizations based on how members conceive of their neighbourhood or community. In our case studies, the South Armour Square Neighbourhood Coalition organized specifically to fight the relocation of a baseball stadium that threatened to destroy their neighbourhood. In Chinatown, the family associations organized to attend to the needs of members of specific extended families who reside in the Chinatown neighbourhood. The Dearborn Park Condominium Association and the Near South Planning Board are examples of community or neighbourhood organizations.

- *Community Development Corporations (CDCs)* One consequence of the decline of resources for community development is that, in the 1970s, groups began to organize to achieve community development goals. As community organizations have evolved into CDCs, former activists have been forced to professionalize their approach to real estate development and de-emphasize their recourse to protest. A number of CDCs were important actors in the Chinatown case, including the Chinatown Area Development Corporation and Neighbourhood Redevelopment Assistance Inc.
- *Community-Based Business Advocacy Organizations* devoted to business needs in a defined geographic area have been formed in many communities. The Chinatown Chamber of Commerce is such an organization. A key business-oriented organization in our study area is the Chicago Central Area Committee. Established in 1956, it includes 50 Chief Executive Officers and partners from Chicago's leading businesses and firms.
- *Other City-Wide Not-For-Profit Corporations:* Funds for community development are available from a number of entities in the not-for-profit sector. Private philanthropic foundations fund the operations of not-for-profit groups and provide some funds for housing and infrastructure development. There are also intermediary financial organizations, such as the Local Initiative Support Corporation (LISC), a national organization with a large operation in Chicago, which provides financial assistance to CDCs for real estate development in low-income neighbourhoods, and also helps build relationships between neighbourhood development organizations and businesses, banks, foundations and government agencies.

Public sector: A wide array of public sector agencies are involved in the community development process in Chicago. Within city government, the Department of Planning and Development (DPD) works with community-based organizations to promote economic development, job creation and neighbourhood revitalization. The Near South Side has had a series of such plans, described below, which established the basis for some of the redevelopment initiatives described in case studies in this paper.

The City Plan Commission plays a principal role in the initiation and review of Chicago's long-range urban development plans. The Commission has nine members appointed by the mayor, and nine ex-officio members (including the City Commissioner of Planning and Development who heads DPD, and the Zoning Administrator of the City of Chicago Building Department). The Plan Commission reviews all major development projects in the city, as well as major zoning or land use changes. All of the Commission's recommendations are reviewed by the City Council for final approval.

The Community Development Commission associated with the DPD has the authority to designate "redevelopment areas" and "conservation areas". Both designations require City Council approval. Once an area is designated into these categories, the City can purchase and sell land below market rates. This land then comes under the control of the city, which has the authority to use that control to create affordable housing.

The City Department of Housing (DOH) uses federal and city corporate funds to administer a variety of programmes designed for homeowners, renters and developers of privately owned low and moderate income housing. The Illinois Housing Development Authority (IHDA), a state agency, provides financing in co-operation with various federal housing programmes.

IHDA can use tax exempt bonds to offer loans to property developers. The Illinois Development Finance Authority (IDFA) works with these developers and issues various types of bonds to finance low-income housing.³⁹

City Planning and the Development of the Near South Side, 1946-1996

The institutional context for the three cases presented below is, in part, defined by the history of city planning in Chicago's Near South Side. And that history is bound up with city politics. At the end of the Second World War, the Near South Side was beginning to deteriorate. Middle income white people were leaving the area, and the city as a whole, and little economic investment was being made. The populations of the South Loop and South Armour Square were becoming increasingly Black. And both the Black population and the Chinese population were growing. Racial discrimination kept the Black and Chinese populations concentrated in certain areas, and these areas were becoming increasingly densely populated. Pressures to spill outside of traditionally Black and Chinese areas thus grew.

Efforts to contain the Black population began in 1946 and intensified between 1955 and 1976 when Richard J. Daley was mayor. Over this period, a number of public housing developments were constructed: Wentworth Gardens, with 422 units, in 1946; Archer Courts, with 148 units, in 1952; Ickes, with 800 units, in 1955; Hilliard, with 198 units, in 1963; and Armour Square, with 120 units, in 1965 (see map for the location of these units). In addition, Mayor Daley promoted the construction of two interstate highways between the mid-1950s and early 1960s: the Dan Ryan (route 94) and the Adlai Stevenson (route 55), which created barriers to further Black expansion to the west and completely hemmed in Chinatown — surrounding it by highways and public housing developments that were occupied (100 per cent) by Black residents. In 1969, much of the housing in Chinatown was destroyed to make way for a highway access road. This pattern of construction physically and racially segregated the Black and Chinese residents of the Near South Side.

Richard J. Daley's concern about Chicago's deterioration as a business and commercial centre explained the massive highway construction. In addition, these concerns oriented the mayor toward rebuilding the central business district (known as the Loop). Much of this urban redevelopment was done without sufficient planning. Rather, deals were made with real estate and property developers and business interests around particular projects. Among the new construction projects in the Loop at this time were the Inland Steel building (1957); the Prudential building (1958); the First National Bank building (1969); and the Sears tower (1972). As one long-time newspaper reporter remarked, "Mayor Daley was totally focused on the downtown; he was so focused that Chicago's neighbourhoods went to hell".⁴⁰

During the 1950s and early 1960s, the role of the Richard J. Daley administration in Near South Side development was confined to segregating the Black population into public housing, and containing it and the Chinese population with the interstate highways. But real estate promoters and other business interests did have their eyes on the area. In 1956, the Chicago Central Area Committee (CCAC), which represented those interests, was formed. In co-operation with the Chicago Department of Planning, they began to elaborate a vision for redevelopment of the Near South Side. This vision was formalized in a planning document in 1958,⁴¹ which called for the consolidation of the railroad terminals in the South Loop, as well as for residential land use redevelopment in the southern portion of the Loop, and into the South Loop, that would create 23,000 new expensive housing units. The plan also sought the "conservation" of the Chinatown area. The CCAC followed up on this plan with a housing market analysis in 1959, surveying people who worked in and around the Loop to determine the demand for housing. They found that the demand was highest close to the Loop but fell

off sharply as one moved south (into the Black neighbourhoods). They concluded that “Most of the Near South Side must undergo large-scale redevelopment if there is to be created here a suitable environment for new housing”.⁴²

In 1966, the Chicago Central Area Committee further refined its vision of Near South Side development in a policy plan,⁴³ which called for the concentration of people and enterprises in a compact area anchored with residences, the use of highways and road improvements to promote maximum accessibility to the Loop, and a programme of beautification. In 1973, these ideas were elaborated upon in an official planning document known as the Chicago 21 Plan⁴⁴ and a follow-up document entitled “South Loop New Town”.⁴⁵ Essentially, the Chicago 21 Plan foresaw the construction of residential and commercial facilities designed to bring middle and upper income people back to the city. It put forth the idea of a “new town in town”, and saw the neighbourhoods near the central business district, many of which were low income and had experienced serious disinvestment, as extensions of the central area.

These plans established the institutional basis for the urban redevelopment initiatives discussed in the case studies below. It is important to note that they were the creation of the big business interests that formed the CCAC, as well as the administration of mayor Richard J. Daley. Outside of the CCAC, there was no resident input into the planning process. With the publication of the Chicago 21 Plan, community organizations in the surrounding area became concerned about the potential of the Plan to gentrify their neighbourhoods. According to three community activists and researchers,

The main concept of the Chicago 21 Plan was a fortress city. It aimed to redevelop the land that circled a booming service sector downtown for middle and upper class residents. This redevelopment was to create an ever increasing buffer zone to protect the downtown investments from the growing number of poor and minority people living in Chicago’s surrounding neighbourhoods.⁴⁶

Opposition to this fortress vision formed the basis for the activism of community organizations described in the case studies below. But city planning officials failed to understand this basis for opposition to the plan. According to one official who was active during the Harold Washington administration,

I think that the most important thing about the South Loop is that the city of Chicago has had a policy of introducing housing to its downtown that has [spanned the administrations of] six mayors. So the concept of development of the South Loop was never fought. Except, that is, for a few people worried about gentrification. The Chicago 21 Plan, I know, was controversial. I think it was a very important and forward looking plan for the city. The whole notion that there was this railroad land that could be developed offered the potential to transform the Loop to include major residential development. It turned out to be a smart move.⁴⁷

Yet there was opposition in the Near South Side from the beginning, and community organizations came together to form a “City-wide Coalition Against Chicago 21” in 1976. As one activist put it,

The city is giving all sorts of support to building middle and high income housing. . . . I see Chicago as a working-class city, and now they are trying to destroy its fabric. In [my neighbourhood] people are always looking for housing. We lose 100 units a year that are not replaced. We see the Chicago 21 Plan as drawing city services away from us.⁴⁸

That opposition deepened when the Near South Side was put forward as a possible site for the 1992 World’s Fair. The World’s Fair proposal first surfaced in the early 1980s during the administration of Mayor Jane Byrne. It was, according to one newspaper reporter who

covered the controversy extensively, the idea of former supporters of Richard J. Daley. Their proposal was not initially an extension of the Chicago 21 Plan, but rather an effort to “do something for the city; to put Chicago on the map”.⁴⁹ But community activists representing neighbourhoods that were threatened with gentrification if the Chicago 21 Plan were to be implemented saw the two as linked, and, moreover, considered the World’s Fair proposal a major step toward implementation of the Plan. Initially, community activists protested the fact that there had been no consultation with area residents by the élite committee proposing the idea, nor by city hall and the Byrne administration. Second, they believed that the proposed redevelopment threatened surrounding neighbourhoods with gentrification. Third, they argued that the massive public costs offered no direct or spin-off benefits for ordinary citizens. For these reasons, they organized a city-wide “1992 Coalition” to oppose the plans of the “downtown growth interests” and to fight for the integrity of the lower income communities.

When Mayor Washington took office in 1983, he was initially quiet and rather neutral about the Fair. The pro-Fair group had not yet secured the support of big business and other major institutions for their idea. Despite the claims of opponents, the Fair plan was not formally tied to the Chicago 21 Plan or other projects for the Near South Side. But the opposition was highly successful in raising questions about the broader planning issues involved. By June 1985, without strong united support for the Fair and with a very clear and articulate opposition, the mayor, who was oriented toward the revitalization of lower income neighbourhoods simply let it die. According to one journalist,

The 1992 Coalition had brought a lot of mainstream groups into the opposition. Washington had a different constituency from Byrne. There was nothing in the Fair for Black people in Chicago neighbourhoods. Yet, if the business community had really been behind it, it might have moved forward. But they were not. The banks and the universities never got on board. Mayor Washington was quiet. It wasn’t until it was clear that the proponents were not effective that the Mayor killed it.⁵⁰

After the defeat of the Fair in 1985, organized opposition to the Chicago 21 Plan died down. Despite Mayor Washington’s expressed emphasis on neighbourhoods, however, there remained considerable political momentum behind the Chicago 21 Plan. In fact, a planning document released jointly by the CCAC and the Harold Washington administration in 1983, the Central Area Plan, contained many of the same principles as the Chicago 21 Plan and also linked the World’s Fair proposal to this vision. In the introduction to the Central Area Plan, the mayor stated that his administration was setting up neighbourhood planning districts that would include a process of citizen participation. Yet, the Central Area, while including the Near South Side, also encompasses Chicago’s main business area (the Loop). And its plan was correspondingly different from other neighbourhood plans. Its emphasis was on public-private partnership, not on citizen involvement. In the introduction to the plan the Mayor states,

This plan, the 1983 Chicago Central Area Plan, is a fine example of the partnership which has existed for many years between the business community and the city administration.⁵¹

In 1987 the City Planning Department further articulated the same planning principles as the 1983 plan, but this time it emphasized the development of the Near South Side.⁵²

In 1989 Richard M. Daley, the late mayor’s son, was elected mayor. Daley II, as he is known, has a more balanced approach to development than did his father. He has promoted a number of development projects in the neighbourhoods, including both new schools and moderate cost housing. Yet, community organizations and activists contend that development processes remain unbalanced in favour of downtown business interests, and that proposals for

redevelopment of the Near South Side are a continuation of those began under the administration of the present mayor's father.

Community organizations and other activists have continued to call for “balanced growth” — which balances infrastructure and public works improvements in the downtown business district and the construction of upper income real estate with comparable improvements and affordable housing in the neighbourhoods. In 1990, the Chicago Affordable Housing Coalition launched a major campaign known as the Balanced Growth Initiative. A slide show and a pamphlet demonstrating the flow of subsidies to well-connected property developers — and the paucity of resources going into affordable housing — was used to mobilize support around this issue.⁵³

Yet planning and development along the lines brought out in the Chicago 21 Plan have continued unabated.⁵⁴ The mayor himself moved to the South Loop in 1995 — setting the scene for the struggles described in the South Loop case below.

Part II: Citizens and Local Government on Chicago's Near South Side: Three Cases

Each of the following cases represents a unique response to development proposals — or the lack of such proposals — from city government and private real estate developers.⁵⁵ All three cases also illustrate responses to problems in the respective neighbourhoods that originated from common exogenous structural changes. Responses were initiated by different kinds of organizations with different ethnic/racial compositions. In the South Loop, for example, the Chicago Coalition for the Homeless and the Chicago Affordable Housing Coalition led an organizing initiative known as the South Loop Development without Displacement Campaign. These organizations, which are racially/ethnically mixed, predominantly Black and Latino, have been trying to preserve low-income affordable housing and encourage its construction. They found themselves in conflict with the traditional business-city hall coalition of redevelopers seeking to bring more expensive housing and more lucrative commercial activity into the area. In the Chinatown case, community leaders created a not-for-profit community development corporation (CDC) to guide Chinatown's expansion and to undertake redevelopment projects in response to the political isolation of the Chinese community and the resulting crowded and deteriorating conditions there. The third case, South Armour Square, describes a commercial construction project and the ensuing civil rights suit that was initiated by an organization composed predominantly of Black public housing residents. Their initiative was a response to the partial destruction of the residential and economic infrastructure of their neighbourhood by the relocation of a major professional sports facility, the Chicago White Sox baseball stadium (Comiskey Park), which promised millions of dollars in profits for the owners of the baseball team but serious damage to the South Armour Square neighbourhood.

South Loop

The South Loop has experienced the urban cycle of industrial prosperity and decline, and subsequent renewal, as an appendage to the downtown service sector economy. The landscape of the area has been transformed by Chicago's transition from an industrial to a post-industrial, service-oriented economy. Abandoned warehouses and industrial buildings that once serviced the Loop (Chicago's central business area) are being converted to upscale condominiums. Railroad yards, once the lifeline of the city but vacant in recent years, have been transformed into secluded, high priced residential areas.

The surge of private real estate investment and construction has exacerbated existing racial and income segregation patterns, with subsidized low-rent public housing concentrated in the south and higher priced homes in the north. The southern area of the South Loop, which includes Hilliard Homes public housing development, is 93 per cent Black. Sixty-five per cent of the households have incomes below the poverty line (which, in 1990, was US\$ 15,000). On the other hand, the median household income in the northern areas of the South Loop, which is 78 per cent white, is US\$ 48,607 — compared to the city of Chicago’s median 1990 household income of US\$ 26,301.

Since the 1980s, the city has provided subsidies to private real estate developers for infrastructure improvement. This has led to the construction of over 1,400 single family homes and town-houses, which make up the suburban-like enclaves of Dearborn Park Phases I and II. Adjacent to these newly constructed residential areas is Printer’s Row, comprising several blocks of warehouses and factories that have been converted into residential lofts, and expensive shops and restaurants. Until the 1970s, this was the centre of the printing industry in Chicago.

To further stimulate the redevelopment of the South Loop, the city of Chicago passed a tax-increment financing (TIF) ordinance in April 1990 to aid the private development of Central Station. As explained above, TIF entails the financing of construction costs through the sale of special bonds, which are repaid with the increased taxes generated by the new housing and commercial activity brought to the area. Burnham Place, now home to Mayor Daley, was the first residential phase of this 72-acre mixed-use area, which added nearly 200 homes and commercial infrastructure. In August 1994, this TIF district was expanded westward to State Street, northward to Congress and southward to Cermak. Up to US\$ 105 million in city-guaranteed bonds were thus made available for area improvements.

But such urban redevelopment and improvement does not benefit all members of society. Long-time, low-income residents of the South Loop have, in fact, lost out. Since the late 1980s, therefore, the Chicago Affordable Housing Coalition (CAHC) and the Chicago Coalition for the Homeless (CCH) have demanded that scarce public resources be directed to low-income communities, rather than to subsidizing the construction of luxury housing. As a result of pressures brought to bear by CAHC in a direct action campaign, the city’s April 1990 TIF agreement required the property developer undertaking the redevelopment of Central Station to construct 20 per cent of the housing units for low and moderate income residents. However, no such units have been built to date.

Since the expansion of the Central Station TIF District in 1994, the struggle for equitable urban development has evolved into the “South Loop Development without Displacement Campaign”, which is spearheaded by the CCH and the CAHC. The campaign aims to ensure that public resources are directed toward preserving the area as a mixed-income community so that current low and moderate income residents and businesses share in the benefits of the redevelopment and are not forced out due to rising land costs.

In response to the lack of resident input into planning for the area, the CCH and CAHC initiated a community planning process in autumn 1994 to counter the one-sided private development forces dominating the area. A series of outreach activities to community groups — including tenant organizations, churches, the South Loop School, and businesses — culminated in a community planning forum in January 1995, which was attended by over 70 people. Working groups on housing, jobs and economic development, community services and schools recommended maintaining and preserving the ethnic, economic, social and physical diversity of the area.

The CCH-CAHC South Loop Development without Displacement Campaign targets the real estate promoters and property developers of Central Station and others in the South Loop who receive public subsidies. The campaign has consistently and successfully used direct actions, such as rallies and marches, and has targeted the mayor's office through the strategic use of media to communicate their demands to a larger audience and make it a campaign issue. Leading up to the 1995 mayoral elections, for example, weekly vigils outside the mayor's home in Central Station and a rally at city hall led to negotiations with city officials on the development of Central Station. Unfortunately, these ended in a deadlock in the autumn of 1995. Since then, the campaign has continued to pressure the mayor by protesting at his office, and by demonstrating during the National Democratic Party Convention — held in Chicago in August 1996 — that nominated Bill Clinton as the Democratic candidate for President of the United States.

Another focal point of the campaign has been the destiny of Single Room Occupancy (SRO) hotels. Over the last three decades, the number of SRO hotel units, which have traditionally provided permanent housing for low wage workers and pensioners, has fallen from 4,000 in 1961 to 700 at the present time. A local community development corporation comprising area churches submitted a proposal for funding to the city to rehabilitate one of the SROs, the St. James Hotel, located between the expensive residential areas of Central Station and Dearborn Park (see map). Despite the support of area residents for the project, the city — motivated by the “highest and best use” of the land — rejected the proposal and is planning to raze the building to make way for commercial construction as part of the TIF redevelopment plans. While the struggle over the future of the existing SRO continues, two CDCs are working with the Development without Displacement Campaign to build at least two new SRO hotels in the South Loop to replace the many units that have been lost over the years. The city has agreed to provide some financial assistance, which is a victory for the Campaign.

In the South Loop, the battle between community organizations, on the one hand, and the city administration and property developers, on the other, reveals a division between class interests. The city's planning efforts — dating back to the 1957 development plan — have been directed and implemented by business and real estate interests with the financial backing of government and have done little or nothing to protect the interests of small businesses and low-income residents. Public subsidies are fuelling strong “market forces” of gentrification in the South Loop. These forces, combined with the city's lack of commitment to affordable housing in the area, and the opposition of the many middle and upper income residents of Dearborn Park and Central Station to low-income housing in “their” neighbourhood, present many challenges to the preservation of a mixed economic and racial community. Due to these challenges, it will continue to be important for the Development without Displacement Campaign to build broad-based support, both in the South Loop and city-wide, and to continue a direct action campaign.

Chinatown

The area known as Chicago's Chinatown is an integral part of the area we have designated as the Near South Side. Chinatown is best known to tourists for its exotic cuisine, architecture and gifts. It is also home to 15,000 Chinese-Americans who work, live and raise children there. As mentioned above, Chinatown was neglected by city officials for years. Development decisions made by the city and state were actually detrimental to the community and its businesses. In the past few years, however, Chinatown has been increasingly successful in securing funds for the expansion of the area's historic boundaries.

The earliest Chinese immigration to the country was the result of both the push of famine and civil wars in China and the pull of the opportunity to work building railroad lines across the

United States. The completion of the railroads, however, meant a surplus of labour and led to a racist anti-immigrant backlash, resulting in the Chinese Exclusion Acts, which prohibited Chinese from holding many occupations and which remained in force until the Second World War. Small businesses and restaurants remain the main employers in Chicago's Chinatown today.

The concentration of Chinese workers into limited occupations has resulted in incomes and housing conditions in Chinatown that are well below the average for Chicago as a whole. Median household income in Chinatown is approximately US\$ 17,300, compared to US\$ 26,301 for the city as a whole. In the core of Chinatown, 35 per cent of the households earn less than US\$ 10,000, which is below the official poverty line of US\$ 15,000. Moreover, housing conditions in Chinatown are substandard; for example, in the core of Chinatown, 325 units — 21 per cent of the housing stock — are classified as “overcrowded”.

Chicago's Chinatown has been at its current location since 1907. While the Chinese community has tried to establish a decent life in this location, the city government and property developers have repeatedly made plans for them without resident input or consultation, taken land and homes from them, and erected physical barriers to further spatial expansion of the neighbourhood. In 1933, for example, the widening of a road through the heart of Chinatown for the Chicago World's Fair eliminated nearly half of Chinatown's housing stock. In the 1950s, construction of public housing for low-income residents, all of whom happened to be Black, established the first physical and social barriers to the expansion of Chinatown. These were exacerbated between 1956 and 1962 by the construction of an interstate highway system, which further constrained expansion of the area. More recently, in 1995, as a result of the relocation of a highway exit ramp, restaurants in Chinatown suffered a 50 per cent decline in business.

Members of the Chinese community have historically found themselves without political representation in city government and without a voice to halt the neglect and betrayal that has resulted in their isolation and the decay of their neighbourhood. In response, resident businessmen have initiated two major development projects, which have been implemented by Chinese CDCs. The first, carried out in the 1960s and 1970s by the Chinatown Redevelopment Association (CRA) and the Neighborhood Redevelopment Assistance (NRA), consisted of the construction of approximately 100 town-houses and a home for elderly people. Confronted with a seriously declining and a limited housing stock in the Chinatown area, the CRA's strategy entailed attracting middle class Chinese-American people to move into the area by providing decent, affordable housing. Today, more than 100 middle-income families live in these town-houses. The majority of the residents operate small businesses or are professionals. There are 181 elderly people living in the home. Some of these residents are retired, some are on public aid, and most of them have relatives in the Chinese community.

The second major project is the development of “Chinatown Square”, which has been carried out by the Chinese-American Development Corporation (CADC) from the late 1980s to the present time. In 1984, an opportunity to ease the crowded conditions in Chinatown — which were aggravated by increasing numbers of new Chinese immigrants seeking homes — arose with the decision of the Santa Fe Railway to sell a 30-acre (12-hectare) railway yard just to the north of Chinatown. Negotiations lasted four years, and ended with a deal in which the CADC purchased the land for US\$ 9.1 million. The CADC planned a “mixed-use” redevelopment of the property, including 225 town-houses, 70 low-income rental units and 110 retail spaces, for a total estimated investment of US\$ 85 million, plus US\$ 400,000 to remove PCBs and other toxins from the soil.

By the time of the Santa Fe land deal, leaders of the Chinatown CDCs had become quite sophisticated — they had learned a lot from the CRA and NRA projects of the 1960s and

1970s. They approached the government as property developers. The leaders sought the support of city and state governments, and partly because of Chinatown's history of marginalization and the political skill of these leaders, they obtained government approval. The city of Chicago and state of Illinois agreed to provide US\$ 9 million in low-interest loans and other financing for the project. The City would also provide US\$ 3 million through tax increment financing (TIF) for infrastructure improvement and an estimated US\$ 4 million in Community Development Block Grant (CDBG) funds. The Illinois Housing and Development Authority (IHDA) would provide US\$ 2 million in loans from its Build Illinois programme. For the public sector, the motivation was clear: attracting middle-income young professionals back to the central city, and improving the city's tax base. As discussed above, that idea fit the current thinking in local government and nationally.

The private sector, including national banks headed by the First City National Bank of Houston, and local community banks organized by the Lakeside Bank, have extended credit to the Chinese community and have also provided financial assistance. CADC has adopted the marketing strategy used by CRA and NRA decades ago: pre-selling properties to partially cover the costs of redevelopment.

In March 1990, CADC announced the completion of the first phase of the Chinatown Square project. It consisted of 56 retail units (approximately 18,600 square metres), parking facilities and 12 town-houses. Despite public and private participation, the first phase was not as successful as expected, however. Although 80 per cent of the retail units were pre-sold, a considerable number were purchased as investments rather than for actual use. There were also design and management problems. As a result, the vacancy rate was quite high (about 40 per cent), which made it more difficult to convince potential businesses to step in. It also turned out that the price of the land had been too high; CADC had lacked the experience to see this ahead of time.

Another problem was the lack of linkage between real estate and property development in Chinatown and the rest of the Near South Side. Because Chinatown's main businesses are tourism-related (restaurants and gift stores), it is critical to connect property development initiatives in Chinatown to broader, city-wide redevelopment plans in order to attract the maximum number of visitors. CADC leaders and Chinese business owners had expected that organic links would take shape with the city's principal Near South Side development projects, which included the McCormick Place expansion (the largest exhibition centre in the United States, just 1.6 kilometres east of Chinatown); Central Station, with its upper and middle income residents, and the circulator, a light transit system connecting downtown Chicago — the Loop — and tourist attractions to other parts of the city. But again, city hall disappointed Chinatown. As John Tan, the chairman of CADC said:

I worked hard trying to tie Chinatown to these projects, especially the McCormick project. But decision makers worry about the safety of visitors. They bring visitors to the exhibition centre directly, and leave Chinatown alone, which hurts Chinatown severely.

The reference to safety as an excuse for not linking development projects feeds a particular fear of Chinatown residents — many of whom blame their isolation on the negative impact of the publicly subsidized housing projects adjacent to Chinatown. A number of crimes in Chinatown have been committed by residents of the surrounding public housing, all of whom are Black. Given the prevailing racial attitudes, this has caused tension between the Chinese-American residents of Chinatown and the Black people who live in the public housing adjacent to it. Many Chinese attribute the loss of potential business opportunities from McCormick Place to the existence of the public housing projects located between the exhibition centre and Chinatown.

Nonetheless, Chinatown is today in better shape than ever before. Its economy has improved, and better-educated residents have become aware of the importance of local politics. However, the influence of the Chinese community is still weak — the population is small and their political interests are under-represented.

South Armour Square

South Armour Square is a small Black neighbourhood located two miles south of the centre of Chicago and just to the south of Chinatown. South Armour Square is isolated from the surrounding residential areas by railroad tracks to the west, a major expressway to the east, a large professional baseball stadium — Comiskey Park — to the north, and an industrial area to the south. South Armour Square has historically been a working-class area.

Prior to summer 1986, South Armour Square had 89 private residential buildings that contained 179 housing units occupied by approximately 540 Black families. A public housing apartment complex, Wentworth Gardens, housing 421 families, as well as the T.E. Brown Apartments, a subsidized church-owned high-rise housing 120 elderly and disabled low-income people, were also located there. The area contained 8 small and 3 large commercial structures and businesses, including a grocery store, restaurant, gas station and tavern as well. South Armour had been a unified and cohesive community. Many of the residents who live in the T.E. Brown and Wentworth Gardens subsidized and public housing apartments had friends and relatives with whom they frequently visited in the privately owned residences. They patronized the local businesses and attended the church in the area. This is different from most other Chicago neighbourhoods with subsidized public housing, residents of which tend to have little interaction with people who own their own home or reside in privately owned housing.

Despite the strong bonds within the community and its stability and cohesion, South Armour became the target for redevelopment and displacement as a result of construction of a new professional baseball stadium. Residents fought this destruction of their neighbourhood (and community), but lost. The decision to go ahead with construction of a new Comiskey Park in 1989 required destruction of all of the private residences and commercial establishments in South Armour, leaving only the T.E. Brown Apartments, Abbott Grammar School, the Progressive Baptist Church and the public housing at Wentworth Gardens. These buildings are adjacent to one another and form an island surrounded, for the most part, by parking lots for the sports stadium. The stadium wall itself forms the northern boundary of the remaining neighbourhood and is less than 60 metres from the T.E. Brown Apartments. Each time a player hits a home run (allowing him to score one point automatically) an “exploding scoreboard” on top of the stadium wall emits fireworks — part of the White Sox tradition — less than 60 metres from the homes of mostly elderly people. Moreover, the displacement of 12 businesses led to the loss of over 300 jobs in the neighbourhood. One company that had been located in the area for 60 years and employed 70 persons moved out of the city. Seventy per cent of the employees of the displaced businesses had lived in the surrounding neighbourhood. Also as a result of displacement, the population of South Armour declined by 36 per cent, and average incomes fell by 57 per cent. Median annual income is now only US\$ 6,250 compared to US\$ 26,301 for the city as a whole.

To accomplish the “taking” of South Armour Square, Governor Jim Thompson of Illinois and Chicago mayor Harold Washington signed a law that formed the Illinois Sports Facility Authority (ISFA) in 1986. This Authority was set up specifically for the construction of a new stadium for the Chicago White Sox professional baseball team. The ISFA is a unique government entity governed by a Board of Directors, who are appointed by the Governor of Illinois and the Mayor of Chicago. The Authority was established in response to the threat

that, without a publicly subsidized stadium, the White Sox would leave Chicago, and possibly the state of Illinois. ISFA was given special financing and power of “eminent domain” (the right of government to take over private property for public use) that diminished the power of the South Armour residents to resist and counteract its authority. The legislation gave the Authority bonding power to finance construction of the stadium, and committed a 2 per cent hotel/motel tax to pay back the bond. In addition, the city provided US\$ 150 million in tax-exempt bonds to finance the stadium. The legislation also gave the Authority “quick take” powers of eminent domain, which allowed the Authority to take control of private land by a certain date and negotiate later with the owners for price and relocation costs. These powers were used to threaten South Armour Square property owners and break them away from the coalition to save the neighbourhood that had been formed with residents who did not own property.

The residents of South Armour first read in the newspapers that their neighbourhood, directly south of the existing stadium, would be the site for the new Comiskey Park. According to the manager of T.E. Brown Apartments, the fact that neighbourhood residents were not part of the planning process was the sorest point of contention. In response to the threat of destruction of their neighbourhood posed by the planned stadium, the South Armour Square Neighborhood Coalition (SASNC) was formed by private home-owners on the site of the proposed stadium, together with residents of the publicly subsidized Wentworth Gardens and T.E. Brown Apartments, and residents from the adjoining neighbourhoods.

SASNC prepared a number of position papers, which formed the basis for its negotiations with ISFA. They proposed an alternative site for the new sports stadium north its existing location. Their other demands included the following:

- If residents were to be displaced, they should receive more than fair market price for their property and be given the option of remaining in a reconfigured South Armour neighbourhood.
- SASNC wanted to be the main negotiator for the residents and business-owners affected negatively by the construction of the stadium.
- SASNC wanted economic development opportunities as part of the stadium construction project, including jobs for neighbourhood residents and the creation of a dedicated revenue stream (a certain percentage of the annual revenue from the stadium activities) for neighbourhood industrial and commercial development to complement the stadium.
- SASNC proposed that a trust fund be established to rehabilitate and improve the housing stock that remained in South Armour Square.

After a series of protests organized by SASNC, ISFA agreed to negotiate. Three people — all home-owners — were chosen to represent SASNC — i.e., the residents of subsidized and public housing were not represented. ISFA appealed directly to the interests of the homeowners and offered them a very generous relocation package. In the summer of 1988, the SASNC president, one of the negotiators, along with the help of an attorney who had offered her services to the SASNC, made a deal for the home-owners without consulting the other members of the coalition. The result was a clear split between home-owners, on the one hand, and the elderly residents of the T.E. Brown Apartments and the public housing residents, on the other. The home-owners formed another group, which subsequently ratified an agreement with ISFA.

After two years of unsuccessful attempts to negotiate with ISFA the modification of the site plan, the SASNC filed a federal lawsuit on 9 February 1989. The lawsuit’s 49 plaintiffs charged that the stadium site was selected in violation of their civil rights. The court case outlined several key points. First of all, the location of the new Comiskey Park — south of the old Comiskey Park — displaced more people than if it had been located to the north. All of

the residents of South Armour were (and are) Black. Had a northern location been chosen, it would have displaced fewer people — but they would have been white. Thus the court case argued that the decision to construct the new Comiskey Park at the southern location was racially motivated.

After eight years, a federal judge ruled in spring 1996 that the case did not have sufficient merit to go to court and questioned the legal standing of the South Armour residents in bringing the suit. The judge also told the residents that if they agreed to a settlement, and waived their right to appeal, they would not be liable for more than US\$ 30,000 in legal costs claimed by the ISFA and the Chicago White Sox. Under the threat of liability for these costs, residents signed the agreement. In September, however, a number of residents who did not care about their liability (they had no assets) attempted to appeal the agreement. Again the judge refused, and the legal options were thus exhausted.

The court case had been seen by SASNC as a way to gain funds both from the proceeds of the suit and from the federal government to implement a plan to replace the commercial activity and housing that was lost when the stadium was relocated. That effort continues. SASNC is seeking other funding to redevelop their community. SASNC would like to build a US\$ 1.5 million convenience shopping centre with residents as owners and operators of the facility. As one member of the SASNC said, “We need the community to be built by us”.

Part III: Citizen-Government Collaboration and Real Democracy

The larger project of which this study is a part seeks to examine the kinds of collaboration that can take place between CBOs and local governments to improve the livelihoods of marginalized groups in cities throughout the world. A principal concern is that formal (electoral) democracy and free markets are unlikely to function smoothly or bring about broad-based social development on their own. Further, focusing on the urban context, the project asks: to what extent can poor or vulnerable groups influence/participate in the process to achieve more equitable uses of locally generated resources? What are the main successes in this regard and what is yet to be achieved? What are the constraints to fuller participation and what needs to be done to remove those constraints? How best should we organize to bring this about? In Chicago’s Near South Side, the answers to these questions are still in the making.

Development Decision-Making and Citizen Participation

A key theme that presented itself throughout the interviews, focus groups and research for the cases presented above is that citizens who wish to influence resource allocation to the benefit of lower income residents face a decision-making process that favours private real estate developers who have a very different set of interests. In part, the complexity of the urban development process itself contributes to this bias. Another factor contributing to this bias is the fact that urban land development is critical to the ability of local governments to finance key services.

The urban planning process is part of this biased decision making. In Chicago, planning has offered a facade of wholeness and integrity to the development of the Near South Side. But in reality the process is highly fragmented and proceeds through a series of deals between real estate developers and city officials. As Judy Meima, Director of the Statewide Housing Action Coalition, observed:

I think that a **lack** of urban development policies has been the foundation of urban development in the South Loop. What has been happening is the implementation of

plans proposed by developers for individual projects in the area. There doesn't seem to be any real planning about future development; rather, there is just approval of projects that will make the city or the mayor look good, or expand the tax base.⁵⁶

A former planning official tells a similar story in explaining how a particular construction project ultimately came to be implemented.

We were facilitators. There were a lot of legal questions. I had to make sure that the people in city government paid attention to [particular aspects that fell under their responsibility]. There are always so many projects on the table that there has to be [someone] within city government who is willing to [champion a particular one]. That was the role I played on this. . . . The developer came to me, told me they wanted to expand; they had some property there . . . and [the city] had some, and what they wanted was generally consistent with our thinking.

Other interviewees point to the various Near South Side property development projects discussed in this paper — Printers Row, Central Station, McCormick Place, the Chicago White Sox stadium, Chinatown. They were not carried out as part of a detailed plan with goals, objectives and priorities. The Chicago 21 Plan contained the implicit objective of bringing the middle and upper classes back to the heart of Chicago. But most of the public officials and other close observers agree that there was nothing other than that broad goal linking the various parts together.

Most importantly, questions of equity and the livelihoods of poor people have not been taken into account in any way. In that context, “urban planning” was a backdrop for deal-making with individual property and real estate developers who were committed to increasing their own profit margins by carrying out projects that would attract middle and upper income residents back to Chicago. Such property developers would approach the city administration for the necessary legal permits and, more importantly, subsidies for their project. They would come with land, money and detailed project plans. The city, for its part, found these proposals attractive, in part, because they would increase property values and hence tax revenues. The profit motive of the real estate developer, in other words, has been the driving force behind urban planning and redevelopment in the Near South Side. And these developers are generally not concerned with matters of equity. During the Balanced Growth Initiative⁵⁷, J. Paul Beitler, a property developer who had donated US\$ 115,000 to ensure the election of Richard M. Daley, offered his views on development and politics.

We are not out to buy a piece of Chicago. We already own a substantial piece of Chicago. The property that we own pays more property taxes as a single building than most communities. . . . The only way we can make our voices heard is to support financially the best candidate who will do the best job for creating a city environment that will be fertile ground for development and business. That is why we are in the city.⁵⁸

In terms of equity issues, another developer who has invested heavily in the Near South Side had this to say about private decisions to put money into an area:

. . . you get worried that if you make your radius a little bigger you are going to bring in people that are going to drive other people away. And whether it's racial or economic or . . . people's perceptions or fears . . . it's an issue you have to deal with. . . . There is a great deal of subsidized housing (in the Near South Side). And in a neighbourhood there is such a thing as a 'tipping point'. You cannot scientifically say where it is, but if the perception becomes that . . . some people making a decision to buy a condominium are going to say, 'Wow! I'm a little scared to make an investment here'.⁵⁹

The same developer saw community organizations generally — and particularly the South Loop Development without Displacement Campaign — as misinformed, and expressed extreme scepticism about the value of their involvement in the urban planning process. The way in which development interests get played out is part of the political and more informal part of the development decision process.

The problems for citizens inherent in the informal aspect of decision-making are compounded by the structure of government itself. In seeking a path toward collaboration with local government in the area of development, we first must ask the question what is local government? In Chicago seven governmental jurisdictions draw on local tax resources. That means that the public revenue implications of decisions that affect the yield of revenue resources — concretely, property values — involve political interests far beyond the borders of the city of Chicago. Thus in big development decisions such as the White Sox stadium, the governor of Illinois got involved, and another government jurisdiction — the Illinois Sports Finance Authority — was created to shield the process from citizen involvement. Technical governmental rules were changed so that this new governmental jurisdiction had “quick take” eminent domain authority which provided them with even greater leverage.

Similarly, urban property development as described in this paper involves funding from the federal government and the state of Illinois. These funds become part of a vast resource pool — and in order to obtain funding a property development proposal must be deemed “superior” to competing proposals. As our cases suggest, the process through which some of these intergovernmental funds are allocated — Urban Development Action Grants (UDAGs) and tax increment financing (TIF), for example — is often opaque or invisible to all but the highly politically connected. Thus the community organizations and CDCs of the South Loop, South Armour Square and Chinatown must compete on a highly uneven playing field — in terms of specialized knowledge, deal-making capabilities and political connections — in any attempt to access funds to meet their own neighbourhood improvement or community development needs.

Moreover, in the current political climate in the United States, financial support for affordable housing and other components of the social safety net is dwindling. In its place, a high premium is placed on “market-driven solutions” that come through “public-private partnerships”. The private side of such arrangements has historically excluded community organizations and other citizen advocacy groups for the poor. One official who worked in the Chicago Planning Department from the 1950s into the 1990s sees the development of the South Loop as a prime example of a public-private partnership.

The Chicago Central Area Committee, in conjunction with the city, created the Chicago 21 Plan. . . . It was a public-private partnership. This was a turning point because there had been no private sector involvement in the downtown since the 1920s. . . . South Loop planning is related to the city’s vision for the area. It is fortunate . . . to have the Chicago Central Area Committee to assist the city in developing this vision.⁶⁰

Competition is fierce for the resources that are still available to community groups. In the opinion of a highly placed local government official, who was generally sympathetic to the need for affordable housing for poor people,

The reason there was little affordable housing built into the Dearborn Park and Central Station developments is that it is hard to do. . . . I believe that to get low-income housing you need federal tools (money and programmes). One of the realities is that those federal tools are disappearing. We are trying to carry a social justice agenda and the federal government is saying, ‘Let’s pull back’. There was not any

way to say to Fogelson [the developer of Central Station], ‘You need to build in 20 per cent low-income housing’. There was no a tool to convince him to do that.

Of course, a tool was available to convince him to do what he did. The city dedicated property tax revenues, through TIF, to build infrastructure for expensive commercial and residential development. The lack of direct resources with a mandate from the federal government weakened the ability of affordable housing advocates to pursue their agenda.

The complexity of the process through which urban property development decisions are made, therefore, is a formidable obstacle to the more equitable distribution of resources that is sought by community organizations and citizen advocacy groups. The greatest obstacle arises from the intersection between the formal institutional and informal political aspects of decision-making. The array of financing arrangements and government jurisdictions, for example, means that different levels of government with different political priorities and interests have stakes in specific local construction projects — Central Station, the White Sox stadium, Chinatown. Clearly, private property developers and other actors whose money, influence and know-how can break through the complexity have an important advantage. In essence, there is a strong class bias built into the development process. In this context, real collaboration between community groups and local government becomes very difficult.

Citizens as Developers?

In response to this problem, citizen groups have adopted a variety of approaches. One has been to use oppositional tactics in an effort to gain concessions from the dominant development interests. The two decades of direct action campaigns described in the South Loop case, and the lawsuit waged by the South Armour residents, are examples. Another approach has been the formation of CDCs — community development corporations, through which citizens become property developers.

Since the 1980s, in major cities throughout the United States, CDCs have become an increasingly important “third sector” between the public and private sectors. As a result of the lack of funding for the construction of affordable housing, and commercial and industrial infrastructure, these organizations have learned to put together complex financial deals with different banks and governmental sources. A new breed of urban professionals skilled in “loan packaging” and “deal making” have begun to displace the traditional grassroots organizers among the ranks of community activists. In Chicago there are currently close to a hundred CDCs.⁶¹

The CDC can be seen as one vehicle for citizen-government collaboration. It offers citizens an institution that is capable of breaking through the complexity of the decision making process and, indeed, it situates itself as a legitimate player in that process. Residents of South Armour Square are currently forming a CDC to undertake the community-controlled commercial development discussed above. In the South Loop, two CDCs are negotiating with the city of Chicago the construction of SROs in the area. The Chinatown case involved the formation and active participation of three CDCs. In fact, Chinatown established the first CDCs in Chicago in 1951 when G.H. Wong founded the Chinatown Redevelopment Association and the Neighbourhood Redevelopment Assistance Corporation.

If a CDC maintains its original mission of gaining a fair share of resources for the poor and remains accountable to the members of the community out of which it grew, it can potentially be far more than a property development tool. It can provide an alternative political forum in which poor people have a voice. At the same time, however, CDCs contain a duality based on

the fact that the development process itself, as discussed above, is class biased. Once a CDC has decided to “play the game”, there is a tension between the original mission of the organization and the notion that, in order to play the game really well, it must play by all of the rules.

This tension can be seen in how well a CDC is able to break through the formal institutional complexity of the urban property development process. The new breed of professionals, such as those responsible for the real estate and commercial development to date in Chinatown, are quite capable of understanding the complex rules of packaging loans and “playing the property development game”. But the complexity lies at the intersection of the institutional and the political, which, we have argued, is designed to benefit the class interests of private real estate developers and business people. The CDC leaves that part of the complexity unresolved. This is true in two senses.

One is whether the CDC can adequately represent all of the class interests in the community out of which it has grown. In some instances, CDCs have come to represent business interests by becoming property developers, and their collaboration with government is focused more on real estate development and less on social justice issues. The Chinese community, for example, has historically been completely shut out of the city-level political decision-making process — with no political representation and no strong political alliances that could support protest. However, it is not clear that, culturally, the Chinese community would have supported the oppositional style of organizing that has occurred in the South Loop. In short, Chinatown desperately needed the CDC in order to prevent total isolation. Chinatown is partially insulated from the worst aspects of the class bias of the urban property development process because most of the business class, working and poor Chinese live together in Chinatown and work in its businesses. Development of the area must, therefore, include the working-class and poor residents. At the same time, however, the structure of decision-making in Chinatown is such that middle and upper class leaders make decisions with little direct contact with the poor. There is a gap between leadership and ordinary Chinese. One of the few initiatives of the CDCs that directly benefits the poor is the housing project for the elderly. But housing for lower income people is in such short supply that there is a long waiting list to get in — and it is necessary to have some political connections with leading families to secure residence there.

A second part of the class bias of the decision making process involves the informal political connection with the broader interests in the development of the Near South Side as a whole. It is not clear that the formation of the CDC can overcome the present lack of connectedness in Chinatown or elsewhere. A major issue in Chinatown is the extent to which their development can be connected to major tourist attractions such as McCormick Place and the Museums. To date the City has failed to develop these connections. The CDC in and of itself is not an answer.

What can we conclude from this? First, CDCs should not be seen as a panacea. In many ways, the necessity for the creation of a CDC lies both in inequities in the governmental decision-making process and in the fact that government is withdrawing from directly providing vital social services for the poor, such as affordable housing. A more direct approach to the problem would be to force government to become more democratic and to support these vital services. At the same time, CDCs can be used as a vehicle for citizen involvement, and thus the issue of their inherent duality can be put on the public agenda.

Limits of State Power

Another theme emerging from the cases is that low-income citizen groups gained very little during the period in which a mayor with their interests at heart, Harold Washington, captured city hall. In fact, there was an amazing degree of consistency in Near South Side planning and development over all six political administrations covered in this paper. We may thus conclude that citizen influence over resource allocation may not come through gaining control of local government.

When Harold Washington took office, he did so with the promise that his administration would place a premium on making sure that all Chicagoans got a “fair share” of public resources. Yet, the South Loop case shows that the Washington Administration made no appreciable difference to the development of the South Loop. The concepts and visions presented in the Chicago 21 Plan persisted throughout his five years in office. Washington did not take a lead in the World’s Fair controversy. He let the plan die only after it was clear that it did not have widespread support. The draft plan for the South Loop that was to have offered more to lower income groups and that was to include strong citizen input was never vigorously pursued and remained a draft. In the South Armour Square case, the mayor was not willing to risk losing the baseball team despite the fact that his own staff members had indicated that the location eventually selected for the White Sox baseball stadium was racially motivated. His comment on the displacement that would result could have been made by any other mayor: “Any displacement is unfortunate, but one must resort to it”.

A number of observers interviewed for this paper made a similar point. They attributed it, for the most part, to the fact that Washington was in power only a short time before his untimely death and for most of that time he was under constant attack by political opponents. While this is true, our analysis reveals something else as well.

The development process which we have described and whose results we have reported on is built into the very system of local governance. That includes the way construction projects are financed, the dispersion of governmental responsibility and the role of private real estate developers in the process. Ironically, one impact of the demise of the political machine which traded jobs for votes (as described above under the heading “Politics, race and class in Chicago”) is an even greater influence for real estate developers. The decision-making process around urban development projects that we described is integral to a new form of patronage in which subsidies and high-profitability sites are traded for campaign funds and the influence needed to stay in office. The truth is that there was very little Harold Washington or any other mayor could do to reverse a process that had been initiated by business and political interests in the 1950s — some 30 years before he took office. The system itself has an in-built in class and even racial bias that suggests a limit to state power itself.⁶²

The lesson here is that seeking and gaining control of local government cannot be an end in itself. Electoral victories are limited in what they can achieve. There is always a need to maintain a high level of community organization outside of the electoral arena and public office. In the opinion of a local attorney who represents community organizations and who was a strong supporter of Harold Washington,.

The Washington administration was a mixed blessing. It was a rallying point. But what went wrong? Trying to work with government was difficult when the administration had been run by the opposition for so long. When we were working to help government, we neglected the base. The opposition, the base of support in the communities, fell apart.⁶³

Race, Class and Mixed Income Community Development

These cases raise a critical theme in United States politics at the present time: the strong interplay between race and class. Race has historically been a major factor in urban development. In the historical background for the cases, we demonstrated how racism played a role in the segregation and the economic and social isolation of the Black and Chinese communities in Chicago. The cases also demonstrate how racial antagonisms and fears have hindered community development, and how such antagonisms keep community organizations from joining together to pursue common demands. This has been particularly evident between Blacks and Chinese. But it has also played a role in the resistance to construction of affordable housing. On the Near South Side, “affordable housing” is perceived as “Black housing”. The references to a community “tipping point”, and the “image problem” of the Near South Side, refer primarily to the reluctance of whites (and Chinese) to live in areas perceived as Black.

Complicating this picture is the prevailing ideological perspective that concentrations of poor people are not sustainable and are destructive to community development. This perspective provided the basis for the vision brought out in the Chicago 21 Plan: bringing middle and upper classes to the South Loop would bring political respectability. And this respectability transcended racial lines. Similarly, attracting the middle class back to Chinatown has been seen as the basis for the rejuvenation of the entire neighbourhood.

It is in this context that the fashionable notion of the mixed income community must be placed. We argue that this notion is a hollow and abstract concept, which only takes a concrete form in the political arena. Its meaning varies according to the class, race and even situational perspectives of the groups and individuals who use it.

From the perspective of the poor people in the South Loop who have attempted to secure their rights in the face of the Chicago 21 Plan and its successors, mixed income is good if it means they can stay. When Mayor Daley moved into Central Station, the South Loop Development without Displacement Campaign stuck the mixed income notion in the Mayor’s face one wintry morning as the homeless and their supporters demonstrated in front of his new house. They did it by demanding their inclusion in his neighbourhood as they sang an old Black song

Open the door, Richard.
Open the door and let me in!
Open the door, Richard.
Come on Richard, why won’t you open that door.

To private real estate developers, the mix of incomes is acceptable as long as the lower end is not too low and the number of poor people does not exceed some perceived tipping point. Also, bringing middle and upper income people into a community that is predominantly poor can mean, and has meant, that the mixed income composition disappears as the poor are driven out by high taxes and/or high rents. In this case the notion of a tipping point works the other way. How many upper class people will it take to drive up land values and drive the poor out? Conversely where the community is already solidly upper or middle income and white, mixed income is seldom raised as an issue. (Few people argue that greedy rich people need the poor as role models!) Also, as the South Armour case demonstrates, government officials are more than willing to turn “organic” mixed income communities into poor communities if it serves a greater political interest.

The point is that the notion of mixed income provides a convenient political screen for other agendas. Ultimately it avoids the important question: **Where are poor people going live?** As the government subsidizes upscale real estate and commercial development, public housing is left without proper maintenance to deteriorate. SROs are demolished without first building

replacement units. The poor in the South Loop are the homeless and the public housing residents. There is nothing in current plans and proposals that will house all of them. It can be argued, therefore, that the removal of the poor under the banner of the mixed income community is the anti-poverty programme of the 1990s.

Moreover, the class interests that are behind the hollow mixed income concept are destructive to citizen unity, which raises the question of who the citizen is, and is not, when it comes to participation in urban development decision-making or to any possible collaboration with local government. In this context, the South Armour case is instructive. When the powerful interests behind the location of the baseball stadium were threatened, support for the notion of the mixed income community disappeared. Instead, class interests were appealed to directly, leading to the disintegration of the SASNC and a separate peace with the relatively better-off residents of the neighbourhood. In this case, there was citizen-government collaboration — collaboration that resulted in the working-class home owners moving out of the area and isolation of the elderly and public housing residents. In the South Loop, the interests of the homeless, on the one hand, and the middle and upper income Black people living in Dearborn or Central Station, on the other, were at odds. Middle and upper income residents, Black and white, joined forces to attempt to prevent the new school in the area from being attended by public housing residents. Their effort was not successful, but the division along class lines was clear. Similarly, finding allies to preserve the South Loop SROs is proving difficult. In the opinion of a resident of Dearborn Homes, who is also an ally of the Coalition for the Homeless,

When you talk about getting the residents of Dearborn Homes and Central Station involved, I don't know what that means. I don't know how they'd get involved, which side they'd take. . . . Quite frankly, I imagine that you would have a substantial number of residents who would be quite happy to see the St. James and the Roosevelt [SROs in the area] and any other shelters or residences for the homeless shut down.⁶⁴

When race and class both come into play, the result is a problem for citizen and community organizations whose base is the poorest citizens. In seeking alliances, such groups find fragmentation first on race and then along class lines. The homeless, the people on public welfare, and the public housing residents are increasingly isolated.

Overcoming the Barriers

What do the case studies tell us about the kinds of changes that are needed so that the most vulnerable people in urban areas can overcome the barriers created by government and private sector interests to isolate them and prevent them from playing a meaningful role in the future of our cities? In this section, we will highlight some ideas for discussion about the changes needed to begin breaking down these barriers. We will look at the role of local government, the private sector and citizens in this context.

Local government

From our case studies in Chicago, it has emerged that the local government has not only abdicated its role as mediator among the different interests and sectors in the city, but that it has also used state power to the advantage of private property interests — to the severe disadvantage of all non-propertied classes. Many private sector renters, public housing residents and the homeless are the losers when urban development decisions are made solely according to private property and big business interests. This abuse of state power must end.

Specifically, the state's eminent domain quick take powers must be strictly limited to projects that address the common good of all citizens. Such projects would include public transportation, affordable housing, education, government and public health facilities. Sports stadiums and other infrastructure developments that increase the profits of privately controlled corporations should be excluded. Similarly, the use of government bonding authority should be used solely to contribute to the implementation of projects of direct benefit to those members of society most in need of assistance.

When public resources are used for urban property development, allocation decisions must be part of a transparent and accountable process where citizens, particularly those most affected by the developments proposed, can be fully heard. In addition, if citizens are negatively affected by such decisions, they should be justly compensated for their losses.

The United States Draft Action Plan for Habitat II referred to the commitment of the federal government to creating a "level metropolitan playing field by breaking up deep concentrations of poverty and despair in our inner-cities" (page 23). What this document failed to say was that the federal government, in partnership with local governments, largely created these situations in the inner cities of America and is now using the same top-down tactics to disperse low-income residents without their meaningful participation in the decision-making process. In Chicago, the local government has not made a clear commitment to creating a "level playing field". Our case studies have shown that a number of citizens and community organizations are determined to make this change. As one of the activists in the South Loop campaign stated:

. . . that's where I see our job: forcing the government, forcing the politicians to have the political will to do something . . . because it is perfectly possible.⁶⁵

Private sector

The private sector is doing what everyone expects it to do: make profits. In all three case studies discussed above, the profit motive of private real estate developers has driven the process. According to one activist:

. . . the developers are more important for us to convince or win over, because it is the developers who the city and mayor cater to. . .⁶⁶

This is the case because local government, as discussed above, has abdicated its role to mediate among conflicting interests and regulate urban development initiatives so that they serve the common good of all citizens. Presently, the South Loop Development without Displacement Campaign is having more success negotiating with the private property developers because the Campaign has been able to use tactics which will hurt their profits, such as picketing the real estate sales office of one of the larger developments. The picketing has persuaded the developer to meet with Campaign members to discuss setting aside some of the future rental units for low-income families. These negotiations are still going on.

Despite these experiences in Chicago, the formation of public-private partnerships for urban redevelopment was strongly endorsed in the US Action Plan for Habitat II. The experiences highlighted in this paper suggest that not enough attention is being paid to the importance of regulation and the question of who benefits most from such partnerships. Public-private partnerships have not benefited the most disadvantaged and have, in fact, been formed with little or no attention to their interests. In the opinion of a South Loop activist:

I don't think the decision makers have any idea of the negative effects the development has on people with very low incomes who are not far from

homelessness. Destruction of their homes increases the likelihood that they will have nowhere else to go. The philosophy seems to be one of trickle down, that if it all looks good around here, everyone must benefit. But, of course, that is not the case.⁶⁷

The rules and regulations for private property developers have to change. When private developers displace residents, businesses and other community facilities they should be held accountable for the full costs of the displacement. Criteria and standards of compensation should be established and enforced by government.

Citizens

There is a need to strengthen the capacity of poor people and their organizations to access the system and make the necessary changes in present urban policies. According to one long-time activist,

Citizens have a limited role because most people are trying to survive. Day-to-day survival makes it difficult for people to take a role.⁶⁸

But this activist and others agreed that citizens must struggle to take a role or be swept aside by the twin powers of local government and private interests. Structures are needed to educate people and organize them to fight back against the prevailing interests, which ignore them and consider them an obstacle to future development.

This is, of course, what the community groups in our case studies are doing. They, themselves, commented, however, that more is needed: more organizing, more education and more resources to implement what they are fighting for. As one organizer commented:

What I dream of and wish for is that everyone would begin to understand that things don't happen without involvement and to channel some of the energy that is now going into apathy . . . and self-destructive behavior . . . and get in touch with some anger that makes them want to do something about conditions as they exist.⁶⁹

In each of the case studies presented above, different circumstances made organizing more or less difficult. In the South Loop, organizers and activists feel that the usual sense of community and institutions — such as churches and social groups, which bring people together — did not exist, hampering their efforts to build a campaign. Such institutions were in place in Chinatown, but cultural and historic barriers exist that prohibit the ordinary citizen from raising his or her voice. In South Armour, local institutions were strong and the residents were ready to fight the destruction of their neighbourhood, but the state powers used against their cause were too formidable. Despite these differing circumstances, residents of each of these neighbourhoods have found a way to fight back and make their imprint on the development of their communities through protests, lawsuits and doing the development themselves.

The role of citizens in formulating urban development policy is critical. As one journalist put it,

[If] there is little organization in the community . . . the community [is] easy to push out of the way. This tends to be the case in many low-income neighbourhoods.⁷⁰

One of the organizers for the South Loop Development without Displacement Campaign emphasized the need not only to organize at the community level, but to build coalitions across neighbourhoods, cities and countries.

. . . city-wide efforts are so important because these local battles that need to be fought are actually international microcosms of the same problems duplicated all over the world.⁷¹

Conclusions

Building coalitions that link poor people's issues locally, nationally and, eventually, internationally is critical to overcoming the barriers to effective citizen involvement in solving the problems discussed in this paper. But it is also clear that such coalitions must address deep and complex structural and social issues that plague the urban development process. The case studies have revealed that the decision-making process behind urban property development in Chicago is inherently biased in favour of the interests of private real estate developers, and that these interests are contradictory to those of poor people who seek to retain and expand the affordable housing and facilities that serve their needs. Further, when citizens become developers by creating community development corporations, a tension arises between using CDCs in the interests of poor people and the fact that the development process itself is designed for contrary class interests. There is thus a need to change the decision-making process itself by placing limits on abuses of state power, such as those highlighted by the case studies, and to make community organizations — particularly CDCs — accountable to the poor people they are chartered to serve. Similarly, this paper has argued that coalitions that address poor people's interests should not focus all of their energy on gaining power in local government. The electoral victory of such a coalition in Chicago, and the subsequent administration of Mayor Harold Washington, did not significantly change the nature of urban property development. The case studies have also pointed to the importance of recognizing that poor people's issues must be articulated from both class and race perspectives. In that regard, hollow and simplistic notions such as the mixed income community do not offer viable solutions to the problems outlined here. On the contrary, when the mixed income community is used for the benefit of dominant political interests, it can be used to eliminate affordable housing and facilities for the very poor and to erode their political power by dispersing them.

In short, a key lesson of the cases is that strong, class-based community organization and an organizing agenda that confronts the biased nature of the urban property development process are of crucial importance. While we have outlined a number of specific rules and regulations that need changing, a clear organizing agenda that speaks to issues of both class and race is critical. Furthermore, alliances that go beyond neighbourhood boundaries can be more effective than organizations that are confined to a particular geographical area.

Part IV Community-Local Government Collaboration: Two Views

Collaboration between community organizations and local government has been addressed indirectly in this paper by examining some of the barriers and means to overcoming the barriers to such collaboration. In the present section we offer two differing views of this possibility from the perspective of individuals who have been directly involved in urban development in Chicago. Both of the authors have participated in at least one of the above cases and both have read the present paper.

A View From a Community Activist, by Judy Meima, Executive Director, Statewide Housing Action Coalition, Chicago

The term “collaboration” (or “citizen participation”) in the context of these case studies cannot be used without adding the qualifier “meaningful”. Unfortunately, meaningful collaboration is virtually non-existent in the development of the Near South Side, and the in United States in general. The case studies discuss two different types of organizations through which the low-income residents of three Chicago neighbourhoods have sought to gain access to decision-making and control over urban property development: community organizations and community development organizations (CDCs). In this section I wish to explore further the strategies these groups employ and the barriers raised by the political and economic system to limit or dilute their participation.

Collaboration, except in those cases in which all participants share identical goals and values, is a process of negotiation. For negotiation to be successful, all parties must have a source of power which, if not necessarily equal, must be roughly equivalent. The source of power for lower income persons in the United States is primarily “people power” or “protest movements”. Without access to political influence or control of real estate and wealth, poor people must rely on the mobilization of large groups, and creative tactics, to erect barriers to the plans of the government and upper income interests that threaten them. The histories of Chicago and the United States offer many dramatic stories of successful use of such strategies based on “people power”.

In the context of urban property development, however, there is a built-in obstacle to the implementation of these strategies. Successful mobilization and protests often lead to an agreement between the community organization or residents and property developers or city hall to begin negotiations or discuss a collaboration. By their nature, these negotiations are not well-suited to the participation of large groups or the continuation of public protests. Therefore, during protracted negotiations or in the planning process, the majority of the members of the community organization who are not directly involved in the negotiations lose touch with what is going on and may lose interest in the issue. Likewise, if public protests are halted, the pressure of public opinion dies and the community organization is seen as less of a threat.

A community organization of low-income people that sits at a negotiating table without simultaneously maintaining its protests has thus lost its sole source of power. On the other hand, maintaining protests during negotiations is often criticized as a lack of good faith. Thus a key factor to meaningful collaboration between local government and low-income community groups is the ability of the latter to maintain their status as protest organizations throughout the collaboration process.

This issue is illustrated in two places in the case studies. The first, negotiations between the South Loop Development without Displacement Campaign and the city of Chicago, explores what happens when a community organization, which has obtained the attention of decision makers through protest, breaks off those protests to attempt a meaningful collaboration. The discussion of the difficulties faced by CDCs, like the Chinatown Redevelopment Association, in maintaining their connection to the protest movements that spawned them (and in continuing to represent the lower income constituencies of the community while working with the city to implement development projects) offers a different perspective on the same issue. Because these two types of organizations seek to collaborate with the government or property developers in different ways, they face different obstacles. But there is a common thread to their problems and the solutions we suggest.

In the South Loop case study, the city initially refused to make any agreements with the Campaign. This refusal to negotiate in good faith is crucial to understanding the predicament of the community groups which tried to collaborate on South Loop development issues. Following weekly vigils outside the mayor’s house, which ultimately brought the city

government to the negotiating table, the Campaign spent months in negotiating sessions. These sessions typically included: Campaign leaders presenting and explaining the Community Plan and goals; responding to city objections; and presenting new proposals to achieve their goals. In spite of a superficial endorsement of the Community Plan and a hearty endorsement of the general goals, the city failed to reply in detail to a single proposal from the Campaign, or offer a single counter proposal. Several times, in fact, city government failed to follow through on its commitments to offer counter proposals.

Throughout the meetings, city officials often stated the mayor's philosophy that it is not the role of city government to negotiate or work with any single constituency. It was the job of the South Loop Development without Displacement Campaign, city officials suggested, to bring together low-income residents, private property developers and new upper income residents. Only when all parties had come to an agreement should the Campaign come back to the city. (To their credit, city officials did have some trouble offering this patently ridiculous suggestion with a straight face.) City staff recognized that private property developers had little reason to work with lower income residents, who they primarily saw as a threat to their property values. Furthermore, this was clearly a double standard: city staff spent days working with property developers and representatives of upper income residents to plan urban redevelopment projects that would serve **their** needs. Finally, after months of meetings, the mayor's chief of staff admitted that the order had come from "above": not a single agreement was to be concluded with the South Loop Development without Displacement Campaign .

This was an important learning experience for the Campaign. Leaders realized that they had lost important momentum by halting their protests for several months and giving the city the benefit of the doubt. Without the pressure of these protests, the Campaign had no leverage in their negotiations with the city government. They then adopted the strategy described in the case study: continue and expand their protest effort while simultaneously seeking opportunities for real collaboration with private property developers or the city.

The role of the CDCs is slightly more varied and complex. A bit of history helps to understand why it has been difficult for many CDCs to maintain their roots in low-income communities. In the early phases of the community-controlled development movement, CDCs were formed out of protest organizations. The creation of these CDCs was seen as serving two purposes: establishing organizational structures to access public and private funding for low-income housing and economic development and, perhaps more importantly, providing an alternative model to privately controlled, profit-motivated property development interests that were destroying lower and working-class neighbourhoods. The decision of the lower income South Armour Square residents to become directly involved in community planning and development mirrors these goals. Early CDCs understood that, given the political/economic climate, they would never have enough resources to produce enough housing to make a real difference. Therefore, the symbolism of their truly democratic model of development and their ongoing participation in the protest movement was very important.

In order to achieve these goals CDCs built several unique features into their organizational structures. They stressed democratic decision-making in both their management style and in the planning and development process. The rental housing they developed often included significant resident control over management, either through co-operative forms of ownership or resident associations with direct control over management policies.

These early CDCs maintained their connection to the larger low-income community in various ways. Often, their governing boards were elected by the community or representatives from other community organizations were appointed. CDCs also solicited ongoing input and support from the wider community through public meetings and relationships with other community organizations.

At times, putting these democratic principles into practice conflicted with the practical needs of implementing urban development projects in a profit-motivated, non-democratic society. Often the pressures were external: the time necessary for meaningful democratic decision-making conflicted with the pressure to make quick decisions on development issues; public meetings to discuss which sites to purchase resulted in highly inflated purchase prices, etc. Other pressures were internal. Some organizers and community leaders who had operated for years in the world of community organizing and protest felt out of place competing in the world of private property developers. They felt pressured to look and sound like private developers and were consumed by purchasing a new wardrobe and learning a new language. Gradually, some staff and leaders of CDCs spent more time with city officials and bankers than they did with their constituents. Over time it became easier to understand the perspective of those outside the community and easier to make compromises. Finally, for some CDCs the fear of angering their funding sources, or biting the hand that fed them, caused them to distance themselves from the more radical community organizations that had created them.

These changes within CDCs reflected, and in part were caused by, a change in tone in the wider population. Confrontational tactics were becoming less popular, while partnerships and collaboration were gaining popularity. This change was at least partly a result of the growing skill of governments in dealing with protest, and in using the language of protest for their own purposes. The public housing policies of the US Department of Housing and Urban Development (HUD) during the Reagan and Bush administrations provide the classic example of this tendency. The secretary of HUD at that time, Jack Kemp, proclaimed that the new goal of HUD was “empowering” public housing residents. This apparently lofty and moral goal successfully masked the real motivation of the federal government, which was to divest itself of responsibility for some economically troubled public housing developments. HUD was willing to form collaborations with public housing resident associations and hand over management and ownership of their housing. The fact that the federal government was willing to contribute very few financial resources for the maintenance or refurbishment of the public housing that it had mismanaged for years was not highlighted by Secretary Kemp.

Many community organizations have successfully combined protest and low-income community development, which proves that the two are not incompatible. Nevertheless, the political, social, and economic structure of US society presents substantial barriers to such an approach. These organizations must wage a continuous internal and external battle to remain true to their founding principles. On the other hand, as long as the government fails to play a role in ensuring the right of participation and benefit to all residents, not just upper income households, community development of low-income neighbourhoods is not possible without continuous protest and pressure.

The administration of Harold Washington clearly showed this. During Washington’s administration many community organizers who were strong supporters and had worked hard to get Washington elected were in favour of continuing protest on unresolved issues. This was a difficult position because of pressure from other activists, as well as because of their strong sense of loyalty to and love for the mayor. In retrospect, however, many activists now realize that ongoing organizing efforts would have made the Washington administration a stronger one. Community organizing would have provided a system of checks and balances, which all politicians need. More importantly, continued organizing would have shown that strong support remained for the philosophy and goals on which Washington was elected, and would have given him a stronger position from which to face the opposition.

Ironically, the key to low-income community organizations’ ability to participate successfully in meaningful collaboration lies in their ability to maintain their status as “organizations outside the system” while offering the government opportunities to make the system work

better for all constituencies. Grassroots community organizations are successful in negotiations when they are seen as legitimate representatives of the broader community, and they must work to ensure that all compromises are reached through a democratic process. The opposition must never doubt the organizations' willingness and ability to "return to the streets" if they are faced with settling for an unsatisfactory compromise. Finally, organizers must agree that a "victory" that does not have the full "ownership" of the people is not a real victory.

Similarly, CDCs must be able to implement real estate and commercial development projects as well as, or probably better than, private property developers. At the same time, they must always put the goal of changing the system and maintaining community control over the process before the goal of "getting the deal done". Staff and leaders of CDCs must not shy away from opposing the government or walking away from a development project because they may lose their source of funding. The government will continue to work with them (although it may wish that it did not have to) because CDCs offer the only real opportunity for successful development in low-income communities and because they have grassroots support. Besides, development work undertaken solely to satisfy government interests and without community control is not worth the time, effort and resources needed.

Having said that grassroots organizing will continue to be necessary, it is also true that the government has the obligation to work to correct the structural exclusion of low-income people in political decision-making. In order to create meaningful collaboration, government must recognize that it has the obligation to ensure the right of low-income, disenfranchised residents to meaningful participation. Government has failed to do this — as the case studies in this paper have illustrated — and in the past five years has regressed even further, actually denying that it has the obligation to do so. The draft document that the US Department of Housing and Urban Development prepared for the Habitat II Conference speaks glowingly of citizen participation and collaboration at a time when the US government is moving even further from any real implementation of these concepts. Lulled over the past 10 years by words like **empowerment** and promises of **partnership**, too many community activists have eagerly pulled up a seat at the table. They step away from that table to a new vision of "economic recovery" — in which the poor are blamed for the failures of government programmes as it seeks to balance the budget by decreasing taxes for the wealthy and increasing rent for public housing residents.

A View From a Local Government Official, by Marcel Acosta, Deputy Commissioner, Department of Planning and Development, Chicago

The efforts of community organizations are essential to promoting balanced urban development. The preceding case studies have documented the limitations of both the government and private market in addressing social equity. History has also shown that intervention by effective advocacy groups has been influential in the formulation of urban policy. Ironically, formal democratic government can be the forum in which non-governmental organizations become empowered. In this forum, both community organizations and formal government maintain a symbiotic relationship.

Despite its shortcomings, policy formulated through formal, democratic government is still a valid and accountable form of decision-making. Government is the arena in which the balancing of demands of all constituents that compete for services and attention occurs. Community organizations bring issues to the table for debate, discussion and validation. There exists no single organization that represents "the people". In reality, community organizations include multiple constituency groups with different agendas. Multiple actors,

conflicting agendas and informal consensus combine to create an ambiguous framework within which government must weigh the concerns of “the people” and those of the private sector. Government, through a complex political process, sorts through numerous issues, determines the validity of information and demands, makes trade-offs and compares issues against its own stated and informal policy agendas.

However, it is equally important to address the limitations of community representation in this process. “Real democracy”, which in this context implies that all members of society have equal access to and voice in the urban development process, is a misnomer. Community organizations articulate and channel issues through their own representatives. Often, NGOs operate democratically, electing leaders and acting with the explicit consent of their constituency. Sometimes, however, leaders or advocates are not “democratically” elected. They emerge through a variety of channels — ranging from self-appointed or “nominal” leaders that use their personal status in the community to advance their own interest and power, to outside organizations that define and act on issues on behalf of a constituency without their consent or request.

Formal and informal public participation processes in the United States favour those that are willing to take more public and visible stances. Government will react, either positively or negatively, to those that speak up. Depending on the manner community leaders emerge, their strategies may accurately or inaccurately reflect the views and priorities of their constituency. These leaders manage the process of selecting issues, articulating positions and defining strategies and tactics on behalf of their constituents. However, these leaders sometimes are not accountable, and their constituents lack the means to reclaim the agenda.

Is collaboration possible between community organizations and government? True collaboration requires some shared values, philosophies or approaches. Typically, elected officials and community organizations that share basic philosophies and approaches can work in a collegial, collaborative environment to set priorities and negotiate trade-offs. As the case studies illustrated, the Washington administration worked with certain volunteer groups that shared similar approaches and philosophies. Yet the same administration, because of competing interests and institutional constraints, could not completely support the agenda, and even acted against the interests of the constituency in certain cases. The current administration may philosophically agree with the needs of different constituencies. Its policies may be carried out through different approaches or based on differing priorities with which some of these groups disagree.

Sometimes community organizations use confrontational strategies to promote change, and such strategies are potentially effective in unbalanced relationships because they call attention to problems not adequately addressed within the existing system. Using confrontational techniques is effective when it directly highlights problems. Positive illustrations include a recent effort by the Chicago Coalition for the Homeless to build temporary shelters at visible intersections throughout the city, or a greenhouse to employ the homeless. In fact, such techniques might create a “seat at the table” by raising the visibility and political stakes of particular issues. When “non-related” action is taken (such as dumping manure on a public official’s lawn) it trivializes the issue, diminishing the point rather than generating public empathy for a particular cause.

Ultimately, these tactics have to produce tangible results and acceptable outcomes for their constituents. Gaining a seat at the negotiating table means playing within a different set of rules and requires good faith on all sides. Confrontation campaigns create high expectations. Actions such as walking away from the negotiating table risk the consequence of ineffectiveness and loss of credibility. Leaders that have some accountability to their

constituents need to weigh these factors in their strategies. Moving back and forth between confrontation and negotiation will never establish true collaboration.

Once at the table, the expectation of promoting fundamental policy reform flies in the face of the incremental way governments and markets make decisions. Successes and outcomes are usually produced at the margins, and fundamental reforms are rare. CDCs have evolved, in part, as a response to this process. When government and community organizations negotiate, the latter face a series of dilemmas. Is compromise selling out? When is a moral victory more important than a tangible improvement? Is it more important to win a particular issue or maintain/improve the general relationship? These questions are important to consider given the incremental way decisions are made.

When common ground exists, policy formulation is a matter of negotiating details. When the two sides have little in common, explicit policy negotiations require bending fundamental beliefs, which might be unacceptable to both sides. At the beginning of the process, preparing joint comprehensive plans or negotiating broad policy when fundamental disagreement exists is often ineffective. Instead, “situational approaches” — isolating several key issues and working together at a project level — is a more practical way to effect change. And it can ultimately lead to a better working environment through learning that can advance more fundamental policy changes.

Despite the more visible conflicts, there also have been some positive collaborations between the city and community organizations. For instance, two new SRO housing developments, funded in part by the city, recently broke ground. In addition, the city and CCH worked out an agreement to open an “urban greening project” to employ the homeless in a near-downtown location.

The ability to form a constructive working relationship through these projects will help improve prospects for future collaboration. This experience required both sides to develop patience, look at alternatives and make trade-offs. Experience is also a learning process. Building some level of trust and respect during the negotiation of these projects may ultimately lead to other projects, and perhaps substantive policy discussions in the future.

With respect to future policy discussions, the “mixed income community concept” provides a forum for all sides to negotiate ways of integrating market-priced and affordable housing in a given area. Failure will result if either party views it as an all-or-nothing debate. Effective discussion will require all sides to formulate realistic scenarios for accommodating the interests of the private sector, government and residents of all income levels. This type of problem solving approach is usually lacking in broader policy discussions.

Coalition building between local government and community organizations is possible in other areas. Common ground exists with respect to issues at the regional and national levels, where many resource allocation decisions are made. Cities like Chicago have to solve a disproportionate share of social problems, while many suburban areas do not. Over time, decisions to subsidize growth in the more affluent suburbs have diminished the city’s ability to compete for resources. Perhaps more effective collaborations are possible at this level, where local government and community organizations can seek a more equitable distribution of these larger resources that address wider social obligations rather than fighting over rapidly dwindling local resources.

Appendix 1: South Loop Case Study

Introduction

The boundaries for the South Loop are more arbitrary than most Chicago communities because the South Loop is an area of residential enclaves and transportation access routes to the Loop, Chicago's central business district. Located one mile directly south of the Loop, it consists of a number of planned residential developments that house some of Chicago's highest income, most politically connected households — as well as some of its lowest income, most disenfranchised households. For example, Chicago Mayor Richard Daley lives in the South Loop. Within a mile of his home, most residents of Hilliard Homes publicly subsidized housing development live on incomes below the poverty line. They are rarely consulted on the future of the area.

There was little development in this part of the city until the 1850s, when the railroads laid their tracks through the south side of Chicago. This drew industrial development and a demand for workers who, in turn, sought inexpensive homes near their place of work. The fire of 1871, which began on the west side of the Chicago River, left the Near South Side intact. This spurred the conversion of many residential structures into workers' rooming houses and commercial sites. Even at the turn of the century, however, the Near South Side remained home to some of the wealthiest Chicago residents — George Pullman, Marshall Field and Philip Armour lived on the fashionable Prairie Avenue south of 16th Street.

Through the second half of the nineteenth century, the dominant attraction of the South Loop area was its superior transportation facilities. By 1903, four major railroad terminals — the Illinois Central's Central Station, the Dearborn Street Station, Chicago Grand Central Depot and the LaSalle Street Station — were located in the south part of the Loop. Although the railroads brought thousands of jobs to the area, they brought trouble as well. Heavy passenger traffic brought houses of prostitution, gambling rooms and saloons. The Colombian Exposition of 1893 created a boom in land values all over the South Side and led to the construction of apartment buildings and hotels in anticipation of crowds that never showed up. After the First World War, the wealthier more fashionable Prairie Avenue had lost its prestige and most of these elite families moved to the North Side of the city. The most significant factor in the decline of Prairie Avenue was the infusion of commercial and industrial development into the Near South Side area. As industrial development grew, the old mansions were converted into rooming houses or torn down to make way for factories.

Proximity to the railroad terminals gave the South Loop access to Chicago's convention trade. This is still true today, with Chicago's trade and exposition centre, McCormick Place, located on the Near South Side. It was originally built in 1967, burned down, and was replaced in a year. It is now being expanded and renovated.

In the 1920s and 1930s, a number of public buildings were built along the lakefront. These include the Field Museum of Natural History, Adler Planetarium the Shedd Aquarium and Soldier Field (the stadium for Chicago's professional football team, the Bears). More recently, several of these public buildings have been expanded and renovated. The city is in the midst of major infrastructure improvements in the area, with the aim of turning it into what the city calls a "museum campus." This has involved major reconfiguration of Lake Shore Drive, the main east/west access along the lakefront in Chicago.

The population of the South Loop declined between 1920 and 1940. Following the Second World War, there was a large influx of Blacks into Chicago, and they constituted an

increasing proportion of the South Loop population as well. The significant rise in population was not matched by a corresponding increase in housing units, however. The result was a tremendous concentration of Black families living in overcrowded and substandard conditions. There was no new construction until 1955, when the Chicago Housing Authority completed the Harold I. Ickes Homes. Located on a 7.3-hectare site at 22nd and State Street, Ickes Homes consists of six seven-story and seven 15-story buildings containing about 800 housing units. Aside from Ickes Homes, residential development was at a standstill through the 1970s, when the South Loop became the focus of a group of downtown corporate leaders who worked with the city government to undertake a redevelopment plan for the South Loop.

City politicians, planners and developers motivated to revitalize the central city and increase its tax base envisioned the redevelopment of the South Loop as a residential area geared toward middle and upper income professionals working downtown. The decline of the city's manufacturing base and in the use of the railroads left many of the railroad yards on the Near South Side ripe for redevelopment. The 1958 Chicago Area Plan was complemented in 1973 by the Chicago 21 Plan, which laid out this approach to the redevelopment and economic restructuring of the city. The Chicago 21 Plan emphasized the downtown and the service sector as the new engines of the Chicago economy.

The South Loop has thus experienced the urban cycle of industrial prosperity and decline, and subsequent renewal as an appendage to the downtown service sector economy. The historic landscape of the area is being transformed, shaped by Chicago's transition from an industrial to a post-industrial, service-oriented economy. Abandoned warehouses and industrial buildings that once serviced the Loop are being converted into upscale condominiums. Railroad yards, once the lifeline of the city but vacant in recent years, have been transformed into secluded, expensive residential areas.

This surge of private property development has exacerbated existing racial and income segregation patterns, with publicly subsidized, low priced housing concentrated to the south and expensive homes concentrated to the north. The southern area of the South Loop, which includes Hilliard Homes at Cermak and State Street, is 93 per cent Black. Sixty-five per cent of the households have incomes below the poverty line. On the other hand, the median household income in the northern areas of South Loop, which is 78 per cent white, is US\$ 48,607 — compared to the city of Chicago's median 1990 household income of US\$ 26,301.

Since the 1980s, the city has played an active role in this type of redevelopment by providing public subsidies to private real estate developers. This has led to the construction of over 1,400 single family homes and town-houses, which make up the suburban-like enclaves of Dearborn Park Phases I and II. Adjacent to these new residential areas is Printer's Row, several blocks of warehouses and factories that have been converted into residential lofts and upscale shops and restaurants. Until the 1970s, this was the centre of the printing industry in Chicago. Between 1970 and 1987, however, the number of printing firms in the area fell from 96 to 45. Today, only a handful can afford the higher rents of the area.

To stimulate the redevelopment of the South Loop, the city of Chicago passed a tax-increment financing (TIF) ordinance in April 1990 to aid the private development of Central Station. Burnham Place, now home to Mayor Daley, was the first residential phase of this 30-hectare undertaking.

But such urban redevelopment and improvement has not benefited all residents of the area. Long-time, low-income residents of the South Loop have, in fact, lost out. Currently a community struggle is taking place over the development of the South Loop. Since the late 1980's, therefore, the Chicago Affordable Housing Coalition (CAHC) and the Chicago Coalition for the Homeless (CCH) have been demanding that scarce public resources be

directed to low-income communities, rather than to subsidizing the construction of luxury housing. As a result of the pressures brought to bear by the CAHC through a direct action campaign, the city's first TIF agreement required the property developer undertaking the redevelopment of Central Station to construct 20 per cent of the housing units for low and moderate income residents. However, no such units have been built to date.

Since the expansion of the Central Station TIF district in 1994, the struggle for equitable development in this neighbourhood has evolved into the South Loop Development without Displacement Campaign, which is spearheaded by the CCH and the CAHC. The campaign aims to ensure that public resources are directed toward preserving the area as a mixed-income community so that current low- and moderate-income residents and businesses share in the benefits of the redevelopment and are not forced out due to rising land costs. The Campaign includes the following economic development and housing goals:

- Twenty per cent of all new housing should be set aside for low- and very low-income families.
- Existing low-income housing in the South Loop should be preserved and improved. Non-profit developers should have the opportunity to rehabilitate and manage single room occupancy hotels (SROs).
- The mandate that the property developers of Central Station set aside 20 per cent of the units for low and moderate-income tenants should be implemented.
- South Loop small businesses should be supported and preserved.
- Fifty per cent of all jobs created by South Loop development should be set aside for women, minorities and homeless Chicagoans.

The campaign has employed many strategies in pursuit of these goals, as discussed below.

Organizational Background of Community Coalitions

The South Loop Development without Displacement Campaign has been organized by two community coalitions representing a variety of citizens in Chicago who are concerned about affordable housing issues: the Chicago Coalition for the Homeless (CCH) and the Chicago Affordable Housing Coalition (CAHC).

The CCH was founded in 1980. From a small number of initial founders, it has grown to more than 800 organizational members and over 11,000 individuals. Members include shelter/service providers, homeless people, advocates, religious groups and others concerned about the growing problem of homelessness. CCH is active at the local, state, national and international levels, with leadership participating on the National Coalition for Homeless and Habitat International, which is made up of national homeless coalitions.

The CCH believes that the fundamental causes of contemporary homelessness are the lack of affordable housing and jobs that pay a living wage, and the growing problem of poverty. Over the last decade, more people have come to need low-cost housing and less has been done to create, protect and rehabilitate Chicago's housing stock. Economic factors, insufficient care for people with mental illness, and cuts in social service programmes for the poor are also significant factors in the explosion of homelessness.

The CCH has a professional and ethnically diverse staff of 13, including community organizers, a programme policy specialist, an associate director of programme and policy, a youth co-ordinator, a director of development, an office manager, an administrative assistant and an executive director. In addition, three volunteer interns work at the CCH. Volunteers are the backbone of the organization. The Board of Directors is made up of 31 volunteers, five

of whom are homeless or formerly homeless. There are six membership committees: Housing, Women's Empowerment Project, Jobs, Youth, Mental Health, and Alcohol and Substance Abuse. The chairperson of each committee is also on the board of directors.

The Chicago Affordable Housing Coalition is the regional caucus of the Statewide Housing Action Coalition (SHAC). As the regional caucus, CAHC is composed of all the city members of the statewide coalition. SHAC is a coalition of community-based organizations, non-profit housing developers, social service agencies, church groups and residents working to address issues surrounding the lack of low-income housing in Illinois. For more than a decade, SHAC has worked to strengthen the role of community organizations in increasing and protecting the supply of affordable housing in Illinois. SHAC achieves its goals by: coordinating public activities; sharing information through forums and publications; and providing technical assistance in grassroots organizing, capacity-building and housing development. The Coalition works at the local, state and national levels to create a public environment that supports affordable housing. SHAC also promotes the critical role played by residents and communities in addressing affordable housing issues. SHAC has an annual meeting where its board of directors is elected from the membership. Each of the caucuses throughout the state elects its caucus officers at this time, and each caucus has a representative on the statewide board.

Both CCH and CAHC had members who were concerned about the displacement of low-income persons due to the development of the South Loop. Through discussions among the members of both organizations, they decided to work together on the South Loop Development Without Displacement Campaign and to form a steering committee to oversee the campaign. Members from both organizations volunteered to be on the steering committee and work with the staff on the goals and direction of the campaign.

Demographic/Economic Context

The population in the South Loop was in decline until 1980 when, due to intensive housing construction, it began to increase. Between 1980 and 1990, the population of the South Loop grew 31 per cent, from 10,616 to 13,908. The proportion of Blacks living in the South Loop has fallen, however. In 1980, 72 per cent of the area's inhabitants were Black; by 1990, the Black population was only 59 per cent of the total. To an organizer of the Development without Displacement Campaign, this decrease in the Black population is not surprising. He contends that one of the foundations for the urban planning and development of the South Loop is "the push . . . towards whitening of the periphery of the Loop". In the higher income areas on the northern boundaries of the South Loop, where most of the new town-houses and loft conversions have been built, there is some racial integration: 22 per cent of the population is Black. While some of these households are Black middle income professionals, many others live in the few rooming houses or SROs that still remain in the upscale areas. The SROs have been targeted for removal by the city, but the Campaign aims to preserve them because they are needed by the single working-class people in the area.

The level of investment in the South Loop led to a dramatic increase in the number of housing units during the 1980s, from 4,904 in 1980 to 7,609 in 1990 (an increase of 55 per cent). Most of these were higher income units, and the number of SROs actually fell from 11 to seven hotels between 1985 and 1990, according to an inventory taken by several housing groups in the South Loop. In another study, it is estimated that since 1961 the South Loop has lost over 3,000 SRO hotel units. In 1980, 27 per cent of the labour force in the area were executives and professionals; by 1990 that proportion had grown to 49 per cent. Not surprisingly, the

percentage of the labour force living in the South Loop who are craftspeople, machine operators and labourers declined from 22 per cent in 1980 to 6 per cent in 1990.

Ideological/Political Context

The ideological and political basis for the redevelopment of the South Loop is intertwined with the economic changes in the Chicago economy. The railroads are once again influencing the development of the South Loop, only in a completely different way. In the last century, the railroads played a key role in the city's industrialization; now, industrial decline and vacant railroad yards are giving rise to the expansion and strengthening of Chicago as a financial and service sector city.

Real estate developers have been a strong political force in Chicago politics and have been closely aligned with city government since the administration of Mayor Richard J. Daley in the 1950s. Chicago is often referred to as a "developer's town" because real estate and property developers have had so much influence on the city's planning and development policies. The city's real estate developers and architectural firms first set their sights on the redevelopment of the South Loop when the city government was moving too slowly on plans for the central business district and the surrounding area. This group joined forces with other downtown corporate interests in the Chicago Central Area Committee to design and sponsor a master plan, which they called the Chicago 21 Plan.

In 1973, the Chicago Central Area Committee released the Chicago 21 Plan: A Plan for the Central Area Communities. The main purpose of this plan was to keep the Chicago business district — the Loop — the dominant focus of commerce and culture for the entire metropolitan area. By including the surrounding communities — like the South Loop — in the plan for the central business district, the downtown corporate interests were acknowledging that redevelopment of these areas was important to secure capital investments in the central business district.

This planning process was being done in a context described as "white flight" from the city. Chicago's population had decreased for a second time in the 1970 census and many of the political and business leaders were concerned that middle class and white households were leaving the city for suburban areas. In addition, the retail corporate interests were concerned about competition from suburban shopping malls, which were taking business away from the downtown retail area. In promoting the first phase of the residential Dearborn Park development in the South Loop, one of its developers stated:

It [Dearborn Park] will house families from the full economic spectrum, with a great majority of the housing being within the range of the city's solid middle class of policemen, firemen, school teachers, and Loop office workers. . . . [This] will reverse the population trends and cause an increase in the city's population for the first time in decades.⁷²

This statement was made in 1973, and the ideas it expresses continue to be the foundation for the development push of middle and upper income housing development in the South Loop. Even during the Washington administration (1983-1987), which had emphasized neighbourhood development and affordable housing, the downtown developers remained strong and prevailed in their aim to redevelop and expand the South Loop as a middle income residential area. The city's current administrations remains concerned with stemming flight to the suburbs. In April 1996, the mayor addressed a housing conference, stating, "The middle class is leaving Chicago. Urban America is changing. Most of urban America is outside the cities. They're all leaving the city. What's going to be left is rich and poor."

Unlike 1973, however, few middle class families can afford the town-houses in the South Loop's Dearborn Park and Central Station. In 1997, housing prices are no longer affordable for police, teachers or fire-fighters. Prices of the town-houses in Central Station begin at US\$ 250,000, compared to the average single family home price in the city of US\$ 100,000. The new residential developments in the South Loop are thus fulfilling the statement made by the mayor of Chicago by providing mostly housing for the upper classes.

For as many decades as the city's political and financial resources have been focused on the development of expensive housing in the South Loop, the city administration has allowed the Chicago Housing Authority (CHA) to neglect the stock of publicly subsidized, affordable housing in the city. This has meant an increase in the number of vacant and uninhabitable public housing units throughout the city, including those located at the southern edges of the South Loop. In the past year, the federal government has taken over the CHA due to its extreme mismanagement and neglect of the housing stock and the needs of residents. This mismanagement coupled with the cutbacks in other federally assisted affordable housing programmes have created a housing crisis in which there is an abundance of high-quality, high-priced housing for higher income city residents and limited housing opportunities for the one third of the city's families living below the poverty line (US\$ 15,000 a year). This persistent lack of affordable, decent housing for all Chicago's citizens has led several housing activist organizations to initiate the South Loop Development without Displacement Campaign.

Institutional Context

Affordable housing activists have focused their attention on the South Loop because the city has used so many financial and political resources to redevelop the South Loop as an upper income residential area. When Dearborn Park was first proposed, groups from several of the city's neighbourhoods objected to the city's spending public dollars on the construction of town-houses, apartment buildings and commercial infrastructure in the abandoned railroad yards. Nevertheless, these subsidies were informally agreed upon by private property developers and the city administration. The developers downplayed this public subsidy and emphasized in their public statements that the rest of the project was entirely financed by private funds through a limited dividend corporation. The first phase of the Dearborn Park project therefore went ahead without delay.

In 1978 under President Carter, the federal Urban Development Action Grant (UDAG) Program was designed to encourage reinvestment in the northern industrial cities that had experienced job loss and economic decline throughout the 1970s. Many of the South Loop private property developers received these federal funds and used them for the loft conversions and other upscale construction in Printer's Row. Nine real estate developers in the South Loop received US\$ 38.3 million — 39 per cent of all the UDAG funds that came into Chicago. Although it was the city government that approved and submitted the applications to the federal government, the process was driven by property developers in Chicago. The UDAG programme was administered in such a way that community groups did not know about these subsidies until they had already been awarded. In 1986, a study was commissioned by the Chicago 1992 Committee, the "watch-dog" coalition of community groups that opposed the candidature of Chicago as the site of the 1992 World's Fair, to find out where the UDAG funds were going. Once known, community groups met with officials of the Washington administration to protest the use of UDAG subsidies in the South Loop or other areas for luxury housing and other upscale development. Also unknown to most community groups that had been monitoring the expansion of Dearborn Park is the fact that the real estate developers went back to the Washington administration and received more support — approximately US\$ 3 million for Phase II infrastructure costs.

During this same period, the city's Department of Planning was in the midst of a general development plan for the Near South Side. This was the first time the city analysed how all of the isolated development projects — existing, underway or planned — for the Near South Side could be integrated. According to one of the South Loop civic organizations, the planning commissioner during the Washington administration was “more into public participation . . . and encouraged the administration to consider community input”. However, the plan was not finalized during the Washington administration, nor did subsequent administrations follow up. It is still considered a draft plan.

City administration and real estate developers were involved in more public subsidies for the area with the designation of a TIF district for yet another major development east of Dearborn Park: Central Station, a 30-hectare mixed-use (residential and commercial) development project that led to the construction of 200 homes and infrastructure.

The developers of Central Station requested that a TIF district be established to assist them with infrastructure costs. In December 1990, the Chicago city council approved a US\$ 40 million tax increment financing package for this development. TIF is a financing tool which allows the tax revenues created by a new development to be taken out of the general revenues used by the city, the Board of Education, the Park District, and other local units of government. Instead, the funds are used exclusively for the benefit of the new development. In August 1994, this TIF district was expanded westward to State Street, northward to Congress and southward to Cermak. Up to US\$ 105 million in city guaranteed bonds were thus made available for area improvements.

All of these special favours and public subsidies to private property developers, facilitated over the years by several Chicago administrations, have made possible the development of the South Loop as a middle and upper income enclave. Citizens groups concerned about the distribution of public resources for affordable housing and community development in Chicago have protested this unbalanced allocation of political and financial support in the South Loop. The protests have included four separate community campaigns spanning more than two decades. The community campaigns have raised questions and proposed alternatives to the South Loop development policies.

Two Decades of Community Campaigns

The first of the campaigns was the Coalition of Central Area Communities, which opposed the policies and direction of the Chicago 21 Plan in the early 1970s. This campaign was then followed in the 1980s by the Chicago 1992 Committee's opposition to Chicago as the site of the 1992 World's Fair. In the early 1990s, another city-wide group, the Chicago Affordable Housing Coalition, organized a Balanced Growth Campaign, questioning the public subsidies South Loop developers had been receiving. Since 1996, the South Loop Development without Displacement Campaign has been working to ensure that the remaining low-income residents in the South Loop are not displaced by the continued development of expensive residential and commercial infrastructure.

Opposition to the Chicago 21 Plan: Coalition of the Central Area Communities

When the Chicago 21 Plan was unveiled in 1973, it's main focus was on the downtown area and the construction of Dearborn Park, a middle income enclave just south of the Loop. But the plan also included the neighbourhoods adjacent to the downtown area. Organizations in

these neighbourhoods took great offence that the Chicago 21 Plan was completed without any community input on its concepts and direction. Groups from four of the neighbourhoods affected by the Chicago 21 Plan organized themselves into the Coalition of Central Area Communities. This coalition was unique in that it brought together a Latino, two Black and a white ethnic community who all saw that it was in their self-interest to work together on the issue of citizen participation in the future development of their neighbourhoods and the downtown area. After a year of negotiations, the Chicago Central Area Committee agreed to match funds raised by the four community groups in order to finance the preparation of a community plan for each neighbourhood. Two groups were able to raise the funds and complete their own community planning process. At the same time, many of these people came together with other activists to form the Coalition to Stop the 21 Plan. This coalition monitored public resources being channelled to the South Loop and advocated for minorities to receive a portion of the construction contracts and jobs being created by the construction of Dearborn Park. The coalition filed a lawsuit in 1977 to protest the establishment of a City Economic Plan Committee to oversee the use of federal employment and redevelopment funds. The lawsuit, which was later dropped, highlighted the fact that there was no community representation on the committee. Nevertheless, due to the community pressure, 40 per cent of the construction workforce that built the first phase of Dearborn Park consisted of minorities. In addition, 10 per cent of the contractors for Phase I were also minority-owned.

Opposition to the Chicago World's Fair: Chicago 1992 Committee

The Chicago 1992 Committee, a broad-based group of neighbourhood and civic organizations, worked to open up the decision-making process around Chicago's candidature as a site for the 1992 World's Fair. Chicago received approval for a universal category world's fair from the United States Department of Commerce in November 1981, and in June 1982 the Paris-based Bureau of International Expositions granted Chicago a provisional date for 1992, which would have been concurrent with an exposition in Seville, Spain.

The site for the proposed fair was in the South Loop on the lakefront. Many community groups thought that locating the Fair in the South Loop area would not bring benefits to the entire city. It was viewed as another way for the main proponents of South Loop redevelopment — who were also the main supporters of the World' Fair — to attract more publicly funded infrastructure and other publicly supported amenities to the area.

The Chicago 1992 Committee was concerned about the exclusivity and obscurity that had marked the planning process surrounding the World's Fair 1992 Authority, which spearheaded the effort to have the fair in Chicago. The Committee worked to ensure that the Authority, a publicly funded body, was accountable to the interests of all Chicago's citizens. There was a fear that the public capital needs of the Fair would divert already scarce resources and investment capital away from the neighbourhoods into a lakefront/South Loop-centred project. The Chicago 1992 Committee also worked to generate city-wide interest and participation in public hearings held at all levels of government, and commissioned research papers on important aspects of the Fair to promote informed choices by community organizations and citizens in their support for (or opposition to) the Fair.

Initially, the Chicago 1992 Committee saw its role as raising questions about the Fair. But after several years of inquiry and research, the Chicago 1992 Committee announced its opposition to the Fair in June 1984. Speaking for the Committee, the chairperson made the following statement:

We have studied and tried to provide input concerning the proposed Fair for over two years. From the beginning, we have said that any Chicago World's Fair that we

could support must be affordable, free from unreasonable public economic risk, possible without severely disrupting the lives of Chicagoans or jeopardizing the lakefront, and an opportunity for all of us to plan for the future of our city in accordance with its real needs. The proposed fair has failed to meet any of these criteria.

It took another year of organizing before the Chicago 1992 Committee, along with other forces, convinced the Illinois state legislature to discontinue funding for the planning of the World's Fair. In June 1985, the speaker of the house of the state legislature cited several critical advisory reports, a lack of unified support from Chicago's business and political leaders and weak interest on the part of state leaders as reasons for his lack of support for permanent funding for the World's Fair. This was the end of the World's Fair idea and its connection to the redevelopment of the South Loop.

Thereafter, the Chicago 1992 Committee shifted its focus to the idea of linked development and balanced growth in Chicago. It commissioned studies on how the federal Urban Development Action Grants were being used and distributed throughout the city and on how other cities had used strategies, commonly called linked development, to make sure development of their central business district was connected to and supportive of development of surrounding neighbourhoods. After a few years, the Chicago 1992 Committee disbanded. But the work it had done in the area of balanced growth and development in the city led to another campaign a few years later.

Balanced Growth Initiative: Chicago Affordable Housing Coalition

In 1989, the Chicago Department of Planning released a report showing that US\$ 6.8 billion had been invested in new and renovated downtown buildings between 1979 and 1988. Another US\$ 2.8 billion was projected to be invested in 1989 and 1990. Downtown development was booming, while development in Chicago's neighbourhoods, particularly the Black and Latino areas, had been a bust. Throughout the 1980s, increased property tax delinquencies, and continued loss of housing units through abandonment, disinvestment and demolitions had continued. The so-called economic recovery had passed over many parts of the city.

The Chicago Affordable Housing Coalition, representing over 40 housing organizations from across the city, proposed a Balanced Growth Initiative to remedy this uneven pattern of development: the Balanced Growth Initiative was a method for redistributing private investment dollars from the booming downtown to the city's neighbourhoods in great need of reinvestment.

The balanced growth concept — sometimes referred to as linked development — was studied by an advisory committee appointed in 1985 by Mayor Harold Washington. The committee issued a report recommending a mandatory lease tax of 10 cents (US\$ 0.10) per square foot (approximately 0.09 square metre) on all leased commercial and office space in the city and a one time exaction fee of US\$ 10 per square foot on new office buildings over 50,000 square feet (4,645 square metres), payable over a five-year period.

Five members of the 21 person advisory committee — all of whom were major real estate developers — took exception to these recommendations, and this group issued its own minority report, which disputed the causal relationship between the increase of downtown commercial development and disinvestment in the city's neighbourhoods. They argued that the economic benefits of business activity in the downtown area justified public expenditures on capital improvements and downtown services. They also claimed that the lease and exaction taxes would limit downtown development and force many developers to the suburbs.

The lease and exaction taxes were highly controversial, and neither one was enacted. If the exaction tax alone had been enacted in 1985, by 1990 it would have yielded close to US\$ 200 million for neighbourhood development. When the Chicago Affordable Housing Coalition realized what had been lost by not fighting for the lease and exaction taxes, they attempted to reopen the dialogue on the need for balanced growth in the city. The Coalition worked with other groups, including the Chicago Coalition for the Homeless, to develop a plan which asked developers to contribute voluntarily to affordable housing funds in the city.

At the same time, the Chicago Coalition for the Homeless was organizing against another property developer on Chicago's west side who had received US\$ 383 million in public subsidies and tax breaks. After negotiations with this developer led to an agreement on a contribution to an affordable housing fund for the city, the Chicago Affordable Housing Coalition joined forces with the Chicago Coalition for the Homeless to target the developer of Central Station.

South Loop Development without Displacement Campaign: Chicago Coalition for the Homeless and the Chicago Affordable Housing Coalition

The Chicago Coalition for the Homeless and the Chicago Affordable Housing Coalition organized the South Loop Development without Displacement Campaign to target the developer of Central Station and other developers in the South Loop who were receiving public subsidies. The campaign has consistently used direct actions, such as rallies and marches, targeting the Mayor's office and strategically using the media to communicate their demands to a larger audience and raise the political stakes of the issues. Prior to the 1995 mayoral elections, for example, weekly vigils were held outside the mayor's home in Central Station and a rally was organized at city hall. A series of negotiations with city officials on the issues ended in a deadlock in fall 1995. According to Campaign organizers, the city agreed to negotiations in order to diffuse the momentum of the Campaign — it had no intention of negotiating in good faith to resolve the issues (low-income housing set-asides and jobs for local residents) raised by the Campaign. Since then, the Campaign has continued to pressure the mayor by protesting at his office and demonstrating at the Democratic Convention held in Chicago in August 1996.

In the earlier part of the campaign, the Chicago Coalition for the Homeless and the Affordable Housing Coalition initiated a community planning process in autumn 1994 to counter the one-sided private development forces that dominate the area. Planning of South Loop redevelopment has been driven by private developers because the area's low-income residents are isolated and unorganized. The South Loop Campaign sought to overcome this isolation by organizing a series of outreach activities to community groups including tenant organizations in the public housing developments, churches and the South Loop School, and meetings with the SRO hotel tenants and businesses. These contacts culminated in a community planning forum in January 1995, which was attended by over 70 people. Working groups on housing, jobs and economic development, community services and schools supported maintaining and preserving the ethnic, economic, social and physical diversity of the area. One of the recommendations of this planning forum was the formation of a community organization to represent the interests of the low-income residents of the South Loop. Although the CCH and the CAHC were strongly committed to creating such an organization, the time and resources to do this were beyond the capacity of either coalition. Instead, they have continued to work with local leadership in the SRO hotels and public housing developments and have incorporated this leadership into the South Loop Development without Displacement Campaign.

Another focal point of the campaign has been the struggle over the destiny of the area's SROs. Over the last three decades there has been a dramatic loss in the number of SRO hotel units, which have traditionally provided permanent housing for low wage workers and pensioners. Currently, approximately 700 SRO units remain in the area, down from 4,000 units in 1961.

In 1993, a local development corporation made up of downtown churches submitted a proposal for funding to the city to rehabilitate one of these SROs, the St. James Hotel, located at Wabash and Roosevelt, between the upscale developments of Central Station and Dearborn Park. Despite the wide support of the surrounding residents, the city rejected the proposal and plans to raze the building to make way for commercial development as part of the TIF redevelopment plans, motivated by what it terms the "highest and best use" of the land. The struggle over the future of the existing SROs continues, and two community development corporations are working with the campaign to build at least two new SROs in the South Loop. The city is being approached to assist with the financing for these projects.

The South Loop battle between community groups, on the one hand, and the city administration and developers, on the other, represents a division between class interests. Since the 1957 development plan, the city's efforts have been directed and implemented by business and real estate interests with the financial backing of government — and little or nothing has been done to protect the interests of small businesses and low-income residents in the area. Public subsidies have fuelled strong "market forces" of gentrification in the South Loop. These forces, combined with the city's continued lack of commitment to affordable housing in the area, and the opposition of some of the more recent middle and upper income residents of Dearborn Park and Central Station to low-income housing present many challenges to preserving a mixed economic and racial community. Due to these challenges, it will continue to be important for the Campaign to build broad-based support locally and city-wide, and to continue its direct action campaign.

Appendix 2: Chinatown Case Study

Introduction

Chicago's Chinatown is an integral part of the area we designate as the Near South Side. Chinatown is best known to tourists for its exotic cuisine, architecture and gifts. But it is also home to 15,000 Chinese-Americans who work, live and raise children there. As we will discuss below, Chinatown was neglected by city officials for years. Development decisions made by the city and state were actually detrimental to the community and its businesses. In recent years, however, Chinatown has been increasingly successful in securing funds for the area's development and expansion. The following is the story of how that came about.

Demographic/Economic Context

The earliest Chinese immigration to the United States was the result of both the push of famine and civil wars in China and the pull of the opportunity to work building railroad lines across the United States. Completion of the cross-country railroad made it possible for Chinese immigrants to move from the west coast to midwest cities such as Chicago. The first Chinese immigrant to Chicago, T.C. Moy, arrived in the Loop from San Francisco in 1870, just one year after the railroads began to operate fully. The completion of the railroads also led to a surplus of labour and a racist anti-immigrant backlash ensued, resulting in the Chinese Exclusion Acts, which prohibited Chinese from holding many occupations and remained in force until the Second World War. After the Exclusion Acts were lifted, the Chinese population in the United States increased rapidly. By 1970, it was 228,565; in 1980 it had reached 812,000, and 1,645,472 by 1990. The arrival of new Chinese immigrants led to the growth of Chicago's Chinatown, and in other Chinatowns in the United States as well.

When he arrived in Chicago in 1870, T.C. Moy set up a grocery shop in an area north of today's Chinatown. About 200 Chinese, 25 per cent of the Chinese population of the city, moved into the area from 1870 to 1890 making it the first "Chinatown" in Chicago. At the beginning of the twentieth century, however, the anti-Chinese movement forced them to move south to the current Chinatown area. This was accomplished through an early version of the gentrification processes described in this paper: rents were raised excessively to put the Clark Street area beyond the financial reach of the Chinese people who resided there.

With the rapid growth of the Chicago metropolitan area, the city's Chinese population increased from 1 to 1,179 between 1870 and 1900. The new Chinatown area was surrounded by railroad tracks, factories and the south branch of the Chicago River, which limited space for future development and expansion. This also kept housing prices down, however. During the Great Depression (1930-1940) Chicago's Chinese population fell to 2,018, but from the mid-1940s on it increased continuously, reaching 22,295 in 1990. But the physical area of Chinatown had actually decreased, and thus living space was smaller, because of the construction of highways and public housing projects. This will be discussed below.

According to the 1990 US census, Chicago's Chinatown has a total population of 9,266. Due to serious undercounting of Chinatown's residents, however, the Chinese-American Service League (CASL) estimates the actual population to be approximately 15,000. Between 70 and 80 per cent of these people are Chinese. Just over 70 per cent of Chinatown's inhabitants are of working age (18 to 60 years old) compared to 65 per cent for the city as a whole; 12.1 per cent of the population is over 65 years old compared to 11.9 per cent for the whole city. From 1980 to 1990, the percentage of Chinatown's Chinese residents increased significantly. The

US census also reveals that the Chinese population is expanding into Bridgeport, to the west of Chinatown, which was a 100 per cent white, working-class neighbourhood.

When Chinese immigrants first arrived in the United States, they were employed as miners and railroad workers (the majority, 57 per cent, were employed in these two activities), fishermen, farm workers and in other industries. But by the beginning of the twentieth century, the anti-Chinese movement had begun to force Chinese workers out of these industries and into various forms of self-employment. In 1900, 56.5 per cent of working Chinese immigrants were in laundries, restaurants and farming. The anti-Chinese movement was strongest in rural areas and many Chinese moved to midwest cities, where there was less hostility because the Chinese population was smaller. Their occupations concentrated in restaurant, laundry and grocery businesses, which occupied 53 per cent of Chinese workers in 1920.

Economic growth in the US and the presence of second- and third-generation Chinese who were better educated coincided, in the 1960s, with the arrival of well-educated Chinese from Taiwan, Hong Kong and the mainland. As a result, there appeared a new strata of professionals (engineers, teachers, accountants, physicians), which grew from 6.3 per cent of the Chinese male labour force in 1950 to 18.3 per cent in 1960 to 30 per cent in 1970. The rest of the Chinese population in the United States was heavily concentrated in the restaurant, grocery and gift store businesses. Before the repeal of the anti-Chinese laws in 1943, it was almost impossible for Chinese to find jobs in Chicago — except in Chinatown, where the main businesses were restaurant, grocery stores and laundries. The first two are still the main businesses in Chicago's Chinatown today. The majority of Chicago's Chinese are service workers (33.9 per cent), followed by technicians/salesmen (21.5 per cent), operators/labourers (20.8 per cent), professional/managerial (17.5 per cent) and craftsmen (6.3 per cent).

These business and occupational patterns, the legacy of the Chinese Exclusion Acts, are a critical part of the economic context of the development of Chinatown. The heavy concentration of businesses in a few limited fields has caused serious economic development problems in most Chinatowns, including Chicago's. While Chinese people realize the importance of business diversity, they face many barriers to entry in other occupations that have deep historical roots.

The concentration of Chinese workers in limited businesses and occupations has resulted in incomes and housing conditions in Chinatown that are well below the average for Chicago as a whole. Median household income in Chinatown is approximately US\$ 17,300, compared to over US\$ 26,500 for the city as a whole. In the core of Chinatown, 35 per cent of the households earn less than US\$ 10,000, which is below the official poverty line. Housing conditions in Chinatown are substandard. For instance, in the core of Chinatown, 325 units, or 21 per cent of the housing stock, are classified as "overcrowded".

Ideological/Political Context

The Chinese Exclusion Acts also denied Chinese people US citizenship, which prevented them from holding political office. Even today, there are no Chinese aldermen in most big cities, including Chicago, and no Chinese senators or representatives in the US Congress.

Some observers have argued that the Chinese in the United States tend to have a passive attitude toward government. The Chinese Exclusion Acts, lack of representation and restrictive US immigration laws seem to have "left a residual effect upon the Chinese-American psyche even after the laws were liberalized in 1943". As a result, "the public style of Chinese-American had become, or so it seemed, subservient, inconspicuous and passive".⁷³

This has also influenced the nature of Chinese community organizations oriented toward self-help. Traditionally, Chinatown has three types of community organizations: family associations, associations of people from the same geographic area in China, and trade unions.⁷⁴ The majority of community organizations fall into the first two categories. The birth of these organizations was rooted in the hostile outside world during the anti-Chinese period at the end of the nineteenth century and the distrust of government, both in China and the United States. Associations in Chinatown have historically been the last sanctuary for Chinese people, turned to when they had nowhere else to go. Gradually, family associations and associations of people from the same geographic area became the most powerful institutions for ordinary Chinese-Americans in Chinatown.

Another cultural attribute of Chinese in the United States and Chicago has shaped how citizens have gone about trying to influence the direction of the development of their community. Chinese culture honours self-discipline rather than complaint.

Chinese-Americans rarely looked to government to solve their problems. That would be an embarrassment. Better to suffer poverty than to ask for public aid. Better to live in substandard housing than to live in a public housing project owned and managed by the government.⁷⁵

This attitude is understandable, especially considering government's treatment of the Chinese in the past. Assistance from an association, on the other hand, is viewed as a helping hand from brothers and sisters, and is thus acceptable. The same cultural characteristic contributes to the image of Chinese-Americans to outsiders. Because Chinese residents rarely complained, the outside knew little about their problems, and misinterpreted the silence as "doing well", or even as weakness.

Cultural tradition also affects attitudes towards participation. Traditionally, Chinese people believe that the government should recruit the best of the society, with public affairs attended to by élites, not by "ordinary" people. In addition, the history of Chinese in America contributes to a feeling of distrust toward government. Therefore, Chinese people tend to bring their problems to their community organization, especially family associations, instead of participating directly in decision-making processes. This "passive", indirect approach makes it difficult for community activists to organize ordinary people. According to the Executive Director of CASL, Ms. Wang,

We did hard work to get our people involved in local political life. We have been successful participating in the local school board election. We won 12 positions for our 26 candidates, but no one wanted to run for it at the beginning.⁷⁶

Today, getting more people involved in decision-making processes is still a challenge in the Chinese community.

Institutional Context

As noted above, the current Chinatown was relocated in 1907. While the Chinese community tried to establish a decent life in their new location, the city government and developers made plans without citizen input or even consultation, which eventually took land and homes from the Chinese community. In 1933, the widening of a major road for the Chicago World's Fair eliminated nearly half of Chinatown's housing stock. And in the 1950s, the State of Illinois built two interstate expressways, encircling the community, destroying a park and biting off additional housing in the process. The government promised in this case that a new park

would be built as reimbursement for the community's loss. That promise has been repeated for over 40 years but the park has yet to be created.

Although Chinese immigrants continued to move into Chinatown throughout the 1950s, the availability of jobs and living space remained stagnant. Most newcomers faced language and cultural barriers, making it very difficult to find jobs and homes outside of Chinatown. The only employment available was as low-paid waiters or laundry workers. Half of Chinatown's households lived below the poverty level in 1959. Housing conditions were extremely overcrowded, but the owners were Chinese who could at least communicate with the renters.

Chicago's Chinatown has been "locked in" by railroad tracks, expressways and the Chicago River over the past 80 years. As a result, new Asian immigrants have settled on the North Side of Chicago (known to Chicago residents as "North Chinatown"). This dispersal further weakened the Chinese community economically and politically. But the continued construction of highways and public housing around Chinatown finally led residents to turn to their own organizations for solutions.

The number of community organizations grew during the 1950s and 1960s, and today there are about 76 organizations in Chinatown — most of them small family associations. Two main organizations — the Chinatown Chamber of Commerce (CCC) and the Chinese-American Service League (CASL) take the lead in representing the community to the outside world. CCC consists of business leaders, and it focuses on government support for local business and economic development issues. CASL, a grassroots institution, provides social services to the Chinese community such as job training, social welfare, senior and youth services. The two institutions have a good working relationship. However, the Chinese community as a whole is still under-represented in all local political bodies. They have to rely on personal connections with local politicians and decision makers. Contribution to election activities is often the key to getting their voices heard.

Organizational Background of Community Organizations

Two business owners and a civic leader initiated the Chinatown Redevelopment Association (CRA) in 1959 to address the housing shortage in Chinatown. This first community development corporation (CDC) constructed 28 town-houses in the early 1960s. Since CDCs were such an unknown entity and banks were not willing to take a chance on this kind of organization — nor on the Chinatown area — the three founders had to provide personal collateral for the bank loans required for construction of the town-houses. In 1972, a second CDC, Neighborhood Redevelopment Assistance (NRA) was established by one of the founders of CRA. During the 1970s, NRA constructed 38 additional town-houses and a 139-unit home for elderly people. In the 1980s, the Chinese-American Development Corporation (CADC) was established to lead a larger effort: the US\$ 85 million mixed-use development of 225 town-houses, 70 rental units and 110 retail spaces in "Chinatown Square". For each initiative, a CDC was formed and then dissolved when the project goals were completed.

During these three decades, the community development efforts in Chinatown were led by a small group of business and professional people interested in increasing the housing options and commercial viability of the area. These leaders established CDCs because the mainstream society of bankers, investors and public officials had ignored and failed to provide adequate housing for and fulfil the other development needs of the Chinese community.

Chinatown Expansion

The desire of community leaders to overcome Chinatown's isolation resulted in two major development projects initiated and implemented by Chinese organizations: the construction of town-houses and an elderly persons' home by the CRA and the NRA in 1960s and 1970s; and the development of Chinatown Square by the Chinese-American Development Corporation (CADC), from the late 1980s to the present.

The CRA and NRA projects

In 1959, the Chicago city government and the Chicago Housing Authority (CHA) sought more land for the expansion of the Archer Courts publicly subsidized housing project, cutting deeply into the heart of Chinatown. This proved to be a turning point for the Chicago Chinese community's involvement in Chinatown's development. A small group of community leaders realized that acquiescence to the government's proposal would be harmful to the community. The Chinese residents had to take control of their neighbourhood or they would lose it. The president of the Chinatown Chamber of Commerce, Ping Tom, summed up the opinion in an interview that appeared in the Chicago Tribune in 1984:

For so long we tried to keep the outside away from our community. Every time the city or state authorities came in, we did not say a thing. That is why we lost so much land. We lost housing for 562 families because the state said, 'Maybe a highway will come through here'. We can no longer afford being the subservient, reserved, shy people. We have got to participate in the twentieth century.⁷⁷

Facing a limited and seriously declining housing stock in the Chinatown area, the strategy of G.H. Wang, the Chairman of CRA, was first to attract Chinese-American middle class to move into the community by providing decent, affordable housing. According to Wang:

My strategy was to build good quality housing to attract the middle-income class first. This was done by non-profit corporations in order to show people that this is a good business. Then the for-profit sector wanted to join, because they realized that it could make profit, and the community could be stabilized. Not only Chinese developers, but white investors also came. Then the Chinatown area became an anchor in the South Side.⁷⁸

He believed this was feasible for the Chinese community because:

Once neighbourhood self-confidence is established, then you can get into low-income housing. When low-income development precedes moderate-income development, it leads to the departure of the moderate-income families.⁷⁹

The result of his vision was the construction of 100 town-houses, inhabited today by middle-income families. The majority of the residents are owners of small businesses, together with some professionals. The home for the elderly constructed at that time is now home to 181 residents, some of them retired and some on public aid, but most with relatives in the Chinese community.

It was a challenge for the non-profit corporations to start the projects. Their founders provided personal guarantees for a US\$ 30,000 loan from banks. The reluctance of lenders to make construction and mortgage loans was a tough barrier to overcome. And from the government's perspective, Chinatown was "an area of much substandard housing where it was impossible to get an FHA loan . . . and where the city was ready to move in with a housing project".⁸⁰

Following this rejection of the application from Chinatown by an FHA (Federal Housing Authority) official, G.H. Wang commented:

To those who wanted to improve the neighbourhood, this blunt opinion from a high-ranking federal official woke them up from an 'ask the government to do it' dream. The choice became sink or swim, and we decided to swim.⁸¹

Finally they succeeded. The success of the town-houses and the home for elderly people not only earned a good reputation for the Chinese community, but also established a model for future development in Chinatown.

Chinatown Square

In 1984 an opportunity to ease the crowded conditions in Chinatown — which were aggravated by increasing numbers of Chinese immigrants — arose with the decision of the Santa Fe Railway to sell a 30-acre rail yard just to the north of Chinatown. Following negotiations that lasted four years, they purchased the land for US\$ 9.1 million. The CADC planned a mixed-use development on the property including 225 town-houses, 70 low-income rental units and 110 retail spaces for a total estimated investment of US\$ 85 million plus US\$ 400,000 to remove PCBs and other toxins from the soil. The Chicago Tribune praised the project, stating, "At last, Chinatown bursts its borders. Chinatown now has room to grow."⁸²

By the time of the Santa Fe land deal, leaders of Chinatown's CDCs had become quite sophisticated, having learned a lot from the CRA and NRA projects. They approached the government as property developers. Leaders sought the support of the city and state governments and, partly because of Chinatown's history of marginalization and partly because of the political skill of these leaders, they obtained support. The city of Chicago and state of Illinois would provide US\$ 9 million in low-interest loans and other financing for the project. The city would also provide US\$ 3 million through tax increment financing for infrastructure improvement and an estimated US\$ 4 million in Community Development Block Grant (CDBG) funds. The Illinois Housing and Development Authority (IHDA) would provide US\$ 2 million in loans from its Build Illinois programme. For the public sector, the motivation was clear: attracting middle-income young professionals back to the central city, and improving the city's tax base fit the current thinking in local government and nationally.

The private sector, including national banks headed by the First City National Bank of Houston, and local community banks organized by the Lakeside Bank, extended credit to the Chinese community and provided financial assistance. CADC adopted the marketing strategy used by CRA and NRA decades ago: pre-selling properties to partially cover the development cost.

In March 1990, CADC announced the completion of the first phase of Chinatown Square, which consisted of 56 retail units (approximately 18,600 square metres), parking facilities, and 12 town-houses. Despite the public and private participation, the first phase was not as successful as expected, however. Although 80 per cent of retail units were pre-sold, a considerable number of units were purchased for investment instead of for actual use, and there were some design and management problems as well. As a result, the vacancy rate was quite high (about 40 per cent), which made it more difficult to convince potential businesses to step in. It also turned out that the price of the land had been too high; CADC had lacked the experience to see this ahead of time.

Another problem was the lack of linkage of redevelopment projects in Chinatown and the rest of the Near South Side. Because Chinatown's main businesses are tourism-related (restaurants and gift stores), it is critical to connect property development initiatives in Chinatown to broader, city-wide redevelopment plans in order to attract the maximum number of visitors. CADC leaders and Chinese business owners had placed their hopes on the city's main Near South Side development projects, including the McCormick Place expansion (the largest exhibition centre in the US, just over one kilometre east of Chinatown), Central Station (with its upper and middle income residents) and the "circulator" (a light transit system designed to connect the downtown tourist attractions to other parts of the city). Again, the city disappointed Chinatown. As John Tan, Chairman of the CADC, said:

I worked hard trying to tie Chinatown to these projects, especially the McCormick project. But decision makers worry about the safety of visitors. They bring visitors to the exhibition centre directly and leave Chinatown alone, which hurts Chinatown severely.⁸³

The reference to safety as an excuse for not linking development projects feeds a particular fear of Chinatown residents. Many blame their isolation on the negative impact of the public housing projects adjacent to Chinatown. A number of crimes in Chinatown have been committed by residents of public housing, all of whom are Black. Given the prevailing racial attitudes, this has caused tension between Chinese-Americans in Chinatown and Black residents of the public housing adjacent to it. Many Chinese attribute the loss of business opportunities from McCormick Place to the existence of the public housing projects located between the exhibition centre and Chinatown.

Racial attitudes have also affected political attitudes and the potential for unity between Blacks and Chinese. When the city decided to redivide election wards, the Chinese community declined to join the 2nd ward, which has a Black alderman, because they did not think the alderman would represent their interests. Rather, Chinese leaders preferred to move into the 25th ward which had a Latino alderman. According to C.W. Chan, President of the Chinatown Chamber of Commerce, "From the Latinos we get good service, because they know the value of Chinatown".⁸⁴

In the context of these attitudes, there is further concern on the part of some Chinese leaders about the possibility of Black tenants in Chinatown Square and the effect that would have on business stability. CADC had to promise to build 70 low-income rental units in order to qualify for city loans and subsidies. But according to Chinatown's leaders, most Chinese want to buy homes, not live in rental units, and white people, they contend, would not move into Chinatown. The only possible renters would be Black. Some business leaders contended in interviews that if low-income Black people moved in, most of the current businesses would leave. The rental units are under construction, however, and CADC is worried about the future.

Some community leaders have recognized the importance of promoting unity among all communities. According to John Tan, President of CADC,

The majority of the Chinese in Chinatown are from the rural areas of Guangdong Province (Canton). They just want to stay with people from the same area and keep the others out. We have to convince them that they should live with the others. I told them, 'Because of the efforts of African-Americans, we have a better situation, such as on human rights'. We could be a role model for other ethnic groups in terms of working hard, integration and family values.⁸⁵

Bernie Wang, the Executive Director of Chinese-American Service League, the largest and most important community organization in Chinatown, said, "We encourage a mixed culture,

encourage the Chinese to understand Blacks, and vice versa. We organized activities for this purpose”.

Conclusion

Today Chinatown is in better shape than when it was founded in 1907. The economic situation has improved. More importantly, the better educated residents have become aware of the importance of involvement in local politics. There have been a significant number of young volunteers working with the Chinese-American Service League, the Chamber of Commerce and other community organizations. However, the Chinese community is still weak — the population is small and their political interests are under-represented. Because of this, city government is still able to make decisions that go against the interests of Chinatown. For example, displacement of the an expressway exit from 23rd Street to 25th Street caused Chinatown’s restaurants to lose 50 per cent of their business when the new exit bypassed the Chinatown area. Revitalization of the Near South Side therefore requires connecting all communities and projects in that area and working closer with community groups and the people who reside there.

Appendix 3: South Armour Square Case Study

Introduction

South Armour Square is a small Black neighbourhood located approximately three kilometres south of the centre of Chicago and just to the south of Chinatown. South Armour Square is isolated from the surrounding residential areas by railroad tracks to the west, a major expressway to the east, the large professional baseball stadium (Comiskey Park) to the north and an industrial area to the south. The first settlers of South Armour Square, historically a working-class district, were Irish, German and Swedish labourers. Following the Second World War, when Black workers looking for city jobs arrived in Chicago, they settled in the southern portion of Armour Square as well. By 1930, 44 per cent of South Armour's population was Black. The availability of cheap land in close proximity to the rapidly developing industrial areas on Chicago's South Side and the overcrowded conditions of the Black areas to the east of South Armour attracted Black residents.

Land in South Armour has been used for residential, industrial and commercial purposes, and for baseball parks. Since the turn of the century, construction of several professional baseball stadiums has played an important role in South Armour development. In 1900, the Chicago White Sox professional baseball team played in an open field. This was later taken over by the American Giants, a Negro League team, after the White Sox built their first baseball stadium, Comiskey Park, in 1910. In 1989, a new Comiskey Park was built just south of the original stadium, bisecting South Armour Square and creating a barrier that further isolated the Black community from the white and Chinese communities in the surrounding neighbourhoods.

In 1946, Wentworth Gardens, a 422-unit Chicago Housing Authority (CHA) apartment complex occupying approximately 6.5 hectares, was built on the site of the former White Sox and Giants baseball field, at 37th and Princeton, to house Black veterans returning from the Second World War. In the 1970s, the Progressive Baptist Church used federal funding to build the T.E. Brown Apartments, a 12-storey high-rise that houses 117 mostly elderly Black residents. There is also a public grammar school in the area, to the south of the T.E. Brown Apartments.

Prior to summer 1986, South Armour Square also comprised 89 private residential buildings that contained 179 housing units occupied by approximately 540 Black families, eight small and three large commercial structures and businesses including a grocery store, restaurant, gas station and tavern. South Armour had been a unified and cohesive community. Many of the residents who live in the T.E. Brown Apartments and Wentworth Gardens subsidized and public housing had friends and relatives in the private residences. They patronized the local businesses and attended the church in the area. This is different from most other Chicago neighbourhoods with public housing developments, residents of which tend to have little interaction with people who own a home or reside in private housing.

Despite the stability and cohesion of the community, South Armour became the target for redevelopment and displacement as a result of construction of a new professional baseball stadium. Residents fought this destruction of their community and neighbourhood, but lost. The decision to go ahead with construction of a new Comiskey Park in 1989 required destruction of all the private residences and commercial establishments, leaving only the T.E. Brown Apartments, Abbott Grammar School, Progressive Baptist Church and Wentworth Gardens. These institutions are adjacent to one another and form an island surrounded, for the most part, by parking lots for the sports stadium. The stadium wall itself forms the northern boundary of the remaining neighbourhood less than 60 metres from the T.E. Brown

Apartments. Each time a baseball player hits a home run (enabling him to score one point automatically) an “exploding scoreboard” on top of the stadium wall emits fireworks — part of the White Sox tradition — less than 60 metres from the elderly people’s homes. Moreover, the displacement of 12 businesses led to the loss of over 300 jobs; 70 per cent of the employees of these businesses had lived in the surrounding community. One company, which had been in the area for 60 years and employed 70 persons, moved to Indiana.

The displacement and destruction of the neighbourhood did not occur without a fight. In 1987, South Armour residents formed an organization to contest the relocation of Comiskey Park. For two years they organized and attempted to negotiate with the city of Chicago, the White Sox and the state of Illinois Sports Facility Authority to modify their plans for the new stadium so that the working-class housing and commercial establishments in South Armour would not be destroyed. Despite these efforts, the new Comiskey Park opened in 1991. However, residents sustained their fight through a lawsuit, seeking compensation for the loss of the infrastructure that was demolished to make way for the stadium. This case study tells the story of how these citizens engaged in the political and social arena at the local level to save their community. It is a story in which a community of property owners, renters and public housing residents initially banded together but were divided by the government and private business interests who appealed to the property rights and class interests of the owners.

Organizational Background of the South Armour Neighborhood Coalition

The residents of South Armour formed the South Armour Square Neighborhood Coalition (SASNC) in 1987 to respond to the displacement and destruction of parts of their neighbourhood. Initially, members included residents of the area — private homeowners, elderly people from the T.E. Brown Apartments, residents of Wentworth Gardens — as well as representatives from Bridgeport and Fuller Park, neighbourhoods to the west. The coalition was an all-volunteer organization. Members elected an executive committee comprised of a president, vice-president, secretary and treasurer. For the most part, the coalition met as a whole, and meetings were open to all who were interested in attending. People were asked to sign up as members and help pay for organizational expenses. At each meeting, someone would collect any money that people were able to contribute to pay for expenses. The Coalition’s executive committee filed the necessary papers with the state to make the coalition a not-for-profit organization. The coalition met monthly or more often if necessary to respond to the many changes that were taking place due to the relocation of Comiskey Park.

Demographic/Economic Context

The changes in population, income and housing due to the relocation of the White Sox baseball stadium into the northern edge of South Armour are reflected in the differences between the 1980 and 1990 US census data. There was a 36 per cent population loss, from 2,292 persons in 1980 to 1,467 persons in 1990. Over the decade, 16 per cent of the area’s housing units were lost, mostly due to the relocation of the stadium. In 1980, 10 per cent of the housing units were owner-occupied; in 1990, there were less than 1 per cent owner-occupied units.

The per capita income of the remaining residents is very low, US\$ 2,510, because most of the households are either on social security or public aid. In 1979, the South Armour median household income was US\$ 8,371 and in 1989 the median income fell to US\$ 6,250 (compared to the city’s median household income of US\$ 26,301). Adjusted for inflation, the median income for South Armour households declined 57 per cent due to the relocation of the

working-class families, and also due to cutbacks in public aid and social security incomes. The South Armour households surviving on these incomes are headed predominantly by women. In 1990, female headed households were 82 per cent of the households, compared to 73 per cent in 1980. In 1990, 230 South Armour households were female headed with children; 209 households were women living alone. Many of these women living alone are senior citizens; 43 per cent of the population is over 55 years old.

Ideological/Political Context

In January 1987, Illinois governor Jim Thompson and Chicago mayor Harold Washington signed a law that formed the Illinois Sports Facility Authority (ISFA). This Authority was specifically set up to build a new stadium for the Chicago White Sox baseball team. The ISFA is a unique government entity governed by a board of directors appointed by the governor and mayor. The Authority was established in response to a threat that without a publicly subsidized stadium, the White Sox would leave Chicago and possibly the state of Illinois.

Even before the legislation was signed, politicians had decided to build the stadium south of 35th Street adjacent to the existing Comiskey Park. Residents of South Armour Square first read about the deal in the newspapers. It meant that approximately one third of their neighbourhood would be destroyed to make way for the new ballpark. When asked about this displacement, Mayor Washington said, "Any displacement is unfortunate, but one must resort to it. A fair offer will be made for their properties".

Mayor Washington was facing re-election to his second term at this time, and loss of a major league baseball team would have been used by his opponents as an indicator of his inability to run the city. Washington responded to the threatened loss of the White Sox by firmly supporting the stadium project and downplaying the stadium's impact on the residents of South Armour, even though this contradicted his administration's position as an advocate for the interests of low-income and minority residents. South Armour was seen as politically weak because it was a low-income Black community within the political jurisdiction of a white-controlled ward, whose political leaders' interests led them to make sure that white families were not displaced by the relocation of the White Sox stadium.

The owners of the White Sox professional baseball team occupy a unique position within the civic and economic structures of a US city like Chicago because they control a scarce commodity, the supply of which is determined by the expansion policies of the sports leagues. There are a limited number of professional baseball franchises, which allows the owners of these franchises to use this as a threat to leave a city for another location if the owners are not satisfied with public and private support for their team. Consequently, they wield significant monopoly power in their negotiations with public officials, since most public officials feel a sense of peril over the prospect of losing professional sports entertainment. In Chicago, this monopoly power was used by the owners of the White Sox to pressure Mayor Washington to go against the interests of his constituency (represented by the South Armour community) and to also gain support and major concessions from the City and State for the financing of the stadium.

Institutional Context

Going back to the 1930s, the residents of South Armour have had little or no political influence because they are within the political jurisdiction of the white dominated 11th ward, where whites outnumber Blacks by a three-to-one margin. All elected officials from the ward are white, as are all members of the regular 11th Ward Democratic Party Organization, which has a reputation for excluding Blacks. Because of this racial polarization and segregation, South Armour residents have been slighted in terms of garbage pickup, police protection, traffic control, open space and park facilities, and maintenance of publicly subsidized housing. The displacement of South Armour residents due to the relocation of the stadium was a continued manifestation of these non-democratic policies of exclusion and neglect.

The formation of the Illinois Sports Facility Authority and its financing power is another important institutional aspect of this case that needs to be outlined. It is important because the ISFA was given financing and eminent domain powers that diminished the power of the South Armour residents to resist and counteract its authority. Eminent domain is the right of government to take over private property for public use. The state legislation gave the Authority bonding power to finance the stadium development and committed a 2 per cent hotel/motel tax to pay back the bond. In addition, the city provided US\$ 150 million in tax-exempt bonds to finance the stadium. The state legislation also gave the Authority “quick take” powers of eminent domain, allowing it to take control of private land by a certain date and negotiate after the fact with the owners for price and relocation costs. The quick take powers became an important tool in threatening the South Armour Square property owners and breaking them away from the coalition they had formed with non-property owners.

The Taking of South Armour Square: A Case of Divide and Rule

The residents of South Armour first read in the newspapers that their neighbourhood, directly south of Comiskey Park, would be the site for the new stadium. According to the manager of T.E. Brown Apartments, the fact that the residents were not part of the planning process is the sorest point of contention.

At first, SASNC took the position that the stadium could be developed north of 35th Street on the large expanses of parking lots for Comiskey Park with the addition of the Chicago Park District Armour Square Park directly north of Comiskey Park. A Chicago architect, Philip Bess, drew up plans for this alternative site as part of a project for the Society for American Baseball Research. Neither the White Sox owners nor ISFA ever seriously considered this option.

SASNC prepared a number of position papers, which formed the basis for its negotiations with ISFA. They proposed an alternative site for the new sports stadium north of 35th Street. Their other demands included the following:

- If residents were to be displaced, they should receive more than fair market price for their property and be given the option of remaining in a reconfigured South Armour neighbourhood.
- SASNC wanted to be the main negotiator for the residents and business-owners affected negatively by the construction of the stadium.
- SASNC wanted economic development opportunities as part of the stadium construction project, including jobs for neighbourhood residents and the creation of a dedicated revenue

stream (a certain percentage of the annual revenue from the stadium activities) for neighbourhood industrial and commercial development to complement the stadium.

- SASNC proposed that a trust fund be established to rehabilitate and improve the housing stock that remained in South Armour Square.

After a series of protests organized by SASNC, ISFA agreed to negotiate with representatives from the Coalition. Three people — all homeowners — were chosen to represent SASNC in the negotiations with ISFA — i.e., the residents of subsidized and public housing were not represented. ISFA appealed directly to the interests of the homeowners and offered them a very generous relocation package. In the summer of 1988, the SASNC president (one of the negotiators) along with the help of an attorney who had offered her services to the SASNC made a deal for the homeowners without consulting the other members of the coalition. The result was a clear split between homeowners, on the one hand, and the residents of public housing, on the other. According to one of the latter, “The homeowners were told ‘You have more to lose . . . and if you don’t go along with us we will take your property and you get zapped’. So, the homeowners were scared”.

The homeowners formed a separate group, which ratified an agreement with ISFA with the following provisions:

- The homeowners were provided with an office in the neighbourhood.
- Several homeowners received jobs as relocation counsellors to help the other residents decide on what option they wanted to take.
- Homeowners were offered: (a) a cash settlement for their house amounting to appraised market value plus a US\$ 25,000 incentive payment; (b) relocation of their existing house to another site plus a US\$ 2,500 settlement; (c) a new house or two apartments paid for by ISFA that would cost the homeowner no more than his or her old mortgage payment, or nothing at all if no mortgage existed.
- Renters in the private residences that were being torn down were offered a cash settlement of US\$ 4,500 and a moving allowance of US\$ 500.

The homeowners and renters had to enter into a contractual agreement with ISFA by 15 September 1988 in order to receive relocation assistance. If agreements were not reached by 15 October 1988, ISFA had authority to take title to the properties and negotiate compensation after the fact. Most of the homeowners and renters settled before the 15 September deadline. A number of the businesses went to court to fight for more compensation for their properties. All the properties were vacated by March 1988 to make way for the bulldozers.

The remaining members of the original SASNC — residents of the T.E. Brown Apartments and Wentworth Gardens — continued to fight the relocation of the stadium. As a result of this group’s continued pressure to negotiate benefits for non-homeowners, ISFA agreed to air-condition half of the Abbott Public School close to the site of the construction. T.E. Brown residents were given US\$ 500 each to defray their air-conditioning costs during the construction period.

After two years of organizing and attempting to negotiate with ISFA to modify the site plan and respond to the other demands of the residents who have to live with the stadium on their doorstep, the SASNC filed a federal lawsuit on 9 February 1989. The lawsuit had 49 plaintiffs from the neighbourhood and charged that the stadium site was selected in violation of the civil rights of the members of the community.

The court case outlines several key points. First, locating the new Comiskey Park south of the old Comiskey Park displaced more people than if it had been located to the north. All of the

residents of South Armour were (and are) Black. If the stadium had been located to the north it would have displaced fewer people but they would have been white. The court case argues that the decision to locate the new Comiskey Park to the south and displacing the South Armour residents and businesses was racially motivated.

This argument is based on the fact that in mid-1986, the mayor's office directed the city's Department of Planning to assess the best location for a stadium in the vicinity of the existing Comiskey Park. The person who undertook this study was aware of the racial tension and politics of the neighbourhood. After substantial analysis, two sites in the area were recommended for consideration: North Armour Square and South Armour Square. The study found that the advantages of both sites were about equal, although the northern site had some distinct advantages, such as less housing and commercial displacement and the likelihood of more expeditious and economical construction. Nevertheless, the northern site was not taken seriously on its merits by the city. It was believed that the northern site would never be approved politically because the more powerful white voters in North Armour Square would not allow it. The southern site was politically more viable only because the residents were politically weak. A memo written by a Chicago Department of Planning and Development staff member to the Commissioner of Development stated that the South Armour community was "isolated" and that the "Black residents" in South Armour had no political support in the 11th ward.

Another key point of the lawsuit is that a public hearing on the relocation site of Comiskey Park was never held. In the initial legislation creating the ISFA, the administrative body was specifically directed to conduct a study and hold public hearings to determine the site of the stadium. No study or hearing was ever conducted. This is in stark contrast to an earlier attempt by the White Sox to build the new stadium in a white suburban area outside of Chicago, which resulted in an advisory referendum that allowed the white citizens to voice their opinion on whether the White Sox could relocate into their community. Local politicians hoped that the referendum would show a strong preference one way or the other for the stadium. But, the final vote was close: 50.3 per cent against and 49.7 per cent in favour. Without a strong mandate to go ahead, the politicians killed the possibility of the stadium being relocated to their suburban area. The residents of South Armour never had the opportunity to voice their opinion. In fact, the Illinois Sports Facility Authority never followed the 1986 mandate that it seek public input and conduct public hearings on site selection. This was argued in the court case because the ISFA, the White Sox and the city of Chicago requested in June 1988 that the original legislation be amended to eliminate the need for notice and hearings on site selection. The legislature approved these changes without debate.

According to the lawyer representing the South Armour Neighborhood Coalition, "the lawsuit has played a positive role in keeping the group together. We changed the site of negotiations to the courtroom". After nine years, however, the case was lost in federal court. Nonetheless, SASNC was able to use the case to receive government funds to carry out a plan for the area to replace the commercial development that was lost when the stadium was relocated. Presently, SASNC is applying for Empowerment Zone funding, another federal initiative, to build a US\$ 1.5 million convenience shopping centre with residents as owners and operators of the facility. As one member of the SASNC said, "We need the community to be built by us". While the SASNC is seeking other public and private sources to rebuild their neighbourhood, the South Armour residents are resolved to continue their fight because, as one resident put it, "[The White Sox, ISFA, and the city of Chicago] are responsible for building back some of the things we had". In other words, residents feel that reparations are due for the destruction of their community and neighbourhood.

The attitude of the ISFA can be summed up in this comment Jim Prescott, head of external relations for the Illinois Sports Finance Authority: “There was a story in Cranes [a business newspaper] two years ago. They questioned why the new Comiskey Park didn’t deliver on the promise of economic development around Comiskey Park. To be honest, it irritated us”.

In a recent discussion, South Armour residents reflected on all they have been through to preserve their neighbourhood. One resident commented that if the property owners had stayed with the other members of the coalition, “We would have won. I don’t care what it is . . . if we stayed together with it, we would have won”. The members of the SASNC are resolved not to be divided again. “We were divided once, and we hope not to be divided again.” Another resident felt that the fight was worth it, commenting:

If we just break up and disappear, we have nothing to tell our children that was ours, because we don’t own land. . . . This is it, this is as close as we’re going to come to being landowners. . . . So, I think it is important that communities stick together. It’s for protection, everybody is looking out for one another. It’s been that way for years, and if the White Sox had not come in here, we would still have a vital community.⁸⁶

Endnotes

¹ Marika Pruska-Carroll, **The Printer's Row: A Case of Industrial Displacement**, University of Illinois at Chicago Center for Urban Economic Development, Summer 1987; David C. Ranney and Wim Wiewel, **The Graphic Communications Industry in the Chicago Metropolitan Area**, University of Illinois at Chicago Center for Urban Economic Development, 1987.

² In this paper, "citizen" and "citizen organizations" are used to refer to groups working with or on behalf of, or comprised of, residents of the affected neighbourhoods or communities. In other settings, these may be known as community-based organizations, grassroots organizations, popular organizations, NGOs, voluntary organizations, etc.

³ Throughout the paper, there are direct quotes from these focus groups and personal interviews with key informants from the private, government and community development sectors. These interviews were confidential and therefore we do not always identify specific persons when quoted.

⁴ An initial meeting was held with representatives of these organizations to explain the nature of the project and to solicit their help and support. At a subsequent meeting we presented a draft of a survey instrument, a list of potential interviewees and an outline for focus groups in each of the three communities that are the subject of this study. At this meeting, community representatives commented on and contributed to the materials presented. They also organized three focus groups, one for each case study.

⁵ A draft of the study was distributed to our community partners, and a meeting was held to discuss its contents. On the basis of this meeting a final draft was prepared and presented to other participants in the UNRISD/UNV project on Volunteer Action and Local Democracy: A Partnership for a Better Urban Future at a workshop in Kumburgaz, Turkey in June 1996. The study was also presented to the NGO Forum of Habitat II in Istanbul, Turkey in June 1996. Following the meetings in Turkey, we held a follow-up meeting with our partners in Chicago to discuss the paper and the meetings in Turkey.

⁶ Douglas S. Massey and Nancy A. Denton, **American Apartheid: Segregation and the Making of the Underclass**, Harvard University Press, Cambridge, 1993, pp. 17-59.

⁷ In 1979 there were 802,523 manufacturing jobs in the Chicago metropolitan area. Manufacturing accounted for nearly one third of total employment. During the 1980s, nearly 20 per cent of the manufacturing job base was eroded.

⁸ David C. Ranney, "Labour and an emerging supranational corporate agenda", **Economic Development Quarterly**, Vol. 8, No. 1, February 1994, pp. 83-91.

⁹ These estimates are based on two studies: David C. Ranney, **Transnational Investment and Job Loss: The Case of Chicago**, University of Illinois at Chicago Center for Urban Economic Development, October 1992; and David C. Ranney and William Cecil, **Transnational Investment and Job Loss in Chicago: Impacts on Women, African-Americans and Latinos**, University of Illinois at Chicago Center for Urban Economic Development, January 1993.

¹⁰ David C. Ranney and Anne Miller, **NAFTA in Illinois: Who Benefits and Who Pays?**, Illinois Fair Trade Campaign, Chicago, April 1996, pp. 7-8.

¹¹ The notion of a living wage is based on covering minimal purchases by a single parent-headed family with two children. See Kathleen Shankman, **Jobs that Pay: Are There Enough Good Jobs Available in Metropolitan Chicago?**, The Working Poor Project: Chicago Urban League, Northern Illinois University, Latino Institute, November 1995.

¹² Ranney and Miller, op. cit., p. 25; see also Nikolas Theodore, **When the Job Doesn't Pay: Contingent Workers in the Chicago Metropolitan Area**, Chicago Urban League, March 1995.

¹³ Ranney and Miller, op. cit., pp. 24-25.

¹⁴ Virginia Carlson and Nikolas C. Theodore, **Are There Enough Jobs: Welfare Reform and Labour Market Reality**, Chicago Urban League, December 1995.

¹⁵ In the United States, "progressive" is referred to as "liberal".

¹⁶ William Julius Wilson, **The Truly Disadvantaged: The Inner City, the Underclass and Public Policy**, University of Chicago Press, Chicago, 1987. In a previous work (**The Declining Significance of Race: Blacks and Changing American Institutions**, University of Chicago Press, Chicago, 1980),

Wilson argues that class is more important than race in explaining Black poverty and he supports what was previously a conservative notion that the preponderance of female-headed households and teenage pregnancy is a powerful explanation of poverty. In **The Truly Disadvantaged**, reference to a **declining significance** for race is softened. But the emphasis of the book is on the notion of an “underclass” and the behaviours associated with that class. In his most recent work, Wilson has backed away from the “underclass” concept. Yet, in the popularization of his work, that concept has become the framework for discourse about policy ramifications.

¹⁷ Wilson, **The Truly Disadvantaged**, op. cit., p. 56.

¹⁸ See, for example, Joseph Perkins, **Critical Issues: A Conservative Agenda for Black Americans**, Heritage Foundation, Washington, D.C., 1989; “Black America under the Reagan administration: A symposium of Black conservatives”, **Policy Review**, Fall 1985; Glen Loury, “Who speaks for Black Americans?”, **Commentary**, January 1987, pp. 3-38.

¹⁹ Adolph Reed Jr., **Sources of Demobilization in the New Black Political Regime: Incorporation, Ideological Capitulation and Radical Failure in the Post-Segregation Era**, unpublished paper, Chicago, 1996.

²⁰ Preston Smith provides a thorough left critique of conservative self-help ideology in **Self-Help, Black Conservatives and the Re-emergence of Black Privatization**, unpublished paper, South Hadley, Massachusetts, 1996.

²¹ Works describing these experiences include Neil Smith (ed.), **The New Urban Urban Frontier: Gentrification and the Revanchist City**, Routledge, New York, 1996; and Patricia A. Wright, John J. Betancur, Michael Leachman, Anne Miller and David Walker, **The Chicago Rehab Network Development Without Displacement Task Force Background Paper**, Nathalie P. Voorhees Center for Neighbourhood and Community Improvement, University of Illinois at Chicago, June 1995.

²² For a history of Chinese migration to and experience in the United States and Chicago, see Evan Chan, **The Chinese of America**, Harper and Row, New York, 1981; and Harry Kiang, **Chicago’s Chinatown**, Institute of China Studies, Chicago, 1992.

²³ One of the best of Chicago’s Black histories is St. Clair Drake and Horace Cayton, **Black Metropolis**, Harcourt Brace, New York, 1945.

²⁴ The noted revolutionary thinker Frantz Fanon observed in his 1956 speech to the First Congress of Negro Writers and Artists in Paris, in this regard, “The perfecting of the means of production inevitably brings about the camouflage of the techniques by which man is exploited, hence the forms of racism”. See “Racism and culture”, in the posthumously published collection of Fanon’s writings, **Toward the African Revolution**, Grove Press, New York, 1969, p. 35.

²⁵ Abdul Alkalimat and Douglas Gills, **Harold Washington and the Crisis of Black Power in Chicago**, Twenty First Century Books, Chicago, 1989, pp. 10-18.

²⁶ Dempsey J. Travis, **“Harold”, the People’s Mayor: The Authorized Biography of Mayor Harold Washington**, Urban Research Press, Chicago, 1989, p. 74.

²⁷ Anonymous interview with the authors, June 1983.

²⁸ The concept of “boss-Black relationship” is further developed in National Editorial Board of News and Letters, **American Civilization on Trial: Black Masses as Vanguard**, News and Letters, Chicago, 1983, pp. 12-14.

²⁹ These themes came out in his announcement of candidacy in November 1982 and in his second inaugural address in April 1987.

³⁰ For a fuller discussion of this issue, see Patricia A. Wright et al., **The Chicago Rehab Network...**, op. cit.

³¹ For a full discussion of development finance tools in Chicago, see Patricia A. Wright, Robert Giloth, Charles Orlebeke and James Tickell, **Choices Ahead: CDCs and Real Estate Production in Chicago**, Project No. 123, Nathalie P. Voorhees Center for Neighbourhood and Community Improvement, University of Illinois at Chicago, May 1992.

³² Ron N. Voss, **Tax Increment Financing: A Tool for Affordable Housing?**, VNC Project No. 116, Nathalie P. Voorhees Center for Neighbourhood and Community Improvement, University of Illinois at Chicago, April 1991.

³³ City of Chicago, **1996 Budget: Consolidated Plan/Action Plan**, 1996, p. 37.

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- ³⁴ Flynn McRoberts, "Section 8: A waiting game that few win", **Chicago Tribune**, 30 April 1996, pp. 1, 14.
- ³⁵ City of Chicago, op. cit., p. 41.
- ³⁶ Patricia A. Wright et. al., "Choices Ahead...", op. cit., pp 26-7.
- ³⁷ Patricia A. Wright et. al., "Choices Ahead...", op. cit., p. 25.
- ³⁸ Patricia A. Wright et. al., "Choices Ahead...", op. cit., pp. 25-6.
- ³⁹ These programmes are described in greater detail in City of Chicago, op. cit., pp 50-53.
- ⁴⁰ Personal interview, 25 March 1996.
- ⁴¹ Department of City Planning, **Development Plan for the Central Area of Chicago**, City of Chicago, 1958.
- ⁴² Chicago Central Area Committee, **Chicago Central Area Housing Market Analysis**, 1959, p.7.
- ⁴³ Chicago Central Area Committee, **Planning Principles for the Chicago Central Area**, 1966.
- ⁴⁴ Chicago Department of Development and Planning, **Chicago 21: A Plan for the Central Area Communities**, City of Chicago, 1973.
- ⁴⁵ Chicago 21 Corporation, **South Loop New Town**, City of Chicago, 1974.
- ⁴⁶ John Betancur, Deborah Bennett and Patricia Wright, "Effective strategies for community economic development", in Philip Nyden and Wim Wiewel (eds.), **Challenging Uneven Development: An Urban Agenda for the 1990s**, Rutgers University Press, New Brunswick, New Jersey, 1991, pp. 203-204.
- ⁴⁷ Personal interview, 27 March 1996.
- ⁴⁸ Ed McCahill, "South Loop: Building for the future", **Chicago Magazine**, December 1977, p. 161.
- ⁴⁹ Personal interview, 25 March 1996.
- ⁵⁰ Personal interview, 25 March 1996.
- ⁵¹ Central Area Committee and the City of Chicago, **Chicago Central Area Plan**, City of Chicago, 1983.
- ⁵² Department of Planning and Development, **Near South Development Plan**, City of Chicago, 1986
- ⁵³ Patricia Wright and Ron Voss, **Chicago: City on the Make? The Case for Balanced Growth**, Chicago Affordable Housing Coalition, 1991.
- ⁵⁴ Key planning documents to support this conclusion are: Chicago Department of Planning, **Central Station Development Guidelines: Draft for Public Review**, City of Chicago, October 1989; Chicago Department of Planning, **Planning Principles for Chicago's Central Area**, City of Chicago, September 1991; and City of Chicago, **Near South Redevelopment Project Area: Tax Increment Financing Eligibility Report**, May 1994.
- ⁵⁵ The cases presented here are summaries. A longer version of each is included in an appendix to this report.
- ⁵⁶ Personal interview, April 1996.
- ⁵⁷ In 1989, the Chicago Affordable Housing Coalition proposed this as a way to remedy the uneven pattern of urban development. It was a method for redistributing private investment dollars from the booming downtown to the city's neighbourhoods.
- ⁵⁸ David Moberg, "After Harold Washington", **Chicago Reader**, 11 March 1989, p.23.
- ⁵⁹ Personal interview, April 1996.
- ⁶⁰ Personal interview, 14 March 1996.
- ⁶¹ For an evaluation of a number of these CDCs, see Patricia A. Wright et al., "Choices Ahead...", op. cit.
- ⁶² The notion of the limits of state power in the context of the Harold Washington administration has been developed in detail by one of the authors in an unpublished manuscript: David C. Ranney, **Dialectic and Limitations of State Power: Comprehending Chicago's Harold Washington Movement**, 1989.
- ⁶³ Personal interview, 18 March 1996.
- ⁶⁴ Development without Displacement Campaign focus group discussion, 13 March 1996.

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- ⁶⁵ Development without Displacement Campaign focus group discussion, 13 March 1996.
- ⁶⁶ Personal interview, 18 March 1996.
- ⁶⁷ Personal interview, 18 March 1996.
- ⁶⁸ Personal interview, 14 April 1996.
- ⁶⁹ Development without Displacement Campaign focus group discussion, 13 March 1996.
- ⁷⁰ Personal interview, 26 March 1996.
- ⁷¹ Personal interview, 18 March 1996.
- ⁷² Personal interview.
- ⁷³ Christine Kelly, Donald Kelly and Edward Marciniak, **Non Profits with Hard Hats**, National Center for Urban Ethnic Affairs, Washington, D.C., 1988, p. 20.
- ⁷⁴ Hsin-liu Cho, **Mei-Kuo Hua Pu** (Chinatown in the U.S.), Mei-Chong, Yanjou So, Hong Kong, 1985.
- ⁷⁵ Kelly et al., op. cit., p. 27.
- ⁷⁶ Personal interview, March 1996.
- ⁷⁷ Cited in Kelly et al., op. cit.
- ⁷⁸ Personal interview.
- ⁷⁹ Kelly et al., op. cit.
- ⁸⁰ Kelly et al., op. cit.
- ⁸¹ Personal interview.
- ⁸² **Chicago Tribune**, 16 December 1988 and 3 January 1989.
- ⁸³ Personal interview.
- ⁸⁴ Personal interview.
- ⁸⁵ Personal interview.
- ⁸⁶ All quotes from personal interviews or focus groups.