

Housing Quest

A Periodic Newsletter about Michael C. Rohrbeck's personal quest and interest in changing how we produce affordable family housing in Chicago.

Issue 1

January 20, 2003

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THE MISSION

After six years as an at-home dad, with part-time responsibilities in my wife's business, with Loyola's Center for Urban Research & Learning (CURL) and with community involvements from parks to child care, I'm now beginning career transition work.

Unfortunately, I'm surprised that progress has not been made in the dialogue or the reform about housing production programs. I'm aghast at the declining benefits to working class families and the increasing heights of absurdity in layered public-private developments.

Therefore, if I am to work in housing at all, ***I want to change how we produce affordable housing for families.*** To do this, I'll need to take the time to listen and learn from professionals in community development, and to field old and new ideas for policies and funding priorities. But for this mission to be achieved, it must be the mission of many who recognize that the resources are available, the need is drastic and the time is now.

THE HEADLINES

CIC Discussions Illuminating

I was grateful for meetings this fall with **John Pritscher** at CIC. We talked about their *Troubled Buildings Initiative (TBI)*, a new program to save buildings in Chicago on the brink of abandonment/demolition. No doubt, this housing stock is a critical asset for the City and its neighborhoods. Personally, these discussions helped me refine my sense of purpose -- to create affordable housing in new ways -- by capitalizing on what government and private owners do best. Dramatic changes are necessary to enhance the prospects of worthy efforts like TBI to provide mixed income housing.

Holiday Season Excitement

While my term and funding was running out this fall at CURL, I updated my resume and took my initial forays at recirculating with housing folks:

- Attending the Chicago Rehab Network Conference on "Place Based" community development strategies and the Regional Housing Roundtable Meetings;
- Socializing at holiday parties/awards banquets at LaSalle Bank, CIC and Latinos United; and,
- Testifying to the Housing Committee in the mostly-vacant chambers of City Hall, urging them to (1) support inclusionary zoning, (2) find dedicated income for Chicago Low Income Trust Fund rent subsidies and (3) re-evaluate the cost-benefit of layered financing with the new Five-Year Affordable Housing Plan.

Flirting with Transition

Thanks to **Pat Quinn** for his referral to the governor's housing transition team. There I was able to pose the rhetorical question "*why does production of affordable housing have to be synonymous with development?*" -- the thing public-private partnerships do least efficiently of all. It was a short, but interesting set of meetings that forced me to get my proposals concise:

- 1) End layered financing in performing markets, reallocating HOME/CDBG funds to inclusionary efforts in newly developed or existing quality housing by buying down debt pro rata in exchange for rent restrictions
- 2) Do layered financing in depressed markets without performing debt service and ONLY when accountability is unified with one lead agency, and
- 3) Fund in a significant way the Chicago Low Income Housing Trust Fund approach for rent subsidies to complement these efforts; take low income housing to non-minority or high income areas in a timely way.

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Granny D Provides Inspiration

Saturday, January 11th, my wife Andrea Raila and I hosted a reception, book signing and birthday get-together at our home for Doris Haddock. Better known as "Granny D", she's the 93 year old woman who walked across the country raising awareness and concern about the need for campaign finance reform. Her commitment to protecting our democracy is awesome; her belief that one person can make a difference an inspiration.

TIDBITS & NAME DROPPINGS

Kale Williams and I, along with an array of community collaborators and CURL researchers, were glad to finish two housing reports recently: *Gentrification & Affordable Housing in Rogers Park* and *Potential Strategies for Affordable Housing in Rogers Park*. The former details changing demographics and housing needs. The latter is a menu of strategies and analyses that could be relevant to other appreciating, built-up communities – places where traditional community development approaches hold little promise. (For copies 312-915-7763)

Tom Walsh, another buddy from CURL and coordinator of the Uptown Housing & Land Use Study, is actively engaged in the Balanced Development Coalition's efforts to win affordable housing set-asides in Chicago... We've had more than a few talks about making inclusionary housing into a production vehicle funded with public resources. At a holiday party, **Peter Holsten** shared with me that his recent deal required 11 sources of support. Both of us just shook our heads – what is the world coming to when these kind of Herculean efforts are required? **Yasmin Bates** asked of my mixed income proposal, "will that work in depressed markets?" It was the right question at the right time. I also enjoyed a conversation recently with **George Stone**, long time housing warhorse/PRIDE board member.

We compared notes on lessons learned by PRIDE and others in the development field who tried in vain to provide good management, low rents for families in highly leveraged/layered affordable housing. I had a similar discussion with management guru and former RESCORP executive, **Larry McCarthy**. While my wife facilitated a tax appeals workshop for CIC, Larry and I chatted about obstacles and opportunities for "hands on" owners to provide low-income housing. I thought his reflections on RESCORP's dissolution were informative. The downturn in development opportunities was a major factor in their demise, as with others, but management quality did not suffer in the process because of heavy use of project-based rent subsidies.

Thanks go out to the following for their good counsel and feedback on mission, resume, policy ideas and draft articles: **Andrea Raila** (wife/breadwinner, Raila & Assocs), **Pat Wright** (Voorhees Center), **Jo Patton** (BPI), **Michael Bennett** (Egan Ctr), **Janet Smith** (UIC), **Dan Rockfield** (Habitat Company), **Larry Pusateri** (Pusateri Sandberg Development Consultants), **Tom Lenz** (Lakefront Sponsors), **Mary Anne Smith** (48th Ward Alderman), **Chuck Hill** (Hill & Assocs), **Yvette LeGrande** (NHT/Enterprise Preservation Corp) and my dear friend/mentor **Lin Von Dreele**.

WHY A NEWSLETTER?

I'm convinced you know that our archane and wasteful system of affordable housing production has failed poor, working class families -- the very backbone of this country. I believe that no amount of new money will make this situation better until we adopt efficient and effective methods for creating affordable housing. We have the power to say how local and state controlled resources can be used. Let's claim that power and embrace the quest.

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