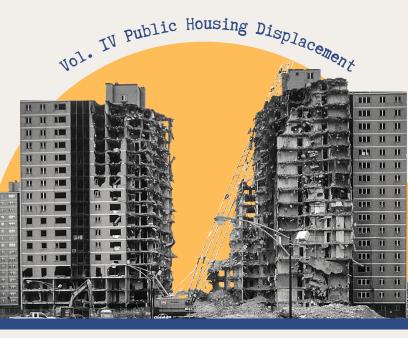
# WHEN THE MARKET ISN'T AN OPTION





# IKIEY TIEIRMIS Displacement:

In the context of housing, displacement refers to the intentional or unintentional forced relocation of residents from a particular area to another.

## **Plan for Transformation**:

Started by Mayor Richard M. Daley in 1999 after HUD's HOPE VI Act, the Plan for Transformation demolished thousands of public housing units with the intention of transferring residents to city-sponsored private housing

### Mixed-Income Housing:

A privately-owned housing development which incorporates a variety of income groups through a mixture of subsidized and market rate units as a fundamental part of its financial and operating plans.

## Gentrification:

Socioeconomic and often racial changes to a neighborhood that occur when outside developers invest in an area with low-property values. Typically gentrification in urban settings results in long-time Black and Brown residents being displaced from their communities.

# Scan to Access Sources and Photo Citations

complex, 2022

Digital illustration of Robert Taylor Housing

Young Robert Taylor Homes resident walking outside through the complex, 1987

### When The Market Isn't An Option: How Did We Get Here?

#### Zine I: Land Sale Contracts

After World War II, Black homebuyers experienced extensive racism in the real-estate market. Through land sale contracts, thousands of Black homeowners had their homes and payments stolen by racist realtors who created faulty, discriminatory, and predatory contracts.

#### Zine II: Public Housing Disinvestment

Left with few options, Black families opted for public housing. When public housing demographics began to shift to a Black majority, tenants witnessed a decline in the quality of building materials and faced a lack of funding for services, building upkeep, and programs within the homes.

#### Zine III: Deterioration

Public housing structures quickly began to deteriorate due to government neglect, yet housing authorities refused to take responsibility for the conditions, claiming residents were irresponsible and ungrateful. The media sensationalized the poor conditions which propelled a racist agenda, most notably the War on Drugs, which led to increased policing, incarceration, and further reduced funding.

#### Zine IV: Displacement

A prominent thread throughout these zines was the stigmatization and criminalization of public housing residents and the defunding of public housing structures. Not only did this lead to the demolition of housing projects but the overall displacement of its residents many of whom were pressured into becoming Section 8 voucher holders. These forms of assistance moved residents from public housing into the private market.

#### The Evolution of the Drug War

These zines highlight narratives promoted by federal administrations about the War on Drugs that normalized the decline of public housing and stigmatization of Black and Brown communities. We return to these narratives in Zine IV, as justification for the privatization of public housing.



#### Richard M. Nixon President: Jan 20,1969-Aug 9,1974

Nixon initiated the "War on Drugs" 1971, resulting in criminalization and disruption of Black communities through over-policing.  $^1\!$ 



#### Ronald W. Reagan President: Jan 20,1981-Jan 20, 1989

Signed the Comprehensive Crime Control Act of 1984, mandating minimum sentencing for drug charges and establishing procedures for civil asset forfeiture.<sup>2</sup>



#### Bill Clinton President: Jan 20,1993-Jan 20, 2001

In 1996, he announced the "One strike, You're Out" policy: public housing residents would immediately be evicted for drug possession, whether convicted or not.<sup>3</sup>

# Privatizing Public Housing

The United States' free market-centered policies after the 1970s inevitably forced public housing residents to participate in the private real-estate market, primarily through voucher programs, mismanagement by local housing authorities, housing agencies' partnerships with private developers, and the creation of mixed-income housing. The privatization of previously public goods and services is often referred to as neoliberalism. The following pages will discuss how, through policies and practices, public housing residents were pushed into a more privatized market which led to their overall displacement.

STATE

FEDERAL

PRIVATE

PUBLIC

HYPER-LOCAL

# Privatizing Public Housing: Voucher Programs

Request for Tenancy Approv

The 1974 Housing Act provided various types of vouchers to eligible individuals to assist them in home-buying or renting.

#### Privatizing Public Housing : Voucher Programs

### **HOPE VI:**

### Housing Opportunities for People Everywhere

In 1989, The National Commission on Severely Distressed Public Housing reported housing to be "severely distressed"4 in 6% of the nation, prompting the development of the HOPE VI program. HOPE VI aimed to replace distressed housing units in part by substituting new housing through the distribution of Section 8 housing choice vouchers to displaced residents.<sup>5</sup>HUD encouraged private home owners to rent to voucher holders, which would have allowed residents to leave areas of concentrated poverty where public housing was often located.6However, voucher holders often could only find housing in areas of similar socioeconomic and racial makeup as their former communities and still faced discrimination from landlords.<sup>7,8</sup>

#### **Privatizing Public Housing : Voucher Programs**

In an attempt to increase available units for voucher holders, Congress passed the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) which provided incentives, such as below-market interest rates and rent subsidies, to homeowners that provided a rental unit to people with Section

8 vouchers. The LIHPRHA program prevented property owners' from prepaying their federal mortgage. In turn, property owners were not enticed to rent to low-income tenants in need of affordable housing out of fear the government would reneae on their contractual obligations. Congress eventually ceased funding for the program.



This Notice provides guidance on the circumstances under which HUD may consider amended and restated Use Agreements for properties assisted under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA). Amended and Restated LIHPRHA Use Agreements may be considered for the purpose of incentivizing and facilitating prepayment and refinance or acquisition transactions to preserve the viability of these affordable properties. This Notice clarifies the circumstances under which a LIHPRHA Use Agreement may be amended and restated, the amendments that may be allowed, and the conditions that mu be met in the proposed preservation transaction to be considered for approval.

This Notice also provides implementation guidance for the recent changes to the LIHPRHA statute that were made when the Fixing America's Surface Transportation (FAST) Act, Pub. L. No. 114-94 was enacted in December of 2015. These changes will allow for, after a determination by HUD that the statutory criteria has been met, the unlimited distributions of surplus cash from the project and for the release of all monies accumulated in a residual receipts account to an Owner upon request.

#### **II.** Background

During the 1960s and 1970s, HUD worked with profit-motivated and nonprofit Owners to finance thousands of properties under an array of mortgage insurance programs, including Section 221(d)(3) and Section 236 of the National Housing Act. Many of these projects obtained rental assistance contracts under Section 8 of the United States Housing Act, or through the Rent Supplement or Rental Assistance Payment (RAP) programs,

FHA mortgage insurance under Sections 221(d)(3) and 236 was typically for 40 years, and typically gave the Owners the option to prepay the FHA-insured mortgage after 20 years. As

# Privatizing Public Housing: (Mis)Management

Cabrini Green resident raking leaves at the complex, 1992

> As public housing became more privatized and less funded the management and maintenance of complexes declined.

Cabrini-Green resident and activist, Marion Stamps speaking about CHA plans at a public forum, 1992. Stamps had a long career of fighting on behalf of public housing residents.

CHA board meeting, 1971

aritis-y

Resident led construction at Cabrini Green Homes,1992

1012133

Community residents, activists, and board members participated in the management of public housing rather than the federal government due to state abandonment.

#### Privatizing Public Housing : (Mis)Management

# SHIFTING RESPONSIBILITY

The HOME Investment Partnerships Act, created by the Cranston-Gonzalez National Affordable Housing Act, distributed federal funds to state and local housing authorities to repair distressed housing.<sup>10</sup> Local governments sometimes mismanaged these funds, resulting in a lack of physical improvement. In addition, due to racist fear-based prejudices, contractors who were hired to make repairs sometimes refused to help Black residents.<sup>11</sup>



This act ultimately signaled a new stage of state abandonment, in which housing authorities began to rely on public housing residents themselves to maintain their buildings with little resources to do so. Authorities, officials, and the general public blamed residents for negligence. They overlooked the fact that Black mothers and other public housing members came together to care for each other and maintain the properties to the best of their abilities. This became typical in most public housing complexes and many former residents mention how strong the sense of community was.

#### Privatizing Public Housing : (Mis)Management

"You to have to consider more as a kid [in the projects] than you otherwise would when it comes down to danger right? Come down to fears, come down to racism, come down to classism...And I guess these Black women helping me as a Black boy understand what consequences and actions it take to respond to these social constraints and these isolated conditions that they are in..."



Chicago public housing residents walk through deteriorating buildings with construction hardhats, c. 1990s

Robert Taylor Homes resident, Ann, walking through the outside hallway with her children to get free food, 1995



"...So they own service work within the building 'cause they got these building captains, they had these choke rooms [free food spaces] where they served breakfast and lunch to these kids, they organize around aldermens to be elected. All of this is going on within the building and you can go next door and you borrow sugar and ketchup and eggs and milk."

#### – Troy Gaston <sup>12</sup>

(Lived in Robert Taylor Homes in Chicago until 1997)

#### Privatizing Public Housing : Chicago (Mis)Management

## <u>Public Housing Shifts in Chicago</u>



Vince Lane co-chaired the Federal Commission on Severely Distressed Public Housing and wrote a report in 1992 recommending that Congress provide \$700 million to aid distressed housing.<sup>13</sup>

# With the CHA funding allocation, Lane implemented:<sup>14</sup>

-Tenant management: Programs to train and hire tenants to renovate CHA apartments

-Increased surveillance: Promoted unannounced police sweeps for illegal tenants, weapons, and drugs, -A boarding school within the CHA property

While he advocated for funding nationally he also pushed to privatize public housing and increase surveillance of residents. Privatizing Public Housing: (Mis)Management

# Failure of Private Management

May 28,1995: The entire Chicago Housing Authority Board resigned. The Federal Department of Housing and Urban Development took over operations. The CHA board had acknowledged the mismanagement and inequity perpetuated by the agency, prompting them to abandon their positions.



Federal Housing Secretary Henry G. Cisneros coined Chicago's Public Housing as the "largest troubled public housing in the country" <sup>15</sup>

## Privatizing Public Housing: Mixed-Income Complexes

Parkside of Old Town mixed-income houses located where Cabrini-Green projects once stood, n.d

With more private investment, communities became targeted by cities and developers for people of higher incomes Privatizing Public Housing : Mixed-Income Complexes

Through the guise of "urban renewal", HOPE VI demolished public housing structures in favor of mixed-income developments. The introduction of newer and more attractive housing options drew in more investment and ultimately more affluent white residents, businesses, and 16 tourist attractions.

Ultimately, HOPE VI cemented the displacement of many long-term community members, often Black and Brown residents, through gentrification. Public housing was demolished and new residences were unaffordable and unwelcoming!<sup>7</sup>

Now that the neighborhood is nice, why do I have to move?

Activists protest gentrification and displacement caused by Chicago's 606 trail, 2016

Hope VI project facing east along the green line "L" between California and Ashland, 1998

#### Privatizing Public Housing : Mixed-Income Housing

# CHICAGO'S PRIVATIZATION PLANS

### Richard M. Daley

Richard M. Daley with his father, former Mayor J. Daley yelling at a speaker discussing racist police behavior, 1968 Mayor April 24,1989-May 16,2011

In 1999, Chicago mayor Richard M. Daley introduced the Plan for Transformation. The plan intended to convert the city's public housing developments into mixed income communities, which implied privatizing the ownership and management of previously public affordable housing options<sup>8</sup>.

### M. Daley and Privatization As Chicago's South and

As Chicago's South and West Side communities were ignored, the community's unemployment rate increased as jobs left, resulting in families not making enough for rent or for house payments.<sup>19</sup>As a result, schools were closed. Unfortunately, with time passing, consequences of ignoring the already underfunded communities allowed for big box stores like Walmart, to take advantage of the situation. Walmart, like many other chain stores, were criticized for their antiunion stance and for paying employees less than a livable wage. 20

M. Daley campaign pin, 1989

LIKE SÓN

Mayor Daley at a press conference, 2011

Mayor M. Daley and his predecessor, Rahm Emanuel bonding over exploiting Chicagoans (lol), 2014

#### <u> Privatizing Public Housing : Mixed-Income Complexes</u>

In 1993, the Clinton administration pushed for smaller government policies; Chicago implemented the Plan for Transformation as a strategy to achieve those goals. The CHA received one of the largest country-wide HUD funds to demolish existing public housing and transform them into mixed-income residences. The CHA planned to demolish and replace nearly 18,000 public housing units, aiming to relocate residents evenly between new public housing developments.

Mixed Income

Housing

mixed-income housing, or private housing vouchers.<sup>21, 22</sup> To avoid the displacement of thousands of residents at the same time, the CHA tried to close sections of housing as new units became available.

33% **Public Housing** 

33%

Section 8 Housing

Goals of the

ormali

A Chicago Panel Study reported that in 2005, 40% of their sample lived in partially demolished sites showing cracks in the CHA's plan.<sup>23</sup>

#### Privatizing Public Housing : Mixed-Income Complexes

24.3%

Section-8 Vouchers

rivale

Market

**Outcomes of the Plan** for Transformation

of Retur

20.1% **Public Housing** 

> 7.2% Died

ncome

After demolition, the CHA reported that 44.3% of displaced residents got pushed off of subsidized housing, and only a small percentage moved into mixed-income housing, falling very short of their goals. Since very few new mixed-income or public housing units were built, residents often relocated to places of similar racial and socioeconomic statuses as their previous homes through

housing vouchers or still standing public housing projects<sup>26</sup>

of the street

Some residents still hold out hope that the CHA will follow through on their promise to construct new units in their old neighborhoods and allow them to return to their communities. However, many have given up on that hope, 20 years after the plan began, and have relocated to the private market. 27.28

Without giving clear reasons for the remaining residents, we can speculate that some of those that passed away or lost contact with the CHA did so as a result of housing neglect, environmental racism, and the inadequacy of housing accommodations after demolition. Those disqualified also might have been incarcerated as a result of the War on Drugs, or an inability to pay their rents on time.

Privatizing Public Housing: Mixed-Income Complexes

National Effects of the Plan for <u>ansformation</u>

Children of Cabrini-Green hanging out in the neighborhood by a newly built Starbucks, indicating gentrification, 2000

> The U.S. HUD modeled the Choice Neighborhoods Initiative Act of 2009 after Chicago's Plan for Transformation. This authorized HUD to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities by revitalizing severely distressed housing. Similarly to Chicago, this resulted former communities of public housing being gentrified, long time residents pushed out, and public housing residents displaced.<sup>31</sup>

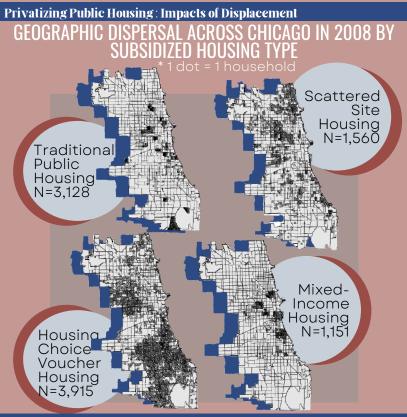
Partly demolishe Cabrini-Green building, 200

# Privatizing Public Housing: Impacts and Responses to Displacement



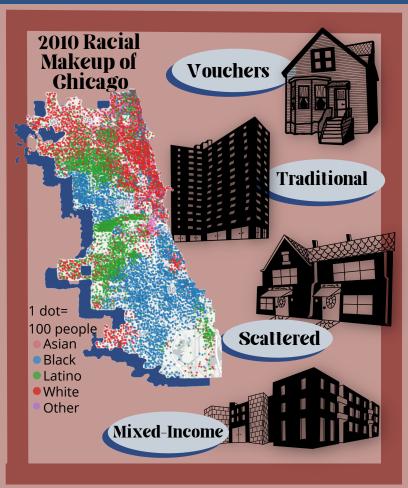
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These maps indicate that halfway through the Plan for Transformation, vouchers were the primary form of subsidy used, and voucher holders principally found housing on the South and West sides of the city. Meanwhile, the few mixedincome developments were located near the city center while traditional public housing was scattered throughout the city. Due to replacement program failures, Black and Brown residents remained primarily concentrated on the South and West sides, further from resources of the Loop.32

#### Privatizing Public Housing : Impacts of Displacement



#### Privatizing Public Housing : Responses to Displacement

Chicago's community activists have continually fought for better public housing conditions. In the 1960s the fight gained national attention as Dr. Martin Luther King demanded that the City of Chicago instate programs to rehab public housing and increase affordable housing supply.<sup>33</sup> Since then, public housing residents, often Black women, worked on a grassroots level to make improvements to infrastructure and increase social services such as job training, daycare, drug rehabilitation, food and clothing distribution, rec centers, and community gardens.<sup>44</sup>

Bulldozer knocks down structures inside of the Robert Taylor Homes, 2000

Understanding that Black women and other women of color couldn't rely on electoral politics to make change, public housing residents fought through a mixture of grassroots and political methods. They met with elected leaders, wrote letters and petitions, raised funds, and protested at CHA board meetings. At one meeting, residents released live chickens to gain attention for their cause.<sup>35</sup>

**Community** 

When residents began to learn of plans to demolish their homes despite all their work to improve them, they responded with legal action to stop demolition and displacement. However, the Chicago Housing authority moved forward with plans for demolition, and when residents were displaced they fought for compensation, affordable unit construction, increased public housing funding, and their right to return once new complexes were built.<sup>46</sup>

Residents of Grace Abbot public housing project protest building conditions by carrying a damaged storm door into a CHA meeting, 1972 Protestors watching high-rise Scudder Homes in Newark, NJ being torn down, 1987



Tenant leaders take legal action to ensure residents maintain the right to return to rehabbed units under Plan for Transformation, 2000s

URINE DRIPPING ON MY HE NO RENT

NECESITAMOS

NEHAYE

DECLARED

ON SLUMALORD

Public housing residents protesting by holding a rent strike in Newark, New Jersey,1980 Residents demand CHA keep Plan for Transformation promises, 15 years after it is implemented, 2015

DR

CHA

OFM

#### Privatizing Public Housing : Responses to Displacement

"Crime rates and murder rates have skyrocketed since the demolishment of the Robert Taylor Projects, right? And despite the fact that it was done under the pretense of revitalization it was aware that they didn't have 17,000 housing units available

for the families that they kicked out the projects...

Chicago police force homeless individuals living in a tent city to relocate from a construction zone, 2017

Anti-homeless architecture near the Lathrop Homes, Chicago, 2020

#### Privatizing Public Housing: Responses to Displacement

...when they knocked down the buildings in the first place. So the impacts is significant and I think it has resulted in these young men being shot and killed and these women being more vulnerable to violence as well as the expansion of prisons with Black bodies"

**Troy Caston**<sup>37</sup>

(Lived in Robert Taylor Homes in Chicago until 1997)

Chicago's Metropolitan Correctional Center





People protest police brutality in Logan Square, 2021

When they created public housing, the Roosevelt administration set out to house working and middle-class families while they transitioned to a more affluent financial status. As white families built wealth through other government programs and the occupancy in public housing by Black families rose, local and federal investment in public housing declined, supported by campaigns to maintain segregation, and stigmatize residents.

Today, despite the efforts of community members to make the best of their situations, improve, and ultimately save their homes the majority of original public housing structures in the U.S. no longer stand. Housing grows more and more unaffordable and people are left with few options but to spend over 30% of their incomes on rent, unable to even consider a mortgage. Nevertheless, activists lead movements to make the idea of housing as a human right a standard across the nation. Q: Do you feel like the displacement of people was the main cause of aggression or do you think it was combined with other things?

> A: "I think that public housing has succumb to gentrification, capital greed, right? Because it's peeling back on the welfare state by tearing all these buildings down, displacing all these people to these disinvested communities where these landlords can boost the rents up and leave these people more vulnerable yanno?" - **Troy Gaston** <sup>38</sup>

> > (Lived in Robert Taylor Homes in Chicago until 1997)



Troy Gaston chanting during Sca a post-election protest in to list Chicago, 2020

Scan or call 312-348-7834 to listen to Troy's oral history THIS COLLECTION OF ZINES IS AN ATTEMPT TO INVESTIGATE THE HISTORY OF HOUSING INEQUITY IN CHICAGO, MAKE IT ACCESSIBLE TO A WIDER AUDIENCE, AND SUGGEST RESTITUTION TO THESE WRONGS BASED ON COMMUNITY COMMENTS. CONTINUE THE SERIES WITH VOLUME V: RADICAL HOUSING PROPOSALS.

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