

**TESTIMONY OF WILLIAM P. WILEN  
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SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW  
BEFORE THE NATIONAL COMMISSION ON FAIR HOUSING AND EQUAL  
OPPORTUNITY, JULY 15, 2008, CHICAGO, ILLINOIS**

**CHA'S PLAN FOR TRANSFORMATION**

In 2000, the City of Chicago and the Chicago Housing Authority (CHA) began an ambitious program in order to revitalize its public housing stock. Although CHA had been considering massive demolition of its inventory of housing since 1995, CHA finally reached agreement with HUD and the tenants' Central Advisory Board in 2000 on a redevelopment plan—the Plan for Transformation.

Under the Plan, CHA has demolished its entire inventory of high-rise and mid-rise housing, and in some cases, low-rise housing (about 22,000 units). CHA plans to rebuild or rehabilitate 25,000 very low-income public housing units. Approximately 7,200 units will be constructed in mixed-income communities. Originally the Plan was to be completed in ten years, from 2000 to 2009. However, delays in new construction have caused the deadline to be pushed back to 2014 and perhaps longer. As of July 2008, according to a recent report by the Chicago Tribune, only 30% of the units constructed in mixed-income communities have been completed, for a total of 2,171 units—5,015 units remain to be built.<sup>1</sup>

**RELOCATION OF CHA RESIDENTS**

Under the Plan for Transformation, CHA did not phase the demolition of the high-rises and mid-rise buildings as was done at another CHA development, the Henry Horner Homes, a development governed by a consent decree. Rather, wrecking balls

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<sup>1</sup> See Jason Grotto, Laurie Cohen, Sara Olkon, *Public Housing Limbo*, CHI. TRIB. July 6, 2008 at Sec. 1, Page. 1.

swung and bulldozers rolled from one end of CHA developments to the other, forcing the vast majority of residents to move with Section 8 housing choice vouchers.

Due to the massive demolition and lack of newly constructed or rehabilitated housing, as many as 4,851 CHA families were forced to relocate involuntarily from their public housing units into the private market between 1995 and 2005.<sup>2</sup> CHA had entered into a Relocation Rights Contract with the residents that promised to help displaced families move into neighborhoods more racially and economically integrated than those from which they were displaced. However, the CHA's relocation process produced the opposite result. CHA residents were relocated by CHA into neighborhoods that were just as racially segregated, and nearly as poor, as the communities from where they were forced to move. For example, between 1995 and 2002, of the more than 3,200 families forced to relocate with housing choice vouchers, almost 83 percent relocated to neighborhoods that were at least 90 percent African-American.<sup>3</sup> Nearly 50 percent moved to "high-poverty" neighborhoods, where 30 percent or more of the residents were below the poverty line.<sup>4</sup> In 2003, 97 percent of the residents relocated by CHA relocated to areas racially segregated with a significant population of African-American families.<sup>5</sup>

### ***WALLACE V. CHA***

In order to remedy this situation, the Shriver Center and the Chicago Lawyers' Committee for Civil Rights Under Law litigated the *Wallace v. CHA* case, which was

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<sup>2</sup> See Paul Fischer, *Where Are the Public Housing Families Going? An Update* at 4 (2003); CHI HOUS. AUTH, Chapter 3: *Transitioning Families to New Communities*, in FY 2006 MOVING TO WORK ANNUAL PLAN, PLAN FOR TRANSFORMATION YEAR 7 at 74 (2005).

<sup>3</sup> Paul Fischer, *Where Are the Public Housing Families Going? An Update* at 4 (2003)

<sup>4</sup> *Id.* at 5, 6

<sup>5</sup> See Thomas P. Sullivan, *Independent Monitor's Report to the Chicago Housing Authority and the Central Advisory Council Regarding Phase II-2003 of the Plan for Transformation* at 7 (2004)

filed in January 2003 and settled in May 2005. The Wallace plaintiffs alleged that: (1) CHA was in violation of federal fair housing laws and its own contractual obligations by failing to provide adequate relocation and effective social services to thousands of families displaced by CHA's Plan for Transformation; (2) by failing to provide the services, CHA had perpetuated the segregation of these families by steering them into segregated neighborhoods; and (3) the implementation of CHA's housing programs failed to affirmatively further fair housing.<sup>6</sup>

Under the settlement, CHA was obligated to use its "best and reasonable efforts" to provide programs to assist *Wallace* class members to exercise their own choices in relocating to economically and racially integrated communities. The main program utilized by CHA was the Enhanced Housing Opportunity Program (EHOP), under which former public housing residents who had already moved into the private rental market with housing choice vouchers could participate. Under EHOP, displaced residents were entitled to receive several notices of eligibility to participate, to enroll in the program for up to one year, to learn about the benefits of moving to racially integrated communities, and to take tours to such neighborhoods. These families also had access to social services provided by CHA's Service Connector Program or CHA's Housing Choice Voucher administrator (CHAC). These families were offered housing in "EHOP neighborhoods," which are less than 24% poverty and less than 30% African-American.

Families still residing in CHA were also permitted to participate in EHOP. CHA was obligated to provide them with individual service plans developed with case-workers, small group presentations encouraging moves to racially integrated and low-

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<sup>6</sup> See *Wallace v. Chi. Hous. Auth.*, 298 F. Supp 2d 710 (N.D. Ill. 2003) (denying CHA's motion to dismiss), *on reconsideration in part*, 321 F. Supp. 2d 968 (N.D. Ill. 2004); *Wallace v. Chi. Hous. Auth.*, 224 F.R.D. 420, 430 (N.D. Ill. 2004) (granting in part plaintiffs' motion for class certification).

poverty areas, a community search tour that included visits to racially integrated and low-poverty housing units, and case-managed social services for 12 months after moving.

However, according to the latest information provided by CHA, the *Wallace* relocation programs have achieved only mixed results. Since June 2005, CHA's Housing Choice Voucher Administrator, CHAC, has notified over 3,000 relocated families of the availability of EHOP. Of this number, 528 or approximately 17% have made the decision to enroll. But the percentage that moved to an EHOP Opportunity Area was only 5% of the total number enrolled, or 29 families. An additional 128 families (25% of total number enrolled) moved to low poverty areas that were greater than 30% African-American. Most of the families (242 or 47% of total enrolled) continued to move to areas of high poverty and high racial concentration. The remaining families "ported out" (i.e. moved to another jurisdiction), were terminated from EHOP for cause or simply didn't move.

On the plus side of the equation, 30% of the families enrolled moved from high poverty to low poverty areas, resulting in a vast improvement over their current neighborhood. But 70% of the participants have not moved to lower-poverty neighborhoods, and many have moved to areas of high racial concentration.

### **AN ALTERNATIVE APPROACH**

Because CHA opted for immediate demolition and relocated most of the families into high-poverty, racially concentrated areas, the residents, for the most part, remain today in segregated housing in poor areas of the City's west and south sides. Because of the delay in construction of the new units in mixed-income communities and the dearth of

families participating in EHOP, it is likely that these families will remain segregated for the immediate future.

However, it did not have to be that way, for at least two reasons.

First, if CHA had phased its demolition at each development site, more residents would have been able to remain on-site until the new units in mixed-income communities were constructed. At Henry Horner Homes on Chicago's Near West Side, pursuant to the terms of a consent decree entered in 1995, CHA was required to phase its demolition. Demolition began on two vacant 16-story high-rises and on three adjacent mid-rises, two of which were sparsely populated. The existing residents were consolidated into mid-rise buildings in other parts of Horner. None of the Horner residents who elected to remain on-site or in the neighborhood were involuntarily relocated prior to being provided replacement housing. In fact, most of the residents remained in their original units until their new units were ready.

By phasing the demolition, CHA was able to leave most residents in place during the time of new construction. Once the units were completed, the first phase of Horner families moved in from the Horner high-rises. The high-rises were then demolished, new units constructed, and then the families from the Horner mid-rises moved in. By keeping the families at Horner and not forcing them out of the development with housing choice vouchers, the parties to the decree were able to prevent resegregation of the residents in other parts of the city, and to more rapidly house them once new construction was completed. As of February 2008, all of the families who resided at Horner were able to move into their newly constructed units without having to be displaced. In this manner, the new public housing units were filled with Horner families who were allowed to

remain in their historic community, which is gradually turning into an integrated mixed-income community.

Second, if CHA had employed a housing mobility counseling program as part of its efforts to relocate residents, more residents would have been able to find and accept housing in low-poverty, integrated areas. But CHA's desire to clear the sites as soon as possible was its paramount concern when the residents were relocated—not to providing residents with integrated housing opportunities. The housing opportunities were to be provided when the new units were built, but the delay in construction has meant that needed units will not be available to the majority of the displaced families for many years to come.