



Urban Land Institute Chicago

# Riverdale, Illinois

## A Vision for the PaceSetter Neighborhood



2003 Technical Assistance Panel

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## Charge to the Technical Assistance Panel

Riverdale, Ill., a village of 15,055 (2000 Census) located 23 miles south of downtown Chicago, is an attractive suburb with well-maintained single-family houses on tree-lined streets. Too often confused with the nearby Riverdale community of Chicago, the Village of Riverdale's housing stock is kept up and well landscaped. While Riverdale was once an economically thriving community, times have changed as many heavy industrial businesses, primarily Acme Steel Co., have closed their doors or dramatically scaled back operations, leaving unemployment and brownfield sites behind them. This has, in turn, brought down housing values in the community.

The Village is involved in studies to promote industrial redevelopment and retail revitalization in several areas. Pacesetter, a residential neighborhood located in the northeast section of the village (with boundaries of 138th Street on the south; Blue Island and Riverdale roads to the north, Lowe Avenue on the west and Eggleston Avenue on the east) has become a serious problem both for its residents and the community at-large. Pacesetter, a privately owned, 397-unit townhome development, is isolated from the larger community. The homes are in disrepair and exhibit classic signs of absentee landlordism — not maintained units; unresponsiveness to Village efforts to enforce building, health and fire codes; and landlords taking advantage of unsuspecting residents by overcharging for basic services or not providing them. Despite the poor conditions, several long-term owners live in Pacesetter, a community of at least 1,200 residents who need and desire quality housing in a safe neighborhood, and good access to transportation, services and parks nearby.

The Urban Land Institute (ULI) Chicago and Campaign for Sensible Growth were invited by the Village of Riverdale to hold a Technical Assistance Panel (TAP), develop an action plan and work with the Village on the plan's implementation. The first step in the process was to convene a panel of experts to assess the problem on Aug. 20 and 21, 2003 at the Village Hall. Panel volunteers committed to three additional meetings over the course of 12 months for follow through on the recommendations presented by the panel to the public at the end of the TAP.

Panel members were asked by the Village to consider the following questions:

- Should Pacesetter be redeveloped and upgraded as 100 percent housing, a mix of housing and light industrial uses, or all industrial uses? If housing is preserved, what density level and types of housing are appropriate for the site?
- What role should the Village play in the redevelopment effort?
- What are the most promising options for land assembly?
- What public and private finance options are available for the redevelopment effort?
- How can the redevelopment enhance the stability of School District 133, in which over 60 percent of students are residents of Pacesetter?
- What social services will be needed for the short- and long-term needs of the residents?
- How can the redevelopment of Pacesetter be a replicable model for other failed housing developments?

At the end of the intensive two-day panel, experts from the fields of affordable housing, law, architecture, redevelopment and urban planning presented a bold plan: redevelop Pacesetter as an owner-occupied development, bringing the neighborhood's residential stock in line with the rest of the village, increasing the stability of the residents and the school, and eliminating the isolation of the development. The panel's recommendations ranged from opening up streets to connecting Pacesetter to the rest of the village and providing counseling for low-income renters to become homeowners, as well as suggestions for financing options. The panel urged the Village to look at Pacesetter as a potential strength that can add to its overall redevelopment activities.

## History and Background

Riverdale's first settlers were entrepreneurs. In 1836, George Dolton and J.C. Matthews built a toll ferry that crossed the Calumet River to Riverdale Crossing. By 1892, the ferry and a nearby toll bridge in Dolton had transported so many people that Riverdale had developed into a prosperous community, boasting its own school district, post office, distillery, lumber yard and thriving downtown. On November 26, 1892, residents voted to incorporate as a village.

Larger enterprises followed, attracting more people. Canadian brick makers arrived to work in the town's brickyards while Russians came to labor in its sugar beet fields. In 1918, the Acme Steel Company relocated to a large site adjacent to new railroad lines, and, in 1919, the Federal Ice Refrigerating Company opened the Chicago area's first artificial ice plant to supply the railroad with ice. Developers followed, and by 1921 the Branigar Brothers were selling home lots along 144th Street in the Ivanhoe subdivision for \$250.00. They lured potential buyers from Chicago with free ice cream and soda, and hired an armored knight to ride a white horse up and down the streets while shouting, "Ivanhoe the Beautiful."

The Depression and World War II halted development until 1945, when Mills and Sons Realty Trust took over, building the brick homes that fill Ivanhoe — the main area of Riverdale — today. Other developers offered similar houses and Riverdale's population grew to 5,840.

By the 1950s, the only large piece of open land left in town was a 36-acre farm between 138th Street and Blue Island Road that farmer John Zornow sold to Harry Quinn, president of the Pacesetter Realty Corporation. Quinn designed his Pacesetter complex with six-room townhouses, built in attached clusters of four or six units on slabs with no basements. While the 297 units were all wood construction, developers also put up 100 brick-faced units along Lowe Avenue. The nearby Pacesetter Shopping Mall included a supermarket, drug store, beauty salon and clothing stores. The Riverdale Park District opened a community center and public swimming pool within the subdivision. Many residents worked nearby at the thriving Acme Steel Mill.

The idyll was brief. Within a few years arguments between management and tenants became so heated that a quarter of renters moved out. Pacesetter Homes, Inc., went bankrupt. By 1960, all the homes in the complex had been sold off to individual owners.



The Pacesetter development is disconnected from the rest of Riverdale.

Meanwhile, Riverdale continued to grow. The General George Patton School was built just to the east of Pacesetter in 1962, the Riverdale Library in 1975 and a new bridge over the Calumet River in 1977. More people moved to the village from Chicago; this time the mix included middle class African Americans as well as Eastern-European immigrants, who were attracted to the solid brick houses, good schools and suburban amenities. The 1990 Census counted 13,671 people; 7,896 white and 5,557 African American.

While integration proceeded smoothly along the tree-lined streets, it hit bumps, and downright chasms, in Pacesetter. Like the rest of the community, Pacesetter's 397 townhouses started becoming integrated in the late 1970s, with African-American families lured by the low prices and, for a while at least, the attractive suburban setting. But the situation deteriorated quickly. Some of the white owners did not keep up their properties, then sold out at bargain prices, often to absentee landlords. Real estate agents steered African-American home shoppers to the complex and urged white owners to sell while their homes still had value, said Riverdale Housing Coordinator Lynda Odigie. "It was white flight," explained Riverdale Mayor Zenovia Evans.

An African-American woman who has lived in Pacesetter for more than 20 years said that one of the landlords seemed to know which of her neighbors were behind in their mortgage payments. “The white family would leave in the middle of the night and he’d be there the next morning, taking over the unit,” she said. Throughout the late 1980s and early 1990s, one landlord bought a total of 75 units. Today, 165 of the original core of 297 units are owned by investor landlords, as are at least 60 of the 100 brick units on Lowe Avenue. Many of the remaining units owned by individuals also are rented out. Mayor Evans estimates that only about 15 to 20 percent of the units today are owner occupied.

At the same time, stores in the Pacesetter Shopping Center closed down, the park district filled in the swimming pool with gravel and the neighborhood spiraled downward. A “Land Use and Urban Design Plan” prepared for the Village in 1989 by the Evanston-based consulting firm Teska Associates, Inc., said of Pacesetter, “Poor maintenance has contributed to the area’s negative appearance and image.” At the same time, density increased. All of the units were built with a built-in garage area, but over time residents closed the areas off, “usually at night, without a permit,” according to local reports. The newly pirated rooms first served as family rooms or TV areas, but some became bedrooms for large or extended families. In 1960, Pacesetter’s 297 core units housed 880 people; by 2003 the official census count is 1,200, but Village staff estimate the real number is closer to 1,500. Crime has also become a major problem over the years.



The physical conditions of Pacesetter are exacerbated by parking congestion, poor housing conditions and isolation from the rest of Riverdale.

Pacesetter’s problems are exacerbated by the area’s isolation. While Riverdale’s other streets were laid out in a grid, a few roads meander through Pacesetter, with no easy ingress or egress because other streets are cut off from the major arterials. Although the Village’s new public safety building and post office are just a block away, there is no simple way of getting to them from the houses, nor is there an easy way for public safety vehicles to quickly move through Pacesetter in an emergency.

A drive down the curving streets is bleak. Cars fill the units’ short driveways and line the narrow streets. Several units have boarded-up windows, and the shingles on scores of roofs look like a good breeze could send them flying; one roof is covered in a blue plastic tarp. Fences have tumbled over and only a scattering of yards are well maintained.





Pacesetter street and parking problems can be fixed with new signage, street sweeping, street-scaping and new lighting and by creating "pocket" parking locations.

Nevertheless, people continue to move in, lured by housing available under the Housing Choice Voucher program (formerly the Section 8 voucher program). Residents are either receiving Cook County Housing Authority vouchers or are from the Chicago Housing Authority (CHA). The situation has been further strained due to the Chicago Housing Authority's Plan for Transformation, which has already encouraged more than 2,000 CHA households to move — either temporarily or permanently — into the private rental market. Riverdale continues to be a common destination choice. Housing Choice Vouchers, issued to cover rent and utility costs, are in the amounts of \$1,000 a month from the CHA and \$600 to \$800 from Cook County. Pacesetter, with its three-bedroom

units, appeals to many Housing Choice Voucher recipients with larger families. Landlords are eager to have these renters since they pay more than market rate for the units, which command a price of \$600 or so per unit from non-voucher renters. Despite the distinction between temporary and permanent vouchers, in Pacesetter, nothing is permanent. Anecdotal evidence points to families staying nine months or less. The turnover rate is so high there that more than 65 percent of the students at General Patton School are new each year. As Riverdale Police Chief David Shilling explained: "Nothing's holding anybody here. They have no solid foundation in the community, no church affiliation and often no employment. Single mothers come in with Housing Choice Vouchers and sublease out their other bedrooms. That's where you get the street gangs. Once people get into trouble, it's all downhill."

Village officials have tried several tactics to stop the downward slide, including passing an ordinance that lets them tow abandoned cars. "It's been excellent," said one Village staff member. "On average, we're towing away three to four cars a day throughout Riverdale."

A ticketing system for outside building maintenance has had mixed results. The Village issues tickets, with fines of \$100 or more, to units posing a health threat, such as raw garbage in the yard or grass higher than six inches. Other eyesores visible from the street, like boarded-up windows or tarpaulins on roofs, also result in tickets.

Riverdale's main goal is to enforce compliance with local regulations. Village staff prefer to give occupants and landlords time to fix a problem. If a homeowner does not comply, the Village has the right to take him or her to court — at least on paper. But when Riverdale tried to take Pacesetter landlords to Cook

County Court in Markham, Ill., it was unsuccessful. “They threw our cases out,” said Village Manager William Cooper. “The courts aren’t interested. And the landlords would rather let us put liens on their properties and pay them off when they sell in 10 years than pick up a paintbrush or cut the grass.”

Once a unit has been vacated, responsibility shifts entirely to the landlord and here the Village does have some muscle. Riverdale’s procedures are to inspect vacant properties and issue occupancy permits before they can be rented again or sold. “At turnover,” an inspector said, “we check for water pressure; window screens; whether the windows are working; electricity; whether the grass is maintained; if the sinks, tubs and toilets are sanitary enough to use; and if the heating and cooling systems work.” Many times, he said, inspectors require landlords to do \$2,000–\$4,000 worth of repairs before they issue new occupancy permits. Inspectors verify that landlords have notified them about tenant changes by checking the names on unit water bills.

The panel was told that some absentee landlords either evaded inspectors by not changing the name on the water bill or by collecting two months’ rent from tenants, then evicting them before the Village had a chance to inspect the unit.

The CHA and Cook County Housing Authority also have minimum housing quality standards and refuse to issue Housing Choice Vouchers to landlords who fail to meet them. Village staff said both housing authorities recently pulled voucher rentals from some Pacesetter landlords, which may change the configuration of the population. The owner of 26 units on Lowe Avenue, in an interview with the panel, said she spent \$300,000 to upgrade 21 townhouses after being ruled ineligible for Housing Choice Voucher tenants. Since then, she has sold three of the units for about \$50,000 each and rented out the others at a market rate of \$785 a month, more than the Cook County Housing Authority allows. She said her management company now complies with all Village maintenance requirements. “I know other companies are putting people in without inspections and letting them live on concrete floors without electricity and plumbing in decent repair,” she said. “It’s a mess.”

## The Technical Assistance Panel Process

The TAP of 12 experts assembled by ULI Chicago and Campaign for Sensible Growth, convened on Aug. 20, 2003 in the Riverdale Village Hall, beneath a banner that proclaimed, “Riverdale — A Century of Pride.” TAP Chair Charles Hill, former executive vice president of the Federal Home Loan Bank in Chicago and now a consultant in the field of affordable housing, introduced panel members — all of whom had volunteered their time to assist the community. Panelists included several who had participated in major public housing redevelopment efforts; a major Chicago-area homebuilder; several housing finance experts; two market analysts; an architect; and two land use and transportation planners.

Local officials and their representatives presented the panel with an overview of the challenges the Village is facing. Those in attendance, in addition to Mayor Zenovia Evans, were Cheryl Foy, representing the

## Statistics to Set the Stage: Village of Riverdale

		Percent of Total Population
Total Households	4,897	100%
Family Households	3,674	73.7%
Married-couple families	1,662	33.3%
Female-headed families	1,686	33.8%
Average household size	3.02 persons	
Median household income	\$38,321	
<b>People Living in Poverty</b>		
Families	619	16.6%
Families with a female head of household	458	27.9%
Individuals	2,728	18.4%
Students at Patton Elementary School <sup>1</sup>		90%
<b>Housing Characteristics</b>		
Total housing units	5,441	
Owner-occupied units	2,858	57.3%
Renter-occupied units	2,129	42.7%
Units built before 1970	4,338	79.9%
Median unit value	\$82,600	
Median unit rent/month	\$652	
<b>Pacesetter Homes</b>		
Units <sup>2</sup>	297	
Vacant, abandoned, burned	47	
Owner occupied		15-20% (estimate)
Total number of occupants	1,200-1,500	
Owned by individuals	122	
Owned by investors	165	
Owned by major landlord <sup>3</sup>	75	
Housing Choice Voucher renters (1999)	99	

<sup>1</sup> To which Pacesetter feeds

<sup>2</sup> 100 units on Lowe Avenue which were included in the panel discussion are not included in the following statistics

<sup>3</sup> Alone or in partnership

Source: 2000 Census, "Site Inspection and Market Analysis," prepared for the Riverdale Redevelopment Corporation by American Marketing Services, Chicago, 1999

Riverdale Park District, Village Trustee Lewis Peyton, Village Administrator William Cooper, Police Chief David Shilling, Fire Chief Greg Knoll, Riverdale Director of Community and Economic Development Janice Morrissy, Housing Coordinator Lynda Odigie, and Myrna Watkins, director of the Riverdale Community Resource Center. Other guests included Edward Paesel, executive director of the South Suburban Mayors and Managers Association, a coalition of 43 communities, and Michael Brown, executive director of the Greater Riverdale Industrial Partnership (GRIP).

U.S. Rep. Jesse Jackson, Jr. (D-Ill.) praised Village administrators on their foresight to think big, and welcomed the group. Jackson is working in Congress to help gain funding for an interchange on Interstate 57 at 138th Street, to provide access to Riverdale from the two highways that run through the community, Interstates 57 and 294.

After the introductory presentations, panel members studied development plans commissioned by the Village, met with the authors of a pending industrial development plan, toured Pacesetter by bus and on foot, and interviewed Pacesetter residents, landlords, Village staff and interested Riverdale residents. Interviews were both formal — in person or via conference call — and informal — during a luncheon with Village staff members and at a public evening reception in the Village Hall.

Panel members then divided into groups to discuss Pacesetter from different perspectives: financial and legal ramifications; physical layout and needs; and social services. Discussions were lively and sometimes contentious, but by noon on Aug. 21, each group had consolidated thoughts into a few precise points and the entire panel reached consensus. The findings were presented to community leaders and the public at the end of the day on Aug. 21.

## Recommendations

### Keep Pacesetter Residential

The first major question was whether Pacesetter should be reconstituted and zoned for light industrial use, or remain as a housing district. Panel members recommended that the development remain 100 percent housing, although at a lower density, and undergo a major upgrade and a shift from rental housing to homeownership. Their vision for Pacesetter is a stable neighborhood of homeowners living in rehabilitated townhomes, with perhaps 20 percent of the units reserved for families to rent. The vision would allow existing residents to benefit from change, rather than displacing the community wholesale. Maintenance issues are expected to be resolved over time, as residents exercise their pride of ownership and take care of their yards and homes themselves. In a reconfigured site plan, cars that now congest the streets could be relocated to nearby “parking pods,” or areas set aside solely for parking within quick walking distance of the homes.

Panelists did not recommend redeveloping Pacesetter as light or heavy industrial. An examination of previous development studies including the “138th Street Corridor” draft plan, indicated that Riverdale has



New housing is being developed in other Riverdale neighborhoods.

ample space for future industrial development without including the Pacesetter site. Large vacant parcels — some as big as 80 acres — exist to the north and west and could be consolidated should a future industrial tenant want an even larger site. “The kind of redevelopment in the industrial corridor plan can take 10 years or more,” said Vincent McBrien, finance consultant. In addition, the Village hopes to encourage retail development along Indiana Avenue and 144th Street. Current Cook County tax policies make it particularly difficult to develop large scale industrial or commercial facilities, and the cost of acquiring all of the land for a conversion of uses is very high (as discussed in the financial strategy section below).

The bottom line is that housing is the highest and best use for the site.

“There’s no reason to knock Pacesetter down now and wait for industry to come,” said Vincent McBrien, a development finance expert. An improved Pacesetter could, in fact, serve as a buffer between a future industrial park and single family neighborhoods to the south and east. “Pacesetter,” said planner John LaMotte, “could be the gateway to Riverdale’s residential areas.”

Thus, the panel developed a financial strategy to upgrade and renovate the existing development — providing a neighborhood of homeowners and benefiting the residents who already live there.

The change will not be easy and the Village must play a major role in leading the change. While many physical changes were recommended, the panel based all of its conclusions on a plan that could be financed both through conventional means and by tapping existing public and private programs and grants.

#### Connect Pacesetter to the Larger Community

To integrate Pacesetter into the fabric of Riverdale, both physically and socially, the panel proposed that Lowe Avenue be extended to connect to 138th Street, providing direct access to the Village’s public safety building and post office on the west. In addition, 137th Street should be extended from Eggleston Avenue to Lowe Avenue, to promote



This home is in Ivanhoe, a well-maintained neighborhood in Riverdale.

pedestrian and other traffic along a route that will be faster and less round-about. Pacesetter youngsters would be able to easily reach nearby parks with the new route, called a “spine” for the community. The construction of the road would eliminate at least 30 units, reducing the density of the development and providing opportunities to remove some of the more dilapidated buildings and replace them with newer structures. This will, even more importantly, connect Pacesetter to the residential community of North Riverdale and the Metra station to the East, and therefore access to jobs and prospective new residents.

Rather than building a gate around the community (as some interviewees suggested), the best way to meet the mayor’s vision of a clean, safe community is to open up visibility and to connect Pacesetter to the surrounding community, including the nearly adjacent police and fire station.

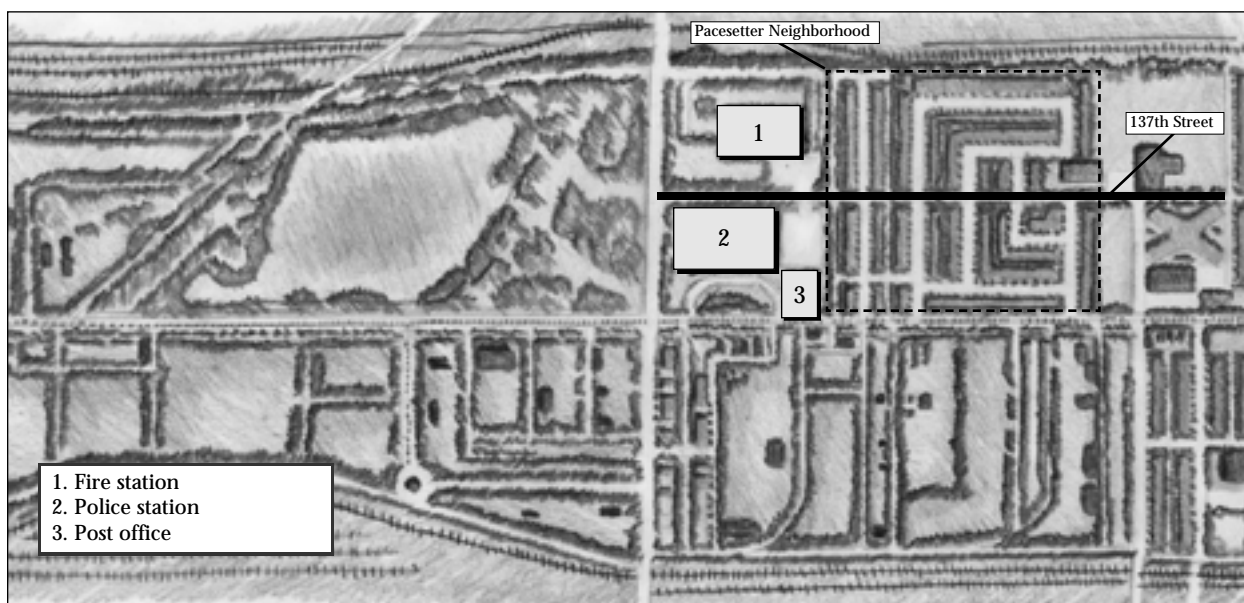
The panel recommended that the Park District’s recreation building — located on 137th Street — be transformed into a true community center, with a play lot outside and smaller rooms for tutoring, classes and other events inside. This was the center of the community physically and socially when the development was first built, and needs to be upgraded to play a similar role in the future. Currently, the one-story building is simply a large gym, open after school, with few programs. The surrounding playground features swing structures that have not had swings on them for at least seven years, according to community residents, and gravel the size of large stones on the “playground” is really the fill for the long-gone swimming pool. Physical improvements should be planned in concert with social services, proper security and a major redevelopment activity to prevent vandalism.



Riverdale hopes to leverage its good transit connections better by improving access from the Pacesetter area to a Metra stop.



137th Street looking west toward Pacesetter.



The Panel's proposed site plan connects Pacesetter to the rest of Riverdale by extending 137th Street to the post office and police and fire stations to the west, and a residential neighborhood to the east.

To truly change the development, the panel suggested Pacesetter should shed its negative image by being renamed — but only as the outlines of a bold plan become reality. Some panelists suggested holding a naming contest.

Transforming Pacesetter's image cannot happen overnight. Panel members said that Riverdale will need a Master Plan to govern the transformation. They suggested a phased redevelopment, rehabbing 30 or more units a year using funds from various subsidies, then re-selling them through lease-to-own or other financing programs for low-income families. In the meantime, the Village should exercise more oversight over existing owners by adopting a landlord ordinance and vigorously enforcing home maintenance laws now on the books. Renovation of the park and nearby buildings would be one way to signal significant change. More analysis of property ownership, redevelopment opportunities and an active acquisition program will be needed before the Village determines which structures should be redeveloped first. In addition, the Village can work with existing owners, or encourage them to sell to new owners who support the redevelopment vision.

The Village of Riverdale will play an important role in these changes, but cannot act alone. Panelists recommended that the Village form a partnership with an organization like the Riverdale Redevelopment Corporation, Turnstone Development (a Chicago community development corporation) or another entity to provide assistance with planning, staffing and funding. When the task is completed, the new Pacesetter should serve as a model for other communities with deteriorating housing complexes.

“When I moved to the Chicago area, Riverdale was a gem,” said panelist Howard Stanback, executive director of the Leadership Council of Metropolitan Open Communities, and until recently, a developer. “We have all volunteered to help you bring it back to that condition.”

Panelists acknowledged the serious challenges the Village faces in improving Pacesetter's streetscape and unit maintenance. As panelist LaMotte noted, the situation is exacerbated by the multiplicity of owners, including many who are absent. "Your volunteer inspectors are doing a good job, but it's just putting fingers in the dam."

In the short-term, the panel made a number of recommendations:

- Begin a regular street sweeping program, posting signs to alert car owners to park elsewhere on those days. Ticket those who do not move.
- Be more aggressive in ticketing and enforcement for infractions like unmowed grass and garbage in the yard.
- Do not allow general overnight parking on the streets. Institute a parking permit program, both to limit parking and to give the Village a better idea of who is living there.
- Tear down abandoned units and clear the lots to make small parking pods.
- Conduct regular community sweeps, picking up trash, pulling out weeds, etc.
- Consider building corrals or other structures to hide unsightly garbage cans so they do not have to be moved from the front yard, where garbage is collected, through the residents' homes to be stored in back.
- Work with the park district to "clean up and green up" the nearby Recreation Center. "It's a 'rec center' in name only," said LaMotte. Panelists suggested removing trash and broken glass from the yard and replacing the gravel there with a more inviting surface material. The Village should also replace the swings and other play equipment that disappeared several years ago and plant grass and bushes in barren areas.

Panelists recommended reducing Pacesetter's isolation from the rest of Riverdale by opening up streets through and improving streets within the community. "Pacesetter is visually disconnected from the rest of the community by railroad tracks and dead-end streets," said David Walker, an architect and planner from Skidmore, Owings and Merrill. "Extending these streets could provide the spine that ties this community to the rest of the village." The extensions of Lowe Avenue and 137th Street also would give residents access to such amenities as Riverdale Park (to the east) with its ballfields, the Village's new Community Resource Center, and to what panelists hope will soon be an improved Recreation Center. With a green strip along 138th Street, Pacesetter children could ride their bikes to Riverdale Park. "We also believe Halsted can be beautified," said Walker, "by clearing away brush and weeds so that drivers can see the lake from there." The panel also suggested closing off Blue Island/Riverdale Road, an industrial road, from the neighborhood. Preventing cars from the industrial areas driving through the neighborhood is a safety issue.

The street extensions would affect another panel recommendation, requiring the strategic removal of some housing units to reduce overcrowding and create open space. Rerouting the streets will require removing approximately 30 units. In addition, a detailed analysis of the homeownership, condition and value of all Pacesetter properties is required to determine which owners the Village can partner with in redevelopment, which units need to be acquired and which units through strict code compliance can be



brought up to the level expected of them.

Pacesetter's streets are cut off from the rest of the community, and residents, too, have little or no connection to each other, or to the rest of Riverdale. "I never know my neighbors," a longtime Pacesetter resident told panel members, "because they never stay long. Most of them are working poor. They have jobs but nothing keeps them here." The resident blamed the neighborhood's absentee landlords for the transience and for her neighborhood's poor upkeep. "No one teaches the renters that these are not the projects. They don't know how to take care of their units."



Pacesetter should be better connected to quality housing nearby, such as this complex approximately two blocks from Pacesetter.

#### Move Toward Homeownership

The panelists' solution to these linked problems is to make renters into owners, with a goal of eventually making Pacesetter 80 percent home-ownership and 20 percent rental units. "Home-ownership encourages responsibility," said Panel Chair Hill. Riverdale should enhance the home-ownership possibilities in Pacesetter to make the area "viable and liveable," said Walker.

Panelists acknowledged some public officials and current Pacesetter residents' would like to see the present complex razed and an alternative built. But, such a plan is not economically feasible, they said.

Simple calculations show that buying out individual owners in order to redevelop the area would be prohibitively expensive. To recoup costs, developers would have to charge \$180,000 or more — and some panel members said a lot more — for each new unit. "If you build a mixed-income development, the high end bails you out," said Vincent McBrien, president of McBrien Capital in Wilmette, Ill. "But here there's no high end" demand in the area. The median house cost in Riverdale is \$82,000, and the top end of the housing market is \$120,000. Panelists heard of the experience of staff at Turnstone, which sells new homes in Riverdale. Kathy McDonough, executive director of Turnstone, told panelists that the Village had given her group three single family lots at 144th Street and Normal Avenue and provided some money from one of the Village's tax increment financing districts for construction. The Local Initiatives Support Corporation (LISC) also provided some funds. Turnstone spent a total of \$145,000 to build one house, and hoped to make a small profit on the sale. Instead, the house stayed on the market for 10 months and finally sold for \$120,000.

If the Village could somehow reduce Pacesetter land costs, by condemning the property, for example, they still would face problems. "What would a community like this do for good, diverse housing stock if Pacesetter is, in fact, eliminated?" asked Stanback. He argued that the product must be changed and the

Village must design a strategy for that change, with both short- and long-term timelines. A well-designed redevelopment plan would benefit the existing community and lead to higher rates of homeownership, which would bring in families with higher incomes. The result would be a more stable community with a greater mix of incomes in the neighborhood.

In urging the Village develop a financially sound redevelopment plan, the panel recommended the following steps:

- 1) A feasibility study to determine the cost of rehabilitating each unit. Panelists presented an estimated ‘financial feasibility’ plan to upgrade and sell a typical Pacesetter housing unit.

Rough Estimate of Costs for Upgrading a Home in Pacesetter:

Acquisition	\$40,000
Rehab	\$25,000
Other	\$5,000
<b>Total cost</b>	<b>\$70,000</b>
Less Subsidy*	(\$20,000)
<b>Net cost per home</b>	<b>\$50,000</b>

\* Possible Subsidies:

IHDA Trust Funds	\$10,000
FHLB Affordable Housing Program	\$5,000
Cook County HOME program/CDBGs	\$5,000
<b>Total</b>	<b>\$20,000</b>

Financing plans, including no-down-payment options, are available to help low-income people into home ownership. Payments — including principal, interest, taxes and insurance — for a \$50,000 loan with a 30-year fixed mortgage at six percent would be \$535, making ownership possible for someone with a minimum household income of \$25,000 a year. Sources for homeowner’s assistance financing include: the Federal Home Loan Bank (FHLB), Fannie Mae, Illinois Housing Trust Fund, Housing Choice Vouchers, homeowners lease-purchase programs, rent-to-own programs, employer-assisted housing programs, transit-oriented development products such as the Location Efficient Mortgage, Low-Income Housing Tax Credits, Community Development Block Grants (CDBGs), HOME, LISC, foundations and conventional first-time homeowners’ mortgages.

Assuming a conventional mortgage, such a rehabbed unit could be affordable to households with 30 per-

cent of the area median income, as shown below:

Principal, income, taxes and insurance for a 30 year fixed mortgage at 6%	\$535
Utilities	\$90
<b>Total monthly costs per family</b>	<b>\$625</b>

- 2) An acquisition plan to buy units when they become available to begin the required rehab process. Some organization — a CDC, hired housing corporation or other entity — should be engaged to direct and manage this process. Code enforcement, said Panel Chair Hill, should be part of an acquisition strategy. As the Village becomes stricter with absentee landlords, they will be more inclined to sell their units.

“To entice new people in with the promise of home ownership, the Village must get control of enough units to do something dramatic,” said Urban Planner Steve Hovany. Panelists suggested assembling several units in a single area of Pacesetter and providing a model rehabbed unit for prospective buyers to tour.

- 3) Establishment of a community association. This will create resident buy-in and support of the plan. Once the switch to individual home ownership there becomes a reality, a formal Pacesetter Homeowners’ Association should be established.

Panelist John Green, a builder of large homes, said there is no existing method — such as an active local association — to integrate current Pacesetter residents into the fabric of the community.

Panelists recommended that Riverdale begin this process by forming a community association with representatives from the Village, park and school districts and social service agencies to provide outreach to Pacesetter residents. Because there is no list of current occupants, notification of meetings will require primitive methods, like sticking flyers on unit doors. Once the rolling redevelopment is underway, the entity managing the complex should help residents create a formal homeowners’ association, with rules and covenants covering issues like shared walls and semi-public spaces.

#### Provide Social Services Critical to Revitalization

“Physical plans don’t integrate people into a community,” said Stanbeck. “Pacesetter could be all owner-occupied and those owners would still feel isolated.” Providing social services to present and future residents is a vital part of any plan. Panelists said that social services should be provided to a variety of constituencies:

- 1) Tenants: For many Pacesetter tenants, especially those with Housing Choice Vouchers, this is the first time they have lived in a single-family home and they do not know what their responsibilities are, like

mowing the grass, and what the landlord should be doing. Panelists suggested that Riverdale contact the two issuers of Housing Choice Vouchers — the CHA and Cook County Housing Authority — and insist they provide tenant responsibility education to anyone they have moved into the area. The Village should also be aware of the Cook County Housing Authority’s responsibilities to their Housing Choice Vouchers tenants and be notified when new tenants are being moved in. “You have to stay in touch with the housing agencies,” Stanbeck said. “They won’t notify you.” To help transform renters to buyers or stable renters, current Pacesetter tenants should be given home ownership counseling and assisted with their credit worthiness, the panel said.

- 2) Owners, landlords and property managers: This group also should be informed about what tenants are entitled to under Illinois law and what local and state codes require of landlords. One important part of such education is tenant screening techniques. “Landlords see Housing Choice Vouchers and they

Rough Estimate of Costs for Upgrading Homes in Pacesetter

Acquisition	\$40,000
Rehab	25,000
Other	5,000
Total cost	\$70,000
Less Subsidy*	20,000
Net cost	\$50,000

see cash,” said Stanbeck. “They must learn to sort through applications and accept only the most desirable tenants, not just go to the next name on the list.” Panelists recommended

\* Subsidies, the panel said, are available as follows:

IHDA Trust Funds	\$10,000
FHLB AHP	\$5,000
Cook County HOME/	
CDBG	\$5,000
<b>TOTAL</b>	<b>\$20,000</b>

that Riverdale follow other Chicago-area municipalities and institute a program to certify landlords and property managers, to assure that absentee landlords will take care of their properties. It should also draft and adopt a strong ordinance governing landlord responsibilities, and then aggressively enforce compliance. Of particular concern is the overcrowding in Pacesetter. Panelists suggested that the Village adopt strict occupancy rules, requiring and enforcing a certain square footage of living space for each person living in a rental unit.

- 3) Employment-related services: Services should be available, panelists said, to help Pacesetter residents comply with the work requirements of the federal Temporary Assistance to Needy Families (TANF) pro-

gram. Job training should be close and accessible, they said, and facilities should be available for case managers to monitor TANF families.

4) Youth Services: Riverdale should continue to analyze the needs of young people living in Pacesetter



A new community center offers social services that could be expanded to the Park District in Pacesetter.

and supply programs as close as possible to the site. Possible programs and services include: day care (in the recreation center); youth development programs; recreation programs beyond basketball, the only current offering; and grandparent support programs, as many guardians of the children in Pacesetter are not parents but grandparents. Many of these programs are currently available, but can be better coordinated and made more consistently available.

Panelists recommended the Village appoint one person to coordinate services for Pacesetter residents among the community's two park districts; two school districts; Village, Township and state offices; and the CHA and Cook County Housing Authority. The best

place to deliver these services would be the nearby recreation center, if and when the center is renovated into a community center (see above). If the park district is unable to manage the center's renovation and upgrades, the panel recommended the Village consider taking over the facility. To additionally increase green space and play areas, the panel suggested a better connection to the open lands of a ComEd easement at the east side of the complex. The space would provide a perfect place for playing fields, which is how they were once used. Panelists also recommended that Riverdale's police department increase its presence in the Pacesetter neighborhood by creating a community policing program, establishing a schedule of regular monthly meetings with residents and participating in youth services.

#### Short-Term Implementation

Panel Chair Charles Hill acknowledged that it is "too much to expect the Village to do this on its own." The panel will remain in existence for a year and meet with the Village quarterly to help identify community development corporations and social service providers to assist in implementation.

"These are not problems you can solve by just planting a few trees and some grass," agreed planner LaMotte. "We want to work with you until there's enough of a change that people can see it." LaMotte

said he envisioned a massive “green up and clean up” program along Halsted Street and within the Pacesetter development.

As short-term goals, the panel offered a number of recommendations, including evaluating and enhancing its building codes with aggressive and regular code enforcement. Forming a community association, completing a physical inventory of existing units and determining the financial feasibility of acquisition and rehab, should also begin immediately. The Panel advised the Village to identify partners, including community development corporations and social service providers to assist these efforts. Facing the future, the Village needs to create a Master Plan and formulate an acquisition, infrastructure and development financing strategy. The Village should evaluate the need for a community and social service assessment. Ordinances related to building owners should be revised or created. In addition, parking permit structures and parking enforcement should begin immediately.

Key to the Village’s success will be the identification of a community redevelopment manager who can coordinate Village services, and establishing a relationship with either a nonprofit or for-profit organization to manage the reinvestment strategy. This process is not something that can be done as part of a larger job in a few hours a week.

#### Long-Term Implementation

The Village should complete a village-wide comprehensive plan that ties together all of the various plans that have been conducted in the past three to four years, and a master plan for the Pacesetter community that delineates a phased redevelopment strategy. It also must set forth a policy for acquisition and rehabilitation within the development. Infrastructure development and redevelopment, including work on streets, parking pods, greenways and the community center, are on the list for longer-term redevelopment. Once Pacesetter has become more stabilized, a homeowners association should be formed.

At the close of the presentation, Mayor Evans said, “what you’ve done is take a holistic look at the Pacesetter problem and given us a realistic look at what we can do about it. How fast Riverdale can accomplish these long-term changes depends on our financial situation. In the meantime, we can concentrate on your short-term recommendations and do what we should be doing to make Pacesetter more liveable for those who are there now. We can begin with projects like creating green space, educating current owners and tenants about their responsibilities, and increasing communication between Pacesetter and the rest of Riverdale.”



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