SMART, RICH & POWERFUL

Building A Neighborhood Reinvestment Plan

In East Humboldt Park

Larry Swift

and

The Residents of East Humboldt Park

1982

Woodstock Institute
410 North Michigan Avenue
Chicago, Illinois 60611

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Block Workshop

Introduction

East Humboldt Park is a 32 square block neighborhood three miles northwest of Chicago's Loop and adjacent to one of the city's largest and loveliest parks. The newest and largest segment of the population is comprised of Puerto Rican residents, many of whom have been previously displaced from other Chicago neighborhoods (Lincoln Park, Near West Side, New Town, Wicker Park, etc.) and from other parts of the East Humboldt Park neighborhood.

Through the 1970's East Humboldt Park was ravaged by a host of problems. Arson, fire, deferred maintenance and demolition resulted in the loss of over forty percent of the housing units between 1970 and 1980. Continuing neglect by property owners, lenders, insurers, the city and others maintains the momentum of deterioration and decline. Three-flats stand abandoned - some boarded up, some not; vast tracts of land lie vacant and untended; occupied homes are often in sad states of disrepair.

And yet, throughout the neighborhood are fine examples of well maintained, very attractive homes. often entire blocks. Ample evidence of caring residents and property owners exists.

A core of these caring people had been involved in organizing the residents of East Humboldt Park and in solving some of the neighborhood's problems. Calling themselves Cuadras Unidas (United Blocks) these neighborhood leaders, with help from the Westtown Concerned Citizens Coalition, have engaged in organizing block clubs, organized neighborhood clean-up campaigns, attacked police and crime problems, served on the board of the Community Housing Education Corporation, and developed a program to make available low interest mortgages.

The families of East Humboldt Park face yet another threat -- the threat of displacement through gentrification. The location, the underlying quality and attractiveness of the housing stock, the depressed property values, and the inflated property values in recently gentrified neighborhoods make East Humboldt Park a prime target for real estate speculation aimed at replacing the current residents with those of higher incomes.

The neighborhood leaders were faced with a dilemma -- there was a great need and strong desire to revitalize the neighborhood; if, however, the revitalization efforts were successful, the current residents would probably be forced out of the neighborhood. On the other hand, if the deterioration of the neighborhood was not reversed, most of the residents would eventually be displaced by abandonment and demolition. What's more, the conditions in which the families of East Humboldt Park would have to live were simply unacceptable. The question then became, how could the current residents of the neighborhood become the beneficiaries rather than the victims of revitalization? Their conclusion was that residents themselves would have to decide what kind of future they wanted for their neighborhood, and would have to control the revitalization process. *They would have to have a plan.*

MAKING A NEIGHBORHOOD REINVESTMENT PLAN

The Neighborhood leaders understood that underlying many of their problems was the fact that most of the outside forces (people and institutions) at work in the neighborhood were disinvesting the neighborhood --taking more out than they were putting in. Banks and savings and loan associations were taking deposits from the residents and businesses but were not making loans; insurance companies were not insuring the homes and businesses, terminating long term clients, charging high rates, and were not investing premiums collected over the years in the neighborhood; the city was collecting taxes but was not reinvesting sufficient amounts in the neighborhood's streets, water and sewer systems, schools, and public services; property owners were collecting rents but were not reinvesting in the buildings. The neighborhood leaders decided to focus on addressing the disinvestment problems -- to develop a neighborhood reinvestment plan.

OF THE NEIGHBORHOOD, BY THE NEIGHBORHOOD, AND FOR THE NEIGHBORHOOD

It was clear to the neighborhood leaders that for a neighborhood plan to work for the people who lived there, it had to be their plan. They had seen what had happened to Lincoln Park where the city had a plan for the neighborhood; they had seen what had happened in Wicker Park where upper middle class professionals had a plan for the neighborhood; they had seen what had happened to New Town where the real estate speculators had a plan for the neighborhood. In every case, families with modest incomes had been pushed out; the operation was a success, but the patient died!

For the neighborhood plan to belong to the people of the neighborhood, it had to be created by the people of the neighborhood -- as many neighborhood residents as possible needed to be involved in the planning process. All the decisions must be made by the neighborhood residents. Furthermore, the implementation of the plan had to be in control of the residents. Finally, the plan had to capitalize on the strengths and resources of the neighborhood. Although outside resources would be needed to revitalize East Humboldt Park, the neighborhood's own residents would have to be at the core if the residents were to maintain control of the revitalization process.

The leaders realized that developing a neighborhood reinvestment plan was no small task; it would require substantial amounts of time and hard work. The leadership group was small (four people) and their time and energies were already stretched. They decided they could use some professional help, not to make a plan for them, but to help them and their neighbors make a plan for themselves. Three kinds of assistance were sought: help in organizing the residents to participate in the planning process; help in training of the residents in the concepts and terminology of disinvestment, reinvestment and displacement, and in planning processes and collective decision making; and help in facilitating the planning process through leadership training, research assistance, staffing meetings, clerical support, developing ideas, etc.

CREATING THE VISION (Developing The Strategy Plan)

A three-way partnership among Cuadras Unidas, Westtown Concerned Citizens Coalition (WCCC) and Woodstock Institute was formed to help the residents of East Humboldt Park develop their Neighborhood Reinvestment Plan. The first task of the partnership was to develop a work program which laid out the major steps to be taken in developing the plan and put them on a timetable. A nine month work program was adopted. The second task was establishing a Steering Committee to coordinate the planning process and to make adjustments to the work program when needed. The Steering Committee consisted of the Cuadras Unidas leadership group and any neighborhood resident who attended the meetings.

The cornerstone of the planning process was the block level workshop. A series of three-hour workshops were held throughout the neighborhood. During each workshop, the residents of the block identified the neighborhood problems, established goals and brainstormed strategies for achieving the goals. Through the course of the workshop the participants became familiar with disinvestment/reinvestment concepts and terminology. Staff took the information generated at the workshop, organized it, and put it into a booklet. A week after each workshop, a follow-up meeting was held. At the follow-up meeting the booklets were distributed to the residents who made sure that they were accurate in recording what they had said. In addition, the residents brainstormed neighborhood resources which could be used to help achieve their goals. The initial workshops were conducted by Woodstock Institute and WCCC staff. The remainder of the workshops were conducted by East Humbloldt Park residents who had participated in a workshop and had been trained by staff.

The Steering Committee set-up two committees to assist in coordinating and carrying out the planning process -- an Organizing Committee and a Research Committee. The Organizing Committee was responsible for keeping the neighborhood informed of the progress of the planning process and for generating resident participation in block workshops.

The Research Committee was responsible for acquiring and putting together the information needed for developing the plan. The first task was assembling and integrating the information from the block workshops. The problems identified at the workshops were organized into a broad set of neighborhood problems. This information was supplemented by research into each of the problem areas in order to document the problems and to more fully understand the size and nature of the problems. The research included neighborhood surveys, analysis of public records, and interviews of relevant actors. The Committee compiled the goals set at the block workshops into a broad set of neighborhood goals and objectives.

Finally, the Reseach Committee developed a set of practical strategies to be used to achieve the goals. The strategies were developed by using the strategies generated at the block workshops, surveying other neighborhood groups, reviewing available literature, and brainstorming. The Committee went through a series of steps to select the appropriate strategies and to organize them into a strategy plan.

First, it developed a set of criteria to judge the appropriateness of each strategy. The criteria selected by the Committee in their order of importance are:

1. Does it fit our neighborhood?
2. Does it avoid displacing current residents?
3. Is it winable?
4. Will it attract neighborhood participation?
5. Does community retain control?
6. Does it capitalize on neighborhood resources?
7. Does it generate neighborhood jobs?
8. Does it offer immediate victories? Short term solutions? Long term solutions?
9. Does it address needs of owners? Buyers? Tenants?
10. Does it give renters a stake in the neighborhood?

Each strategy was examined in light of these criteria and given a value of "1", "2", or "3", with "1" meaning "must do" and "3" meaning "throw out". As a mechanism for reducing the number of strategies, it did not work very well; of 57 major strategies examined, none were eliminated (given a value of "3") and 50 were considered "must do" (given a value of "1"). Each strategy was examined in terms of which goal or goals it would help achieve. A five-year timetable was established and for each strategy, the Committee decided in which year its implementation should begin. The Committee further decided for each strategy whether it should be implemented on a neighborhood, community, or citywide basis (developing a city rehab code, for example, was judged to be a citywide strategy). The Committee also decided which neighborhood or community organizations needed to be involved in implementing each strategy. All the information developed by the Research Committee was regularly reviewed by the Steering Committee and the recommendations were developed through the interaction of the two Committees.

Simultaneously, the Organizing Committee was working on developing resident involvement. Broad neighborhood participation in the plan development was solicited in two ways: 1) newsletters reporting on the progress of the planning process were distributed periodically and the residents invited to comment; 2) an update meeting was held midway through the planning process. Because the block workshops were conducted over a period of four months, the update meetings were designed to help keep the participants from the early block workshops involved in the process, to demonstrate that their ideas had been taken seriously and were included in the developing plan, and to get their reactions to the work of the committees. When the work of the Committees was completed, the planning documents were developed, resolutions embodying the problem statements, goals and strategies were drafted, and a public meeting at which the Strategy Plan was adopted by the neighborhood was held.

THE IMPLEMENTATION PLAN

A strategy plan isn't worth the paper its printed on if practical plans for implementing the strategies are not developed. The Steering Committee commissioned three neighborhood committees to develop the implementation plans. The committees met on a weekly basis through the summer to develop the implementation plans. The Steering Committee which now included the chairpeople of the other committees also met weekly, to insure that the activities and timetables of the committees were coordinated and that the work of each committee would complement the work of the others.

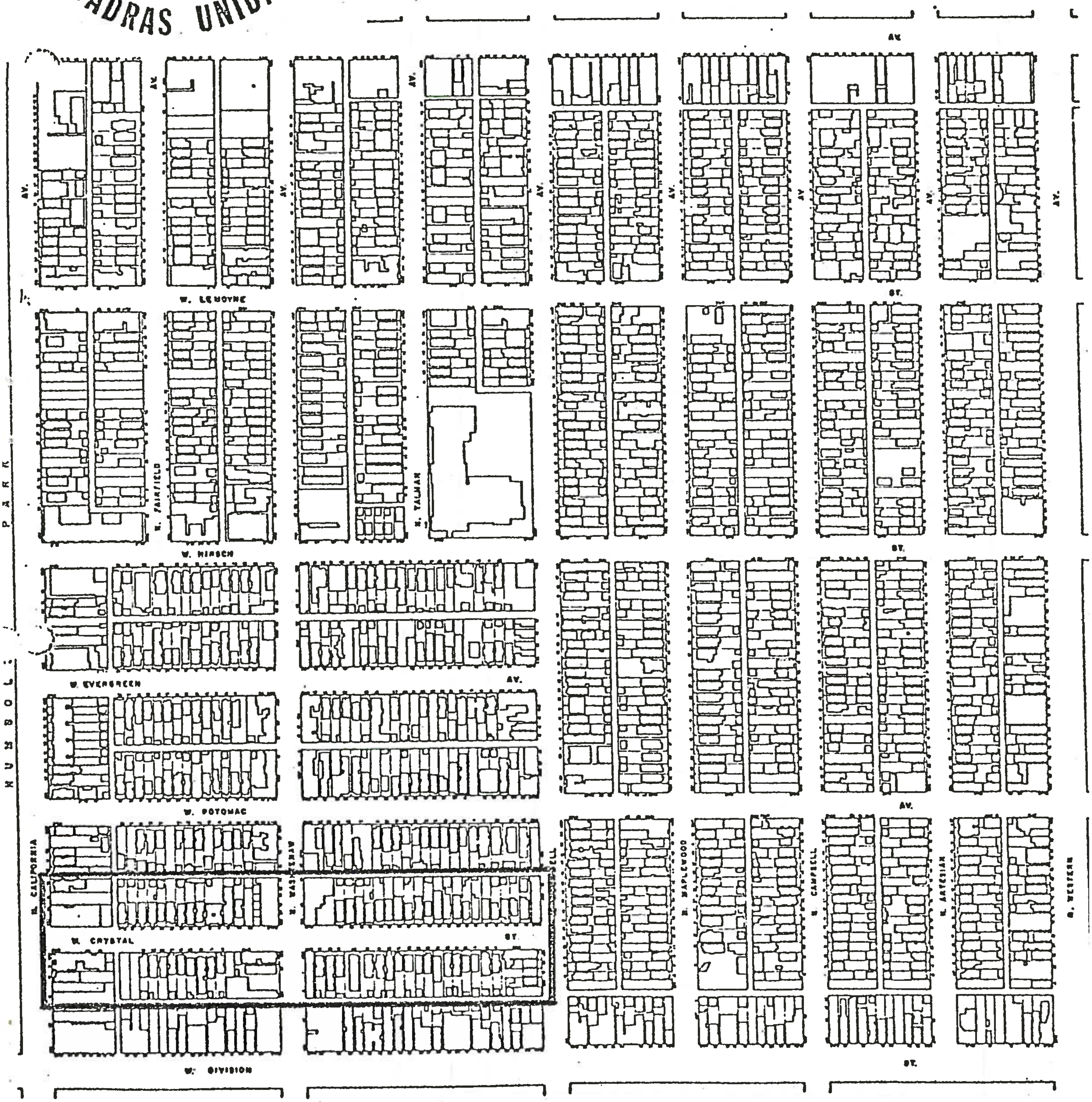
The plan was completed at the end of September. Dozens of people -- employed and unemployed; men and women; young and old; Puerto Rican, black and white ethnics -- had helped shape a practical vision for their neighborhood.

The challenge before them now is to believe in their vision, to have confidence in themselves, and to begin the long difficult task of building a neighborhood in which they and their neighbors and their children can live creative lives in a decent, safe neighborhood.

UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

2600/2700 CRYSTAL

Reinvestment Plan



UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

EAST HUMBOLDT PARK
PLAN DE REINVERSION
TABLA DE TIEMPO

Fecha / Actividad	Enero	Febrero				Marzo				Abril					Mayo			
	25-31	1-7	8-14	15-21	22-28	1-7	8-14	15-21	22-28	29-4	5-11	12-18	19-25	26-2	3-9	10-16	17-23	24-31
Taller de Cuadra Cuadra #	1	2	3	4	5	6	7	8	9	10	11	12						
Reunion de Seguimiento		1	2	3	4	5	6	7	8	9	10	11	12					
Reporte alas Cuadras Reunidas						1-6				1-10								
Comitede Organizacion					O			O					O					
Comite de Investigacion					R			R					R					
Reunion Publica																		*

2600/2700 CRYSTAL
REINVESTMENT PLAN

AUTHORS

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JANUARY, 1981

Enero, 1981

PLAN de REINVERCION EN EL VECINDARIO

PROBLEMAS	ESTRATEGIAS		METAS
Discriminacion por parte de Las seguranzas	Hablar con las companias de seguro	Conseguir las Razones	Disponibilidad de seguros ha precios razonables.
	Desarollar un plan de seguranza	Averiguar del "FAIR" Plan	
	Reducir los Riesgos	Desarollar un Plan de Mejoramiento en el Area	
No participacion por parte de los bancos	Buscar banco con interes mas bajo	Sacar el dinero del banco	Completa participacion de los bancos
	Desarollar plan de participacion de los bancos	Demostraciones	
	Demostrar la stabilidad del vecindario	Tomar accion legal	
Irresponsabilidad de los propietarios	Visitar duenos	~~Tomar accion legal~~	Responzabilisar a los propietarios
		Ir al "City Hall"	
	Propiedades comunales	Precion Politica	
	Promover duenos del area	Reglas mas estrictas	
Impuestos Excesivo	Ir a City Hall	Apelar los impuestos en conjunto	Impuestos razonables
	Ir al Asesor del Condado	Peticiones	
	Proponer razonables impuestos	Demostraciones	
Escases de inversion por la Ciudad	Identificar los problemas especifices	Ver a los politicos	Inversion adecuada de la ciudad
	Desarollar plan	Ir a City Hall	
		Demonstraciones	

JANUARY, 1981

NEIGHBORHOOD PROBLEMS

2600/2700 Crystal Block Club

Disinvestment Problems

Insurance Redlining	No Participation by Banks & S&L's	Irresponsible Owners	Excessive Taxes	Lack of City Investment
House Insurance rates too high Business Insurance rates too high People can't get Loss of businesses	Can't get home improvement loans Can't get mortgage loans Can't get business loans	Secret land trusts Vacant land Real estate specu-lation Abandoned buildings Arson Poor landlords	Property taxes too high Water and sewer taxes too high	Lack of capital improvements Unresponsive agencies Poor garbage collection

Other Problems

Crime Problems	Social Problems
Gangs Dope peddlers Robberies Car thefts/chop shops Teen-age fights Hold-ups Stealing mail Vandalism No police presence	Open hydrants Abandoned cars Apathy Broken homes Not enough jobs Stray dogs

Enero, 1981

PROBLEMAS DEL VECINDARIO

2600/2700 Crystal
Clubes de Cuadras.

INSURANCE REDLINING	No hay participacion	Duenos	Impuestos Excesivos	No hay inversion de la Ciudad
Los seguros de casa el costo es muy alto. Seguro de negocios el costo muy alto. Personas no pueden consequir seguros perdidas de negocios.	de los bancos, cuentas de ahorros ni prestamos No pueden conseguir casa mejorar prestamos No pueden conseguir hipotecas. No pueden conseguir prestamos para los negocios	Irresponsables Propietarios Secretos. Terrenos vacacantes Real State-especulacion Edificios abandonados. Duenos irresponsables	Impuestos de propiedades demasiado alto. Impuestos muy Altos en el agua y cantarillas.	No hay capital para desarrollo. Las agencias no responden. No recogen basura.

OTROS PROBLEMAS

EL PROBLEMA DE LOS CRIMENES	PROBLEMAS SOCIALES
Gangas Vendedores de Narcoticos. Robos Robo de carros/chop shops peleas de jovenes. Asaltos Robar el correo Bandalismo No hay presencia de la policia.	Pompas Abiertos Carros Abandonados Apatia Robo en las casas Perros Callejeros Escases de trabajos

JANUARY, 1981 — NEIGHBORHOOD REINVESTMENT PLAN — 2600/2700 Crystal Block Club

Problems	Strategies		Goals
Insurance Redlining	Talk to insurance companies	Get the facts	Insurance Available at Reasonable Cost
	Develop insurance plan	See about FAIR plan	
	Reduce risks	Develop Neighborhood Improvement Plan	
No Participation by Banks and Savings & Loans	Shop around	Withdraw money	Full Participation by by Banks and Savings & Loans
	Develop Bank participation plan	March	
	Demonstrate Neighborhood stability	Take legal action	
Irresponsible Property Owners	Visit owners	Legal action	Responsible Property Owners
		Go to City Hall	
	Public land trust	Pressure Alderman	
	Get neighborhood owners	Stricter codes	
Excessive Taxes	Go to City Hall	Mass tax appeals	Reasonable Taxes
	Go to County Assessor	Petitions	
	Propose reasonable taxes	March	
Lack of City Investment	Identify specific problems	See Alderman	Adequate City Investment
	Develop plan	Go to City Hall	
		March	

2600/2700 CRYSTAL

PLAN DE REINVERCION

AUTORES

Aurea
Armando
Iris
John
Lorraine
Luis
Maria
Martha
Millie
Mildred
Primativa
Rosa

ASISTIDO POR

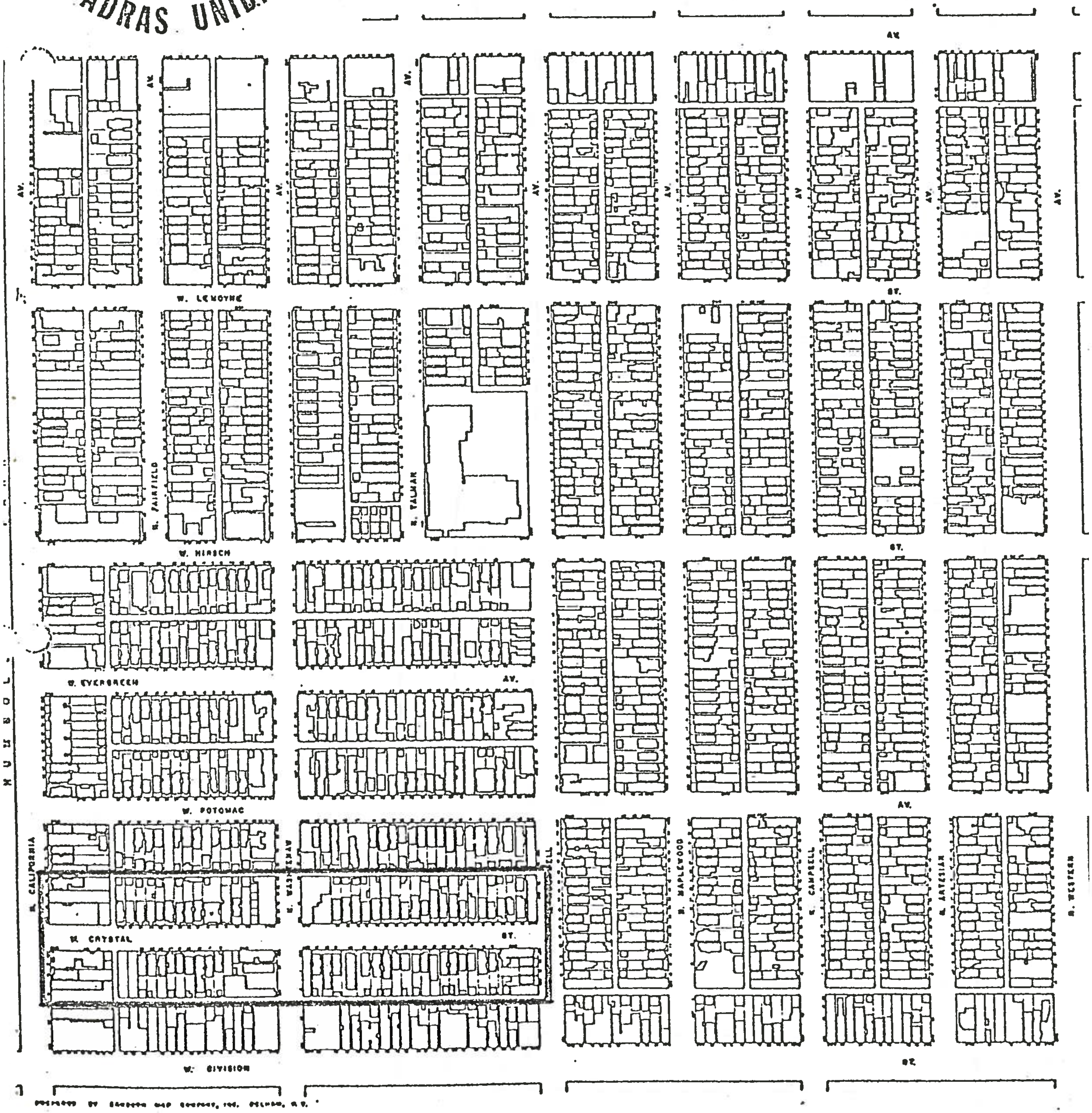
Mike
Trina
Fr. Jack
Jose
Larry

ENERO, 1981

UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

2600/2700 CRYSTAL

PLAN DE REINVERCION



UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

EAST HUMBOLDT PARK
REINVESTMENT PLAN
TIME TABLE

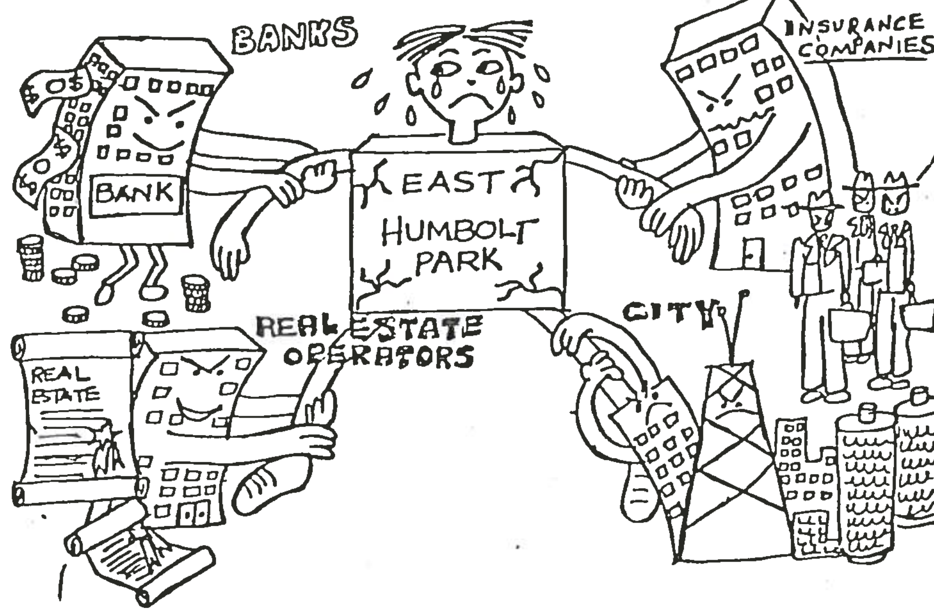
Date / Activity	Jan.	February				March				April					May			
	25-31	1-7	8-14	15-21	22-28	1-7	8-14	15-21	22-28	29-4	5-11	12-18	19-25	26-2	3-9	10-16	17-23	24-31
Block Workshop	1	2	3	4	5	6	7	8	9	10	11	12						
Block # Follow-up Meeting		1	2	3	4	5	6	7	8	9	10	11	12					
Up-date Summits						1-6				1-10								
Organizing Committee					O			O			O		O					
Research Committee					R			R			R		R					
Public Meeting																		*

Strategy Plan

DISINVESTMENT

OF

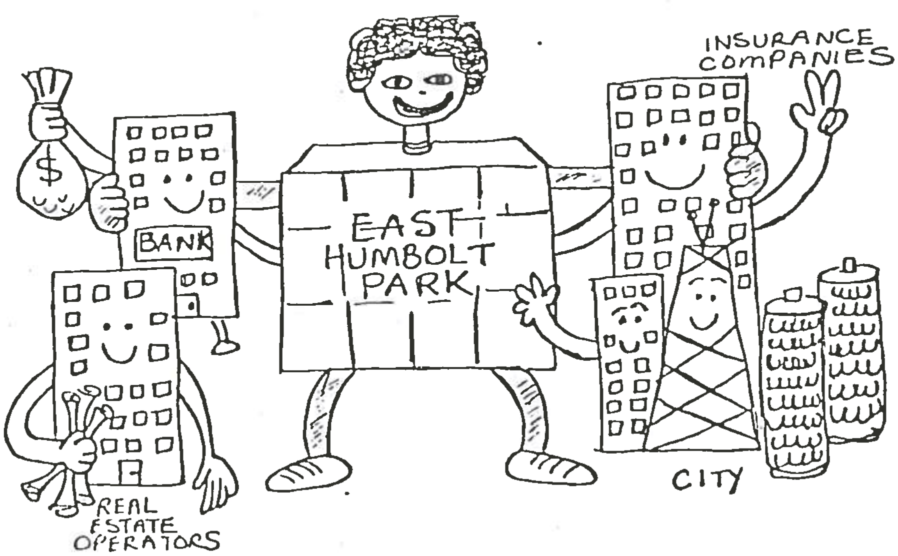
EAST HUMBOLDT PARK

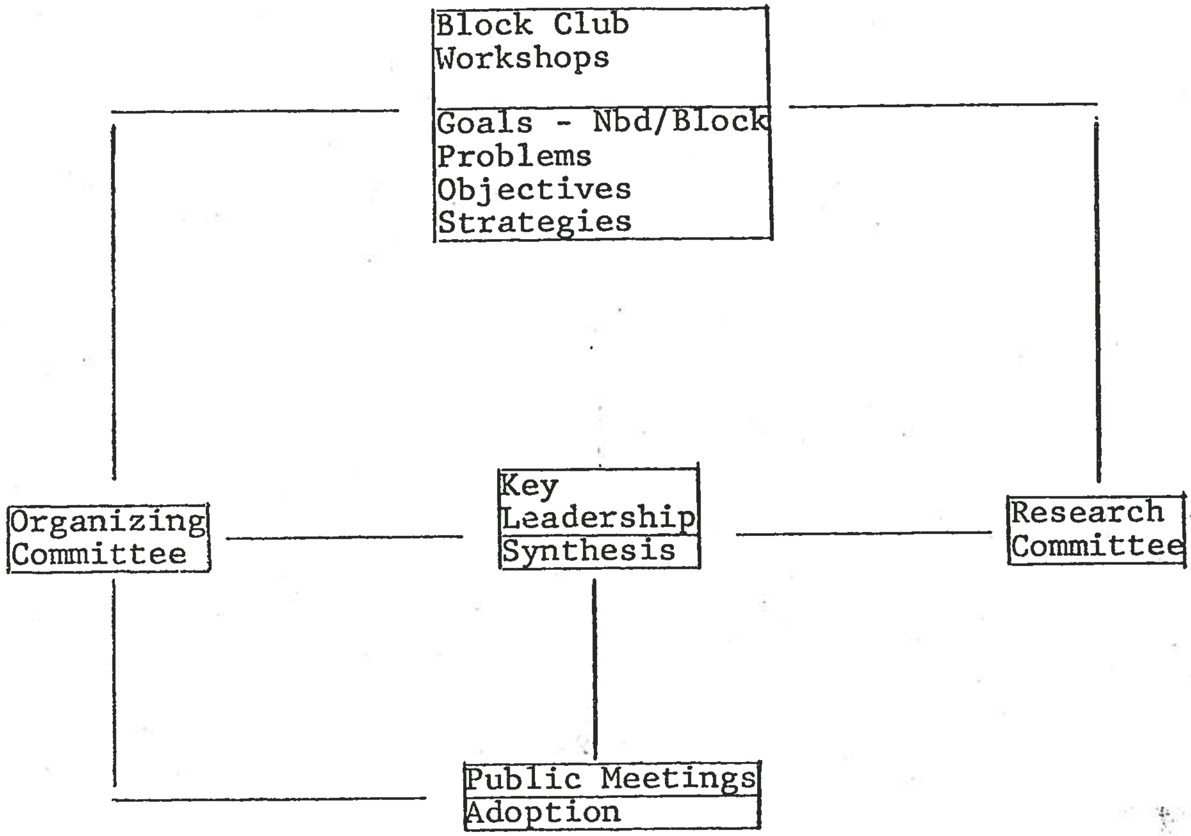


REINVESTMENT

OF

EAST HUMBOLDT PARK





Organizing

I. Block Clubs
   A. Workshops
   B. Follow-Up Meetings
   C. Sustain Clubs

II. Leadership Development
   A. Key Leadership Members
   B. Organizing Committee Members
   C. Research Committee Members

III. Public Involvement
   A. Public Meetings
   B. Publicizing

Research

I. Westtown Community
   A. Block Club Output
   B. Studies
   C. Observations

II. Literature
   A. Reinvestment
   B. Displacement
   C. Other Research/ Planning Projects

III. Case Studies
   A. Other Cities
   B. Chicago Neighborhood

	Objectives	Major Tasks
Organizing	Block Club Workshops (12 - 16)	Flyer block with personal letter Canvass block Phone calls Handle logistics
	Block Club Follow-up (12 - 16)	Set meeting at workshop Phone calls Organize workshop output Handle logistics
	Organizing Committee	Cuadras Unidas appoint Chairperson and other members as appropriate Recruit key neighborhood leaders Recruit block leaders Meet at least once per month
	Research Committee	Cuadras Unidas appoint Chairperson and other members as appropriate Recruit volunteers from blocks Recruit key neighborhood leaders Meet at least once per month
	Public Involvement	Monthly newsletter Public Meeting
Research	Inventory other Neighborhoods	Review materials Develop index Follow leads Prepare reports
	Compile Block Club Data	Collect workshop output Analyze information Integrate information Prepare reports
	Interview Key Actors and Other Neighborhoods	Indentify people to be interviewed Develop sets of questions Handle logistics Prepare reports
	Complete Research on East Humboldt Park	Assemble in-house material Collect additional information Analyze information Prepare reports

East Humboldt Park	Reinvestment Plan Timetable																		
Date	January		February				March				April					May			
		25-31	1-7	8-14	15-21	22-28	1-7	8-14	15-21	22-28	29-4	5-11	12-18	19-25	26-2	3-9	10-16	17-23	24-31
Week Number / Activity	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
ORGANIZING																			
Block Club																			
Workshops		X	X	X	X	X	X	X	X	X	X	X	X						
Follow-up meetings			X	X	X	X	X	X	X	X	X	X	X	X					
Mini-Summits							X				X				X				
United Block Committees																			
Leadership	X					X			X			X			X				
Organizing Committee			X			X			X			X			X				
Research Committee						X			X			X			X				
Public Meeting																			X
Monthly Report		Δ				Δ				Δ					Δ				Δ
RESEARCH																			
Neighborhood Inventory																			
Develop Index																			
Prepare Reports																			
Compile Block Club Data																			
Prepare Reports																			
Interview Key Actors																			
Indentify Actors																			
Develop Questions																			
Set up Meetings																			
Prepare Reports																			
East Humboldt Park																			
Collect in-house Data																			
Identify Information Gaps																			
Collect additional Info																			
Prepare Reports																			
Staff Meetings	X X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

UNITED BLOCK COMMITTEES
EAST
HUMBOLDT
PARK
CUADRAS UNIDAS

RESEARCH COMMITTEE

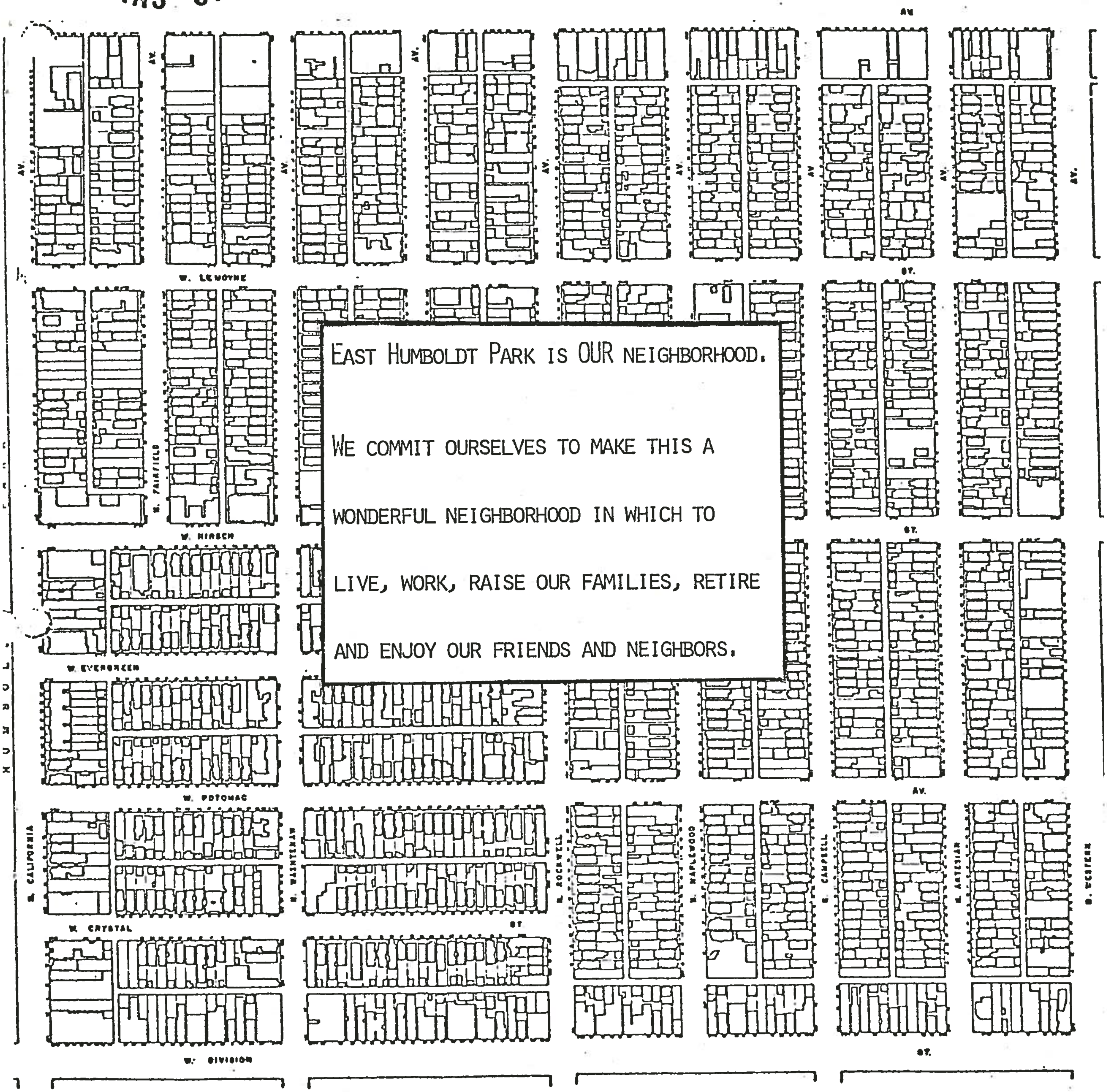
WORK TIMETABLE

	March	April					May			
	22-28	29-4	5-11	12-18	19-25	26-2	3-9	10-16	17-23	24-31
I. Neighborhood Research										
A. Plans, Projects, Programs	1	—	—	1						
B. Problem, Specification	1	—	—	—	—	1				
C. Resources	1	—	—	1						
D. Existing Studies	1	—	—	—	1					
II. Strategy Generation										
A. Brainstorming		1	—	—	—	1				
B. Chicago Neighborhood		1	—	—	—	1				
C. Other Cities			1	—	—	1				
D. Literature			1	—	—	1				
III. Strategy Selection										
A. Establish Criteria				1	—	1				
B. Apply to Strategies					1	—	—	1		
C. Choose Strategies						1	—	1		
D. Match Strategies						1	—	1		
IV. Develop Report										
A. Problem Statement					1	—	—	—	1	
B. Goals					1	—	—	—	1	
C. Strategies						1	—	—	1	
D. Resources				1	—	—	—	—	1	
V. Prepare for Public Meeting							1	—	—	1

UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

EAST HUMBOLDT PARK

NEIGHBORHOOD REINVESTMENT PLAN



EAST HUMBOLDT PARK IS OUR NEIGHBORHOOD.

WE COMMIT OURSELVES TO MAKE THIS A WONDERFUL NEIGHBORHOOD IN WHICH TO LIVE, WORK, RAISE OUR FAMILIES, RETIRE AND ENJOY OUR FRIENDS AND NEIGHBORS.

I Inadequate Property Loans	II Inadequate Property Insurance	III Irresponsible Property Treatment	IV Weak Commercial Structure	V Lack of Capital Investment By City	VI Poor Neighborhood Appearance
Can't Get: -home improvement loans -home mortgage loans -business loans -cooperation from lenders -reasonable interest rates Get Too Much: -loan discrimination -poorly run city loan programs	-home insurance premiums too high -business insurance premiums too high -can't get home insurance -can't get business insurance -hard to collect insurance claims -quick cancellation of insurance -insurance discrimination	-secret land trusts -real estate speculation -arson -bad landlords -landlords "milking" buildings -landlords won't rent to families with children -buildings poorly maintained -building code too restrictive -building code unenforced -insufficient income to maintain property -incompletely rehabbed homes -destructive tenants -inadequate building inspection -vacant land -abandoned building -rents too high -can't get abandoned buildings rehabbed -burned-out buildings -no new construction -can't find a place to live -city does not demolish abondoned buildings -city demolishes instead of rehab	-loss of businesses -not enough stores -prices too high -not enough of certain kinds of stores -stores boarded-up -difficult business environment	-pot holes -streets unrepaired after excavations -poorly maintained walks and parkways -missing or broken street signs -street lights out -poor alley lights -broken water-mains -sewers clogged and drains caving in -not enough playlots -unmaintained school and library -taxes too high	-poor garbage collection -garbagemen don't clean-up -infrequent street cleaning -garbage all over -graffiti -rats -too few garbage cans and lids -people throw garbage out windows

East Humboldt Park Reinvestment Plan — GOALS AND OBJECTIVES — Cuadras Unidas

I	II	III	IV	V	VI
Property Loans Available on Reasonable Terms	High Quality Insurance Available at Reasonable Rates	Responsible Property Treatment	Strong Commercial Strips	Sufficient City Capital Investment	Good Neighborhood Appearance
-Lenders making all bankable loans (Mortgages, home improvement loans, business loans)	-Companies writing insurance on all good risks (home-owners, renters, business)	-Responsible Property Owners	-Sufficient number and kinds of stores	-Good streets and walks	-Good garbage pick up
-Low down payment loans available	-Reasonable premiums	-Maximum neighborhood ownership		-Good sewer and water	-Sufficient street cleaning
-Subsidized loans available	-Good claim service	-Sufficient affordable housing	-Stores well maintained	-Well maintained public facilities	-Good appearance of private properties
-Residents aware of loan availability	-Residents aware of insurance availability	-Good building maintenance	-Adequate inventories	-Sufficient street signs and lights	-Good appearance of public space
	-Reinvestment of premiums in neighborhood		-Reasonable prices	-Sufficient play-lots	

...ED BLOCK COMMITTEES
EAST
HUMBOLDT
PARK
CUADRAS UNIDAS

RESEARCH COMMITTEE

Strategy Selection Criteria

The following criteria, established by the Research Committee, were used to select strategies for achieving the East Humboldt Park Reinvestment Goals.

The key to all reinvestment strategies is making them understandable to ourselves and our neighbors. The following criteria are in order of importance:

1. Does it fit our neighborhood?
2. Does it avoid displacing current residents?
3. Is it winable?
4. Will it attract neighborhood participation?
5. Does community retain control?
6. Does it capitalize on neighborhood resources?
7. Does it generate neighborhood jobs?
8. Does it offer immediate victories? Short term Solutions? Long term solutions?
9. Does it address needs of owners? Buyers? Tenants?
10. Does it give renters a stake in the neighborhood?

UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

EHP REINVESTMENT PLAN

Master Strategies

I. LOANS STRATEGIES	Strategy Code
A. Lending Agreements with Banks and Savings & Loans	A
Below Market Loans	B
Linked Deposits	C
Contribution to Revolving Loan Fund	D
Contribution to Operating Budget EHP Real Estate Corp.	X
Mortgage Review Board	F
Sweat Equity	O
B. City Credit Participation	
Linked Deposits	C
Targeted Mortgage & Rehab Revenue Bond Programs	AH
Pension Funds	BE
10 Year Interest Free $500,000 revolving loan contribution	AJ
City Rehab/Loan Grant Programs	AL
C. Insurance Comp. Credit Participation	
Linked Deposits	C
Reinvestment Agreement	H
Revolving Loan Fund contribution	D
Operating budget contribution Real Estate Corp.	X
D. Others	
EHP Credit Union	E
Neighborhood Rehab Reserve Fund	AC

II. INSURANCE	Strategy Code
A. Insurance Agreements	G
Insurance Information Service	Y
Risk Management Service	Z
B. Insurance Reinvestment	
Linked Deposits	C
Revolving Loan Fund	D
Operating Budget Contributions	X
Joint Venture Neighborhood Development Company	J
Revolving Capital Fund	BB
C. Insurance Agents - Agreements	I

		Strategy Code
III.	PROPERTY	
A.	East Humboldt Park - Real Estate Corp.	X
	Anti-Solicitation Campaign	R
	Management Assistance - Rental Housing	U
	Tenant Management	V
	Real Estate Information Service	T
	Adjacent Neighbors Program	W
	Insurance Information	Y
	Insurance Risk Management	Z
	Tenant-To-Owner Conversion	AB
	Ownership Counseling	AO
B.	LAND OWNERSHIP/CONTROL	
	Community Land Trusts	K
	Land Banking	L
	Cooperative Housing	M
	Homesteading	P
	Sweat Equity	O
	Net-Lease Management	Q
	Tax Sale Acquisition	S
	Adjacent Neighbors	W
	Neighborhood Rental	AA
	Tenant-To-Owner Conversion	AB
	Acquisition of Government & Institution Property	AG
	Shopsteading	AP
	Lending Agreements	A
	Insurance Agreements	G/H
C.	Neighborhood Development Companies	J
IV.	COMMERCIAL	
A.	Coordination with Local Business Associations	AU
	City Capital Improvements	AQ
	Lending Agreements	H
	Insurance Agreements	G/H
	Tax - Sale Acquisitions	S

	Strategy Code
B. Others	
Shopsteading	AP
Puerto Rican Shopping Center	AR
Market Survey	AV
Market Strip To Busineses	AW
Entrepreneur Development	AX
Venture Capital / Management Support	AY

			Strategy Code
V.		CITY	
	A.	Capital Improvements	
		Water/Sewer Agreement	AD
		Streets Agreement	AE
		Lights/Signs Agreement	AF
		Model Blocks	AM
		Commerical Strips	AQ
		Police Facility (Potomac and Rockwell)	BC
		Acquisition of Government Properties	AG
		Adjacent Neighbors Program	W
		Homesteading	P
		Shopsteading	AP
	B.	Rehab Code	
		Revise Code	AK
		Cooperative Enforcement	AN
	C.	City Credit Participation	
		(Same as IB.)	
	D.	Special Sanitation Services	AS
IV.		APPEARANCE	
	A.	Neighborhood Clean-ups	BD
	B.	Special Sanitation Services	AS
	C.	Model Blocks	AM
VII.			
	A.	Cuadras Unidas	BA
		Structure	
		Organizing	
	B.	Communications	AZ
		Newsletter	
	C.	New Entities	
		East Humboldt Park Real Estate Corp.	
		Credit Union	
		Land Trusts	

REINVESTMENT STRATEGIES

A. Lending Agreements With Selected Financial Institutions: This strategy involves negotiating agreements with nearby and metropolitan lenders to help meet neighborhood credit needs. Among the specifications which might be included are:

- make all bankable loans in East Humboldt Park;
- use reasonable underwriting standards when determining the creditworthiness of the borrower;
- use reasonable appraisal standards when determining the value of the property;
- make 5% and 10% downpayment mortgage loans;
- make 29 or 30 year mortgage loans;
- make small mortgage loans;
- make 20 year, $15,000 home improvement loans;
- make combination purchase-rehab loans;
- avoid lending that will cause unnecessary displacement of current residents;
- publish underwriting and appraisal standards;
- make all reasonable business loans;
- have Spanish speaking loan officer;
- make all reasonable cooperative loans;
- make all reasonable loans to neighborhood organizations; and
- report progress regularly to Cuadras Unidas.

B. Below Market Interest Rate Mortgage Loans: In order for financial institutions to make loans at less than market interest rates, a subsidy will be required. Subsidies can come from the City through the Community Development Block Grant programs or from a variety of sources through a linked deposit program.

C. Linked Deposits: Linked deposits link deposits and loans, An example is the Pioneer Bank Program in which the State of Illinois has agreed to deposit up to $1 million at 8% if the Bank makes mortgage loans in East Humboldt Park at 10%. Key depositors can include the State, the City, residents of East Humboldt Park, foundations, insurance companies, corporations, or churches.

D. Revolving Loan Fund: This is a mechanism for making loans to residents who are "unbankable." It generally will include a sliding interest rate based on income. The fund may be used either for rehab or purchase or both. It can be funded by contributions from banks and savings and loans, the City, foundations, corporations, churches, insurance companies, or other government funding sources.

E. Community Development Credit Union: A credit union is a financial institution owned and controlled by the depositors. As such, a credit union can be used to achieve the objectives of the neighborhood-based revitalization organization. Because it is non-profit, it can usually lend money at lower interest rates than banks or savings and loans. A federally chartered credit union has deposit insurance so a depositor's money is as safe as it would be in a large bank or savings and loan. Community development credit unions loan money for home purchase and rehab, and are eligible for special federal programs.

F. Mortgage Review Board: A mortgage review board comprised of East Humboldt Park leaders and representatives from participating financial institutions provides a "court of appeal" for rejected mortgage loan applicants. The board reviews rejected applications to see if the rejection is reasonable; if it is not the board uses what ever powers it has been delegated to attempt to get the applicant a mortgage loan.

G. Insurance Agreements With Major Insurance Companies: This strategy involves negotiating agreements with selected companies to help meet the neighborhood property insurance needs. Among specifications which might be included are:

- write all reasonable risks
- use reasonable underwriting standards
- provide quick, fair claims service
- actively market insurance in EHP
- place agent in or near EHP
- appoint Hispanic agents
- make variety of homeowners products available
- provide policies written in "plain" English
- provide interpretive material in "plain" English and "plain" Spanish
- develop "take-out/keep out" program for FAIR Plan
- develop reasonable rates
- publish rates and rating factors
- publish underwriting standards
- write all reasonable business insurance
- provide variety of business insurance products
- provide risk management counseling to East Humboldt Park residents
- report progress regularly to Cuadras Unidas

H. <u>Reinvestment Agreement With Selected Insurance Companies</u>: This strategy involves negotiating agreements with insurance companies to invest premiums in EHP to facilitate revitalization of the neighborhood. Among techniques which might be used are:

- low-interest linked deposits in selected financial institutions;
- low-interest loans to neighborhood development corporations;
- joint ventures with neighborhood development corporations;
- grants to revolving capital fund for neighborhood development corporations;
- market-rate linked deposits.

I. <u>Insurance Agreement With Local Agents</u>: This strategy involves negotiating agreements with selected agents to help meet neighborhood property and business insurance needs. Among the specifications which might be included are:

- make every effort to keep EHP properties out of the Illinois FAIR Plan;
- assist EHP residents in getting out of FAIR Plan;
- intervene with company underwriter on behalf of EHP residents when unreasonable underwriting decisions are made:
- provide thorough, understandable explanations of various insurance options;
- find the best deal possible for EHP residents;
- recommend actions by applicants which could result in better insurance at lower cost;
- actively market insurance in EHP

J. Neighborhood Development Companies: There are many ways in which to incorporate a not-for-profit, neighborhood-based effort to acquire, rehabilitate, and manage rental properties in the neighborhood. Funding for acquisition can come from government, private foundations, or lenders. Capital for rehab can come from a community revolving loan fund, many other sources. In the past, efforts to combine youth job training and property rehab through use of the CETA program were made with various degrees of success.

K. Community Land Trusts: Community Land Trusts are legal entities chartered to hold land "in stewardship" for the community. It holds and controls the allocation, use and exchange of property in the community.

L. Land-banking: Land-banking involves the acquisition of abandoned and defaulted property and lots in an area for the purpose of holding and controlling for future development. Properties can be donated to the community group, or sold for very little money for the tax write-off value.

M. Cooperative Housing: A building or buildings owned and managed by the residents. A corporation is formed so that each of the residents becomes an owner of a share of the value of the entire property. Each member also has the "right" to live in one of the buildings' units. The building is cooperatively managed by an elected board of directors.

N. Cooperative Ventures: Various kinds of "cooperatives" may be formed. For example, a group may decide to cooperatively purchase the tools necessary for housing rehab, and form a "tool cooperative."

O. Sweat Equity: A program which allows the purchaser to do work on the property in place of all or part of the down payment and other costs of purchase.

P. Homesteading: A program which permits abandoned or seriously tax delinquent or foreclosed properties to be sold for a nominal sum to a person who will both live in and rehabilitate the property.

Q. Net-Lease Management: In buildings which are owned by disinterested landlords, an arrangement may be agreed to whereby a fixed annual payment is made to the landlord to cover his expenses for owning the property plus an added percentage for profit. A tenant management board then decides what repairs or improvements are to be made with the remaining collected rent.

R. Anti-Solicitation Campaigns: It is against the law for real estate agents to solicit listings from property owners who have asked, in writing, not to be solicited. This strategy would involve obtaining as many anti-solicitation requests as possible from neighborhood residents. It would also involve monitoring real estate agents to insure their compliance and file complaints against non-complying realtors.

S. Tax Sale Acquisitions: This strategy involves purchasing properties auctioned for taxes. This permits acquisition of properties at low prices and inhibits speculation.

T. Real Estate Information Service: The purpose of this program is to inhibit speculation and unfair real estate practices by providing information to neighborhood residents. It can help link neighborhood buyers and sellers, stop rumors, assist in determining fair prices, etc.

U. Management Assistance: This strategy involves helping owners of rental properties to contain costs and provide decent housing at reasonable rents.

V. Tenant Management Organizations: This strategy provides a forum in which tenant-management problems can be negotiated and resolved.

W. Adjacent Neighbors Program: This strategy involves the City making vacant lots available for purchase by homeowners living next door.

X. Community Real Estate Company: This strategy involves designing and legally incorporating a new community-based business, service, and management entity for the neighborhood. The real estate corporation may be designed to acquire, rehab and manage properties; broker sales; and provide various kinds of information services to neighborhood residents, as well as perform other functions.

Y. Insurance Information Services. The purpose of this program is to provide residents with information regarding insurance cost availability and coverage in the neighborhood.

Z. Insurance Risk Management Assistance. Property owners unable to obtain insurance would be given advice on correcting problems which make the risk unacceptable to insurance companies.

AA Neighborhood Rental Service. A neighborhood corporation buys, rehabs and rents 1-3 unit buildings to neighborhood residents. This can involve a lease-purchase arrangement.

AB Tenant To Owner Conversion. This program involves identifying and assisting current renters in buying absentee owned one-to-three flats.

AC Neighborhood Rehab Reserve Fund. This strategy establishes a reserve fund by charging members a small monthly fee. In exchange members get an interest free revolving loan to cover part or all of major rehab jobs like roofs, furnaces, plumbing and electrical work.

AD Water and Sewer Rehabilitation Agreement with the City. This strategy involves negotiating an agreement with the Mayor, the Water Department, the Sewer Department, and the Department of Public Works to maintain and systematically repair the water distribution and sewer system in EHP.

AE Street Rehabilitation Agreement with the City. This strategy involves negotiating an agreement with the Mayor and the Department of Streets to repair and resurface and maintain the streets in EHP.

AF Lights and Signs Agreement with the City. This strategy involves negotiating an agreement with the appropriate city departments to provide and maintain acceptable lighting for the safety of the neighborhood and to provide and maintain adequate traffic and street signs for the neighborhood.

AG Aquisition of Government and Institution Held Property in the Neighborhood. This strategy involves negotiating with all private lending institutions and government agencies which hold or control title to EHP property because of tax delinquency or mortgage foreclosure, for donation of all such properties to the community organization.

AH Targeted Mortgage Revenue Bonds. This strategy involves the City offering mortgage revenue bonds to raise capital for below market rate interest mortgages on home improvement loans specifically for EHP and similar neighborhoods.

AI Linked Deposits. This strategy would expand the Pioneer Bank/State of Illinois Program to other cooperating financial institutions in EHP.

AJ 10 Year Interest Free $500,000 Revolving Loan Fund. This strategy involves establishing through the use of CDBG or other sources of support an interest-free source of credit amortized over 10 years for home improvement purposes. As the loans are returned to the fund, the money is "revolved" out to other community property improvement projects.

AK Rehab Code Revision. This strategy involves negotiating with the City Housing and Planning Departments, and the Mayor, to rewrite the City building inspection code so as to encourage and permit adequate necessary rehab without requiring unnecessary rehab costs and activities.

AL City Rehab Loan/Grant Programs. This involves getting the City to commit specific dollar amounts from various rehab programs for EHP (e.g. CFAP, 50/50).

AM Model Blocks. This program administered by the Planning Department involves replacing damaged sidewalks and re-sodding the parkways on targeted blocks.

AN Cooperative Code Enforcement. This strategy involves negotiating with building inspection personnel and the Mayor to establish sensitive, productive inspection of rehabilitated structures to ensure safety but avoid unnecessary rehab activities.

AO. Ownership Counseling: This strategy involves providing present or prospective home-owners with information, advice and training about building maintenance and repair, managing tenants, buying insurance, budgeting and other aspects of home-ownership.

AP. Shopsteading: This strategy involves the sale of commercial and industrial property which has been abandoned, defaulted, or foreclosed, for token purchase prices to individuals who agree to rehab them and put them to use.

AQ Commercial Strip Capital Improvements. This strategy involves negotiating with the Department of Planning Neighborhood Revitalization Unit for a "package" of capital improvements, usually including trees, lights, and benches for a targeted central shopping area, or "strip."

AR Puerto Rican Shopping Center. This strategy involves getting a UDAG to develop a special shopping area targeted to the needs and tastes of the Puerto Rican community.

AS Special Sanitation Services. This strategy involves negotiating with the Department of Sanitation, the Mayor, and the Ward representatives to increase and improve street sweeping, and garbage pick-up in the EHP neighborhood.

AT Voter Registration Drive. This strategy involves significantly increasing voter turn-out in EHP so as to create greater leverage in bargaining for cooperation and support from elected officials.

AU Develop local business association for primary purposes of shared promotion and advertising and security planning and expense;

AV Local market survey to discover what kinds of new stores the EHP area will support;

AW Marketing campaign of area to franchise operations and successful store-owners elsewhere in Chicago;

AX Entrepreneur Development Program to help local people start up businesses;

AY Determine which services and goods suppliers businesses are most vital to the community, and establish a community-based venture capital and management support system to develop such businesses.

AZ. Communication: This strategy involves creating various regular and occasional means to contact large numbers of community residents to inform them about problems, plans, and progress the community organization is concerned with. Means may include a newsletter, a telephone "tree," public service announcements on radio, flyers, posters, etc.

BA. Organization: This strategy involves creating and maintaining a formal, long-term framework for residents to work together to repair and strengthen their community, and to cooperatively envision and plan toward future physical security and comfort, cultural enjoyment, and economic progress in their community.

BB. Revolving Capital Fund; This strategy involves creating a pool of cash, perhaps $50,000, controlled by the community for the purpose of helping neighborhood development companies. This money, similar to a "line of credit" or interim financing, would permit the development companies to continue working (investing) while their cash is tied up in a project waiting to be sold or waiting for reimbursement. At time of the sale or reimbursement, the development company would return the borrowed cash to the revolving capital fund to be loaned out again.

BC. Police Sub-Station: This strategy involves negotiating with the police Department and the Mayor to establish a police facility (sub-station) at Potomac and Rockwell.

BD. Neighborhood Clean-up: This strategy involves organizing residents of the community, Department of Sanitation, and the Ward Superintendent for garbage clean-ups and pick-ups for yards, streets, lots, and alleys.

BE. Pension Funds: Both the City of Chicago and the State of Illinois are trying to find ways to use a part of the capital in public employee Pension Funds to provide below market interest rate mortgages and home improvement loans. This strategy involves negotiating with the City and State to target some of the loans to EHP.

UNITED BLOCK COMMITTEES
EAST HUMBOLDT PARK
CUADRAS UNIDAS

East Humboldt Park
Reinvestment Plan

STRATEGY MATRIX

		GOALS						YEARS						EXISTING										NEW				
	Criteria	Loans	Insurance	Property	Commercial	City	Appearance	1	2	3	4	5	Area*	Cuadras	WCCC	CHEC	SCH	WEDC	LBAC	BRC	UP Credit	CUED	PAC	EHP REC	EHP LT	EHP CU	EHP COOP	OTHER
A Lending Agreements	1	X		/	/		/	X					W	X	X	X												
B Below market interest	1	X		/	/		/	X					W	X	X	X												
C Linked deposits	1	X		/	/		/	X					W	X	X	X												
D Revolving loan fund	1	X		/			/			X			E	X				X	X									
E C. D. Credit union	2	X		/	/		/					X	E	X							X					X		
F Mortgage review board	1	X		/					X				W	X	X	X												
G Ins. agrmnts. - company	1	/	X	/	/			X					E	X	X	X			X									
H Reinv. " - ins. comp.	1	/	X	/	/			X					E	X	X	X			X									
I Ins. " - agents	2	/	X							X			E	X		X		X										
J Nbd. dev. companies	1			X			/	X					W	X		X		X										
K Comm. land trusts	2			X	/		/			X			E	X											X			
L Land-banking	1			X	/		/			X			E	X		X												
M Coop. housing	2			X			/			X			W	O	X	X												
N Coop ventures	1			X	/		/			X			W	O													X	
O Sweat equity	1	/		X			/		X				E	X	X	X												
P Homesteading	1			X			/		X				E	O	X	X												
Q Net-lease mgmt.	1			X			/		X				E	X	X													
R Anti-solicitation	1			X			/	X					W	X	X	X			X									
S Tax-sale acquisitions	1			X	/		/	X					E	X	X	X	X		X									
T Real estate info serv.	1			X			/	X					W	O										X				
U Mgmt. asst.-rental hsg	1			X			/	X					E	O			X			X				X				
V Tenant-mgmt organization	1			X			/	X					E	O	X	X	X			X				X				
W Adjacent Neighbors prog.	1			/			X	X					E	X	X	X				X								
X Comm. Real estate comp.	1			X			/	X					W	X										X				
Y Ins. info. service	1		X	/			/	X					W	O	X	X	X							X				
Z Ins. risk mgmt. service	1		X	/			/	X					E	O	X	X	X							X				
AA Nbd rental service	2			X			/			X			E	O		X				X								
AB Tenant-to-owner conv.	1			X			/		X				E	O		X				X				X				
AC Nbd. rehab reserve fund	2	/		X			/				X		E	O												X		
AD Water/sewer agmt. with city	1					X	/	X					W	X	X	X			X	X								
AE Street agmt. with city	1					X	/	X					W	X	X	X			X	X								
AF Lights/signs agmt. with city	1					X	/	X					W	X	X	X			X	X								
AG Acq. of Govt & Inst.	1			X		/	/	X					E	O		X									X			
AH Targeted Mtg. Revenue bonds	1			/		X	/	X					W	O	X											X		
AI Linked Deposits	1	X		/		/	/	X					W	X	X	X												
AJ 10 yr int. free $500K rev ln	1	X		/		/	/		X				E	X	X	X								X				
AK Rehab code	1			X		/	/	X					C	X	X	X	X	X	X	X								
AL City rehab loan/grant progs.	1			/		X	/	X					E	X	X	X			X									
AM Model blocks	1			/		/	X	X					E	O		X				X								
AN Cooperative code enforcement	1			X		/	/	X					E	X	X	X				X								
AO Ownership counseling	1			X			/	X					E	O		X	X			X				X				
AP Shopsteading	1				X	/	/		X				E	O	X	X				X								X
AQ Commerc. Cap. Improv. - city	1				X		/	X					E	X		X			X									
AR Puerto Rican shopping center	2				X		/		X				E	X				X	X									
AS Special sanitation services	1						X	X					E	X	X				X									
AT Voter registration drive	1					X		X					E	X	X				X				X					
AU Local Business Association	1				X		/	X					E	X	X				X									
AV Market Survey	1				X		/		X				E	O				X	X			X						
AW Market strip to businesses	1				X		/		X				E	O				X	X			X						
AX Entrepeneur development	1				X		/		X				E	O					X			X						X
AY Venture cap./mgmt. support	1				X		/		X				E	O	X	X			X	X								
AZ Communication	1	X	X	X	X	X	X	X					E	X														
BA organization	1	X	X	X	X	X	X	X					E	X														
BB Revolving capital fund	1	/	/	X	/	/	/		X				W	O		X												
BC Police sub-station	1	/	/	X	/	/	/	X					E	O	X	X												
BD Neighborhood clean-up	1		/	/	/	/	X	X					E	X	X													
BE Pension funds	1	X	/	/					X				W	O	X	X												

RESOURCES

Transportation

Cars
Buses
Trains
Bicycles
Motorcycles
Trucks
School Buses
Taxis
Airplanes
Ships

Communication

Telephones
Letters
Telegrams
Languages
Voices
Pickets
Flyers
Press
Radio
Television
Postmen

Institutions

Schools
Hospitals
Churches
Clinics
Library
Child Care Centers
Humboldt Park
Field House
Lakes
Parks
Vacant Land

Business/Professional

Stores
Exterminators
Travel Agencies
Discos
Bars
Restaurants
Theatre
Businessmen
Construction Workers
Doctors
Lawyers
Dentists
Ambulances
Milkmen

Community Efforts

United Block Committees
CHEC
WCCC
Barretos
Urban Progress Center
Bicker dike
Neighborhood Leaders
Informal Brainstorms
Organization
Meetings
Voter Registration

Personal

People
Skills
Kids
Friends
Time
Interest
Homes
Health
Votes
Intelligence (Brains)
Scholarship
Diplomas
Jobs
Money
Bank Accounts
Public Aid
Unemployment Compensation

City

Mayor
Alderman
Committeeman
Precinet Captain
City Hall
Garbage Collectors
Police
Firemen
Department of Sanitation
School District 6
Politians
Army

RESOLUTIONS

R E S O L U T I O N I

Property Loans Available On Reasonable Terms

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, The banks and savings and loans have damaged our neighborhood by denying us loans to buy our homes, fix our homes and sustain our businesses;

(During 1978, 20 local and metropolitan banks and savings loan associations loaned less than $300,000 to buy and fix our homes in East Humboldt Park. At the same time, only seven of those lenders held over $4,000,000 in deposits from East Humboldt Park. In other words, they are refusing to lend us our own money.)

WE, THE RESIDENTS OF EAST HUMBOLDT PARK, DO HEREBY RESOLVE that it is our neighborhood goal to see that the banks and savings and loans make property loans available to all eligible residents and businesses on reasonable terms; and

WE FURTHER RESOLVE that to achieve this goal, we will undertake the following:

1. negotiate lending agreements with the banks and savings and loans committing the lenders to make all reasonable loans in East Humboldt Park and to participate in programs to lower the costs of the loans to residents and businesses (like the Pioneer Bank Program).

2. negotiate agreements with the City of Chicago and the insurance companies committing them to help make loans affordable to East Humboldt Park borrowers; and

3. establishing new organizations to help East Humboldt Park residents and businesses obtain affordable loans on reasonable terms.

RESOLUTION II

High Quality Insurance Available At Reasonable Rates

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, The insurance companies have failed to provide fair and adequate coverage at reasonable cost for protection of our homes and businesses, and have failed to invest any portion of our premiums back in East Humboldt Park;

(The eleven major insurance companies cancel twice as many policies in East Humboldt Park as in the rest of the City of Chicago. Because of the failure of the insurance companies, the Illinois FAIR Plan, the insurer of last resort, insurers homes five times more often in East Humboldt Park than in the rest of Chicago. Finally, insurance companies use our premiums to invest in cities all over the world, but there has been no investment of our premiums back into the East Humboldt Park neighborhood.)

WE, THE RESIDENTS OF EAST HUMBOLDT PARK, DO HEREBY RESOLVE that it is our neighborhood goal that all property insurance applicants from the East Humboldt park area will have equal treatment and adequate insurance coverage at reasonable rates, and that the insurance companies will invest our premiums back into our neighborhood;

WE FURTHER RESOLVE that to achieve this goal, we will undertake the following:

1. Negotiate insurance agreements with insurance companies committing them to provide good property insurance on our homes and businesses at reasonable rates, and to establish agency offices in our neighborhood sufficient to provide us an equitable level of service;

2. negotiate reinvestment agreements with the insurance companies committing them to invest a fair portion of our premiums and their profits in our neighborhood; and

3. establish a new organization which will assist and counsel East Humboldt Park residents and businesses in obtaining the best coverage at affordable prices and in ways to reduce their risks and premiums.

RESOLUTION III

Responsible Property Treatment

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, Much of the property has been and is being treated irresponsibly causing serious deterioriation of much of the housing, commercial and public property in East Humboldt Park and displacement of families from our neighborhood;

(We are all too familiar with the abandoned buildings, vacant lots, high rents and utility bills, unsafe and unsightly buildings, and real estate speculation plaguing our neighborhood.)

WE, THE RESIDENTS OF EAST HUMBOLDT PARK, DO HEREBY RESOLVE that it is our neighborhood goal to bring about responsible treatment of residential, commercial and public property in our neighborhood; and

WE FURTHER RESOLVE that to achieve this goal, we will undertake the following:

1. establish an East Humboldt Park Real Estate Corporation to counsel and educate property owners and tenants, to discourage real estate speculation, and to facilitate neighborhood ownership and rehabilitation of neighborhood housing;

2. facilitate maximum neighborhood ownership and control of property in East Humboldt Park; and

3. promote and facilitate the work of neighborhood development companies, such as CHEC and Bickerdike, in buying, rehabbing and building affordable housing in our neighborhood.

R E S O L U T I O N IV

Strong Commercial Strips

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, The commercial areas of East Humboldt Park are weak and do not provide sufficient variety of goods and services at reasonable and competitive prices, and are housed in buildings needing maintenance and repair;

(Because, over the years, East Humboldt Park has lost many stores and businesses there are no longer enough stores, or enough kinds of stores, carrying sufficient variety of goods and services at reasonable prices. Many storefronts and commercial buildings have been abandoned and boarded up, and with each of these problems it becomes more difficult for the remaining businesses to do well, and more difficult for new businesses to get started.)

WE, THE RESIDENTS OF EAST HUMBOLDT PARK DO HEREBY RESOLVE that it is our neighborhood goal to develop strong commercial strips with sufficient numbers and kinds of well maintained business providing adequate goods and services at reasonable prices and jobs to neighborhood residents; and

WE FURTHER RESOLVE that to achieve this goal, we will undertake the following:

1. develop a strong working relationship with the local business associations;

2. assist in obtaining loans, insurance and support from the city; and

3. explore and develop strategies, programs and resources to strengthen local business.

R E S O L U T I O N   V

Sufficient City Capital Investment

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, The City of Chicago has made insufficient capital investment in our neighborhood to maintain, repair and improve our streets, alleys, sidewalks, sewer and water systems, street lights and signs and other public property;

(Our streets are filled with pot holes; when they excavate they don't resurface or repair; our parkways are poorly maintained; our street signs are missing and broken; our street lights are out and unrepaired; our alleys are dangerous and poorly lit; our water mains are broken, and our sewers are clogged with the drains caving in; we don't have enough playlots for our children; and our taxes are too high.)

WE, THE RESIDENTS OF EAST HUMBOLDT PARK, DO HEREBY RESOLVE that it is our neighborhood goal to bring about sufficient investment of City Capital to upgrade and maintain the public infrastructure in East Humboldt Park for our benefit;

WE FURTHER RESOLVE that to achieve this goal, we will undertake the following:

1. negotiate agreements with the Mayor and all appropriate departments committing them to upgrade and maintain our neighborhood's infrastructure (sewers and streets, etc.) and other needed capital improvements (such as a Police Substation near Rockwell and Potomac);

2. negotiate an agreement with the Mayor and appropriate department heads to develop the maximum number of model blocks in our neighborhood;

3. negotiate an agreement with the Mayor to convey to East Humboldt Park residents and organizations all unusued city held property in our neighborhood free of charge or for a nominal fee;

4. negotiate an agreement with the Mayor and appropriate department heads for full City participation in lending programs designed to lower the cost of borrowing for East Humboldt Park residents and businesses; and

5. cooperate with other community organizations in the City to force the City to adopt a reasonable rehab code;

R E S O L U T I O N VI

Good Neighborhood Appearance

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, Many parts of our neighborhood suffer from poor appearance due to neglect by property owners and tenants, visitors and the City;

WE, THE RESIDENTS OF EAST HUMBOLDT PARK, DO HEREBY RESOLVE that it is our neighborhood goal to bring about and maintain a good neighborhood appearance;

WE FURTHER RESOLVE that to achieve this goal, we will undertake the following:

1. negotiate an agreement with the Mayor and the Department of Streets and Sanitation to improve and increase garbage pick-up, street sweeping, maintenance of publicly owned property, and rat abatement;

2. conduct periodic neighborhood clean-up campaigns; and

3. persuade property owners and tenants to maintain their properties.

R E S O L U T I O N VII

WHEREAS, East Humboldt Park is OUR neighborhood; and

WHEREAS, We have committed ourselves to make this a wonderful neighborhood in which to live, work, retire, raise our families, and enjoy our friends and neighbors; and

WHEREAS, We have identified our disinvestment and displacement problems, established our reinvestment goals, and developed our reinvestment strategies; and

WHEREAS, We recognize that our hope for our neighborhood lies in working together to achieve our common goals;

WE, The Residents of East Humboldt Park, do hereby resolve to:

1. Support and strengthen Cuadras Unidas, our neighborhood organization;

2. Reach out to our friends and neighbors them involved in working with us to achieve our common goals;

3. Communicate our problems, plans and victories to all the residents of East Humboldt Park; and

4. Develop and implement action agendas for the strategies we have adopted.

Implementation Plan

Cuadras Unidas
Research Committee

EHP Reinvestment Work Plan Committees

June 1981

COMMITTEE	Lending	Insurance	EHP Real Estate Corporation	City	Organization Commercial Appearance	Cuadras Unidas
CO CHAIR						Aurea/Mike
MEMBERS						
TASKS	• Develop Model Lending Agreements • Lender Negotiation Work plan	• Develop Model Insurance Agreements • Insurance Company Negotiation Work plan	• EHP REC -Work Plan -Structure -Legal Documents -Funding Proposal	• Develop Draft City Agreements • City Negotiation Work plans	• Cuadras Unidas structure • Organizing Work plan • Newsletter & publicity • Cultivate Local Business Association	• Coordinate Committee Work • Anti-solicitation campaign • Pioneer Bank Program Monitoring • Tenant-to-owner conversion
STAFF						

EHP REINVESTMENT IMPLEMENTATION PLAN TIME TABLE

	July 23	July 30	Aug. 6	Aug. 13	Aug. 20	Aug. 27	Sept. 3	Sept. 10	Sept. 17	Sept. 27
Lending Committee	Lending Agreement General Outline	General Outline Specifications			Select target Institutions	Develop Negotiating strategies and tactics		Establish Time tables	Organize for Pub. Meeting	Public Meeting
Insurance Committee	Insurance Agreement General Outline	General Outline Specifications			Select target Institutions	Develop Negotiating strategies and tactics		Establish Time tables	Organize for Pub. Meeting	Public Meeting
Real Estate Corporation	Purpose Functions Service Area Goals/objectives Name	Structure Board/Staff Location Other organizations Line up attorney	By-laws	Incorporation papers	First year's goals/objectives Tasks Timetable Budget	Prepare proposal		Submit proposal	Organize for Pub. Meeting	Public Meeting
City Investment	City Investment Agreement General Outline	General Outline Specifications			Select target Institutions	Develop Negotiating strategies and tactics		Establish Time tables	Organize for Pub. Meeting	Public Meeting
Organization/ Commercial/ Appearance	Newsletter Invite Bus. Assoc. Reps. Organizing Plan	Newsletter Commercial Needs (Financing) Organizing Plan	Commercial Needs (Insurance) Organizing Plan	Commercial Needs (City Investment) Organizing Plan	Neighborhood Appearance (Commercial & Residential) Organizing Plan	Cuadras Structure Coordinate w/ other orgs. Organizing Plan	Cuadras Structure Org. for Pub. Meeting	Org. for Pub. Meeting	Organize for Pub. Meeting	Public Meeting
Cuadras Unidas	Review Timetable Pioneer Bank Program Getting addition committee members	Review Work Coordinate Tenant-to-Owner Program	Review Work Coordinate Anti-solicitation Campaign	Review Work Coordinate CHEC	Review Work Coordinate Bickerdike	Review Work Coordinate	Review Work Coordinate Organize for Pub. Meeting	Review Work Coordinate Organize for Pub. Meeting	Organize for Pub. Meeting	Public Meeting

Model Lender Reinvestment Agreement

I. Preamble

This Agreement between (Community Based Organization), and ________________, also referred to as the Lender, is entered into on (date). The parties to this Agreement share the common goal of improving the quality of life for the incumbent population of (Neighborhood), which is the Chicago neighborhood bounded by ____. To achieve this common goal the parties to this Agreement shall work together to provide credit to residents, businesses and property owners and to upgrade the residential, commercial and public property without displacing current residents and businesses.

The purpose of this Agreement is to specify, but not limit, the ways in which Lender and (CBO) will work toward the common goal.

II. Underwriting and Appraisal

The Lender agrees to make all bankable property loans on 1-4 unit residential, multi-family, and commercial properties in (Neighborhood). In determining bankability, the Lender further agrees to consider factors which directly and objectively relate to the level of risk; and not to underwrite on the basis of neighborhood, race, ethnicity or language of the applicant; the age of the subject property; insurance by the Illinois FAIR Plan or Federal Crime Insurance; or other unfair or unreasonable standards. The Lender agrees to explain in writing to all rejected applicants the reasons for rejection and remedial measures which the applicant can take to become eligible for the loan.

The Lender agrees not to support or encourage speculation, unnecessary rent increases, or other real estate practices which may promote displacement of modest income or minority residents.

A. <u>Underwriting</u>

1. The Lender agrees to make its underwriting standards available to (CBO) for review and comment within 60 days of the date of this Agreement.

2. The Lender agrees to make known to the borrower the rate, terms, and other associated costs at the time of application.

3. The Lender agrees to consider all reasonably stable income of the applicant and spouse including but not limited to alimony, overtime, social security payments and welfare payments.

4. The Lender agrees to use rental payment and employment records in lieu of credit history where credit history is not established.

5. The Lender agrees to consider that an applicant has satisfactory debt-to-income and housing expenses-to-income ratios if the applicant conforms to the maximum allowable standards set by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

6. The Lender agrees to consider as cash value those improvements to be made on the property by the applicant's own labors in calculating the loan-to-value ratio of loans.

7. The Lender agrees to include in its definition of a "bankable loan" loans which may require subsidies or special arrangements, but will under those arrangements and with those subsidies show a reasonable profit to the Lender and which otherwise meet normal underwriting standards.

B. <u>Appraisal</u>

1. The Lender agrees to make available to (CBO) the appraisal forms, standards and guidelines which the Lender uses to establish the value of property to be used as collateral within sixty days of the singing of this Agreement.

2. The Lender agrees to review those standards at (CBO's) request with

representatives of (CBO) for the purpose of altering standards which result in <u>defacto</u> discrimination against providing credit to the residents of (Neighborhood).

C. Rejection Review

The Lender agrees to provide denied applicants from (Neighborhood) a bilingual referral statement, to be prepared by (CBO). When authorized to do so by a denied applicant, the (CBO) may review the denial with the appropriate loan officer. In such cases, the Lender agrees to take no final action on a denial until the (CBO) has completed its review.

III. Conventional Home Loan Availability

1. The Lender agrees to loan a minimum of $_______ annually for the next five years to bankable 1-4 unit building mortgages in (Neighborhood).

2. The Lender agrees to provide conventional home mortgages for single-family and 2-4 unit buildings in (Neighborhood) at interest rates and origination fees no greater and for maturities no shorter than those available to any other borrowers in the Lender's service area.

3. The Lender agrees to make 90% and 95% loan-to-value mortgages with private mortgage insurance, hereafter known as P.M.I, to a maximum maturity level.

IV. Home Improvement Loans

1. The Lender agrees to make up to 95% of total improved value purchase-rehab mortgage loans with P.M.I. where the purchase price is $________ or less for a single-family home, or where a condominium or co-op unit purchase price is $_____ or less, with improved value of $________ or less.

2. The Lender agrees to refinance outstanding mortgages for 90% of improved value with P.M.I. for rehabilitation purposes where the improved value will not

exceed $_____ for single-family homes; $________ for 2-4 unit buildings; $________ for condo or co-op conversions; or $______ per unit for multi-family buildings.

3. The Lender agrees to give special attention to loan applications for energy conservation improvements.

IV. Multi-Family Building Mortgages

1. The Lender agrees to make conventional loans to credit-worthy not-for-profit corporations for the purchase and/or rehabilitation of multi-family buildings in (Neighborhood) or for conversion to co-operative ownership, where at least 80% of the units have an after-rehab value of $______ or less.

2. The Lender agrees to provide credit for both acquisition and moderate rehab of multi-family properties and to encourage a rent affordable by modest income families where feasible.

3. Lender agrees to finance conversion of a multi-family rental building to co-op ownership if at least 70% of the current tenants agree, and at least 50% of them will buy units.

4. The Lender agrees to provide special attention to energy conservation loan applications.

V. Special Residential Loan Programs

1. The Lender agrees to support (CBO) in seeking below market rate interest deposits from government, electric and gas company utilities, foundations, and churches, for the purpose of creating "linked deposits" for below market rate loans for low and moderate income home mortgage and home improvement borrowers in (Neighborhood).

2. Lender agrees to cooperate with (CBO) to investigate and design pro-

grams which will allow mortgage terms more favorable to low and moderate income borrowers.

VI. Commercial Lending

1. The Lender agrees to make available up to $________ annually for the five years for long-term, fixed asset financing to small businesses seeking to invest in (Neighborhood). Actual payment schedules on such loans will be determined on an individual basis by the Lender.

2. The Lender agrees to make available up to $______ for operating and inventory financing to small businesses seeking to maintain, expand, or improve businesses in (Neighborhood) per year.

3. The Lender agrees to become familiar with and aggressively make use of the Small Business Administration Loan Programs.

4. The Lender agrees to meet with (CBO), the local business association, and others to develop loan programs to help meet the business credit needs in (Neighborhood).

5. The Lender agrees to provide technical assistance to commercial borrowers from (Neighborhood) as needed.

VII. Outreach

1. Part of an assigned loan officer's duties will be to counsel (Neighborhood) residents on home purchasing. Every effort will be made to assure that the loan officer is bi-lingual and thoroughly familiar with the area. Also, a New Accounts representative and a teller shall be bi-lingual within 120 days of the signing of this Agreement.

2. The Lender will make available in Spanish explanatory information regarding loan applications, savings and checking accounts, high yield savings programs, and proxy cards within 120 days of the signing of this Agreement.

3. The Lender agrees that three one-half page advertisements will appear in the local paper monthly, at least one of them in Spanish.

4. The Lender agrees to make bi-lingual mailings to all customers in the 606__ zip code area, local real estate brokers and small businesses in (Neighborhood) to advertise the types of loans available. A large poster will be placed in the office nearest (Neighborhood) to advertise that loans are available.

5. The Lender agrees to design and implement marketing programs which will aggressively seek business from low and moderate income families and businesses in (Neighborhood), within 120 days of the signing of this Agreement.

6. The Lender agrees to jointly sponsor with (CBO) two seminars for local real estate brokers and small business persons located in (Neighborhood) to educate them regarding loans available in (Neighborhood) within 120 days of this Agreement.

7. The Lender will submit its marketing plans to (CBO) within 60 days of signing this Agreement to solicit suggestions on the marketing plan to aid its effectiveness.

8. The Lender agrees to appoint a staff person to work with (CBO) so as to become familiar with the credit needs and capacities of (Neighborhood) and to make those needs and capacities known to the   of the lending institution, and to make the Lender's policies and concerns known to (CBO).

9. The Lender agrees to establish a complaints handling system.

10. The Lender agrees to jointly develop with (CBO) a series of seminars for (Neighborhood) residents and other interested parties on such topics as home ownership, financing mortgages and community reinvestment.

VIII. Reinvestment Support

1. The Lender agrees to appoint a policy level staff person to the (Reinvestment Advisory Group).

2. The Lender agrees to provide monthly accountability reports which document the number of mortgage loan applications, approvals and closings in (Neighborhood) each month; the number of home improvement loan applications, approvals and closings each month; the number of and reasons for rejections of both home improvement loans and residential mortgage loan applications each month; commercial and multi-family loans made each month; and marketing efforts.

3. The Lender agrees to participate in funding the operating expenses of the (CBO or NDO) by donating $________ annually for the next ____years.

4. The Lender agrees to train a (CBO or NDO) staff person in lending and counseling and to name a liason to help resolve loan problems.

5. The Lender agrees to make a one-time contribution of $_______ to a revolving loan fund for home mortgages and home improvement loans in (Neighbor hood) which are not bankable.

6. The Lender agrees to make a one-time contribution of $______ to the revolving capital fund.

7. The Lender agrees to participate in linked-deposit loan programs in (Neighborhood) for the purpose of making available below market interest rate home mortgages, home improvement and business loans to low and moderate income residents and businesses in (Neighborhood).

IX. Community Based Organization (CBO) Commitments

1. (CBO) agrees to co-sponsor and promote risk reduction activities on the part of (Neighborhood) residents and business owners.

2. (CBO) agrees to work to improve the neighborhood building stock, and to work

to improve all other aspects of the community.

3. (CBO) agrees to find and develop programs and projects in which the Lender may participate.

4. (CBO) agrees to work with the Lender to promote a better, more positive, and more mutually productive relationship through committees, workshops, seminars, and training programs identified in other parts of this Agreement.

5. (CBO) agrees not to demonstrate against the Lender, nor to promote or participate in boycotts, nor to file a CRA protest, nor to engage in proxy challenges, nor to file administrative or legal actions, nor to generate adverse publicity as long as the terms and spirit of this Agreement are being met.

6. (CBO) agrees to seek to resolve any problem related to this Agreement or to the Lender's service to (Neighborhood) through the (Reinvestment Advisory Group) and through direct discussion with the Lender prior to pursuing other remedies.

X. Term of Agreement

This Agreement will be in effect for five years, and is subject to annual amendment by agreement of the parties.

(Community Based Organization)

By___________________________________
Title

(Lender)

By___________________________________
Title

Model Insurance Reinvestment Agreement

I. Preamble

This Agreement between the Community Based Organization (CBO) and the Insurance Company, also referred to as the Insurer, is entered into on (date). The parties to this Agreement share the common goal of improving the quality of life for the incumbent population of (Neighborhood), which is the Chicago neighborhood bounded by ____.
To achieve this common goal the parties to this Agreement shall work together to protect residents, businesses and property owners from property losses and to upgrade the residential, commercial and public property without displacing current residents and businesses.

The purpose of this Agreement is to specify, but not limit, the ways in which Insurer and CBO will work toward the common goal.

II. Insurance Availability

1. The Insurer agrees to insure all insurable property risks on 1-4 unit residential, multi-family, and commercial properties in (Neighborhood). In determining insurability, the Insurer agrees to consider only those factors which directly and objectively relate to the level of risk; and not to underwrite on basis of neighborhood; race; ethnicity or language of the applicant; the age of the subject property; prior termination by another Insurer; insurance by the Illinois FAIR Plan or Federal Crime Insurance; or other unfair or unreasonable standards. The Insurer agrees to explain in writing to all rejected applicants the reasons for rejection and remedial measures which the applicant can take to become eligible for insurance.

2. The Insurer agrees to work aggressively to write insurance for insurable FAIR Plan and Federal Crime Insurance risks.

3. The Insurer agrees not to cancel or non-renew any policy unless there are substantial, demonstrable changes resulting in the significantly increased risks to the Insurer. Further the Insurer agrees to inform the insured of the reasons for cancellation or non-renewal and what actions the insured can take to become reinstated.

4. The Insurer agrees to undertake affirmative marketing and advertising in (Neighborhood). The Insurer agrees to prepare and publish bi-lingual advertisements for residential and commercial insurance in local media. These advertisements will express the willingness of the Insurer to insure all insurable properties currently covered by the Illinois FAIR Plan or Federal Crime Insurance.

5. The Insurer agrees to prepare and make available Spanish and English language explanatory materials, marketing brochures, and policies in (Neighborhood).

6. The Insurer agrees to develop and co-sponsor with CBO neighborhood seminars and workshops to help residents understand the full variety and limits of products and services available to them, as well as how to reduce risks.

III. <u>Insurance Accessibility</u>

The Insurer agrees to appoint an agent (or agents) whose office is within one mile of (Neighborhood), who can bind policies, who is (are) capable of writing the full product range, who is familiar with the neighborhood, who speaks Spanish and English, and who will be rewarded for writing insurance in (Neighborhood).

IV. Insurance Adequacy

1. The Insurer agrees to provide its full range of insurance products and service to its policy holders in (Neighborhood).

2. The Insurer agrees to provide reasonable and timely claims service to its policy holders in (Neighborhood).

V. Insurance Affordability

1. The Insurer agrees to provide property insurance coverage at reasonable rates. The Insurer further agrees to provide documentary evidence of risk differential to CBO to justify any rates for any (Neighborhood) residents, businesses or property owners which are greater than rates for comparable coverage elsewhere in Illinois.

2. The Insurer agrees to help residents, businesses and property owners correct deficiencies which increase risks through counseling, publication, seminars and workshops and to reduce rates as deficiencies are corrected.

3. The Insurer agrees not to raise rates in (Neighborhood) above the state wide median rate increase unless it documents changes in risks commensurate with the rate hike.

VI. Reinvestment Support

1. The Insurer agrees to appoint a policy level staff person to (Reinvestment Advisory Group).

2. The Insurer agrees to provide quarterly accountability reports which document new policies written, cancellations and non-renewals and the reasons, marketing efforts, claims performance, and rate changes.

3. The Insurer agrees to participate in funding the operating expenses of the

CBO or Neighborhood Development Organization (NDO) by donating $__________ annually for the next ____ years.

4. The Insurer agrees to train a CBO or NDO staff person in insurance and risk reduction counseling and to name a company liason to help resolve insurance problems.

5. The Insurer agrees to make a one-time contribution of $_________ to a Revolving Loan Fund for home mortgages and home improvement loans in (Neighborhood) which are not bankable.

6. The Insurer agrees to make a one-time contribution of $____ to a Revolving Capital Fund to be used by NDO to acquire, construct, or rehab property in (Neighborhood).

7. The Insurer agrees to invest a portion of its resources in (Neighborhood). The Insurer agrees to make a deposit of $________ at the _____________(Lender) at ______% interest for _____ years for the purpose of making available below market interest rate home mortgage, home improvement and business loans to low and moderate income residents and businesses of (Neighborhood).

8. The Insurer agrees to participate in joint ventures brokered by NDO by providing equity financing and technical assistance.

9. The Insurer agrees to aggressively seek and design other programs by which it can participate in the investment of its resources in (Neighborhood) in concert with CBO or NDO.

VII. Community Based Organization (CBO) Commitments

1. CBO agrees to co-sponsor and promote risk reduction activities on the part of (Neighborhood) residents and business owners.
2. CBO or NDO agrees to work to improve the neighborhood building stock and to work to improve all other aspects of the community.
3. CBO or NDO agrees to find and develop programs and projects in which the Insurer may participate.

4. CBO or NDO agrees to work with the Insurer to promote a better, more positive, and more mutually productive relationship through committees, workshops, seminars, and training programs identified in other parts of this Agreement.

5. CBO or NDO agrees not to demonstrate against the Insurer, nor promote or participate in boycotts, nor to engage in proxy challenges, nor to file administrative or legal actions, nor to generate adverse publicity as long as the terms and spirit of this Agreement are being met.

6. CBO or NDO agrees to seek to resolve any problem related to this Agreement or to the Insurer's service to (Neighborhood) through the (Reinvestment Advisory Group), and direct discussion with the Insurer prior to pursuing other remedies.

VIII. Term of Agreement

This Agreement will be in effect for five years, and is subject to annual amendment by agreement of the parties.

(Community Based Organization)

By______________________________
Title

(Insurer)

By______________________________
Title

I. GOALS OF EAST HUMBOLDT PARK NEIGHBORHOOD RESOURCES, INC.

- to promote and facilitate the availability, accessibility, affordability and adequacy of property loans for East Humboldt Park residents and businesses;
- to promote and facilitate the availability, accessibility affordability and adequacy of property insurance for East Humboldt Park residents and businesses;
- to promote and facilitate maximum ownership of East Humboldt Park residential property by current East Humboldt Park residents;
- to promote and facilitate responsible ownership and management of residential, commercial, and public property in East Humboldt Park;
- to mitigate and minimize displacement of current residents from East Humboldt Park;
- to support and strengthen neighborhood business in ways which reinforce the neighborhood economy for current residents; and
- to promote and facilitate increase capital investment and service provision in East Humboldt Park by the City of Chicago and other public bodies.

II. STRUCTURE OF EAST HUMBOLDT PARK NEIGHBORHOOD RESOURCES, INC.

A. Board of Directors

1. Composition

The Board of Directors will be composed of 11 members and 11 alternates appointed to one year terms as follows:

1. Six voting members, three East Humboldt Park homeowners and three East Humboldt Park renters with at least one representative from each of the four neighborhood quadrants, appointed by Cuadras Unidas.

2. One voting member and one alternate by the Community Housing Education Corporation;

3. One voting member and one alternate by the Division Street Business Association;

4. One voting member and one alternate by United Latino Youth Organization;

5. One voting member and one alternate by St. Fidelis Parish;

6. One voting member and one alternate by one other East Humboldt Park Park church selected by the Board of Directors; and

Each alternate may vote only in the absence of the appropriate regular voting member.

The Board of Directors will elect the following officers to one year terms:

Chairperson

Vice Chairperson/Treasurer and

Secretary

The Board will meet monthly. Special meetings may be called by the Chairperson or any three board members.

2. Committees

The Board of Directors will have three standing committees: A Management Committee, a Finance Loan Committee, and a Community Relations Committee. The Board will establish other committees as needed. The structure and functions of the standing committees are as follows:

a. Management Committee

Tasks:
- program oversight
- program planning
- budget development
- personnel policies and procedures
- office oversight
- program evaluation
- slate officers, committee chairperson and members

Membership: 7 - at least 4 neighborhood residents

Chairperson - a director elected by the Board
Members - 6 directors or alternates

Meetings: Monthly - additional meetings as needed - called by chairperson

b. Finance/Loan Committee

Tasks:
- make sure books are in order
- evaluate loan application
- accept or reject loans
- set loan terms
- monitor loan collection
- recommend loan policy to Board

Membership: 5 - at least three of whom are residents

Chairperson - Directors elected by the Board
Members - 2 Directors or alternates
2 lenders selected by Reinvestment Council

Meetings: Monthly - additional meetings as needed - at call of committee chairperson

c. Community Relations Committee

Tasks:
- communicate with neighbohrood residents
- promote REC programs
- bring resident concerns to the Board
- explain lending and insurance to the neighborhood

Membership: 5 +

Chairperson - a Director elected by the Board
Members - 4 Directors or alternates
- any resident who wants to serve

Meetings: Monthly

3. Reinvestment Council

The Board of Directors will establish a Reinvestment Council to provide a constructively forum for the insitutional actors participating in the reinvestment of East Humboldt Park.

Tasks:
- assist Board in negotiating agreements with lenders and insurance companies (and city)
- monitor agreements
- (develop program ideas)
- fund raising
- generate ideas and provide advice to the

Membership: 5 + at least 4 of whom are residents

Chairperson - a Director elected by the Board
Members - 6 Directors or alternates
- one representative from each signatory institution

Meetings: Monthly

B. STAFF

<u>Director</u>

Reports to Board
Managers office
Hires, fires and supervises staff - in accordance with Board policies and procedures
Prepares budget
Program planning
Maintains the books
Carries-out the programs
Staff Board and Committee meetings

<u>Organizer</u>

Reports to the Director
Organizes for meetings
Keeps community informed through various means including canvassing, newsletters, flyers, etc.
Carries-out information and referral activities (e.g. real estate insurance information)
Organizes spin-off activities (e.g. skills coop, tools coop)
Staff community relations committee meetings

Secretary

Reports to Director
Typing
Filing
Phones
Mailings
Bookkeeping
General Office
Client Intake

III. FIRST YEAR WORK PLAN

A. Objectives

1. Reinvestment agreements with 3 lenders
2. Reinvestment agreements with 2 insurers
3. Reinvestment agreement with City of Chicago
4. Establish a revolving loan fund funded at $50,000
5. Establish a revolving capital fund funded at $50,000
6. Four revolving loans
7. Two deals utilizing revolving capital
8. Implementation of Loan/Insurance Counseling Program
9. Implementation of real estate information and referal service
10. Promotion of adjacent neighbors program
11. Implementation of anti-solicitation campaign
12. Development and implementation of community relation program
13. Assisting 62 residents in obtaining loans from Pioneer Bank Program
14. Develop plans for development of neighborhood rehab cooperatives (tools, materials, skills.)

IV. ROLES OF THE COLLABORATORS

A. Cuadras Unidas, the community organization serving East Humboldt Park, is the sponsor of the new corporation E.H.P. Neighborhood Resources. Cuadras unidas will work hand in hand with E.H.P. Neighborhood Resources, with Cuadras providing the neighborhood organization and advocacy and E.H.P. Neighborhood Resources, Inc. providing a range of real estate related services and direction of the neighborhood reinvestment efforts.

Cuadras Unidas will initiate and advocate involvement by lenders, insurers and the City in the EHP reinvestment process. E.H.P. Neighborhood Resources, Inc. will become involved in the negotiations at the appropriate time and will carry the agreements.

Cuadras Unidas will maintain resident involvement and support, will identify new concerns and implementation problems and will participate in planning and development of new programs.

Cuadras Unidas will continue its work on solving other neighborhood problems such as crime, education, jobs and health.

Cuadras Unidas and EPH Neighborhood Resources. Inc.will remain structurally integrated through Cuadras Unidas appointment of the majority of the EPH Neighborhood Resources,Inc.board and through participation on the Community Relations Committee.

B. Westtown Concerned Citizens Coalition, a coalition of neighborhood groups and community agencies serving the Westtown community, co-sponsored the EHP reinvestment planning effort. Cuadras Unidas is and EPH Neighborhood Resources,Incwill become constituent organizations in WCCC.

WCCC will provide organizing and administrative support to EPH Neighborhood Resources. WCCC will provide a full time organizer and will reinforce advocacy efforts through eliciting the help of other constituent organizations.

WCCC will serve as fiscal agent for EPH Neighborhood Resources, Inc. until EPH Neighborhood Resources obtains 501 (C) 3 status and EPH Neighborhood Resources' Board and staff are prepared to fully manage its own fiscal affairs. WCCC will provide management support to the EPH Neighborhood Res. Director and will assist in generating additional resources. WCCC will provide its copying resources and backup secretarial and translating support.

C. Woodstock Institute, will provide strategy development research training, planning, and monitoring support.

The Institute will assist and train EPH Neighborhood Resources' leaders and staff in collecting and analyzing disclosure statements from targeted lenders and insurers as well as real estate related data from other sources. The Institute will also assist in other research endeavors such as survey design and analysis.

The Institute will assist in further strategy development and in implementation planning for selected strategies. The Institute will support on-going planning efforts particularly through staffing quarterly board/staff review and planning seminars and an annual review and planning retreat.

Woodstock Institute will monitor strategies, programs, and agreements which have been implemented by EPH Neighborhood Resources. Throughout its efforts the Institute will train staff and leadership to carry out these functions.

FIRST YEAR TIMETABLE

	1	2	3	4	5	6	7	8	9	10	11	12
Incorporation	---											
Funding	1---	---	---	---	---	---	---	---	---	---	---	---1
Staffing	---											
Board	---											
Year II Work Plan											1----	----1
Objectives												
Agreements			*			*			*			
1. Lenders		1--	---	---	---	---	---	---	---	---	---	---
2. Insurance Co's	1--	---	---	---	---	---	---	-*-	---	---	---	---
3. City			1--	---	---	-*-	---	---	---	---	---	---
Revolving Funds												
4. Loan				1--	---	---	---	---	---	---	---	---
5. Capital				1--	---	---	---	---	---	---	---	---
6. Make Loans						*		*		*		*
7. Capital Deals							*				*	
Programs												
8. Counseling	1--											
9. RE Info. & Ref.	1--											
10. Adjacent Neigh.	1--											
11. Anti-Solic.	1--											
12. Community Relations	1--											
13. Pioneer Promotion	1--	2	2	2	3	5	8	8	8	8	8	8
14. Coop Planning											1----	----1

3 YEAR RESOURCE OBJECTIVES

	YEAR 1	YEAR 2	YEAR 3	
Reinvestment Agreement				
. Lenders	3	7	5	
. Insurance Company	2	5	10	
. City	/	/	/	
Financing				
. Operating Support *	10%	50%	100%	
. Revolving Loan Fund	$50,000	$200,000	$500,000	
. Revolving Capital Fund	$50,000	$200,000	$500,000	
Staff				
. Director	/	/	/	
. Organizer/Counselor	/	/	/	
. Secretary	/	/	/	
. Researcher/Counselor		/	/	
. Development Coordinator/Counselor			/	

* Share contributed by Reinvestment Council Members

BUDGET

I. Personnel

A. Director	$15,000 - 18,000
Secretary	8,000 - 11,000
Organizer/Counselor	9,000 - 14,000
Total	$32,000 - 43,000
B. Fringe Benefits @ 15%	4,800 - 6,450
Total Personnel	$36,800 - 47,450

II. Non-Personnel

A. Rent & Utilities	$5,000
B. Equipment	2,500
C. Supplies	3,000
D. Postage	1,200
E. Copying/Printing	4,000
F. Phone	2,000
G. Staff Travel/Local	500
Out of Town	400
H. Insurance	1,200
I. Other (Legal & Acctg. Fees, Memberships	1,200
J. Annual Retreat	2,500
Total Non-Personnel	$23,500

TOTAL $60,300 - 72,950