

Profiles in Preservation

Malden Arms Apartments in Chicago, Illinois



A Case Study in the Preservation of Affordable Housing
by Alexander von Hoffman

June 2014

The research for this series of case studies was conducted with the support of the John D. and Catherine T. MacArthur Foundation.

Joint Center for Housing Studies

Harvard University

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Preface

The following case study is one of a series of five investigations of projects conducted by nonprofit organizations to preserve affordable rental housing in the United States. These profiles were undertaken to illuminate the characteristics of subsidized housing and the process by which they are preserved — that is to say, refinanced and renovated.

The five subjects of the case studies were selected to represent a variety of geographic locations, communities, and real estate markets; a range of types of tenants: e.g., family, elderly, and formerly homeless; and different types and sizes of nonprofit owner organizations.

Each case explores the history of the particular property and its locale; the history of the organization that owned the property and how it came to own and preserve the property; the methods and challenges of renovating and refinancing the property; and the overall results of the preservation effort. The five profiles in preservation are part of a larger research project supported by the John D. and Catherine T. MacArthur Foundation, whose support the Joint Center for Housing Studies gratefully acknowledges.

Introduction: an Extraordinary Property

Although it looks like countless other apartment buildings in the city of Chicago, the Malden Arms Apartments is an extraordinary property. It is located in the Uptown neighborhood, which since the late 1960s has been a hotbed of political and social activism. The intense sense of commitment to solving social problems spawned an unusual housing organization devoted to providing homes for people who otherwise would be homeless. In 1989 this organization, the Lakefront SRO Corporation, acquired the Malden Arms, and two years later after extensive refurbishing reopened it as a single-room-occupancy (SRO) building for formerly homeless, low-income, and disabled individuals. To enable their tenants to stabilize their lives and stay in their new homes, Lakefront SRO combined property management with social services, an approach labeled “blended management.”

In 2003 Mercy Housing, a national nonprofit housing provider, Mercy Housing, merged with the Lakefront SRO Corporation, renamed it Mercy Housing Lakefront, and hired a new director, Cindy Holler, to run it. But when Holler took over as director, she discovered that the Malden Arms Apartments was losing lots of money. The building’s heating and water systems had deteriorated, but the low rents of its many unsubsidized units produced too little revenue to fix the problems. Holler and her colleagues at Mercy Housing Lakefront wanted to keep the Malden Arms viable as a place that formerly homeless and disabled individuals could live. To do so, they had to “preserve” it by refinancing and renovating the building as affordable housing.

The history of the preservation of the Malden Arms Apartments highlights the difficulties of housing a particular type of low-income person, who without special assistance would likely be homeless. To ensure that these vulnerable low-income people stay in their apartments, it is essential to provide a wide range of social services, which they would not receive in market housing. To renovate and run such supportive-service housing creates special challenges. It is a great problem to bridge the financial gap between the lowest available market rents and the ability of homeless or near-homeless people, who often cannot work a full-time job, to pay. During a renovation many of the residents for a variety of reasons need to remain in their homes. But such SRO building projects usually generate little revenue, which makes financing their renovation that much more difficult.

The story of the Malden Arms Apartments, then, illuminates the peculiarities of this special kind of low-income housing and the challenges of preserving it for the vulnerable people who inhabit it.

A Motley Neighborhood

The Uptown neighborhood of Chicago has long been considered a gentrifying neighborhood, but that characterization does not capture the motley quality of the area. Uptown has both a higher poverty rate (22 percent) and per capita income (\$34,687) than does the city of Chicago as a whole. Its residential streets are lined with trees and a mixture of houses and apartment buildings, in varying condition. Yet aside from the gritty, bustling Argyle Street area, with its array of Vietnamese and other Asian

stores, Uptown's main important commercial areas consist of functional buildings interspersed with dilapidated structures and vacant lots.¹

The history of the neighborhood helps to explain its mixed character. Uptown is located far to the north of Chicago's business district, known as the Loop, but since 1900 elevated railroad and street car lines have connected the neighborhood to downtown and other areas of the city. During the first decades of the twentieth century, access to transportation helped convince young single people and married couples, including many of Swedish, German, and Irish background, to live in the neighborhood. In response to the high demand for residences, local landlords converted mansions into smaller dwellings, and real estate developers, especially in the district's eastern section, built apartment buildings and hotels of all sizes.²

During the 1920s, Uptown's commercial streets blossomed into a fashionable shopping and entertainment district. Borrowing nomenclature from New York City, the neighborhood once known as Cedar Lawn became "Uptown," with its own Broadway. Adding to its allure was the Essanay Film Studios, a silent movie company that carried a roster of stars including, for a time, Charlie Chaplin. Many came to Uptown to dance and listen to popular music, and watch the latest entertainment and cinema at such neighborhood venues as the Green Mills Gardens, Aragon Ballroom, Riviera Theater, and Uptown Theatre. Local ball rooms, movie palaces, bank buildings, department

¹ City of Chicago Data Portal, Census Data - Selected Socioeconomic Indicators in Chicago, 2007 – 2011, <https://data.cityofchicago.org/Health-Human-Services/Census-Data-Selected-socioeconomic-indicators-in-C/kn9c-c2s2>.

² Richard Stacewicz and Robert McNeill, "Uptown," *Local Community Fact Book Chicago Metropolitan Area 1990* (Chicago: Chicago Fact Book Consortium, 1995), 44.

stores, and commercial blocks appeared as ornate concoctions of Tudor, Spanish, and beaux-arts, neo-classical architecture.³

From Movie Palaces to Flop Houses

In the 1930s, however, the boom ended, and the Uptown neighborhood entered a long decline. The movie industry moved to California, and the extension of Lake Shore Drive isolated the eastern section from the rest of Uptown and prompted real estate developers to focus on rival neighborhoods to the north. As Chicagoans cut their spending on entertainment, Uptown's banks and stores closed. During WWII, Chicago's war industries attracted migrant workers, many of whom moved to Uptown, with its numerous apartment buildings and convenient transportation. As the wartime housing shortage created intense demand for inexpensive places to live, landlords cut up the neighborhood's large apartments into cheap units, sometimes as small as one or two rooms.⁴

After the war, working-class migrants continued to stream into the neighborhood, replacing the young singles and couples who often preferred the suburbs. Whites from Appalachia, Japanese Americans from California, and Native Americans from Wisconsin, Minnesota, and Oklahoma settled in Uptown's inexpensive but deteriorating housing. Homeless men arrived, uprooted by urban renewal projects on the Near West Side. At the intersection of Broadway and Wilson Avenues, once the heart of fashionable recreation, day labor agencies, taverns, and flop houses had taken over. Although the

³ Ibid.

⁴ Ibid.

section of Uptown nearest scenic Lake Michigan continued to attract well-to-do residents, the neighborhood gained a reputation as a place of poverty and slums.⁵

There were varied responses to changing conditions in Uptown. Prominent local businessmen – especially bankers – and single-family home owners, especially from the far-western section, worried about the decline of the neighborhood, especially the central section known as Heart of Uptown. To stem the tide, in 1955 they started the Uptown Chicago Commission (UCC). From the outset, the UCC thought of upgrading the neighborhood in terms of urban renewal. After years of campaigning, in 1966 the UCC obtained an urban renewal plan from the city government. Uptown was designated a conservation area, which made the neighborhood eligible for planning services and funds to rehabilitate local buildings, but clearance of “blighted” properties was also a large part of the improvement schemes. Nonetheless, some businesses grew pessimistic about the neighborhood’s chances of revival as a middle-class community and began to move to greener suburban locales.⁶

While UCC’s members wanted to bring more affluent people to the district, numerous social service organizations opened to serve the needs of Uptown’s low-income inhabitants. In 1963 the Council of the Southern Mountains, headquartered in Berea, Kentucky, and local philanthropist W. Clement Stone established the Chicago Southern Center in Uptown to help Appalachian migrants. In 1965 Hull House, the city’s historic settlement house on the Near West Side, opened an office in Uptown to provide

⁵ Ibid.

⁶ Ibid; Larry Bennett, *Neighborhood Politics: Chicago and Sheffield* (New York: Garland Publishing, 1997), 75-81; Amanda Seligman, “Uptown,” *The Encyclopedia of Chicago* (Chicago: The Newberry Library, 2004), also available at *The Electronic Encyclopedia of Chicago* (Chicago: Chicago Historical Society, 2005), <http://www.encyclopedia.chicagohistory.org/pages/1293.html>.

social services, and the federal anti-poverty agency, the Office of Economic Opportunity, set up the Montrose Urban Progress Center there. In 1967, Uptown became one of four neighborhoods in Chicago to participate in the federal Model Cities program. At the same time, the American Indian Center of Chicago (1966) and St. Augustine's Center for American Indians moved to the area to serve the large number of Native Americans who settled there.⁷

The New Left to the Rescue

Meanwhile, during the 1960s and 1970s young New Left radicals streamed into Uptown to organize the poor. A first wave came as part of JOIN (Jobs or Income Now), the campaign that the Students for a Democratic Society (SDS) launched in 1963 to mobilize an interracial movement of disenfranchised people in the United States. In Uptown, the young radicals positioned themselves against the practices of exploitative landlords, the onslaughts of city planners and developers, and the UCC's attempts to purge the poor. In the late 1960s they instigated the formation of the Young Patriots, a youthful left-wing group of white Southerners, meant to join in political work with the city's large street gangs, the largely Hispanic Young Lords and the African-American Blackstone Rangers. The young radicals took on any government agencies that they felt

⁷ David Witter, "Hillbilly Heaven: Chicago's Other Migration from the South," *Newcity.com*, June 21, 2012, <http://newcity.com/2012/06/21/hillbilly-heaven-chicagos-other-migration-from-the-south/>; Roger Guy, *From Diversity to Unity* (Lanham, MD: Lexington Books, 2007); Seligman, "Uptown," *The Encyclopedia of Chicago*.

bullied poor people. They even picketed the Montrose Urban Progress Center on its opening day as a colonial invader into the lives of welfare recipients.⁸

When UCC pushed for a proposal to build a new junior college by clearing several “blighted” blocks of homes, an activist priest, Rev. Chuck Geary, formed the Voice of the People in Uptown and the Uptown Peoples Planning Coalition to fight it. The construction of the Harry S. Truman Community College in 1970, despite “vehement community protests and the resulting displacement of 1,200 poor families,” left a bitter feeling among Uptown’s poor residents. The activists in Voice of the People instead proposed an alternative plan, named Hank Williams Village, which failed to get the support of the local renewal board.⁹

This was only one of the new organizations the New Left activists began. Walter “Slim” Coleman, a former SDS member, organized a committee of support composed of whites for the Black Panther party. The committee evolved into the Heart of Uptown Coalition, a group that provided services for poor residents of the neighborhood. Soon thereafter, in 1972 Coleman recruited Helen Shiller, a young activist from Racine, Wisconsin, to join the Heart of Uptown Coalition. Together they worked on numerous forms of help for the local poor, including medical treatment, legal aid, food, and

⁸ Amy Sonnie, “Uptown’s JOIN Community Union,” *AREA Chicago* 7 (2008), <http://areachicago.org/uptown%E2%80%99s-join-community-union/>; Alison Fisher, “The Battle for Uptown,” *AREA Chicago* Housing Issue 13 (2013), 2-3, <http://areachicago.org/the-battle-for-uptown/>; Todd Gitlin and Nanci Hollander, *Uptown: Poor Whites in Chicago* (New York: Harper & Row, 1970), xxix; see also Amy Sonnie and James Tracy, *Hillbilly Nationalists, Urban Race Rebels, and Black Power: Community Organizing in Radical Times* (Brooklyn, NY: Melville House, 2011).

⁹ Bennett, *Neighborhood Politics*, 195-196; Nathaniel Sheppard, Jr., “Redevelopment Stirs Fears in a Chicago Community,” *New York Times*, February 2, 1981; Roger Guy, “Hank Williams Lives in Uptown: Appalachians and the Struggle against Displacement in Chicago,” *Journal of Appalachian Studies* 18: 1/2 (Spring/Fall 2012), 131-148.

clothing. They also fought housing battles, including against a developer of a large luxury high-rise complex, forcing him to allocate 20 percent of the apartments to households with Section 8 vouchers. In 1987 Shiller would become Uptown's alderman and champion the interest of the poor and working people in the chambers of city government.¹⁰

Up and Down at the Same Time

In the 1970s, the character of the neighborhood's population evolved in several different directions. Following recent trends, Uptown attracted low-income migrants, in this case, African Americans, Mexican immigrants, and refugees from South East Asia. An increasing number of former patients of state mental health hospitals, which had begun to pursue a policy of "deinstitutionalization," moved to dingy SROs, nursing homes, or just the streets of Uptown. In response, in 1972 Uptown's idealistic residents, never at a loss for action, founded the Edgewater-Uptown Community Mental Health Council to serve as an outpatient clinic for mentally ill people.

Meanwhile, in the eastern section of Uptown the movement of young professionals northwards along the lakefront stimulated the clearance of old properties, construction of upscale projects – such as the high-rise Pensacola Place – and the conversion of apartment buildings to condominiums. In 1987 the landlord of a subsidized apartment building at 833 West Buena Avenue, not far from Lake Michigan, decided to prepay his mortgage and cash in on the rising real estate values. This act set off a precedent-

¹⁰ Helen Shiller, interview with author, Chicago, September 11, 2013; Fisher, "Battle for Uptown," 2-3; Ben Joravsky, "Helen's Voters: Democracy at Work in the 46th Ward," *Chicago Reader*, March 30, 2007.

setting court battle between the landlord and tenants represented by young Legal Assistance Foundation lawyers.¹¹

The central areas of Uptown, however, continued to lose population and wealth, creating the paradox of simultaneous degeneration and vulture-like investment. In her historical sketch of recent Uptown history, Alison Fisher described the situation succinctly: “The housing stock continued to age and decline, and ... from the mid-1970s to mid-1980s, thousands of apartments were lost to abandonment and fires. These conditions created new pockets of drug dealing and crime, and, at the same time, artificially depressed prices for solidly built six-flats attracting condominium developers and new middle-class residents.”¹²

Helping the Homeless in Uptown

In the 1980s the forces at work in Uptown’s real estate market took a toll on the neighborhood SROs. As opposed to the earlier time when poor single men could find work, albeit often as day laborers, the income of many SRO residents had now become unsteady. This made the SRO business less profitable, and as a result conditions in some of the buildings deteriorated so much as to be unsafe to inhabit.

In 1985 several neighborhood activists came together to deal with homelessness and the loss of SROs. Among the leaders was Douglas Dobmeyer, an important figure in three local organizations: he was the director of Residents for Emergency Shelter, which

¹¹ Sheppard, Jr., “Redevelopment Stirs Fears in a Chicago Community”; *Orrego v. 833 W. Buena Joint Venture*, 943 F.2d 730 (7th Cir. 1991). For the significance of the 833 W. Buena building case, see Alexander von Hoffman, “To Preserve Affordable Housing in the United States: A Policy History,” unpublished monograph, 2012.

¹² Fisher, “Battle for Uptown,” 3.

operated overnight shelters out of two Uptown churches; the executive director of the Center for Street People, a drop-in storefront operation; and at the time chairman of the board of Voice of the People. Because he knew well the struggle of homeless people to survive on Chicago's streets, Dobmeyer strongly believed in some kind of permanent affordable housing to take people out of emergency shelters.

Besides Dobmeyer, the members of the ad hoc SRO group, as they called themselves, included representatives from Uptown Center Hull House, a women's drop-in center, the Jewish Council on Urban Affairs, and the assistant pastor of a local Roman Catholic church. Another member was Dan Burke, a Legal Assistance Foundation lawyer who two years later would take on the aforementioned legal struggle against the landlord attempting to convert the subsidized apartment building at 833 West Buena Avenue into market-rate housing.¹³

While the group's members were talking in early 1985 about what might be done to help SROs in Uptown, the plight of one such building forced itself upon their attention. The Moreland Hotel had been built as an apartment-hotel in 1915 at the corner of Sheridan Road and Argyle Street, a prominent commercial intersection not far from the beaches of Lake Michigan. It contained stores on the first floor and single-room apartments upstairs, and it was in crisis. The gas and electric companies had posted notices they would disconnect services, and the commercial tenants began pooling their rent to pay the water bill. Paying tenants were moving out, while squatters were taking up free residence. With the help of Dan Burke, several tenants convinced the housing

¹³ Thom Clark, *Making Room at the Inn: How Neighborhoods Saved SRO Housing in Chicago. The Story of the Lakefront SRO Corporation* (Chicago: The Corporation, c. 1988), 5.

court judge to place the Moreland in the hands of a utility receiver. That move was not nearly enough to keep the hotel going, however.¹⁴

By this time, Voice of the People in Uptown had become an able nonprofit developer and manager of low-income family housing. Somewhat reluctantly the organization's officers agreed to serve as the property manager for a court-appointed receiver of the Moreland, using funds from Chicago's program to prevent housing abandonment for emergency repairs. They felt their commitment to family housing ruled out any permanent role as developer, but agreed to try to keep the SRO afloat until a permanent owner would take over.¹⁵

Founding a Nonprofit SRO Company

In the fall of 1985 the ad hoc SRO group decided to form a new nonprofit organization, which eventually became the owner of the Moreland. The ad hoc SRO group's members planned to start a real estate development corporation, as opposed to another social service agency of which Uptown had many. In November, nonetheless, the ad hoc group became involved in providing social services to the residents of the Moreland Hotel. The City of Chicago's Department of Human Services had begun a trial program, and the ad hoc group felt obliged to help with the complicated makeshift arrangements that evolved to save the Moreland. Already deeply committed to helping the residents of the Moreland Hotel, the ad hoc group in February 1986 incorporated as

¹⁴ West Argyle Street Historic District - State of Illinois, National Registration of Historic Places Registration Form, submitted April 19, 2010, Section 7, 4; Clark, *Making Room at the Inn*, 6-7.

¹⁵ Clark, *Making Room at the Inn*, 6-7.

the Lakefront SRO Corporation. Doug Dobmeyer became the president of the Board of Directors, a position he held until 1990. In 1987 the fledgling organization, thanks to a grant from the United Way, was able to hire its first executive director, Jean Butzen.¹⁶

The activists who made up Lakefront SRO now threw themselves into saving the Moreland Hotel. Dobmeyer convinced officials of the Illinois Housing Development Agency (IHDA) of the need to keep SROs available. They agreed to join with the City of Chicago on an equal basis to finance the entire development of the Moreland Hotel, which came to \$2.6 million. Mitchell Milner, the consultant hired by Lakefront SRO to help put the financing package together, knew that this kind of financing plan would be unique, especially in the mid-1980s when government was growing reluctant to subsidize housing. Despite this coup, obtaining title proved to be extremely difficult, because the owner of the Moreland was in arrears in property tax payments, which triggered another court case.¹⁷

In addition, the Lakefront SRO agenda was ambitious. To remedy the lack of stoves and refrigerators in most SRO apartments, the staff members aimed to equip units with kitchen facilities. They had learned from the earlier social services project that a meeting place for residents was helpful, so the Lakefront SRO staff decided to add a community room for tenant activities. The additions to the overall cost as well as the over-budget bids the contractors submitted made it more difficult to obtain bridge financing. To stretch the budget, the state IHDA helped by providing Section 8 rent subsidies, which made it easier to get private financing, and the Chicago Equity Fund

¹⁶ Ibid., 5, 9.

¹⁷ Ibid., 8.

syndicated the funds. Once it assembled the financing, Lakefront SRO pioneered the provision of social services as part of the management of an SRO hotel. The organization hired a neighborhood social worker to coordinate advocacy for residents as well as social activities and group therapy designed to break down the isolation many residents experienced. All this was new and took a while. In April 1988, the Moreland Hotel was christened the Harold Washington Apartments.¹⁸

Lakefront SRO Acquires the Malden Arms

It had been a long haul to develop the Harold Washington Apartments, and it would take four years before Lakefront SRO tackled another project. That project was the Malden Arms, located at 4727 North Malden Street in an eclectic residential section of Uptown known as Sheridan Park. Although this area contains some Victorian-era single-family homes, it has many apartment buildings, ranging in size from six-flats to courtyard complexes. The Malden Arms was one of those apartment buildings. Constructed in the 1920s, it was four stories tall with an elevator. The exterior was the typical Chicago-style dark brick, embellished with granite Renaissance Revival features on the façade. Like many such structures in Uptown, during the mid-twentieth century the Malden Arms had been converted into a single-room hotel, its once large

¹⁸ Ibid., 9-10.

apartments cut up into ninety-three separate rooms, each with its own bath and closets.¹⁹

By the mid-1980s, the Malden Arms was in particularly bad shape. Neglect by its owners had led to significant physical deterioration. In 1987 and 1988 it caught fire twice, killing six tenants. During one of the fires, Helen Shiller recalls, a mother on an upper floor of the burning building was forced to throw her child to a bystander. After the fires the owners failed to repair gutted portions of the building. It had become a major eyesore and a threat to its inhabitants, which motivated the community activists of Lakefront SRO to acquire it in 1989. By then only about forty-five of its ninety-three units were occupied.²⁰

After buying the Malden Arms, Lakefront SRO set about completely overhauling the building. It replaced all the major building systems – including electrical wiring and fixtures, plumbing, and heating – repaired the roof and exterior façade, and finished with a new paint job throughout the interior. The organization reconfigured the building to reduce the number of dwelling units from ninety-three to eighty-six, while adding space on the ground floor to expand the lobby and create rooms for tenants to use for reading, recreation, and receiving social services.²¹

The total development budget for the project came to a little less than \$2.9 million. The bulk of the financing, \$1.4 million, came from two zero-interest twenty-five-year loans from the City of Chicago's Department of Housing and IHDA, the state's housing

¹⁹ Lakefront SRO, "Malden Arms Development Project," attachment, Michael F. Schubert to Jean Butzen, September 8, 1989; Mercy Housing, Mercy Housing Lakefront, "Our Properties: Malden Arms Apartments," <https://www.mercyhousing.org/IL-Malden-Arms>.

²⁰ Lakefront SRO, "Malden Arms Development Project"; Jean Butzen to Jennifer Miller, October 2, 1989.

²¹ Lakefront SRO, "Malden Arms Development Project."

finance agency. The other major source was \$1.2 million in syndicating low-income housing tax credits.²²

Lakefront SRO devoted much time to raising funds to lower rents, and to improving the Malden Arms. Two retired developers, Herbert Heyman and Howard Landau, funneled a gift of \$250,000 through the Jewish Council on Urban Affairs, which Lakefront SRO used to set up a revolving fund. Its first loan went to the Malden Arms project to help lower rents to levels affordable to people either working at low-paid jobs or surviving on public assistance. Thanks to donations raised by members of the Chicago Women's Network, a civic organization of professional women, the Lakefront SRO was able to provide \$150,000 worth of new furnishings to the building.²³

As was the case in all the SRO renovations – including the next round at the Malden Arms almost twenty years later – moving residents during renovations proved complicated. One problem was that at the time Lakefront acquired the property, fifteen families lived in the building. These families were permanently relocated with Section 8 vouchers issued by the Chicago Housing Authority. That left thirty individuals who had to be temporarily relocated during the construction period. Lakefront SRO went back to the city to ask for additional funds to pay for the relocation of the residents to

²² Malden Arms Development Budget, May 10, 1990; M.W. Newman, "Malden Arms Gives Needy Cheap Chance at Happiness," *Chicago Sun-Times*, October 21, 1989. There is a discrepancy between this figure, \$2.5 million, in the Sources and Uses Budget of the same date, and the \$2.37 million Newman reported in the newspaper the following year.

²³ Newman, "Malden Arms Gives Needy Cheap Chance at Happiness"; Lakefront SRO Corporation, "Renovation Kick-Off, the Malden Arms," program, September 30, 1990.

temporary housing. When the city balked at giving a straight grant, executive director Butzen turned to the alderman, who interceded on Lakefront's behalf.²⁴

Finally, Lakefront SRO reopened the Malden Arms Apartments in the fall of 1991. It had taken an extra year and about \$700,000 more than the developer had originally estimated. The group took pride in providing homes for some of the poorest and most vulnerable Chicagoans. Rents averaged \$215 a month, but about thirty residents paid closer to \$100 monthly. For these minimal rents, each person received a room with a kitchen area with a refrigerator, a bathroom, and bed, dresser, chairs, and table.²⁵

Although the renovation was underwritten, maintaining low rents low in the years to follow would be a challenge. About three quarters of the apartments in the Malden Arms lacked rental subsidies, which made the project, Lakefront's director Butzen commented, "extraordinarily difficult." "Without rent subsidies," she explained, "groups like ours can't make housing affordable for many people, given the money they have to live on."²⁶

A Tiny Life Raft

In the context of the rapidly diminishing number of SROs, the 156 units in Lakefront's two properties resembled, in a reporter's words, "a tiny life raft in an

²⁴ The documents suggest that instead of giving a grant, the city government raised the amount of its no-interest loan. Shiller also helped keep the Chevron Corporation, which had invested in the tax credits, from bolting from the deal when the corporation ran afoul of recently passed law imposing financial penalties on companies that contracted with Chicago government while involved in business with South Africa. Shiller herself had sponsored the original anti-apartheid legislation. Butzen to Miller, October 2, 1989; Jean Butzen to Helen Shiller, October 23, 1989; Shiller, interview.

²⁵ Newman, "Malden Arms Gives Needy Cheap Chance at Happiness."

²⁶ Maggie Garb, "Single-room Occupancy Hotels Help Make Housing Affordable," *Chicago Sun-Times*, December 9, 1990. For rental subsidies, see note 31 below.

ocean.” To meet the great need, in the following year Lakefront SRO developed additional properties. In 1992 Lakefront SRO opened the Miriam SRO Apartments, a few doors down Malden Street from the Malden Arms, as the first SRO only for women, especially battered and abused women who refused to live in a mixed-sex setting.²⁷

As they developed properties, the staff of Lakefront SRO continued to mix two distinct and often separate types of services, property management and social services, in what was called “blended management.” Like many nonprofit housing organizations, Lakefront offered low-rent dwellings to low-income people. In addition, it offered social services ranging from practical assistance to psychological counseling. The main goal was to keep people housed. For individuals who had suffered or were suffering from an assortment of adversities, this often meant providing counseling so they would not lose their homes. Beyond stabilizing people’s housing situations, the services offered residents the opportunity to live relatively normal lives. The distinct approach became so integral to Lakefront SRO’s identity that in 2003 the directors and staff changed its name to Lakefront Supportive Housing.²⁸

Mercy Housing Lakefront

In 2006, Lakefront SRO, now called Lakefront Supportive Housing to reflect the organization’s approach, merged with the large housing nonprofit organization Mercy Housing, headquartered in Denver, Colorado. The principal reason that the Chicago

²⁷ Newman, “Malden Arms Gives Needy Cheap Chance at Happiness”; Larry Finley, “Miriam Apartments Opening For N. Side Homeless Women,” *Chicago Sun-Times*, October 25, 1992.

²⁸ Mary Harth, interview with author, Chicago, September 12, 2013; Jennifer Feuer-Crystal, interview with author, Chicago, September 12, 2013.

group merged with a national nonprofit was the financial difficulties entailed in providing affordable housing and services to those who would otherwise be homeless. These difficulties grew as Lakefront's properties grew older and the reserves to keep them in shape dwindled. Mercy Housing was a large company that owned different kinds of properties, including many that produced a healthy cash flow, and had built up large reserves for property purchases and exigencies of one sort or another. The attraction of acquiring Lakefront Supportive Housing for Mercy Housing was that it would allow Mercy to expand into the provision of supportive housing – an anti-homelessness strategy – at a large scale in a large urban center. The merger would also include experienced staff members of Lakefront Supportive Housing who knew how to obtain support for and provide services to residents.²⁹

In early 2006 Mercy Housing acquired Lakefront Supportive Housing, renamed it Mercy Housing Lakefront (MHL), and expanded its responsibilities for affordable housing to cover the states of Illinois, Wisconsin, and Ohio. The new organization now became one of Mercy Housing's regional "business centers," the regional affiliates that made up the company. These business centers were semi-autonomous. They could use the national organization's services – such as underwriting or construction – but were expected to run their own operations, including asset management and financing of real estate deals.

In April 2006 Mercy Housing hired Cindy Holler to direct MHL. Holler had worked in community development for more than twenty years. She had previously been the

²⁹ Patricia O'Roark, telephone interview with author, Denver, Colorado, July 2, 2009.

national director for Fannie Mae's American Communities Fund, and before that, chief operating officer at ShoreBank Development Corporation in Chicago and president of ShoreBank's real estate development company in Cleveland. Holler eagerly looked forward to providing low-income people of all types with a safe and stable place to live. Soon after taking the reins, however, she was confronted by an unpleasant fact. Two of the flagship properties of Mercy Housing Lakefront, the Harold Washington Apartments and the Malden Arms Apartments, were losing about \$300,000 a year.³⁰

The Malden Arms in Trouble

Of the two properties, Holler realized, the Malden Arms was in worse shape. The original Malden Arms Apartments deal had undercapitalized building operations, a situation that became more pronounced over the years as the tax-credit equity was spent. Furthermore, Malden Arms still had few rental subsidies. The building's low rents – by the 2000s they were typically in the range of \$300 to \$355 per month – were the major source of income. It would be impossible to squeeze any more rent from the building's tenants, who had a median income of about \$11,000. To make ends meet, Lakefront Supportive Housing had deferred maintenance on the building. Because of old and inefficient water fixtures and heating systems, including drafty windows, utility bills were financially bleeding the Malden Arms balance sheet. That the federal low-

³⁰ Cindy Holler, interview with author, Chicago, September 12, 2013; Mercy Housing, "Cindy Holler Appointed as President of Mercy Housing Lakefront," press release, April 4, 2006.

income housing tax credits would expire in 2006 only added to the pressure to do something about the property.³¹

A simple solution, which some people urged on Holler, would have been for MHL to sell the property and use the proceeds to acquire new holdings. Holler rejected this idea. MHL must find a way to refinance and renovate the Malden Arms.³²

Preserving this SRO with supportive services, however, would be more complicated than preserving a typical low-income family housing project. The owners of the Malden Arms planned on financing the renovation chiefly with tax-credit investments and state and city government loans. But they would have to compete for the tax credits in Illinois' allocation process. It took time to go through the annual cycle of applying, and even longer if, as was likely, the tax credits were not awarded the first time MHL applied. The state and city financing appeared to be simpler, as it entailed renewing – or in bankers' parlance, re-originating – loans that government agencies had made to Lakefront SRO when it first redeveloped the building. Nonetheless, the government agencies such as the Illinois Housing Development Agency and the City of Chicago's Department of Community Development required applications and had their own schedules for processing those applications. Obtaining financing for the Malden Arms was not only complicated but also time-consuming.

Yet time was of the essence. Mercy Housing Lakefront was losing money on an existing building filled with residents, many of whom could not live on their own without

³¹ Holler, interview; Harth, interview; Mercy Housing, *Opening Doors, 2007 Annual Report*, 12 (median income).

³² Holler, interview.

assistance. The organization had no money to tide them over until the projects were refinanced. Mercy Housing, Inc. could provide some temporary capital in a pinch, but at the time headquarters was preoccupied with almost complete turnover of all its major executives and implementing a top-to-bottom industry-standard asset management system. In any case, it was up to MHL to run its own business.

A Timely Line of Credit

Fortunately, Cindy Holler was aware that the MacArthur Foundation had provided financial support for nonprofit organizations involved in preserving affordable housing. MacArthur typically provided financing through a program-related investment (PRI), which often took the form of a loan. Holler approached MacArthur program officer Allison Clark and told her of Mercy Housing Lakefront's predicament. Clark was sympathetic, and in 2008 worked out a ten-year loan from MacArthur of \$1.7 million at a very low interest rate, in effect a line of credit. The MacArthur PRI enabled Holler to cover overhead, the operating losses of the properties, and even some predevelopment costs until the financing was in place to redevelop them. Once Mercy Housing Lakefront procured the new financing and began to generate a positive cash flow, the amount that went into the Malden Arms could be redirected to help develop other properties until 2018 when it would be repaid.³³

With the MacArthur PRI providing some breathing room, Mercy Housing Lakefront proceeded to put together the budget to renovate the Malden Arms Apartments. The

³³ Holler, interview.

total of \$6.4 million was more than twice the cost of the earlier renovation, but the major portions of the financing came from the three sources – the state and city governments and low-income housing tax credits – that Lakefront SRO had previously drawn from. Using the federal low-income housing tax credit program, the National Equity Fund provided \$2.9 million in equity investment. IHDA, the Illinois housing finance agency, renewed its previous loan and added \$600,000 from the Illinois Affordable Housing Trust Fund, for a total of \$1,365,000. Similarly, the City of Chicago’s Department of Community Development added to its original loan, which brought the city’s total loan to MHL to a little less than \$1.1 million.³⁴

The Complexities of Financing an Inherited SRO

Even beyond the underwriting of a thorough renovation, the Malden Arms deal posed problems. For one, it was clear that the Malden Arms would have to have rental subsidies for tenants whose finances were such that they would otherwise be homeless. The problem was that in 1989, Lakefront SRO’s staff had not obtained such rental assistance, preferring to keep rents low enough for the previous occupants of the SRO to afford through their public assistance or wages. But in 2008 the costs were higher and the resident population was, if anything, poorer. Over time, the population had come to consist predominantly of persons unable to work at jobs that would pay market rents. Yet almost three quarters of the dwelling units were not subsidized, even as provision of resident services and utilities raised the expense of running the building.

³⁴ Mercy Housing Lakefront, Malden Arms Apartments Development Budget, 2009.

Mercy Housing Lakefront took steps to keep rents low at the Malden Apartments while still ensuring that the project produced enough revenue to maintain the building adequately for its vulnerable residents. The City of Chicago's community development department helped by providing funds through its Long Term Operating Support program to supplement the rental payments for fifty-two additional dwellings. This allowed MHL to raise the rents it received while in most cases decreasing the amount paid by tenants. MHL also worked with its tax credit investor, the National Equity Fund, to create a "future losses reserve account." Anticipating that starting about six years after the refinancing, the costs of maintaining the Malden Arms would rise faster than would the regulated rents, MHL's staff created this reserve sinking fund so that it could sustain low rent levels for at least seventeen more years.³⁵

In addition, about eighteen of the residents did not qualify as low-income tenants according to the rules of the low-income housing tax credit program, yet they would have difficulty renting in the private market. Lakefront SRO had subsidized their rents and MHL continued to do so. As these tenants have moved out, MHL has raised the rents of their former units to about \$500 a month, which is a reasonable amount for the

³⁵ As part of the original development of the Malden Arms Apartments in 1991, Chicago's portion of the state's Low Income House Trust Fund supplemented the rents of about twenty units at Malden Arms Apartments. Under state rules the Long Term Operating Support program came with a requirement that the apartment be affordable to low-income tenants for forty years, a much longer period than most low-income housing programs require. For MHL, Cindy Holler explains, the commitment was not an obstacle because it fulfilled the purpose of the organization, but it made it more difficult to find financing. Harth, interview; Holler, interview; Tony Mastracci, interview with author, Chicago, September 12, 2013; "Mercy Housing Lakefront: Malden Arms Apartments Receives Polk Bros. Foundation Affordable Rental Housing Preservation Award," *News from Our Neighborhoods* (Mercy Housing Newsletter, now named *Community Matters*), Winter 2010, 10.

renovated apartments and less than some low-income people would pay using the Section 8 program's formula of a rent amount equal to 30 percent of annual income.³⁶

Another Renovation

While obtaining the financing to keep the Malden Arms Apartments viable, MHL in 2009 planned and executed an ambitious physical renovation that significantly improved the comfort of living in the building but lowered the cost of running it. With support from a pilot program of the Clinton Climate Initiative for reducing greenhouse gas emissions, MHL was able to replace the heating systems with new boilers and water heaters, which were certified as environmentally friendly by the federal Energy Star system. MHL provided each bathroom with low-flow water fixtures. Each apartment received new kitchen cabinets and energy-efficient appliances and lighting fixtures. To mitigate the unbearable summer heat in single rooms without cross-ventilation, MHL supplied a new amenity to the Malden Arms: energy-efficient air conditioners for every unit. MHL also installed a reflective membrane on the roof that reduced the amount of solar heat absorbed into the building. The entire building, including the apartments, received new floors and furniture.³⁷

The renovation reconfigured the spaces in the building in order to enhance the public spaces and expand the number of dwellings for disabled people. Prior to the renovation the upper three floors contained twenty-five apartments, with two units on the corner sharing a bathroom. The renovation converted the corner unit with its

³⁶ Harth, interview.

³⁷ "Mercy Housing Lakefront: Malden Arms Apartments Receives ... Preservation Award."

shared bathroom into a one-bedroom and therefore larger apartment, reducing the total number of dwellings per floor to twenty-four. Along with the public areas such as the lounge and the check-in window, the first floor of the building had contained apartments including four one-bedroom units configured to be accessible to disabled people. As part of the renovation, MHL converted one of the four one-bedroom units into a single-room apartment and reconfigured space around a previously public bathroom into another single-room unit, making a total of five handicapped-accessible dwellings, two of which were SRO units. In addition, the space freed-up from converting the one-bedroom unit into a single room was devoted to resident services, so that now a person in a wheelchair could meet a case manager in private, which had not been the case before. When all was said and done, the rehabilitation of the Malden Arms Apartments decreased the total number of dwelling units by three to eighty-three, but increased the space for case management services and community activities.

As it had been during Lakefront SRO's earlier development of the building, the process of renovating the residences of a vulnerable population was arduous. To renovate the building, MHL had to vacate a quarter of the units, most of which were occupied by people who could not cope with moving to a new locale. MHL attempted to disrupt the lives of the residents as little as possible by artfully temporarily shifting people to vacant units – as the time of the rehab approached, MHL had stopped filling rooms whose occupants moved out – and taking volunteers to move to other MHL buildings.³⁸

³⁸ Harth, interview.

Supporting Tenants at Malden Arms Apartments

For the type of people who come to live in the Malden Arms Apartments, the physical room is only one part of the shelter that helps them get by. Many of the residents have lived on the streets where they endured terrible experiences, including assaults, or lived in fear of violence. For the residents of an SRO, safety, and the sense of safety, is of the utmost importance. Thus, at the Malden Arms and its other properties, MHL runs a twenty-four-hour security system, which makes them highly desirable to people who have been homeless. To enter the Malden Arms Apartments, a person must sign in through the window of an office staffed by a member of the security team who controls the lock of the inner front door and checks every visitor in and out.

Blended Management

Beyond safety, the inhabitants of the Malden Arms have a wider range of needs than average Chicagoan tenants. To meet those needs, MHL adopted Lakefront SRO's blended management system, which combines property management with social services. The property management side deals primarily with the residents' experience of the physical building. To fulfill the requirements of the housing subsidy programs – especially the tax credit program – the property manager must ensure not only that the occupants of the apartments have incomes that qualify them for the program, but that the premises they occupy are decent, safe, and sanitary. This latter requirement cuts both ways, keeping both landlord and tenant in line. But in practice, the property managers use their inspections of the apartments – performed monthly under Lakefront

Supportive Housing, but now annually by MHL – to keep in touch with the residents as well as to correct any physical problems in the units.

At the Malden Arms Apartments, the property manager, Mary Harth, has worked there for ten years, and the assistant property manager, Teress Taylor, whose sister once lived in the building, has worked there in one capacity or another for twenty years. Their longevity at the Malden Arms, and the interactions between the managers and tenants witnessed on a recent visit, attest to the popularity of the property managers among the tenants. The comfortable relationship between the managers and residents helped make the renovation of the Malden Arms go smoothly.³⁹

Resident Services

The other management track, resident services, can vigorously offer but not impose its services, given that the residents are legal tenants with standard city rental leases. After someone moves into the Malden Arms Apartments (or other similar properties run by MHL), a member of the resident services department interviews the new tenant, makes a psycho-social assessment for the files, and encourages him or her to set some goals for their life at the SRO. Unless a resident's behavior becomes erratic enough to trigger some intervention, the services are voluntary. MHL assigns each tenant a case manager, who will check in with the tenant once a month to see if he or she needs any help, but the tenant decides whether to use the case manager.

³⁹ Harth, interview; Teress Taylor, interview with author, Chicago, September 12, 2013.

According to Jennifer Feuer-Crystal, currently a resident services manager for MHL who supervised the case managers at the Malden Arms for six years, almost every tenant will turn to a case manager at some point in their stay:

[I]n general when people need something they're going to come down [to the case manager]. Sometimes it's "can you help me route this train?" Or "how do I get to this appointment?" Or it might be something more intense like, "I'm having an anxiety attack right now and I need support."

Or it might be, "I had a death in my family and you're the first person I'm seeing," so we can grab them and they can come in and talk with us.

Or they might need help. They might relapse [from an addiction] when they move into the building. So, we would help them with the recovery services.

They might have severe mental illness. The Malden has a large population of people with mental illness [including the] higher-need tenant we see regularly to help assist with daily living skills.

We don't [administer] any medication. We help with adherence [to the prescription], but we don't provide it. People are responsible for their own medication, or we might connect them with the mental center that helps them with more intensive services.⁴⁰

⁴⁰ Feuer-Crystal, interview.

Mercy Housing Lakefront also has a resident services staff member who counsels residents of the organization's buildings about how to cope with, reduce, or eliminate alcohol or drug addiction. Trained in the Certified Alcohol and Drug Counseling program, the addiction recovery specialist has a caseload of about twenty people, including two at the Malden Arms Apartments. He uses the harm reduction approach, which entails helping his clients set goals, even if the goal is to control or reduce, but not stop, the use of drugs or alcohol. As with other aspects of the management of the Malden Arms, this method respects individuals and their wishes.⁴¹

In the past, Lakefront Supportive Housing hired a licensed clinical social worker, most recently Jennifer Feuer-Crystal, to provide individual psychological therapy. After the merger, however, for liability reasons, Mercy Housing chose to replace the organization's personal therapists with a referral system. Now case managers keep track of individuals and help them to find therapists should they need or require them.⁴²

Art Therapy

As part of its "wellness service," however, Mercy Housing Lakefront provided another therapeutic practice, which it inherited from Lakefront Supportive Housing. A board member of the original Lakefront SRO was an enthusiastic believer in the benefits of art therapy and in 2000 provided funds to the organization to hire an art therapist, Christine Makarewicz-Villaire. Although little known (at least to this writer), art therapy

⁴¹ Feuer-Crystal, interview.

⁴² Feuer-Crystal, interview.

is a nationally recognized method that combines the artistic creative process with the techniques of psychological therapy to improve mental and emotional health.⁴³

As practiced at Malden Arms and other MHL properties, art therapy consists of an open art studio, equipped with supplies, in which residents may participate if and when they feel like it. The art therapist does not instruct, but rather makes the acquaintance of residents, offers assistance in producing art, and, if individuals want, becomes a counselor who can help people cope with their problems. These problems may be relatively practical matters, or they may have to do with physical health or emotional traumas. The therapist uses a light touch and tailors her responses to individuals. For some, the simple experience of creating art in the company of others helps teach social skills and coping mechanisms; for others, the process may lead to recognition of emotional or physical issues (such as addiction) which call for additional help.

Tenant Leadership

Yet another way that MHL works with the tenants in its buildings is to encourage what it calls “tenant leadership.” Because disabilities, addictions, and other experiences that lead to a homeless existence isolate individuals, the program aims to help residents of their buildings participate in the life of a larger community. Like art therapy, the program is open-ended and voluntary. It invites residents to become involved in addressing public issues that interest them. Elizabeth Tumiel, MHL’s current tenant leadership manager, explains that MHL offers informal and formal training in “leadership skills” such as how to speak in public and run a meeting. If a resident

⁴³ <http://www.arttherapy.org/>; Feuer-Crystal, interview.

possesses skills – such as the ability to persuade people to participate in an endeavor – MHL lets that person share the knowledge with others, a method known as “train the trainer.” In the process, participants learn to recognize and use their own skills and abilities for an important cause.⁴⁴

The tenant leadership manager also works with tenants to develop community projects, which they have chosen. A recent project developed, for example, when a Malden Arms resident observed people anxiously waiting at the mail box for their social security checks, which were often late – no small matter for people living on a thin margin. He started talking to them about banking, but they felt that it was unsafe to go to the currency exchange. Some of the building’s residents then began meeting as a group. They met with the director of the local currency exchange to see if he could enhance street safety by installing a light at the building, and asked the current alderman if he could help obtain greater security in the neighborhood by adding more beat policemen. They also invited a representative of the North Side Community Federal Credit Union to the Malden Arms to inform the residents of the advantages of using a bank for their savings. Such projects teach residents – some of whom had not finished high school – to chair or run community meetings or to speak in public. They also show how the opportunity to organize to solve important problems can improve the lives of low-income people.⁴⁵

⁴⁴ Elizabeth Tumiel, interview with author, Chicago, September 12, 2013.

⁴⁵ Tumiel, interview.

The Impact of Preserving an SRO

The Malden Arms Apartments, like other SROs operated by MHL, serves a special population, comprised of individuals who have been homeless or would be homeless if left on their own. Population is mostly middle-aged, with half the residents between the ages of fifty and sixty-one and more than three quarters between the ages of forty and sixty-nine.

According to Mary Harth, the building has always been predominantly male. In the distant past many SROs served men, who were day laborers, which may have created a precedent at the Malden Arms. In addition, the Miriam SRO nearby serves only women. The female population at Malden Arms at one point fell to less than ten, although today there are twenty-one women as opposed to fifty-nine men. The majority of the residents have been African American for some time, and today of those who reported an ethnicity, fifty-two identified themselves as African American, twenty-six as Caucasian, and six as Hispanic.⁴⁶

As much as lack of funds, the lack of self-sufficiency leads the tenants to live in a single-room apartment building such as the Malden Arms Apartments. Most of the occupants are poor, but not all are. Based on current occupancy, the lowest income among the tenants is \$720 and the highest is \$30,775.

In contrast to the stereotype of the homeless, two residents of the Malden Arms to whom the author spoke were highly educated. One man, a Caucasian, had worked as a

⁴⁶ Of eighty residents in 2013, eleven were under 40 years of age; fourteen were between the ages of 40 and 49 years; thirty-nine were between 50 and 61 years; ten were between 62 and 69; and six were in their 70s. Mercy Housing Lakefront, TIC Malden Arms II Apartments Statistical Review, 2013.

book editor for the New American Library, a distinguished publisher in New York City, and as a social worker in the San Francisco area. Severely alcoholic and unable to resist the gay bar pick-up scene, his life began a downward spiral, including contracting AIDS-related illness. Once he moved to the Malden Arms Apartments in the early 1990s, he began to settle down, joined Alcoholics Anonymous, and gave up drinking entirely. Among other activities he took up gardening, at which he excelled so much that the local church and well-to-do neighbors hired him to cultivate their grounds.⁴⁷

Another resident of the Malden Arms is an African American, whose father was an insurance salesman who wanted him to become a physician. Although he duly enrolled in a pre-med program, he was like many before him unable to master courses such as organic chemistry. After being drafted into the military for three years, he earned a bachelor's degree from the University of Minnesota and then enrolled in graduate school to study Sanskrit. He lost interest in the subject and went to work for a bank. By this time, if not before, he was plagued by mental illness, which rendered him unfit to work and at times even to live on his own. Living off his military pension and social security disability payments, and with family far away in Kentucky, he lived for many years in a long-term psychiatric care center before moving to the Malden Arms.⁴⁸

Even at the Malden Arms, the man experienced an episode of mental illness in which the chemicals in his body became unbalanced, and he became disorganized and fell behind in the rent. Fortunately, an agreement he signed with MLH allowed the staff to contact his doctors if his behavior changed markedly. His physician placed him in a

⁴⁷ John Hunt, interview with author, Chicago, September 12, 2013.

⁴⁸ Gary Powe, interview with author, Chicago, September 12, 2013.

hospital to stabilize his metabolism so that he could function again. He then returned to the Malden Arms with an agreement to place some of his government income automatically towards current and back rent. Obviously, no private landlord would go to such lengths to accommodate a tenant, even if mentally ill.

Many, perhaps most, of the residents at Malden Arms and the other MLH properties have not had the extensive education that these two men have. Nonetheless, like these two men, most faced addiction, mental health, or other problems severe enough to render them unable to buy, rent, or in some cases survive in a normal abode. Without the type of housing provided by MLH, they would be homeless.

In several ways this kind of SRO resembles an elderly housing building. More than simply shelter, it offers social services that help its residents get by. The people who live there appreciate it as a good place to live, especially in comparison to their alternatives. Most stay there as long as possible. In the case of Malden Arms, the residents like the building even more since the renovation, as reflected in the low vacancy rate. In September 2013, only three of the Malden Arms' eighty-three units were vacant. Forty-two of the apartments were occupied by people who were living in the building prior to the rehab.

Conclusion: Supportive Housing in Uptown and Beyond

The relationship of the Malden Arms Apartments to its neighborhood is unusual. In most places, neighbors oppose the development of housing for poor people. In Uptown, however, neighborhood activists organized the group that converted and

upgraded apartment buildings to SROs, including the Malden Arms apartment building. Twenty years later, the number of upper-middle class white-collar families who owned their own residences – either houses or condominium apartments – had increased greatly. Many of these behaved like homeowners everywhere and were most concerned about having a safe community for people like themselves.

In 2011 Helen Shiller retired from the aldermanic seat. In contrast to her ardent community activism, the two leading candidates to replace Shiller emphasized public safety and business development. The winner of the election, Jim Cappleman, is hardly a conventional conservative. The new alderman is openly gay and a licensed social worker, and, according to his website, co-founded a homeless shelter that provided care for people living with HIV/AIDS. Nonetheless, he recently attempted to shut transient hotels in Uptown and to stop a Salvation Army mobile food truck from circulating through the neighborhood to serve homeless people. Although Cappleman insists he is not against the homeless, it is clear that he is reflecting Uptown homeowners' fears and dislikes of homeless people.⁴⁹

The Malden Arms Apartments in particular, however, seems to be accepted by its well-to-do neighbors. On a recent warm September day, a mother and her children happily played in the front yard of the condo apartment building next door to the Malden Arms. They seemed oblivious to the comings and goings of the Malden's

⁴⁹ Will Guzzardi, "46th Ward Aldermanic Runoff: Molly Phelan, James Cappleman Spar Over Ward Spending," *Huffington Post Chicago*, November 2, 2013, http://www.huffingtonpost.com/2011/03/30/46th-ward-aldermanic-runo_n_842813.html; "Meet James," James Cappleman website, <http://james46.org/46th-ward/meet-james/>; Mark Brown, "Ald. Cappleman Orders Salvation Army To Stop Feeding the Poor in his North Side Ward," *Chicago Sun-Times*, April 4, 2013.

residents. Inevitably, however, misunderstandings arise between neighbors of vastly different perspectives. A few years ago, for example, members of a community garden accused the Malden Arms residents of stealing from another person's plot, but the Malden Arms gardeners had observed that the plot was abandoned and therefore thought it would be a waste to let the neglected vegetables rot. Perhaps the best evidence of the community acceptance of the Malden Arms is that Alderman Cappleman praises the MHL properties as well run operations and criticizes other homeless agencies.⁵⁰

MHL's leaders appreciate the compliment but reject the idea that MHL operates in isolation from other providers. They consider MHL's supportive housing to be only one component of an overall system for helping the homeless and would-be homeless. In that system, overnight shelters meet immediate short-term needs; transitional housing a place to stay over a period of time and help with moving to a long-term independent living situation; supportive housing provides a long-term home along with the services without which the resident would not be able to live independently.⁵¹

In this context, the larger question is whether the condominiums and townhouses of Uptown – and other places in America – can accept that only the full range of facilities can help people in different stages of homelessness.

Note: The author is grateful to Helen Shiller for sharing historic documents and newspaper clippings pertaining to the Lakefront SRO's original development of the Malden Arms Apartments as a single-room-occupancy apartment building.

⁵⁰ Feuer-Crystal, interview; Holler, interview.

⁵¹ Holler, interview; Mastracci, interview.