

FAIR HOUSING OPPORTUNITIES—

Chicago is experimenting in two renewal projects

FERD KRAMER, President of Draper and Kramer, Incorporated—the firm managing two Chicago Title I developments being leased on an open-occupancy basis (Lake Meadows and Prairie Shores)—presented the following address at a November meeting of NAHRO's Potomac Chapter. Mr. Kramer's talk touched off a lively question-and-answer period; some of the questions Mr. Kramer answered are reproduced on pages 32 and 34.

For the past 30 or 40 years, we urban dwellers have been pursuing the most wasteful, ridiculous way of life that one can possibly imagine. We have done so for a variety of reasons, two of which are: a reluctance to accept the annoyances of bad municipal house-keeping and a fear of the unknown: that is, apprehension about living in the same neighborhood with a member of a minority group. We have given up a convenient, economical place to live, which also has at hand the long list of cultural advantages to be found in a great city—art, music, theatre, museums, the stimulation of great universities, and so on—for expensive suburban living, with its relative dearth of cultural advantages . . . and with the fatigue of commuting daily added on.

It has been only recently that experience seems to show that it is possible to replan and rebuild our cities so that most of the people—that is people in the middle-income bracket—can again live in a convenient and economical location. And I believe it is being proved that, without coercion, such city living can be brought about for all people, regardless of their race, creed, or color.

For what it is worth, I will give you a brief sketch of what has been happening in one centrally located area in Chicago. I do so with some trepidation because the experiment is not complete. It hasn't been in existence long enough to prove without a doubt that it will be successful. And it still does not encompass the broad spectrum of the population that is necessary for the building of a whole new community.

Early Days

At the turn of the century, one of the finest places to live in the entire city of Chicago was the near south side. In a relatively concen-

trated portion of this near south side lived many of the people who made Chicago great: the Pullmans, the Armours, the Swifts, and the Fields. (I might add that the Kramers lived on the fringe of this area.) It was an ideal location: on the shore of Lake Michigan, with in easy access to the Loop, and just midway between the Loop and the great University of Chicago. In this area, there grew and flourished two important institutions: Michael Reese Hospital and Armour Institute, which later became the Illinois Institute of Technology. As the neighborhood grew older, its fine homes became obsolete. Negroes, imported from the south by the packing companies, started moving into the periphery of the neighborhood and soon there was a general exodus of white people from the area, generally to the edges of the city. The downward change in this neighborhood began about 1915.

To Stay or Go?

The deterioration took place rapidly, so that, in the 1940's, both Michael Reese and the Illinois Institute of Technology felt that their situations were critical. At that time, they felt they had to decide whether or not to flee this neighborhood. The majority opinion of the directors of one of these institutions was that, since their institutions had indeed been entirely engulfed by the slums and by the Negro ghetto, they could not hope to survive in this area; therefore, they would have to move. However, when the costs of moving, the costs of replacing all the present buildings, plus the costs of the additional facilities that were so badly needed were added up, both institutions discovered that a move would be so costly that it would be impossible of accomplishment. They decided the economical procedure would be to stay and use all their resources, financial and polit-

ical, to improve the areas in which they were located.

Momentous Beginning

Two momentous things happened almost at the same time. One, Michael Reese Hospital decided to hire a full-time planning staff and, two, in 1945 the Illinois Institute of Technology and Michael Reese jointly decided to form the South Side Planning Board, a citizens' organization to replan the area from the New York Central tracks just west of Illinois Tech to the lake, and from 12th Street to 47th Street, an area of about seven square miles. These decisions were all made before there was either state or federal redevelopment legislation, which, of course, would be necessary to implement any plan that these organizations might draw up.

The most important and significant step that was taken was the publishing of a brochure entitled *An Opportunity for Private Investment in Chicago*, which was largely the creation of Reginald Isaacs, then planning director of Michael Reese Hospital and now head of the department of city planning at Harvard University. This booklet set forth a detailed plan for the redevelopment area. It showed the individual buildings that might be put on the land. It even had detailed statements on costs of land, utilities, and construction; on rentals; and on operating expenses—all designed to show that the realization of the plan was economically feasible. The interesting and most unbelievable part of this story is that there is a striking similarity between this plan, drawn up in 1945, and the actual developments that have been constructed and are now actually being used.

A four-pronged attack on the redevelopment of the area was begun in 1945. One, a 30 million dollar rebuilding program, pushed with great vigor by the Illinois Institute

of Technology; two, a 20 million dollar rebuilding program for a completely new campus for Michael Reese Hospital; three, a 35 million dollar, 100-acre Lake Meadows development, consisting of 2000 dwelling units, a shopping center, and recreation facilities, now completed, by the New York Life Insurance Company; and, fourth, a 20 million dollar, 1700-family dwelling unit project known as Prairie Shores. The satisfactory accomplishment of each part of this program was essential if the entire program were to prove successful over the years. In other words, it would have been throwing money away for either Michael Reese or Illinois Tech to pour more money into their cam-

puses unless the surrounding areas were to be improved, so that students and patients and employees alike would not only feel safe going through the area to these institutions, but, what is just as essential, that there would be modern living accommodations close to their work at rentals they could afford to pay. The interdependence of these projects, one upon the other, is illustrated by the fact that neither the New York Life Insurance Company nor the investors in Prairie Shores would have started their projects had not Illinois Tech and Michael Reese embarked upon theirs.

Housing Goals

The developers of the two gigantic housing projects in this area

had a number of things in mind. One, they wanted planned developments that would provide the light, air, and greenery that had never been made available in the city before; two, they wanted the rentals to be such that the projects could be made available to middle-income people; three, they wanted their fine modern apartment developments, which would be replacing a Negro slum, not to become a Negro ghetto; and, fourth, they wanted ancillary facilities to be provided to make this area an attractive place to live: they wanted shopping, educational, and recreational facilities.

In the early stages, by far the most difficult objective to attain was a fully integrated neighborhood. This program, certainly difficult as it was, was made more difficult, I believe, by fortuitous circumstances. The original plan provided for clearing the entire area to be developed by the New York Life Insurance Company. Unfortunately, a small adjoining area that was to be developed by other people was cleared and made available first. But, when the land was offered to these people, they decided not to go through with the deal. The city then asked the New York Life Insurance Company to take over this area and to start building at once. The New York Life Insurance Company complied with this request, with the result that we were trying to rent apartments in a sea of rubble, with part of the slums nearby still standing and occupied. Thus, it was very difficult, almost impossible, to get white people to move into this area. The only reason we (my firm was active at this time as management agents for the New York Life Insurance Company) could get self-respecting Negroes to move in was because, at that time, they were so desperate for decent housing that they would rent good housing in any kind of a neighborhood.

First Open Occupancy Effort

In an effort to stimulate white occupancy in these first 500 units, we ran advertisements setting forth the attractive features of these apartments and the extremely favorable rent scale. We gave the address and telephone number of our Loop office and kept the office open on Saturdays. We hoped to get the opportunity to talk to the people who might respond. We knew that, if we just gave the ad-

FERD KRAMER TURNS "ANSWER MAN"

What kind of promotion campaign did you have?

We put on a real campaign to secure a more balanced occupancy, i.e., a greater proportion of white tenants at Lake Meadows. (a) Two able young men with master's degrees were hired; (b) we canvassed employers, institutions, public school teachers; (c) we distributed brochures; (d) we held special open houses for special groups; (e) we advertised on the local FM radio station, which carries cultural programs—poetry, music, drama, and the like: this last approach produced greater results than any other technique.

What did you mean when you said you had "a quota system in reverse?"

There was no nonwhite quota system used at Lake Meadows or Prairie Shores. At this time, Prairie Shores is so popular that we have all of the white applicants needed and a priority is given to qualified Negro applicants in order to keep the balance of about 80 per cent white and 20 per cent nonwhite. The non-white lag came about because of a very substantial expansion in the past five years of housing opportunities in Chicago for Negroes with adequate income.

If a quota on nonwhites were found necessary, when should nonwhites be admitted? After the white residents have been housed?

No, there should be open occupancy from the beginning.

Has there been a shift in the racial balance of the buildings?

No.

Has there been an effort to raise the low white percentage in the first Lake Meadows buildings?

While additional buildings at Lake Meadows and Prairie Shores were being constructed, no effort has been made. Now there are some opportunities for this.

How does the rate of turnover compare with that in other properties your firm handles?

At Prairie Shores, priority was given to Michael Reese internes and residents. This means substantial turnover every July for this group. The rate of turnover for the other units is about the same as in buildings elsewhere.

dress of the property, of course, it would immediately identify it as a Negro slum. Our switchboard was flooded with calls because of the attractiveness of what we were offering: apartments in an elevator building, a view of Lake Michigan, rentals 40 per cent below anything comparable in the city. We did get many interested people to come into the office. We got a few to go out to take a look. But most of those who telephoned, when told of the address, would say, "I'm broadminded, but not that broad-minded" . . . and then hang up.

In the first 500 units, I believe there were only a dozen white families: a very dismal start. However, as the area was further demolished and as the next buildings were built, a larger number of white tenants moved in. The first 22-story buildings ran about 25 per cent white occupancy; the last 22-story building, about 50 per cent white occupancy.

Prairie Shores

After the New York Life Insurance Company project had gone well past its mid-point, the Prairie Shores project got under way. When its first building came on the market, one could already see the beautiful new campus of Michael Reese on its eastern border and the magnificent New York Life Insurance Company project on its southern border. Therefore, Prairie Shores found it a great deal easier to attract white tenants than had been the early experience at Lake Meadows.

The Prairie Shores development is now running about 80 per cent white occupancy. This percentage was attributable, I believe, to one additional factor. At Prairie Shores, we give a priority of occupancy to staff and employees of Michael Reese Hospital. We held an open house for the Michael Reese people before we opened it to the public. As a result, about 45 of the first 50 approvable applications were white. Therefore, when it was opened to the public and a white applicant asked us what the percentage of Negroes would be in the project, we could say that "at the present time, it is running over 75 per cent white." We found this answer to be tremendously important in giving white people the kind of assurances that they thought they should have. The first building of 342 units, when rental was completed in 1958, had 77 per cent

Photo courtesy of Draper and Kramer



Prairie Shores (above) and Lake Meadows (below) are the open-occupancy developments managed by Ferd Kramer's firm on Chicago's south side.

Photo courtesy of Chicago Land Clearance Commission



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What about schools and other community facilities?

Adequate community facilities, ready on time, are most important. Lack of these facilities, especially schools and recreation, was a problem. In this area were the worst schools—old, antiquated buildings; overcrowded classes; low quality of teaching. Boards of education do not seem to want to provide schools in advance; they want to wait until they can count the children. We did succeed in getting an elementary school built on the development, with grades 1 through 6. The development has its own cooperative nursery school.

After waiting a long time for park and recreation officials to act, we purchased land for recreation facilities, to be operated by us in cooperation with Michael Reese.

Do you plan to build three- and four-bedroom apartments for large families?

I don't believe high-rise developments are suitable for families with children. These families should be housed in single-family units or garden apartments; some of both of these are planned.

Is there public housing nearby? If so, what effect, if any, has it had?

There are two public housing projects quite close by, which have had no effect on the success of our development. Public housing, per se, is no hindrance as a complement to middle-income housing. But thousands of public housing units, in one area, is deplorable. In the past ten years, all of Chicago's public housing, planned as well as constructed, is on the south side. Regardless of the factor of race, this is socially not good either for the total community, the immediate neighborhood, or public housing residents themselves.

You said the less fanfare, the better. What was the attitude of the press?

The press in Chicago was fair with publicity and pushed the project. It mentioned, but did not fuss over, the open occupancy feature.

What about suburban bars against nonwhites?

Relaxation of the bar against nonwhites in the suburbs, to accomplish more housing at the middle-income level in inlying areas would be of great help. There is no argument about it. It is coming about. But it is a slow process.

If your housing hadn't been a bargain, would it have been a success in open occupancy?

It is hard to say that the price of the housing is the biggest success factor but certainly economic advantage is most important.

Do the tenants participate in various community activities, on an integrated basis?

While our tenants, as a group, are not organization joiners to a large extent, they do participate, together, in the development's programs, such as the nursery school and similar activities.

What can the federal government do for such developments?

What the federal government can and should do for faster progress with developments like Lake Meadows and Prairie Shores is not a difficult question. Norman Mason knows my position on this. It is to make mortgage money available at rates making for rentals to serve such a market.

Is it true that you moved to Prairie Shores?

Yes, we sold our home in the suburbs and moved in. It's very good living!

white occupancy. Two more similar units have been completed and they are running about 80 per cent white occupancy. Many people ask if we have a quota system. The interesting thing is that now we have what you might call a quota system in reverse. The occupancy could easily run over 80 per cent white (which we do not want) because we have so many more qualified white applicants than we have Negro applicants. We have, therefore, made a special effort to procure qualified Negro applicants.

We are now in the final stretch of completing the Prairie Shores project, with two more buildings under construction. Complete assurances of success cannot, in my opinion, be achieved until all the slums in the area have been squeezed out and many more buildings constructed. The vast majority of apartments so far built have been efficiencies and one-bedroom and two-bedroom apartments—plus a few three-bedroom units. If we are to have a stable neighborhood, we must have more apartments suitable for family living, particularly for families with children. This means many more garden-type and rowhouse developments, many with three and four bedrooms. We must have more schools, particularly high schools; more churches; and more parks and recreational facilities. We hope to embark on a development of this type in the very near future.

One last word. This is the first speech I have made on this subject and I thought quite awhile about it before I accepted the invitation. I believe firmly that the less fuss, the less of a spectacular that one makes of this pioneering effort, the easier it is of accomplishment. The people who live at Prairie Shores do not think of themselves as pioneers. They are a group of solid citizens, 80 per cent of them with incomes from \$4500 to \$8000, who recognize the great advantages of living in the central city, who know a good buy when they see one, and who take pride in the fact that, for the first time, they have the opportunity of residing in an apartment development where the facilities and maintenance are comparable to the finest buildings on Lake Shore Drive, our Gold Coast, and where the tenant selection policy assures them of neighbors who appreciate fine living accommodations.