Comprehensive Plan
for Economic Growth
and Neighborhood Vitality

Investing to Make Chatham, Auburn Gresham,
Greater Grand Crossing and Avalon Park
Communities of Opportunity and Choice

Greater Chatham Initiative Leadership Committee
June 2016
A Message from the Leadership Committee

Greater Chatham has historically been the heart of Chicago’s African American middle- and working-class community and the source of its leading businesses. Today, it has enormous assets – a skilled workforce, thriving business and consumer services, quality housing and amenities. Yet it is also at a defining moment, challenged by the loss of middle-income jobs, a frozen housing market and changing neighborhood demographics – all most starkly manifested in its recent, unprecedented spike in gang violence.

In this context, local and regional civic, political and business leadership convened to establish a plan to put Greater Chatham back on course – for itself and for the Chicagoland region. The timing is right. The world is rapidly changing. The challenges facing Greater Chatham flow from fundamental shifts in the 21st-century global economy. While highly disruptive, these changes are also creating vast opportunities. The “next economy” is increasingly centered in metropolitan regions like Chicagoland, where new industries and occupations are emerging and economic activity is moving towards dense, well-connected communities. Forward-looking regions are implementing deliberate, market-based plans for developing their unique concentration of economic assets and making the transition to the next economy. Their neighborhoods need similar plans. This is the moment to take strategic action to ensure that the economic, cultural and social assets of Greater Chatham benefit from opportunities of the next economy, and continue to create prosperity for residents and for Chicagoland as a whole.

Over the past two years, more than 250 people and institutions, in five working groups, have come together to create this Comprehensive Plan for Economic Growth and Neighborhood Vitality. The Plan is distinctly focused on the economics of thriving regions and communities: on high-growth industrial clusters and shifting labor markets, on neighborhoods’ roles and assets within the regional economy, on where new economic value is being created and on how to participate in it, drive it and capture it. The Plan also aspires to be distinct as a “neighborhood business plan,” translating the opportunity it identifies into market-based products and enterprises tailored to the assets and potential of Greater Chatham. The point is not the Plan, but the business it launches – the Greater Chatham Initiative – to invest in the people, firms and places of Greater Chatham and reconnect them to economic growth.

Metropolitan Chicago is finding its transition path to the next economy through implementation of World Business Chicago’s Plan for Economic Growth and Jobs (PEGJ), Cook County’s Plan for Prosperity (P4P) and related initiatives. One of its greatest challenges, however, is that the regional economy is increasingly polarized. Some industries, populations and geographies are thriving while others are disconnected and underperforming. In
fact, to make this transition and achieve sustainable economic growth, regions need their neighborhoods to develop and deploy their workers, businesses, real estate and other assets into regional markets; and to provide different segments of the regional population with attractive places to live. This corresponds to the two critical, and complementary, functions of healthy neighborhoods: to be places of opportunity (connecting their residents and businesses to regional markets) and of choice (attractive places to live). Chicagoland needs Greater Chatham to succeed.

And, of course, Greater Chatham needs Chicagoland to succeed. It encompasses many of the most asset-rich – but recently underperforming – neighborhoods in the City. As Chicagoland finds its place in the next economy, Greater Chatham needs to be part of that transition path – an integral component and driver of linked neighborhood and regional prosperity. Each community in the region has to contribute to the creation of an economic whole greater than the sum of its parts. This is that plan for Greater Chatham.

The Plan pilots a new, ambitious model, and creates a new type of institution to carry it forward. Nothing less is called for, or would match the scale of opportunity. The Plan’s 16 strategies and dozens of implementation initiatives introduce new programs that address 21st-century workforce, housing and business opportunities; coordinate and tailor a wide range of existing programs; bring regional strategies and initiatives, developed as part of PEGJ and P4P, to ground in the community; and pilot new partnerships and products which can be adapted and replicated to develop similar opportunities in other Chicagoland neighborhoods.

This Plan would not have been possible without the extraordinary contributions of the many people and organizations listed on the following pages. In addition, we especially thank Congressman Bobby Rush for setting this process in motion and providing key leadership throughout; Michael Sacks and World Business Chicago for supporting and being lead partners in the process; and RW Ventures, LLC, Prim Lawrence Group and Sally Armbruster for managing and staffing the work. Further, we are grateful for the support and contributions of Mayor Rahm Emanuel, Cook County Board President Toni Preckwinkle and City Treasurer Kurt Summers.

This unprecedented level of civic, public and private collaboration reflects that Greater Chatham occupies a special place in the region’s economy, and the entire region has a stake in its future. Getting it right in Greater Chatham will carry us a huge step toward getting it right everywhere. Please join us by investing in the rich assets of Greater Chatham. Together we can both reinvigorate a historic and vital community, and strengthen the Chicago region.

Sincerely,
Leadership Committee, Greater Chatham Initiative

Marlow Colvin  
Co-Chair  
Vice President of Governmental Affairs  
ComEd

Terry Peterson  
Co-Chair  
Vice President, Corporate and External Affairs  
Rush University Medical Center

Alicia Spears  
Co-Chair  
Founder and Executive Director  
Business and Economic Revitalization Association (BERA)
Greater Chatham Leadership Committee and Advisory Groups

LEADERSHIP COMMITTEE

Michael Bennett
DePaul University

Marlow Colvin*
ComEd

Derek Douglas
University of Chicago

Eiran Feldman
South Side Community Investors Association

Melinda Kelly
Chatham Business Association

Greg Mooney
Gary Comer Youth Center

Carlos Nelson
Greater Auburn Gresham Development Corporation

Terry Peterson*
Rush University Medical Center

Allison Porter-Bell
BMO Harris Bank

John Ramirez
World Business Chicago

Alicia Spears*
Business and Economic Revitalization Association

Keith Tate (Maryellen Drake)
Chatham Avalon Park Community Council

Darlene Tribue
Park Manor Neighbors’ Community Council

Zuli Turner
Young Achievers Academy

Andrea Zopp
City of Chicago, Mayor’s Office

* Indicates co-chairs
Development of the plan was informed by more than 250 stakeholders, who participated through one-on-one interviews, small group discussions and involvement in five committees: Business Development, Workforce Development, Housing, Youth and Support Services, and Public Safety.
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<th>Kathy Summers</th>
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<td>Herb Smith</td>
<td>Rev. Janette Wilson</td>
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<td>Janet Smith</td>
<td>Ryan Wilson</td>
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<td>Thurman (Tony) Smith</td>
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<td>Brian Soyk</td>
<td>Simone Woods</td>
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<td>David Spievogel</td>
<td>Alfonza Wysinger</td>
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<td>Karin Norington</td>
<td>Robert (Bo) Steiner</td>
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Greater Chatham holds a unique place in the history, culture and economy of metropolitan Chicago. For decades, it has been the heart of the region’s African-American middle-class population, primarily as a set of amenity-rich bedroom communities, but also as the home of many leading African American-owned businesses and prominent figures in arts and culture.

In recent years, Greater Chatham has been confronting new challenges, in the context of disruptive changes in the national and local economy. The number of middle-income jobs in the US economy has shrunk, including middle-wage public sector jobs, with a disproportionate impact on the African-American middle class. The aftermath of the national foreclosure crisis is painfully evident in Greater Chatham’s “frozen” housing market. At the same time, the area is witnessing the in-migration of a lower-income, lower-skilled population looking for higher-quality housing options and better quality of life.

More broadly, the onset of the “next economy” requires that metropolitan areas chart new paths to prosperity, based on their unique assets. These assets largely are located in neighborhoods, which provide opportunity and serve regional growth through connecting their residents, businesses and real estate to regional markets. Neighborhoods also provide specialized packages of amenities to attract and retain various populations essential to the region — serving as “neighborhoods of choice.” Neighborhood and regional prosperity are thus intertwined and co-dependent. For Chicagoland to fully chart and achieve its trajectory in the next economy, Greater Chatham must do the same — and the two must be fully aligned.

This Comprehensive Plan for Economic Growth and Neighborhood Vitality was developed to address these challenges, take stock of the community’s assets and chart a prosperous path forward. The Plan details how Greater Chatham can develop and deploy its assets to enhance its status as a community of opportunity and as a community of choice.

While it faces significant challenges, Greater Chatham has enormous assets that are critical to the metropolitan Chicago region. With strategic investment, Greater Chatham can claim its place in the 21st-century economy as a home for skilled residents employed in well-paying, high-growth industries, a center of business and consumer services and a vital source of innovation and entrepreneurship, all leading to prosperity for itself and for the region.
THE GREATER CHATHAM INITIATIVE

Aims of the Plan
The Greater Chatham Initiative is a necessarily ambitious undertaking. This Plan aims to make the community one of both opportunity and choice by:

- Connecting and aligning the residents and businesses of Greater Chatham with the Chicago region’s next-economy growth opportunities, including strategies that range from increasing residents’ skills to take advantage of high-demand occupations in manufacturing, business services and other regional growth industries, to growing the local businesses that participate in these clusters;
- Enhancing the position of Greater Chatham’s neighborhoods as communities of choice for (and hubs of successful businesses owned by) the region’s African American middle class by:
  - Revitalizing and upgrading housing, stabilizing underwater homeowners and enabling new homeownership; and
  - Enriching the community’s array of retail, support services and other community amenities;
- Leveraging public-sector investments in safety, schools, parks and other infrastructure to set the stage for attracting, growing and sustaining private-sector investment; and
- Creating a next-economy civic infrastructure that connects community residents and businesses with regional stakeholders in fluid, flexible and innovative networks that are accountable to (and can develop and deliver mutually reinforcing products for) both communities and markets.

This Plan pilots a new approach to integrated neighborhood and regional development, tailored to the assets, dynamics and economics of the next economy. As such, it also aims to establish model, replicable programs – and coordination across existing fragmented programs – which can be adapted to other neighborhoods in Chicago, and can align and scale neighborhood development as an integral part of regional development.

16 mutually reinforcing strategies
In-depth market analysis and extensive engagement of neighborhood and regional stakeholders, as well as national experts, have been synthesized and distilled into a set of sixteen mutually reinforcing strategies in six categories. These strategies are tailored to the assets and opportunities in Greater Chatham and will achieve the vision articulated above. Each strategy is described in more detail in Chapter III. Note that these strategies reflect the existing state of the community and region and will necessarily need to be revisited and revised over time, as Plan implementation achieves positive change in the community.
The Greater Chatham Initiative Plan
16 mutually reinforcing strategies

Human capital / Workforce development
1. Return middle-skill adults to middle-class jobs through employer engagement and specialized, industry-driven training.
2. Connect job-ready youth with employment opportunities and employer-driven training.
3. Increase the job-readiness of youth who face barriers to employment.

Business development
4. Target business and industrial land development toward high-priority regional clusters.
5. Grow Greater Chatham’s concentration of Business-to-Consumer (B2C) firms.
6. Develop retail and consumer service amenities tailored to desired residents.
7. Support entrepreneurship and innovation districts.

Housing
8. “Unfreeze” the for-sale, single-family housing market.
9. Stabilize and improve the quality of multifamily rental properties.
10. Revitalize concentrations of troubled properties through transformative “priority zone” investments.

Public safety
11. Target public safety challenges through heightened community engagement.
12. Reduce youth violence through prevention, intervention and interruption efforts.
13. Create more “safe spaces” where youth, families and seniors can learn, play and socialize.

Support services and amenities
14. Improve educational offerings that are attractive to working- and middle-class families and responsive to residents.
15. Expand health and other support services for youth, families and seniors.

Civic capacity/Institutional environment
Background and context

How healthy neighborhoods change

Neighborhoods are always in motion. Even stable communities – starter-home communities, for example – must continually renew their residents, their housing and their businesses. The way a neighborhood changes depends on the interactions between its local assets (including its residents, businesses and built environment) and the larger systems that influence whether these assets are deployed and their value realized: political, social and particularly economic systems. These dynamics can drive mutually reinforcing “virtuous” cycles of growth or “vicious” cycles of decline.

This holds true for the neighborhoods that make up Greater Chatham. They do not have economies of their own – they prosper or falter according to their level of participation in the larger Chicago metropolitan economy. When their residents and businesses are included in and contributing to labor, business, real estate and other markets that are largely regional in scope, then the neighborhoods encompassed by Greater Chatham can thrive.

Healthy neighborhoods play two distinct and mutually reinforcing roles in their regions:

1. Becoming communities of opportunity that develop and deploy their residents, businesses and other assets into regional markets; and
2. Serving as communities of choice that attract and retain particular segments of the region’s residents.

Change in the regional economy

Metropolitan Chicago’s regional economy is also in motion. As the “next economy” arrives, entirely new industries are emerging, labor demands are shifting, and people and firms are moving back toward denser living patterns.

These and other changes are creating new challenges and opportunities for neighborhoods. Understanding these dynamics is essential for local communities, in order to take strategic action that ensures participation in the region’s next-economy trajectory. Communities need to assess regional economic trends continually, making sure that neighborhood assets are connected to and competitive in the changing regional marketplace.

Ensuring neighborhood growth is important to the entire Chicago region. One of metropolitan Chicago’s greatest challenges is that the economy is developing unevenly: some industries, locations and populations are thriving while others are left out or stuck in declining legacy economic activities. This is a common pattern across US regions but it is particularly entrenched in the Chicago area, where it wastes valuable assets and incurs the high costs of poverty. Sustainable economic growth requires inclusion: broad participation of the people, firms and other assets throughout the neighborhoods is essential to the region as a whole.

These changing, interdependent dynamics are at the heart of the Greater Chatham Initiative’s comprehensive growth plan. The Plan’s primary message is simple: the region and its neighborhoods need each other in order to grow. For metropolitan Chicago to prosper, it needs Greater Chatham – and all of the region’s other communities and neighborhoods – to be healthy, vital and engaged in regional economic activity. At the same time, for Greater Chatham to thrive, it must be closely, deliberately and sustainably participating in regional economic growth opportunities.

Existing economic growth plans

Fortunately, metropolitan Chicago has several comprehensive, complementary regional plans well underway, helping to drive next-economy growth in the region (see page 5). Initiatives based on these plans are currently:

- Targeting certain high-growth industries (e.g., Metal Manufacturing; Business Services and Headquarters; Transportation, Distribution and Logistics; Food Manufacturing and Packaging, etc.);
- Supporting better training and matching of workers to high-potential occupations and industries (e.g., Skills for Chicagoland’s Future, 1000 Jobs);
- Enhancing innovation and entrepreneurship dynamics (e.g., 1871, Digital Manufacturing and Design Innovation Institute);
- Strengthening the co-location and connectedness of economic activities (e.g., Fulton Market Innovation District); and
- Fostering collaborative, cross-sector governance (e.g., the Plan for Economic Growth and Jobs steering and strategy committees; coordinated economic development work by the region’s seven county governments and economic development agencies, along with the City and World Business Chicago).
Why Greater Chatham? Why now?

A community at the region’s heart

For the last half of the 20th century, the neighborhoods of Greater Chatham were communities of choice for the region’s African American middle- and upper-class population. Greater Chatham constituted a thriving and vibrant bedroom community, home to multi-generational families continually refreshed by new residents attracted to good schools, safe streets, a close-knit community and access to jobs. Residents prospered through employment in middle-skill and professional jobs in business and government, by building successful businesses and through the growing wealth represented by their homes.

The character of Greater Chatham has begun to change significantly in the past 10 to 15 years, threatening its prosperity and its neighborhoods’ status as communities of opportunity and choice within the Chicago region. These challenges arise out of a mix of forces operating at the macro and local levels.

Like many Americans, many long-time residents are struggling economically in the wake of the Great Recession. The middle class has shrunk nationally as the next economy takes shape and labor markets restructure, a dynamic that has had a particularly acute effect on African Americans, especially in Chicago. The housing market is frozen in the aftermath of the national housing and financial market crises, another phenomenon that has disproportionately affected minority communities nationwide. Some newer residents have lower income and skill levels than longer-term residents, and face inadequate social supports in a community where these had not previously been necessary.

These factors have culminated in lower employment and income levels, reduced housing investment, public safety challenges and a deteriorating social fabric. Greater Chatham thus faces a critical moment in its trajectory – an inflection point at which concerted strategic action has the potential to “bend the curve,” while inaction will lead to continued deterioration.

Despite these threatening trends, Greater Chatham is still great: its residents are relatively well employed and highly skilled; it has thriving businesses and commercial centers; its housing stock is generally attractive; it has strong infrastructure and many amenities; and its historic sense of community lives on. Leveraging and reconnecting these assets to emerging economic opportunities throughout the region can create a virtuous cycle of growth for Greater Chatham and the region.
The Greater Chatham Initiative

A beacon for the South Side

Reinvesting in and revitalizing Greater Chatham is critical not only to each of its constituent neighborhoods, but also to the region. Chicago needs a strong African American middle class for the region to prosper. The City’s South Side needs to be rewoven into the region’s economic fabric. Its businesses, real estate and other assets have been under-invested and under-valued. Greater Chatham presents the right opportunity from which to start building outward to connect more of the City’s South Side – and especially those nearby neighborhoods that face greater challenges and have fewer market-ready assets – to regional economic opportunities. Investing in and leading from the strengths of Greater Chatham can create a cornerstone for inclusive economic growth on the South Side and throughout the region.

Greater Chatham is well positioned to connect to forward-looking opportunities in the regional economy and play a critical role in reconnecting the South Side more broadly. Market-based development – the foundation of this Plan (see Chapter I) – builds from existing assets, of which Greater Chatham has a rich and varied supply. It is home to a large middle-skilled workforce; provides easy access to firms and jobs in growing clusters (including access via plentiful public transit options); and boasts a deep-rooted entrepreneurial culture. It has largely remained a neighborhood of choice for the region’s African-American middle class, bolstered by an abundance of high-quality, affordable housing, a concentration of retail and services and highly engaged residents and neighborhood organizations.

A period of exceptional civic dedication

Greater Chatham is experiencing a moment of unprecedented engagement – momentum and commitment to invest strategically in a new path for growth. Individuals and organizations from within the neighborhood and across the City, region and state (as well as national leaders in various aspects of growth and development) are at the table and prepared to act. The public, private and civic sectors are collaborating at unprecedented levels to ensure that their efforts are aligned and coordinated in ways that are high-impact and mutually reinforcing. The escalating violence in the community has been a catalyzing event, triggering stakeholders throughout the neighborhoods and region to think big, act boldly and get things done – forging champions to reshape the trajectory of Greater Chatham.

A new, replicable approach

At this critical place and moment in time, Greater Chatham thus offers an extraordinary opportunity to pilot a new approach to sub-regional growth planning. Many of the challenges and opportunities faced by its neighborhoods are universal: demographic and economic forces that reach far beyond its boundaries are affecting communities across the city and region. The model solutions developed for Greater Chatham (new investment vehicles and financial products, employer partnerships and programs, cluster-based business development, targeted amenities and support services and much more) and the concrete partnerships to link and deliver them can be readily adapted to and replicated in other areas of...
Scaling this approach beyond Greater Chatham can ultimately engage all of the region’s communities more fully in next-economy growth opportunities.

**Engagement: Developing the Plan**

The Greater Chatham Initiative Plan is essentially a neighborhood business plan and, like all business plans, it will always be a work-in-process. The current Plan results from an intensive six-month effort made possible by the participation of over two hundred individuals and organizations deeply committed to a prosperous Greater Chatham. Stakeholders provided extensive data resources, program knowledge, on-the-ground intelligence, market assessment, and identification and vetting of strategies and initiatives.

The primary vehicle for this engagement has been five Advisory Groups formed around key areas of exploration and strategy development:

- Business development
- Workforce development
- Housing
- Public safety
- Youth and support services

Membership in these groups includes local residents and businesses; local and regional organizations actively engaged in work related to each Advisory Group’s area of focus; representatives of relevant City, County and State departments and agencies; and national leaders and subject-area experts in topics such as housing and small business finance, retail development, youth services and others. Each of the Advisory Groups convened on multiple occasions, sub-groups were formed and met to explore narrow topics, and subject-area experts and local actors were engaged one-on-one as needed.

From the outset, when Congressman Rush convened leaders from throughout the region, the project has also had active, high-level participation from the offices of the Governor, County Board President and Mayor.

The stakeholders involved in the creation of the Plan have contributed substantial time, energy and wisdom to identify a viable path for growth in Greater Chatham. Their efforts launch an ongoing, long-term process of growth planning and implementation for the community. This Plan should be a living document – one that will evolve over time as conditions change, new initiatives and enterprises are designed and implemented, impacts are achieved and measured, and so forth, in an iterative cycle. The point is not the Plan itself but its implementation and evolution as more and deeper stakeholder engagement takes place, and the community manages implementation and continuous improvement.

**Outline of the Plan**

**Chapter I** provides an overview of the economic foundations of the Plan. It describes the changing dynamics of growth in the next economy and the role that neighborhoods play in regional growth, and derives specific implications and market levers for driving comprehensive, inclusive economic growth at a community level.
Chapter II provides a market assessment examining the historical and current performance of Greater Chatham through the lens of the market levers identified in Chapter I. It describes the area’s evolving role in the context of the broader regional economy, as well as how its changing demographic, business and other characteristics have shaped it as a place to live. This chapter identifies the challenges and opportunities that Greater Chatham faces in charting a prosperous trajectory in the next economy. It provides the rigorous, fact-based analysis necessary to devise strategies that are viable and transformative.

Chapter III articulates sixteen mutually reinforcing, high-level strategies derived from the market assessment laid out in Chapter II. Implementing these coordinated strategies will set Greater Chatham on a path toward economic prosperity through connection to the highest-potential opportunities in the regional economy and resurgence as a community of choice.

Chapter IV outlines the lead implementation initiatives and proposes a collaborative institutional framework to manage and begin implementing the Plan, and to ensure its long-term success and sustainability.

This Plan is a vehicle for prioritizing, guiding and aligning strategic action, and reflects the vitality and enormous opportunity represented by the community. As the Plan is implemented and continues to develop, it promises to transition Greater Chatham into a vital, prosperous set of neighborhoods of opportunity and choice that drive growth for its residents and businesses, as well as for the region.
In recent years, researchers and practitioners have learned a great deal about the dynamics that drive economic growth in the “next economy.” They have paid particular attention to enhancing economic growth at the regional level, since metropolitan regions are now the primary geographic unit at which economies function (see “Metropolitan Business Planning,” page 10).

To bring this work even closer to ground, the logical next step is a more nuanced understanding of how the component parts of the regional economic geography (and particularly its neighborhoods) define, participate in and contribute to regional economic performance, and vice-versa. In the long run, neighborhoods and their regions thrive or fail together.

This section of the Greater Chatham Initiative Plan outlines the economic foundation for extending the regional growth-planning framework to sub-regions and neighborhoods. It briefly reviews the nature of the next economy; describes the roles of neighborhoods in a regional economy; derives and articulates a set of neighborhood growth planning principles; and outlines the set of market levers and neighborhood-level factors that interact to define neighborhood success and regional economic growth.

**Growth in the next economy**

This Plan is built on the same framework for understanding economic growth and its drivers used in two key economic growth plans currently in place for metropolitan Chicago: World Business Chicago’s Plan for Economic Growth and Jobs and Cook County’s Partnering for Prosperity.

According to this framework, the global economy is now undergoing a fundamental transformation, characterized by:

**Knowledge intensity**

Knowledge, embedded in people and technology, is the most critical factor driving productivity and growth. The nature of these knowledge assets, and their increasing returns, means that innovation and growth increasingly flow from continuous cross-fertilization and synergies between economic activities. This places a premium on collaboration and connectedness – on rich, flexible networks efficiently deploying and redeploying assets, whether in labor markets, flexible manufacturing or industrial clusters.
Dynamism

Knowledge intensity makes the economy more dynamic as products, firms, industries and markets emerge, develop and transform at an increasingly rapid pace. This demands nimble production networks and the ability to continually adapt and redeploy human capital and other assets.

Regional synergies

As a result of these dynamics favoring the rich interactions enabled by proximity, people and other assets are increasingly concentrating – and, more importantly, are disproportionately productive – in metropolitan regions. (A person or firm with the same characteristics, if located in a metropolitan area, is more productive and profitable.) Metropolitan areas have thus become the global economy’s primary unit of geography, where market systems operate and interact with characteristics of place to create unique economies.

Analysis of these next-economy dynamics within regions reveals five market levers that drive the efficiency and productivity of a place, and so its economic prosperity: clusters, human capital, innovation, spatial efficiency and governance. These are detailed in Drivers of Neighborhood Growth (pages 15–18) and analyzed and applied throughout the Plan.

In the next economy, sustainable growth also mandates inclusion, as the places with the least inequity perform best.6 From an economic efficiency perspective, this is an obvious point: excluding particular populations or sub-regional geographies is a waste of economic assets, as human capital, businesses, land and other fundamental inputs to economic growth remain latent or under-deployed. Further, segregation and economic exclusion incur the high economic and social costs of poverty.

The great paradox – and challenge – of the next economy is that it exacerbates inequality (primarily by increasing returns to capital compared to labor) but requires inclusion for sustainable growth. The next economy is propelling shifts to new industries, demanding new labor force skills and reshaping urban form through greater emphasis on density and mixed uses – and as a result, people and places in legacy or disconnected businesses, jobs and neighborhoods are easily left behind. At the same time, all of these changes create new opportunities for inclusion – for aligning poverty alleviation with economic growth. Indeed, achieving inclusive economic growth has become an economic imperative for the sustainable success of both poverty alleviation and growth.

As a result, the necessary next step for inclusive regional growth planning is to encompass sub-regional growth planning as well. Because regional economies rely on neighborhoods for critical human, physical, financial and institutional capital, this next generation of growth planning tailors market analysis, strategy development, and initiative design and implementation to the challenges and opportunities of particular sub-regional geographies. It deliberately and strategically links communities’ assets (e.g., workers, businesses, land, etc.) to opportunities throughout the region (e.g., cluster supply chains, high-growth occupations, resources for innova-

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**METROPOLITAN BUSINESS PLANNING (MBP)**

Metropolitan Business Planning (MBP) is a relatively new approach that applies the practice of private-sector business planning to regional economic growth planning and implementation. To date, MBP has been piloted in a dozen regions across the country, including Metropolitan Chicago through the creation of World Business Chicago’s Plan for Economic Growth and Jobs. MBP principles are equally applicable to sub-regional geographies and the creation of neighborhood business plans. These principles include the following:

- Identify key, mutually reinforcing strategic initiatives, tailored and targeted to build from the particular assets and dynamics of place;
- Implement new products and enterprises to drive growth; the plan is only the first step – its end goal must be action;
- Expect the plan to evolve over time as conditions change, as progress and impact are measured and as course corrections are made; and
- Ensure that inclusivity, collaboration and transparency inform the process of creating and implementing the plan.
The functions of neighborhoods in regions

Neighborhoods arise and change as characteristics of place (particularly the local built environment) interact dynamically with economic, social and political systems that are usually larger than the neighborhood itself (see Figure 3). A neighborhood’s character and development are driven primarily by the movement of people: who chooses to move in, stay or move out over time. In an iterative cycle, new residents are followed by new businesses and amenities to serve them, which then attract more people of the same kind and so on.

How the residents and businesses thrive, and how this cycle turns as a result, is influenced by their connections to regional labor and business markets. Different types of neighborhoods will follow different trajectories as the cycle produces specializations to serve particular groups of residents, such as young professionals, families, immigrants or other segments of the regional population.

This means that two primary sets of factors determine a neighborhood’s character and vitality: characteristics of place that are internal to the community, and connections between community assets and the broader regional economy. Characteristics of place are mainly oriented toward serving residents, and directly define a particular neighborhood’s character and quality of life. They include housing; commercial amenities such as retail, services, restaurants and entertainment; public goods and services (e.g., safety, schools, parks); support services (e.g., for youth, the elderly, etc.); and institutional and cultural qualities.

A neighborhood’s connections define the flow of income, wealth and investment into the community, indirectly influencing local demand and support for local amenities. These connections primarily address the extent to which the neighborhood’s assets are effectively deployed into regional markets: its residents into the labor force, its businesses into high-growth supply chains and its land and structural assets into regional real estate markets.

These two sets of factors – local amenities and connections and entrepreneurs, etc.) to drive the entire region along a prosperous next-economy trajectory.
regional economic connectedness – interact iteratively with one another in a cycle that can be virtuous or vicious. In general, a neighborhood's degree of connectivity to regional economic opportunities is a primary driver in the cycle. A neighborhood that offers good job access, strong connections to suppliers and customers, and other factors that enable the creation of income and wealth will attract new residents. The resulting inflow of residents, income and wealth triggers public and market-based investments in local amenities, goods and services to meet resident-generated demand (e.g., particular types of housing and retail, parks and libraries, etc.).

At the same time, where people choose to live is also partially a function of the extent to which those same local amenities are already present in a given neighborhood. Young professionals, for example, might choose a neighborhood not only because of its proximity to downtown jobs, but also because it already has some of the amenities they most value (e.g., reasonably-priced apartments, a fitness center, coffee shops and casual restaurants or trendy clothing stores). The same holds true for businesses, which choose to locate in neighborhoods that provide access to their customers and suppliers, but also to other factors that contribute to their success (e.g., transit access for workers, high-speed broadband service and other specialized infrastructure).

At particular points in a given neighborhood’s life cycle, local amenities can have a particularly high impact on which residents and businesses decide to stay, move in or move out. The goal of comprehensive neighborhood growth planning is to propagate a cycle of positive change through the interaction and iteration of characteristics of place and connectedness to the broader regional economy.

**Communities of opportunity and choice**

Exploring these dynamics of neighborhood change reveals two key economic functions of neighborhoods. They serve as communities of opportunity by developing and deploying their economic assets – workers, businesses, real estate and so on – into regional economic opportunities. They also serve as communities of choice, attracting and serving particular segments of the regional popula-
Neighborhoods do not have economies of their own. Instead, the neighborhoods that make up each region play the crucial role of nurturing and connecting the inputs required for regional growth. As neighborhoods of opportunity, they foster businesses and enable their participation in the supply chains of regional industry clusters. They support residents in developing their skills and connecting to opportunities in the occupations demanded by regional employers. They also cultivate connections between entrepreneurs and small businesses and the regional resources and networks that can enable and catalyze their growth. Neighborhoods support unique mixes of economic uses (both business-to-business and business-to-consumer) that derive benefits from locating in close proximity to one another, and to the neighborhood’s human capital and physical assets (e.g., transportation and other infrastructure).

In addition to this role as neighborhoods of opportunity, neighborhoods also function as places of residence – communities of choice – attracting distinct segments of the region’s population. Neighborhoods offer unique combinations of goods, services and other amenities that attract and retain the individuals and households that most value that particular bundle of characteristics. The status of neighborhoods as communities of choice for particular populations is also affected by their connectivity (both physically and through market activity) to economic opportunities. In well-functioning, connected neighborhoods, opportunity and choice go hand-in-hand.

**CONNECTING INCLUSIVE GROWTH PLANNING TO OTHER DEVELOPMENT ACTIVITY**

This Plan’s integrated, market-based approach to comprehensive neighborhood growth in the regional context builds from a long and vital legacy of community practice. Three primary and interrelated fields of practice relate to strengthening neighborhoods:

**Community development**

Internal focus on neighborhoods as healthy places to live;

**Economic development**

Focus on creating wealth for community residents; and

**Economic growth**

Focus on improving economic performance and market functioning, particularly by addressing the drivers of productivity and economic output. Inclusive economic growth practice seeks to understand and align these dynamics between communities, people and businesses, and regional markets – in order to create healthy communities with prosperous residents and businesses that constitute part of and participate in a vital and prosperous region.

**Figure 4. Inclusive growth planning and other development activity**

- **ECONOMIC GROWTH**
  - Productivity, outputs
- **COMMUNITY DEVELOPMENT**
  - Healthy communities
- **Wealth creation for residents**
- **Inclusive regional growth**
  - Neighborhoods as healthy, vital places to live
Principles for neighborhood growth planning

Economic growth planning requires a different approach in the next economy than it did in the “old economy,” at both regional and neighborhood levels.

Region-wide principles

At the regional level, next-economy realities imply several principles to guide effective practice, which have application at the neighborhood level as well:

Leverage regional assets

“Grow to compete” rather than competing to grow. Focus, at the system level, on building from existing assets and becoming a place where people and firms can be most productive and efficient (rather than, for example, paying firms to come to the region though they will later move to other locations better suited to their fundamental needs). Many, if not most, of these existing assets are located in neighborhoods.

Compete on value-added, not low-cost

Invest in infrastructure, workforce, technology, innovation, entrepreneurship and other resources that enhance the productivity and efficiency of the economy for firms and workers. Make the region an attractive and “sticky” place for the most productive firms, rather than competing on low-cost (e.g., lax zoning or labor regulations).

Align poverty alleviation with economic growth

Practice inclusive growth that moves people and places into the economic mainstream, rather than creating alternative poverty programs. For example, a truly demand-driven workforce development system starts with the emerging needs of employers and fully aligns skills development with next-economy jobs.

Design for synergies

Housing, workforce development, infrastructure, industry cluster, innovation and other activities all succeed or fail in context of each other. This means programs that are currently fragmented have to be integrated and tailored to reinforce each other in particular places and activities.

Focus on creating and capturing value

Asset- and market-based development, if properly designed and executed, inherently creates economic value. This is both the singular measure of its success and the means for its sustainability.

Create collaborations based on economic – not political – geography

Recognize and collaborate across the true market geography of a particular economic activity, rather than competing across jurisdictional borders.

Act through public-private partnerships

Emphasize a market-based orientation that creates new cross-sector networks and leverages private resources, rather than a top-down, government-driven approach.

Neighborhood-specific principles

A few additional growth planning principles, specific to the neighborhood level, are implied by the two functions of neighborhoods in the regional context, and by the inherently place-specific nature of neighborhoods’ assets, challenges and opportunities.

Engage a broad, inclusive set of neighborhood AND regional stakeholders

For both planning and implementation, ensure that the work is of, by and for the community. At the same time, since a key goal is to connect unique neighborhood assets with regional economic opportunities – for the benefit of the neighborhood and the
region – regional stakeholders also must be at the table. Include employers, developers, firms whose suppliers are in the neighborhood, regional growth institutions, program partners, government and others who invest in, hire or buy from, or otherwise have a stake in the neighborhood – or will, as the neighborhood reconnects.

**Coordinate and integrate programs in place.**

Designing for synergies (a regional principle mentioned above) particularly applies and is especially fruitful at the neighborhood level. Organizations can work together to tailor their respective programs to neighborhood conditions and to the mix of other programs present within a particular local geography.

**Drivers of neighborhood growth**

The two functions neighborhoods play in the regional economy make two sets of factors important to economic growth planning at the neighborhood level. The community of opportunity (or “connectedness”) function requires an understanding of the growth trajectory of the regional economy, the levers driving its growth and the ways that neighborhood assets can participate in regional economic prosperity. The community of choice function requires an understanding of the type of neighborhood, the way it is performing for particular segments of the regional population, its trajectory for the future and the ways its position might be improved. The remainder of this chapter will give a high-level view of these sets of factors.

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**Figure 5. Market levers for economic growth**

**FIVE MARKET LEVERS FOR ECONOMIC GROWTH**

- **Compact, well-connected urban form**
- **Segregation and isolation**
- **Jobs-housing mismatch**
- **Next-generation infrastructure**
- **Tax-value proposition**
- **Cross-sector governance**
- **Government fragmentation**
- **Leverage points for sustained and inclusive prosperity**
- **Enrich regional concentrations/clusters**
- **Deploy human capital aligned with job pools**
- **Create effective public & civic culture and institutions**
- **Develop innovation-enabling infrastructure**
- **Current concentrations: Assets, legacies and bets**
- **Cluster dynamics and drivers**
- **High levels of human capital and rich job pools**
- **Job matching and worker mobility**
- **Inclusiveness and opportunity**
- **Entrepreneurship**
- **Cluster- and firm-based innovation**
- **Commercialization of R&D**
Market levers that drive neighborhoods of opportunity

Metropolitan economies, by definition, grow by increasing the total value of goods and services produced by local firms. Firm creation and growth, as well as businesses’ movement into and out of the region, are determined by regional characteristics that affect the efficiency and productivity of various types of firms and markets.

In the next economy, five market levers account for the efficiency and productivity of regional economies. Together, they provide a framework for understanding a region’s economic assets, challenges and opportunities, and the ways a given neighborhood’s assets can contribute to regional growth.

CLUSTERS

These are industry-based concentrations of closely interacting firms and related institutions (such as the Food Manufacturing and Packaging cluster). Members of a cluster enjoy synergies that improve efficiency and productivity by reducing transaction costs among buyers, suppliers and customers; enabling shared labor and other inputs across firms; facilitating the exchange of knowledge; and enhancing the cluster’s innovative capacity. The prospects of neighborhood (non-retail) businesses depend on the extent of their participation in high-growth regional clusters, enabling growth, wealth and job creation for local residents.

HUMAN CAPITAL

Human capital is the single most important input for economic growth, particularly in the knowledge economy. To have an impact, however, workers’ skills must be properly developed to best match emerging jobs, and workers must be efficiently deployed into these jobs. Getting this right requires attention to tailoring education and training to job demand in growing clusters, and enhanced labor market efficiency through better mechanisms for matching workers with firms.

At a neighborhood level, human capital can be productively deployed by ensuring residents have ready access to education and training resources for in-demand occupations, as well as direct access to employers that are participating in high-growth regional clusters. Effectively deploying human capital into the regional economy brings assets (i.e., income) into the neighborhood (creating demand for amenities), and creates networks supporting further deployment and attracting new residents.

INNOVATION, ENTREPRENEURSHIP AND SMALL BUSINESS

The ability to innovate is the core driver of increasing productivity. A knowledge-based economy, heightened competition in globalized markets and the quickening pace of change make continual innovation, commercialization and business creation imperative for economic success.

Neighborhoods can enhance their innovation and entrepreneurial environments by connecting to regional networks and resources, and reducing barriers to small business creation and growth – particularly in the supply chains of high-growth regional clusters. Neighborhoods benefit through increased income via business ownership, job creation opportunities and improved resident access to new products and services.

SPATIAL EFFICIENCY

The relative location of businesses, suppliers, workers and consumers within a region (and the physical and virtual infrastructure that connects them) is a key determinant of efficiency and productivity. These two features of the built environment – co-location and connecting infrastructure – determine transportation and transaction costs for the movement of goods, people and ideas, magnifying or diminishing many economic benefits of agglomeration (such as shared labor pools and knowledge spillovers). Mixed-use communities with excellent transportation connections are best positioned to flourish in the next economy.

Within neighborhoods, spatial efficiency determines the most appropriate mix of economic uses and associated infrastructure. This will vary from one neighborhood type to another depending on the characteristics of each one’s assets, proximity to other uses, transportation connections and other elements of the built environment.

GOVERNANCE

Government shapes and enables market activity and provides critical public goods, from roads to education, which enhance firms’ productivity and efficiency. Civic, private-sector and cross-sector institutions constitute the institutional environment (i.e., governance) that fosters economic networks, innovation and other activity.

At a neighborhood level, new forms of governance need to be developed that can simultaneously represent local stakeholders’ interests, engage regional stakeholders, foster market connections between local assets and regional
Amenities that create neighborhoods of choice

economic opportunities and coordinate implementation of an integrated set of strategic activities to drive growth.

**HOUSING**

Neighborhood housing markets (each of which is a sub-market within the broader regional market) affect and reflect a neighborhood’s position as a community of choice for particular populations within the region. The characteristics of the housing stock (including size, quality, amenities and cost) and its potential to appreciate are significant factors in determining a neighborhood’s position relative to other communities. This bundle of housing characteristics makes a given neighborhood more or less attractive to specific segments of the regional population, affecting individuals’ and households’ decisions to stay in place, move in or move out of the neighborhood.

**RETAIL**

A neighborhood’s commercial environment (i.e., retail, entertainment, restaurants and consumer and personal services) serves as an amenity for local residents, interacting closely with housing market dynamics to make a community more or less attractive. These businesses offer further benefits for neighborhood residents by creating accessible jobs and providing wealth-creation opportunities through entrepreneurship and small business development.

**PUBLIC SAFETY**

Residents choose to stay in and move to neighborhoods that offer a safe and secure environment. While public safety ultimately depends on providing economic opportunity, it more immediately requires “collective efficacy,” engaging all of the community’s stakeholders, and strong communication and coordination between the community and the police.

**OTHER AMENITIES AND SUPPORT SERVICES**

A host of other local amenities influence the attractiveness of a neighborhood, and have to be tailored to the needs of present and desired residents. These include public, civic and private services such as libraries, schools, parks and police stations; recreational facilities; community centers; support services for youth, seniors and the formerly incarcerated; health services; and social and cultural institutions.
INTERRELATIONS AND ITERATIONS

As discussed above, all of the factors in neighborhood growth are iterative, acting as drivers of each other. More importantly, most of them iterate with and are heavily influenced by the drivers of regional connectedness. For this reason, effective public safety, housing and retail programs emphasize the critical importance of jobs and income. Retail demand depends upon households, while housing demand depends upon regional employment but also public safety, which in turn is influenced by employment, retail presence and social services, and so forth.

Neighborhoods, in essence, are complex adaptive systems that arise and continually change as a result of these neighborhood factors interacting with each other and with systems (particularly markets) that extend beyond the neighborhood.

The functions and factors that define neighborhoods and influence their well-being are undeniably complex – but an understanding of them lays a solid groundwork for analyzing the present and future trajectories of Greater Chatham, and for designing linked strategies that will make it a vital community of opportunity and choice in metropolitan Chicago.
CHAPTER II
Greater Chatham’s Opportunities and Challenges

Overall performance and trajectory¹⁰

Greater Chatham occupies a unique place in the history of Chicago and its metropolitan region. Largely home to European immigrants when the City annexed the area in 1889, it grew and changed rapidly in the early 20th century as the Great Migration brought African American blue-collar workers to the Midwest in large numbers.

Construction of the interstate highway system (particularly the Dan Ryan Expressway and Chicago Skyway) further propelled the area’s growth in the decades that followed. The population in Greater Chatham grew swiftly, peaking at 177,000 in 1960 and transitioning to nearly 100 percent African American.¹¹

The economic prospects of African Americans in metropolitan Chicago continued to improve with the advent of the Civil Rights era and growing demand for workers in both blue- and white-collar jobs. Their housing options, however, remained limited to select areas of the City’s south and west sides. “Blockbusting” by realtors exacerbated existing patterns of racial segregation. These dynamics helped make Greater Chatham an enclave for educated African American middle-class households, as it remained throughout the rest of the 20th century.

Greater Chatham’s history has shaped its character as a community for middle-class African Americans in two important ways. First, it led to the development of a highly cohesive community with shared values and a fierce pride in its identity. Its active block clubs and neighborhood organizations, for example, reflect and continue to reinforce a sense of shared responsibility for the community. Second, although Greater Chatham has long been a bedroom community, it gradually became the primary home of African American entrepreneurship in Chicago. Greater Chatham success stories include banks (Independence and Seaway), major consumer products (Johnson Products, Soft Sheen) and other African American-owned businesses.

In recent years, maintaining the historic character and position of Greater Chatham within the regional tapestry of communities has become a serious challenge. Many of the neighborhoods’ middle-class families have suffered economically as a result of the Great Recession, while others have moved outward into the suburbs.¹²

Newer households moving into Greater Chatham tend to be lower-income, with lower educational attainment and skill levels and higher unemployment rates. The total population in the neighborhoods has declined, the poverty rate has risen and violent crime has in-
Figure 6. Key indicators of neighborhood decline

- **Population loss, 2000 to 2010**
  - Total population
  - Working-age population

- **Homicides**
  - per 10,000 people
  - 2003 vs. 2010

- **% of Greater Chatham households earning less than Chicago median income**
  - 2000 vs. 2010

- **Poverty rate**
  - % of residents
  - 2000 vs. 2010

- **Unemployment rate**
  - % of labor force
  - 2000 vs. 2010

- **Foreclosure rate**
  - per 100 residential parcels
  - 2005 vs. 2010

Source: US Census 2000 and American Community Survey 2010, City of Chicago data portal, DePaul Institute for Housing Studies

*2000 Census population figures used to calculate 2003 rates*
creased (Figure 6). Figure 7 provides a summary of the changes in Greater Chatham at a Census-tract level during the 2000s. These maps show troubling trends and this Initiative aims to change their trajectory.

The current conditions and dynamics in Greater Chatham arise at the intersection of three complex forces: the hollowing out of the American middle class, which is especially affecting African Americans; a frozen housing market in Greater Chatham, reflecting a slow national housing recovery exacerbated by local demographic and economic dynamics; and the more challenging circumstances of Greater Chatham’s recent incoming population.

**Hollowing out of the middle class**

In the transition to the next economy, the structure of firms and the labor force is changing rapidly. Many jobs that historically provided middle wages have disappeared, shifted to lower-cost labor markets, or changed dramatically due to increasing levels of technology. These include jobs held by many residents of Greater Chatham. Many production jobs, for example, have been eliminated or offshored, while others, along with management and administrative jobs, require different skills and greater technological proficiency. Further, many government jobs (a historical stronghold of Greater Chatham workers) have been eliminated in efforts to downsize public-sector workforces and balance budgets.

These circumstances pose significant challenges for workers nationwide and in Greater Chatham who are struggling to upgrade their skills and redeploy into new, opportunity-rich career paths. Middle-skill jobs make up a large share of current openings and anticipated future growth, but workers’ skills are not well aligned with the highest-demand occupations. More than half of employers nationwide cite difficulty in finding appropriately trained labor as the primary reason it is difficult to fill middle-skill job openings.13

As a result, many middle-class workers with skills more appropriate to “old-economy” jobs find themselves employed in lower-skill and lower-wage jobs – and often in more jobs – than in the past. For example, many residents of Greater Chatham who previously worked in management jobs now work in lower-wage sales and service positions. Both individual households and the broader regional economy suffer from this underutilization of workers’ human-capital potential.

In this “hollowing out” of the nation’s middle class, African Americans have been hardest hit. Median net worth across all American households declined 7 percent between 2000 and 2011, but in African American households, it fell 37 percent.14 While comparable figures are not available for Greater Chatham, median income fell 18.5 percent on average across each of its four community areas between 2000 and 2010, declining from an average of 90 percent of the City-wide median to only 77 percent.15

Nevertheless, as will be apparent in the Human Capital market analysis below, Greater Chatham has a high concentration of middle-skill workers who (with modest retraining and better connectedness) could be employed in middle-skill jobs in the regional economy. The past decade has been difficult but the opportunity to set a new path is great.

**Frozen housing market**

Housing values in Greater Chatham have fallen significantly as a result of the national housing crisis. Many owners are struggling to stay in their homes as their incomes have suffered. Foreclosures are not uncommon and some who would like to sell are trapped by underwater mortgages. Peaking at 4.9 foreclosures per 100 parcels in 2008, Greater Chatham’s foreclosure rate averaged 80 percent higher than Chicago’s from 2005 to 2013.16

The aging of the population and the vintage character of the housing stock compound these circumstances. Many elderly owners are passing away or moving into supportive living situations (with family or in assisted-living facilities). In decades past, their heirs would have occupied many of the community’s historic bungalows, but today’s heirs are often struggling financially, unable to meet the maintenance and tax demands of home ownership. The bungalows’ outdated features and the changing nature of the area’s neighborhoods (Figure 7) make them relatively undesirable to homebuyers unless significant investments in upgraded finishes and amenities are made. Many houses with underwater mortgages cannot be financed for rehab – or in some cases, sold at all. Many
Figure 7. Changes in Greater Chatham at a census-tract level\textsuperscript{17}

Source: RW Ventures analysis using Dynamic Neighborhood Taxonomy
such properties are becoming rentals, often for households making use of Housing Choice Vouchers (HCVs).

Nevertheless, as detailed in the housing market analysis that follows (see “Housing,” pages 48 to 55), Greater Chatham has a largely attractive housing supply which could be upgraded if “unlocked”; a nascent market of rehabbers and investors; and a latent demand for homeownership which (with some credit cleanup and supportive financing) could revitalize the area’s housing market.

**Changing population characteristics**

Greater Chatham has historically been home to multi-generational middle-class families. Today, the community largely remains relatively well-educated and middle-income but the socioeconomic characteristics of its residents have changed noticeably in recent decades. Some long-time residents are struggling economically (see above) and many newer residents are less skilled, lower-income and more likely to be unemployed than those that preceded them.

Between 2000 and 2010, incomes in Greater Chatham have suffered. Declines in real median household income ranged from –15.9 percent to –19.5 percent across the four community areas, compared to –4.1 percent in the City of Chicago overall. Poverty increased by seven points to 26 percent, compared to 21 percent in the rest of the City. Unemployment in the community hovers around 21 percent (up from 15 percent), compared to 7.3 percent City-wide (Figure 6).

A contributing factor to this population dynamic is the Chicago Housing Authority’s (CHA’s) Plan for Transformation. When significant numbers of public housing units were eliminated, many former residents were provided with HCVs. As rental housing has become more available in Greater Chatham (see above), HCV households have been attracted to the community’s quality housing options, transit accessibility and other amenities. Integrating new households into the community has not been a smooth transition, as connections to employment, support services and other resources have lagged behind changing needs.

**Looking to the future**

In many ways, Greater Chatham is a microcosm of the challenges and opportunities facing many communities across Chicagoland and the nation. The complex dynamics flowing from the Great Recession, the housing crisis and the transition to the next economy have challenged its historical role as a bedroom community for middle-class African Americans. Yet both middle-class African Americans and metropolitan Chicago need a healthy, vital community where this population can choose to live and be connected to regional opportunity.

As disruptive as transition to the next economy is, it also offers huge opportunities, especially for communities like Greater Chatham. To strengthen its economic performance and reinforce its position as a desirable community for working- and middle-class African Americans in the next economy, Greater Chatham will need to deliberately and strategically capitalize on its many assets by aligning them with the region’s emerging economic trajectory. This means:

- Forging strong connections – economic, physical, virtual and social – to regional markets, networks and systems;
- Aligning local firms and jobs with regional opportunities, including those in the supply chains of high-potential industry clusters such as Metal and Food Manufacturing; Transportation, Distribution and Logistics (TD&L); and Business-to-Business (B2B) goods and services;
- Up-skilling and re-skilling residents for employment in high-growth occupations and industries, especially at the nexus of innovation and industry;
- Developing a mix of high-quality single-family and multifamily homes to support a healthy mix of owners and renters; and
- Improving and tailoring schools, support services and amenities in ways that are attractive to working- and middle-class families, and helpful to incoming residents who want achieve this profile.

These mutually reinforcing activities recognize, create and capture value, enabling sustainable private, public and philanthropic investment in the community.

In the balance of this chapter, the Plan presents a detailed market analysis of conditions, dynamics, opportunities and challenges related to realizing Greater Chatham’s future role as a vibrant center of working- and middle-class African American workers and businesses in the Chicago region. The market assessment does this by focusing on two sets of questions:

(a) How do the economic assets of Greater Chatham connect to and align with the region’s next-economy trajectory? How can they be further developed, more efficiently deployed and otherwise leveraged to drive regional growth and increase economic opportunity for residents and businesses?

(b) How do the characteristics of Greater Chatham’s neighborhoods contribute to its vision as a community of choice for middle-class African Americans in the region? How can it be enhanced to achieve this vision?
CLUSTERS

As discussed in Chapter I, firms become more productive by geographically “clustering” with related firms and institutions. Neighborhood firms participate in regional clusters as business partners, purchasers and sellers, particularly within supply chains. A neighborhood may possess the particular physical assets – such as vacant land, available buildings and access to physical and virtual networks – that match the needs of a cluster’s firms (see “Spatial Efficiency,” pages 42–46). Neighborhood residents may possess the skill sets that fill the workforce needs of a cluster (see “Human Capital,” pages 30–35). A cluster’s firms may also concentrate in a neighborhood to take full advantage of proximity to each other and to supporting institutions.

Metropolitan Chicago’s existing regional plans have identified the area’s strongest and most promising clusters: Business Services and Headquarters (HQ); Fabricated Metals; Transportation, Distribution and Logistics (TD&L); and Food Manufacturing and Packaging. This Plan aims to improve Greater Chatham’s connections to these larger regional clusters. Doing so will link the community’s assets to industries with strong prospects for growth in the next economy, enabling local businesses and residents to participate in and contribute to key growth opportunities.

This section of the Plan also addresses a kind of local business concentration that is not technically a cluster, but still offers unique economic opportunities to Greater Chatham. Concentrations of distinctive retail and consumer service establishments can attract demand from across a region, helping a neighborhood distinguish itself as a cultural and commercial hub (e.g., the 125th Street shopping district in Harlem, New York). These concentrations are made up of establishments that share a business-to-consumer (B2C) focus that can be strengthened and expanded to draw outside customers. In effect, they are able to “export” their goods and services beyond neighborhood boundaries, creating income, investment and jobs.

MARKET FACTS: CLUSTERS

While Greater Chatham is primarily a bedroom community, it does possess local firms that align with existing regional cluster initiatives. The area’s neighborhood-based firms have been shrinking over the last 15 years in most categories. However, some of these firms participate in regional clusters that have seen increases in employment or productivity in recent years and are expected to do so going forward. The opportunities in each of these clusters, particularly for firms in Greater Chatham, are described below.

Business Services and Headquarters (HQ) cluster

Business Services and HQ showed significant growth in Greater Chatham from 2000 to 2010. Community businesses in this cluster nearly tripled in number, while jobs at those local companies increased by more than a third (Figure 8). This outpaced regional growth in both categories. The concentration of these jobs (i.e., the percentage of the neighborhood job market that the cluster represents relative to national averages) is notably high, a further indication of the cluster’s strength in Greater Chatham.

Of the new Greater Chatham firms that developed in the Business Services and HQ cluster during the 2000s, the majority were involved in facilities management (e.g., security, landscaping or janitorial services), real estate services and other business services. Several sub-clusters were especially concentrated in Greater Chatham as of 2010: Repair and Servicing; Wholesale – Food; Facilities Management; and Local Transportation and Logistics.

Figure 8. Business Services and Headquarters cluster statistics for Greater Chatham

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishments</td>
<td>369</td>
<td>1,048</td>
<td>184%</td>
</tr>
<tr>
<td>Employees</td>
<td>2,899</td>
<td>3,924</td>
<td>35%</td>
</tr>
<tr>
<td>Sales (2000 adjusted to 2010 USD)</td>
<td>$312,017,536</td>
<td>$274,086,869</td>
<td>−12%</td>
</tr>
<tr>
<td>Productivity (sales per employee)</td>
<td>$107,629.37</td>
<td>$69,848.85</td>
<td>−35%</td>
</tr>
<tr>
<td>Concentration (LQ) 20</td>
<td>1.29</td>
<td>1.23</td>
<td>−5%</td>
</tr>
</tbody>
</table>

Source: RW Ventures analysis of NETS database
Greater Chatham’s strength in Business Services and HQ is partly due to its location near several anchor institutions – key members of the cluster, and substantial customers for Business Services. The area is within two miles of hospitals and medical centers that represent (collectively) nearly 25 percent of all staffed beds and gross patient revenue in Chicago. The University of Chicago, with its affiliated Medical Center, is also located less than two miles away, and is actively engaged in connecting with Chicago-based Business Services firms through the Chicago Anchors for a Strong Economy (CASE) program, with a target area that includes much of Greater Chatham.

Transportation, Distribution and Logistics (TD&L) cluster

Greater Chatham has substantial strength in the region’s TD&L cluster. From 2000 to 2010, as its mix of local TD&L companies shifted toward smaller firms, Greater Chatham saw an increase in TD&L firms and employees. This growth outpaced regional trends of a 15 percent increase in establishments and a 10 percent decline in employment (Figure 9). At the same time, sales and productivity declined for most TD&L firms in Greater Chatham and did so at higher rates than the region, which also suffered falling sales and productivity during this period.

The community’s involvement with the cluster is well rounded, with no one sub-cluster accounting for more than 20 percent of all its local employees. Most of the new TD&L establishments that opened in Greater Chatham between 2000 and 2010 were involved in the Ground Transportation Support Activities sub-cluster, and almost all of those firms had only one or two employees. Within the TD&L sub-clusters, large employers include warehousing and storage firms, as well as wholesalers of electronic goods, metals and commercial equipment.

The future for TD&L in Greater Chatham looks promising. In October 2013, City Colleges of Chicago broke ground on a $45-million TD&L Center at its Olive-Harvey campus, located just south of Greater Chatham. The facility will be the primary center for City Colleges’ TD&L programs, which have recently been redesigned in partnership with regional TD&L partners including Norfolk Southern and Union Pacific rail lines, which both operate substantial multi-modal facilities in the neighborhoods bordering Greater Chatham. In particular, Norfolk Southern has been working to expand its multi-modal facility in Englewood.

Fabricated Metals cluster

Historically, the Fabricated Metals cluster has been an area of strength for Greater Chatham and it still offers opportunities. In 2001, manufacturers of fabricated metals products accounted for one-third of all the manufacturing jobs located in Greater Chatham. However, the size and number of firms shrank throughout the 2000s and the closing of Ryerson Inc.’s Chatham plant in 2006

Figure 9. Transportation, Distribution and Logistics (TD&L) cluster statistics for Greater Chatham

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishments</td>
<td>75</td>
<td>128</td>
<td>71%</td>
</tr>
<tr>
<td>Employees</td>
<td>529</td>
<td>544</td>
<td>3%</td>
</tr>
<tr>
<td>Sales (2000 adjusted to 2010 USD)</td>
<td>$139,884,244</td>
<td>$82,371,200</td>
<td>−41%</td>
</tr>
<tr>
<td>Productivity (sales per employee)</td>
<td>$264,431</td>
<td>$151,418</td>
<td>−43%</td>
</tr>
<tr>
<td>Concentration (LQ)</td>
<td>0.72</td>
<td>0.50</td>
<td>−31%</td>
</tr>
</tbody>
</table>

Source: RW Ventures analysis of NETS database
particularly impacted the area.\textsuperscript{30} From 2001 to 2009, the number of jobs in Greater Chatham’s Fabricated Metals firms fell by 60 percent, while those in the regional cluster as a whole shrank by only 30 percent.\textsuperscript{31} The number of Greater Chatham metals firms also dropped slightly from 2000 to 2010, but sales and productivity by those firms rose over the same period (Figure 10).

No single type of metal work defines the firms in Greater Chatham. Metal Window and Door Manufacturing, for example, is the only category in the cluster that includes more than one of the area’s metal work firms.\textsuperscript{32} The most notable metals manufacturer in Greater Chatham is Cardwell Westinghouse, a producer of gears, brakes and related products for rail cars. Their Chatham facility employed 100 workers as of 2013, making it the largest manufacturer within Greater Chatham. Also of note (and not reflected in Figure 10) is Finkl Steel’s 2013 move to a new facility at 93rd Street. This relocation brings 375 employees to a state-of-the-art facility in the Burnside Industrial Corridor, just south of Greater Chatham.

**Food Manufacturing and Packaging cluster**

Food manufacturing has had only a modest presence in Greater Chatham over the last 15 years. Although the number of food manufacturing establishments rose slightly from 2000 to 2010, employment, sales and productivity all fell, and at higher rates than those experienced by the region as a whole (Figure 11). As with firms in the other clusters, further analysis is needed in the next stage of this work to understand the particular business challenges and opportunities for growing food firms.
The main local employer of note in the cluster is Reggio’s Pizza, which operates a frozen pizza production facility on 83rd Street. Another local food manufacturer is in discussions with the Comer Family Foundation regarding a potential production facility on South Chicago Avenue, and the Foundation is already facilitating online sales orders for the company at a Comer establishment in Greater Grand Crossing.

Other cluster opportunities

Initial analyses show that the other clusters strongly concentrated in the Chicago region are not well represented in Greater Chatham. Further analysis and verification of this, however, should be a component of the continuing development of cluster strategies for the area.

Emerging clusters – new, high-growth industries and concentrations of economic activity – present another possible opportunity for business development in Greater Chatham. For example, industries related to the “green economy” (e.g., energy-efficient lighting, Smart Grid applications) and to developing technologies in medical diagnostics, instruments, treatments and records are still in their early stages. The next stages of cluster-based development work for Greater Chatham should investigate ways that these new industries could align with Greater Chatham’s assets and provide further avenues for local business growth.

Business-to-Consumer (B2C) concentration

Greater Chatham has an above-average presence of B2C firms. The region as a whole saw the same rate of new establishment growth as Greater Chatham, but also experienced a slightly larger employment increase over this period. From 2000 to 2010, as shown in Figure 12, the number of local B2C businesses increased while employment declined, reflecting a proliferation of smaller operations. (These data do not reflect more recent B2C activity such as the 2012 opening of the Wal-Mart Supercenter in Chatham, or notable big-box store closings such as Best Buy in 2012 and Sears in 2013.) By 2013, B2C firms in Greater Chatham employed over 2,800 workers, making up almost 26 percent of all private employment positions. This concentration is particularly notable because Chicago’s South Side has markedly less retail than other areas of the City.

The communities of Greater Chatham (and Chatham in particular) possess established shopping centers that are significant retail destinations for consumers across the South Side and the Chicago region. Most notable are the adjacent Chatham Market and Chatham Ridge shopping centers, located between 83rd and 87th Streets and Holland Road and the Dan Ryan Expressway. The major anchor stores are Wal-Mart, Lowe’s and Home Depot.

Based on recent survey data, in 2013, the Census tract containing these shopping centers had the highest amount of consumer spending of any tract on the South Side and the tenth-highest spending out of any Chicago Census tract. For African American shoppers in particular, Greater Chatham draws more spending than any other area of Chicago except downtown.

Another significant retail center in the area is Chatham Village Square, located at the corner of 87th Street and Cottage Grove Avenue. Anchored by Target and a Nike Factory store, this Census tract is the fifth most popular shopping...
destination for African American shoppers in Chicago. The strength of Greater Chatham’s B2C offerings is also reflected by the size of the retail surplus in particular categories. The largest retail surplus for Greater Chatham is in the category of General Merchandise Stores, which includes stores such as Wal-Mart and Target. The effect of Lowe’s and Home Depot is also demonstrated in these figures, as the Building Materials, Garden Equipment and Supply Stores category shows an estimated $11.9 million annual retail surplus. Survey data indicates that almost 64 percent of purchases made in Greater Chatham’s retail stores were made by shoppers living outside of Greater Chatham.

Outside of the shopping centers described above, the neighborhood has retail corridors along its major thoroughfares. 75th, 79th and 87th Streets, along with Ashland, Cottage Grove and Stony Island Avenues, have traditionally housed smaller, local-serving retail locations. The corridors contain an eclectic mix of establishments, with 75th Street between MLK Drive and Cottage Grove representing a notable concentration of locally owned restaurants. Generally speaking, the traditional corridors are struggling to maintain a critical mass of viable retail options. Roughly one-third of all storefronts stand empty and the remaining businesses skew heavily toward child-care services and beauty salons or supply.

Additional local resources exist or are being developed that connect with the food and restaurant portion of the B2C landscape. The Washburne Culinary & Hospitality Institute has been located at Kennedy-King College since 2007. Englewood Blue, a business incubator and accelerator co-launched by Blue 1647 and the Greater Chatham Economic Development Corporation, has plans to establish a food incubation facility adjacent to Kennedy-King.

**Greater Chatham industrial land assets**

Cutting across all of the opportunity areas mentioned above is the availability of land on which to develop new or expanded business operations. Vacant City-owned for-sale and for-lease properties exist throughout Greater Chatham. These may represent suitable locations for businesses operating in cluster supply chains or the B2C concentration. Land assets are examined in detail in “Spatial Efficiency,” pages 42–46.

**ASSESSMENT: CLUSTERS**

Greater Chatham has substantial business activity. Most of it is still in legacy industries: as of 2010, the proportion of Greater Chatham’s firms represented by “advanced industries” was 50 percent lower than in the Chicago MSA. However, significant activity in regional growth clusters offers opportunity to transition toward the next economy.

Overall, the numbers of establishments and employees in Greater Chatham have increased in recent years, while sales and productivity have declined. This reflects a smaller average firm size – i.e., a larger number of firms that employ only a few workers each. This dynamic suggests both a need and an opportunity to enhance the capacity of small- and medium-sized firms in the community.

**Promising strengths exist in the Business Services and Fabricated Metals clusters**

Of the region’s priority clusters, Greater Chatham’s existing Business Services firms have shown the strongest recent growth. There are specific segments of the broader Business Services sector in which the community’s firms have tended to specialize, such as real estate services and facilities management. Such local strengths represent opportunities for further growth of existing firms along with the cluster, as well as for potential startups or the attraction of new firms.

Business Services firms often have less stringent physical requirements for their locations, either because much work is done off-site or because they are subject to fewer requirements for property remediation. This may make some of Greater Chatham’s industrial parcels and buildings viable for Business Services firms in spite of limitations noted by industrial brokers and recruiters (see “Spatial Efficiency,” pages 42–46). The area’s proximity to South Side anchor institutions, along with its strong transportation connections to downtown headquarters activity, provides it with robust links to potential customers. Regional efforts, such as CASE, that forge connections between neighborhood-based Business Services firms and anchors offer opportunities for Greater Chatham’s existing firms to gain greater access to the regional market.

Though the community’s Fabricated Metals firms have shrunk, this shift has come with improvements in productivity that outpace trends in the rest of the region. The strong recent history of Greater Chatham metals firms and the moves of US Architectural Glass & Metal and Finkl Steel to the area should provide growth opportunities for existing businesses, and may also indicate that the community can be an attractive location for new Fabricated Metals firms. Smaller-job shops, which produce customized products in moderate quantities, may find the generally smaller industrial buildings of Greater Chatham to be the right size for their operations. At the regional level, the Chicago Metro Metals Consortium (CMMC) is building a robust cluster network into which existing and new Greater Chatham metals firms can connect.
Greater Chatham has a strong infrastructure to support TD&L development

As TD&L continues to grow and serve as a foundational cluster in the region (by serving the distribution needs of other clusters), the firms in Greater Chatham will continue to have growth opportunities, from “last mile” distribution to warehousing operations. The fact that small firms have established themselves in Greater Chatham at growth rates higher than the region as a whole suggests that the area has strong assets that TD&L firms can leverage.

Greater Chatham is situated amidst several major highways and rail lines, with growing intermodal facilities in neighboring communities. While the area likely lacks properties large enough to house major distribution centers, it could provide a base for more local delivery centers given its proximity to transportation networks. It is also close to the emerging TD&L program at Olive Harvey, and local TD&L firms could tap into this workforce pipeline.

Entrepreneurial/SME food trends are aligning with the area’s land opportunities

Although Greater Chatham currently lacks a significant food manufacturing and packaging presence, the changing dynamics of the industry could make it amenable to food-related start-up activity. Food manufacturing is shifting to smaller niche manufacturers and barriers to entry are relatively low for firms that can produce new value-added products. There is also a growing trend of co-location of firms and sharing of services and activities that could operate at a scale amenable to the land opportunities in the area. Greater Chatham can find a niche within the food manufacturing industry that matches its physical assets to the needs of particular manufacturers, just as Fulton Market leveraged its firms, infrastructure and proximity to downtown to develop a node of specialty food product manufacturers.

B2C is an opportunity to distinguish Greater Chatham as a commercial and cultural hub

Greater Chatham’s retail centers are already some of the top shopping destinations for residents of Chicago’s South Side, particularly for African Americans. The centers provide strong hubs for growing existing retail and services businesses, as well as adding new options that will expand the appeal of the centers to new customers while capturing additional revenue from existing customers.

Several national sit-down restaurant chains have expressed interest in opening establishments in the area, provided that franchise managers can be identified for any new locations. The relatively large amount of local B2C employment and the prevalence of middle-skill workers in Greater Chatham indicate that local communities are likely to have the available labor pool from which to develop the next generation of retail managers and entrepreneurs.

Some local stakeholders have already expressed interest in branding the community as a major destination for consumer products and services. Options range from professional services, which may be suited to the auto-oriented 71st Street corridor to entertainment

As TD&L continues to grow as a cluster in the region, firms in Greater Chatham will continue to have growth opportunities
and food, such as a potential “restaurant row” on 75th Street; a more robust array of entertainment and nightlife options; or restaurants to complement existing retail and entertainment (i.e., Chatham 14 Cinema) destinations along 83rd Street. The proximity of Washburne Culinary & Hospitality Institute and Englewood Blue’s proposed food incubation facility could provide a pipeline of food entrepreneurs.

Greater Chatham clearly has a significant collection of businesses operating in key regional growth clusters, along with a substantial B2C concentration ripe for expansion. In the priority clusters where local activity is currently low, there are sufficient community assets and broader trends that suggest opportunities for further development. As the cluster-based initiatives for Greater Chatham mature, they will further engage with local firms, defining the nuances of their participation in the specific trajectories, challenges and opportunities of regional clusters and identifying additional growth areas within today’s market. This information will assist in tailoring initiatives to better align with the particular needs of Greater Chatham’s existing and emerging cluster-connected firms.

**HUMAN CAPITAL**

As discussed in Chapter I, human capital is a critical driver of regional economic growth – but only if deployed in jobs. The challenge and opportunity of the next economy is to meet workforce needs that are rapidly changing. Both conventional workforce providers and labor market mechanisms for matching employers and firms efficiently can become out-of-date in the face of shifting demands. More employer-driven, continual and contextual training is emerging to respond to these next-economy dynamics.

Successful neighborhoods prepare and connect their residents to regional labor markets – this is a key component of being a community of opportunity. Well-employed residents bring income into the community, supporting homeownership, retail and other amenities that contribute to being a community of choice. This Plan’s sub-regional human capital strategy focuses on understanding emerging employer needs and existing workforce assets, to inform activities and institutions that properly prepare workers and connect them to new opportunities.

Achieving this level of impact and alignment requires segmenting and prioritizing the labor force – raising two related challenges. First, segmentation is needed to understand workers’ specific opportunities and challenges (though these categories will be imprecise – and overlap – along a continuum of experiences and skills). Second, the strategic nature of this plan, focusing particularly on economic growth and the trajectory of Greater Chatham, requires tailoring and prioritizing of activities. Identifying these strategic workforce segments does not suggest that some workers are more important than others. Rather, it is a key part of allowing resources...
to be targeted to the activities that have the highest potential for spurring growth in Greater Chatham. This complex process, combined with the fact-based nature of a business plan, places unique pressures on the terminology used to identify segments and design segment-specific programs. Its terms need to strike a balance between accurately describing and categorizing workers—honestly conveying the scale of challenges and opportunities for particular segments—and sensitively and respectfully discussing the lives and opportunities of real people. The sections that follow attempt to strike this balance.

**MARKET FACTS: HUMAN CAPITAL**

There are three primary and overlapping segments of the Greater Chatham workforce that surface as the most strategically important:

Two segments related to **Opportunity Youth (OY)**, who are between 18 and 24 years old and neither in school nor working:

(a) **OY facing significant barriers to employment and workforce-readiness**. These youth may encounter substantial challenges related to academic skills, soft skills, social/emotional issues, etc.; and

---

**Figure 14. Resident occupations in Greater Chatham**

<table>
<thead>
<tr>
<th>Occupation Category</th>
<th>2013</th>
<th>Change since 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office and administrative support occupations</td>
<td>7,661</td>
<td>−3,443</td>
</tr>
<tr>
<td>Sales and related occupations</td>
<td>3,960</td>
<td>38</td>
</tr>
<tr>
<td>Service occupations – Protective service occupations</td>
<td>2,911</td>
<td>717</td>
</tr>
<tr>
<td>Personal care and service occupations</td>
<td>2,746</td>
<td>1,084</td>
</tr>
<tr>
<td>Education, training, and library occupations</td>
<td>2,507</td>
<td>−296</td>
</tr>
<tr>
<td>Building and grounds cleaning and maintenance occupations</td>
<td>2,371</td>
<td>335</td>
</tr>
<tr>
<td>Management occupations</td>
<td>2,324</td>
<td>−305</td>
</tr>
<tr>
<td>Transportation occupations</td>
<td>2,037</td>
<td>−18</td>
</tr>
<tr>
<td>Production occupations</td>
<td>1,823</td>
<td>−453</td>
</tr>
<tr>
<td>Food preparation and serving-related occupations</td>
<td>1,629</td>
<td>44</td>
</tr>
<tr>
<td>Healthcare support occupations</td>
<td>1,615</td>
<td>−165</td>
</tr>
<tr>
<td>Business and financial operations occupations</td>
<td>1,543</td>
<td>−176</td>
</tr>
<tr>
<td>Community and social services occupations</td>
<td>1,324</td>
<td>−5</td>
</tr>
<tr>
<td>Material moving occupations</td>
<td>1,220</td>
<td>−609</td>
</tr>
<tr>
<td>Health diagnosing and treating practitioners and other technical occupations</td>
<td>1,153</td>
<td>313</td>
</tr>
<tr>
<td>Installation, maintenance and repair occupations</td>
<td>999</td>
<td>−257</td>
</tr>
<tr>
<td>Health technologists and technicians</td>
<td>936</td>
<td>24</td>
</tr>
<tr>
<td>Construction and extraction occupations</td>
<td>841</td>
<td>−369</td>
</tr>
<tr>
<td>Computer and mathematical occupations</td>
<td>639</td>
<td>127</td>
</tr>
<tr>
<td>Arts, design, entertainment, sports and media occupations</td>
<td>498</td>
<td>86</td>
</tr>
<tr>
<td>Legal occupations</td>
<td>213</td>
<td>−90</td>
</tr>
<tr>
<td>Life, physical and social science occupations</td>
<td>171</td>
<td>81</td>
</tr>
<tr>
<td>Architecture and engineering occupations</td>
<td>165</td>
<td>−131</td>
</tr>
<tr>
<td>Farming, fishing, and forestry occupations</td>
<td>23</td>
<td>−11</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2013, 5-Year Estimates
OY who are job-ready, already possessing basic workforce readiness and may have some workplace experience or credentials. They are often unemployed or underemployed, and may lack certain soft skills or occupation-specific skills needed for higher-quality or sustained employment.

**Middle-Skill Adults** are people aged 25 and older with some education, credentials and work experience. Many are either unemployed or underemployed and may need more advanced, specialized occupation-specific skills to access new high-quality employment opportunities.

These are imperfect and fluid classifications, but important distinctions for the purposes of program design. They emerge as the most relevant for addressing economic growth in Greater Chatham because they focus on the middle-skill / middle-class opportunity and on developing and deploying the human capital of more recent, younger residents (see Figure 13).

**A changing workforce**

Historically, Greater Chatham has been the community of choice for a wide range of professionals. It has a reputation for diverse, educated and skilled residents. Today, the community continues to attract and nurture an educated and diverse workforce of around 55,600. All but 16 percent of residents aged 25 years and older have at least a high school diploma or GED. Roughly 37 percent have some college training, while over 12 percent have a Bachelors degree or higher (approximately half of City averages).

As in past decades, many residents continue to work in the types of “middle-skill” jobs that built Greater Chatham’s middle-class foundation. The community’s middle-skill workers are generally older and concentrated in jobs like: office administrative support (19 percent of all workers), education (6 percent), management (6 percent), transportation (5 percent), and business / financial occupations (4 percent). Although some of these occupations are less vibrant than they once were, they continue to provide well-paying, stable (often unionized) employment to the region’s African American workforce. Women, in particular, tend to earn high wages in jobs like office administration and education positions relative to other Chicago communities.

In recent years, however, a new trend has emerged toward lower-skill jobs. Between 2000 and 2013, some of the largest gains were in personal care and service occupations (1,084 jobs), protective service (717) and maintenance (335). These positions generally pay less and offer fewer benefits and less stability than conventional middle-class employment opportunities. The growth in lower-skill employment coincided with dramatic employment declines in the types of jobs conventionally held by the community’s middle-skill adults, including occupations in administration, production, healthcare support and installation/repair.

The shift toward low-skill employment can be attributed to a combination of: middle-skill residents losing high-quality occupations and replacing them with lower quality ones (i.e., the decline of middle-class work and especially of the African American middle class); middle-skill residents (particularly African Americans) moving out of the City; and changing community demographics. Economic challenges and out-migration reduced the size and earnings of Greater Chatham’s middle-skill population.

At the same time, housing market dynamics have attracted young workers and families from surrounding distressed communities. For many of these new residents, Greater Chatham offered a substantial upgrade in community and housing that may not have been formerly available at their income levels. These trends have resulted in a substantial population of young workers, many of whom are Opportunity Youth (see definition at beginning of this section). Some may face considerable social barriers to employment, while others are “job-ready”: they have basic skills and credentials but lack sophisticated occupation-specific skills, or connections to quality or sustained work. While it is likely that both groups contribute to the high rate of unemployment and labor force disengagement in the community, the more job-ready segment is also contributing to the area’s rapid growth in occupations in service and sales sectors such as home health care, childcare and security.

**Analysis of the region’s job demand reveals emerging opportunity for Greater Chatham’s growing population of young workers**
Figure 15. Top 50 growing occupations in metropolitan Chicago (detailed occupations)

<table>
<thead>
<tr>
<th>SOC code</th>
<th>Title</th>
<th>Regional growth projection (2020)</th>
<th>Preparation required*</th>
<th>Median hourly wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>35-3021</td>
<td>Combined Food Prep. &amp; Serving Workers</td>
<td>17,801</td>
<td>1</td>
<td>$9.07</td>
</tr>
<tr>
<td>29-1111</td>
<td>Registered Nurses</td>
<td>14,266</td>
<td>3</td>
<td>$34.67</td>
</tr>
<tr>
<td>25-2021</td>
<td>Elem. School Teachers, Ex. Special Ed.</td>
<td>12,816</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>31-1011</td>
<td>Home Health Aides</td>
<td>10,847</td>
<td>2</td>
<td>$10.57</td>
</tr>
<tr>
<td>37-2011</td>
<td>Janitors/Cleaners, Ex.Maids/Housekeepers</td>
<td>9,673</td>
<td>2</td>
<td>$12.01</td>
</tr>
<tr>
<td>37-3011</td>
<td>Landscaping &amp; Groundskeeping Workers</td>
<td>8,863</td>
<td>1</td>
<td>$11.70</td>
</tr>
<tr>
<td>35-3031</td>
<td>Waiters &amp; Waitresses</td>
<td>8,805</td>
<td>1</td>
<td>$9.06</td>
</tr>
<tr>
<td>41-2031</td>
<td>Retail Salespersons</td>
<td>8,796</td>
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<tr>
<td>43-9061</td>
<td>Office Clerks, General</td>
<td>8,690</td>
<td>2</td>
<td>$14.16</td>
</tr>
<tr>
<td>53-7062</td>
<td>Laborers/Freight/Stock &amp; Material Movers</td>
<td>7,695</td>
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</tr>
<tr>
<td>13-1111</td>
<td>Management Analysts</td>
<td>6,415</td>
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<tr>
<td>39-9021</td>
<td>Personal &amp; Home Care Aides</td>
<td>6,180</td>
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<tr>
<td>43-4051</td>
<td>Customer Service Representatives</td>
<td>6,084</td>
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<td>$17.02</td>
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<td>Security Guards</td>
<td>5,214</td>
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<tr>
<td>35-2014</td>
<td>Cooks, Restaurant</td>
<td>5,104</td>
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<tr>
<td>13-1199</td>
<td>Business Operations Specialists, All Other</td>
<td>5,096</td>
<td>3</td>
<td>$30.60</td>
</tr>
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<td>Software Developers, Applications</td>
<td>4,870</td>
<td>4</td>
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<td>25-3999</td>
<td>Teachers &amp; Instructors, All Other</td>
<td>4,800</td>
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<td>-</td>
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<tr>
<td>25-9041</td>
<td>Teacher Assistants</td>
<td>4,662</td>
<td>3</td>
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<tr>
<td>25-2031</td>
<td>Secondary Teachers, Ex. Spec/Voc. Ed.</td>
<td>4,593</td>
<td>4</td>
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<tr>
<td>39-5012</td>
<td>Hairdressers/Hairstylists/Cosmetologists</td>
<td>4,487</td>
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<tr>
<td>13-2011</td>
<td>Accountants &amp; Auditors</td>
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<td>25-2022</td>
<td>Middle School Teachers, Ex.Special/Voc Ed</td>
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<td>4</td>
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<td>53-3032</td>
<td>Truck Drivers, Heavy &amp; Tractor-Trailer</td>
<td>4,005</td>
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<td>47-2061</td>
<td>Construction Laborers</td>
<td>3,888</td>
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<td>$25.41</td>
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<tr>
<td>43-4171</td>
<td>Receptionists &amp; Information Clerks</td>
<td>3,723</td>
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<tr>
<td>35-2021</td>
<td>Food Preparation Workers</td>
<td>3,647</td>
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<tr>
<td>43-3031</td>
<td>Bookkeeping/Accounting/Auditing Clerks</td>
<td>3,491</td>
<td>3</td>
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<tr>
<td>13-1161</td>
<td>Market Research Analysts &amp; Specialists</td>
<td>3,328</td>
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<td>$28.65</td>
</tr>
<tr>
<td>41-4012</td>
<td>Sales Reps/Wholesale/Mfg.Ex.Tech/Scntific</td>
<td>3,284</td>
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</tr>
<tr>
<td>35-1012</td>
<td>1st-LineSpvrs/MgrsFoodPrep/ServingWkers</td>
<td>3,272</td>
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<td>$13.24</td>
</tr>
<tr>
<td>31-1012</td>
<td>Nursing Aides, Orderlies &amp; Attendants</td>
<td>3,239</td>
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<td>15-1133</td>
<td>Software Developers, Systems Software</td>
<td>3,181</td>
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<td>23-1011</td>
<td>Lawyers</td>
<td>3,151</td>
<td>5</td>
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<tr>
<td>43-1011</td>
<td>1st-LineSpvrs/Mgrs Office/Adm.Support Workers</td>
<td>3,077</td>
<td>3</td>
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<tr>
<td>15-1131</td>
<td>Computer Programmers</td>
<td>3,072</td>
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</tr>
<tr>
<td>15-1121</td>
<td>Computer Systems Analysts</td>
<td>3,053</td>
<td>4</td>
<td>$38.77</td>
</tr>
<tr>
<td>41-2011</td>
<td>Cashiers</td>
<td>3,041</td>
<td>1</td>
<td>$9.33</td>
</tr>
<tr>
<td>41-3031</td>
<td>Sec./Commod./Fin.Services Sales Agents</td>
<td>2,834</td>
<td>4</td>
<td>$37.37</td>
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<tr>
<td>35-3011</td>
<td>Bartenders</td>
<td>2,692</td>
<td>2</td>
<td>$9.14</td>
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<tr>
<td>13-2072</td>
<td>Loan Officers</td>
<td>2,665</td>
<td>3</td>
<td>$34.08</td>
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<tr>
<td>43-6011</td>
<td>Executive Secretaries &amp; Adm. Assistants</td>
<td>2,633</td>
<td>3</td>
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</tr>
<tr>
<td>41-3099</td>
<td>Sales Representatives, Services, All Other</td>
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<td>4</td>
<td>$26.96</td>
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<tr>
<td>15-1150</td>
<td>Computer Support Specialists</td>
<td>2,566</td>
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<td>$27.53</td>
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<tr>
<td>43-3071</td>
<td>Tellers</td>
<td>2,561</td>
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<td>$12.49</td>
</tr>
<tr>
<td>13-1078</td>
<td>HR/Labor Relations/Training Spec. All Other</td>
<td>2,404</td>
<td>4</td>
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<td>11-9199</td>
<td>Managers, All Other</td>
<td>2,275</td>
<td>4</td>
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</tr>
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<td>29-2041</td>
<td>Emergency Medical Techs &amp; Paramedics</td>
<td>2,213</td>
<td>3</td>
<td>$28.02</td>
</tr>
</tbody>
</table>


* Based on O*NET Jobs Zones, which group occupations based on levels of education, experience, and training necessary to perform them. 1 = No Preparation, 2 = Some Preparation, 3 = Medium Preparation, 4 = Considerable Preparation, 5 = Extensive Preparation.
In short, Greater Chatham's labor force is growing unequally with respect to both wage and age. Greater Chatham’s reputation and strong housing stock continue to retain and attract older, higher-earning professionals while a growing body of younger residents struggles to find a firm foothold in the labor market.

**Regional demand**

Analysis of the region’s job demand reveals considerable opportunity emerging for Greater Chatham’s large and growing population of young workers, both job-ready and disconnected. As shown in Figure 15, eight of the top 10 fastest-growing occupations in metropolitan Chicago are considered entry-level (i.e., O*NET Job Zone 1 or 2). Of these 80,000 or so jobs, only 16,000 are projected to come from replacement, meaning employers will require access to new labor pools to meet their staffing needs.

Emerging jobs include cluster-linked positions like food preparation (over 17,000 new jobs projected by 2020) and TD&L (7,700 material moving jobs, 4,000 motor vehicle operators), plus growing service occupations such as home health aides (10,800 jobs), retail (8,800) and cleaning (9,700). The region also shows strong demand for higher-quality entry-level positions such as office clerks (8,700 jobs), customer service representatives (6,100 jobs) and a variety of more specialized clerk and sales positions. Greater Chatham can supply this demand.

At the same time, new opportunities are also emerging for Greater Chatham’s Middle-Skill Adults, although some residents may lack the specialized skills necessary to capture them. Demand is beginning to return for occupations like administration and management. More technically sophisticated career paths, like the advanced manufacturing professions that once sustained the community’s middle class, are re-emerging in a different set of industries (e.g., fewer public administration jobs, more education administration jobs) or with more advanced technical training requirements (e.g., advanced manufacturing technology). Many displaced or underemployed Middle-Skill Adults have strong foundations in relevant industries and occupations but lack the advanced technical skills necessary to capture emerging opportunities.

Regional analysis also projects strong growth in high-skill jobs such as nursing, and in cluster-related technical occupations such as business IT service providers and programmers and operators of advanced manufacturing technologies. These occupations now employ few of Greater Chatham’s workers, because many residents lack access to the required training.

**Workforce resources**

Training providers are key to helping a community’s workforce align with and capture regional demand at all skill levels. Metropolitan Chicago has a wide range of labor market intermediaries and a robust workforce improvement system, including ten workforce centers that offer free job search and placement services, counseling and career planning, and basic skills and occupational training. Existing organizations serve a range of worker needs, from entry-level to high-skill, with workforce preparedness programs, worker-employer matching and industry-specific training programs. Providers include
public agencies, non-profit organizations and private staffing and training firms. Some organizations have embraced an employer orientation and have kept pace with changing demand. Others, as supply and demand have shifted, have become less aligned.

In Greater Chatham, more specific, employer-driven, tailored training activities and career navigation tools are needed to prepare and match the community’s workforce to particular growth industries. Greater Chatham, not having needed extensive workforce services in the past, now lacks the type and number of institutions (both community-specific and region-linked) needed to address the opportunities presented by shifting demand and a changing population. Leading programs increasingly need to engage with and be tailored to specific employers or industries, providing shorter-term, contextualized or ongoing training and upskilling to specific segments of residents for particular employment opportunities. Local providers often lack the resources or connections to connect and deliver this targeted, employer-driven training.

ASSESSMENT: HUMAN CAPITAL

Displaced and underemployed Middle-Skill Adults are being underutilized

The resurgence of manufacturing, TD&L and related industries, through metropolitan Chicago’s cluster initiatives, are providing additional opportunity for middle-skill professionals from many backgrounds.

Many people in Greater Chatham’s deep pool of talented Middle-Skill Adults only need stronger connections with employers to find and hold jobs in the next economy. Rapid, tailored networks for matching employers and workers have become increasingly important, to the exclusion of those unable to connect to them – a shift that has disproportionately affected African Americans. Other Middle-Skill Adults need modest additional training or improved credentials (e.g., technical certificates) to tap new areas of demand. Still others have skills that are misaligned with the trajectory of regional employer needs, and require deeper but still targeted and relatively short-term training to build new competencies. This type of contextualized, incremental training could serve both displaced workers (e.g., IT skills development for displaced administrative professionals) and underemployed workers (e.g., advanced CNC training for manufacturing managers).

Many displaced Middle-Skill Adults that have “downgraded” to lower-skill employment are now in faster-growing industries than before and, with proper training and skill development, can be positioned to advance in their new industries (e.g., moving from home health aide to nurse). Further, many low-skill jobs have been concentrated with large employers, creating opportunities to target employer-based incumbent worker assistance programs that can evolve into middle-skill career pathways. These employers – both within Greater Chatham and across the region – have a stake in the ongoing training and education of their existing workforce, both to create opportunity in their community and to enhance productivity.

Expanded career counseling and navigation services would also help Middle-Skill Adults better understand their opportunities in the regional economy, enabling them to develop personalized training and education strategies to achieve their goals.

Job-ready youth are also underutilized

Greater Chatham’s growing workforce of job-ready youth is well positioned to capture strong and rapidly growing employer demand within the region. The need for entry-level workers extends across a broad variety of industries, many of which align with regional cluster strengths (such as TD&L, Health and Advanced Manufacturing) and with the job skills of Greater Chatham’s residents. The high-tech industries growing in metropolitan Chicago also offer opportunities to job-ready youth, including many STEM occupations where opportunities at or near entry level may often be overlooked.

Many in-demand entry-level positions can lead to strong career pathways, providing opportunity for advancement with appropriately tailored training. As with displaced Middle-Skill Adults, many such jobs are concentrated with large employers that may be able to offer incumbent worker assistance programs to provide relevant training. Career counseling and navigation support could help job-ready youth identify and understand these opportunities.

Youth facing workforce barriers present special challenges

For residents who are generally younger, newer to the community and less job-ready, Greater Chatham’s human capital strategies will need to include education and career counseling coupled with other support services and skill-building programs. Once ready, workers could then be linked directly with employment opportunities or transitioned into more specialized, job-specific training and credentialing.

The ecosystem of workforce service providers needs to expand strategically

The existing regional workforce system provides substantial resources and partners to meet many, but not all, of Greater Chatham residents’ widely diverse needs. The
community particularly needs to expand its ecosystem of workforce service providers to support its younger, disconnected residents.

For job-ready workers, Greater Chatham needs more intake, assessment and brokering capacity for connecting job seekers to the right regional intermediaries, providers and employers. This includes aligning existing and new community organizations with existing training providers and employers, to create strengthened pathways of career opportunity.

Given the region’s strong employer demand and the community’s well-educated and underutilized workforce, Greater Chatham has an opportunity to expand and develop new forms of labor market services that better meet the needs of residents and employers alike. As industry better understands the value of investing in metropolitan Chicago’s neighborhoods, and as regional planning efforts provide a framework for inventing new labor market mechanisms, Greater Chatham could provide an ideal launching pad for next-generation human capital organizations that strengthen the community’s connections with the regional economy.

**INNOVATION, ENTREPRENEURSHIP AND SMALL BUSINESS**

As detailed in Chapter II, the next economy’s rapid development of products, businesses and markets places a premium on entrepreneurship and continuous innovation. In many industries, this dynamism seems to be favoring smaller and mid-sized firms and the innovation function itself is often more collaborative (e.g., Chicago’s new Digital Manufacturing and Design Innovation Institute) or more entrepreneurial (e.g., “Fab Labs”).

Supporting innovation by Greater Chatham’s entrepreneurs and businesses will help them compete in this marketplace, increasing revenues and generating local jobs and wealth. The community may also have assets that can attract particular types of entrepreneurs and innovators, establishing and branding the community as the “go-to” place for emerging businesses within certain sectors.

Most of the ecosystem for supporting innovation and entrepreneurship is built at a regional level, as innovation networks usually operate across marketplaces and geographies larger than a neighborhood. At the neighborhood level, it is important to enable local entrepreneurs and businesses to connect with each other and with regional activity and support systems, such as professional networks or commercialization programs. Opportunities may also exist for creating tailored business assistance particularly targeted (by stage, cluster, market opportunity or challenge) to businesses within the neighborhood. These opportunities include incubators or similar local shared space for entrepreneurs.

Entrepreneurship is not for everyone – most start-ups fail – and small businesses have widely varying opportunities for growth and local impact. As a result, innovation and entrepreneurship strategies must be focused on areas that are viable, high-potential and suited to the neighborhood. Entrepreneurs and firms connected to regional growth clusters (see “Clusters,” pages 24–30) deserve particular attention.

**MARKET FACTS: INNOVATION, ENTREPRENEURSHIP AND SMALL BUSINESS**

A tradition of local entrepreneurship

Greater Chatham has a strong history of local minority busi-

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Number of firms in Greater Chatham</th>
<th>% of firms in Greater Chatham</th>
<th>Number of firms in Chicago</th>
<th>% of firms in Chicago</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (sole proprietor)</td>
<td>1,281</td>
<td>31.4</td>
<td>33,012</td>
<td>26.1</td>
</tr>
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<td>2–4</td>
<td>1,950</td>
<td>47.7</td>
<td>61,077</td>
<td>48.3</td>
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<td>5–9</td>
<td>429</td>
<td>10.5</td>
<td>13,832</td>
<td>10.9</td>
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<tr>
<td>10–19</td>
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<td>8,298</td>
<td>6.6</td>
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<td>20–49</td>
<td>109</td>
<td>2.7</td>
<td>5,817</td>
<td>4.6</td>
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<td>50–99</td>
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<td>2,335</td>
<td>1.8</td>
</tr>
<tr>
<td>100–249</td>
<td>20</td>
<td>0.5</td>
<td>1,315</td>
<td>1.0</td>
</tr>
<tr>
<td>250 +</td>
<td>8</td>
<td>0.2</td>
<td>637</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,086</strong></td>
<td></td>
<td><strong>126,323</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: RW Ventures analysis of NETS database
ness ownership and is the birthplace of many renowned African American-owned firms. Johnson Products (the first minority-owned business listed on the NY Stock Exchange), Soft Sheen and Reggio’s Pizza all started out in Greater Chatham, as did notable personal services firms such as Sea-way National Bank, Tailor-Rite Cleaners, The Wood Shop, Carter’s and Leak’s Funeral Homes. Professional services providers, such as doctors and lawyers, have traditionally had a strong presence in the community as well. Well-renowned and culturally significant restaurants have included Army & Lou’s, Lem’s Ribs, Captain Hard Times Diner, Dat Donut and Soul Vegetarian. Franchise ownership has proved a particularly productive avenue for residents to start businesses in Greater Chatham, including many McDonald’s, Goodyear and Oil Express.

The number of business establishments in Greater Chatham rose 51% between 2000 and 2010, with firms of four employees or fewer accounting for nearly all growth.

Recent entrepreneurial and local business trends
Greater Chatham has a substantial business presence. In 2010, it held over 4,000 business establishments (Figure 16), exhibiting a per capita concentration on par with the rest of the City. This also represents a 51 percent increase from 2000, with firms of four employees or fewer accounting for nearly all growth. The expansion in new businesses was coupled with slumping sales overall, which fell by 28 percent between 2000 and 2010, though Construction and Business Services firms managed to modestly increase sales over this period as other segments’ revenue declined. In terms of employees, local jobs in Consumer and Business Services grew by more than 50 percent, and by 2010, they accounted for nearly half of all local employment. Among these, local business development agencies report recent entrepreneurial growth in women-owned firms that provide business services (e.g., OSHA training programs) and develop local real estate.

For most of the last decade, Greater Chatham has seen more expiring business licenses than new applications in any given year (Figure 17). The number of business licenses fell by almost 50 percent between 2004 and 2011 before seeing a modest rebound in 2012 and 2013. Annual expirations fluctuated considerably from 2004 to 2013, from as low as 78 to as high as 545. In comparison to Chicago as a whole, the community experienced larger net declines in active business licenses than other neighborhoods from 2004 to 2013 (see Figure 18). These trends were generally consistent across all business types in Greater Chatham and across all Greater Chatham community areas.

Anecdotal reports indicate that the community’s population of aging local business owners faces succession issues, leading to the closing of businesses or their sale to non-local business owners (e.g., Chatham Foods, Johnson Products, Goodyear and Soft Sheen Products). Exceptions to this trend include active family transitions at businesses like Leak Funeral Home and Captain Hard Times Diner.

Businesses operating in Greater Chatham also report significant challenges related to information technology. Access to high-speed broadband service is sparse and costly, and some business owners are struggling to establish an online presence and adopt social marketing practices to help grow their businesses.

Ecosystem of entrepreneurial and innovation support services
A variety of Greater Chatham organizations are engaged in activities to help small businesses start and develop.
Figure 17. Business license activations and expirations in Greater Chatham, 2004 to 2013

Source: RW Ventures analysis of City of Chicago business license data

Figure 18. Net change in active business licenses from previous year (as % of all business licenses), Greater Chatham vs. all of metropolitan Chicago

Source: RW Ventures analysis of City of Chicago business license data
The Chatham Business Association and Greater Auburn Gresham Development Corporation both offer general business support services and also manage the local Special Service Areas (SSAs) falling within their jurisdictions. Chicago State University’s School of Business, located just south of Greater Chatham, is launching new planning, support and finance resources for entrepreneurs and small businesses. Most of the business support services provided are general in nature and are not focused on particular emerging clusters or types of high-potential firms, though the Chatham Business Association is moving toward a business consulting model that will direct its most intensive services to firms in the construction, health care, transportation and energy sectors.66

Few local resources are focused specifically on innovation (i.e., activities like R&D, new product development, commercialization and enhanced technologies). This is not unusual, as innovation networks tend to be technology-, industry- or stage-specific and to cover larger geographies. These forms of innovation support are emerging across the City and region, ranging from start-up spaces like 1871 to the Digital Manufacturing and Design Innovation Institute.

Further, more place-based innovation activities, such as incubators and innovation districts, are emerging on the City’s South Side. The University of Chicago recently opened the Chicago Innovation Exchange (CIE), an incubation facility that provides community-based firms with some business resources, along with access to shared space. CIE also sponsored the South Side Pitch in October 2014, a targeted competition for South Side entrepreneurs which awarded cash, mentoring services, software licensing and a Blue 1647 membership to winning pitches. Blue 1647 and the Greater Englewood Community Development Corporation (CDC) opened Englewood Blue in May 2015 at 63rd and Halsted. This facility currently offers tech training and incubation services, and expansion plans include a food-focused incubator and shared kitchen.

A range of local business development organizations, City small business programs, City delegate agencies and state and federal sources offer financing for entrepreneurs and small businesses. However, anecdotal information suggests that it may not be easy for businesses to access financing that is sufficiently stage-appropriate or tailored to the needs of particular industry clusters. The City’s Small Business Improvement Fund (SBIF) program is also a modest resource for enabling small businesses to improve their facilities and storefronts.67 It is noteworthy that, while 18 different TIF districts are located in or within one mile of Greater Chatham, a significant share of their tax revenues is reportedly being diverted to projects in other areas of the City.

**ASSESSMENT: INNOVATION, ENTREPRENEURSHIP AND SMALL BUSINESS**

**Greater Chatham still offers a strong base for business**

In spite of its proud history of entrepreneurial success, Greater Chatham’s entrepreneurship and business activity have been declining. Nevertheless, a remarkably strong business base remains (see “Cluster” and “Retail” discussions, pages 24–30 and 54–57). As other community interventions (e.g., to support employment or housing activity) take hold, the demand and opportunity for existing and new businesses should be substantial.

As opportunities for business creation and expansion develop, so will the demand for targeted business support for new and growing companies. The particular needs will vary by company and sector, from identifying and accessing capital to establishing and leveraging an online presence. Succession plans are not in place for many local family-owned businesses, creating both a challenge – and a potential opportunity – for new entrepreneurs.

Ideally, business support services will align with the priority opportunities noted previously, including those in regional clusters and in Greater Chatham’s B2C concentration, connecting firms to regional supply chains or branding, and investing in and growing the community’s B2C assets. Small businesses operating in industries that are experiencing next-economy restructuring will have a particular need for capacity building, market and product development and stage- and industry-specific capital. Entrepreneurial opportunities will also arise in the neighborhood as the strategies re-

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**Greater Chatham’s population of aging local business owners faces succession issues**

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39
lated to supporting the community’s housing market unfold. Deeper engagement with local firms and entrepreneurs will inform the design and direction of targeted assistance to support their growth and success.

**Available industrial space could become innovation space**

Greater Chatham could stimulate entrepreneurial activity by developing its available properties into land uses specifically designed to support innovation. The growing market for shared spaces and incubation facilities has already begun to affect Downtown and West Loop business landscapes, where prominent and emerging incubation facilities, such as 1871 and Catalyze Chicago, are gaining increasing attention for their work in innovation. National firms (e.g., TechShop) are also emerging to capitalize on the doer/maker trend by opening shared space franchises. With further assessment and resource development, Greater Chatham can find opportunities for creating similar innovation spaces and services tailored to the neighborhood and its aspiring entrepreneurs.

As detailed in the “Spatial Efficiency” section of this Plan (pages 40–46), there are a variety of industrial spaces available for low prices throughout the community. Such facilities could provide appealing locations to establish shared spaces for entrepreneurs, industrial parks for firms in a shared cluster supply chain or an innovation district coordinated around blue-collar industries. Entrepreneur lofts could attract professionals such as architects and engineers. By aligning property development with strategies focused on priority clusters, B2C and similar opportunity areas, Greater Chatham can become a growth hub, attracting a specific set of entrepreneurs and certain types of innovation and business activity.

In addition, there may be opportunities to build out the 75th Street restaurant district, leveraging new and

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Figure 19. Movement of weighted centers of Chicago-region employment and population, 1980 to 2010

Source: US Census LEHD & Northeastern Illinois Planning Commission
SPATIAL EFFICIENCY

As discussed in Chapter I, spatial efficiency helps drive regional economic growth by reducing the transportation and transaction costs for labor, business and consumer activity. At the neighborhood level, spatial efficiency particularly characterizes neighborhoods of opportunity. Residents in spatially efficient neighborhoods will be better able to access high-growth employment opportunities, businesses will be better able to connect to regional supply chains and consumers will be better able to access goods, services and other resources.

Well managed spatial efficiency is achieved in two ways: by ensuring that all elements are well connected by physical and virtual infrastructure; and by concentrating mixed economic uses, reducing the need to move goods, people or ideas over longer distances.

MARKET FACTS: SPATIAL EFFICIENCY

Connectivity: Moving people

A community that is well connected to job opportunities can deploy its workers’ skills into the most productive jobs and can help regional employers find and use the workers they need. Two factors limit the quality of this connectivity: the transportation available to residents and the proximity of relevant job centers. Less than 5 percent of Greater Chatham’s employed residents work within the community. The rest rely on transportation to connect them to the job market.

In general, metropolitan Chicago’s spatial efficiency suffers from a jobs-housing mismatch for African American residents: the neighborhoods where workers live are often far from job centers. This mismatch has been getting worse (see Figure 19). Between 1980 and 2010, the weighted center of metropolitan Chicago’s job distribution moved steadily toward the northwest, reflecting higher job growth near O’Hare and in the north and west suburbs compared to the City or south suburbs. The weighted centers for White, Hispanic and Asian populations also moved northwest. At the same time, the weighted center for African-American residents – which throughout the period was considerably further from weighted centers for jobs than those of other populations – moved in the opposite direction.

Greater Chatham is better situated than other parts of the South Side, which have bigger drop-offs in transit-accessible employment, but its residents have access to considerably fewer jobs within a 30-minute commute of home than those living on the City’s North and West Sides (see Figure 20). In fact, 40 percent of its employed residents must travel 45 minutes or more to reach their jobs. In the rest of the City, only 28 percent of workers face a similar commute.

For the 23 percent of Greater Chatham employees who work in locations north and west of downtown, the commute may also involve driving on some of the area’s most congested highways. Others rely on bus routes and rail lines: Greater Chatham’s commuters are likelier to use public transit than others in the City (33 percent vs. 26 percent) and fewer of them own cars (33 percent of Greater Chatham households have no car, compared to 26 percent elsewhere).

However, job migration to the suburbs is slowing as employer preferences shift back toward downtown office locations. Greater Chatham is reasonably proximate to downtown and has good transportation access to this area by subway, highway and bus networks. In particular, recent renovations to the CTA Red Line and the implementation of the Jeffrey Jump express bus have improved residents’ options for commuting downtown, where 30 percent of Greater Chatham’s employed residents work. Greater Chatham is also close to other significant employment opportunities, such as hospitals and universities. Greater Chatham contains seven Metra stations (with an eighth station at 79th Street and Fielding Avenue slated to break ground in early 2016), but ridership is challenged by lower-quality stations/platforms and much less frequent service compared to CTA.
Figure 20: Number of jobs accessible via a 30-minute or less commute

Source: University of Minnesota Center for Transportation Studies, Chicago Transit Accessibility 2014
Connectivity: Moving goods

Greater Chatham, along with the rest of the region, is in a position to leverage Chicago’s crucial role within the national freight network. Metropolitan Chicago is the only region in the country where six of the seven Class I railroads operate, and more interstate highways pass through it than any other area of the country. Greater Chatham has quality access to the freight rail network, as several railroads run in or near the area and Norfolk Southern is preparing for a significant expansion of its facilities just north of Greater Grand Crossing. Other intermodal expansions and enhancements are underway or under consideration throughout Greater Chatham and the surrounding areas.

One limitation of the Chicago region’s rail network is that it routinely experiences delays due to congestion throughout the system. The CREATE program, among others, is intended to address congestion issues, with several projects in or near Greater Chatham. In October of this year, the Englewood Flyover was completed at 63rd and State, eliminating a conflict point between Metra, Amtrak and freight lines. The 75th Street Corridor Improvement Project (CIP) will eliminate several similar choke points in the rail network throughout Chatham and Auburn Gresham, and the Grand Crossing Rail Project seeks to address delays through Greater Grand Crossing and Avalon Park.

The two major highways in Greater Chatham, the Dan Ryan and Chicago Skyway, provide quick access to the interstate system for nearby businesses, but these roadways also have limitations. The highways that connect locations west and north of the City to downtown tend to be heavily congested. The prevalence of train lines increases the number of rail viaducts running over local streets, which can also impede road traffic.

Figure 21. Current land use conditions in Greater Chatham

Source: Cook County Assessor’s Office
Connectivity: Moving ideas

Virtual infrastructure is playing an increasingly important role in economic growth as it provides new and faster ways to move information and ideas. Broadband access and usage for Greater Chatham, however, is at or below Chicago averages. In 2013, only Avalon Park could report that 80 percent of its residents had access to broadband, while the other three neighborhoods in the community had usage percentages in the 60s. Usage trends have increased or remained constant in the last two years, however, for all Greater Chatham community areas. Greater Grand Crossing experienced the most improvement over this period, with a usage increase of 20 percent.82

The quality of the community’s broadband connections is a further impediment to Greater Chatham’s virtual connectivity, including below-average Internet speeds.83 Speeds in Avalon Park, in particular, are among the slowest in the City of Chicago. Anecdotal reports from Greater Chatham’s local business owners indicate that service in the area is expensive and available from only a limited number of providers. According to staff at the Chatham Business Association, broadband providers will often take up to two days to resolve local businesses’ service interruptions, hampering companies’ efforts to employ online resources.84 There is some evidence that businesses are using mobile technologies to access their email and websites due to the lack of quality wired connections.

Compact development: Land assets

While Greater Chatham contains a mix of residential, commercial and industrial uses, it is primarily a bedroom community, with 67 percent of land zoned for residential uses (see Figure 21).85 Residential areas consist primarily of single-family homes, with pockets of multifamily housing (see “Housing,” pages 48–55).

Principal uses for the remaining land are retail and consumer services, either along the area’s traditional retail corridors or concentrated in shopping centers such as Chatham Market and Chatham Ridge (see “Retail,” pages 55–57). Primary retail corridors include areas designated for historic preservation,86 particularly near the intersections of 75th and Cottage Grove and 79th and Cottage Grove.

Industrial uses cover a relatively small percentage of Greater Chatham’s land, with only 14 percent of it zoned for manufacturing.87 The area does not have a formally designated industrial corridor88 but two such corridors (Greater Southwest and Burnside) border Greater Chatham.

Greater Chatham has considerable land that may be suitable for mixed-use development. This includes vacant land and buildings, parcels owned by the City of Chicago (and not actively used by City departments) and land and buildings available for sale or lease. Of these types of parcels, 156 acres are situated in areas zoned for manufacturing and 117 acres are located in commercial and business zones, while 423 acres of available manufacturing and commercial land sits within a one-mile radius of Greater Chatham (see Figures 21 to 23 and “Housing,” pages 48–55).

Mixed-use development strategies for Greater Chatham must be tailored to suitable uses. As discussed above, the area’s transportation assets present both opportunities and constraints in terms of shipping times to varied locations, affecting the area’s attractiveness for varied types of retail and manufacturing use. Industrial parcels in Greater Chatham are also relatively small, with an average size of 0.4 acres, making them more suitable for smaller-scale development or the assembly of multiple properties to produce a larger footprint.89 Several of the larger sites currently available have limited vehicular access points or are located in residential neighborhoods, and are suitable mainly for smaller, lighter types of mixed-use development.

ASSESSMENT: SPATIAL EFFICIENCY

Greater Chatham has strong access to downtown job centers

With recent news that the number of jobs in the Central Business District has reached an all-time high, strong access to downtown Chicago is increasingly important. Greater Chatham possesses numerous high-quality connections to downtown. A refurbished Red Line provides a
Figure 22. Vacant City-owned for-sale and -lease properties on industrially zoned land

Sources: Cook County Assessor parcel data; City of Chicago Inventory of City-Owned Properties; CoStar

Figure 23. Vacant City-owned for-sale and -lease properties on commercially zoned land

Sources: Cook County Assessor parcel data; City of Chicago Inventory of City-Owned Properties; CoStar
strong spine of transit access for the area, with the Jeffrey Jump supplementing service to the east. Metra routes cover much of the rest of the neighborhood and, while their utility may be limited, they provide the infrastructure over which service could eventually be expanded. Commuting data demonstrate the strength of links to downtown by showing the Central Business District (CBD) to be a major employment base for Greater Chatham residents. As partnerships are forged with current and potential employers for targeted workforce development and recruitment efforts, Greater Chatham’s downtown connection will provide compelling support for those initiatives.

The community’s burgeoning Internet deployment needs technical assistance

The recent growth of broadband usage by area residents reflects strong local demand for Internet access, but new services will be required to sustainably build that demand and leverage it into stronger local economic activity.

Opportunities exist to expand local businesses’ Internet use, improving their operations and marketing, drawing more customers into the neighborhood and potentially building platforms that allow local businesses to export local products and services.

Existing technical assistance for businesses in Greater Chatham could be scaled to deepen the impact of the neighborhood’s virtual infrastructure and provide momentum for its expansion. Increased efforts should also account for and anticipate mobile Internet use trends among minority populations, as almost half of Africa American mobile users employ those devices as their primary means of accessing the Internet.

Land is available for SMEs in regional priority clusters

Connectivity may also be improved by bringing more jobs to Greater Chatham itself, giving residents more employment options close to home. As discussed elsewhere, Greater Chatham has opportunities to attract businesses to available land in cluster supply chains, and through the development of local retail and consumer services. Greater Chatham’s location, infrastructure and available parcels offer attractive opportunities for the right tenants and uses. In particular, with relatively small parcels and buildings available, the area’s real estate assets represent opportunities for SME expansion that can be tied to relevant cluster opportunities. Across several regional clusters, the rising popularity of shared spaces and services between SMEs provides new options for small-scale industrial developments.

Food Manufacturing and Packaging, for example, is diversifying into small, niche-production products, a trend which is increasing the number of modestly sized companies that might be suited to Greater Chatham’s smaller industrial properties. While TD&L operations are unlikely to open large distribution centers in the area, last-mile operations and local delivery services could be attracted to settle there, particularly if operations can be aligned with nearby intermodal facilities.

Companies seeking to build on the area’s strengths in B2B services may find the proximity to South Side anchor institutions (e.g., University of Chicago and numerous hospitals) an attractive feature, particularly for off-site B2B services, which tend to have lower requirements for the physical conditions of their properties.

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**Figure 24. Available land in Greater Chatham, characteristics by zoning**

<table>
<thead>
<tr>
<th>Zoning Classification</th>
<th>Number of parcels</th>
<th>Total ft.²</th>
<th>Average ft.² per parcel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>382</td>
<td>6,810,477</td>
<td>17,828 (0.4 acres)</td>
</tr>
<tr>
<td>Business /Commercial</td>
<td>748</td>
<td>5,105,624</td>
<td>6,826 (0.16 acres)</td>
</tr>
</tbody>
</table>

Sources: Cook County Assessor parcel data, City of Chicago Inventory of City-Owned Properties, CoStar
For example, Greater Chatham’s proximity to numerous hospitals suggests it might be an attractive location for an integrated service center to supply those facilities. Opportunities for B2C firms exist throughout the area’s traditional commercial corridors.

**GOVERNANCE**

A community’s ability to coordinate and leverage its assets and connect them to outside opportunities relies in significant part on its underlying institutional infrastructure. Good governance in the next economy is richly networked, flexible and able to adapt quickly to changing conditions – not top-down or primarily centered in the public sector (though government remains an important part of governance). Firms, institutions and people need to be able to find and connect with each other quickly and easily to enable the types of fluid, inter-disciplinary and cross-sector partnerships that drive innovation and productivity.

Further, government’s neighborhood-level relationships should reflect the same priorities that apply at a larger scale, fostering cross-fertilization between groups and projects and embracing cross-sector (public / private /civic) partnerships. Finally, good governance is open, engaging its local constituents – businesses, residents, civic and non-profit organizations and other stakeholders – in the business of government itself (e.g., community policing or public health).

**MARKET FACTS: GOVERNANCE**

Residents of Greater Chatham identify strongly with their respective neighborhoods and tend to be highly engaged in civic life. The area is home to many long-time residents and boasts a high proportion of homeowners (a group prone to be more deeply involved in their local community than the more mobile population of renters). The community is also home to a significant base of civic and non-profit institutions, including more than:

- 270 churches and other religious organizations;
- 100 social service organizations;
- 15 business, labor and political organizations; and
- 200 block clubs.

Greater Chatham also benefits from the capacities of a diverse and dynamic business community and a range of public-sector institutions and actors (e.g., CPS, CPD, Chicago Park District, local aldermen, etc.).

Community organizations and individuals across the public, private and civic sectors perform a broad range of functions relevant to sustaining a community of both opportunity and choice. These include: business development and capacity building, education and job training of various types, affordable housing services, youth programming (e.g., arts and recreation), senior support services, mental health programs and limited amounts of business and professional networking (e.g., an organization of multifamily building owners). Many long-time residents are aging, however, and the same inter-generational transitions needed in housing and business ownership must be created in community leadership and engagement as well.

As the community changes, many local organizations are rising to the challenge of meeting its new needs. Over the last decade, as area demographics have shifted and the demand for youth and social / support services has increased, the number of social service organizations in Greater Chatham has doubled. Institutional focus and capacity for addressing next-economy opportunities in areas such as technology innovation, however, is relatively rare or newly forming. Many organizations operating in the area collaborate on initiatives of common interest.

**ASSESSMENT: GOVERNANCE**

The institutional infrastructure of Greater Chatham possesses many of the assets necessary for effective next-economy governance. It is home to numerous civic and non-profit organizations spanning a wide range of subject-area expertise, and its residents exhibit a high level of engagement in community life. These building blocks form a strong foundation.

Building on this foundation, the Greater Chatham Initiative itself is beginning to contribute to development of a more richly networked, collaborative and dynamic institutional environment, connected not just within Greater Chatham but also with stakeholders throughout the region. Creating a next-generation hub organization for managing the ongoing implementation of this Plan...
will be a substantial step toward building new governance capacity. Four areas present particular opportunity:

**Improve targeted connections to regional resources**

Governance can foster targeted connections between local organizations and regional resources particularly tailored to Greater Chatham’s most immediate opportunities: those related to priority regional clusters (see pages 24–30); employer-driven workforce training and placement (pages 30–36); innovation, entrepreneurship and small business development and support (pages 36–41); support services for youth and seniors (pages 59-65); etc.

**Build next-economy governance capacity**

Greater Chatham needs to develop its local capacities to manage an overall portfolio of inclusive growth planning and implementation activities. It should also nurture targeted capacities, related to key drivers of next-economy growth (e.g., innovation and entrepreneurship).

**Continue to address emerging needs**

The community should expand and strengthen its local capacities and program coordination to address public safety, support services and other issues that have not historically demanded as much attention (or capacity) from Greater Chatham.

**Accomplish more by building rich networks among organizations**

Greater Chatham and the region will both benefit by building richer networks and more substantive interactions among local organizations, and between local organizations and their regional counterparts. Networks should be designed to facilitate more interdisciplinary coordination and delivery of activities (e.g., troubled building enforcement and housing finance or support services and employment training).

If Greater Chatham can become a community of opportunity that is well connected and high-performing economically, this will create an ongoing cycle of growth as the inflow of jobs, income and wealth translates, in turn, into increased demand for housing, retail and other amenities. In short, it will become a community of choice, attracting new residents.

However, Greater Chatham is at a moment in this iterative cycle where the local amenities defining its attractiveness are in particular need of short-term attention. If crime, a deteriorating built environment and insufficient amenities for new and aging residents are allowed to depress local demand, a cycle of decline will develop instead.

The remainder of this chapter analyzes the factors that can firmly establish Greater Chatham as a community of choice.

**Neighborhoods of choice: Local amenities**

**HOUSING**

As discussed in Chapter I, housing amenities are a critical component of neighborhoods of choice: Greater Chatham must offer housing products and prices that are attractive to the residents it wants to keep and attract. The supply and characteristics of its housing are shaped by available land, conditions of current stock and availability of capital for development or improvements, while demand is driven by the attractiveness of the community, homes’ physical amenities and capital access.

**MARKET FACTS: HOUSING**

**Existing housing assets**

The historical community of choice for metropolitan Chicago’s middle-class African American homeowners, Greater Chatham generally offers high-quality housing. Built primarily between 1920 and 1950 as part of Chicago’s “bungalow belt,” the community’s single-family homes (which make up roughly 40 percent of its housing – see Figure 25) are modestly sized brick structures. Typical bungalows have one floor or a floor-and-a-half of living space, a full basement, one bathroom and two or three bedrooms, situated on a conventional Chicago lot. The community also features many large, historically significant single-family homes. These are usually high-demand properties, with above-market prices that attract a higher-income population.

Concentrated in the northeast corners of Chatham, Greater Grand Crossing and Auburn Gresham, the community’s multifamily housing offers large units and strong connections to local amenities. More than a third of multifamily units are in two- to four-unit properties (see Figure 25). This housing has historically served as an important middle-class alternative to single-family homes, providing a path to homeownership through
supplemental income from rental units. The community also features a number of larger multifamily buildings of five or more units, primarily (and historically) serving lower-income residents.

**Recent market trends**

Market volume and values have declined in the last ten years. Since 2005, the number of single-family homes purchased annually in Greater Chatham has fallen by more than 50 percent. The number of two- to four-unit multifamily building transactions has fallen even more – nearly 75 percent – and 20 percent of purchases were at extremely low values (a sign of poor physical condition). Median sale prices have fallen dramatically and vacancy rates have climbed. Rental rates are among the lowest in the City, despite generally well-appointed units averaging around $800 for a two-bedroom unit. On the other hand, some large multifamily buildings and large single-family homes located on the community’s south side are showing recovery.97

This combination of low prices and low volume reflects four interrelated dynamics: changing demand, frozen supply, uncertain values and limited access to capital.

**Changes in demand**

Middle-class demand for Greater Chatham’s older, smaller housing stock is low by historical standards. This in part reflects trends of population loss in the City, and particularly on the South Side. More importantly, it reflects higher levels of unemployment and underemployment among Greater Chatham’s current and potential residents (see “Human Capital,” pages 30–35). As homeownership becomes less affordable for many residents and the community grows less competitive, rental demand increases while for-sale market prices and volume fall.

Weak demand also reflects changing buyer preferences. The south suburbs and neighborhoods like Bronzeville and the West Loop offer more modern/turkey housing and in some cases better community amenities (e.g., lower crime, better schools, proximity to job centers, more retail than Greater Chatham, at a competitive price. As a result, those communities have been capturing many renters and homebuyers that might otherwise consider Greater Chatham.

Anecdotal evidence suggests, however, that significant latent demand exists and may soon be realized in Greater Chatham.98 Consumer preferences are shifting back toward dense urban areas with good access to downtown and other amenities, and prices are climbing in competitor communities, making Greater Chatham’s high-quality stock and reasonable pricing attractive. Reports from the area’s active community of developers and investors (who are rehabbing and developing existing housing) describe many interested potential buyers with minor credit repair problems or other difficulty accessing tight financing.

Greater Chatham is experiencing a substantial shift from ownership to rental units. Since 2009 alone, the number of rental units (mostly in 2- to 4-unit buildings) has grown by over 1,700,99 now accounting for 58 percent of the community’s housing stock (4 percent higher than City averages).100 This reflects a confluence of constraints on the ownership market and changing demographics, as further discussed below.

Greater Chatham’s attractive reputation, low rental rates and high-quality stock attract a diverse population of renters, from early-career middle-class professionals to low-income households. Holders of Housing Choice...
Vouchers (HCVs) have shown particularly high demand for the area’s single-family homes and small multifamily units, with the number of HCV holders in the community growing nearly 50 percent between 2001 and 2014.101 (See “Human Capital,” pages 30-36, for a discussion of the community’s changing demographics.)

“Frozen” housing supply

The “underwater” condition of many homeowners is limiting the supply of desirable homes on the for-sale market in Greater Chatham. Many owners bought or refinanced their homes before the recession, and with home values down – disproportionately so within their community102 – some residents (or their heirs) owe more on their mortgages than their homes are worth. While many underwater owners are still making payments, their ability to sell their homes, or to refinance them for rehab or sale, is often sharply limited.

As a result, many Greater Chatham owners are electing to rent, rather than sell, their properties. Particularly for aging residents and inheritors, renting provides a new source of income and an alternative to selling in a depressed market.

These circumstances have also attracted institutional investors and speculators: between 2007 and 2013, their share of Greater Chatham’s single-family and small multifamily home purchases grew from 15 percent to 44 percent, with transactions that were often post-foreclosure (about 43 percent) and made in cash (about 64 percent). While some of the homes were rehabbed into quality housing stock to meet homeownership demand, many others became rental properties.103

The shift toward rental properties in Greater Chatham is not necessarily bad. To some extent, it reflects a broader trend, especially among young adults who want greater residential flexibility.104 This shift is also accommodating new, lower-income renters who cannot afford ownership, and for whom the community represents a significant improvement in living conditions over their previous neighborhoods.

The change must be managed, however, to avoid undermining the strong foundation of homeownership that defines the community. Ideally, a balance would be maintained and the conversions of conventionally owner-occupied single-family homes to rental would be stemmed as the ownership housing market “unfreezes.”

Further, some absentee or inexperienced landlords, particularly of larger multifamily buildings, are not managing their buildings well, contributing to pockets of distress in the community.105 In the worst instances, absentee landlords with guaranteed income from HCV tenants are neglecting their rental properties.

Uncertain housing values

On a more positive note, low reported housing prices are likely a reflection of the types of properties that
Figure 27. Greater Chatham single-family residential foreclosures

Source: UrbanGIS analysis of Record Information Services, residential foreclosure records, Q1 2005 to Q2 2014 (http://www.public-record.com)

Figure 28. Greater Chatham multifamily residential foreclosures

Source: UrbanGIS analysis of Record Information Services, residential foreclosure records, Q1 2005 to Q2 2014 (http://www.public-record.com)
actually make it to market, rather than the value of the underlying housing stock. Despite a median sales price of roughly $54,000, for example, the average sales price in Greater Chatham is closer to $99,000, suggesting a market that is skewing toward low-value transactions despite the availability of a higher-price supply.106 Greater Chatham’s committed rehab community drives much of this higher-end activity. The challenge is the volume of very low-price transactions, which reflect the community’s underwater and foreclosure challenges. This sets the stage for a potential “appraisal gap” as appraised values come in line with recent transactions and arguably understate real values for much of the community’s housing.

Between 2005 and 2013, there were 10,000 foreclosures in Greater Chatham, 70 percent of which were single-family homes, while 28 percent were in 2- to 4-unit buildings. While the City-wide foreclosure rate peaked at 3 per 100 residential parcels in 2009 and has since subsided to 1.6, Greater Chatham’s foreclosure rate has remained stubbornly high (albeit improving) – peaking at 4.9 in 2008 and falling only to 2.6 over the same period.107

Foreclosed properties often sit vacant through and after foreclosure proceedings, producing distress and further suppressing demand. Fortunately, the highly segmented nature of Greater Chatham’s housing market has contained high rates of foreclosure to particular sub-areas while others continue to thrive. Most of community’s 2,200 vacant buildings108 are concentrated in a few limited areas of the north and west sides of the community, with many blocks relatively unaffected. Surrounding market prices would improve if vacant properties were stabilized and occupied, particularly the large multifamily properties.

Finally, the single-family housing stock often lacks up-to-date features or needs some rehab, reducing its attractiveness. An aging population, limited capital access (see below) and shrinking wages in recent years have prevented homeowners and inheritors from investing in their properties.109

**Limited access to financing**

Depressed housing values have a “contagion” effect: low-price, vacant or foreclosed properties push down a community’s home values, in turn causing more of its owners to be underwater. When foreclosures increase as a result, the value of nearby properties drops, creating a vicious cycle that sharply limits access to financing for the community’s residents. This is currently the case in Greater Chatham.

The combination of a “frozen” housing market, foreclosure effects, the appraisal gap and conservative underwriting in the wake of the housing crisis make access to financing for rehabbers and buyers a challenge. Many large banks have been reluctant to lend in low- and moderate-income communities like Greater Chatham, while smaller lenders (who have historically played a key role in these markets) have more limited capital and capacity. Banks of all sizes are showing preference for larger deals and are enforcing more stringent underwriting standards.

This is particularly true for multifamily buildings, and most acute among smaller multifamily properties. A would-be buyer may face requirements including very

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**Greater Chatham’s homes offer a strong value proposition, especially as prices climb in competing neighborhoods**
low rates of vacancy, high capitalization rates and high origination fees. At the same time, lenders may refuse to take rental income into account with respect to 2- to 4-unit properties, and the amount of financing available for the purchase of smaller buildings (generally less than $1 million) has fallen dramatically since the recession. This gives a distinct advantage to capitalized cash buyers and has contributed to the high rate of business-buyer transactions in recent years.

In short, the “contagion” cycle is restricting the type and amount of financing available in Greater Chatham. Multifamily owners and rehabbers are “holding on” but low rental rates combined with tight financing are deterring reinvestment and new market activity. Other developers that want to invest in Greater Chatham often cannot secure adequate financing for middle-market development and rehab because projected rents are low. These developers are instead forced to structure their deals around available subsidies or rely on “hard money” lenders.

For single-family properties, financing is similarly tight. Many home buyers cannot secure financing for “fixer-uppers.” While some underwater owners may qualify for refinancing through federal programs, others, either delinquent on loans or having financed through private lenders, cannot escape underwater mortgages. Potential buyers (including many mortgage-ready renters) can’t meet the rigorous post-recession lending standards for credit, down payment and income that banks now require for lending in Greater Chatham. Even those who can pre-qualify may face gaps between what banks will finance and the sale price, or between the amount the buyer can afford and the amount the seller still owes to lenders on the property.

**ASSESSMENT: HOUSING**

Greater Chatham is a hidden gem

Greater Chatham’s homes are still a great deal. They offer a strong value proposition, especially as prices climb in competing neighborhoods. The housing stock particularly appeals to a growing market segment of buyers seeking a home with solid construction and historical detail in a middle-class bedroom community with solid amenities and good connectivity (both of which will get considerably better as a result of implementation of this Plan).

Greater Chatham also provides a unique opportunity for first-time homebuyers with its extensive stock of low-cost, high-quality “entry homes” (small single-family homes or affordable multifamily properties that offer supplemental rental income), available for the price of a condo elsewhere in Chicago. Modest supply improvements would enable the community to capture more latent and emerging demand.

Many single-family and small multifamily properties need only minor rehab and renovation to appeal to the preferences of many next-generation buyers. Developers and buyers can acquire these cheaply from existing owners and inheritors, bank REOs and through HUD foreclosures if capital is available and underwater or financing gap issues can be addressed.

Concentrations of vacant, out-of-date and distressed properties provide an opportunity to target resources for development that appeals to potential buyers, particularly those who prefer newer amenities and concepts (e.g., large lots and live-work spaces). Greater Chatham has an active community of developers that could move into working- and middle-class housing products as demand increases, and if appropriate financing becomes available.

“Unfreezing” the housing market would increase supply, unleash homeownership demand and stem the rate of rental conversion

Addressing the financing and appraisal gap needs of underwater homeowners, developers and purchasers (with bridging instruments for appraisal gaps, easier mortgage access, fairer valuations and modest credit repair) would
unleash both supply and demand, and strengthen ownership among committed residents.

In practice, many sellers and buyers only need minor financial assistance and more buying would help slow the rate of rental conversion while it expands homeownership. The community also has many active developers for whom improved capital access on the front end would foster more development and rehab at mid-range price points. The many other strategies in this Plan are also expected to increase demand for housing in Greater Chatham.

**Targeting interventions to “priority zones” of distress would create a virtuous cycle**

Greater Chatham has a few geographic concentrations of market distress that present eyesores, contribute to public safety problems and otherwise suppress overall demand and prices in the community. The limited number and concentration of priority zones offer opportunities for targeting resources and interventions in signature initiatives aimed at turning the areas around.

A series of large, signature investments could have considerable impact on the market, improving market-supported rent and housing values in the surrounding area and signaling to buyers, owners and developers that the market’s trajectory is changing. These investments could include large-scale acquisition and development activity supplemented by more modest community beautification efforts.

While subsidies will be required to rehab the most distressed properties, willing developers are available and the market shows indications of latent demand. Many new renters in the priority zones are mortgage-ready or nearly so, and could be provided with opportunities to transition into ownership by means of modest credit repair and financial assistance. Addressing priority zones would also have a positive “contagion” effect, reversing the current vicious cycle by increasing buyer demand in nearby areas with market-ready housing.

In short, Greater Chatham needs to address challenges with respect to both supply and demand for housing – which, of course, reinforce each other. By enabling the development of the “right” kind of attractive housing, through upgrading and new construction, it can expand supply; by strengthening Greater Chatham as a place to live, and supporting current and anticipated interest to buy in the community (through access to credit, homebuyer assistance, etc.), it can increase demand. Coordinated, strategic investment in Greater Chatham will unleash value and create a vital housing market.
Figure 29. Origins of shoppers visiting Greater Chatham stores from outside the community.

Figure 30. Destinations for Greater Chatham residents shopping outside the community

Source: EConsult Survey Data, 2013
MARKET FACTS: RETAIL
Supply of goods and services
As discussed in the “Clusters” section of this Plan (pages 24–30), Greater Chatham is home to notable regional shopping centers that are among the most visited in the City of Chicago—particularly by middle-class residents of the City’s South Side (Figure 29). The Census tract where Chatham Market and Chatham Ridge are located is the number-one shopping destination in the City for African American households earning between $35,000 and $75,000 a year. Chatham Village Square is the sixth most popular location for the City’s middle-class African American shoppers.

While Chatham Market, Chatham Ridge and Chatham Village Square feature national anchor stores that draw customers from outside of the Greater Chatham area, other parts of the community struggle to provide retail or service options for residents’ daily needs. As in many other parts of metropolitan Chicago, shopping patterns have shifted toward more concentrated retail in malls and the more traditional retail corridors along major streets (such as 75th and 79th Streets) have suffered. This means both that abundant storefront properties for commercial use are available for building more concentrated, locally serving retail, and that a considerable amount of land on traditional retail corridors may now be better suited for institutional and residential uses.

Demand for goods and services
Despite its considerable retail and service offerings drawing consumers from throughout the South Side, Greater Chatham’s residents still largely leave the community for certain categories of relatively basic goods. Overall, residents shopping outside the community go to disparate locations spread mostly across the South Side and downtown (Figure 30). For example, Greater Chatham residents tend to shop outside the community for clothing, making the majority of those purchases at establishments in the Loop.

Similarly, residents and local stakeholders indicate that Greater Chatham is not filling local demand for family-oriented sit-down restaurants. Local demand for businesses in the Food and Beverage Stores and Food Services and Drinking Places sectors is also underserved, with a combined annual retail gap of just over $70 million. Several national chains, including Denny’s, Chipotle and Golden Corral are reportedly interested in locating franchises in Greater Chatham but have found it difficult to identify strong local candidates for managers and owner-operators.

ASSESSMENT: RETAIL
Greater Chatham has established itself as one of the premier shopping destinations on the South Side for middle-class families, positioning it well as a community of choice for those households. This retail draw is centered in the community’s major shopping centers and ranges from major durable goods (e.g., Home Depot, Lowe’s) to groceries and pharmacy products (e.g., Target and Wal-Mart). On the other hand, retail options on the area’s major commercial concentrations (i.e., aside from strip shopping centers) are of a very mixed quality and interspersed with many vacant storefronts. Further, neither type of retail center is adequately meeting some of the day-to-day needs of residents.

As this Plan’s initiatives for building on Greater Chatham’s strength as a regional center of B2C (Business-to-Consumer) services take hold, this will naturally strengthen the area’s position as a community of choice for middle-class African American families. Bolstering targeted local-serving retail supply (for example, with new family-oriented food and entertainment options, fine dining and live music venues, or business and fitness centers) will further enhance the community’s attractiveness, reinforcing a virtuous cycle of recovery as new housing demand supports new local retail and vice-versa.

PUBLIC SAFETY
The shooting death of a CPS teacher at 79th Street and Evans Avenue during the summer of 2014 catalyzed the Greater Chatham Initiative, and public safety remains one of its most urgent priorities. Countless studies have called attention to the vicious cycle that exists among unemployment, poverty and crime. The same studies note that the most effective long-term mechanism for reducing crime is increased economic security. The interventions that make up the Greater Chatham Initiative’s market-based approach to creating a neighborhood of economic opportunity and choice will, in the long run, be most important to creating a safe community. At this particular point in the trajectory of Greater Chatham, however, public safety is an immediate concern as a key factor contributing to the current vicious cycle of disinvestment.

MARKET FACTS: PUBLIC SAFETY
Safety, including both actual and perceived levels of crime, is a critical factor in the location decisions of both potential residents and businesses. Greater Chatham has historically been known as a safe community in which to live, work and raise a family. During the Greater Chatham Initiative’s community engagement process,
However, residents and stakeholders identified crime as a priority concern, driving increasing numbers of existing and potential new residents to choose to live instead in the south suburbs, West Loop, South Loop and Bronzeville.

Contrary to public opinion and recent media coverage, crime is declining in Greater Chatham (Figure 31). Further, property and other non-violent crimes – burglary, motor vehicle theft, property theft, etc. – are more prevalent (in aggregate) than violent crimes. Greater Chatham’s crime includes a high level of petty property theft (involving cellphones, tablets, coats and so forth) by youth and young adults. Often, stolen items are being sold to local storeowners.121 Nonetheless, the community has also endured highly visible gang activity and violent crime in a few key “hotspots” and, compared to the City of Chicago, does have higher rates of crime in all categories.122 The area’s crime hotspots include Police Beat 624 along East 79th Street (bordering Chatham and Greater Grand Crossing) and five other pockets that generally cluster around dense, multifamily rental properties, abandoned or poorly maintained commercial buildings and parks. Police Beat 624, in particular, has seen a significant increase in crime. It was ranked one of the highest-crime areas in the City for the first three months of 2010 and second-worst over the same period in 2011 (by a margin of just four incidents).123, 124

City-wide, the major perpetrators – and victims – of gang and violent crime are youth between the ages of 18 and 29 years old. Between 2009 and 2014, this demographic accounted for 51.9 percent of the City’s homicide victims while 12.4 percent (319) of the victims were even younger.125 This City-wide pattern applies to Greater Chatham and its growing population of young people, and places a premium on the violence prevention and intervention services discussed below.

Police naturally play a critical role in Greater Chatham’s actual and perceived safety. In recent years, Operation Impact126 has assigned additional police patrols to community hotspots. According to the Chicago Police Department (CPD), an additional five to seven officers are assigned to patrol Impact Zone 1 (7800–8200 South, between St. Lawrence and Dobson, overlapping with Police Beat 624) and Impact Zone 11 (7600–8100 South, between Loomis and Honore, in Auburn Gresham).

In Impact Zone 1, the overall crime rate decreased by less than one percent in 2014 compared to 2013, and increased by 10 percent compared to 2012. In Impact Zone 11, overall crime decreased by three percent in 2014 compared to 2013, and 21 percent compared to 2012. Within the Greater Chatham hotspot along 79th Street between Evans and Ingleside, overall crime dropped as well – down 56 percent in 2014 compared to 2012.

Positive communication and relationships between police and residents are vital to maintaining a peaceful community. CPD has a comprehensive community policing program with the primary goal of working co-

Figure 31. Crime per 1,000 residents, Greater Chatham and City of Chicago

operatively with individuals and organizations to identify and resolve issues that potentially affect the livability of specific areas.\textsuperscript{127} CPD has increased bike patrols, for example, within high-crime police beats throughout Greater Chatham.\textsuperscript{128} To address residents’ fears of retaliation for reporting a crime, CPD has created the TXT2TIP program, which enables residents to anonymously report crime via text message or the Internet. CPD has also implemented new department-wide training on effective community interaction for its officers.

Efforts to improve relationships and communication between the community and CPD are ongoing. The District Commander and personnel implementing its Community Alternative Policing Strategy (CAPS) have stepped up their efforts to get to know community leaders. CPD is also developing closer relationships with residents outside of local CAPS meetings by attending block club and neighborhood association meetings.

Greater Chatham’s long-standing neighborhood associations (e.g., Chatham Avalon Park Community Council, Avalon Park Community Pride, Park Manor Neighbors’ Community Council, Chesterfield Community Council, Greater Chatham Alliance and West Chatham Association) and countless block clubs can contribute to crime reduction by building stronger relationships among residents and between residents and public safety officials. For example, residents actively participate in CAPS meetings and the District 6 commander attends neighborhood block club meetings, association meetings, etc. to engage productively with residents. Continuing to build this sense of community or “collective efficacy” among community residents and the police helps foster and maintain a strong community and creates a safer neighborhood.

Effective violence reduction also requires violence prevention, intervention or interruption efforts.\textsuperscript{129} To this end, the City of Chicago has undertaken interdisciplinary efforts to develop programs designed to treat youth violence at its root causes. Prevention programs have the dual goals of helping youth stay off the street and stay in school.\textsuperscript{130} Further assessment is necessary to determine the extent to which such programs are being carried out in Greater Chatham.

**ASSESSMENT: PUBLIC SAFETY**

Existing programs can be more fully utilized

While CPD has successfully launched the TXT2TIP crime reporting system, many residents are unaware of it. Resident-police relations are generally positive, through CAPS meetings and other interaction with the local Commander, but lack of awareness may apply to other community policing programs as well. Efforts to promote and expand these programs within Greater Chatham should be developed.

**Safety in parks and routes to youth programs need improvement**

In addition to the crime hotspots already identified by CPD, some residents indicate feeling unsafe in many area parks due to gang activity and shootings. They also indicate that many area youth do not feel safe going to and from afterschool programs. Collective efforts by CPD and community residents are needed to expand public safety in these key areas.

**Public safety efforts must be coordinated with other community growth initiatives**

Many of the other interventions in this Plan will have a major impact on public safety as economic security improves, new residents and businesses are attracted and so forth. The Plan’s strategies and implementing initiatives are designed to be mutually reinforcing and this integrated approach is especially important with respect to public safety, particularly when addressing the area’s crime hotspots. Many hotspots are located near concentrated multifamily buildings, which often have higher occupancy by youth and gangs.

Buildings in the hotspots should be the focus of coordinated efforts that align building rehab and code enforcement; violence prevention, intervention and interruption services; and policing strategies. Housing and commercial strategies to stabilize troubled buildings must be deployed in conjunction with next-economy job training and employment opportunities for youth and adults. In this way, community residents, developers and the public and private sectors can build “collective efficacy,” working together to restore safety to Greater Chatham.

**SUPPORT SERVICES AND OTHER AMENITIES**

Local support services and amenities – including quality schools (pre-K to 12 and beyond), healthcare facilities, youth services, senior services, parks and recreational facilities, and arts and cultural resources – play a significant role in shaping a community of choice. As a community’s population profile changes over time, its amenities and services also need to evolve. For example, young families will favor neighborhoods with quality primary schools, parks and after-school youth programming while senior-headed households prefer communities that offer healthcare facilities and age-appropriate social and recreational activities.
A comprehensive treatment of issues such as public education or health care is clearly beyond the scope of this Plan. These topics are addressed here from a limited perspective – as they are immediate drivers (not just preconditions) of development and deployment of neighborhood economic capacity. The Plan aims to understand the present status of Greater Chatham’s support services and amenities, and prioritize viable targeted interventions that are immediately relevant to economic growth.

**MARKET FACTS: SUPPORT SERVICES AND OTHER AMENITIES**

The changing demographics of Greater Chatham (see Overall Performance, Human Capital and Housing sections, above) are particularly relevant to its support services and amenities. Many newer residents have lower income and skill levels than longer-term residents and require different types and amounts of social support. Appropriate amenities and services are not well developed in Greater Chatham because they have not been widely necessary in the past, creating a misalignment between the needs of newcomers and the community’s available support services and amenities.

**Schools/Education**

Quality school options are available in Greater Chatham. The Chicago Public School (CPS) Quality Rating Policy (which ranks schools on a scale of 1 to 3, with 1 being the highest) identifies three Level-1 elementary schools in the area, including two CPS selective-enrollment elementary schools (McDade Classical and Lenart Regional Gifted Center) and one math and science magnet cluster school (Dixon Elementary).

There are 25 other elementary schools within Greater Chatham rated Level 2 or Level 3. The reading and math test scores for most of them are below the national average but on par with or above many other neighborhood schools within Chicago (Figure 32). Provision of academic support services is uneven and not always well aligned with the needs of each school’s student population.

There are two Level-1 high schools in Greater Chatham (Simeon Career Academy in Chatham and Noble Corner Charter Prep in Greater Grand Crossing), along with nine other public, charter and option high schools. Area high schools generally meet or exceed City averages for school performance and for academic outcome data, including ACT scores, five-year graduation rates and Freshmen on Track (FOT) rates (Figure 33, below). In addition, nearly all of the schools’ academic performance indicators have improved over the last five years.

Of the eleven high schools, Hirsch is the only CPS neighborhood high school in Greater Chatham. Current data indicate that a majority of its enrolled students live outside the Greater Chatham area. As of the 2013–2014 academic year, Hirsch High School is a Level-3 school with intensive support required by CPS. Its overall performance indicators are below City averages, with a graduation rate of 52 percent or lower in 2013 and 2014.

Hirsch is operating well below its maximum student enrollment capacity of approximately 1,200 students, with only 184 students enrolled (15 percent of capacity). Currently, 47 students are classified as “Students Living in Temporary Situations” (homeless or otherwise lacking a permanent home) and approximately 34 percent of enrolled students are “diverse learners,” with an Individual Education Program (IEP) or 504 Plan. Social and emotional counseling and therapeutic services are a major resource need at Hirsch.

Greater Chatham includes two highly regarded Career...
and Technical Education (CTE) high schools: Simeon and Chicago Vocational Career Academy. CTE offers a series of career and technical programs focused on high-demand industries, incorporating rigorous classroom instruction, hands-on training, real work experience and extra student supports into a college-preparatory curriculum that readies students for postsecondary success. The programs provide pathways that can connect Greater Chatham youth to regional job opportunities (see “Human Capital,” pages 30–35).

CPS has made significant investments in facility improvements within selected schools in Greater Chatham, totaling $40 million since mid-2011, with another $75 million in pending projects. The majority of funding was concentrated on elementary schools in Chatham and Auburn Gresham and on program enhancements as well as capital improvements for Chicago Vocational High School in Avalon Park, at a cost of $70 million.

As part of the City’s public health approach to violence prevention, CPS has integrated social-emotional learning into standard curricula for students in K–12. This learning can help students develop the life skills necessary to succeed in school, and reduce outbursts and other impulsive behavior that can lead to violence. Further assessment should be made within Greater Chatham-area schools to ascertain if sufficient resources are being provided for social-emotional learning.

In 2014, Greater Auburn Gresham Development Corporation (GAGDC) received a $1.9 million dollar, three-year investment from the W.K. Kellogg Foundation to strengthen K–Grade 3 literacy through its “Auburn Gresham Gold” program. The program components include early literacy training, health services, employment and parent engagement. Auburn Gresham Gold is premised on a two-generation strategy that simultaneously engages both the student and the parent. The program will provide services in two elementary schools and local early childcare centers.

Early childhood education

Quality childcare services are a critical need for working parents. As of June 2013, Greater Chatham was home to 67 childcare centers (for a total of 3,826 slots) and 302 licensed family childcare homes (for an additional 3,018 slots), caring for infants, preschoolers and school-age children requiring before- and after-school care. Within the South and Southwest sides of Chicago, there are 136,714 children aged 0 to 12 years whose parents are working, and only 36,930 available childcare slots. The area’s total childcare capacity can serve only 27 percent of the children who live there. This indicates a large gap in supply that may offer Greater Chatham’s residents new business opportunities.
Parks, open spaces, recreation, arts and culture

Parks provide community residents with a space for community interaction and engagement, as well as outdoor sports, recreation and leisure activities. These activities also create health benefits by encouraging exercise and relaxation. Since mid-2011, the Chicago Park District has spent $3.6 million in Greater Chatham (Figure 34), which contains 27 parks within its boundaries (Figure 35). Major Park District projects include: rehabilitation of the Foster Facility in Auburn Gresham, HVAC improvements in the field houses at Grand Crossing Park and Avalon Park, and development of the Nat King Cole Park in Chatham.

Greater Grand Crossing Park, located adjacent to Hirsch High School, is a major asset and one of Greater Chatham’s historic parks. Its 17.16 acres feature two gyms, a fitness center, a wood shop and multi-purpose rooms. Outside, it offers baseball and football fields, basketball and tennis courts, a swimming pool, a spray pool and a playground.

The area is also home to two major community recreation centers: Gary Comer Youth Center and Martin Luther King Jr. Recreational Center. Corner Youth Center is an 80,000-square-foot, state-of-the-art recreational facility in Greater Grand Crossing. It offers youth programs in college readiness, athletics, academic tutoring, performing and visual arts, health and wellness, culinary arts, technology, media, and horticulture. Martin Luther King Jr. Recreational Center, located in Auburn Gresham, offers a skating rink, a bowling alley and an arcade.

Arts and culture encompasses the performing, visual and fine arts, as well as applied arts (e.g., architecture, humanities, historic preservation, literature, craft, film, digital media and other creative activities). Greater Chatham has a rich history of arts and culture that includes residency by notable artists ranging from gospel singer Mahalia Jackson and poet laureate Gwendolyn Brooks to present-day hip hop artist, Chance.

Greater Chatham is also home to ETA Creative Arts Foundation, a performing arts theater in Greater Grand Crossing that provides year-round theatrical productions and performing arts instruction, and Woodshop Art Gallery, one of the oldest African American-owned art galleries in Chicago. Historic landmark buildings in the
community include the Moorish-style New Regal Theater (originally the Avalon) in Avalon Park and the Chatham-Greater Grand Crossing Commercial District, which constitutes one of the City’s finest groupings of terra cotta-clad commercial buildings.

**Hospitals, medical clinics and mental health services**

Greater Chatham does not have any hospitals, and does not house either a Chicago Department of Public Health clinic or a Cook County clinic. Access Health Care Network is co-located in the Gary Comer Youth Center in Greater Grand Crossing and provides family practice services on site. In addition, Auburn Gresham Health and Wellness Center opened in December 2014 and Greater Chatham is within a few miles of several hospitals, including University of Chicago Hospital, St. Bernard’s Hospital, Jackson Park Hospital and Trinity Hospital. However, the nearest trauma center is nearly 10 miles away. These resources, with their associated outpatient clinics and miscellaneous private-practice providers, are critical to addressing local health issues. The community’s health indicators are generally worse than City averages. Common health problems faced by residents include obesity, diabetes, high blood pressure and high cholesterol (Figure 36).142

Greater Chatham also lacks a comprehensive mental health clinic. In August of 2012, the area’s only major mental health clinic, Community Mental Health Council, closed its doors. South Central Community Services has partially filled the service gaps left by the closing, but this facility’s capacity is smaller and its funding from the Illinois Department of Mental Health is limited. Access Health Center Network at the Comer Center also provides some behavioral services. The nearest City of Chicago public mental health clinic is several miles north, at 43rd Street and Cottage Grove Avenue. The City of Chicago has adopted a public health approach to preventing violence by addressing root causes and risk factors. Childhood exposure to trauma can impair cognitive and emotional development. Exposure to violence (an example of “Adverse Childhood Experiences”) puts children at significantly greater risk for aggressive disruptive behaviors, post-traumatic stress disorder (PTSD), anxiety and depressive disorders, alcohol and drug abuse, repeated victimization, delinquency and early death, along with increased risk of engaging in violence themselves as adults.144

Given the changing demographics of Greater Chatham and its current public safety problems, trauma-informed counseling should be available to its youth and families.

**Libraries**

Greater Chatham libraries are a key public amenity and provide a safe space for youth, families and seniors to engage in literacy, arts and cultural programs throughout the year, as well as access to computing centers, computer literacy programming and free Internet access. There is a branch library in each of the four Greater Chatham community areas. Three of the four have been constructed within the last seven years. The fourth, Whitney Young Library, was scheduled for new construction in 2014, but the project has been delayed.145

![Figure 36. Greater Chatham health indicators by community area, 2005 to 2009](https://data.cityofchicago.org/Health-Human-Services/Public-Health-Statistics-Selected-public-health-in)
Youth, family and senior supportive services

As discussed elsewhere, Greater Chatham’s population of youth and young adults (aged 24 years and under) has grown over the past decade, while its senior population (aged 65 years and over) has remained relatively flat. Both groups require specialized support services and amenities.

Greater Chatham has eleven Chicago Department of Family & Support Services (DFSS) service providers, but over 50 percent of them offer services only during the summer. DFSS, with the Illinois Department of Human Services (IDHS), also provides funding support for in-school and out-of-school youth programming delivered in partnership with local community organizations. Program areas include tutoring, art and music instruction, digital literacy instruction and sports and life skills training. After School Matters also provides teen programs through a network of public and private partnerships that includes Chicago Public Schools, the Chicago Park District, Chicago Public Library and community organizations throughout Greater Chatham. After School Matters currently funds 45 after-school and summer youth programs at 16 sites within Greater Chatham.

South Central Community Services (SCCS), The Ark of St. Sabina and Gary Comer Youth Center are the only major youth service agencies located in Greater Chatham. SCCS serves 80 to 100 youth daily, The Ark of St. Sabina serves 70 to 120 and Gary Comer Youth Center serves about 2,000. Approximately 14 other agencies, most of which are small nonprofit organizations or churches, also provide local in-school and out-of-school programming for youth.

Heartland Alliance and Beacon Therapeutic are the contracted service providers for the Chicago Housing Authority’s Family Works Program. The Family Works program provides case management, employment readiness placement services and counseling to families that have chosen to use housing choice vouchers (HCVs) to relocate to Greater Chatham.

St. Sabina’s Employment Resource Center operates one of the Local Initiatives Support Corporation’s (LISC Chicago’s) Center for Working Families (CWF). CWF helps residents improve their financial health through education, credit counseling and assistance with public benefits.

Senior centers play a critical role in providing comprehensive and coordinated services to elderly people. They provide recreational as well as case management services that assist residents who want to “age in place.” Greater Chatham has only one DFSS senior satellite center, while Mathers Café in Chatham also serves as an adult social and recreational facility. In addition, local neighborhood associations, including the Chatham Avalon Park Community Council, host local workshops and information sessions for seniors on critical subjects such as access to health care, the Affordable Care Act and estate planning.

ASSessment: Support Services and Other Amenities

Greater Chatham generally has a strong foundation of services and amenities, though there are gaps (largely reflecting a mismatch between historic amenities and changing demographics) and a few new priority challenges. In line with the Plan’s economic growth priorities, the community should ensure that schools, support services and amenities are tailored to the needs of middle-class families and new residents.

Greater Chatham’s quality schools should become one of the community’s highlights

Greater Chatham offers quality school options that can be leveraged to attract new families to the community, but further investments are needed to enhance performance and educational outcomes. Increasing the number of slots at selective enrollment schools, through site expansion or a new location, could also attract new residents.

Opportunity areas in support services and amenities can be aligned and coordinated with other strategies
Hirsch High School needs immediate attention to improve its quality. As the only neighborhood high school in Chatham, it is an important symbol of the community’s investment in education – a vital consideration for many potential homebuyers and a resource of particular value for the community’s newer, lower-income residents.

As reflected in its enrollment and performance figures, additional academic and non-academic resources are needed to make Hirsch a school of choice for Greater Chatham residents. Communities in Schools of Chicago, an organization that addresses gaps between students’ needs and schools’ ability to respond to them, is working within Hirsch to connect students with free social, emotional, health and enrichment programs, and to provide strategic and tactical expertise in effective program coordination to the school and related community organizations.148

This and other recent activity suggest that convening thought leaders, education experts and community stakeholders with Hirsch’s key partners for strategy-building could create momentum and leverage resources for improving the school.

Alignment with growth initiatives can assist improvements and expansions

Many areas of opportunity in Greater Chatham’s support services and amenities should be deliberately aligned and coordinated with other strategies in this Plan. CPS high school career and technical education (CTE) training programs in high-demand industries, for example, provide an opportunity to link successful high school graduates to regional employment and next-economy growth opportunities.

Youth and family supportive service programs within Greater Chatham need to grow to meet increased demand resulting from demographic changes. None of the City’s six DFSS Community Service Centers are located within Greater Chatham and the number of other providers and slots for relevant services is inadequate to meet the community’s needs. As programs expand, they can provide the requisite linkages to supportive services such as financial literacy, income supports, individual and family counseling, mental health services and alternative programs for youth, as well as employment programs – providing integrated services that combine support and access to new opportunity.

Health care presents other areas of potential. Greater Chatham’s limited medical facilities (particularly for mental health), changing demographics and poor health indicators suggest a need for expanding health services, particularly if the community is to become more attractive for seniors and young families. Repurposing existing or underutilized school buildings or redeveloping existing vacant or abandoned commercial buildings to house a health center would simultaneously improve the built environment as well.

Greater Chatham’s parks are underutilized

Greater Chatham’s numerous and attractive parks, featuring a wide array of amenities, can be leveraged further. During the Plan engagement process, for example, many area residents reported a lack of recreational and sports programming for youth, while others cited a lack of awareness about existing programs. Further assessment, perhaps through a resident survey that particularly includes youth, is needed to ascertain what kinds of programs and services are desired and how best to conduct resident outreach.

Safety was also cited during the Plan engagement process as a major barrier to using the community’s parks. Enhancing public safety will not only provide alternative safe spaces for youth and families but will also help improve residents’ overall health and well-being.

Senior services are needed

Given the limited number of senior centers relative to the size of this segment of the population, senior services also need to be expanded, both to serve seniors directly and to provide a critical resource for the entire community by helping families and friends obtain information and services for aging family members.
Greater Chatham is at a critical juncture where several trajectories are possible. On the one hand, over the last 10 years it has been confronted with substantial social and economic challenges that could drive a cycle of decline. On the other hand, it has enormous assets in its residents’ skills, its businesses, its housing stock and its community institutions. It has the potential to become a leading community of opportunity and choice for working-class, middle-class and professional African Americans, as well as for entrepreneurs and businesses. Greater Chatham – and the region – needs to find and follow this trajectory.

Doing so will require mutually reinforcing strategies that address human capital, business development, housing markets, public safety, support services and governance. Strategies must also be tailored to existing residents, assets and market realities, and designed to attract the next generation of targeted residents, businesses and investment.

The extensive market analysis provided in Chapter II points the way: below are 16 strategies that reflect the particular challenges and opportunities of Greater Chatham. In conjunction, the strategies promise to place Greater Chatham firmly on the path to economic prosperity and community vitality, offering leverage points for building the healthy market and community dynamics needed to participate in next-economy growth. Note that they are, indeed, strategic: they prioritize the investments and opportunities that are highest-impact and most viable now. The strategies that follow are a starting point, to be refined and supplemented as the Plan is implemented and further opportunities arise.
Human capital / workforce development

1. **Return middle-skill adults to middle-class jobs through employer engagement and specialized, industry-driven training.**

   For underemployed/unemployed residents who already have the skills demanded by growing industries, target and expand connections to quality employment. For middle-skill adults who need to develop new skills to meet evolving demand, partner with employers to develop tailored short-term training programs and target program recruitment in Greater Chatham.

2. **Connect job-ready youth with employment opportunities and employer-driven training.**

   Align job-ready youth with the region’s continual demand for entry-level workers by developing targeted employer hiring partnerships for Greater Chatham and improving residents’ access to counseling and placements through existing workforce intermediaries.

3. **Increase the job-readiness of youth who face barriers to employment.**

   Connect residents with workforce readiness services coupled with social support services. Develop the next generation of preparation programming to meet emerging employer demand. Engage in strategic partnerships that improve access of youth who are not job-ready to existing services and strengthen job placement upon completion.

The strategies above share three core components:

- Strategic partnerships with regional and community employers;
- New platforms and relationships to connect workers, training providers and employers more effectively; and
- A next-economy orientation.

Greater Chatham’s long-term competitiveness will be determined by how well its workforce anticipates and meets emerging regional employer needs. As employer needs change or gaps emerge in existing services, Greater Chatham’s workforce institutions will evolve to invent new, tailored training programs and career pathways.

**EXISTING INITIATIVES RELEVANT TO STRATEGIES 1, 2 AND 3**

The workforce strategies above tailor and bring to ground in Greater Chatham those found in the region’s two major growth plans, leveraging and helping further implement them. Metropolitan Chicago has a robust network of workforce organizations that, in part as a result of the regional plans, is becoming more targeted and employer-driven. This provide significant opportunity for aligning Greater Chatham’s community-level efforts with regional strategies, enhancing the performance of both.

The Chicago Cook Workforce Partnership (The Partnership) provides employment training, placement and educational opportunities to residents throughout Cook County, including coordinating services for disadvantaged and entry-level workers. Groups like The Partnership and Skills for Chicagoland’s Future also work closely with employers to identify workforce needs and directly source job-ready talent from across the region.

Other organizations, like YearUp and Jane Addams Resource Corporation, engage with employers to provide workers with specified technical training and on-the-job experience, while initiatives like the 1,000 Jobs campaign and LeadersUp strengthen the pipeline of industry-trained workers through targeted partnerships with workforce development agencies and employers.

City Colleges of Chicago, including particularly the College to Careers program, provides students with access to industry-tailored education, skills training and placement, operating through employer partnerships in seven regionally significant clusters. Organizations like Complete the Degree and One Million Degrees support residents while they improve their credentials. The Council for Adult and Experiential Learning (CAEL) helps workers recognize their career opportunities, translates their work experience into credentials and helps employers understand and design systems tailored to workforce needs and opportunities. At the community level, organizations like Employment and Employer Services, Heartland Alliance and the St. Sabina Employment Resource Center focus on helping the community’s residents, including the hardest-to-employ, connect with resources, training and employment opportunities.
**Business development**

4. **Target business and industrial land development toward high-priority regional clusters.**

Develop and attract businesses in growing regional clusters such as Business Services and Headquarters; Food Manufacturing and Packaging; Transportation, Distribution and Logistics; and Fabricated Metals. Engage targeted businesses, help them connect more closely with other cluster firms and institutions and provide support for their growth.

5. **Grow Greater Chatham’s concentration of Business-to-Consumer (B2C) firms.**

Leverage the strength of Greater Chatham’s status as a center for consumer services to grow existing firms and add new ones. Target business and financial planning, employee training and other supports to B2C businesses such as destination retail, professional services and entertainment. Brand and market Greater Chatham as a consumer destination and build businesses’ capacity to promote themselves, including online presence and social media.

6. **Grow Greater Chatham’s concentration of Business-to-Consumer (B2C) firms.**

Identify the types of local-serving consumer amenities that are important to current and desired future residents and make them the focus of targeted retail and service development.

7. **Support entrepreneurship and innovation districts.**

Develop available commercial space and industrial land for creating incubators and larger industrial developments suitable for housing closely related businesses that share infrastructure, technology and logistics. Connect to priority clusters with a “fab lab,” supplier park, business services or food manufacturing innovation district, or an integrated service center for hospitals.

The strategies above are designed to complement each other. Implemented together, they will draw capital into Greater Chatham through expanded business operations, strengthen its connections to growing regional clusters and diversify the mix of retail options necessary to improve its standing as a B2C destination and a community of choice. Implementation tactics will fall into three general categories, varying slightly by strategy:

**Tailoring and targeting small business support services and financing**

Greater Chatham already offers significant support services for small businesses and more could be accessed elsewhere in the region. To maximize their strategic impact, these services should be directed to firms operating in the supply chains of priority clusters, B2C firms, and retailers and service providers oriented toward attracting and retaining middle-class households.

Firms in these three categories should be deliberately recruited and connected to appropriate resources, which may need to be further refined to address the specific challenges and opportunities of each type. For example, small and medium enterprises (SMEs) entering into regional corporate supply chains for the first time might particularly need assistance related to bidding procedures or working capital financing. In addition, some area firms currently operate without the appropriate business licenses from the City and could benefit from guidance on navigating the licensing process.

Limited access to and capacity for web-based business is a key barrier for many local SMEs. Emerging effort to address broadband service access, quality and costs on the South Side, coupled with existing technical assistance programs, will help them enhance their business performance using online resources.

As local firms identify opportunities for growth, opportunities for new investments will also emerge. Existing and new sources of financing should be tailored and targeted to these businesses.

Finally, many existing businesses have aging owners and face succession problems. This creates opportunities for new entrepreneurs and investors, but specialized engagement and business succession planning is needed to take advantage of them.
Leveraging land resources

Greater Chatham has underutilized land assets that could be redeployed to attract new firms in the region’s priority clusters, B2C firms and community-serving retailers and service providers. Because the quality of available parcels and buildings varies (e.g., location, size or access to transit and freight), determining priority re-use requires matching (a) the types of development that will have the most growth impact; with (b) parcels that offer the most suitable potential for redevelopment.

Targeting efforts toward high-impact corridors and nodes

To maximize the impact of redevelopment and to focus resources on high-visibility, high-potential areas or high-need “priority zones,” specific areas will be prioritized for early property acquisition and development, complemented by parallel streetscaping and other visual improvements. Targets might include parts of the 75th Street commercial corridor, a historic center of local-serving retail and B2C in Chatham that, in recent years, has been negatively affected by crime and housing trends. Others might include the priority zone near 79th Street and Cottage Grove Avenue, and the area on State between 76th and 77th recently rezoned for retail.

EXISTING INITIATIVES RELEVANT TO STRATEGIES 4, 5, 6 AND 7

Several regional cluster organizations are emerging to coordinate and provide services to strengthen their member firms. The Supply Chain Innovation Network of Chicago (SINC) is leading efforts in the TD&L sector, starting with an initiative to improve the speed and efficiency of goods movement through the region. The Chicago Metro Metals Consortium (CMMC), focusing on the region’s Fabricated Metals firms, has already received an “Investing in Manufacturing Communities Partnership” (IMCP) designation that places it on a short list of organizations eligible for $2 billion of federal funding. Chicagoland FOOD, a Food Manufacturing and Packaging cluster organization, is just launching and anticipates workforce, SME and supply chain initiatives.

The Business Services and HQ cluster is being bolstered by World Business Chicago’s CASE (Chicago Anchors for a Strong Economy) program, which has seen initial success in forging connections between neighborhood-based business services firms and the region’s major anchors.

A wealth of services and organizations targeting small businesses exist in the region. Local business support organizations include the Chatham Business Association and the Greater Auburn-Gresham Community Development Corporation. Government support exists via Chicago’s Small Business Development Centers, the federal Small Business Administration and the City of Chicago’s Small Business Center. The Illinois Manufacturing Excellence Center (IMEC) provides a range of support services for manufacturers of all sizes.

Internet technical assistance programs for business owners are currently offered through the Chatham Business Association. Through their GET Connected program, CBA offers workshops, training sessions and “IT Ambassadors” who consult directly with businesses on web development and email use. The Smart Chicago Challenge is also finalizing its suite of support services for the Chicago communities with the lowest rates of broadband usage. While their next round of efforts is unlikely to target Greater Chatham, the initiative’s presence elsewhere the South Side could leverage better service in the Greater Chatham market.

To assist with the acquisition and assembly of industrial and commercial land, Greater Chatham could partner with various not-for-profit lenders currently operating in this space. The Chicago Community Loan Fund (CCLF), IFF (formerly the Illinois Facilities Fund) and the Community Investment Corporation of Chicago (CIC) provide financing options that could be leveraged to obtain property in the Greater Chatham area. In addition, the recently formed Cook County Land Bank Authority has the capacity to acquire and assemble properties. Finally, vacant land and buildings in Greater Chatham that are owned by the City of Chicago and Cook County could also be leveraged for strategic redevelopment.

With respect to incubator spaces, 1871, Blue 1647 and Catalyze Chicago are among the local incubation facilities that could serve as partners, while TechShop, a national shared-space operator expanding into the Chicago region, may be attracted to Greater Chatham.

Several sources of financial tools exist to support the array of business development activities described in the strategies above. These include the Capital Access Center, housed at the Chatham Business Association; Chicago State University College of Business’ anticipated venture fund; and the City of Chicago’s Department of Planning and Development, which manages Tax Increment Financing (TIF) programs including the Small Business Improvement Fund (SBIF), among others. The Office of the Treasurer should be engaged to assess opportunities for connecting local entrepreneurs and small businesses with private and public investment capital.
By stabilizing challenged properties, enabling owner and investor rehab, providing finance to restore normal market activity, supporting homeownership, enhancing streetscaping and aesthetically improving key corridors, these strategies will synergize with others in the Plan to unleash the community’s housing market. Together, they will grow demand, improve values and contribute to a virtuous cycle of wealth creation, new resident attraction and increased demand for (and investment in) retail and amenities. A comprehensive approach to investing in Greater Chatham’s housing market offers significant promise of creating major new value for residents and the community, and a community of choice for Chicago’s African-American middle class in the next economy.

**EXISTING INITIATIVES RELEVANT TO STRATEGIES 8, 9 AND 10**

A substantial network of private-market local rehabbers, of both single-family and multifamily buildings, is active and eager to do more as investment resources become available and market demand improves. Key non-profit developers, including Genesis Housing Development Corporation, are also leading renovation of the housing stock. In addition, a wide variety of special programs like the Chicago Brownstone and Greystone Initiatives support the maintenance and rehab of particular types of housing. Organizations like Metropolitan Planning Council and Chicago Infrastructure Trust are piloting employer-based housing incentives and housing investment programs, to improve demand and quality of supply in underinvested neighborhoods.

Chicago has a robust network of housing finance lenders, assistance providers and advocates that can be strong partners in improving Greater Chatham’s housing market. Organizations like Community Investment Corporation of Chicago (CIC) and Neighborhood Housing Services of Chicago (NHS) offer a broad range of homeowner, landlord and renter services, and financial products which can be expanded and tailored to the conditions and opportunities of Greater Chatham. The Chicago Community Loan Fund (CCLF) and other lending partners have financial products to support non-profit and private market rehabbers. Federal programs like the Home Affordable Refinance Program (HARP) provide underwater owners with government-sponsored enterprise (GSE) loans and the tools necessary for preparing to sell or stabilize as owners.

Chicago Housing Authority (CHA) can be a strong partner for the work of ensuring that HCV holders have access to quality, well-managed properties. The City of Chicago has programs like the Troubled Buildings Initiative and Large Lot Program to return properties to productive uses, as well as code enforcement authority that can be further targeted in Greater Chatham. The Cook County Land Bank, among others, has mechanisms for securing and stabilizing vacant and foreclosed properties.
Public safety

11. Target business and industrial land development toward high-priority regional clusters.

Build on Greater Chatham’s strong foundation of community engagement and collective efficacy to launch a broad-based public safety campaign. Ensure that community stakeholders — working closely with the Chicago Police Department and its community policing program, the Chicago Housing Authority and other public agencies — identify and address crime problems. This includes:

- Designing initiatives to increase the reporting of criminal or suspicious activities;
- Advocating against the purchase of stolen goods (e.g., increased criminal prosecutions and revocation of business licenses);\(^{152}\) and
- Launching billboard and social marketing campaigns and engaging youth in the work of preserving a peaceful community.

All activities should align with the Mayor’s Commission for a Safer Chicago Strategic Plan for 2015.

12. Reduce youth violence through prevention, intervention and interruption efforts.

Preempt future violence by providing the community’s youth with mentoring opportunities, social-emotional learning and trauma-informed support services, restorative practices and street outreach services.\(^{153}\)

13. Create more “safe spaces” where youth, families and seniors can learn, play and socialize.

Focus public safety activities on libraries, parks, recreational centers and other critical locations to expand the number of places and activities where youth, families and seniors can feel safe. Address safe travel to and from after-school youth activities. Align all activities with the recommendations regarding the risk factors for and root causes of youth violence in the Strategic Plan for 2015.

Public safety presents a critical challenge at this point in Greater Chatham’s trajectory. Success in unleashing the housing market, increasing business development and improving employment will, in the long run, fundamentally improve public safety. But public safety heavily influences the location and investment choices of potential residents and businesses, making it a precondition for success. In significant part, this Plan’s other strategies are dependent on addressing public safety issues now.

A significant public safety campaign, in conjunction with the other strategies, can reduce Greater Chatham’s tolerance for crime and the drivers that foster it, creating effective alternatives instead.

**EXISTING INITIATIVES RELEVANT TO STRATEGIES 11, 12 AND 13**

Key relevant Chicago Police Department (CPD) initiatives are discussed in Chapter II (see page 57). Several promising civic initiatives could be targeted to address the specific public safety needs of Greater Chatham, including: Safe Passage, providing safe routes to and from school for Chicago Public School students; Becoming a Man (BAM)\(^{154}\) and World Sport Chicago,\(^ {155}\) helping youth develop social and emotional learning and coping skills; MATCH,\(^ {156}\) providing tutoring; Force for Good Initiative, offering capacity-building to support violence prevention; One Summer Chicago Plus (OCS+), delivering youth summer jobs and supportive services; Community Organizing and Family Issues (COFI) Peace Centers, engaging parent leaders as “peacemakers” to help youth resolve conflicts that could lead to expulsion or arrest; after-school programming provided by the Comer Family Foundation, offering positive extracurricular alternatives; and Strong Blocks, supporting community empowerment.
Support services and other amenities

14. Improve educational offerings that are attractive to working- and middle-class families and responsive to residents.

Plan and execute targeted school improvements to better serve the needs of newer residents and help make the area a community of choice for middle-class families. Work with CPS to increase the number of selective enrollment slots in classical and gifted-education programs. Improve enrollment and academic outcomes at Hirsch High School with enhanced resources and targeted resource deployment. Increase attendance and connect students to expanded after-school programming. Enhance the availability of academic enrichment with programming such as an evening/weekend reading, math and science academy for youth.

15. Expand health and other support services for youth, families and seniors.

Leverage and expand existing support services, targeting Greater Chatham’s youth and lower-income families. Make trauma counseling and related services readily available to at-risk youth.

Greater Chatham generally has very strong amenities, but local support services are not keeping pace with the needs of the changing population. As noted in Chapter III, this Plan cannot comprehensively address issues like public schools and public health, instead prioritizing the support services and amenities most immediately relevant to its economic growth goals. For current purposes, this primarily means targeted school improvements to strengthen the attractiveness of the community as one of choice for middle-class families, and to serve the needs of newer lower-skilled residents; and improving specialized services for the young adult population (complementing Public Safety Strategies 12 and 13) and seniors.

EXISTING INITIATIVES RELEVANT TO STRATEGIES 14 AND 15

Potential partners to implement supportive service strategies include: Chicago Community Trust’s Chicago Neighborhoods 2014: Assets, Past Plans and Trends initiative; Chicago Housing Authority’s Family Works Program and its contracted providers; Beacon Therapeutic and Heartland Alliance; United Way of Chicago’s Neighborhood Networks in Auburn Gresham; LISC Chicago’s New Communities Program Network in Auburn Gresham; the Greater Auburn Gresham Development Corporation; and the Comer Family Foundation in Greater Grand Crossing.

A number of additional education and supportive service programs could be expanded in Greater Chatham, including after-school youth programming at South Central Community Services (SCCS); resources, technical assistance and advocacy provided by the Illinois Mentoring Partnership (IMP); community strengthening and volunteerism activities offered by Chicago Cares; parent engagement, early literacy training, health services and employment available through the Greater Auburn Gresham Community Development Corporation’s Auburn Gresham Gold Program; and the mentoring and literacy efforts of Working in the Schools (WITS).
The dynamism of the next economy places a premium on open, flexible, collaborative cross-sector networks. These help people, businesses and organizations find each other easily and efficiently in order to do deals, exchange expertise and knowledge, innovate and collaborate. Examples range from young professional groups, to angel investors, to informal rehabber networks or industry cluster organizations. Their activities, however different, often share a market orientation.

Greater Chatham needs a variety of networks and institutions that engage all of its stakeholders in the community and beyond: the employers who hire residents; the regional businesses that purchase from local suppliers; and developers, investors and others outside the community.

To accomplish this, enhanced capacity is needed to simultaneously engage with and be accountable to both community and market dynamics, aligning the two. Strategic, enriched networks are needed to facilitate targeted economic activities (e.g., cluster strategies); to coordinate interventions (e.g., “priority zone” building rehab, code enforcement, public safety and supportive service delivery); and to continually surface and invest in new opportunities. These networks (which include the public sector) enable tailoring and alignment of programs in place, for more successful implementation. More importantly, they make their members more efficient and productive in generating new economic activity.

A substantial next step in implementing Strategy 16 is the continued development of the emerging institutional infrastructure for management and ongoing implementation of the Greater Chatham Initiative. The “Next Steps and Implementation” chapter (Chapter IV) further addresses creation of this next-generation governance in Greater Chatham.

**EXISTING INITIATIVES RELEVANT TO STRATEGY 16**

Over two hundred public-, private- and civic-sector organizations and individuals (from Greater Chatham and the broader region) are participating in development of The Greater Chatham Initiative (see pages iii–v for a full list of Advisory Group members). As this work progresses, as initiative implementation gets underway and new initiatives are developed, these networks will continually expand. New ones will emerge that are tailored to particular opportunities that arise. These organizations and their collaborations represent firm bedrock on which to build new governance.

These 16 strategies are mutually reinforcing. Improving employment for residents who are newer, lower-skilled and middle-income will increase demand for housing and retail, as well as reducing crime. Growing businesses better tied to regional clusters will increase income and jobs, as well as making the community more attractive. Real estate financing and investment to “unfreeze” the housing market will respond to this increased demand for housing, attracting further residents and demand – for housing, retail and other amenities. Improving neighborhood retail (in response to the increased demand) will further increase demand for housing while creating local jobs and wealth. Addressing public safety and improving targeted support services will make retail and housing development more viable. And improved jobs and businesses, new residents and better networks will all reduce crime. In other words, these strategies are designed to create a virtuous cycle of growth supporting Greater Chatham in its trajectory as a community of opportunity and choice.

At the same time, residents’ increased contributions to the competitiveness of the region’s economy (through skilled work or supply-chain connections to firms in regional priority clusters) will facilitate sustainable long-term growth that reaches far beyond the Greater Chatham community – and as the region prospers, it will create still more opportunities for Greater Chatham.
While it is a critical first step, the Greater Chatham Initiative Plan is just a plan. Its targeted, aligned strategies can be transformative but, like any business plan, it must be implemented, tested in its implementation and continually updated. Further, implementation requires new institutional capacity. This initial draft is the first step in a long-term, ongoing process of further stakeholder engagement and implementation.

**Implementation: Lead initiatives**

The Plan itself is not the main event. Rather, it provides the necessary market analysis and guiding strategic focus for taking action, laying the groundwork for the design and implementation of initiatives: new products, services, programs and enterprises that can execute the strategies and drive economic growth in Greater Chatham.

Initiatives are already in various stages of development. Some are nearly ready to launch, while others require significant research, analysis and engagement to determine the best enterprise design and to establish operating partnerships. A summary of lead initiatives, actively being developed with potential implementation partners, follows.
1. GREATER CHATHAM WORKFORCE CENTER
The Workforce Center will serve as a hub location for Greater Chatham residents of any skill level and employment status. Managed by the Chicago Cook Workforce Partnership, the center will provide access to tailored training and job-matching services through a comprehensive intake and assessment platform and connections to programs aligned with workers’ skills and employers’ needs.

Implementation partners have been identified and programs are being designed in collaboration with the Chicago Cook Workforce Partnership for each of this initiative’s key components, which include:

1.1 Physical hub
The hub will be located in Greater Chatham and its development will be coordinated with other growth activities (see Initiative 7, below).

1.2 Universal workforce services and wraparound supports
The hub will provide comprehensive services for unemployed and displaced workers and associated work-readiness training (including training for youth). Its programs will be coordinated with support services (e.g., transportation, childcare, etc.).

1.3 Employer-driven training for job-ready youth and middle-skill adults
Employers and training partners will provide tailored programs and apprenticeships in growing sectors and occupations (such as financial services and retail management), to prepare and support job-ready residents in opportunity-rich careers.

1.4 Placement for job-ready workers
Implementation partners working with targeted employers will provide direct placement of qualified, job-ready candidates at all skill levels.

2. CHICAGO ANCHORS FOR A STRONG ECONOMY Greater Chatham Cohorts
Greater Chatham businesses will be recruited to participate in the Chicago Anchors for a Strong Economy (CASE) capacity-building program, with a focus on services tailored to the needs of local firms in the Business Services and Food Manufacturing and Packaging clusters, and the provision of one-on-one, in-depth consulting services for particularly high-growth-potential firms.

3. CLUSTER FIRM RECRUITMENT Integration into regional cluster organizations, opportunities and supply chains
Recruitment of Greater Chatham firms to participate in emerging regional cluster organizations (e.g., SINC, Chicago Metro Metals Consortium or FOOD) and their programming (e.g., workforce, innovation centers, exports, etc.).

4. SMALL BUSINESS CAPACITY-BUILDING
Technical support and financing to promote the start-up and growth of small businesses, with a focus on those in key clusters including Metals Manufacturing, Food Manufacturing and Packaging, Transportation, Distribution and Logistics (TD&L), Business Services and HQs, and Consumer Services. The aim is to coordinate, target and expand existing programming to deliver specific, tailored products ranging from training on ways to leverage social media to assistance with business planning for an expansion to venture finance.

5. TARGETED RESTAURANT, RETAIL AND CONSUMER SERVICES DEVELOPMENT
Strategic development support will be targeted to consumer-oriented businesses that either (a) enhance Greater Chatham’s status as a community of choice for middle-class African-American households; or (b) strengthen the area’s status as a business-to-consumer/shopping destination for the broader South Side. As opportunities arise, tools developed by Chicago TREND (among other organizations) will be targeted to key commercial areas such as 75th Street, 79th Street, Cottage Grove Avenue and the Chatham Market shopping center.

6. NEIGHBORHOOD HOUSING RESOURCE CENTER
Coordinated and centralized resources will be made available to assist Greater Chatham residents in accessing data, tools and financing – existing and new – related to housing. The aim is to improve the quality of rental and owner-occupied housing stock, facilitate homeownership, foster financial stability for homeowners, and build capacity among rental property owners and managers.

Activities will include targeted outreach to connect homeowners, developers and purchasers to the right existing products, and to new financing products offered through key implementation partners. Initial components under development with implementation partners include:

6.1 Physical hub
The hub will be located in Greater Chatham and its development will be coordinated with other growth activities (see Initiative 8, below).
6.2 HARP (Home Affordable Refinance Program)
A coordinated outreach and counseling campaign will engage the nearly 1,000 underwater HARP-eligible homeowners estimated to be living in Greater Chatham.

6.3 Home purchase and rehab financing
Financial products will be developed to support new home purchase and rehab of existing properties by owner-occupants. These products will include down payment assistance, appraisal gap financing and subordinated rehab loans.

6.4 Small building acquisition /rehab investment
This component will include low-cost financing and technical assistance for the acquisition and rehab of foreclosed single-family homes and 2- to 4-unit buildings.

6.5 Multifamily acquisition and rehab investment
Acquisition and rehab of the most troubled multifamily and mixed-use (residential/commercial) buildings in targeted “priority zones” (see Initiative 7, below).

7. SIGNATURE “PRIORITY ZONE” REDEVELOPMENT
Geographically targeted, highly visible and multi-faceted redevelopment of key buildings will be carried out in “priority zones.” This will include acquisition, rehab and disposition of particularly troubled single-family, multifamily, commercial and mixed-use properties, coupled with targeted streetscaping and other community beautification investments (e.g., improving the aesthetics of vacant buildings through use of murals/banners depicting historical/cultural icons). The Workforce Center may be an anchor for the 79th Street priority zone (see Initiative 1, above).

8. GREATER CHATHAM COMMUNITY CENTER
This initiative involves acquisition and build-out of a commercial property to house the core operations of the Greater Chatham Initiative, including a modest staff (see the discussion of institutional infrastructure for management and implementation, below), the Neighborhood Housing Resource Center (see Initiative 6, above) and community meeting/event space.

9. COORDINATED PROGRAMS AND SERVICES TO IMPROVE HIRSCH HIGH SCHOOL
This school improvement plan will leverage existing and new educational programs and services offered via public and private partnerships. Its aim is to improve local educational options attractive to middle-class families, and to respond to the needs of new residents.

A Hirsch High School Task Force of local public, private and non-profit partners, in coordination with the Mayor’s office, Chicago Public Schools and Hirsch High School, will be created to assess Hirsch’s capacity constraints and areas for improvement, and develop short- and long-term solutions in coordination with existing resources at the school (e.g., Johns Hopkins, Communities in Schools).

10. EXPANDED OUT-OF-SCHOOL ELEMENTARY-AGE YOUTH PROGRAMMING
The number of slots available for elementary-age youth during after-school hours (3:30 to 7:00 p.m.) will be expanded within Greater Chatham. After-school programming for this group will include education, arts and culture, sports, academic clubs and recreational programs. Partner services will include free transportation for youth who travel from school to after-school program sites.

Implementation: Initiatives under development
A next wave of initiatives will complement and build on these lead initiatives, and is already under development. It includes, but is not limited to:

- Reuse of industrial land to create an industry-specific supplier park or innovation district and establish a small business incubator
- Collaborative (e.g., with Cook County Land Bank Authority) identification and acquisition of key vacant properties to support business and housing initiatives
- Employer-assisted housing program
- Multifaceted effort to improve safety in parks and around out-of-school youth programming
- Expanded violence prevention, intervention and employment programs targeting at-risk youth
- Redevelopment of the former Calumet High School
- Public safety billboard and social marketing campaign that engages local youth and addresses peaceful conflict resolution, reducing gun violence, etc.
- Initiative to increase resident access to mental health services
- Rehabilitation and expansion of Whitney Young Library
As noted in the market analysis, capital access presents issues with respect to several segments of both the housing and business markets. The business and housing initiatives (Initiatives 2–5 and 6–7) briefly summarized above entail substantial new (or tailored and targeted versions of existing) financing products, which are currently under development with partners. As discussed below, a broader neighborhood investment vehicle may also be developed, particularly as market activity in Greater Chatham increases and value is created by the combined implementation effects of these strategies.

With the obvious exception of Initiative 7, above, the first wave of initiatives is not explicitly targeted to particular sub-areas of Greater Chatham. They are each addressed to specific challenges and opportunities, however, which are present in varying degrees in different sub-parts of the community (such as single-family housing, or middle-skill workers). As a result, each initiative will inherently impact some parts of the community more than others. Another anticipated area for development of new initiatives will be further tailoring to sub-community areas.

These initiatives are designed to begin implementing the strategies, targeting the most necessary, achievable and transformative activities first. Each will need a clear business plan and capable and accountable partners to become a concrete, actionable enterprise.

**Institutional infrastructure for management and implementation**

Beyond individual initiatives, an institutional infrastructure is needed for the Plan overall. This structure ties the initiatives together, monitors and improves them as necessary, raises implementation resources and assists the development of further strategies and initiatives as circumstances change and the Plan continues to evolve over time.

**DESIGN PRINCIPLES**

A next-economy plan requires the creation of next-economy institutions for its implementation. Several key design principles for this institutional infrastructure can be derived from the foundations of the Plan (see Chapter I) and its contemplated activities.

This Plan is informed by a long and illustrious history of comprehensive community development initiatives including, most notably, the New Communities Program. Among many other lessons about institutional structure, this history demonstrates that infrastructure for continued development and implementation must reflect deep community engagement and accountability.

This is a neighborhood “business plan.” Its nature implies capacity for continually taking a market-based and business-disciplined approach to economic development. This includes understanding, engaging with and investing in market activities that are often larger than the neighborhood itself. As in business planning, organizational form must follow function: the institutional infrastructure must be able to deliver the targeted products and services, which will cover a wide array of organizing and market activities.

The institutional economics of the next economy favor open, flexible, dynamic cross-sector networks. In light of this, the Plan’s institutional infrastructure should reflect an adaptable, inclusive, entrepreneurial and distributed work model. Partners should be able to participate efficiently where they add value; clear, accountable roles should be defined for relatively independent management of discrete projects; and membership should be sufficiently fluid to accommodate the evolving focus areas and capacity needs of implementation.

Considering the roles and dynamics of neighborhoods nested in regions, the institutional infrastructure must connect to and engage with systems and stakeholders within and outside of the neighborhoods. To provide comprehensiveness, tailoring and especially integration, the organizational infrastructure needs to be very close to the ground. This will ensure that it is able to undertake focused execution on varied, complex and simultaneous projects (e.g., from brokering delivery of existing services to managing new financial products) while also coordinating across projects, monitoring ongoing activity and catalyzing new initiatives.

**FEATURES**

The core design principles above suggest some defining features for the organization’s form.

**Stakeholders**

The organization needs to include both community stakeholders and a substantial network of regional stake-
holders, including employers, program partners, government and regional economic development institutions, and so on. In addition, the organization must offer ways to engage stakeholders interested in participating or partnering on narrower issues (e.g., targeted workforce development).

Accountability

The organization must be both “by and for” the community and “of” the market. Its structure needs to enable community accountability through broad input and participation in decision-making and business-like market accountability.

Decision-making / management

The organization needs sufficient authority, legitimacy and influence to be able to assure prioritization, alignment and coordination. At the same time, it needs to be sufficiently non-hierarchical to foster flexibility, entrepreneurial activity and relatively independent implementation of varied activities by a wide array of partners.

Distributed work

The need to be nimble and flexible, adaptable over time, and able to incorporate varied expertise for different projects and engage partners without stifling them – these requirements, among many others, suggest an organizational structure in which the day-to-day implementation work (as distinct from coordination of the work) is done by a network of affiliated partners as appropriate.

NEW ORGANIZATIONAL FORM

In short, ongoing development and implementation of the Plan require a new organizational form that can offer:

- The capacities of a conventional community organization along with those of a business;
- The ability to engage simultaneously and efficiently in multiple efforts, all tailored to different endeavors and a broad range of partners – from targeted regional employment partnerships to broader community campaigns;
- The capacity to align activities strategically without becoming too hierarchical or losing open, flexible and entrepreneurial qualities;
- Support for both specialization and integration of activities; and
- Accountability to both the community and the marketplace.

New organizational forms are arising in the next economy to meet such hybrid goals, including:

- Benefit and flexible-purpose corporations such as Irvine-based Prometheus Civic Technologies or Chicago’s Mightybytes Inc., which formally blend conventional for-profit corporate forms with public-purpose forms;
- Non-profit investment funds such as the Housing Partnership Equity Trust and the Community Development Trust;
- Community-led and owned development partnerships like Market Creek Partners and Richly networked distributed-work initiatives such as the Urban Sustainability Directors Network, a national coalition of more than 150 local public-sector sustainability officials.

STRUCTURE

Applying these principles to the functions and activities of the Greater Chatham Initiative, an organizational structure something like the following might be appropriate (Figure 37):

GCI Leadership Entity

The center of gravity for this organizational form is GCI, which is comprised of the GCI Leadership Committee, Public Officials Committee, subject-specific Implementation Committees and a modest number of staff.

GCI Leadership Committee (LC)

The “hub” for implementation of the Plan, the LC will be comprised of community leadership and regional stakeholders. Acting with advice from its Implementation Committees, it will have overall responsibility and authority to direct, monitor and refresh the Plan, and it will be accountable for coordination, integration and resource generation to support its implementation. The LC will be very leanly staffed.

Public Officials Committee (POC)

The POC will provide a vehicle for participation, guidance and coordination by State, County, City and local public officials. This group will provide guidance on the Plan overall and, in particular, help tailor, target and coordinate public services, programs and resources.

Implementation Committees (ICs)

Implementation Committees will be responsible for identifying, developing and vetting initiatives and partners, monitoring ongoing initiatives, and developing new strategies and initiatives to further implementation of the Plan. The ICs will be co-chaired by at least two subject-matter experts, one of whom would ideally also serve on the LC. The ICs themselves will be composed mainly
of members who are not on the LC. These members will represent both private and civic sectors and both the neighborhood and the region. This will allow the sub-committees flexibility to include partners and experts in the work as it evolves (including the creation of new ICs if new strategic areas arise).

**Implementation Partners (IPs)**

Implementation Partners are organizations responsible for implementing particular initiatives prioritized by the Plan. They will operate largely independently day-to-day, with accountability through contractual, resource and other relationships with GCI.

The LC and Executive Director (see below) will integrate, help manage and secure resources for the IPs’ activities. The proper balance of autonomy and accountability for each initiative will be determined by the nature of the partner and initiative in each case.

**Executive Director**

The Executive Director will have day-to-day responsibility for implementing the Plan and managing GCI. The ED will be the critical leader translating the “big picture” into detailed operations and partnerships. This will entail both making sure that the overall Plan and its strategies are working and that each initiative and operation is effective. The ED will connect the Plan’s parts into a larger whole, which will include connecting the Leadership Committee to the Implementation Committees.

**Neighborhood investment vehicle**

As the Plan is implemented, its mutually reinforcing, largely market-based initiatives should be creating value in housing, businesses, industrial land and so forth. Residents and other stakeholders should give consideration to creating an investment vehicle that participates in the varied finance and investment products contemplated by the Plan, and enables investment by residents and other stakeholders.

This organizational structure is designed to engage and align the activities of varied stakeholders, creating efficient and flexible mechanisms for participation, coordination and management. The process of developing the Plan has already begun to build the necessary new institutional networks and partnerships, which in turn are generating new ideas and capacities for implementation, leading to the engagement of further partners, and so forth.

As the Plan is implemented, new tactical challenges and opportunities will emerge that will require new strategies and activities. The institutional infrastructure is designed to embrace, reflect and foster this type of reinvention.
Conclusion

This is a neighborhood business plan, distinct in its focus on the economics of neighborhoods in the context of regions and its business-like approach to creating prosperity. The focus on economics leads to identification of Greater Chatham’s opportunities for market-based development in the next economy, in human capital, business, real estate and other areas. The business plan approach leads to specification of viable products and initiatives, and new institutional capacity to realize these opportunities. Yet – while rigorous, fact-based, grounded in communities and markets – it is only a business plan: a best estimate and design for the path forward. The most important work lies ahead, in its implementation and continuous improvement.

It is the right time and place for this scale of systematic investment in Greater Chatham, essential for the future of the neighborhoods and the region. Greater Chatham offers amazing assets and opportunities well aligned with the trajectory of the regional economy. And Greater Chatham and Chicagoland need each other to succeed. Together, we can create lasting prosperity and vitality for both.
Endnotes

1. Throughout this document, “middle class” is used as shorthand intended to encompass a broad swath of households, including both blue- and white-collar workers and a range of family structures and ages, with a core population that is solidly middle-income. The term is not meant to be exclusive. Indeed, “middle class” is sometimes defined not by income, but by values and goals. The US Department of Commerce, for example, states that “[m]iddle class families aspire to home ownership, a car, college education for their children, health and retirement security and occasional family vacations” (US Department of Commerce, “Middle class in America”). Income-based definitions span a range and include: the 20th to 80th percentile of the consumption distribution (William Easterly, “The middle class consensus and economic development,” World Bank Policy Research Working Paper 2346, 2000); “25th to 75th percentile of the income distribution” (US Department of Commerce, “Middle class in America,” 2010); households earning between 75 percent and 125 percent of median per capita income (Nancy Birdsall, Carol Graham and Stefano Pettinato, “Stuck in the tunnel: Is globalisation muddling the middle class?” Brookings Institution, Centre on Social and Economic Dynamics Working Paper No. 14, 2000); and “two-thirds to twice the national median income adjusted for household size” (Rakesh Kochhar and Richard Fry, “America’s ‘middle’ holds its ground after the Great Recession,” Fact Tank: News in the Numbers (blog), Pew Research Center, available at http://www.pewresearch.org/fact-tank/2015/02/04/americas-middle-holds-its-ground-after-the-great-recession/).


3. See pages iii–v for a complete listing of Leadership Committee and Advisory Group members.


5. See the sidebar “Growth Plans for Metropolitan Chicago” (page 5) for a more complete list of existing economic growth plans for that apply to the region.


7. Deal-level incentives for firm attraction, the main traditional regional economic development practice, then become a subservient tactic – targeting firms that enhance strategies focused on the intersection of particular clusters, technologies and human capital.

9. Clusters can also be based on concentrating economic functions, rather than industries – such as Business Services and Headquarters.

10. Data note: A wide range of public and proprietary data sources are utilized throughout the Plan, and particularly for the market analysis in Chapter II. As is typically the case, these data are incomplete, out-of-date or otherwise imperfect to varying degrees, and often are available for different periods of time. For example, the National Establishment Time Series (NETS) database, a compilation of establishment-level data from Dun and Bradstreet (D&B) between 1990 and 2010, tends to over-count firms and employment relative to other sources, in particular for smaller firms. To date, however, it remains the best source available for establishment-level data and the order of magnitude of the trends observed in the data is generally reliable.


12. Both of these trends reflect a broader decline in Chicago's population and “flattening” of employment.

13. Accenture, Burning Glass and Harvard Business School, “Bridge the Gap: Rebuilding America’s Middle Skills,” 2014, p6. In an Accenture survey of 800+ human resources executives, 56 percent indicated middle-skill jobs were difficult to fill, while 69 percent indicated challenges in attracting and retaining middle-skill workers affected their corporate performance. In a survey of Harvard Business School Alumni, 38 percent indicated that filling middle-skill jobs was somewhat or very difficult.


17. This map was created using the Dynamic Neighborhood Taxonomy (see Weissbourd, Bodini and He, 2009), which uses hierarchical clustering of 23 variables describing demographic, business and physical characteristics to assign each census tract to one of nine types and 33 sub-types. Much more detail on the characteristics of these types and sub-types, and their likely trajectories, is provided in Weissbourd, Bodini and He, 2009.


19. See World Business Chicago, Plan for Economic Growth and Jobs (2012) and Cook County Council of Economic Advisors, Partnering for Prosperity (2013) for the background analysis that identified the region’s priority clusters.

20. Metals, Food, and TD&L are industry-based clusters, centered on similar products, whereas Business Services and Headquarters is a functional cluster, connected through complementary functions (e.g., management, finance, legal or messenger services). See Plan for Economic Growth and Jobs, page 21.

21. For instance, Greater Chatham firms in Durable Goods Manufacturing (under which the Metals cluster would fall) saw employment fall by 64 percent from 2001 to 2013, while Chicago and Chicago-region firms’ employment figures fell 43 percent and 34 percent, respectively. Similarly, the number of Greater Chatham’s Non-Durable Goods Manufacturing firms (which includes the Food Manufacturing and Packaging cluster) shrank by 52 percent over the same period, while employment fell 47 percent in Chicago and 25 percent in the region (Illinois Department of Employment Security, ES-202 data).

22. Within other business services, nearly all 2010 jobs and firms are categorized under NAICS code 561990 (“All Other Support Services”), obscuring the details of which services in particular have been expanding in Greater Chatham.

23. All clusters used in this report have been defined to be mutually exclusive. Local transportation and logistics firms represent firms that supply goods on a local level and have been categorized under Business Services rather than the TD&L cluster.

24. Location quotients (LQs) are a standard metric for gauging the strength of an industry’s concentration in an area, by comparing the proportion of jobs an industry comprises for a specific geography to the proportion it represents of all national jobs. LQs over 1 indicate a stronger concentration of an industry than in the nation overall; 1.2 is accepted as the threshold for a notably strong industry concentration.

25. Generally, LQs are used to identify regional concentrations (the level at which most clusters concentrate). At a neighborhood level, LQs are a marginally helpful way to identify above average concentrations of firms in particular clusters at a neighborhood level. However, while a low LQ may mean fewer neighborhood firms within a cluster, it does not mean opportunities for those firms are less promising or should not be pursued – since the strength of the cluster is determined at a regional level.


27. Chicago Anchors for a Strong Economy (CASE), launched by World Business Chicago program as part of implementing its Plan for Economic Growth and Jobs, organizes anchor institutions to build the capacity of their local suppliers collaboratively. The program has thus far conducted business development workshops with nearly 100 Cook County business services firms. It has connected these firms with major Chicago anchor institutions including University of Chicago and Advocate Health Care (which has three locations within three miles of Greater Chatham).

28. RW Ventures analysis of NETS database.
29. Like the sub-cluster noted above for Business Services, most of the businesses classified under Ground Transportation Support Activities in Greater Chatham were given a NAICS code that gives little detail on firm activities (488999, “All Other Support Activities for Transportation”).

30. IDES, ES-202 data.


32. IDES, ES-202 data, US Census Bureau, Quarterly Workforce Indicators (QWI).

33. This more detailed information is drawn from the National Establishment Time-Series (NETS) database. Its assessments of Greater Chatham’s employment totals in Fabricated Metal Product Manufacturing (NAICS code 332) are generally half as large as those reported by IDES. NETS, however, is based on Dun and Bradstreet industry research, which is largely self-reported and generally not as complete or up-to-date as that in IDES, particularly for inner-city neighborhoods. Because IDES data is based on statutorily required reports from businesses that provide unemployment insurance, there is reason to believe it may be the more accurate source.

34. RW Ventures analysis of NETS database. See Cleveland et al., The Chicago Region’s “Green” Economic Opportunities, 2012.

35. For the purposes of data analysis, the B2C cluster is defined as firms with NAICS 444 through 452, representing a broad range of retail types.


37. For further description of the City’s retail environment and how it varies by income, population density and other factors across communities, see City of Chicago Citywide Retail Market Analysis, September 2013, accessible online at http://www.cityofchicago.org/city/en/depts/dcd/supp_info/citywide-retail-market-analysis.html. See also EConsult report on Corridor Definitions, Chicago TREND: Business Plan Appendices, November 25, 2014.

38. EConsult, TREND survey data.

39. ESRI Leakage Analysis. Leakage analysis measures the difference in the estimated demand for retail goods by residents in a particular area versus the supply of those goods from retailers in the same geography. Differences in those figures indicate in which categories expenditures by local residents are “leaking” out elsewhere in a region to purchase goods (a retail gap), or where shoppers from other areas are traveling in to buy in a particular category (a retail surplus).

40. Ibid.

41. ESRI data reports retail potential and sales for businesses grouped by NAICS codes at the three-digit and four-digit levels. Categories reported in this analysis correspond to the three-digit NAICS level of detail.

42. EConsult, TREND survey data.


44. “Advanced industries” are defined as those with above-average levels of spending on R&D and employee expertise in STEM fields. RW Ventures analysis of NETS data, using definitions and methodology articulated by the Brookings Institution’s Advanced Industries Series, See Muro et al., Powering Advanced Industries State by State, February 2014.


46. Interview with Todd Cabanban, CR&M Commercial Realty, July 31, 2014.

47. Meeting with Chatham Business Association, Feb. 9, 2015.

48. Unless otherwise specified, data reported here is from the American Community Survey 2012, 5-Year Estimates.

49. Most residents without a GED or high school diploma are over the age of 65.


51. The shift toward low-skill employment has coincided with high unemployment spanning all income segments and education levels. Disproportionately impacted by the recession (see, for example, http://digitalcommons.wayne.edu/cgi/viewcontent.cgi?article=1006&context=urbstud _frpl), the community has endured sustained unemployment rates around 26 percent (see http://chicagoreporter.com/chicagos-black-unemployment-rate-higher-other-large-metro-areas). Young workers aged 20 to 24 years have especially struggled (with 62 percent unemployed), as have men of all ages (29 percent).

52. See Chapter II, pages 48–55 for a discussion of Greater Chatham’s housing market dynamics.

53. This regional dynamic is consistent with national trends. See http://economics.mit.edu/files/5554.

54. See pages 24–30 for a fuller discussion of cluster opportunities.

55. Projections derived from Illinois Department of Employment Security Local Workforce Area projections for Chicagoland, which includes Cook County, DeKalb County, DuPage County, Kane County, Kendall County, Lake County, McHenry County and Will County.


57. For a fuller discussion of how “network exclusion” may contribute to rates of African-American unemployment, see http://opinionator.blogs.nytimes.com/2013/05/05/how-social-networks-drive-black-unemployment/.

58. Johnathan Rothwell’s 2013 Brookings Institution report, The Hidden STEM Economy, found that nearly half of STEM
jobs are available to workers without a four-year degree, and that these opportunities tend to pay 10 percent more than non-STEM jobs with similar education requirements. See http://www.brookings.edu/~media/research/files/reports/2013/06/10%20stem%20economy%20rothwell/thedinosaurstemconomy610.pdf.

59. NETS Database and Decennial Census data. Based on 2010 figures, there were 33 business establishments for every 1,000 Greater Chatham residents, compared to 36 establishments per 1,000 people in the rest of Chicago (excluding the CBD).

60. Ibid.

61. Ibid.

62. NETS Database.


64. Chicago Business License data. This data is used as a proxy for establishment openings and closings but has some limitations. Trends from business license analysis are likely to lag actual establishment activity. Establishments may operate for a time informally before filing for licenses with the City, and it is unclear how often owners proactively cancel existing licenses when their establishments close, as opposed to allowing them to lapse naturally. For instance, since most licenses have a two-year term, the large number of expired licenses in 2010 could represent businesses that closed at any point between 2008 and 2010 and/or businesses that opted to operate without an active license.

65. For more detail, see the Spatial Efficiency market analysis, “Connectivity: Moving Ideas” on page 45.


67. The SBIF grant program uses local Tax Increment Financing (TIF) revenues to reimburse eligible applicants for repair or rehab of their industrial or commercial facilities located in specific TIF districts. Eligible industrial properties may receive up to $150,000 and commercial properties may receive up to $100,000 (single-tenant) or up to $250,000 (multi-tenant). SBIF application periods are opened for a one-month timeframe on a rotating basis across the City. See (http://somercor.com/s bif/) for more information.


69. Each symbol on this map represents the geographic center of either the distribution of jobs in the Chicago region in a given year or the distribution of a demographic group. Except for African American residents, all populations generally tracked with the movement of jobs in the region between 1980 and 2010. Over the same period, African American residents gradually moved southwest.

70. In addition to the impact of mixed-use development on spatial efficiency, land use influences neighborhood vitality in many other ways. These other aspects of land use are examined in the Plan’s “Spatial Efficiency” and “Housing” sections (pages 40–46 and 48–54).


73. American Community Survey, Table S0801, 2013.

74. US Census LEHD, OnTheMap (http://onthemap.ces.census.gov/) 2011 Work Destination Report. “North and west of downtown” is defined here as DuPage, Kane, Lake and McHenry Counties, as well as parts of Cook County north of I-290, excluding the CBD.

75. American Community Survey, Tables DP03 and DP04, 20.


77. Ridership challenges are particularly acute on the Metra Electric District line. These five stations (at 75th, 79th, 83rd, 87th and 91st Streets) have a combined average of only about 200 boardings each weekday, while the two Rock Island stations (Brainerd and Gresham) average more than 700 combined boardings each weekday. See Commuter Rail System Station Boarding/Alighting Count Summary Results Spring 2014, Metra Division of Strategic Capital Planning, revised December 2014.


79. Work is also underway to revitalize the Port of Chicago and Lake Calumet area, which could enhance intermodal facilities in that area.

80. The Chicago Regional Environmental and Transportation Efficiency (CREATE) program is a unique collaboration between the US DOT, the State of Illinois, the City of Chicago, Metra, Amtrak and the private freight railroad companies operating in the region.

81. Both projects require additional funding to move forward—the 75th Street CIP for construction and the Grand Crossing Rail Project for completing an environmental impact study.


83. Analysis of data from the US Census and Broadband Illinois, presented to PEGJ Neighborhoods Committee regarding the Smart Chicago Challenge, June 5, 2014.

84. Email from Jason Swan, Chatham Business Association, Feb. 23, 2015.

85. RW Ventures analysis of City of Chicago zoning data.

86. In 2007, the Chatham-Greater Grand Crossing Commercial District was designated a landmark district by the Commission on Chicago Landmarks. The district covers 19 buildings constructed in the 1910s and 20s that have particularly notable terracotta-clad exteriors.

87. RW Ventures analysis of City of Chicago zoning data.

88. Industrial corridors are areas of the City that have traditionally been used for manufacturing and are generally separated from other uses by physical buffers. Officially designated by the City in the 1990s, “zoning change proposals within their borders are reviewed by the Chicago Plan Commission, which can reject proposals that would cause conflicts with existing businesses or serve to weaken a corridor’s industrial integrity.” For further description, see,
for example, Chicago Sustainable Industries: A Business Plan for Manufacturing, City of Chicago, November 2013, p.20.

89. The median RBA of for-sale industrial properties in Greater Chatham is currently 23,000 square feet. Median rentable building area (RBA) figures for industrial uses throughout the region suggest that warehouse, general industrial and flex uses may fit well with the available building stock. RW Ventures analysis of CoStar data downloaded April 7, 2015 by World Business Chicago; regional median RBAs as calculated by Chicago Metropolitan Agency for Planning (CMAp) in “Industrial Development Trends in the CMAP Region,” http://www.cmap.illinois.gov/about/uploads/asset_publisher/UIMfSLnFfMB6/content/industrial-development-trends-in-the-cmap-region.

90. US Census, LEHD data.

91. Also, while many parcels are of limited scale, it may be possible to assemble multiple parcels with varying ownership (including City-owned properties) to create bigger sites.


93. As of 2014, more than 40 percent of Greater Chatham residents had lived in the community for at least 14 years (i.e., moved in prior to 2000). American Community Survey, 2013 5-Year Estimates.

94. In Greater Chatham, 45 percent of occupied units were owner-occupied as of 2010, compared to a City-wide rate of 48 percent. The owner-occupancy rate ranged from 37 percent in Chatham and Greater Grand Crossing to 50 percent in Auburn Gresham and 70 percent in Avalon Park. 2010 American Community Survey.

95. Analysis of 2010 NETS database of establishments, using Porter cluster definitions (groups of NAICS codes) for Religious Organizations, Social Service Organizations, Business Associations, Labor Organizations and Political Organizations.

96. Estimate based on information from local aldermanic offices and the Chicago Police Department 6th District office.

97. Data courtesy of the DePaul University Institute for Housing Studies, Housing Market Indicators data. See www.housingstudies.org for more information.


99. Data courtesy of the DePaul University Institute for Housing Studies, Housing Market Indicators data.


101. Data courtesy of the Chicago Housing Authority. Many landlords struggle to find tenants that can afford market rates. Owner-operators report screening an average of 15 applicants per unit, compared to five per unit pre-Recession, to identify a strong candidate.


103. Data courtesy of the DePaul University Institute for Housing Studies, Housing Market Indicators data.


105. Civic identifies five large multifamily (LMF) buildings and 60+ smaller 2- to 4-unit buildings in distress in the geography of the Micro-Market Recovery Program (MMRP) alone.


107. For discussion of foreclosure rates by community area in Greater Chatham compared to regional and City averages, see http://www.woodstockinst.org/press-clipping/foreclosures-surge-several-south-side-communities-progress-ilinois.


109. Because bank appraisals rely on historical market data, property type characteristics and point-in-time demand assessment in order to determine values, appraisals in under-valued markets often lag actual values. This is exacerbated in the conservative post-recession appraisal climate. The effect is to limit the amount of capital available in the short-term and to artificially suppress market values in the long-term through repeated under-valuations, limited financing and market activity. This under-valuation further contributes to weak demand and vacancy, creating a vicious cycle.

110. Many would-be purchasers of small multi-unit buildings cannot secure mortgages because lenders will not consider potential rental income in applications, raising the income threshold considerably to qualify for these loans.


112. The Housing Finance Subcommittee of the Greater Chatham Initiative interviewed dozens of developers and financiers active in this market – the source for much of this analysis.

113. According to Fannie Mae, there are nearly 1,000 HARP-eligible residents in Greater Chatham, with an unpaid principal balance greater than 80 percent of current property value and more than ten years remaining on the loan. These loans qualify for refinancing but many homeowners are unaware of their options. See http://www.harp.gov/Default.aspx?Page=363.

114. Econsult, Chicago TREND, based on a recent survey of over 8,000 respondents.

115. Ibid.

116. Ibid.

117. ESRI Leakage Analysis.
118. Interview with Todd Cabanban, CR&M Commercial Realty, July 31, 2014.

119. See, for example, Baumer, Rosenfeld and Wolff, “Are the criminogenic consequences of economic downturns conditional? Assessing potential moderators of the link between adverse economic conditions and crime rates,” in Youth Violence and Economic Conditions, ed. Richard Rosenfeld, Mark Edberg, Xiangming Fang and Curtis Florence (New York: NYU Press). Recent evidence is provided by the Department of Family and Support Services (DFSS) One Summer Plus 2012 program, which paired at-risk youth with a summer job, including strong mentoring and social and emotional skill-building components. Nine months after the program began, there was a 51 percent decrease in violence crime arrests for program participants. After 16 months, youth offered the program continued to have a 43 percent decline in violent crime arrests. See also Dr. Sara Heller’s “Summer jobs reduce violence disadvantaged youth” (Science 346, December 2014).

120. These interventions will also more immediately affect the perception and reality of safety as the physical condition of the community improves. Vacant and abandoned buildings, poorly maintained commercial corridors, deteriorated facades, litter and debris, and other evidence of disinvestment produce an impression of reduced safety.

121. Conversation with the Chicago Police Department Sixth District Commander.

122. Definitions used for violent and property crimes encompass only crimes commonly referred to as “index crimes” — i.e., those crimes reported to the FBI as part of the Uniform Crime Reporting Program. Non-index violent and property crimes are not included in the figures shown. Violent crimes include: aggravated assault, battery, homicide, robbery and sexual assault. Property crimes include: arson, burglary, motor vehicle theft and theft. Quality-of-life crimes include: criminal damage, narcotics and prostitution. The “Other” category is diverse, including crimes such as criminal trespass, kidnapping, intimidation, weapons violation and interfering with a public officer.


124. For the 90 days ending July 19, 2015, Beat 624 ranked 5th in violent crime (54 incidents; city-wide median of 20 city-wide maximum of 68) and 1st in 1st- and 2nd-degree homicides (5 incidents). Source: Analysis of data from Chicago Police Department, CLEARMAP (http://gis.chicagopo lice.org).


126. This strategic law-enforcement program concentrates police officers in specific geographic areas that make up 3 percent of the City’s area but account for 20 percent of its violent crimes.

127. Community policing recognizes that the police cannot effectively deal with such issues alone and must partner with others who share a mutual responsibility for resolving problems.

128. The expansion of police bike patrols that increase visibility and face-to-face contact with the community reinforces the community policing approach and is often compared to the “beat officer” who once walked the streets.

129. Prevention strategies work to keep violence from starting by promoting youth skills, supportive familial and communal relationships and healthy and safe communities. Intervention strategies work to help slow or stop violence from continuing after it occurs, and lessen the social, emotional and physical damage that violence creates. Interruption strategies work to mediate conflict among gangs or individuals after violent incidents have occurred.

130. Key programs include: expanded youth employment and after-school opportunities; innovative intervention programs for youth at high risk of violence; reversal of one-size-fits-all “zero tolerance” policies; restorative justice programs and discipline reform in Chicago Public Schools; and re-entry programs to help youth involved in the justice system reintegrate with their communities. (City of Chicago Mayor’s Office of Public Safety).

131. CPS 2013 School Progress Reports by school.

132. CPS 2014 Overview and Progress Report by school.


134. CPS 2013 School Overview and Progress Reports by school.

135. Ibid.

136. CTE is offered in the following industries: Agriculture; Broadcast Technology and Digital Media; Business and Finance; Construction and Architecture; Culinary and Hospitality; Health Science; Human Services; Information Technology; Law and Public Safety; and Manufacturing and Transportation.

137. Information compiled by City of Chicago Department of Planning and Development.

138. In Chatham, this spending was concentrated in Dixon and Ashe Elementary Schools, which received $12.6 and $1.4 million respectively.

139. Note in investment listings indicates that “the scope will focus on programmatic enhancements in order to support the development of Career and Technical Education” (CTE).

140. These benefits can help address many of the health challenges that plague Greater Chatham residents, by lowering blood pressure and cholesterol levels, reducing obesity, and alleviating the effects of behavior disorders in children and self-reported stress and attention disorders. See City Park Forum Briefing Papers, How Cities Use Parks to Improve Public Health, American Planning Association, 2003.

141. The Center, located at the former Calumet High School building, is operated by the University of Illinois Hospital and Health Sciences System in collaboration with the GAGDC Auburn Gresham Gold program.

142. Community health profiles, Chicago Department of Public Health.

143. The term “Adverse Childhood Experiences” comes from the Centers for Disease Control (CDC)-Kaiser Adverse Childhood Experiences Study, which connected exposure to specific traumas in childhood to the adult onset of chronic diseases (such as heart and lung disease, depression and other mental illnesses) and to further involvement in violence.

145. The City’s Public Building Commission has been awarded grants from the USEPA Brownfields Grant Program and an award from the IEPA Brownfields Revolving Loan Fund to help fund environmental remediation activities associated with the cleanup of the parcels adjacent to the existing Whitney Young Library at 415–423 E. 79th Street.

146. The City of Chicago Department of Family and Support Services (DFSS) helps individuals and families access a wide range of resources at its Community Service Centers, and administers a number of supportive service programs City-wide. Resources address shelter, food, clothing, domestic violence, drug rehab and other challenges. Supportive service programs include senior services, after-school programs, transitional jobs, job readiness and training, ex-offender workforce training programs and subsidized summer employment training programs targeted at youth (particularly at-risk youth).

147. Demand for selective enrollment schools in Greater Chatham exceeds demand by a factor of more than 20. For the 2014–2015 school year, CPS received 3,021 applications for 277 offered seats at Benet Academy; 1,910 applications for 83 seats at McDade Elementary Classical School; and 325 applications for 40 seats at Arthur Dixon Elementary.

148. To this end, Communities in Schools of Chicago partners with a broad range of community partners to connect students with programs and services including: health education, arts enrichments, youth leadership programs, mental health services, civic awareness and academic enrichment.

149. Note that areas in which Greater Chatham is currently doing well – for example, strong connections to economic opportunity via transportation and transit networks – do not appear on the list of priority strategies but may surface as challenges or opportunities in the future. Also, positive results achieved by the Plan, along with changes over time in the global and regional economic environments, will require the strategies to be revised – and entirely new ones developed.

150. Strategy 6 of the Plan for Economic Growth and Jobs and Strategy 8 of Partnering for Prosperity.

151. A complementary strategy, leveraging the aggregate market power of Housing Choice Voucher (HCV) tenants to pressure owners of troubled properties to stabilize and improve them, has been suggested and warrants further exploration.

152. This activity is designed to address the high incidence, noted in the market analysis, of property theft among youth and young adults.

153. In order to reduce violence, communities must address and reduce the impact of trauma and grief among youth. See, for example, Lipsey (2009). “The primary factors that characterize effective intervention with juvenile offenders:

154. Youth Guidance provides hundreds of CPS male adolescent students with their innovative Becoming a Man (B.A.M.©) Program, which helps youth develop coping skills for managing situations that might otherwise lead to violence and other negative outcomes, such as school failure. The program helps adolescent boys learn to navigate real-world conflicts and to overcome faulty assumptions that violence can resolve their problems. As part of the Youth Gun Violence Initiative, the B.A.M.© program will operate in select Chicago schools over a 27-week period (https://crimelab.uchicago.edu/page/Winning-Entry-BAM-Sports-Edition). World Sport Chicago, a legacy of Chicago 2016, seeks to expand interest in and access to Olympic and Paralympic sports and, since its launch in 2007, has touched over 30,000 Chicago-area youth. World Sport Chicago partners with Youth Guidance to complement B.A.M.© with sports programming, by helping to recruit and retain children to participate in B.A.M.© activities and by reinforcing many of the conflict resolution skills and social and emotional learning objectives of B.A.M.©.

155. The goal of the World Sport Chicago program is to help youth learn to compete within the strict confines and techniques of a sport, and to give them an experience of self-control and accomplishment. By doing all of this within a realistic social context, particularly of one-on-one sports, World Sport Chicago seeks to help participants learn “soft skills” that will help them avoid criminal behavior and succeed in school and the labor market. The sports offered as part of the Youth Gun Violence Initiative vary by school and include some combination of Olympic wrestling, martial arts, archery, fencing, weightlifting, rugby and handball. Each school that is participating in Sports Edition will have three different sports seasons throughout the year, with the sport changing each season (https://crimelab.uchicago.edu/page/Winning-Entry-BAM-Sports-Edition).

156. “Building on research that shows a strong correlation between failing 9th-grade math and a risk of dropping out of school, the City and University of Chicago piloted MATCH tutoring, which connects youth on track to fail Algebra I with daily two-on-one tutoring. In just eight months, participants in the pilot at Harper High School learned in math what the average American high school student takes three years to learn – equivalent to closing the achievement gap in math test scores between white and black students by nearly two-thirds. According to CPS, MATCH tutoring also resulted in a 67 percent drop in student misconduct” (http://www.cityofchicago.org/content/dam/city/depts/mayor/supp_info/Chi_SaferChicago_StrategicReport_final.pdf).


158. CASE is a collaborative effort comprised of approximately a dozen prominent “anchor” institutions located throughout Chicago and Cook County – hospitals, universities, cultural institutions, corporate headquarters, etc. It strengthens the Business Services and HQ cluster by building the capacity of SMEs to provide business services to anchors.

159. See the Aspen Institute’s Voices from the Field III (2010) and the University of Southern California’s Sol Price School for Public Policy’s Place-Based Initiatives In the Context of Public Policy and Markets: Moving to Higher Ground (forthcoming, 2015) for review of best practices and lessons learned from the last few decades of comprehensive
community development practice.

160. See Plastrik, Taylor and Cleveland, Connecting to Change the World (Island Press, 2014) for deeper assessment of the growing role of networks in driving productivity and innovation in new organizational forms.

161. For more information, see http://www.forbes.com/sites/annefield/2012/09/07/why-prometheus-civic-technologies-is-a-flexible-purpose-corporation/.

162. For more information on MightyBytes and Benefit Corporations generally, see http://www.chicagobusiness.com/article/20141025/ISSUE02/310259996/is-being-a-good-business-good-for-business.


165. A partnership between residents of the Diamond community of San Diego, the Jacobs Center for Neighborhood Innovation and the Neighborhood Unity Foundation. For more information, see http://www.jacobscenter.org/economicdevelopment_mcpartners.htm.

166. For more information on this and other effective, highly networked initiatives, see Plastrik et al., Connecting to Change the World (Island Press, 2014).

167. With respect to emerging models for resident investment, see, for example, Anne Stuhldreher, “The people’s IPO,” Stanford Social Innovation Review, Winter 2007. Crowdsourcing and other new vehicles (see page 79w) are also emerging to serve this purpose.