



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

May 17, 2023

The Honorable Marcia L. Fudge
Secretary
U.S. Department of Housing & Urban
Development
451 7th Street SW
Washington, DC 20410

Tracey Scott
Chief Executive Officer
Chicago Housing Authority
60 E. Van Buren Street
Chicago, IL 60605

Dear Secretary Fudge and Ms. Scott:

I am deeply concerned with the Department of Housing and Urban Development's (HUD) recent approval of a Section 18 land disposition application submitted by the Chicago Housing Authority (CHA), and I am further concerned that this approval may have been made without a robust civil rights review, as is required under HUD regulations. The approval of this application allows CHA to move forward with plans to lease vacant public land that was previously designated for affordable housing for a private sports training facility instead. This decision comes following recent reporting that found CHA's implementation of a plan to rehabilitate and replace tens of thousands of public housing units resulted in the overall loss of public housing and displacement of households. I urge HUD and CHA to consider halting all demolition activity, as well as the disposition of vacant land owned by CHA, until additional information has been provided regarding HUD's civil rights review process and CHA's planning process for vacant lands.

Chicago, like many other major cities in the U.S., is dealing with a worsening housing crisis and steep rent hikes.¹ Subsequent gentrification and displacement have also been ongoing threats to people of color and low-income communities.² For example, more than 200,000 low-income Chicago households (18% of all low-income households) live in neighborhoods at risk of, or already experiencing, gentrification and displacement, especially in the southern and western parts of the city.³ For years, Chicago has seen a reduction in public and affordable housing, which has contributed to increased rent burdens and homelessness.⁴ Under the Fair Housing Act of 1968 (FHAct), which our nation just celebrated the 55th anniversary of its passage last month, HUD has an obligation to affirmatively further fair housing (AFFH). This means that HUD must ensure that the federal government and its grantees, like CHA, "proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive

¹ Apartment List, [Chicago Rent Report](#) (May 2023).

² Congresswoman Maxine Waters, [How Gentrification Harms Communities of Color](#), Engaging Black America (Jul. 16, 2021); *Note*: Gentrification and displacement refer to an socioeconomic process through which long-time residents, who are disproportionately low-income individuals and people of color, are priced out of and displaced from their communities due to an influx of wealthier, often White newcomers.

³ Urban Displacement Project, [Chicago – Gentrification and Displacement](#) (Accessed on May 11, 2023).

⁴ Becker Friedman Institute for Research in Economics, [Urban Renewal and Inequality: Evidence from Chicago's Public Housing Demolitions](#) (Dec. 2022); *See also* Apartment List, [Chicago Rent Report](#) (May 2023); *See also* WTTW, [New Report Finds At Least 65,000 People Experiencing Homelessness in Chicago](#) (Oct. 5, 2022).

communities free from discrimination” through the use of federal housing and community development resources.⁵ The need to AFFH remains more critical today than ever as housing inequities continue to worsen, including in Chicago.⁶

Unfortunately, it appears that CHA is choosing to use several parcels of vacant land that it owns for various purposes, none of which are related to affordable housing. HUD has approved more than a dozen applications from CHA to transfer the use of public land at below market value and for non-affordable housing related activities.⁷ Most recently, on March 6, 2023, HUD approved a Section 18 land transfer application submitted by CHA. It is reported that CHA plans to provide publicly owned land to the Chicago Fire Football Club for the development of a new private training facility.⁸ In fact, following HUD’s approval of another disposition application, CHA’s board voted on May 16, 2023 to sell the former site of Robert Taylor Homes public housing to XS Tennis Village for an expansion of its sporting facilities, including housing for visiting athletes.⁹ Ample research demonstrates the importance of using public land for affordable housing.¹⁰ In the current affordable housing crisis, we cannot afford to give up valuable public lands that could be used for affordable housing.¹¹ Further, as part of HUD’s enforcement of the FHAct, HUD’s Office of Fair Housing and Equal Opportunity (FHEO) is required to conduct a civil rights review prior to approving applications for the demolition or disposition of public housing,¹² including reviews to ensure applications submitted by a public housing authority are in compliance with their affirmatively furthering fair housing certification under 24 CFR § 903.7(o). However, there are concerns that HUD may have failed to conduct a proper civil rights review in processing this application from CHA due in part to internal HUD processes created during the Trump Administration, such as Memorandums of Understanding, that may have limited FHEO’s ability to conduct a thorough review and may have also made FHEO over-reliant on AFFH self-certification. Indeed, under the Trump Administration, several efforts were taken to thwart fair housing enforcement and debilitate FHEO’s responsibilities through the rescission of HUD’s 2015 AFFH rule.¹³ HUD must ensure that processes created during the Trump administration are not resulting in FHEO’s failure to conduct proper civil rights reviews.

These decisions regarding transfers of public lands for purposes unrelated to affordable housing should be seen in the context of CHA’s past efforts to preserve public and affordable housing, which have been badly mishandled. In 2004, CHA launched its Plan for Transformation (the Plan) following HUD’s approval of the Plan in 2000.¹⁴ This plan aimed to rehabilitate or replace 25,000 units of public housing within mixed-income developments and contributed to the displacement of more than 56,000 public housing residents.¹⁵ During demolition, some residents received alternative forms of assistance, such as Housing Choice Vouchers, while others were forced to double-up with family and friends or were unable to retain their assistance.¹⁶ CHA residents who were displaced by the Plan were relocated to equally segregated neighborhoods, continued to confront economic insecurity, and experienced similar housing quality challenges as they did in the public

⁵ HUD, [Affirmatively Furthering Fair Housing](#) (Feb. 9, 2023).

⁶ City of Chicago, [Chicago Blueprint for Fair Housing](#) (Oct. 2021).

⁷ ProPublica, [The Chicago Housing Authority Keeps Giving Up Valuable Land While HUD Rubber-Stamps the Deals](#) (Oct. 13,2022).

⁸ ProPublica, [The Chicago Housing Authority Keeps Giving Up Valuable Land While HUD Rubber-Stamps the Deals](#) (Oct. 13,2022).

⁹ Book Club Chicago, [As CHA Moves To Sell Public Housing Land To XS Tennis Owner, Activists Vow To Fight For Residents To Return](#) (May 17, 2023).

¹⁰ Urban Land Institute and National Housing Conference, [Public Land and Affordable Housing in the Washington DC Region](#) (Feb. 2015); *See also* Urban Institute, [How Using Public Land Can Help Address Housing Shortages](#) (Dec. 11, 2019).

¹¹ City of Chicago, [Chicago Blueprint for Fair Housing](#) (Oct. 2021).

¹² HUD, [Notice PIH 2021-07 \(HA\)](#) (Jan. 19, 2021).

¹³ Financial Services Committee, [Waters, Nadler and Clay Slam Trump Administration Decision to Terminate Affirmatively Furthering Fair Housing Rule](#) (Jul. 27, 2020).

¹⁴ Chicago Housing Authority, [Plan for Transformation](#) (Jan. 6, 2000).

¹⁵ Becker Friedman Institute for Research in Economics, [Urban Renewal and Inequality: Evidence from Chicago’s Public Housing Demolitions](#) (Dec. 2022); *See also* HUD, [Public Housing Transformation and Resident Relocation](#) (2012).

¹⁶ HUD, [Public Housing Transformation and Resident Relocation](#) (2012).

housing units that were demolished.¹⁷ CHA reported to HUD that by fiscal year (FY) 2022, it will have surpassed its goals to rehabilitate or replace all 25,000 units of housing and plans to close out this activity.¹⁸ However, a recent analysis found that CHA inflated the number of public housing units that have been replaced by more than a fifth of the total it reported to HUD.¹⁹ Additionally, while the Plan outlined goals to preserve family-sized housing units, the Plan resulted in just the opposite – a loss of 16,000 homes for families.²⁰ Analyses also show that HUD has failed to adequately scrutinize CHA’s execution of its Plan.²¹

Given the importance of civil rights reviews and the potential debilitation of this review process under the prior administration, I ask that HUD and CHA respond with the following information by May 31, 2023, and consider halting any further action on the disposition that was approved on March 6, 2023, and any future dispositions until these questions are resolved:

HUD

1. Under HUD’s current policies, what is the civil rights review process for the disposition of land designated for public housing and what role does FHEO have in this process?
2. Has a civil rights review been conducted as part of HUD’s review of CHA’s Section 18 application? If so, when was it conducted and what were the findings? Did HUD consider internal and external research on the impacts of CHA’s Plan for Transformation on protected classes?
3. Has HUD received any community stakeholder complaints or objections regarding CHA’s Section 18 application that was approved on March 6, 2023, and its potential effects on the availability of fair and affordable housing? If so, how does HUD consider this input in its official decision-making process?
4. How much time is currently allotted for FHEO to finalize civil rights reviews required for the demolition and disposition of public housing? How much time was FHEO allotted to conduct the civil rights review in the case of CHA’s Section 18 application that was approved on March 6, 2023? Were there any requests for additional time and were they granted?
5. What steps are taken when FHEO disapproves of a demolition or disposition application based on a civil rights review? In what instances might HUD approve Section 18 applications that received disapproval from FHEO?

CHA

1. How does CHA expect the disposition of land at the former ABLA Homes site to affirmatively further fair housing?
2. What proposals did CHA receive for the use of the land at the former ABLA Homes site and what was the process for receiving and approving such proposals?
3. Of CHA’s mixed-income developments located in and around the former ABLA Homes site, how many units and at what income levels are households currently served by this housing stock? What percent of the housing stock is accessible to people with disabilities? How many family-sized units are located in the area?
4. How much total vacant land does CHA currently have and what are CHA’s plans for this land? Does CHA plan to submit any additional Section 18 applications?

¹⁷ Urban Institute, CHA Residents and the Plan for Transformation (Jan. 2013); See also HUD, [Public Housing Transformation and Resident Relocation](#) (2012); See also Kenya Barbara, [The Plan for Transformation: How a plan with lofty goals has underperformed and forever changed public housing in Chicago](#) (2018).

¹⁸ HUD, [FY 2021 Moving To Work Annual Report](#) (Mar. 31, 2022).

¹⁹ ProPublica, [Chicago Claims Its 22-Year “Transformation” Plan Revitalized 25,000 Homes. The Math Doesn’t Add Up.](#) (Dec. 16, 2022).

²⁰ *Id.*

²¹ ProPublica, [The Chicago Housing Authority Keeps Giving Up Valuable Land While HUD Rubber-Stamps the Deals](#) (Oct. 13, 2022).

I thank you for your attention to this important issue and look forward to hearing from you. If you have any questions, please contact Alia Fierro (alia.fierro@mail.house.gov), Director of the Subcommittee on Housing and Insurance, with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Maxine Waters". The signature is written in a cursive, flowing style.

MAXINE WATERS
Ranking Member

CC: The Honorable Patrick McHenry, Chairman