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IN ENGLEWOOD, HOPE IN EMPTY LOTS

A nonprofit is building two- and three-flat affordable housing in an attempt to stabilize the neighborhood | BY DENNIS RODKIN

IN A SECTION OF ENGLEWOOD where there are more vacant lots than homes on many blocks, a Chicago social services nonprofit plans to build 16 new two- and three-flats as the next step in its years-long effort to stabilize and rebuild a portion of the neighborhood.

Nancy Hughes Moyer is president and CEO of Volunteers of America Illinois.

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TODD WINTERS

The Kochs come to town, with an agenda

A gift from conservative funders sparks boardroom debate at Chicago Council on Global Affairs

BY STEVEN R. STRAHLER

Three years ago the Chicago Council on Global Affairs was named the top think tank to watch because of an intensified focus on megacities, food security and other topics not traditionally associated with foreign policy agendas. But that ambition is stirring tension as the council taps new funding sources to fuel its growth.

The council this month disclosed a \$1.9 million grant from

the Koch Foundation to back research into the concept of "restraint" in U.S. foreign policy, just as American forces were abruptly being withdrawn from Syria, threatening the Middle East with further instability.

The Koch Foundation's political orientation triggered a pointed boardroom debate within the council. Koch Foundation founders Charles and the late David Koch have been known for climate-change denial and other conservative causes at odds



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with the globalist mindset of the council. The council's president, Ivo Daalder, is a former U.S. ambassador to NATO and an alum of the liberal-leaning Brookings Institution.

Founded nearly a century ago in the wake of World War I as the Chicago Council on Foreign Relations, the civic-spirited body

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Is Griffin shopping a piece of his business?

Billionaire hedge fund founder could pursue a sell-high philosophy as he looks to the future

BY LYNNE MAREK

Ken Griffin's Citadel and Citadel Securities have been on a roll, even as the hedge fund industry shrinks and trading rivals stumble. Citadel's hedge fund assets have grown to about \$32 billion under management since a near collapse in 2008, and Citadel Securities has had strong profits. So why would Griffin consider selling part of his business?

The hedge fund industry was rocked by the news recently that

the Citadel CEO and founder had been in talks with asset management colossus Blackstone Group about one of its funds buying a minority stake in his businesses. A person familiar with the situation who asks not to be identified confirms that the two companies had discussed the possibility, as first reported Oct. 12 by the Wall Street Journal.

The talks ended without a deal, but Griffin entertaining a bid

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JOE CAHILL

Exelon and ComEd have discovered the downside of successful lobbying. PAGE 4



Exelon CEO Chris Crane

UNITED CENTER

We sit down with the arena's owners to reflect on 25 years of growth and what's next. PAGE 8



Turning vacant lots into affordable housing

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"If I were a kid walking through here to the Nicholson school, and 60 percent of what I'm walking past is vacant or abandoned, what does it do to the psyche of that kid?" says Nancy Hughes Moyer, president and CEO of Volunteers of America Illinois. "We want to bring rooftops back to these blocks."

VOAI plans to break ground in December on some of the 16 lots it acquired Oct. 16 for \$1 each from the city of Chicago. All within a six-block area of Peoria, Green and Sangamon streets, the scattered lots are within a block and a half of Hope Manor II, a 73-unit rental complex for veterans and their families that VOAI opened in October 2014 at 6002 S. Halsted St.

"The goal is to be filling in the blocks and creating density in this part of the neighborhood," Hughes Moyer says. The group's plan is for the 16 new multi-flat rentals, together called Hope Manor Village, to soon be complemented by a round of rehabs of residential buildings, many of them now boarded-up foreclosures, into for-sale housing. That will be a partnership with Neighborhood Housing Services of Chicago, a nonprofit that promotes homeownership in city neighborhoods.

As the phases of the plan radiate out from Hope Manor II, they may intersect with improvements radiating out from another focal point

of Englewood revitalization three blocks south. At 63rd and Halsted streets, Englewood Square includes a Whole Foods store that opened in 2016, a Starbucks and other retailers that have been like a welcome downpour in the retail desert. Plans announced in 2018 included a phase to the north, nearly connecting to VOAI's improvement zone.

"Filling in the gaps is what's going to make a difference in the lives of people in Englewood," Hughes Moyer says.

STABILITY

While VOAI, founded in 1896, is at its base a social services group and not a developer or landlord, Hughes Moyer says, "we know that whatever other problems you have, making sure you have stable housing is part of solving them." The group operates two other rental housing facilities for veterans, in Humboldt Park and Joliet, with a combined total, including the Englewood facility, of 220 units.

The 33 apartments in Hope Manor Village, all two-bedrooms, will not be exclusively for veterans but will be open to all renters who meet the city's income standards for affordable housing. That's a little less than \$27,000 for a family of four, who Hughes Moyer says are the likely tenants of a two-bedroom. Rents will average \$800 a month, she says, and the first units should be ready for occupancy by summer.

The mix sounds right for Englewood, says Perdure Carter, an agent with Dream Spots Leasing who focuses on the neighborhood. He has no involvement with the project.

"Renters in Englewood want to live in smaller buildings instead of a courtyard building," Carter says, "because you know who your neighbors are. It's not like living with 40 different personalities," which he says is fraught with risk in an area where the problem of violence is acute.

Filling in vacant lots with new construction will help nearby properties such as the two-flat greystone Carter has listed for sale at \$160,000 on Sangamon Street just outside the Hope Manor Village zone.

"The major reason people don't buy in Englewood is violence," Carter says, "but next after that is the vacant lots and boarded-up properties. Nobody wants to invest in a neighborhood where people just litter and loiter."

In the late 20th and early 21st centuries, Englewood was one of the neighborhoods hit hardest by disinvestment and decline. Then came the housing crisis of the mid-2000s. In 2008, at the height of the foreclosure crisis, 1 in 10 properties in Englewood were in foreclosure, according to the Institute for Housing Studies at DePaul University. That was the highest in the city and came when 2.9 of every 100 properties citywide were in foreclosure.

Drugs, crime and violence swept in, and forced demolitions of derelict buildings surged. The result is a landscape that has so many empty spaces that this city neighborhood often looks more unbuilt than built.

Englewood has the most vacant lots in the city. They present "an opportunity for us to help some of the families out there have a nice, affordable place to raise a family," says Kevin Freeman, a VOAI staffer who's overseeing much of the Hope Manor Village work. And, Hughes Moyer says, filling empty lots means "you're not displacing people who are here."

The notion of intentionally avoiding displacement shows "they want the existing community to benefit," says Michael Johnson, project manager for the Englewood quality-of-life planning initiative at Teamwork Englewood. While he hasn't been involved with VOAI, he says, other parts of Teamwork Englewood provided feedback on the Hope Manor Village concept. Another hopeful sign is that the \$800-a-month rents "aren't greedy," he says. "They come in at the lower end of what you can do when you're using tax credits."

VOAI is in negotiations to construct a commercial building, on Halsted immediately south of Hope Manor II, that will house a day care center, fitness center and its own headquarters. VOAI will move from its current office space on Polk Street in the South Loop. The group hopes to start construction by late 2020 and have it complete by early 2022, when its Polk Street lease is up.

Developing the multi-flat buildings is a \$10 million project, Hughes Moyer says. It will be financed primarily via low-income tax credit allocations by the Illinois Housing Development Authority, she says. If this phase and the rehab-to-sell phase succeed, the group may build more. "But we hope that others who see what we've done will be encouraged to come in and do it, too," she says.

Koch gift sparks debate

GLOBAL from Page 1

acted as a counterweight to Midwestern isolationism personified by Chicago Tribune publisher Robert McCormick. Its New York counterpart publishes Foreign Affairs magazine and remains the epitome of what's left of the Eastern Establishment. (In 1950, during the Korean conflict, the Chicago Tribune said its members had led the country toward "bankruptcy and military debacle.")

The purpose of the Koch grant is isolationist-tinged, calling for research into alternatives to military intervention abroad. It will fund a "senior fellow" and an assistant over five years to recommend policy options.

"I can completely understand why that would get some hackles up," says Howard Tiffen, a retired fund manager who has been associated with the council for decades.

FOUNDATION SUPPORT

Under Daalder, fundraising has surged, nearly doubling to \$14.5 million in fiscal 2018 from when he arrived in 2013, while overall revenue is up 50 percent, to \$21.6 million.

The council has leaned on the Bill & Melinda Gates Foundation for almost \$10 million, mainly for its food and agriculture initiative, with another multimillion-dollar grant to be announced, Daalder says. The hometown McCormick and MacArthur foundations are other mainstays, supporting the council's global cities project and, recently, Black Chicago Tomorrow. In fiscal 2018, the Rockefeller Foundation was the biggest donor, at \$1 million.

Daalder, meanwhile, has turned to conservative foundations, including the Milwaukee-based Lynde & Harry Bradley Foundation (which rejected grant applications from the council in 2014 and 2016). The Koch relationship began with underwriting a \$60,000 opinion survey last year on millennial attitudes toward foreign policy and a \$180,000 trade study released this year.

"We're trying to raise more money in order to continue to grow," says Daalder, who ramped up the council's digital and communications operations to publicize research and opinion surveys. "I'm in Rwanda," he says by phone. "They know us here."

Daalder and several other directors confirm that Koch's latest grant raised boardroom concerns, less over the source of the money than how it was to be treated, they say. "I insisted, and (Koch agreed), wherever the funding was coming from, we want control. I don't want them involved."

"That was the commitment to the entire board," says director Fay Hartog-Levin, an ambassador to the Netherlands under President Barack Obama. "There was a full discussion of it."

William Ruger, a Koch Foundation adviser and vice president for research and policy at the af-

iliated Charles Koch Institute, says that while the foundation isn't isolationist, it's interested in a "more prudential" foreign policy of "restraint, realism." In short, it favors less military intervention abroad while backing trade and diplomacy.

To advance this cause, since 2015 it has poured more than \$25 million into academic institutions, including the University of Notre Dame, the New York Times reported last month. A new think tank, the Quincy Institute for Responsible Statecraft, attracted \$460,000 in Koch money as well as a donation from liberal George Soros—"a sign of how seriously the Trump presidency has shaken up traditional enmities and alliances," the newspaper said.

Christopher Leonard, author of the recently published "Kochland: The Secret History of Koch Industries and Corporate Power in America," argues that the Kochs' bipartisanship is illusory. "At the end of the day, the vast majority of their political influence, firepower and donations is focused on issues that affect their business. It all fits in with the view of where they've been trying to push American politics for more than 40 years."

Daalder says, "I don't think it's a bad idea to have multiple voices about America's role in the world. Maybe after 70 years of an expansive U.S. engagement in the world, we should have a debate about this. The (Koch) foundation allows us to take that debate on the road and into the Midwest as a public service."

'MUCH MORE INFLUENTIAL'

William Obenshain, executive director of DePaul University's Center for Financial Services, says Daalder has turned the council into a "much more influential, midcontinent think tank." Thirty-five years ago, says Tiffen, "it wasn't much more than a supercharged book club."

The think tank survey, by the University of Pennsylvania's Lauder Institute, ranked the council No. 145 overall last year among 8,000 organizations it surveys.

Daalder stresses the council's nonpartisan thrust but isn't shy about taking sides, penning a recent Tribune op-ed, "Trump's empty threats weaken the U.S. and embolden enemies," and co-authoring a book, "The Empty Throne: America's Abdication of Global Leadership."

"The council is nonpartisan—it's independent—but the people who work there have points of view," he says. "When I was hired, it was not a secret I had been a political appointee by President Obama. They knew what they were getting. I have a voice for them I use."

And now, more money to use, too.

"This is not a one-off relationship," says the Koch Foundation's Ruger, citing its previous grants. "So, this is the next step in that relationship."

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