

A forsaken community reborn in Riverdale

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Five years ago, a study by the Urban Land Institute described south suburban Riverdale's Pacesetter neighborhood as an isolated community known for its dilapidated, subsidized homes, crime and absentee landlords.

Tuesday, that same neighborhood — now with a different name and a more promising future — was among the projects honored during the 16th Annual Chicago Neighborhood Development Awards.

By no means can Whistler Crossing be declared a bona fide success yet. The first phase of the \$160 million development, comprised of 130 rental town homes and apartments, is 93 percent occupied and that's a good start. But there are three more phases of the project to get financed at a time when real estate lending for most projects just isn't feasible.

Yet its success to date shows the power of organizations working together with a common vision and for a common goal. And that's why LISC/Chicago chose to honor different entities associated with Whistler. Holsten Real Estate Development Corp. and Turnstone Development won the outstanding for-profit neighborhood real estate project award while Farr Associates won second place in the Richard H. Driehaus Foundation Award for Architectural Excellence in Community Design.

The Pacesetter neighborhood of Riverdale, bounded by a railyard on the north, 138th Street on the south, Lowe Avenue on the west and Eggleston Avenue on the east wasn't always an eyesore. Privately developed in 1959-1960, Pacesetter's 397 town homes appealed to workers at nearby Acme Steel and 90 of the town homes fronting Lowe had attractive brick facades.

But as the area's industrial jobs vanished, Acme closed, and the subdivision became dominated by absentee owners, conditions in Pacesetter rapidly deteriorated. "By the early 2000s, Pacesetter seemed to hit bottom," according to a case study of the neighborhood by Harvard University. "Abandoned cars, yards strewn with garbage, and burnt-out or broken-in houses spread throughout the subdivision. Unsupervised young people became rowdy, became involved in drugs and crime, and formed gangs."

Pacesetter's isolated location — in the midst of industrial parks and with little direct access to other residential areas — also contributed to its demise.

The Urban Land Institute was asked in 2003 to determine whether the site should be demolished to make way for more industrial development or for new housing, or whether the existing housing stock should be rehabbed. It recommended acquiring and rehabbing the existing units and extending key streets to lessen the isolated feel of Pacesetter.

It took 17 layers of funding to get the project aimed at low- and moderate-income residents off the ground and 2 1/2 years to acquire 96 properties from absentee owners. Existing tenants were relocated and the 90 units with brick facades, deemed the best of the worst, were put on the National Register of Historic Places. In November 2007, ground on the redevelopment was broken.

"It was incredibly challenging," said Andrea Keeney, Holsten's senior development manager. "We were really piecing together everything we could do to make this work."

In addition to rehabbing the 90 town homes, vacant lots were acquired and two new mixed-use buildings with solar roof panels were constructed, offering retail space on the ground floor and 40 apartments. Construction was completed at the end of 2008 and tenants started moving in last year; the storefronts remain empty.

The awards are nice recognition for a project that hasn't received widespread attention. Efforts in Riverdale, 23 miles south of downtown Chicago, have largely been overshadowed by the city of Chicago's own work to rehabilitate deteriorated housing stock and its public housing projects. Future phases of Whistler are planned to include the construction of more apartments as well as single-family homes for sale.

Holsten's Keeney is optimistic about Whistler Crossing. "We definitely can get this done," Keeney said. "People wanted to see a mixed-income deal done outside of Chicago. It's a testament that yes, this can be done. It's going to be difficult but it can be done."

Holsten has a long track record of trying to bring new development into challenged communities. But last month, those efforts got a reality check when the city of Chicago stepped forward and paid a \$3.4 million public subsidy early on Parkside at Old Town, a venture led by Holsten, so its construction loan did not fall into default.

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