



CAIRO HOUSING NEEDS ACTION PLAN

DECEMBER 2024

Housing Action Illinois

Housing Action is a statewide coalition that has led the movement to expand affordable housing and end homelessness in Illinois for over 35 years. Our coalition includes more than 180 member organizations, including housing counseling agencies, homeless service providers, affordable housing developers, and policymakers. Together, we work toward a shared vision: an Illinois where everyone has access to a stable and quality home.

Our initiatives have resulted in the construction of tens of thousands of new homes, helped hundreds of thousands of individuals move from housing insecurity to stable living situations, and provided millions of renters with stronger protections. By collaborating with our members and partners, we have increased access to housing and created new opportunities for residents in every community in Illinois.

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INTRODUCTION

In early 2023, Housing Action Illinois was invited by the U.S. Department of Housing and Urban Development (HUD) to collaborate with residents and local leaders in Cairo on creating a comprehensive housing plan to address the community's housing needs. We embraced this opportunity because of Cairo's long history of disinvestment and the project's alignment with our mission to expand access to quality, affordable, and accessible housing across Illinois.

This project was made possible through funding from the Illinois Department of Human Services (IDHS), provided via the Office to Prevent and End Homelessness. In late 2023, Housing Action Illinois formalized an agreement with IDHS, through a sub-grant from the Supportive Housing Providers Association (SHPA), to engage Cairo residents and leadership in crafting a housing plan tailored to the city's unique needs.

Our goals were threefold: to empower residents to identify and prioritize current and future housing needs; to develop a realistic, actionable plan to address those needs; and to support residents in creating an advocacy strategy to secure resources from local, county, state, and federal government agencies.

We extend our heartfelt thanks to the many partners who contributed to this effort. Your insights, collaboration, and dedication were instrumental in shaping this action plan and envisioning a brighter future for Cairo.

HISTORICAL BACKGROUND

Cairo, Illinois, located at the southernmost tip of the state where the Mississippi and Ohio rivers meet, became an incorporated city in 1858. Steeped in history, Cairo was once designated a Port of Delivery by the federal government due to its bustling river traffic and role as a hub for transported goods. The city also played a significant role in the Underground Railroad, serving as a critical transfer station for enslaved African Americans escaping the South. During the Civil War, Cairo's strategic location made it a staging area for General Ulysses S. Grant's Union armies, as well as an essential supply base and training center for the Union.

By the early 20th century, Cairo was a thriving city with a population exceeding 10,000, about 40% of whom were Black residents. However, racism and Jim Crow laws shaped much of Cairo's history during this period. Black residents faced systemic discrimination but organized a decade-long boycott to demand civil rights, including equitable pay, access to better jobs, and the integration of public facilities like schools and skating rinks. Many white residents resisted these efforts, with some business owners even closing their establishments to avoid hiring Black workers.

Over time, Cairo experienced severe disinvestment and economic decline, challenges that persist today. For instance, during a recent community meeting, residents noted that the city has not seen a single new housing development since the 1970s. This lack of investment, coupled with ongoing economic hardships, has left a lasting impact on the community. For further historical context, see the references provided.

How did we get
HERE?

A 2018 investigative report by the HUD Inspector General (HUD OIG, 2018) and a KFVS news article (KFVS, 2018) revealed significant mismanagement within the Alexander County Public Housing Authority (ACPHA) in Cairo and Thebes, Illinois. The former Executive Director was accused of using funds for excessive travel, lavish expenses, and neglecting the public housing units for over 20 years. Investigations, alongside a report by ProPublica (Smith, 2018), highlighted the deplorable conditions at the Elmwood and McBride public housing developments. These included mold, pest infestations, roaches, bed bugs, poor plumbing, and substandard living environments. In 2016, the Department of Housing and Urban Development (HUD) assumed control of ACPHA, placing it under federal receivership (U.S. Government Accountability Office [GAO], 2003).

In 2018, HUD determined that Elmwood and McBride were beyond repair and needed to be demolished due to their severe deterioration. This decision displaced a total of 278 units, affecting over 400 residents and 185 families. HUD provided housing vouchers and relocation assistance to the affected families. Despite this, many residents, who considered Cairo their home, were left with no choice but to seek housing elsewhere, as the city lacked affordable housing options. Consequently, numerous families relocated to Jackson County, Illinois, or neighboring cities in Missouri and Kentucky in search of affordable living arrangements.

In 2022, HUD found structural issues in the Connel F. Smith public housing building in Cairo and closed this building, displacing 53 families from their homes. In addition, HUD plans to renovate the Shuemaker public housing building, which houses people displaced from the Smith building, seniors and people with disabilities. This could require the relocation of residents to other communities while the building is rehabilitated.

Cairo's public housing residents have expressed frustration over what they perceive as broken promises, particularly as repeated displacements have disrupted their lives. While there is a broader need for housing in Cairo, the demolition of public housing units has intensified the demand for affordable, safe, and high-quality housing.

According to the 2022 American Community Survey, Cairo has a population of 1,510, with Black residents comprising 73.9% of the population and White residents accounting for 23.2%. The average annual household income in Cairo is \$40,084, while the median household income is \$31,429 (Point2, n.d.). Additionally, 23.8% of renter households are moderately or severely cost-burdened, spending between 30% and 49.9% of their income on rent.

The need for affordable rental housing is especially urgent for older adults and those aging in place. The American Community Survey reports that 34.5% of households in Cairo are renters, a percentage higher than the state average of 33.3%. Among households headed by individuals ages 55–64, 56.6% are renters. Furthermore, over 24% of Cairo's population is 65 or older. Access to affordable housing is critical to sustaining the community's population and supporting older residents as they age in place.

LAND USE ISSUES

There has been no new residential construction in Cairo in over 50 years, which contributes to several problems for the city. The demolition of the Elmwood and McBride public housing developments eliminated 250 housing units and exacerbated an existing housing shortage. The Smith building, another public housing building, was vacated and will soon be demolished due to its location on the New Madrid fault line, resulting in the loss of another 50 units. The immediate issue is that the housing supply in Cairo is extremely limited, offering few, if any, suitable options for prospective renters and homebuyers. As a result, public housing residents relocating from the Shuemaker building, which is currently being rehabilitated, have very few alternative housing choices in Cairo. This severe housing shortage also affects other sectors, such as employment, because there are limited places for new employees to live in the city.

The lack of new construction over the past 50 years, combined with many cash-only property sales, means there are few comparison properties available to establish the market value of properties. From an appraisal perspective, this lack of comparable properties makes it difficult for lenders to determine property value and decide how much to lend for new construction or rehabilitation. It also means that existing properties may continue to deteriorate, further increasing the cost of future rehabilitation.

In addition, Cairo sits in a flood zone, which could limit where new construction can take place. The map (see photo) shows which areas are zoned “AE” in light green and “X” in dark green. AE is defined as areas that present a 1% annual chance of flooding and a 26% chance over the life of a 30-year mortgage, according to FEMA. These regions are clearly defined in Flood Insurance Rate Maps and are paired with detailed information about base flood elevations. Flood Zone X is classified as low-to-moderate flood risk as determined by the Federal Emergency Management Agency (FEMA), having less risk due to the levees along the Mississippi. Building in AE zones may be cost-prohibitive and risky, as structures would be required to carry flood insurance—which can be very expensive—and would be vulnerable to severe damage and displacement in the event of a flood.

Currently, only homeowners with cash can make repairs, and that is only if they can find a contractor. Cairo residents report that it is difficult to find a contractor because there are so few in the area; contractors are often sought from Carbondale and Marion, which are 56 and 53 miles away respectively. However, according to residents, these contractors generally do not need to travel to Cairo because they have plenty of work in their communities.



This map shows Cairo flood zones with Zone AE in light green and X in dark green. Source: Regrid.

CURRENT HOUSING PLANNING EFFORTS

The City of Cairo established a Housing Task Force in 2022, consisting of Cairo residents, city council members, and representatives from state and federal government. The Task Force's goal is to bring new housing to Cairo.

The Housing Task Force explored the possibility of introducing a unique 3-D printed house to Cairo. This 3-D printing system uses concrete to print walls directly onsite, eliminating the need for a factory to build the walls and transport them to the construction site. This method also requires fewer personnel, which, in theory, should significantly reduce construction costs. According to Eminence Resource, Inc., a Harrisburg, Illinois-based contractor, this technology has been used in Dubai, and similar methods are currently being implemented in Virginia and Texas.

Based on the Task Force's recommendation, the City of Cairo recently entered into an agreement with Eminence Resource to construct a 3-D printed duplex on city-owned land. A groundbreaking was held at the site on August 17, 2024.

Cairo is in a unique position in that it needs at least 50 new housing units but it cannot support a traditional tax credit development. Specifically, the rents needed to support a tax credit development would be too expensive for most Cairo residents. For example, the rent for a 2-bedroom apartment at the 50% Area Median Income (AMI) is \$932.00 (Novogradac, n.d.). Rent for a 2-bedroom unit at 30% AMI is \$646.00. A tax credit development with the majority of units renting at \$646.00 would not generate enough income to support the development. Cairo will need unique solutions to develop new housing.

COMMUNITY ENGAGEMENT & FEEDBACK

All quotes included in this action plan are from participants at our community meetings.

Between October 2023 and April 2024, Housing Action staff made four trips to Cairo, meeting with 20 stakeholders, task force members, and residents to gather input and gain insights into the city's housing needs. We also attended seven housing task force meetings—two in person and five virtually. Additionally, we held two listening sessions: one with 30 public housing residents and another with 55 residents and community members.



“We need services for senior citizens as they are aging. In addition, we have limited transportation, buses that come to certain locations and not all.”

Community Feedback

“Cairo is my home” was a statement we heard from residents throughout our meetings and discussions. Many residents spoke of the close communities and connections they had in Cairo and voiced sentiments like: “this is where we were raised;” “this is where we raised our children;” and “it’s also a safe place for our elders.” Residents spoke with pride of being part of a small community where people know each other and having a community that feels like family.

Resiliency is something that we heard consistently from the residents of Cairo when they described their community and their history. The young adults in Cairo embody that resiliency when they expressed their desire to change the outside rhetoric about Cairo. We heard from many that younger generations are creating opportunities for themselves. Community members talked of young professionals being entrepreneurs and developing their businesses, such as local hair salons, catering services, and clothing stores, as well as young people organizing community events.

“There used to be more in Cairo, more than one drug store and grocery store, restaurants, more job opportunities.”

“The only hospital is in Anna and [people] go to Cape Girardeau for emergency rooms, doctors.”

“Cairo is my home.”



Photos show Cairo residents, Housing Action staff, and community stakeholders (including the Mayor of Cairo, just above, second from left) at a community listening session in April 2024

But these small businesses and services need more investment, grants and support from our local government and community. People described the booming economy that Cairo once had and can have again with investments into small businesses, like G&L Boutique, Mello’s Catering Service and the RISE grocery store, to name a few, and not necessarily in big department stores.

In addition, residents talked about needing more public transportation, better internet infrastructure, child care, and services for seniors, including the need for a hospital or access to emergency services for their older population.

We heard from community members that many residents displaced from public housing, including those who relocated to Missouri, Kentucky and other areas in Illinois, want to return to Cairo, and would do so if there were affordable housing options. These displaced residents still see Cairo as their home and community.



Lack of Affordable Housing

Residents spoke with us about the lack of affordable rental housing or housing options in general. A community member said during one of the listening sessions that Cairo has had no new housing developments since the 1970s. This impacts other sectors, including recruiting teachers and other employees to Cairo, because of the lack of housing. The lack of affordable housing has also made it difficult for people who want to live in Cairo to stay in Cairo.

Residents spoke of wanting to develop housing for every income level.

“There’s not enough housing for the whole lifecycle. If I’m a teacher, I could afford a certain level of housing, but others might not be able to afford that. We need housing that fits everyone at every level.”

Community members envisioned having different types of housing available in Cairo, such as senior housing, rental housing, duplexes, single family homes and a bed and breakfast for people to stay in town when visiting family.

When we asked residents about how they would describe the housing they needed, residents talked about developing duplexes and single family homes, and not another high rise building. Also, people spoke of having transitional housing with wrap-around services for people who were

homeless and are in need of a place to focus on their mental health and substance use recovery. They also mentioned that, because Cairo’s population is aging they needed housing for older adults. Others spoke of short term accommodations for people visiting family or working here to have a place to stay. Someone described having a bed or breakfast place, motels or other types of short term housing.

People talked about having low income housing or subsidized housing to help residents to afford rent and to re-build and develop the lost public housing.

Preserving Existing Housing Stock

“The housing that is available needs a lot of work [such as] maintenance, roofs, updated systems, outdated kitchens and bathrooms, weatherization & energy efficiency.”

Another issue raised by residents was the need to preserve the existing housing stock in Cairo. Homeowners face significant challenges in financing repairs and often struggle to find contractors willing to handle both minor and major home repairs. Residents shared their frustrations with the lengthy wait times and the difficulty of reaching contractors, sometimes calling multiple companies without receiving timely responses.

There is a need for home repairs and maintenance to make housing livable for current and future residents. Residents mentioned resources needed to tear down unoccupied properties and to rehab older housing stock to make it livable for future residents. Residents also mentioned offering low-interest loans for people who want to buy or fix up housing in Cairo.

“In the same block you might have a house that needs to be torn down, a house that needs repairs, and a mansion...resources are needed to tear down some vacant houses and help maintain existing homes.”

“I was born and raised here. My concern is that you can buy a house here, but most houses have pipes that need to be changed, the plumbing needs to be replaced, the sewers need to be updated, the internet doesn't reach the houses with all the trees. It's been like this for years.”

“A need is to preserve the housing that we have. There are tarps covering many roofs around town. We need to fix what's here too.”

High Utility Costs

Residents discussed the high utility costs that they pay for electricity, gas, water and sewer services. Cairo Public Utility Company (CPU) provides, distributes, maintains and operates the electric, gas, and sewer systems for the city of Cairo.

“Utility bills can be over \$600 for 1 month. When I tell friends in Chicago about my utility bills, they are shocked. That is rent for them.”

Residents told us they are paying \$600-\$3,000 on utility bills. Many expressed that the CPU charges customers extra, and because so many people have left Cairo, other residents are bearing the burden of the high cost of utilities.

High Property Taxes & Insurance

Residents of Cairo reported that they are facing higher property tax rates compared to other areas in Alexander County. According to those we spoke with, Cairo residents are paying about 20% more in property taxes due to the city's high tax rate. We reached out to the Alexander County Treasurer for specific documentation to verify these claims but did not receive a response.

During the community listening session, several participants shared that the cost of insurance is preventing many homeowners from obtaining flood insurance, even though some properties are outside floodplains. Additionally, residents mentioned that property insurance is generally expensive. For some homeowners, the high cost of insurance has become a barrier to accessing state and federal home repair programs, as many of these programs require homeowners to have insurance in order to qualify for assistance.

Lack of Economic Opportunities

“Bring all the houses you want, but it won’t work if you don’t have any jobs.”

Cairo faces a significant lack of economic opportunities and jobs, and many residents emphasize that access to employment is just as important as developing housing.

Both the federal and state governments are providing funding to the Alexander-Cairo Port District and the Illinois Department of Transportation to develop a port in Cairo, hoping to bring new jobs to the city. However, community members expressed mixed feelings about the project, emphasizing the need for transparency in the port's development and questioning whether it will truly create jobs for Cairo residents. Currently, Port District meetings are held at the courthouse and are open to the public, allowing for community engagement.

POTENTIAL SOLUTIONS

Revise Zoning & Building Codes

Building and zoning codes guide what a community builds and how it is built. Both zoning and building codes should provide clarity to residents and prospective developers on what can be built, where it can be built, and how to build. According to city officials, the zoning code was updated in 2022, but certain aspects of the code appear to be from a previous era when planners encouraged separating single- and multi-family districts. Additionally, current lot sizes and setbacks are modeled after suburban communities, which could impede development. Restrictive land use regulations and zoning laws have been linked to higher housing prices, reduced construction activity, and a decrease in the elasticity of housing supply (National Association of Housing and Redevelopment Officials [NAHRO], 2024).

Historically, zoning practices have been used by affluent communities to boost property values, decrease tax burdens, and often impede the influx of non-white residents. As a result, housing stock fails to meet demand, exacerbating housing affordability challenges, even in previously affordable cities. In 2021, home prices experienced an alarming growth rate of nearly 20 percent, and rents surged.

Restrictive zoning practices significantly contribute to the ongoing housing affordability crisis, with a staggering 70 percent of residential areas in major cities restricting or banning apartments. What emerges from this is a tapestry of outdated ordinances and codes, some dating back over a century, which increasingly obstruct the capacity of cities to adapt and grow in ways that align with the evolving needs of their communities.

Cairo's zoning code and map include R-1 districts for single-family, R-2 districts for two-family housing, and R-3 districts for multifamily housing. Many communities are eliminating these classifications to encourage housing in locations where it is needed. Cairo should consider removing these outdated classifications and encourage a mix of housing types in residential areas.

According to the code, "every residential lot shall have an area of not less than 5,000 square feet and an average width of not less than 50 feet. The minimum lot width for a single-family property is 50 feet, with a minimum area of 5,000 square feet." This means a minimum lot size is 50 feet by 100 feet, except that if a "lot of record has less area or width than herein required and has been duly recorded prior to the date of passage of this title, such lot may be used for any purpose in this chapter (Ord. 366; 10-4-54)." These lot sizes are larger than traditional city lots and may not allow Cairo to create the density it needs to create safe, walk-able neighborhoods. Cairo should consider dropping the lot size to 3,000 or 4,000 square feet, which would reduce the width of the lots to 30 or 40 feet while retaining the depth of 100 feet. This would allow for more houses to be built in the designated development areas, while still providing purchasers with a sizable lot.

Flooding is another issue that needs to be addressed in building and zoning codes. Cairo, at the confluence of the Ohio and Mississippi Rivers, is susceptible to flooding. It is unclear if the current codes address flooding and how flooding should be mitigated in new residential construction.

Any development, especially income-restricted housing, will need to comply with regulations, including avoiding building in flood zones. Executive Order 11988 (Federal Emergency Management Agency [FEMA], 2021) requires federal agencies to avoid, to the extent possible, the long- and short-term adverse impacts associated with the occupancy and modification of floodplains and to avoid direct and indirect support of floodplain development wherever there is a practicable alternative.

Waters have never breached the levy system protecting the city, but in 2011, Cairo would have been devastated by over 22 feet of water if not for the Army Corps of Engineers activating the floodway system. A ProPublica article from 2018, "There Was a Plan to Save This City From Flooding. But When the Rains Came, So Did Hesitance," details how the delays in executing the foodway plan nearly destroyed the city:

...the mayor of Cairo, Illinois, told residents to get out. A spring flood had grown out of control, and the low-lying city of 2,800 at the junction of the Mississippi and Ohio Rivers was fighting for its life.

Water poured from the sky and bubbled up from the ground like miniature geysers. It leaked through the levee system, giant earthen and concrete walls built to protect the city from flooding, as hundreds pushed their bodies against sandbags to shore it up, including inmates from a nearby prison, residents who chose to ignore the evacuation order and even

children. Emergency managers passed out life vests. If the levees fell, there would be nowhere to run from the wall of water.

The Army Corps of Engineers had a procedure, written into law, to spare Cairo this level of danger. But it kept delaying...The Corps ultimately detonated the levee to activate the floodway, but not before causing millions of dollars in unnecessary damage to Cairo and surrounding communities, according to a report from the Illinois Department of Natural Resources. That report is echoed by the engineer for Alexander County, whose seat is Cairo, and city residents who said the agency's delay led to the flooding of many rural homes and farmland on the Illinois side of the river that could have been saved if they'd opened the floodway sooner.

The Corps' job is to manage the flood risk posed by rivers, but in this case, it made the damage worse.

The fortunes of the two areas have reversed since the floodway plan was developed in the early 20th century. The farmland in Missouri is now considered more valuable than the land in Cairo. If the floodway is activated in a future flood event, the farmland would be flooded; if the floodway system is not activated, the City of Cairo would be inundated.

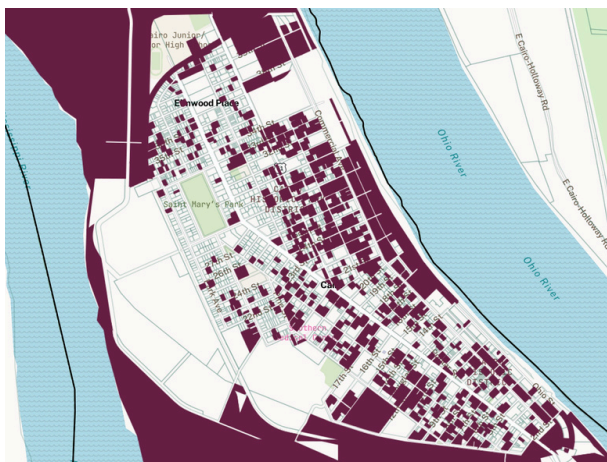
While the zoning and building codes may not be able to save buildings from a major flood, the code must address minor flooding and include ways flooding can be mitigated in new construction. When revising zoning and building codes, city officials should work with environmental planning experts to identify appropriate strategies to help new home builders avoid flooding, such as lifted housing, sump pump requirements, or channeling water through the foundation. Cairo officials cannot expect developers to make these decisions; building and zoning codes must provide clear direction to builders.

Create Development Districts

Cairo has a significant amount of vacant land, with over 1,200 vacant parcels within the city limits, according to the mapping site Regrid (Regrid, n.d.). The map on the right shows these vacant parcels in burgundy, and much of this land is owned by governmental entities, including the City of Cairo, Alexander County, and the Alexander County Housing Authority.

The map on the right highlights the government-owned vacant land. This includes the former Elmwood and Mc Bride public housing developments, which were demolished in 2019. Some of the municipally-owned land is likely undevelopable due to its proximity to the Mississippi River levee walls.

Not all of the vacant land can and should be redeveloped. For one, Cairo's population is significantly smaller today than it was 20 years ago, reducing the need for extensive redevelopment. The demolition of the Elmwood and McBride developments nearly 10 years ago forced many residents to relocate, and it is unclear how many realistically could return if and when new housing is developed.



Vacant land in Cairo shown in burgundy. Source: Regrid.

Additionally, much of Cairo is located in a flood zone, which could impact the feasibility of new development. Properties in these areas may not qualify for housing subsidies, or if they do, they may require expensive flood insurance. According to FEMA Flood Insurance Rate Maps (FIRM), certain flood classifications in the city could increase the costs of developing multifamily units or owner-occupied homes, making them unaffordable. Cairo officials should prioritize development in areas with reduced flood risk, such as those protected by the levee, and avoid encouraging construction in high-risk flood zones.

Because Cairo does not have the financial resources to redevelop the entire city, we recommend that city leaders focus redevelopment efforts on areas with the most potential, rather than taking a scattered approach.

One way to do this is by designating three to four specific development districts. These districts could primarily consist of land owned by the City of Cairo or other public entities and should be located in areas classified as "X" on the FIRM maps, where the flood risk is lower. Designating specific districts will allow the city to focus on the most



Highlighted properties are owned by governmental entities, including the City of Cairo, Alexander County, the Alexander County Housing Authority, and Cairo Public Utilities. Source: Regrid.

viable development areas while also encouraging critical mass for future residential development. Incentives for these districts could include free or discounted land, reductions in permit and connection fees, and pre-approved building plans, as outlined in the next section.

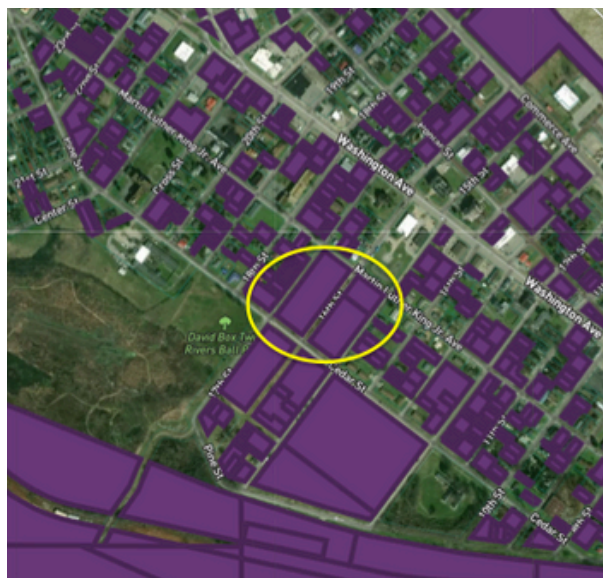
The clearest prime site is located at Martin Luther King and 16th Street, west of U.S. Route 51. This land adjacent to the former McBride public housing site is already cleared and ready for development. The map to the right shows the location. The City of Cairo negotiated with Eminence Resource to allow an experimental, 3-D printed duplex to be built at the site. A groundbreaking ceremony for the development was held on August 17, 2024. We do not know if the City of Cairo has deeded the entire site to Eminence Resources or just a portion.

Another potential development site is located on Cedar Street, between 10th and 11th Streets. This site is adjacent to the McBride property and in close proximity to the MLK & 16th Street site. It is privately owned by a local church, but it could serve as an example of the “Yes in God’s Backyard” (YIGBY) concept—how faith-based communities can fulfill their mission by supporting housing development.

As Rachel Cohen explains in a 2024 article for Vox, “In a country with a shortage of affordable homes and a surplus of religious institutions grappling with rising costs and declining memberships, developers are looking to partner with churches, temples, and synagogues to build new housing.

And amid a thicket of local land-use regulations that complicate the construction, some elected officials are looking for ways to nudge these efforts along. The YIGBY idea—working with faith-based groups to help address the housing crisis—originated from local advocates who knew homeless people eager to move from the streets into housing but unable to find any” (Cohen, 2024).

Other potential locations include a site east of Route 51 (Washington Street) and Commercial Avenue, from 6th to 10th streets and two sites on Route 51 between 20th Street and Center Street, which are owned by Cairo Public Utilities. These currently vacant sites could be ideal for small multifamily developments. See the map for the location.



*Prime development site at MLK & 16th Street.
Source: Regrid.*

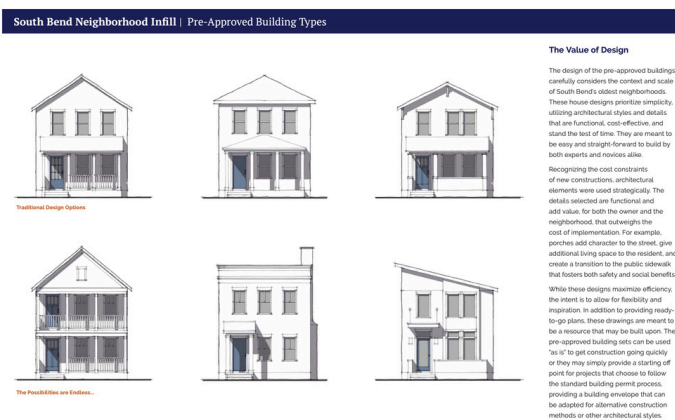
Institute Pre-Approved Building Plans for Residential Development

Cairo has had difficulty in attracting developers to build new housing. Several developers have proposed new housing that depended on the City of Cairo providing a significant subsidy. When the city could not, the development fell apart and the developer left town. Cairo cannot provide significant subsidies to developers, but could reduce the cost of building in other ways. One option is to provide building lots to developers for free or at a deeply discounted price. Another potential strategy is to offer free pre-approved building plans for developers to use, which would significantly reduce pre-development costs and make development more accessible, especially for small- and medium-sized developers.

In 2019, the City of South Bend, Indiana, launched a pre-approved building plan program designed to encourage infill development in established neighborhoods. South Bend worked with architects to develop several plan sets in styles that would blend with the existing housing stock. These plans included single-family homes, duplexes, carriage houses with small apartments over garages, and small apartment buildings. The city made these plans available for free to developers willing to build them, ensuring they would fit on the available lots (Strong Towns, 2024).

Following South Bend's example, Kalamazoo, Michigan, also instituted a pre-approved building plan program. This program has already led to the construction of 48 houses since 2021 (Strong Towns, 2024). Additional cities, including Pullman, Washington, and Fayetteville, Arkansas, are set to launch similar programs soon.

According to Strong Towns (2024), pre-approved building plans help align the city's vision with internal city hall procedures, improving coordination between building officials, zoning departments, and state building codes. This coordination expedites approval, reduces risks for small-scale developers, and enhances the efficiency of city staff. For Cairo, a small municipality, such coordination would be especially beneficial.

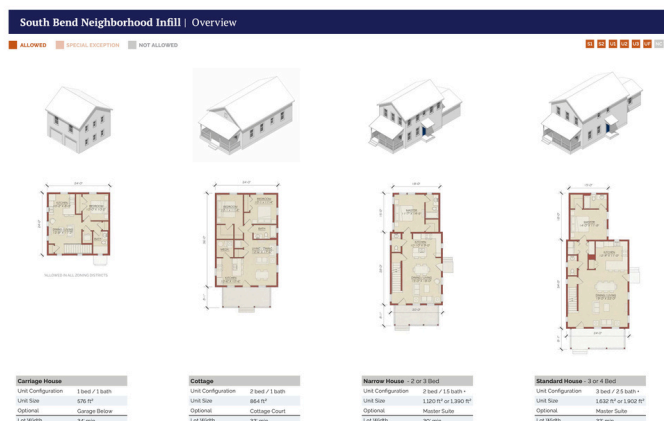


An image from the South Bend, Indiana Neighborhood Infill document shows the types of residential structures included in the pre-approved building plans program.

Pre-approved building plans also educate the public by encouraging citizen-led development and help build resident confidence in the community by developing a local ecosystem. Through citizen participation in creating plans, local entrepreneurs may seek opportunities to develop residential units.

For Cairo, a pre-approved building program offers multiple advantages. It streamlines the approval process for city officials by narrowing the pool of plans that need review and approval. The city determines the lots on which the designs can be built and if the developer builds as the plan dictates, the developer knows its project will be approved. For developers, the pre-approved building program makes clear what the city will allow. The program also encourages smaller developers to participate by reducing the predevelopment costs, of which design is a significant one. Additionally, the program creates architectural standards for new construction to protect architectural integrity and Cairo's "river city" character.

Instead of waiting for developers to come to Cairo with proposals, the city can proactively dictate the type of new development it seeks and offer incentives to encourage such projects. While there are costs involved in creating a pre-approved building plan program, Cairo could seek grants to fund the initiative and collaborate with architecture schools, such as the University of Illinois and Southern Illinois University, to develop the plans.



Residential floor plans included in the South Bend Neighborhood Infill document.

Create Homesteading Program to Transfer Underutilized Lots to Residents

Once Cairo has created its development districts, it could resume its homesteading program to offer city-owned land to existing homeowners. Some of the vacant lots are in areas where it no longer makes sense to build, like in areas zoned “AE” by FEMA. These lots would allow existing property owners to expand their yards, which is an ideal use for vacant land in the “AE” zone where additional development should not be encouraged. Officials could include a clause that any land transferred by the city must be properly maintained or the land would revert back to the city.

Cairo could also provide free or reduced price lots in its development districts to people who can finance their own construction. Beside its residents, Cairo’s most valuable asset is its land. It can use that land as an incentive to encourage people to build in Cairo. A homesteading program would offer free or significantly reduced land to a household willing to build and occupy the home. The program could work in conjunction with a pre-approved building plan program. Financing programs such as Rural Development’s Section 502 single family direct and single family guaranteed programs could be viable financing vehicles. Like the vacant land, Cairo could mandate that houses must be constructed and occupied within 24 months or property reverts back to the city.

Cairo officials could also encourage small-scale food production by making land available to expand its community garden. An expanded garden would allow more residents to have individual plots to grow food. A larger plot could be maintained with fresh produce given to local organizations.

Another option would be to lease city-owned land in the flood zone for energy production. Specifically, city-owned land could be used to build a community solar farm, which could reduce overall energy costs for Cairo residents by generating a credit on electricity bills for energy generated by the farm. A solar farm would need to be developed in conjunction with Cairo Public Utilities, which may have access to additional resources to bring a farm to Cairo.

Hire a Coordinator to Manage Development Activities

Cairo's goal to encourage new residential development involves more than just buildings. Someone must manage citizen input, planning, coordination with local, state and federal agencies, developing incentives, and building the municipal infrastructure to support development. For example, developers will walk away if the development process is too cumbersome or it takes too long to secure building permits. Residents may withdraw support if development takes too long to commence. The whole process needs to be streamlined and expertly managed in order to encourage development and then actually get it done. The city should look to hire a development coordinator who can manage existing construction for the city while also marketing new opportunities to developers.

Specific tasks a development coordinator could undertake:

- Coordinate housing task force
- Map current development process including permitting and determine ways to streamline the process and make it more efficient
- Develop pre-approved building program
- Evaluate prospective developers
- Search grant opportunities
- Coordinate development activities with Alexander County Housing Authority
- Work with Rural Development and other agencies to secure resources for owner-occupied and investor-owned rehabilitation.

Offering a competitive salary and benefits would be critical to recruit and retain an experienced development coordinator in Southern Illinois.

Another option is to contract with the Southern Five Regional Planning District to coordinate development in Cairo, assuming Southern Five receives sufficient resources to take on this task and it fits within its strategic plans. Cairo already has a strong relationship with Southern Five; the organization has previously coordinated Illinois Department of Community and Economic Opportunity (DCEO) funding on Cairo's behalf. Southern Five is also an active member of the housing task force. This option would save the city the expense of hiring an additional employee and would bring the full resources of Southern Five to assist with marketing and development.

Work with ACHA to Redevelop the McBride Site

During our site visits to Cairo, we met with U.S. Management Services, which was then contracted by HUD to manage the Alexander County Housing Authority. At the time, U.S. Management Services detailed a plan to build duplexes on the McBride site. As we started to draft this report, we were informed that CVR Associates had replaced U.S. Management Services as manager of ACHA.

According to HUD, ACHA's current priorities are to demolish the Connell Smith Building; rehabilitate the Shuemaker building; and rehabilitate its scattered site units. Before creating any plan to redevelop the McBride site, HUD and ACHA intend to engage current residents and those residents that relocated when Elmwood and McBride were demolished to get their input for any future development.

Cairo officials should work with ACHA to create a redevelopment strategy that meets community needs while also meeting HUD Public and Indian Housing (PIH) requirements. The McBride site is adjacent to the Martin Luther King Avenue and 16th Street site, which is one of the city's most viable development areas. Together, development at the two sites could help the city meet its short- and long-term housing needs. HUD, being a federal agency, may have access to resources to assist Cairo with realizing its development plans.

Seek Out Resources to Help Existing Owner-Occupants & Investor-Owners

Often, new development takes precedence over existing property owners. Cairo should look to secure resources for existing owner-occupants and investor-owners to make repairs alongside any new development taking place in town. For owner-occupants especially, funding should focus on bringing properties up to code and energy efficiency, including solar energy, electrification and decarbonization.

During one of our visits to Cairo, we met a local resident who grew up near Cairo and after years living in Chicago, returned home to take care of her grandmother. After her grandmother passed, she decided to remain in the area and purchase a home. Like many buyers in Cairo, she purchased her home in cash. She needed to make several repairs to the house to make it habitable but she used her money to purchase the home and was unable to secure enough additional resources for the repairs. She received one small grant to replace a water heater but needs an additional grant or a low-interest loan to make the house habitable. More than three years after purchasing her home, she still cannot move in and the property is susceptible to more damage. As Cairo looks to encourage new development, it must not forget people like this resident who, with a little assistance, can make some of the abandoned houses livable and enhance the overall community.

TIME IS OF THE ESSENCE

Environmental Risk

Cairo's location at the confluence of the Mississippi and Ohio Rivers makes it highly vulnerable to flooding. With some areas of the city at greater risk than others, there is no time to delay in ensuring that future development is directed only to areas with lower flood risk. New construction in high-risk zones could expose residents to disaster and place an unnecessary burden on city resources. Cairo must act decisively to safeguard its community by prioritizing resilient and sustainable development practices.

"The greatest strength [in Cairo] is the people."

"We don't have any housing. Period."

Political Crisis

The housing crisis in Cairo began long before HUD took over the Alexander County Housing Authority in 2016. Now, eight years have passed without the construction of a single new housing unit or the rehabilitation of existing housing. Meanwhile, hundreds of residents have been forced to leave their community in search of suitable homes. This prolonged inaction underscores the urgent need for action from all levels of government and an understanding of Cairo's housing challenges as an immediate crisis. Every day without action deepens the housing deficit and further erodes the community's stability and trust.

POTENTIAL RESOURCES

State Resources

Cairo has several opportunities to secure resources, but strategic action and support from partners is required. State programs such as Community Development Block Grant (CDBG) funds managed by the Illinois DCEO and HOME Investment Partnerships Program funds administered by IHDA can provide essential support. Other state and federal programs offer financial resources for property owners to repair and rehabilitate their homes. Leveraging these opportunities is critical to address Cairo's housing crisis before the situation worsens.

Congressionally Directed Spending

U.S. Senators Duckworth and Durbin could provide redevelopment funding. Congressionally Directed Spending (CDS) allows appropriations to special projects. An announcement shared by the Office of Sen. Durbin notes that Congress restored CDS "on a bipartisan basis and with enhanced transparency and accountability" in the FY22-FY24 federal appropriations process. "While the Appropriations Committee has not yet confirmed that CDS funding will be in the upcoming FY25 appropriations bills...the Senator's office is accepting funding requests for review" (Durbin, 2024). Cairo could seek support for initiatives, including developing pre-approved building plans or funds for owner-occupied rehabilitation.

HUD

The U.S. Department of Housing and Urban Development took over the Alexander County Housing Authority in 2016. HUD has indicated its intention to redevelop the McBride site once it has completed the demolition of the Smith Building and the rehabilitation of the Shuemaker Building and the scattered site developments. HUD plans to engage current and former residents to develop a redevelopment strategy. In addition to CDBG and HOME funds, distributed to entitlement communities, HUD may have other funds which Cairo could tap to assist with development alongside redevelopment of the McBride site. Cairo and HUD should coordinate these redevelopment efforts so that they are complementary.

EPA

The Environmental Protection Agency (EPA) has an Environmental and Climate Justice Community Change Grants Program, which could potentially provide resources for owner-occupants and investor-owners to make energy-efficient upgrades to their properties. According to the EPA, this program "will fund community-driven projects that address climate challenges and reduce pollution while strengthening communities through thoughtful implementation. The historic levels of support provided by these grants will enable communities and their partners to overcome long-standing environmental challenges and implement meaningful solutions to meet community needs now and for generations to come" (U.S. Environmental Protection Agency, n.d.). Cairo could work with the Southern Five Regional Planning District or Shawnee Development Council to respond to the Notice of Funding Opportunity, due in November 2025.

Rural Development

Rural Development's Section 504 loan program provides low-interest loans up to \$40,000 and grants up to \$10,000 to low-income households for owner-occupied home repair. Rural Development also has Section 502 Direct Loans for home purchase for households unable to secure bank loans and guaranteed loans to insure bank financed loans. Homes located in the "AE" flood zone would be required to carry flood insurance, which could make the program prohibitively expensive.

Delta Regional Authority

The Delta Regional Authority (DRA) was established in 2000 to provide a framework for federal-state collaboration aimed at fostering economic development in the lower Mississippi River and Alabama Black Belt regions. The DRA invests in projects that support transportation infrastructure, public infrastructure, workforce training, and business development. Its mission is to create jobs, build communities, and enhance the quality of life for residents in its jurisdiction (Delta Regional Authority, n.d.).

The Southern Five Regional Planning District serves as the DRA's Local Development District (LDD) office in Illinois. The City of Cairo could collaborate with the DRA to secure resources for infrastructure improvements that would facilitate new residential development.

Federal Home Loan Bank

The Federal Home Loan Banks provide grants for affordable housing through their Affordable Housing Programs. Member financial institutions can partner with nonprofit sponsors to seek funding for the purchase, construction or rehabilitation of affordable homeownership or rental units. While the Federal Home Loan Bank of Chicago's footprint includes Cairo, it is the location of the bank that determines which Federal Home Loan Bank program is applicable. Southern Bank, which has a branch in Cairo, is a member of the Federal Home Loan Bank of Des Moines.

IHDA

The Illinois Housing Development Authority (IHDA) receives federal HOME funds for areas of Illinois that do not receive a direct allocation. Qualifying uses of HOME funds include subsidizing development of new single family homes, small apartment buildings and rehabilitation of existing homes. However, more discussion is needed to see if utilizing HOME funds in Cairo is feasible.

Illinois DCEO

Like IHDA, the Illinois Department of Commerce and Economic Opportunity (DCEO) receives Federal CDBG funds for areas of Illinois that do not receive individual allocations. Cairo could use CDBG funds for rehabilitation of residential structures or infrastructure improvements, including street repairs. However, use of the funds in flood zones may be limited.

NEXT STEPS

Housing Action presented the initial draft of this action plan to Cairo officials and the Housing Task Force in November 2024. We made adjustments to the plan based on their feedback, and will now focus on working with Cairo stakeholders to identify and advocate for local, state and federal resources to develop new housing units and to rehabilitate owner-occupied and investor-owned properties.

As discussed earlier, Cairo's existing housing stock is in need of improvement. Both owner-occupied and small investor-owned properties need significant repairs. According to Point2Homes.com, 65% of occupied residential structures in the City of Cairo are owner-occupied and 34% are investor owned (Point2Homes, 2024). City officials should look to secure resources to repair existing owner-occupied and small investor-owned properties at the same time new residential units are developed.

In this unique environment, both federal and state governments should be prepared to step in and guarantee loans for new construction and rehabilitation.

The City of Cairo was incorporated in 1858. In its 166 years, the city has experienced both highs and lows. Through it all, Cairo's best asset remains its people, who have shown tremendous resiliency and an undying belief in their community. It is this optimism that encouraged Housing Action to undertake this study. We believe that a strong, clear redevelopment plan backed by the community, can secure the local state and federal investments needed to expand community and economic development, provide opportunities for residents and prepare the City of Cairo for its next 166 years.

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