Federal housing officials are reviewing Zion's plans to renovate three blocks of troubled Hebron Avenue to determine whether the decision to declare the area blighted illegally discriminates against the landlords and tenants of the apartments there.

The inquiry by the U.S. Department of Housing and Urban Development centers on the federally subsidized apartments in the 2100, 2200 and 2400 blocks of Hebron Avenue, an area long considered a problem because of high crime, according to city officials.

A spokeswoman for HUD in Chicago also confirmed the existence of the inquiry.

"The city could be doing the best thing around by going in and redeveloping those units," said the HUD spokeswoman, Jeanne Crowley. "Or they could not be. That's what we have to see."

The investigation, which officials said is nearing its end, was prompted by a half-dozen or so complaints from landlords upset by the city's decision last year to declare the three blocks on Hebron Avenue blighted. The city has condemned and purchased apartments on one block so far.

Declaring the blocks blighted prevented the landlords from renting apartments to tenants whose rents are federally subsidized under Section 8 of the Fair Housing Act. The government will not help pay the rents for tenants who live in blighted apartment buildings.

"They're punishing the owners for having Section 8 housing. They're punishing the tenants by not letting them live there anymore," Jim Justen, who owns eight town homes in the 2100 block of Hebron, said Wednesday. "Their track record indicates they just don't like Section 8 housing, and they'll do anything to get rid of it."
The city began its project to renovate the three blocks in January 1993 in an effort to cut down on crime and its attendant problems, like graffiti. The first step was to declare the three blocks blighted. This summer, the first block—the 2400 block—was sold to developers. The developers, Joshua Trails Partnership, plan to renovate the apartments and apply for low-interest financing to keep the units affordable.

"I think the city has every right to clean up that area to the best of our ability," said Douglas Zeit, the city's lawyer. "Frankly, I think it's laudable."

Zeit characterized the inquiry as "fact-finding" and said city officials were cooperating with it.

He said HUD officials had sought documents from the city's planners, as well as records of complaints in the area, code violations, police calls and the city ordinance used to declare the area blighted.

"We've had murders there, you name it. The police calls are astronomical," said Mayor Billy McCullough. "There are some good people, sure, but we've got some lousy landlords—and I'm being kind using that word. There's nothing to gain here but to improve the community."

City officials and the landlords who have cooperated in the investigation say a decision from HUD on how to proceed could come in the next few weeks. HUD could refer the matter to the Justice Department, or find no wrongdoing and drop it.

The landlords contend the blight declaration has made it harder for them to rent the rows of low-slung apartment buildings. They have been forced to drop rents, too. Justen, for instance, said he is losing $50 to $75 a month on apartments there.

Carlos Hidalgo, who owns two 11-unit buildings on the 2100 block of Hebron, said the city was taking the wrong approach to dealing with crime by targeting landlords. He said the city had not exhausted traditional crime-fighting methods.

He blamed a handful of bad landlords for failing to keep up their apartments. And he disputed officials' portrayal of the entire area as a slum, saying the city wants to drive low-income residents, most of whom are black and Latino, away from Zion.

"Everybody was happy as clams until the city started sticking their noses in this," Hidalgo said. "I see what they're doing, but they're going about it all wrong."