

# EL NUEVO Constructor

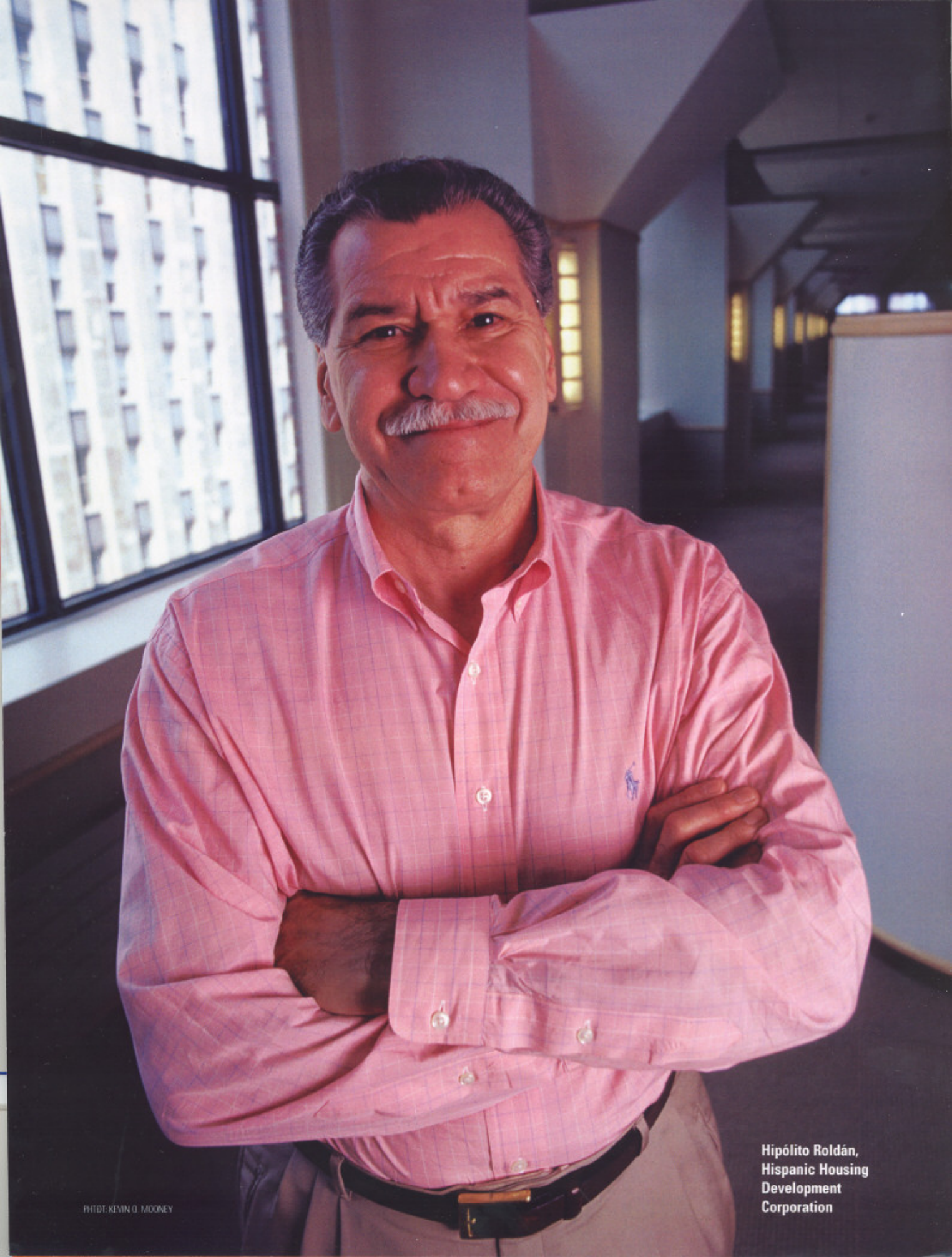
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EL VOCERO EN ESPAÑOL DE LA INDUSTRIA DE LA CONSTRUCCIÓN / THE SPANISH VOICE OF THE CONSTRUCTION INDUSTRY NOVIEMBRE/DICIEMBRE 2005



HIPÓLITO ROLDÁN  
**BUILDER  
OF THE YEAR**

OUR ANNUAL AWARD FOR LEADERSHIP,  
VISION, AND COMMUNITY SERVICE.



Hipólito Roldán,  
Hispanic Housing  
Development  
Corporation

# HOPE & HOUSING

OUR ANNUAL AWARD FOR LEADERSHIP,  
VISION, AND COMMITMENT TO COMMUNITY.

BY RICK MONTANA

**D**riving past an abandoned warehouse near Chicago's Humboldt Park, Hipolito Roldan slows his car and points to the empty shell.

"I've had my eye on that building for a long time," he says. But where most of us see a faded brick facade and broken windows, he sees families, businesses, and a thriving community returning to these barren streets. For Roldan and the Hispanic Housing Development Corporation (HHDC), what started in 1975 as young group with big dreams, has grown into a mature organization with a terrific track record - and a huge mission. Roldan has led HHDC into project after project, redeveloping inner-city Chicago and its surrounding neighborhoods block by block -- all starting with drive-by's like this one. From very humble beginnings they have created thousands of affordable homes for Hispanic and other minority families throughout Illinois, offering

hope and housing through their creativity, courage, determination, and deep commitment to their communities.

We are extremely proud to name Hipolito Roldan and his visionary team at the Hispanic Housing Corporation as El Nuevo Constructor's 2005 Builder of the Year. The influence and impact of their work stretches well beyond the communities they've helped revitalize, and into cities across the nation who look to their work as a model for rebirth.

Awards are nothing new to Roldan. In fact he's been earning them since he was a young soldier in Vietnam, returning home a highly-decorated combat veteran. And judging by the various plaques, trophies, photos, and golden shovels that fill his office, he's been collecting special recognition ever since. In 1989 he received the John D. And Catherine T. MacArthur Foundation Genius Award, presented to individuals,

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"For their potential to make exceptionally creative contributions to their respective fields." Roldan used the MacArthur funds to establish his own foundation that supports Latinos pursuing careers in community development. In addition to his involvement with many local community organizations, Roldan maintains a national presence. He sits on the Board of Trustees for the Urban Land Institute and has served as one of its Inner City Advisors. He is a Board member of the National Puerto Rican Coalition, Latinos United, Housing Partnership Network, and is on the National Advisory Council of Fannie Mae.

### IN THE BEGINNING

His friends call him Paul, and he drives through the neighborhoods of Chicago like they were the streets of his childhood Brooklyn - pointing to block after block of redeveloped areas HHDC has already helped transform.

"I've been exploring abandoned buildings since I was five years old," Roldan says. "We had all these old, empty buildings where I grew up and I was fascinated by them." But his youth spent in Brooklyn also holds another clue to his future calling, and he is reminded of it every time he completes

### AT A GLANCE

Hipolito Roldán

Hispanic Housing Development Corporation

Chicago, Illinois

President/CEO

President: Tropic Construction Corp.

Board of Trustees:  
Urbano Land Institute

Board of Directors:  
National Puerto Rican Coalition/Latinos United/  
Housing Partnership Network

Member: National Advisory Council of Fanni Mae

Winner: John D. and Catherine T. MacArthur Genius Award

Board of Advisors: LISC/Chicago



Roldan with HHDC team members Mark Kruse, Kilia Saeedi and Ivette Velasquez.

a project. "The prime moment for me still, is when a family moves into their first new home, kids frolick in their own private bedrooms, and a mother stands in the kitchen with tears of happiness." Roldan recalls family life in a tiny apartment where he slept in the living room on a sofa bed until he was 16 years old. "I'd be a lot taller if I had slept in a bed when I was a kid," he laughs.

Even after all the risk and stress of each project HHDC completes, the bottom line for Roldan is always personal, and always rewarding: A young family moves into new housing for the first time; an elderly woman finds a sense of community after years of isolation; an abandoned neighborhood comes back to life after decades of neglect. And Paul Roldan looks for his next project.

It isn't easy. It never was. After returning from Vietnam, Roldan completed college and earned his Master's

degree in Urban Studies at night, while working for a Brooklyn community development organization during the day. He answered an ad in the New York Times, and he and his wife Ida were on their way to Chicago, where Roldan became the first and only employee of the newly formed HHDC;

working alone during the first year to establish HHDC's operating structure, and to gain the knowledge and contacts he would need to initiate their first project.

Even after 30 years of success, the early experiences stay with him. "There's enormous comfort in having done everything," he says. "Of course, just when we think we've worked something out, we run into new pitfalls."

The Chicago landscape was quite different then, and Roldan has been in the midst of the changes ever since, especially in terms of the Latino population which he credits for a lot of city's

**"We are planting the seeds of homeownership."**

growth over this same time period. "When I arrived in Chicago Latinos made up 12.7 percent of the population," he says. "Now it's up to 35 percent and we're dealing with Latino bankers, lawyers, and politicians on our projects. The next level will be getting Latinos into the board rooms."

Along the way, he and his staff at HHDC have become experts in navigating the in's and out's of affordable housing and financing programs, and masters in forging strong community alliances that help HHDC gain support and approval for their projects. "We are

now invited into communities to work with local leaders and conduct months of research on potential projects," Roldan says. "That's really important because our involvement in a community might be a five to seven year effort." Now with \$34 million in annual revenues and \$140 million in assets (ranked 6th on the Hispanic Business Magazine's 2005 list of Top Nonprofits) HHDC has the staying power it needs to create and complete its projects. That's good, given their complexity and risk.

#### RISKS AND RESOURCES

"All the rules for developers tell you to maximize profits and minimize risks," says Roldan. You're supposed to get in - and get out -- of projects as quickly as possible. "We break all the rules," he says, "because we're committed to community service." That level of commitment and risk is exemplified by a project HHDC has been working on for four years. They've spent all that time and \$5 million in pre-development costs just to get to the starting line with a \$30 million project. "No other developer would take these risks," Roldan says. Roldan brings every project through the doors at HHDC headquarters, and with his enthusiasm and optimism it's no wonder that the team gets behind the projects. But not at the expense of making sound decisions.

Experience and success lends confidence to the HHDC team in its planning and management, but along with building their impressive track record, they've become adept with their finances -- far beyond the levels typical of a non-profit organizations. With steady income from its 3,800 rental units, HHDC self-funds normal operations, and only goes outside to fund special projects. And when they do, the assets under HHDC control make it easy. In fact, banks line up to do business with them. Given the strong ties HHDC has with banking and finance leaders, city and state housing agencies, and other advocate groups providing Latino family assistance, the resources really add up.

## AT A GLANCE

### Hispanic Housing Development Corporation

Chicago, Illinois

312-443-1360

**Description:** Operates three divisions: Development, Property Management, and Tropic Construction Corp., as well as manages Teresa and Hipolito Roldan Community Development Scholarship Fund.

**Scope:** New construction and redevelopment of affordable housing apartment buildings, single-family homes, condominiums. Business development in partnership with neighborhood entrepreneurs. Construction management through Tropic Construction for HHDC projects and outside for-profit ventures. Ongoing property management of 3,800 HHDC apartment buildings.

**Founded:** 1975

**Staff:** 165

**Annual revenues:** \$34 millones

**Assets:** \$140 millones

**Completed projects to date:** \$39 millones

**Current projects:** \$25 millones

**"Pipeline" projects:** \$57.8 millones

**Apartment units managed:** 3,800

**2004 Apartment units completed:** 59

**2004 For sale single family residences:** 30



Completed in 2002, Gateway Apartments has 120 units.



Diversey Square is a complex of six buildings with 196 multi-family units.

Another resource Roldan points to is his board of directors. "These are people of great faith," Roldan says gratefully. "Our board includes experts in banking, law, construction, debt and equity finance, and marketing." Some members have been involved for more than 15 years. One member, James Sneider, has been on the board since the first day. Stability like this is also rare among non-profits.

"We are unusually self-sufficient for a non-profit organization," explains

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Roldan, "because we operate as a Real Estate business." In fact the executive team and managers run HHDC as tightly as any for-profit development corporation - and look for every opportunity to grow and to improve their operations.

### IN-HOUSE CONSTRUCTION

That's what led HHDC to form its own general contracting company, Tropic Construction Corp., as a for-profit subsidiary in 1993, to gain control over costs, communications, quality, and scheduling. "We had a big problem with a HUD contractor that really showed us we needed in-house construction expertise," says Roldan. "We have to be careful with the relationship between HHDC and Tropic," he says, "but it's given us control over our process." Tropic operates out of separate offices from HHDC, and actually builds for other developers, adding another revenue stream to the HHDC coffers.

Mark Kruse, HHDC's vice president of development, describes the benefits.



ILLUSTRATION: MACONDO CORP

### PROJECT PROFILE

Name: Paseo Boricua

Description: New construction, 59-apartments in heart of Chicago's Puerto Rican community. Housing for near-elderly (55 and older)..

Location: Division Street, Chicago

Rental Rates:

Studio Apartment: \$445 / month

1-Bedroom: \$564 / month

1-Bedroom: \$700 / month

General Contractor:

Tropic Construction Corp.

Completed: Summer 2005

Total Cost: \$11,700,000



PHOTO: KEVIN O. MOONEY

Paseo Boricua apartments are located in the heart of the city's Puerto Rican community.

"As the developer, HHDC can now talk directly with the GC (Tropic) about our construction costs," he says, "and then turn around to our property management team and talk about operation and warranty costs. It gives us so much more information and control this way," he says. Then during construction the communication between all team members adds even more to efficiency - and quality. "Usually your GC only warranties work for one year," says Kruse. "Tropic Construction crews and our property management people see each other out there every day. They know they're building for perpetuity."

As innovative as this sounds, creating Tropic Construction Corp. provided HHDC with a way to meet another of its important goals: Increase community hiring to 40 percent of the workforce. "We draw a radius around each project and try to hire as many trade contractors and workers from within that radius as we can," says Roldan. "We've raised community hiring to an art form."

Another innovative HHDC program is called Home Pride; offering newly-built, affordable, homes in three forms. Buyers who qualify can choose from

detached single-family homes, or can buy into a two-flat or three-flat condo. HHDC has organized and manages the condos as homeowner associations to make it easier on first-time buyers. The Home Pride units include 9-foot high ceilings; master bedrooms with walk-in closets; open floorplans; energy efficient windows, insulation and HVAC; and all appliances. Single-family homes have about 1300 square feet and sell for about \$195,000. The flats are about 1,200 square feet each, and sell for about \$200,000. Tropic Construction builds these units as well.

**"No other developer would take these risks."**

### ISLANDS OF AFFORDABILITY

Just because HHDC works so closely with local leaders and community organizations doesn't mean they don't have competition. In many cases the race is on between non-profits trying to preserve affordability, and for-profit companies attracted to the same properties because of their development potential. In some cases they run into communities that don't want affordable housing developed in their backyard, and support the upscale projects. And in this sense, says Roldan, HHDC works to create

islands of affordability within a sea of gentrification. "We compete dollar for dollar against other developers for the same properties," he says. "Our mission is to help communities set deeper roots to withstand these forces, to keep housing affordable, and improve the quality of life in these neighborhoods."

Roldan shines with pride for all HHDC has accomplished when he describes the past 30 years, but his passion is no less evident when he talks about the future. Currently there are another \$57.8 million worth of projects in the pipeline, and judging from their designs and descriptions, some of HHDC's best work may still be yet to come. Walk through the pleasant offices along the Chicago River in downtown Chicago, and you can tell. Nobody here is resting on the past. All the energy is



North & Pulaski Redevelopment is a future project that includes 68 apartments, 12 affordable condos, and 16,000 square feet of commercial space.

ILLUSTRATION: CHICAGO ASSOCIATES PLANNERS AND ARCHITECTS (CAPA)

about the future, and the future is about the mission, and the mission is as clear as the need. "We're planting the seed of homeownership among families who thought they never had a chance to buy

a home," says Roldan. "So we take on projects that appear to be madness to others, because as optimistic as I am about Chicago—the need is huge, and growing."

## THANKS FOR YOUR SUPPORT!

Thank you for attending this year's Builder of the Year award ceremony. This year we honor all three of our winners: Sergio Pino of Century Homebuilders (2003), Henry Cisneros of American City View (2004), and Hipolito Roldan of the Hispanic Housing Development Corp. (2005).

## THANKS TO OUR SPONSORS!

We would like to thank our Builder of the Year ceremony sponsors who have generously supported this event, and have shown their commitment to Hispanic and Latin contractors throughout the United States.



### EVENT SPONSOR: The Home Depot

Start your tour of the International Builders' Show after this event with Frank Garcia at The Home Depot booth at 11:00 a.m. As senior director of emerging markets, Frank Garcia is The Home Depot's national point man for Hispanic builders, developers, and contractors.

