

**THE DIFFERENTIAL IMPACT  
OF GENTRIFICATION ON COMMUNITIES IN CHICAGO**

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For the

City of Chicago Commission on Human Relations

January 2006

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documented these different interpretations and clashing definitions of community futures in Chicago.

Focus groups and interviews were used to understand perspectives on gentrification and displacement from a range of leaders familiar with the social, economic, and cultural impact of community-level economic development. Those interviewed included businesspersons, religious leaders, educators, non-profit organization directors, community-based organization staff, among others. Some interviews were completed to get a sense of citywide trends while others focused on two areas of the city that have experienced the most visible reinvestment recently. The West Town and Humboldt Park communities have been experiencing significant new residential and retail construction as well as residential displacement. Similarly, the Mid-Southside communities of Douglas, Grand Boulevard, Oakland, and Kenwood have seen major reinvestment after years of disinvestment (See Table 1 for details on study participants).

This report is not intended as a public opinion survey report. This is not an in-depth survey of real estate developer attitudes about investment practices, nor is it a study of attitudes of middle-class gentrifiers. Rather, it is an effort to understand perspectives of existing community residents and leaders that can provide important insights to decision makers in the government as well as in the private and non-profit sectors. To the extent that the city is interested in facilitating better communication and relations among different groups, this report highlights some of the potential points of conflict as well as points of cooperation.

## **THE REINVESTMENT AND DISPLACEMENT CYCLE**

It is a sign of a thriving city to see regular reinvestment and renewal in residential and business districts. New construction and rehabilitation of existing buildings and neighborhoods can be effective in meeting changing demands of both residents and businesses. Such new investment can make a city an attractive place to live and visit. It can also strengthen the tax base, allowing government to be more effective in addressing the needs of all residents.

However, reinvestment does not occur in a random pattern. At any one time it tends to be concentrated in particular neighborhoods—typically neighborhoods where private investment dollars are most likely to realize maximum return. Such investment can be encouraged by government policies and actions; examples of this are the creation of a Tax Increment Financing District,<sup>4</sup> improvement of city streets or other public amenities, acceptance of tax breaks to attract large business that might anchor neighborhood business economies, and stricter enforcement of city building codes. Certainly the even larger factor are decisions by private developers, homebuyers, commercial property buyers to purchase and/or rehab property in a given city community. Both government and private sector actions can help to define “hot” neighborhoods. In talking with prospective homebuyers real estate agents can define a neighborhood as having a

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<sup>4</sup> Tax increment financing districts (TIFs) are used in Chicago as well as in many other cities and states. Typically, a specific geographic area is defined as “blighted” or

“good return on investment,” or as a place where first-time homebuyers can get “a good housing buy for their money.” Although typically following initial residential development in a community, new retail development can fuel or speed up the gentrification process.

## GENERAL TRENDS IN CHICAGO

Data from a number of sources was used to get a general view of community reinvestment trends in Chicago. Analysis of changes in property assessments in Chicago from 1991 to 2000 shows a significant trend of increased property value moving up the northern lakefront and into northwest neighborhoods. Using data from the Cook County Assessors Office, Figures 3-6 show this dramatic trend. Since gentrification is a combination of household income change, property value increases, increased numbers of residential mortgages and business loans, and new construction among other factors, broader gentrification indexes are useful in identifying trends. In a report published by the Urban Institute, Sean Zielenbach, Research Director of the Housing Research Foundation, completed a multi-variable analysis of gentrification in Chicago (2005). In his analysis, ending in 2000, he concludes:

Four of Chicago's neighborhoods--Logan Square, West Town, the Near West Side, and the Near South Side--experienced arguably the most significant improvement during the 1990s. Each of these communities no longer qualified as low-income in 2000. Their rates of positive change generally outpaced that of the city as a whole (often by large margins). What were struggling neighborhoods in 1990 had beco

## **METHODS**

In order to best understand the diverse and complex impact of neighborhood change, interviews and focus groups were conducted with a total of 68 community leaders and residents. Of these participants, 40 were interviewed one-on-one and 28 participated in three different focus groups which took place in three areas recently experiencing gentrification activity (Uptown, West Town/Humboldt Park, and the Mid-South). Participants represent various domains of the community, including business persons, religious leaders, bankers, educators, non-profit organization directors, community-based organization staff, and residents. Participants were selected based on their first-hand experience with, and knowledge of, the impact of gentrification

### The Loss of Community and Ethnic/Racial Identity

Part of the tension between existing residents and gentrifiers is related to control over community identity or fears by existing residents of “loss of community.” The issue of identity is a thread throughout our interviews. In addition, stereotypes about the new development and new people moving into the neighborhood punctuate these concerns. It is not uncommon to hear criticisms about the appearance of the new construction, even though some might see it as an improvement in residential quality.

In some cases, the physical appearance of new development is seen as being insensitive to the visual character of the existing community. New houses are described as “cookie-cutter” houses that threaten the distinctiveness of the community. One West Town/Humboldt Park community leader asserts that “There’s a sense of history, a sense of connection that [developers] are

## Housing Development and Community Impact

Changes in housing most visibly mark the onset of gentrification, and can therefore become a highly contentious issue. When asked what changes respondents notice in their communities, the most frequent answer is, “housing.” Descriptive words include “drastic,” “dramatic,” and “radical.” Participants give examples of condominium developments, an increase in market rate housing, and the elimination of public housing high rises. In general, participants across interviews and focus groups expressed concern about the displacement of low-income residents by new upper middle-income homeowners. However, respondents raise the issue that many who consider themselves “middle-class” are also being displaced. For example, one respondent noted that a “high-ranking police officer” is unable to own a home in Uptown, which now has less diverse housing options. This reduction of housing options available to moderate-income teachers, fire fighters, police officers, and other professionals is something noted by State Representative Larry McKeon, who commissioned a report to examine the loss of housing options affordable to a broad mix of residents in Uptown (Haas et al., 2002).

Comparing interviews across community areas, the Mid-South responses emphasize a major shift in housing landscape over the last ten years, largely due to the tearing down of CHA developments and building on previously vacant lots. During the initial changes on King Drive



A strong “them versus us” perspective is clear in interviews and the focus group discussion in Humboldt Park. The view is that the new housing that may be improving the community is not meant for existing residents. As one West Town/Humboldt Park community leader summed up: “People can’t afford the housing that’s being built, and the housing is not meant for them. The housing is meant for people who have higher incomes, most of whom are white... not all of them, but most of them.”

### Commercial and Business Development

In general, the emergence of national chain stores and the development of local businesses serving middle-class customers have been regarded as major symbols of gentrification. Typically, gentrifying neighborhoods see the rise of these major chains and upscale stores and restaurants along with the fall of independent “mom-and-pop” stores and currency exchanges that serve a lower-income clientele. On the one hand, this change can improve the economic quality of life for everyone in the community—including low-income residents. Larger supermarkets can provide a broader range of higher quality products at lower prices. Bank branches can provide more reasonably priced financial services than currency exchanges. These are two changes that go a long way toward addressing problems that David Caplovitz describes in *Poor Pay More*, his 1967 classic analysis of low-income neighborhood economies (1967).

Business development itself is not necessarily a negative in gentrifying communities. A key problem identified by advocates for low-income residents is that improvement of the types of retail opportunities that can serve a broad range of consumers is often accompanied by the displacement of those very people, the low-income families, to whom this change represents an improvement, an opportunity for greater personal financial stability. Retail and other business development also improve job opportunities for residents. However, respondents in the Mid-Southside noted that there is a lag between these changes and the initial housing development. New residents need to move into a community to produce the market that can sustain the new businesses and services. The lack of business development in the midst of new housing development is particularly apparent in the Mid-South community.

One Mid-South community leader sums up a theme that runs through interviews: “the thing that’s been lacking most has been jobs, business development, an economic infrastructure for a community that is physically redeveloping itself, and that has not been satisfactorily addressed.” A banking representative in Lawndale asserts that three-quarters of the men 18-25 are unemployed in this community, emphasizing that there are “no jobs here for most men in this community.” In addition to improving consumer choices, Mid-South leaders articulate the need for more employment opportunities in order to provide for economic mobility of lower-income residents.

The CHA is also aware of the need to develop the retail infrastructure as its Plan for Transformation projects moves ahead. They recognize the delicate balance between having the sufficient consumer market to make new retail stores viable and having retail stores and services to attract new residents to the new housing. There have been retail improvements on 47<sup>th</sup> and King Drive, and attempts at developing the Cottage Grove corridor, 51<sup>st</sup> and to the south. These initiatives have been supported through efforts of a number of organizations and agencies including the Quad Communities Development Corporation, the Local Initiatives Support Corporation (LISC), local aldermanic offices, and the City of Chicago. TIFs have been established along Cottage Grove to facilitate business revitalization.

In gentrifying communities, the race and ethnicity of business owners is an issue. Mid-South respondents point to a lack of African-American business owners in the area, observing that a majority of business owners appear to be Asian and Arab. This is not a new issue, but one that has been a sore point in this and other low-income African-American communities throughout the U.S. for years.<sup>11</sup> In addition to improving African-American business ownership, community leaders expressed a desire to see new restaurants and stores that serve the tastes and needs of both new residents *and* existing residents of the Mid-South.

Concerns about the preservation of Puerto Rican businesses punctuate leaders' comments about new development in West Town/Humboldt Park, particularly along Division Street. Specifically, they see an increase in more expensive stores with pockets of traditionally Puerto Rican-owned businesses remaining. The business district of Paseo Boricua has been hailed as a positive example of the community developing itself from within rather than from external sources. Having grown into a distinctive Puerto Rican business district in recent decades, it received formal, visible support from the City with the placement of two large metal Puerto Rican flag arches over each end of the Division Street district in the mid-1990s. Respondents remark on the opportunity to spend dollars in their own community to support these businesses owned by community residents. This area is a great source of pride and an example of community empowerment allowing residents to take control of their own local economy instead of leaving it vulnerable to outside developers. However, there are fears among community leaders that visible and substantial changes on other parts of Division Street, outside of Paseo Boricua, seem to cater to "white yuppies" more than to the area's current residents. One former resident of West Town/Humboldt Park observes:

outside of the community. The new “outside” businesses cited are typically health clubs, upscale restaurants, coffee shops, and “higher-end” convenience stores. These are seen as serving the incoming gentrifiers and not the more modest-income, existing Latino population.

This population shift has implications for the public schools in Chicago and for low-income families displaced by gentrification. In some communities prior to gentrification, new schools were built or existing schools were renovated to better accommodate the growing school age population. As the population shift takes place, these new schools often become underutilized because of the lower number of children (and because some middle-income families send children to private schools). At the same time, the displaced low-income population that has now moved to other communities is producing space strains on those schools, not to mention the

Whether or not there is any racial, ethnic, or class bias on the part of Chicago Public School officials, there is a perception among low-income, African-American and Latino residents that improved schools are not intended for them. As one West Town/Humboldt Park community leader asks, “Why are all the better schools for white kids?” An article reporting on public reaction to the CHA’s Plan for Transformation in the Mid-South indicated concern among residents and community leaders regarding whether existing families will be able to benefit from

some zoning variance. Aldermanic control is particularly noticeable if a specific development requires some zoning variance; in this case he or she can exert veto power over a proposed development. As DePaul political scientist Larry Bennett notes, traditionally other aldermen have been respectful of decision making by colleagues on such developments inside their wards. However, on large ticket developments that are of p

that current residents fear may displace them from affordable houses or apartments. The suspicions take many forms:

Investments [do] not really help the old residents. On Madison and Roosevelt Road many years ago there was this huge monstrous hole on the sidewalk, and if I should have happened to fall down into this huge hole, no one would have found me. When the United Center's development became a reality and when the Democratic Convention came to town, it took the City only a few days to fix the monstrous hole. Yet, no development came to this area for years and years. The point is no investment comes if poor people are present. -*West Town/HP community leader*

When I see the ward maps changing... I feel that gentrification will start coming in. When they started rebuilding the California El stop, I knew things were going to start changing. -*West Town focus group member*

They just paved our street. It's very nice, but I was wondering what do the people who have been living on this street for the past ten years think of this?... I didn't see them pave the street one time in 10-15 years. -*Mid-South resident*

The alderman was able to secure funds to improve Humboldt Park and to fix certain areas of it. [That] is a benefit to the existing community. Unfortunately, some people see it, the

Housing Authority high rises were built as a solution to deteriorating housing in some Chicago neighborhoods. Initially seen as a positive, liberal response to provide quality affordable housing, the concentration of this housing in relatively few neighborhoods along with the ultimate deterioration of tenant screening and building management contributed to deterioration of a number of Chicago neighborhoods. Sociologist Sudhir Venkatesh (2000), who studied the Taylor Homes in the 1990s, describes this transformation of the character of public housing on Chicago's Southside:

In its first three years, Robert Taylor was a success by any definition, in large part because the CHA and tenants had the freedom and resources to meet household needs. The two parties screened applicants rigorously, mixed working and poor families in the high-rises, and drew on the resources of the wider community to support tenants and decrease their sense of isolation. By the mid-1960s, the deluge of impoverished households that came to the Housing Authority seeking shelter made this conscious planning and social engineering unworkable. Buildings soon became filled with households in poverty, the CHA and organizations in the complex were stretched beyond their capacities, and those in the surrounding communities themselves were coping with the growing population of poor families. (276)

The high concentration of CHA developments on the Southside of Chicago meant that this government housing program had a major impact on the character and quality of life in these community areas. Table 5 (CHA Buildings in and around the Mid-South) provides estimates of the past number of CHA housing units and projected CHA-resident earmarked units, or affordable units after the CHA Plan for Transformation is complete. The over 13,000 units of original CHA housing clearly had a major impact on the character of the community in past decades. Similarly CHA decisions to demolish most of the existing buildings and redevelop mixed-income communities containing 2000 affordable units and 2400 public housing units significantly reduces the available affordable or low-income housing in the area. While other communities experience changes as a result of "market forces," where a combination of private developer decisions change the housing market and community character, the experience in the Mid-South has been one where a major public agency—the CHA—has influenced community character.

While initially the CHA high-rises were seen as positive investments in the Mid-South area, for most researchers and most of the interviewees in our study, the ultimate impact has been a negative one. An area that once had a mix of low-, working-, and middle-class residents was gradually replaced by a population that was among the poorest in Chicago. One Mid-South respondent explains that the original tenants in public housing were "working" people who "had wonderful properties that were well-maintained." However she goes on to explain that many established Southsiders "feel that it is the public housing residents that destroyed the community."

The current CHA Plan for Transformation has eliminated these housing projects and is building new mixed-income housing. As one of the largest public housing transformations in the United States, this is producing an extensive displacement of low-income African-American residents, while at the same time producing new opportunities for a limited number of former CHA residents to live in new, mixed-income buildings and communities.<sup>13</sup> Many Mid-South

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<sup>13</sup> In fact, in recent years most new urban mixed-income communities have been produced by dismantling post-World War II public housing developments and replacing them with mixed-income communities (Smith, 2002).



respondents remarked on the need for these people to have a place in the community and not be lost in the bureaucracy of shrinking subsidized housing. This view is consistent with some research directly or indirectly critical of the plan.<sup>14</sup> Respondents describe a conflicted community, however. They note a sense of relief among many residents who no longer have to live near CHA developments. At the same time, some of these same residents fear that they themselves might be displaced by the broader gentrification of their community.

Chicago Alternative Policing Strategy (CAPS)

Crime and safety are focal points in respondents' a

our focus group or interviewee schedules, the number of times that the Chicago Alternative Policy Strategy (CAPS) is mentioned is notable.

The philosophy of CAPS rests on forming partnerships between the Chicago Police and the community in order to better prevent crime and increase community safety. One Mid-South resident who is highly involved in his CAPS program provides examples of how this system can function positively for a community. He emphasizes a number of strategies: active resident participation of residents of different races and classes; regular attendance at meetings; a consistent beat officer; and community-police collaboration to solve problems. He has seen this succeed in reducing drug activity, gang shootings, and overall crime in his Mid-South district. A citywide evaluation of CAPS since its inception shows a significant decrease in crime citywide between 1993 and 2003; the most extreme decline occurred in lower-income, African-American communities. The report cautioned, however, that several factors could account for this decline (Chicago Community Policing Evaluation Consortium 2004); one of which could be the tearing down of public housing.

Although reduction in violence and crime is a positive result of the changes associated with gentrification, the CAPS meetings are often characterized as intensifying tensions between incoming and current residents, particularly in the West Town community. Among the 15 interviewee and focus group participants who comment on CAPS, the qualitative data suggest that where low-income resident:gentrifier tensions are already high (in Uptown and West Town/Humboldt Park) there is a more negative view of CAPS. Of ten comments from these community areas, all are negative. In contrast, the four comments on CAPS from Mid-South respondents, are all positive. These interviews are far from a conclusive survey, but they do suggest that the City's community policing system can be directly or unwittingly drawn into community tensions and arguments over contested community terrain.

Some interviewees feel that CAPS is promoting the power of the higher-income, incoming residents, while disempowering the less affluent, current residents. Participants perceive conflicts and power struggles at CAPS meetings as indicative of the racism and classism underlying gentrifying communities. For one West Town/Humboldt Park community leader, "The police are used as a tool to gentrify the community. In the 14<sup>th</sup> Police District CAPS meetings, they talk about getting rid of the low-income people and people of color without any opposition from the police. At one meeting, I recall a person said, 'Let's have anyone who lives in an affordable

Perceived differences in the police treatment of residents based on racial, ethnic, and income may reinforce perceptions of the use of CAPS as a gentrifying tool, rather than as an equitable initiative. The Institute for Policy Research 2004

potential to displace them from their homes. In the Mid-South area specifically, many respondents express ambivalence about the Chicago Housing Authority's Plan for Transformation. One Mid-South respondent confessed that "many homeowners had no love for the public housing residents anyway," and others said they are happy to see the dilapidated, blighted public housing torn down. Yet, these resp

neighborhood] can afford it?" Many marveled at the idea that these homes had buyers for the steep selling prices, supporting the belief that home buyers come from outside of the community.

Although most interviews and focus groups emphasizes the extensive displacement of low-income residents, one person in Uptown connects her own and others' displacement experiences to the fact that their middle-income earnings from jobs in the social service industry can no longer match the area's rising housing costs. The outcome is a widening gap in her community between the lower-income and upper-income residents. Clearly, the topic of displacement due to gentrification has great implications for changing community structures.

Implicit in the concerns over displacement is the disruption that adults and children experience just as they are seeing the private and public improvements in their neighborhood that open up new opportunities, such as safer communities, more jobs, higher quality housing, and better schools. The processes of uprooting social networks and movement of children from one school to another have been documented as having detrimental affects (Hartman, 2002; Kids Mobility Project, 2000).

The neighborhoods to which displaced low-income residents move do not generally represent a step-up or improvement in quality of life. Studies have shown that low-income families displaced from CHA developments and concentrated poverty communities tend to move into other similar concentrated poverty communities (Berg 2004, Fischer 2003). In examining national trends, housing expert Chester Hartman found that over 80 percent of renters displaced by gentrification, move to housing of lower quality, but at a higher rent (Hartman 1979). Reinvestment may improve the place, but not the people who had previously lived in that place. Mindy Fullilove, a clinical psychiatrist who has studied the impact of community displacement on mental health, has documented extensive negative impacts of wholesale community displacement, whether from urban renewal in the 1950s and 1960s or gentrification and displacement today (Fullilove 2004). Hence, central to the policy issues related to gentrification and displacement are the negative effects of community improvement on displaced populations.

In the course of interviews and focus groups, respondents indicated a broad range of residents affected by displacement. A common characteristic is that most of these are groups specifically represented on the Commission on Human Relations: women, homeless, elderly, African-Americans, Latinos, immigrants, people with disabilities, and gays/lesbians. In particular neighborhoods the emphasis may be on particular groups; for example, CHA residents on the Southside and Puerto Ricans in Humboldt Park. This means that in such communities gentrification is also seen as a force directed against particular groups. The abstract displacement process becomes anti-CHA resident or anti-Puerto Rican.

Displacement has taken on an anti-child character in affected communities in Chicago and elsewhere. Community leaders only half jokingly comment on the loss of children and the increase in the dog population. In Chicago community areas, losses in the population 17 and under are closely correlated with significant income increases--typically increases resulting from gentrification (see Figures 8 and 9). Closely paralleling the loss of children in gentrifying communities is a decline in the population of senior

There are no clear data on where families and individuals displaced by gentrification go. As indicated above, within the city there is a movement of displaced families to low-income communities not yet affected by gentrification (Fischer 2003). In many cases these are communities nearby the community from which the residents have been displaced—communities likely to experience gentrification in the future and expose displaced residents to yet another move. The growth of poverty in the inner ring suburbs and movement of low-income Chicago residents from some neighborhoods suggests that some displaced residents have moved out of the city. During focus groups it was surprising to hear that some social service agencies have counseled low-income residents, displaced by gentrification, to move to rural Illinois or Indiana communities 200 or more miles from Chicago. These communities currently have employment and affordable housing opportunities. However, unlike the metropolitan area, there would be only limited alternatives if that housing or employment were lost in the future.

### **RACE, ETHNICITY, AND SOCIAL CLASS**

In everyday interpretations of the world around us, race, ethnicity, and social class are woven together, sometimes in a tangle that makes it difficult to understand which variable is most important. In the current research project, it is clear that social class does underlie many of the differences and tensions seen in Chicago communities. The ability to afford housing and not be forced to move as rents or housing prices increase is ultimately a class issue. Access to quality education—from pre-school to professional school—is



I think due to some other systematic factors that have constantly been in place historically in Chicago around whether its racism or classism, has really kept folks divided and really not sure where to stand around that. -*African-American Grand Boulevard resident*



Historically Latino neighborhoods have been a buffer between predominantly white and predominantly black communities in the city. Because of greater white Anglo willingness to live in close proximity to Latinos, compared to living close to African-Americans, the two groups are more likely to live in the same neighborhoods. Ironically, because of the greater likelihood for interaction in the same community, at the neighborhood level, Anglo versus Latino neighborhood-based tensions are more likely to arise than white-black tensions. This is particularly the case since Latino communities are in the path of community reinvestment apparent on the edges of Anglo middle-class neighborhoods. For example, if you look at the changes in property values as represented by the Cook County Assessment increases (Figures 3-6), you can see the movement of property value increases moving north and northwest from the Loop/North Michigan Avenue central business district, into neighborhoods that are, or were, predominantly Latino. If one compares these property value maps to the 1990 and 2000 maps of the Non-Hispanic white population (Figures 14 and 15) with the Hispanic population (Figures 16 and 17), and African-American population (Figures 18 and 19), it is clear that Latino communities not only are the buffer between white and black neighborhoods, but they are in the path of neighborhood gentrification if one interprets the property value increases as a key measure of gentrification trends. As one participant suggested, Latinos have been disproportionately affected by gentrification because white people are more comfortable living near Latinos than near African-Americans.

Because there is less inter-racial or inter-ethnic contact in the Mid-South communities, residents there are less likely to give examples of interpersonal racism compared to West Town/Humboldt Park residents. The Mid-South is experiencing an in-migration of a middle-income population that is predominantly African-American, unlike West Town/Humboldt Park where the newer population is likely to be middle-class *and* Anglo. Consequently, black-white tensions in the mid-South are not prominent, although some class-based tensions within the black community have been noted.

### Anglo-Latino Relations

Gentrification is generally seen by Latinos as middle- and upper-income white Anglos moving into their neighborhoods. As detailed above, white “yuppies” are viewed as isolated, racist, intolerant, and even hostile towards the Puerto Rican and Latino people and cultures in West Town and Humboldt Park. There is little interaction between the whites and Latinos in these areas, while the little interaction they do have tends to be characterized as tense or conflictual. Latinos in West Town/Humboldt Park are frustrated by the perceived unfriendliness of the newer white residents (evidenced by them “not saying, hello” when walking past on the street) and their perceived lack of interest in community life (as evidenced by them going out of the neighborhood to socialize and for spending most of their time at work or inside their homes with the door closed).

Yet not all Anglos residents are viewed “gentrified”

White/Anglo residents are often unfamiliar with many aspects of Puerto Rican and Latino culture, which leads to a sense of discomfort and suspicion. Anglo residents have little experience with loud, outdoor neighborhood celebrations, small gatherings on the front porch of a house, or ethnic pride festivals. Without the context with which to understand these behaviors, white/Anglos, interpret these as “incivilities” and put them in the same category as criminal activity and street altercations, which are perceived as threatening.<sup>17</sup>

### Black-Latino Relations

African-American-Latino relations have been the subject of both scholarly research and community-level discussion. Contrasts between the rapid growth of the Hispanic population in both Chicago and the wider metropolitan area, and the relatively unchanging African-American population is, one factor affecting inter-racial and inter-ethnic relations. Latinos are becoming the largest single ethnic or racial group in the city of Chicago, clearly changing political and social dynamics in this city. A point of concern has been the contrast between improvements in the social and economic indicators among Latinos and limited or no improvement in these same indicators among African-Americans. It can grow into an object of tension when African-American leaders once again point to a new immigrant group “leap frogging” over established African-American communities in gaining access to opportunities in housing and employment.<sup>18</sup> One dimension of this has been the sensitive political territory when legal protections for immigrants or undocumented immigrants have been pursued, while African-American communities perceive that their rights as U.S. citizens have still not been fully realized.

The West Town/Humboldt Park area is known for its large numbers of Puerto Rican and Latino residents. There has also been a significant presence of African-Americans in the community—particularly in Humboldt Park. Recently, some blocks, most notably in the southern sections of the community area, have seen an influx of new African-American residents, many of whom are former CHA residents displaced due to the redevelopment of Cabrini Green and the high rises on the South Side (Fischer, 2003). Still other areas of West Town/Humboldt Park have seen a de.  
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of wealth in the black community compared to Latino communities. They see the existence of more wealth in Latino communities—wealth that can sustain stronger retail districts in Latino communities and wealth that can even be used in supporting low-income Latino housing initiatives.

A few African-American respondents claimed that “Latinos are not as affected” as they are. African-Americans are still being redlined from certain neighborhoods, are frequently on fixed-incomes, and have significant portions of their working-age adult population in prison or on drugs. These respondents also believe that Latinos’ entrepreneurial power has caused their communities to “[see] more of an upswing” while black communities are “going into a state of decline.” Moreover, one African-American respondent claimed that Latinos have a stronger family and community base, saying “...as far as education, family structure, extended family, political power, and economics, all of those are different. The Latino population is growing at a faster rate and I think it’s getting more political clout.”

### The Asian Community and Gentrification

Income differences and ethnicity within the Asian community have produced different experiences with gentrification. Southeast Asian immigrants have lower income levels than other Asian ethnic groups and hence are more vulnerable to gentrification and displacement. Some interviewees (Asian and non-Asian) suggested that Asians are less affected by gentrification because they are “economically better off.” This view may be partially the result of buying into the stereotype of Asians as the “model minority,” rather than making distinctions among the wide variety of ethnic groups included under this broad racial category. For example, Southeast Asian immigrants from Vietnam, Cambodia, Laos, and Thailand have not had the income levels that immigrants from India have had (See for example *Chicago Tribune*, 2003).

Unlike other racial and ethnic groups, income differences in the Asian community are related to different levels of integration with the non-Asian community. This, in turn, is likely to result in different levels of vulnerability to displacement when communities experience reinvestment. As shown in Table 6, unlike white/black and white-Anglo/Hispanic patterns there is a difference in the level of segregation experienced by poor Asian households compared to affluent Asian households in the city of Chicago. Poor Asian households are characterized by higher dissimilarity index scores when contrasted to affluent Asian households. In segregation from whites, poor Asian household had a 52.8 score in 2000 compared to a similar score for affluent Asians of 40.9. Similarly, in segregation from Hispanics, poor Asian households had a 72.3 score compared to a 62.7 score for affluent Asian households. Both Asian income groups had similar high segregation scores when compared to African-Americans. There was also a high Asian-Hispanic segregation score for poor Asian households in 2000 (72.3);--much higher than segregation between poor Hispanics and white-Anglos (55.5). These point to different experiences among different income groups within the Asian community, most likely representing the differing experiences of different Asian ethnic groups, particularly Southeast Asian, who have lower income levels than other Asians.

A Southeast Asian community leader described the gentrification that they have experienced as different than what is happening in other communities. First, the gentrification was distinct because it constitutes upper-class Asians displacing lower-class Asians. One participant mentioned that what gentrification forces in play in Chinatown are caused by second generation Chinese immigrants: “Chicago’s Chinatown is where people used to come as a port of entry, but their goal was to move to the suburbs. These people’s children are now moving back to Chinatown and buying property. You don’t see that in other Chinatowns across the country.”

Second, according to interviewees, those displaced

are in the line of reinvestment trends. For example, Uptown which has served as a port-of-entry for many immigrant groups still had a 33 percent foreign born in 2000. However, this community has seen significant displacement of immigrant families in recent years and this figure is likely to be lower by the end of the decade. Recently home to immigrant groups as diverse as Cambodians, Vietnamese, Thais, Chinese, Filipinos, Ethiopians, Nigerians, Bosnians, Tibetans, and Mexicans among others, the community leaders have described a decline in immigrant families. Although umbrella organizations such as the Organization of the NorthEast and mutual aid societies such as the Ethiopian Association, Chinese Mutual Aid, the Vietnamese 2(i)-1.2190.6(A)-6.15924(i)-1.21

White immigrant ethnic groups have also been viewed by Latino leaders as being privileged because of their skin color. In the West Town/Humboldt Park area, there is the perception that these groups have been protected from the displacement experienced by Latino immigrants. One Latino participant said that while he believes there are undocumented Polish immigrants living in the community, their churches remain in the area and they have not had to fight to keep their housing, despite the gentrification happening around

organize community-building activities, a Mid-South respondent stated: “They’re inviting the community to come and have free food, games for kids, activities, meet community leaders.... It’ll be interesting to see how many low-income residents show up to that.” One Mid-South resident described his impression of the impact of different classes and races moving in:

New residents have more money and they look down on their neighbors. New residents, black and white, believe they are better people because they have new or more expensive homes. Whites moving in are not acting like neighbors; they are not taking the time to get to know their problems. They come into the neighborhood with the attitude that they have the solution to all existent problems. They exhibit a superior attitude toward all existing residents.

Within this quote, it is evident that although class differences are universally present issues, this person still made the subtle distinction between new middle-income white and black homeowners and renters as interacting differently with current residents. Thus, the combination of class and race differences can have a more powerful effect than class alone.

The intersection of race and class, although experienced in both the Mid-South and West Town/Humboldt Park communities, is mentioned more frequently in the West Town/Humboldt Park interviews. Across West Town/Humboldt Park interviews, respondents repeatedly refer to interactions with “yuppies” as a significant source of hostility, tension, and conflict. For example, one community leader and resident complains that

All of the yuppies come out on Sundays, get in their cars, drive out of the driveway and keep on driving. They don’t say, “Good morning.” They don’t say, “Hello.” They don’t say, “How are you?” They don’t come out to clean up. They don’t do nothing. Actually they almost kind of blank out the people who are cleaning and stuff. People feel that you know.

The attraction of some white, middle-income Anglo renters and homeowners to what they perceive as more “diverse” communities is identified as a problem since the very presence of more white, middle-income residents can spawn additional gentrification. For example, one community housing organization leader in West Town/Humboldt Park does not blame the yuppies or white people specifically for gentrification, but explains how, from his perspective, an increasing white population attracts more white people:

They’re looking for a culturally diverse community to move into. You know artists and this different type of thing, people with social justice ideas. So they’re looking for these types of communities and they’re not necessarily looking to get rid of people in those communities. They want to be part of that community. . . . The problem comes in when those people move into that community then that community becomes attractive. The best way to speak of a community that’s up and coming is when you see the white woman jogging down the street so they say, “Oh, I gotta buy there.”

Within perceptions of white people and “yuppies,” respondents largely implied that being white equals having a higher-income. Thus, it is difficult to separate to what extent people respond negatively to race, class, or the interaction of both.





fortunate than themselves. *-Latino Community Organization Leader in West  
Town/Humboldt Park*

Another oft-cited difference in values relates to t

## **OTHER GROUPS AFFECTED BY GENTRIFICATION**

to the geographical separation of disabled people, but to: social exclusion; lack of access to friendship, governmental, and employment networks;

## The Homeless

The homeless population in Chicago is even more dr

displacement tool is consistent with complaints from community leaders that prospective building developers have filed building code complaints with the city as a way of pressuring existing, low-income, homeowners to sell their properties.

### The Elderly

Any rapid acceleration of the cost of living is threatening to individuals or families on fixed incomes. The elderly, typically living on limited pensions or social security payments, are particularly vulnerable to the negative affects of increased housing costs. Even where an older resident owns a home, rising property taxes—resulting from the increased house sales values in the community undergoing gentrification—can feel significant financial strain. State and county officials are aware of this issue and have instituted some forms of tax relief for older homeowners. In some cases these relief measures may not be enough. In other cases, elderly renters have no control over the increased rents, or the complete elimination of rental property as the result of condominium conversion, that goes along with a gentrified housing market.

On top of the broader issues of the housing market, in the course of our interviews and focus groups, we heard several stories of the elderly falling victim to unscrupulous developers who try various tactics to force elderly residents to sell their homes. These have included developers filing code violation complaints with the City so that City inspectors will cite violations and require costly improvements if the residents do not comply. The picture painted by interviewees is one of the elderly left to fend for themselves in such situations, with little or no City assistance in ameliorating the costs of correcting code violations.<sup>24</sup>

Those on fixed-incomes, who are confined to their

be seen in Figures 10 and 11. Figure 20 further shows the changes in the elderly population from 1990 to 2000.

However, as can be seen in Figure 20, there is a countervailing trend to this decline in the north and northwindside elderly population in the form of an *increase* in the over-65 population in the central business district and near north neighborhoods. These are areas of the city that have experienced a high-end housing boom, such as the growth of high-rise downtown condominiums, or have seen sustained existing high-end housing markets. These are most likely aging “empty nest” households or retiree households that are choosing to live in the city.<sup>25</sup> Hence, to make any assumptions that all older Chicagoans are threatened by gentrification would be incorrect. Some older newcomers are more part of the reinvestment process itself. Income and social class are salient variables distinguishing the experiences of different sectors of the 65 and over population in the past decade.

## **POLICIES AND STRATEGIES TO ADDRESS THE IMPACT OF GENTRIFICATION**

Respondents delineated a variety of strategies to counteract the negative effects of gentrification and promote the positive components of gentrification. Although many of these strategies go beyond the purview of the Commission on Human Relations, or for that matter the scope of any one City department, it is helpful to include these here to provide an understanding of solutions being suggested by leaders in communities affected by gentrification and displacement. Many of these are objects of ongoing discussion in and outside of city government. These policies and strategies run the gamut from ways to intervene and moderate the impact of gentrification to creating an environment that increases housing options for a broad spectrum of income groups in Chicago. As one participant stated, “A defined public policy to protect the vulnerable is missing.” Policies and strategies concerning housing financial assistance and housing development include the following:

- Develop mortgage assistance programs
- Create more loan opportunities for people with poor credit or fixed incomes
- Establish a rent control board
- Enact of broader inclusionary zoning policies or affordable housing set-asides
- Create of a citywide “balanced development” policy
- Adopt higher median-income thresholds to qualify for existing affordable housing programs
- Provide of tax relief for long-time homeowners
- Change zoning laws to more strictly regulate size of new developments in some neighborhoods
- Increase tax incentives to encourage building more rental housing units
- Support community land trusts as an affordable housing development tool

Establishment of higher and more consistently applied standards of community participation in community planning, as well as more vigilant enforcement of existing laws regulating development and housing access, is another category of respondent suggestions to address inter-group tensions in gentrifying communities. These suggestions included:

- Establish community planning commissions

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<sup>25</sup> There is some evidence of this trend in sales to over-55-year-olds in the high-end downtown Chicago market (Sluis 2005).

- Create of a “required community process that’s truly community driven for all [housing and retail] development”
- Enforce existing fair housing laws
- Use local ballot referendums to regulate zoning
- Appoint of community zoning panels to oversee development in all communities of Chicago

As detailed earlier in the report, the roles of government officials and the City have proven critical to respondents’ experiences of gentrification and consequent perceptions and attitudes. Consistent with this, interviewees provided several strategies targeting the government and city as agents of positive change. Chief among the strategies, aldermen are considered essential advocates for the communities’ interests, which could facilitate the execution of many of these ideas. Other suggestions include:

- Invest more in public facilities and infrastructure in low-income communities
- Support community retail business incentives that will build wealth for community residents and provide local employment opportunities
- Continue emphasis on school improvement for all children
- Focus on employment development for lower-skilled workers and residents in low-income communities

## **RECOMMENDATIONS**

In the course of our interviews and focus groups, a variety of problems and solutions were suggested by participants. They come from leaders of community organizations, businesses, religious congregations, ethnic mutual aid societies, social service agencies, and other established organizations throughout the city. These perspectives and solutions are informed by years of experience making Chicago neighborhoods work for all residents. The interviews help us get a better understanding of inter-group tensions, misperceptions, and misunderstandings. Although perceptions may or may not be based on “fact,” we know that in the realm of race, ethnic, and class relations, perceptions can take on a life of their own and become reality. When someone acts on perceptions—true or false—they become a reality. It is in this vein that we draw the research findings to make the following recommendations.

*Build better communication and face-to-face contact among community residents.*

Most respondents articulate strategies to address the tensions among races, classes, and residents. These all include some form of enhanced communication and collaboration, whether through informal or formal networks. Several interviewees discussed the value of friendliness with neighbors, simply smiling and saying hello to each other in order to increase a sense of community. Others recognize that actually having contact and knowing each other could potentially diffuse hostility fed by stereotypes and assumptions. Respondents also suggest more formal intervention such as organizing events that would appeal to all residents, although a challenge could be attracting the current residents who feel resentment. As one Mid-South resident, who described positive relationships due to consistently interacting with neighbors, put it: “The key to all of this is everyone working together if you want to build a decent, safe neighb





*Recognize that inequalities and divisions still exist along racial, ethnic, and social class lines in our city; interventions need to address the root economic and social causes of such inequalities and divisions.*

It would be inappropriate to suggest that racial, ethnic, and social class inequalities are not significant issues in the city today. These still are major dividing lines within and between

damaging cycle of displacement. Stable diverse communities can not only provide opportunities to low-income families, but can provide the opportunities that will ultimately allow adults and children to move out of poverty, improving both their lives and the overall vitality of the community.

*The city needs to protect communities and community resources as valuable public goods serving all Chicagoans.*

Social science research is full of analyses of community change and communities as contested terrain. Communities experiencing gentrification and displacement typically experience battles between different forces—homeowners versus renters, low-income versus middle-income, Latino versus Anglo, young families versus older families. They all are seeking to claim all or a portion of the community as “their” community. The battle over community identity gets entangled in established racial, ethnic, and class differences. Groups are seen as taking over or encroaching on each other’s territory. Unchecked, this battle over community identity can exacerbate existing society-wide tensions, turning the gentrifying community into the front line of race, ethnicity, or class “wars.” City official vigilance in protecting “community” and publicly supported institutions as public goods serving all residents, can go a long way to reduce tensions in changing communities.

*Although race, ethnicity, and social class are dominant divisions along which we understand the impact of the reinvestment and displacement processsu*

## CONCLUSION

The study has given community leaders from diverse backgrounds the opportunity to share their experience with, and understanding of, the impact of the gentrification and displacement cycle on various communities in the city of Chicago. In many cases these effects parallel those experienced by similar groups in other metropolitan areas. Nevertheless in Chicago, two major trends are intersecting in the early 21<sup>st</sup> century. Our city's population is growing more diverse, at the same time as community development is bringing new residents to neighborhoods. These both have the potential of making positive contributions to the quality of life in the city. Insofar as residents, along with leaders in both private and public sectors, can shape these forces to produce an equitable process of improvement and growth, Chicago can strengthen its position as a world class city, successfully embracing the new 21<sup>st</sup> century diversity and economic changes that seem to be so problematic to other cities around the U.S. and the globe.

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