

Gentrification in West Town:
Contested Ground

University of Illinois at Chicago
Nathalie P. Voorhees Center for Neighborhood
and Community Improvement
September 2001

Acknowledgements

The Nathalie P. Voorhees Center for Neighborhood and Community Improvement

The Nathalie P. Voorhees Center (VNC) is an applied research and professional assistance unit of the College of Urban Planning and Public Affairs at the University of Illinois at Chicago. Its mission is to improve the quality of life for all residents of the metropolitan area through assisting organizations and local governments in efforts to revitalize the many neighborhoods and communities in the City of Chicago and its suburbs.

Project Manager	Atanacio Gonzalez, Coordinator, UIC Neighborhood Initiative Patricia A. Wright, Associate Director, VNC
Project Authors	John J. Betancur, Associate Professor, Urban Planning and Policy Isabel Domeyko, Research Assistant, VNC Patricia A. Wright, Associate Director, VNC
Project Assistance	Bickerdike Redevelopment Corporation staff, board members and volunteers Isabel Domeyko, VNC Research Assistant Matt Glesne, VNC Research Assistant Gray Data, Inc. Nancy Hudspeth, VNC Research Assistant Bill Lester, UICUED Research Assistant H. Alex Orozco, City of Chicago Department of Planning and Development Cedric Williams, UICUED Information Coordinator Cheryl Wilson, Planner, VNC
Report Design	Michael Krzewicki, Graphic Designer

We would like to thank the many people who agreed to be interviewed for this report and contributed greatly with their insights and candor. We would also like to thank Helene Berlin, Professor David Ranney, Robert Brehm and Yittayih Zelalem for reviewing earlier drafts and making useful comments and suggestions.

Financial support for this project was provided by the Chicago Community Trust, Chicago Rehab Network and the UIC Great Cities Seed Fund.

Table of Contents

- 5 Executive Summary

- 6 Introduction

- 8 Historical Overview

- 8 Stage One: Disinvestment and Flight of White Ethnics from the Central City

- 10 Stage Two: Cluster Redevelopment and Expansion

- 15 Stage Three: Gentrification

- 36 Conclusion

- 37 Strategies for the Future

- 42 Bibliography

- 45 Appendix

Index of Tables

- 14 Table A: Gentrification Factors

- 20 Table B: Average and Median Home Prices by Year West Town

- 21 Table C: Average Home Purchase Loan Amount by Year and Income Group

- 23 Table D: Average Home Purchase Loan Amount by Year and Race

- 25 Table E: R-3 vs. R-4 vs. R-5 Building Space

Index of Maps

- 6 West Town in Relation to the City of Chicago

- 12 West Town Neighborhoods

- 14 Community 24 1990 Gentrification Analysis

- 16 New Constructed Units 1 Miles from the Kennedy Expressway

- 16 New and Rehabbed Units within ½ Mile of Metra or Blue Line Stations

- 18 New Constructed Units, West Town 1996–2000

- 19 Average Residential Home Price, West Town 1990–2000

- 21 Percentage of Loans Made to Borrowers with Incomes Less than 80% of the Area Median, West Town 1993–1998

- 22 Percentage of Loans Made to Latino Borrowers, West Town 1993–1998

- 22 Percentage of Loans Made to White Borrowers, West Town 1993–1998

- 24 26th Ward Boundaries 1961–1991

- 40 Subsidized Housing Units, West Town

Executive Summary

The Nathalie P. Voorhees Center for Neighborhood and Community Improvement (VNC) in partnership with the Bickerdike Redevelopment Corporation (BRC), a leading community development corporation in Chicago, worked on this action research project that analyzes reinvestment and real estate development trends in the West Town community area. The West Town community boundaries are the Kennedy Expressway on the east, Pulaski Avenue on the west, Kinzie Street on the south, and Fullerton Avenue on the north.

The purpose of this research action project was to better understand and document the process of neighborhood investment and change in West Town and recommend strategies that BRC and other community organizations can use to alleviate the displacement of lower income households and stabilize their areas as mixed income communities.

The story of West Town presents an increasingly polarized and contested community. On the one hand, pioneering real estate investors capitalized on the artist settlement and disinvested mansions in Wicker Park to initiate a rebirth of West Town as an up-and-coming opportunity for adventurous investors. These investors would later pave the way for young urban professionals seeking a trendy, less expensive alternative to Lincoln Park with access to the Loop. Public policies and actions at the local and national level have encouraged this renewed reinvestment and interest in inner city neighborhoods. In addition, changes in the financing of real estate have increased access to capital for both developers and households seeking mortgages, which has greatly accelerated the gentrification process. On the other hand is the struggle of low-income Latino and African Americans who were displaced from Lincoln Park and Old Town during its phase of urban renewal in the 1960s and 1970s. They have been determined to avoid continued displacement. BRC and other organizations were seen as leaders of redevelopment efforts directed by the low-income residents. Affordable housing and community organizing were viewed as a reflection of the community's abilities and efforts to improve local conditions. Currently, BRC and other groups representing or working with low-income residents are feeling increased pressure and scrutiny on their existing housing developments by local politicians, residents and property owner associations. The associations continually opposed affordable housing projects over the last 40 years and whose efforts have resulted in increased property prices which are forcing low-income residents to move further west.

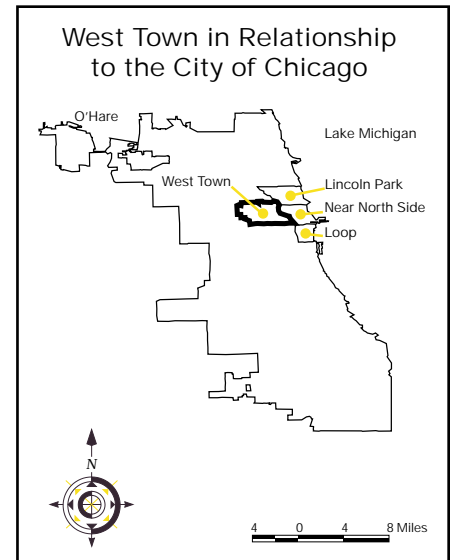
In this report, we identify three stages of neighborhood change in West Town. Stage One is disinvestment and flight of white ethnics from the city. Stage Two is cluster redevelopment and expansion, and the third and last stage is gentrification. These neighborhood stages happened in an overlapping timeframe which often converged and at times clashed as disinvestment and reinvestment brought different ethnic, racial and class conflicts together in the same neighborhood space. Generally, the process accelerated during economic booms (mid-1960s to 1973, mid-to-late 1980s and 1996 to the present) and slowed down or receded in economic down turns (1975 to early 1980s and early 1990s). These stages are described in detail in the section on historical overview. We present a conclusion section with a discussion of key issues. Then, the final section recommends strategies to control the gentrification process in order to improve the chances for West Town to remain a mixed income community.

Introduction

The Nathalie P. Voorhees Center for Neighborhood and Community Improvement (VNC) in partnership with the Bickerdike Redevelopment Corporation (BRC), a leading community development corporation in Chicago worked on this action research project that analyzes reinvestment and real estate development trends in the West Town community area.

The purpose of this research action project:

- 1) Better understand and document the process of neighborhood investment and change in West Town
- 2) Develop intervention strategies that BRC and other community organizations can use to alleviate the displacement of lower income households and stabilize their areas as mixed income communities



The BRC and the area where BRC has been working for over 30 years is in a unique position to shed light on the complex issues related to neighborhood investment, gentrification, and displacement of low income residents. BRC is one of the leading Community development corporations (CDC's) in the United States. It has been working to develop affordable housing and economic development strategies that allow long-term and low-income residents to remain in the area even though it has become more desirable to higher income people. This research action project

allowed BRC staff and board members to reflect on the many strategies and organizing efforts they have used over the years to protect the low-income residents from being displaced. In addition, the BRC staff and board looked to the future and determined what other strategies needed to be explored to further develop the neighborhood as a decent and safe place to live for a diversity of residents determined by race, income, and cultural differences.

BRC has been working in the West Town community since 1967. It has focused on fulfilling the housing needs of the area's low and moderate-income residents. Some of its accomplishments are the following:

- **Constructed 888 affordable housing units across 218 sites, of which, 145 units are single family homes or two to four flats for owner occupancy;**
- **Completed minor home repairs for over 500 households;**
- **Completed 125 residential lead abatement jobs;**
- **Manages 807 rental units, and a 68 unit single room occupancy building;**
- **Operates a 20 year old construction company which employs over 100 people, offers technical assistance to local and minority subcontractors, provides lead abatement services, and guarantees quality construction.**

The Voorhees Neighborhood Center (VNC) has been in operation since 1979. Over this period, the Voorhees Center has assisted over 300 organizations on community planning and development projects. In any one year, the Voorhees Center works on approximately 12 major projects. The Voorhees Center has worked with BRC in the past to do an economic development strategy plan (1984), and worked with Association House, another agency in West Town, to do a strategy plan for attracting reinvestment without displacement (1991). In addition, VNC completed a back-

ground study for the Chicago Rehab Network for its Development without Displacement Task Force (1995). The Voorhees Center staff drew upon these experiences and over twenty years of community development experience to work with BRC on this research action project.

Definition of Gentrification Process

"Gentrification is the process by which poor working class neighborhoods in the inner city are refurbished via an influx of private capital and middle-class housekeepers and realtors."

Neil Smith
in *The New Urban Frontier*

"...the location of economically and politically weak households in certain types of neighborhoods at a particular historical time combines with the inner-city location of the potential gentry, among other factors, to produce the conjecture which is labeled gentrification."

Robert A. Beauregard in
Restructuring of Urban Space

"The cities that have shifted most sharply to a service employment base have at the same time experienced the most dramatic losses of their middle-income manufacturing jobs. As a result, their labor markets have become increasingly polarized between well-paying, white collar and professional employment and low-paying service jobs...[What] appears to be emerging is a situation in which two labor markets and, by extension, two societies coexist, increasingly divorced from each other."

Brian J. L. Berry
in *The New Urban Reality*

Questions

In discussions with BRC staff and board members the following questions were raised concerning the gentrification process in West Town. In this report, these questions are addressed based on the West Town experience. It is hoped that other communities facing reinvestment and gentrification will learn from the West Town experience; and consequently, they will be better prepared to raise and answer similar questions in their own communities.

- What are the stages of community redevelopment and gentrification?
- Are changes in West Town a result of market forces or has gentrification been engineered or assisted by public policy decisions?
- What is the relationship between neighborhood location and gentrification?
- What are the forces behind speculation and real estate investments in a neighborhood?
- Who are the people moving in and out?
- What community actions have slowed down the gentrification process?
- What is a significant concentration of assisted housing?
- What do zoning changes have to do with redevelopment?
- What specific strategies create and more importantly stabilize mixed income communities?

Outline of Report

1. An historical overview of the process of revitalization and gentrification in the West Town community area is presented based on interviews with key players and other research. This history is combined with an analysis and presentation of the facts and trends of neighborhood reinvestment and gentrification in West Town. This analysis includes the changes in the demographic data for West Town and inventories of new housing construction. In addition, mortgage transactions and housing price change are analyzed and case studies are included on the impact of property tax increases and zoning changes in West Town.
2. A conclusion with a discussion of key issues is presented. Then, the final section recommends strategies to control the gentrification process in order to improve the chances for West Town to remain a mixed income community.

Historical Overview

Since World War II, West Town began a process of neighborhood change that took it from a predominantly working class community inhabited by an ethnic European mosaic in the 1950s and 1960s, to a predominantly Latino, low-income area of disinvestment in the 1970s and 1980s to a highly reinvested area attractive to white professionals and higher income households in the 1990s. These neigh-

borhood changes happened in an overlapping timeframe which often converged and at times clashed as disinvestment and reinvestment brought different ethnic, racial and class conflicts together in the same neighborhood space. Generally, the process accelerated during economic booms (mid-1960s to 1973, mid-to-late 1980s and 1996 to the present) and slowed down or receded in

economic down turns (1975 to early 1980s and early 1990s). We have identified three stages of neighborhood change in West Town, which we will now describe in more detail.

Stage One: Disinvestment and Flight of White Ethnics from the Central City

White Flight

Between 1960 and 1980 the white population decreased from 98% to 55% of the West Town total population. Many of the white households who left West Town moved to the northwest edge of the city or to the suburbs. The practice of “redlining” by banks and insurance companies until the late 1970s made obtaining a mortgage or home insurance policy very difficult in Chicago but more difficult in most inner city neighborhoods like West Town. Even households who wanted to stay and buy in the neighborhood were encouraged to move out to the newer housing stock being built on the edges of the city and in the suburbs.

Another factor which contributed to the white ethnic flight and the lowering of property values was the “milking” of large multifamily rental buildings by “slum landlords.” This practice involved charging high rents but not putting any money back into the maintenance and repair of a building. The worst examples of disinvestment were the speculative acquisitions of buildings and the incidence of arson for insurance money that

were prevalent in West Town in the 1970s. The rash of arsons in West Town was so high that Mayor Richard J. Daley formed a West Town Arson Task Force in 1976.¹ During the three-year period of 1976-1978, the Fourth Battalion, the command post for firefighting in West Town, was called to 362 fires of suspicious origin in a 32-block area of West Town.² A 1978 survey of this same 32-block area found 42 abandoned or burnt out buildings and 245 empty lots.³ While these factors were part of the process of disinvestment plaguing West Town, they also readied the community for redevelopment and gentrification. These factors brought the prices of West Town property so low that the first speculators were able to acquire properties at low prices with minimum financial risk.

Community Organizing and Planning Efforts

Beginning in 1962, the Northwest Community Organization (NCO)⁴, was formed to stop “white flight” and neighborhood decline. It promoted homeownership and reinvestment, tried to convince people to stay, acted to prevent practices that led to mortgage foreclosures, fought against displacement particularly by urban renewal, and promoted racial integration⁵. Although NCO tried to promote integration between the Eastern European residents and the incoming racial minorities, it was a difficult task. European ethnics resented sharing their community with minorities. In 1967 NCO with other community groups in the area formed Bickerdike Redevelopment Corporation (BRC) as their housing organizing and development arm. In 1969, NCO published the People’s Conservation Plan. The plan set priorities and limits for neighborhood rehabilitation that were protective of existing residents by advocating for a low-to-moderate income community⁶.

¹ “Fire Fighters,” *Chicago Reader*, September 9, 1977.

² Leroux, C and Worthington R, “Arson: The fears still flicker long after the flames are out” *Chicago Tribune*, June 5, 1978, Section 3, page 3.

³ *Ibid*.

⁴ Marciniak, Edward, “Reviving An Inner City Community: The Drama of Urban Change in Chicago’s East Humboldt Park,” Institute of Urban Life, Chicago, 1977. According to Marciniak, NCO was created on the initiative of the Catholic Church “to stem the outmigration of loyal parishioners and to arrest community deterioration.” This is not surprising if we take into consideration that the community was one of the main traditional pillars of the Catholic Church in Chicago.

⁵ In an effort to stave off decline, local aldermen convinced the city’s Department of Urban Renewal to designate the community as a conservation area. Designation included the area between California and the Kennedy Expressway and between Fullerton and Kinzie.

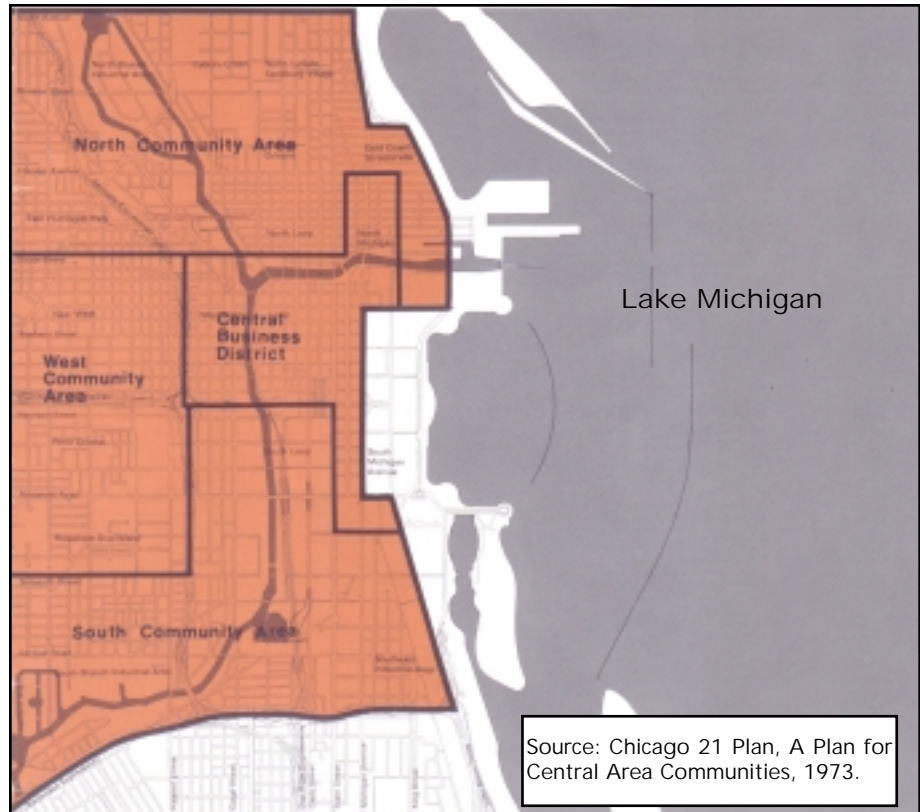
⁶ The plan called for new construction to take place on vacant land first, to have a maximum of three story buildings, and to have a 60/40 distribution between modest and low-income units. It should maintain the population at its current level. In case of relocation, families would have to be offered suitable housing in the neighborhood; if renters, their rents should not increase over 10% over relocation. Plans should encourage rehabilitation and provide loans for this purpose. They should maintain convenient shopping strips while allowing small neighborhood businesses to remain (Marciniak 1977:23).

Community Organizing and Planning Efforts *continued*

Initially, BRC's role was to facilitate the use of government programs to improve and develop housing for ownership by local residents—along the lines of the People's Plan. Between 1967 and 1974, BRC was effective in facilitating development of single family housing under the section 235 program.⁷

Then, when the Nixon administration eliminated this and many other programs of assistance for low-income housing development, BRC focused on rehabilitation of small, abandoned dwellings that they were able to acquire at low prices or that were donated to them. They also did repair jobs for seniors and used federal programs and multiple small grants to rehabilitate units for local families. BRC restored 10-15 properties between 1973-1978.

Another important intervention by NCO took place with the unveiling of the 1973 Chicago 21 Plan, which included West Town's eastern section. This plan was sponsored by the Chicago Central Area Committee (CCAC), which brought together most of the downtown corporations in cooperation with the City's Planning Department. The Chicago 21 Plan encompassed the downtown and what the Chicago 21 Plan called "the central area communities." Alarmed by the downtown corporate interests planning for their community, NCO worked with other communities impacted by the plan to force City Hall and CCAC into accepting the development of a neighborhood plan by residents under NCO's auspices. Published in 1976, the NCO sponsored plan reiterated the goal of a working class community. It called for rehabilitation of buildings and new construction of 2-3 unit dwellings on vacant lots "without



pricing residents out of the neighborhood." Particularly interesting for this analysis was the willingness of the plan to provide housing for moderate income households in ways that did not result in the displacement of long term lower-income residents.⁸ The plan repeatedly emphasized the need to guarantee "some of its low and moderate income families will not be forced out as taxes and rents rise due to improvement." As a guarantee, it suggested a housing allowance program along with other programs to serve persons in need.

Although NCO assumed a tone of cooperation and gained endorsements for its plan from the City and the corporate sponsors of the Chicago 21 Plan, the CCAC, the plan went nowhere. It was geared to the development of modest

and low-income housing and thus it did not give the City or CCAC what it wanted: community support for its upscale redevelopment schemes.

Although aware, as early as the mid-1970s, of the possibility of gentrification, NCO saw disinvestment, not an accumulative process of middle class and luxury housing development, as their main concern. As mentioned above, it made room in its community planning process for development of moderate income housing enclaves.

During this period, government sponsored urban renewal projects were also viewed as more threatening because developments like Noble Square⁹ were built without community input and were deals between politicians and developers to make money.

⁷ This program provided federal funding for development of single-family dwellings for home ownership. BRC identified credible developers, mortgagers, and community residents and facilitated the entire process from application for federal funds to construction and identification of local buyers. Although BRC was not targeting any particular group, most of the buyers of these homes were Puerto Ricans.

⁸ Northwest Community Organization, "People's Conservation Plan, 1976. For this, the plan suggests development of "middle-class enclaves" "relatively separated geographically from other neighborhoods in the community."

⁹ Noble Square was the first of an intended chain of urban renewal projects in West Town. NCO managed to get plans reduced from 4 to 128 story high-rise with 325 apartments plus 150 town homes; they also got the city to promise that displaced residents would have first crack at the units. Unfortunately, the cost of the units was such that residents were better off buying into the old stock or renting from current residents than buying or renting into the development. In the end, black families looking for decent housing filled up the units and the community organized in opposition to any further urban renewal. Some West Town residents talked about Noble Square as "a government-induced racial 'invasion' of their neighborhood" (Marciniak 1977:22).

Influx of Latinos

Urban renewal projects to the east in Lincoln Park and Old Town displaced many Latinos, primarily Puerto Rican families, who ended up moving to West Town. Puerto Ricans used this opportunity to turn West Town into their home.

By 1970, a Latino nucleus had formed in West Town, comprising 39% of the population. West Town became known as the headquarters of the Puerto Rican community in Chicago. Several nationalist groups in West Town focused on political organizing for the independence for Puerto Rico. In addition to this political organizing, they also joined with other neighborhood groups to make West Town their home and fight against further displacement. This base was formed through the organizational capacity of groups such as the Puerto Rican Cultural Center, an alternative Puerto Rican high school, and several social service agencies headed by Puerto

Rican professionals. During this time, there were serious problems with police harassment and discrimination. A turning point was the June 4, 1977 rebellion when a police incident in Humboldt Park led to 3 people being killed, 164 arrested, 8 buildings looted and 56 police injured.¹⁰ The National Guard was called in to calm the neighborhood. Many of the West Town community groups came together after this to form the West Town Concerned Citizens, which worked on police brutality and other issues in West Town for many years after the Humboldt Park rebellion.¹¹

So, as ethnic whites were fleeing the area, Puerto Ricans and other Latinos were engaged in defending their rights and building their base in West Town. The priority of many of the Puerto Rican groups and organizations like BRC was to have a community with decent and affordable housing from which residents could no longer be displaced. However, at the same time, “urban pioneers” were moving in and were slowly redeveloping areas of the community with an emphasis on historic preservation.

“Gentrification was nobody’s concern, not even a dream at that time. Even when I came in 1977, the only gentrification was what we used to call urban pioneers.”¹²

Stage Two: Cluster Redevelopment and Expansion

Economic Shift

The 1973 Chicago 21 Plan signaled the shift in the urban economy of Chicago away from manufacturing blue collar jobs toward service sector and white collar professional jobs. The City of Chicago lost 233,873 manufacturing jobs while gaining 178,816 service jobs between 1970 and 1984.¹³ These larger changes in the economy affected many of the Latino and Black families in West Town. With the decline of manufacturing jobs, many West Town residents moved from the better paid jobs of the manufacturing sector to the more unstable, lower paid and lower quality jobs of the service sector.

For example, between 1970 and 1980, there were 43% (10,801) fewer West Town residents working in the manufacturing durable and non-durable goods industries.¹⁴

Meanwhile, white-collar employment in West Town had increased from 11% in 1970 to 35% in 1980.¹⁵ These trends in West Town were the signs of change, which started taking hold as the redevelopment process picked up speed in the 1980s. For example, the influx of white collar workers was primarily in the census tracts around the first cluster of redevelopment in Wicker Park. The process of redevelopment started with the Wicker Park area and expanded

outward into adjacent areas. “Urban pioneers”, artists, speculators, realtors and developers began to come in waves to contest the ownership and future of West Town with existing Latino, Black and white working class residents.

¹⁰ Suro, Robert, “One Year Later,” *Chicago Tribune*, June 4, 1978.

¹¹ “West Town Police Issue Unresolved,” *Northwest Herald*, February 25, 1981.

¹² Interview #9

¹³ Giloth, R. and Betancur, J. “Where Downtown Meets the Neighborhood: Industrial Displacement in Chicago 1978-1987” *Journal of American Planning Association*, Summer 1988.

¹⁴ University of Illinois at Chicago Center for Urban Economic Development, “An Assessment of the Economic Conditions of Humboldt Park and West Town and Options for Economic Development, November 1984.

¹⁵ Hudspeth, N. “West Town Gentrification Analysis based on 1970, 1980, 1990 Census Data,” prepared as working document for UIC Nathalie P. Voorhees Neighborhood Center, Spring, 2000.

The Voices of Gentrification

"But these pioneers were the first to do it and they formed their little cliques and started to grow. And it was clear: they had their eye on the prize. Some of them wanted to live in a different kind of neighborhood, a funky neighborhood, but they had their eyes on the prize which was some serious money."¹⁶

"It is really an amazing phenomenon that has spread out in the last couple of years. At first it was good because you had people coming in here who bought their own homes, fixed them up. I don't know if they are called pioneers or homesteaders or whatever but they were on the fringe when they started reclaiming these neighborhoods."¹⁷

"Urban Pioneers"

Redevelopment clusters were formed initially through a mix of "pioneerism" and real estate speculation. "Pioneerism" refers to groups of individuals who used the opportunity of cheap, architecturally significant buildings in an excellent location to try their fortune by acquiring these structures at the lowest prices, progressively rehabilitating them and making the area their new home. "Pioneers" moved into the buildings and slowly restored them to their original condition. Although many said that they did this to save the architecture, actually in the words of another interviewee, "they had their eyes on the prize." These individuals worked hard to entice other professionals to the area and to team up around initiatives that ensured the appreciation of their properties. Influenced by the urban renewal of Lincoln Park,¹⁸ the early "pioneers" in West Town initially tried to do on their own what a consortium of public and private interests had achieved to the east. Realtors recruited white professionals to West Town who initially sought property in Lincoln Park and Old Town by selling West Town as a more affordable but up and coming neighborhood. Realtors joined also with some of the early "pioneers" to form organizations to attract other investors to the area. The Old Wicker Park Committee (OWPC), formed in 1973, probably best exemplifies this type of organization.

You have to fight to make the neighborhood and attract small rehabbers in the beginning. Big investors or developers won't come in until the neighborhood has begun to turn. People move with a herd instinct; once you have created momentum then everyone joins in. In Wicker Park in the late 1970s and early 1980s, buildings were very cheap. Some people bought two or three properties. We knew what was going on. We had faith."¹⁹

The initial cluster of reinvestment targeted the area around Wicker Park. The buildings on Caton Street, Concord Place, Hoyne and Pierce Avenues were turn-of-the-century large mansions with great architectural value. An important milestone in the Wicker Park reinvestment cluster was the national historic district designation in 1979 and the city landmark designation in 1991. Designation qualified homeowners for tax benefits and low-interest loans or grants. More importantly, it added prestige to the neighborhood making it more attractive to sophisticated higher income housing consumers. A number of factors, however, made this redevelopment stage move quite slowly. The most important was perhaps redlining, which made the purchase and rehabilitation of property in the area more difficult until the early

1980s. In turn, factors such as the newness and uncertainty of the redevelopment of inner city areas, the ongoing transition of the community²⁰ from majority white to predominantly Latino, 59% in 1990, and the clash with locally organized groups like NCO and BRC to maintain West Town as an affordable area, gave the newcomers a high sense of risk. These factors, at the same time, served as a strong bond for these early "pioneers" and speculators to form a united front around the enterprise of gentrification. The most important external restrictions came from the economic depression of the late 1970s and early 1980s and from the lack of any significant investment in infrastructure and other capital improvements on the part of the City of Chicago during this period. Despite economic setbacks, rehabbers and realtors continued to promote the Wicker Park area through exposure on public television shows like Bob Vila's 13 episodes on rehabbing a Wicker Park brownstone in 1990 and stories printed in major papers and magazines. They also sponsored activities like the annual Greening Festival to bring attention to the reinvestment of the area. In short, they staged very aggressive campaigns to advertise and sell the neighborhood to other like-minded investors to ensure the appreciation of their properties.

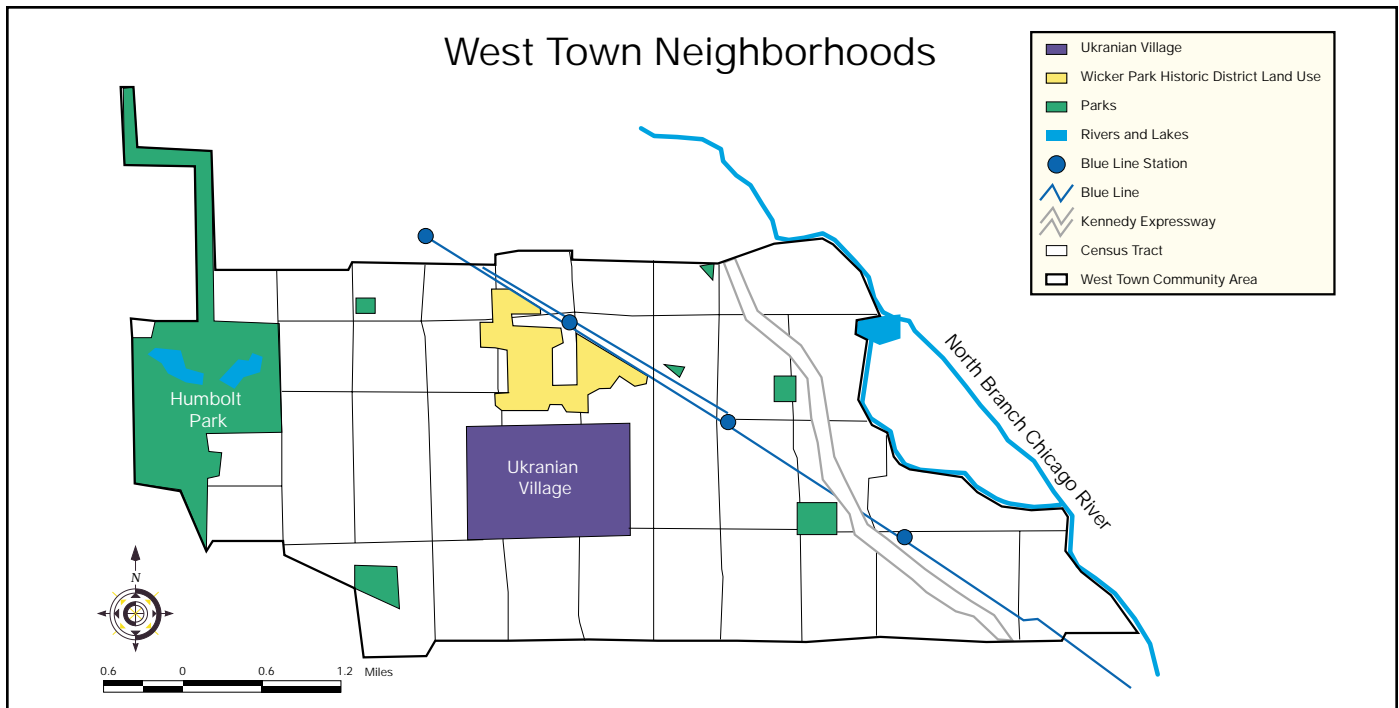
¹⁶ Interview #9

¹⁷ Interview #6

¹⁸ Lincoln Park was one of two communities redeveloped in Chicago with Urban Renewal funds. A lake front community with a traditional middle-to-upper class white population, Lincoln Park had suffered from white suburbanization and disinvestment. A quick and comprehensive renewal process launched in the mid-1950s, however, turned it around. Through the concerted efforts of the City of Chicago, the Urban Renewal office and local institutions, individuals and businesses were able to buy properties at very low prices and turn them into their homes, or use them for business expansion or other income-producing ventures. A combination of urban renewal funds, grants and low-interest loans made the deals so attractive that these players and multiple others combed the city for similar opportunities. The experience, in fact, awoke developers and consumers to the possibilities and fortunes that could be made through gentrification.

¹⁹ Interview #12

²⁰ At the time, the process was not known as gentrification. Although residents had developed strong opposition to urban renewal, they did not view this process as such. In part this was because it was hardly visible but principally because gentrification had not acquired the connotations of today. Although people displaced from areas like Near North and Lincoln Park knew well the impact of this type of development, they associated the experiences there as urban renewal, whereas this one was viewed more as small scale individual initiatives.



Role of Artists

Perhaps inadvertently, artists played an important role during this period. With the increasing presence of artists in Chicago in the 1970s,²¹ the demand for cheap, large spaces for studios spurred the process of redevelopment. Artists often fell prey to real estate speculators who would offer them large, cheap rental space, but would later evict them when the time became ripe for gentrification and higher profits. The area around Wicker Park acquired a significant artist presence.²² Such a presence was promoted by the real estate industry to attract upwardly mobile individuals. Not only was the area marketed as Chicago's equivalent of New York's Soho District, but also art festival after art festival was held in the neighborhood, climaxing with the organization of "Around the Coyote," an international art festival initiated in 1990.²³ Wicker Park had established itself as an artist center with

galleries, cafes, theaters, salons, and bars. This artistic concentration attracted more and more brokers, speculators, commercial landlords, loft rehabbers and luxury apartments to this expanding redeveloped section of the community.

One developer tried to develop a building that brought together artists, non-profit organizations, businesses, and low income people. He bought property at the intersection of Damen, North and Milwaukee Avenue and developed commercial and retail space for cultural groups, social service firms, artist studios, and professional firms. In his own words, "We didn't envision an arts community...We just envisioned lots of people at work, and facilitating start-up businesses and spaces for artists...We wanted to prove you could take private capital, put it to work in the inner city, and over a period of time create minority

jobs as well as long term capital gains... The community will remain what it's always been...We just don't have a 'Lincoln Park product' here."²⁴ Contrary to his vision, his development went bankrupt and the low-income tenants ended up being displaced and replaced by higher-income artists or firms.

"Artists...they go into the reluctant pioneer category. It's sort of unfair to lump them into one mindset, because there are a lot of yuppies, for example, who would prefer to have a diverse neighborhood and there are artists who prefer anything, from keeping the neighborhood the same to seeing rapid gentrification."²⁵

²¹ Like gentrifiers, artists had increased in the city with the transformation of the local economy from manufacturing to services. The emerging new economy is characterized by a high demand for college-educated individuals in general and, in this case, for artist services in growing industries such as advertising.

²² Referring to the role of artists in the gentrification of West Town, the owner of a real estate company in the area said, "They're the breed that turns things around" (Lauerman in *Chicago Tribune Magazine* 1992:18). The same article argues that once things turn around artists themselves get displaced by higher rents or gut rehab.

²³ Huebner, Jeff, "The Panic in Wicker Park," *Reader*, Volume 23, No.47 August 26, 1994. Organized around the Near Northwest Arts Council (NNWAC), artists had organized a series of innovative festivals and were considering organizing a big festival. Yet, another initiative called Around the Coyote organized in September of 1990 a studio walk and multimedia arts exhibition that billed itself as "the country's largest" (Huebner 1994:12). According to its chairman, "Nobody knew Chicago had a big, important art community...now it's well known around the world" (Huebner 1994:12).

²⁴ Ibid

²⁵ Interview #3

Low-Income rental development

In the early 1980s, realizing that the largest proportion of local residents could not afford homeownership and was in dire need of decent rental housing, BRC moved into development of low-income rental housing. This choice put BRC in direct confrontation with the forces of gentrification. Disputes emerged over building design, location of rental units, tenants, in short, anything that could delay or stall the process. Opposition to BRC and other CDC groups like LUCHA took multiple forms: pressure on local politicians, attacks on the integrity of BRC and its members, disruption at low-income rental construction sites. Three of BRC's low-

income developments in Wicker Park were torched during their construction. However, the 1983 election of a sympathetic administration in City Hall with Harold Washington as mayor and the 1986 election of a grassroots Puerto Rican alderman helped BRC's efforts. The expertise and determination of the organization and its strong grassroots support led to the construction of 255 rental town-house units in the 1980s. BRC was also involved in several citywide efforts to affect policy and secure the proper financing and infrastructure for development of low-income housing. It engaged in multiple partnerships and coalitions in and outside the community

to increase resources and support for development of low-income housing.

Meanwhile, however, due to the efforts of private developers and realtors, at the end of the 1980s, West Town had a strongly gentrified core around Wicker Park, multiple inroads to the southeast of the community, and redevelopment clusters throughout the community. The community had been effectively marketed, having gained name recognition locally and nationally as an up and coming area which began attracting larger investors and developers.

Using Census data to determine gentrification factors

Using demographic and housing data from the 1980 and 1990 census, the extent of gentrification was assessed in West Town at the end of the 1980s. To do this assessment, 11 factors were developed as indicators of gentrification (see Table A on the following page). These factors were determined based on a survey of the gentrification literature and the observed changes in West Town. Each West Town census tract was ranked by the number of gentrification factors it exhibited. This model is a fairly good indicator of gentrification up to the point where a tract had 7 of 11 factors.

In 1980, only 3 census tracts (2423, 2424, 2428) had more than 7 of these factors (see appendix). Two of these census tracts (2423, 2424) are commonly known as the Ukrainian Village and have been a white working class ethnic enclave within West Town. Even in 1970, these two tracts had 7 out of the 11 factors referred to as gentrification factors. Consequently, this area might best be referred to as a stable white working class area instead of a gentrifying area before 1990.

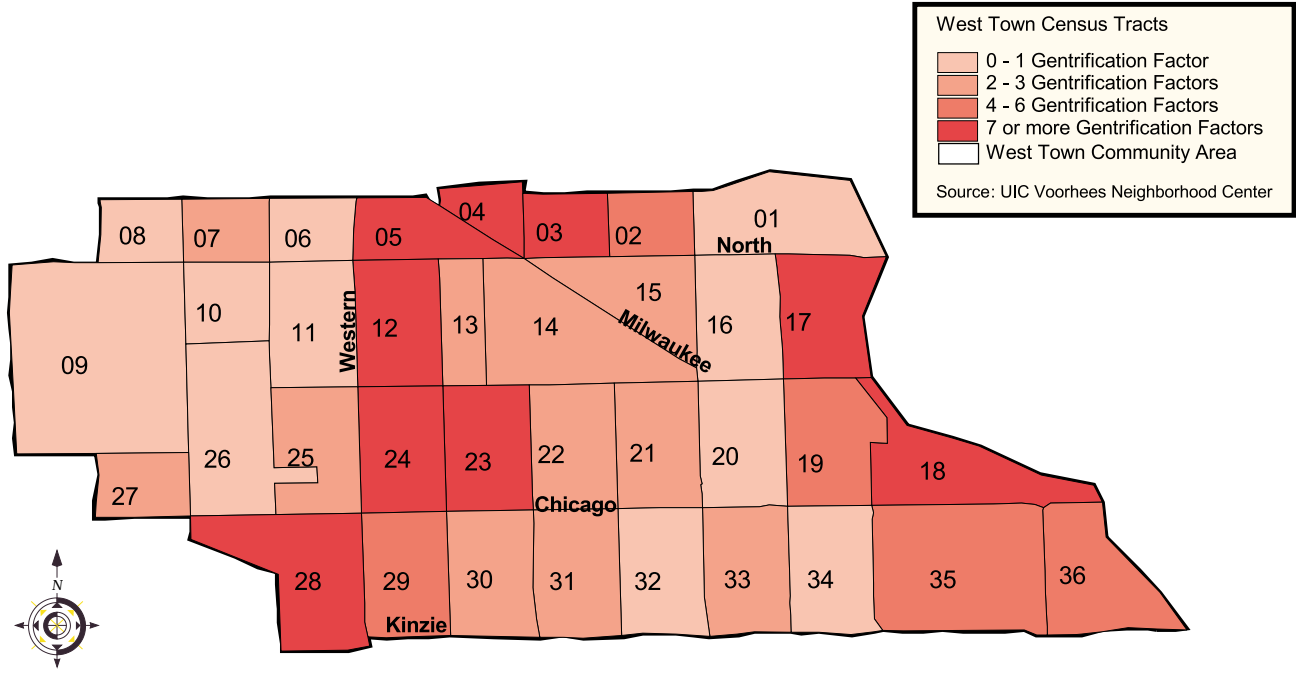
By 1990, there are 9 tracts, an addition of 6 tracts since 1980, identified that have more than 7 gentrification factors.

For instance, in 1990, tract 2403 had all 11 factors of gentrification. It had a relatively low percentage of minorities in its population and its median family income was above the city's; there were relatively few families below poverty, fewer children, smaller households, higher numbers of white-collar workers, higher numbers of college educated adults, higher housing values, higher rents, higher rates of home ownership, and lower numbers of female-headed households.

This map of gentrification factors shows the status of redevelopment in West Town as it entered the 1990s. As mentioned above, the Ukrainian Village area remained predominantly a white working class ethnic enclave. There is the cluster of gentrified areas in the middle of the community around the Wicker Park historic district and to the north. Also, the areas to the east closer to the Near North Side were also showing signs of gentrification at the end of the 1980s.

We will now turn to what happened in the 1990s, the third stage of redevelopment.

West Town - Community 24 1990 Gentrification Analysis



A Gentrification Factors: Census Data

Criteria

1. Race	less than 50% Latino and/or Black
2. Median family income	Above city 1990 median (\$30,707)
3. % Families below poverty	below city (18.3%)
4. % Population children under 14 years	below city (22%)
5. Population per household	Less than city average (2.2 persons)
6. % White collar workers	Above 50%
7. % Adults with college education	Above city (41%)
8. Housing value-owner occupied units	Above city (1990 \$78,000)
9. Contract rent	Over \$400 per month (city median)
10. % Owner occupied housing units	Above city (41%)
11. % Female headed households	below city (31%)

Stage Three: Gentrification

Over the course of the nineties, the redevelopment process reached a scale affecting all property values, hence turning West Town into a trendy and competitive real estate market. Redevelopment reached a high level and speed, adding more

dramatic initiatives such as the tearing down of existing housing for new construction, development of high price, upper-income housing, and development of office and loft space. This stage is dominated by condominium development

and new construction. Development activity has expanded to most of the community and, consequently, property prices and taxes have been universally affected.

Location and Transportation

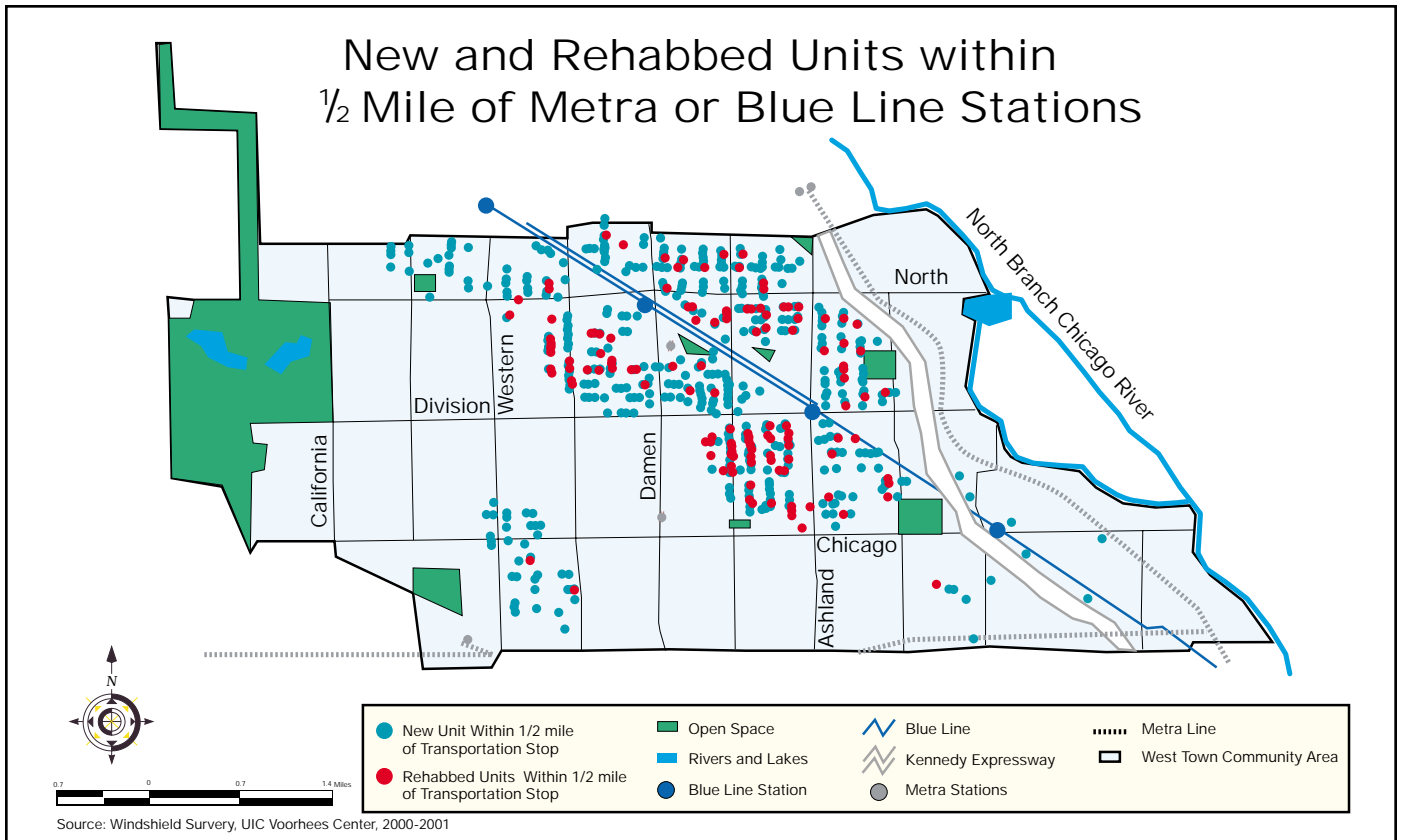
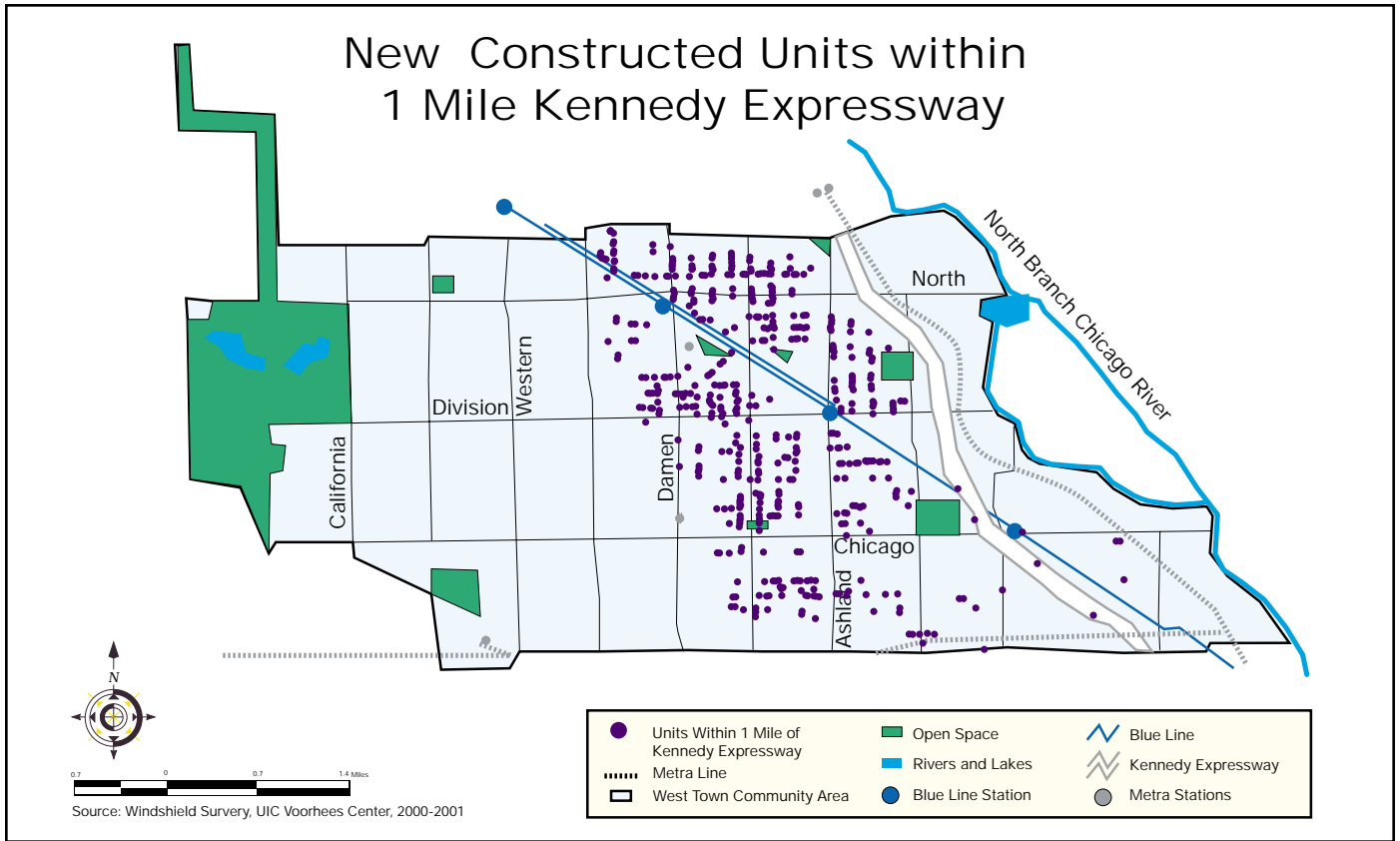
West Town is an ideal place to live because of its convenient access to the Loop. In West Town, there are 4 stops on the Chicago Transit Authority (CTA) Blue Line. The Blue Line runs east west along Milwaukee Avenue in West Town, with stops at Grand, Chicago, Division, and Damen. Moreover, the Western stop is located only a short distance from the

northern edge of West Town. The Metra train also stops in West Town, at Kinzie/Western, and at Ashland/Armitage.

The Kennedy Expressway runs east west along the eastern edge of West Town, and provides access to downtown only 3 miles away and to the area around O'Hare Airport. With 4 entries/exits

onto the expressway in West Town, the short commute makes any property located within 1 mile of the expressway convenient.

Many of the rehabbed units (42%) and newly constructed units (79%) are clustered near public transportation stops or access ramps to the expressway.



Property Tax Case Study

Increases in home prices in the 1990s affected the property values and property taxes of all owners in the area. Long term residents who are not interested in selling and have lower incomes are being financially squeezed by the escalating prices of surrounding properties that are affecting their property taxes.

To illustrate this, we offer the following case study of a Latino family who purchased their home for \$57,000 in 1986. This is a modest brick 2,200 square foot home located on the 1200 block of Huron. We tracked the property assessments and taxes during the 1993-1999 period.

In 1993, property taxes for this property were high due to the higher tax rate. In the subsequent years of 1994 and 1995, there was a lowering of the tax rate, which reduced the taxes on this property by \$900 or 53.6%. During the 1993 through 1995 period, the assessed and equalized valuation varied slightly. However, beginning in 1996 there have been increases in the assessed and equalized valuation, which have consequently increased the taxes on the property, despite the decreasing tax rate during this period. The increase in assessed value and equalized assessed value is determined by the Assessor's Office and is based on a certain percentage of the



“fair market value” of the property. This property increased in assessed value from 1995 to 1996 by 117%. This change in assessed value is a consequence of the increasing prices of properties in the

area. The escalation of property prices affects property owners even if they have no intention of selling and are trying to stay in the area.

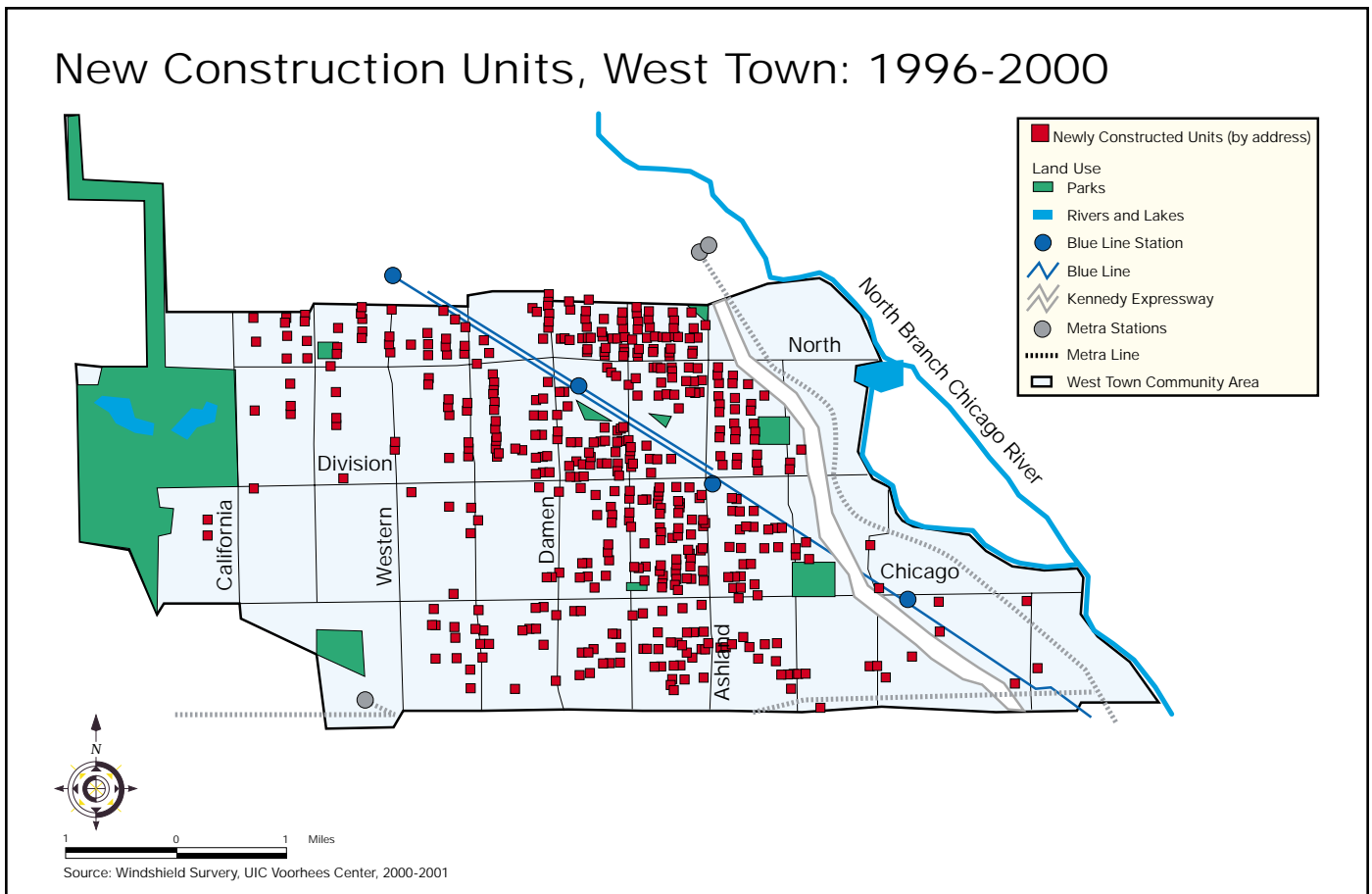
Year	Tax Rate	Assessed Value	Equalized Assessed Value	Taxes	Taxes Adjusted for Inflation (1999 dollars)
1993	9.435	\$5,704	\$7,711	\$1,455.06	\$1,677.53
1994	9.264	5,704	7,555	699.90	785.79
1995	9.345	5,704	7,617	711.81	777.25
1996	9.453	9,773	16,529	1,562.49	1,659.63
1997	8.843	11,037	19,217	1,699.36	1,763.57
1998	8.872	11,037	19,560	1,735.36	1,773.32
1999	8.536	11,037	20,339	1,736.14	1,736.14

Shift from Preservation to New Construction

The historic designation and architectural qualities of the existing stock had made rehabilitation dominate in the first two stages of redevelopment. Historic preservation and rehabilitation, interviewees agreed, is more complex as each building is unique. There are many unpredictable costs. In addition, the number of architecturally significant properties was limited. As the demand for housing in

the area continued to grow, developers looked for options with higher profits and less risk. New construction became the dominant force in this final stage of gentrification. It is faster not only because of the new technologies and standardized elements but also because of the productivity increases that come from doing buildings in close proximity at the same time or of repeating the same

design with the same crews. With increases in productivity and higher densities, developers could have better control of the process and its costs and, hence, could realize higher profits.²⁶



²⁶ Or at least could operate within a lower margin of error and hence, accrue less risk.

"What is happening is people are just coming in and buying things and prices are going up. We changed from the point where people came in and rehabbed to where there is buying whatever is there for the land value and knocking it down to build new." ²⁷

Property Prices Increase

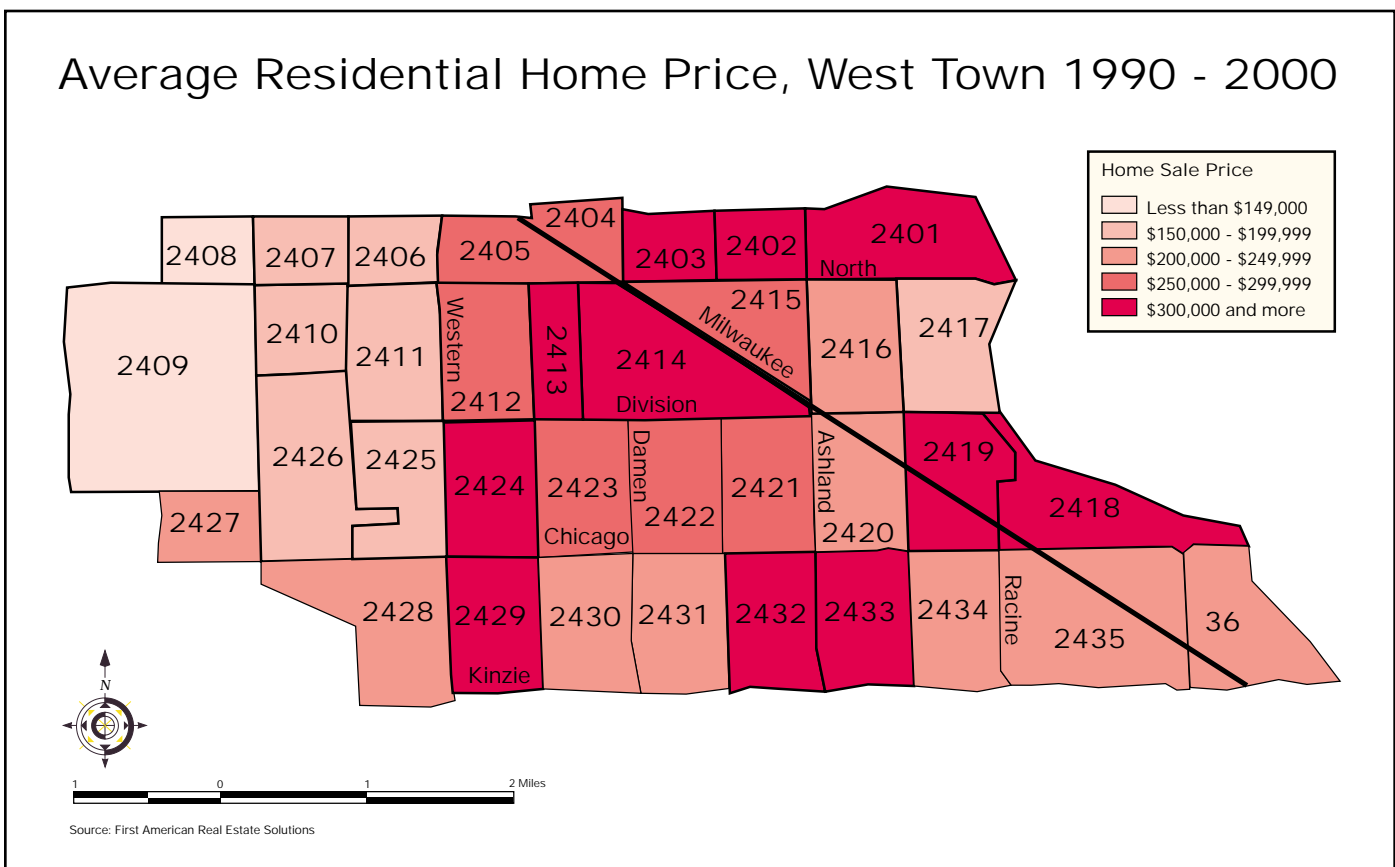
Between 1990 and 2000 the average West Town property price rose by 83% and the median price doubled. (See Table B on the following page.) The average property price for the entire 1990-2000 period was \$234,492.

The Wicker Park historic district, the northeast corner of West Town, and the

Ukrainian Village area, at the end of the 1980s, had an average sales price of \$283,279. This is a 21% higher average sales price for the 1990s compared to the rest of West Town.

The area west of Wester Avenue that had shown few signs of gentrification in the

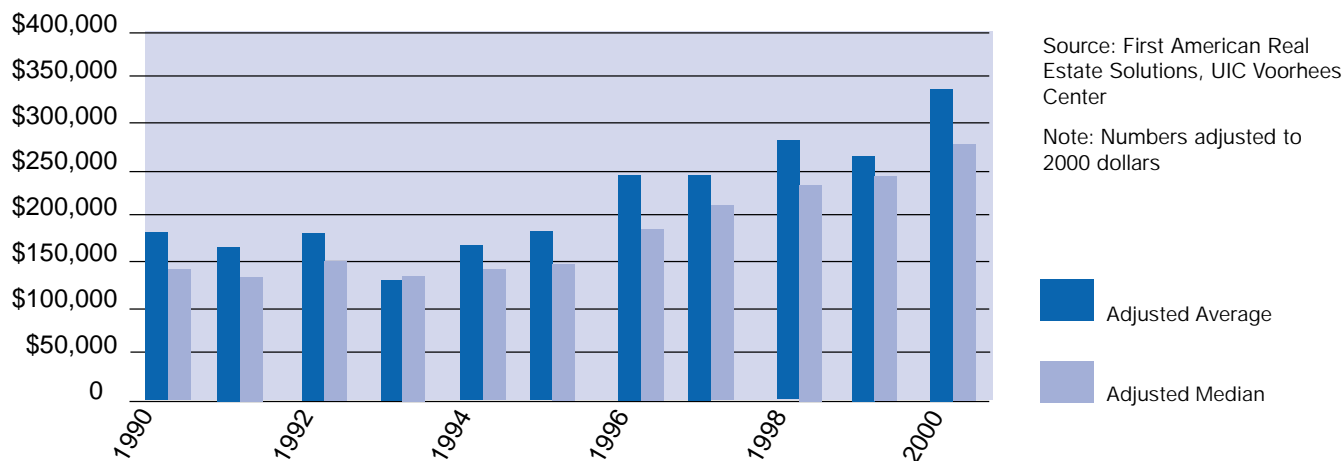
1980s had an average sales price of \$154,890 for the 1990s. This average home price is affordable to households making \$50,000 a year.²⁸ Only a small percentage, 12% in 1989, of long-time West Town households earn incomes over \$50,000.



²⁷ Interview #6

²⁸ This assumes a mortgage of 30 years and 7% and includes taxes and insurance.

B Average and Median Home Prices by Year West Town



Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average Price	139,074	128,902	147,421	115,095	144,685	162,270	222,056	226,537	270,707	268,922	336,471
Adjusted Avg.	183,532	163,526	181,586	137,575	169,221	183,969	245,193	243,489	285,145	277,546	336,471
Median Price	105,000	106,000	122,712	119,000	122,000	130,000	151,250	174,227	215,000	237,500	278,000
Adjusted Median	138,565	134,473	151,151	142,243	142,689	147,384	167,009	187,264	226,467	245,116	278,000

Who are the people moving in and out of West Town?

According to the 2000 census the population of West Town decreased slightly by less than 1%. The 2000 population total is 87,435 with 23% of the population under 18 years of age. The non-Latino white population has increased from 27.4% (24,117) in 1990 to 39.39% (34,445) in 2000.²⁹ The percentage of persons of Latino origin has decreased from 59% (51,767) in 1990 to 46.85% (40,966) in 2000.³⁰ This shift in population is also reflected in the home mortgage data for West Town.

To look more closely at the question of who are the people moving in and out during this period, we analyzed the available West Town mortgage data for 1993-1998. This data tells us who is buying the properties in West Town. From 1993 to 1998, the number of home purchase loans increased 117%. In both 1997 and 1998, there were over 1,000 loans per year. During the 1993-1998 period 4,968 loans were given for home purchases in West Town.

Income

Over the 1993-98 period, the households earning less than 80% of median (less than \$40,000) received only 18% (895) of these home purchase loans; 31% of the loans went to households making 120-200% of the median (\$80,000-\$120,000); and 26% went to households making more than 200% of the median (over \$120,000).

Through the 1990s, households earning less than \$40,000 (80% of the median metropolitan income) were the households increasingly left out of the home purchase market in West Town. In 1993, 25% (141) loans were received by households making less than \$40,000. These households maintained from 25-19% of the market until 1997. In 1997, these households slipped to only 15% (158) of the loans given and then 12% (145) in 1998. The average 1993-1998 West Town home purchase loan of \$164,034 is \$40,914 or 33% higher than the average city loan of \$123,120 for this same period.

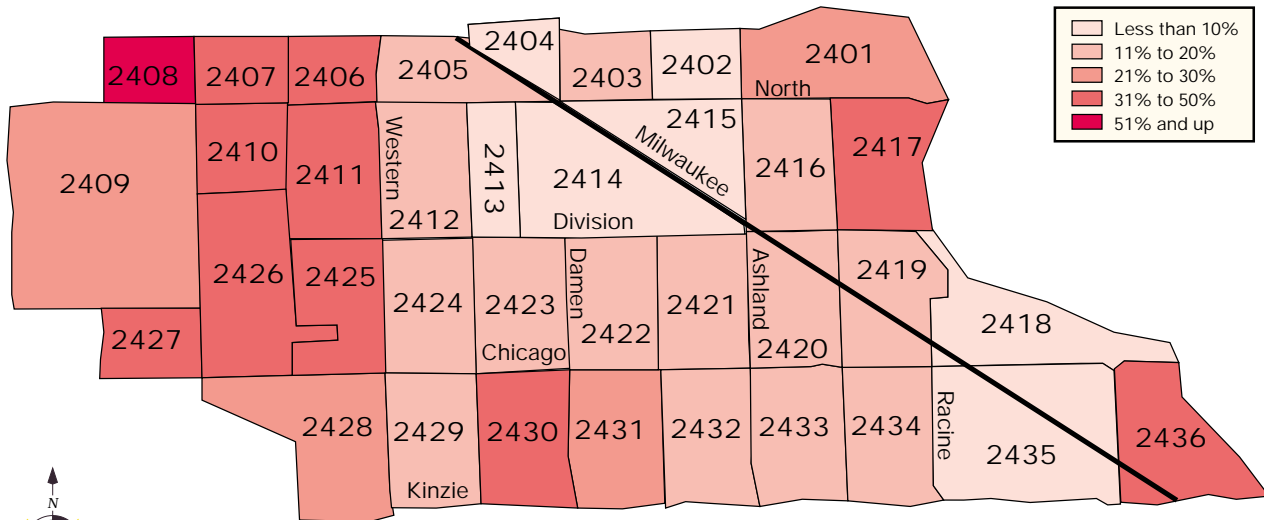
Race

Throughout the 1993-98 period, white households received well over the majority of the loans. This majority grew, however, from 57% in 1993 to 78% of the home purchase loans in 1998. The Latino household share of the loans fell from 34.9% in 1993 to 9.3% in 1998. The Latino share of the loans held steady around 30% (28-34.9) until 1996 when the share dropped to 17.5 and then decreased to 12.5% in 1996 and 9.3% in 1998. The number of loans received by Latino households dropped from a high of 198 in 1993 to a low of 115 in 1998. The percentage shift of Latino share of the loans is more dramatic because of the striking increase in the loans received by white households throughout the period. In 1993, whites received 324 loans but in 1998 they were receiving 959 loans, almost three times as many as in 1993.

²⁹ U.S. Census Bureau, Census 1990 and 2000. For both 1990 and 2000 we used the Non-Hispanic White category.

³⁰ U.S. Census Bureau, Census 1990 and 2000. In the 1990 census we calculated the total of Persons of Hispanic Origin and for 2000 we used the category Total Hispanic Population, All Races.

Percentage of Loans Made to Borrowers with Incomes Less than 80% of the Area Median, West Town 1993-1998



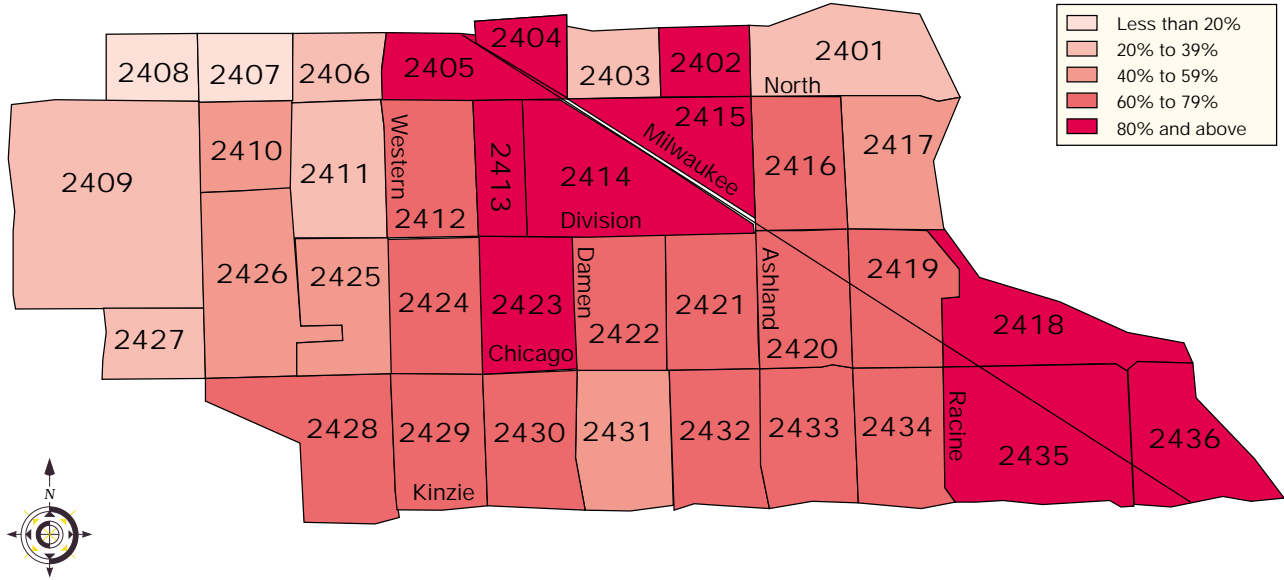
Source: Federal Financial Institutions Examinations Council (FFIEC), Home Mortgage Disclosure Act Data 1993-1998

C West Town Community Area: Average Home Purchase Loan Amount By Year and Income Group*

Year	Average CA Loan	Average for hhs making less than \$40,000	Average for hhs making less than \$80,000	Average for hhs making \$80-120,000	Average for hhs making \$120,000-180,000	Average for hhs making over \$180,000
1993	\$128,314	\$116,326	\$69,847	\$186,661	\$213,860	\$227,812
1994	149,138	92,879	131,915	162,513	219,847	197,514
1995	144,069	96,908	124,600	169,657	206,645	222,714
1996	158,157	105,785	137,738	178,303	207,867	210,169
1997	163,026	119,050	143,110	171,118	194,533	235,894
1998	184,403	120,710	146,550	185,735	232,744	246,112
Average	164,034	108,764	125,451	177,000	213,964	229,781
City Average	123,120					

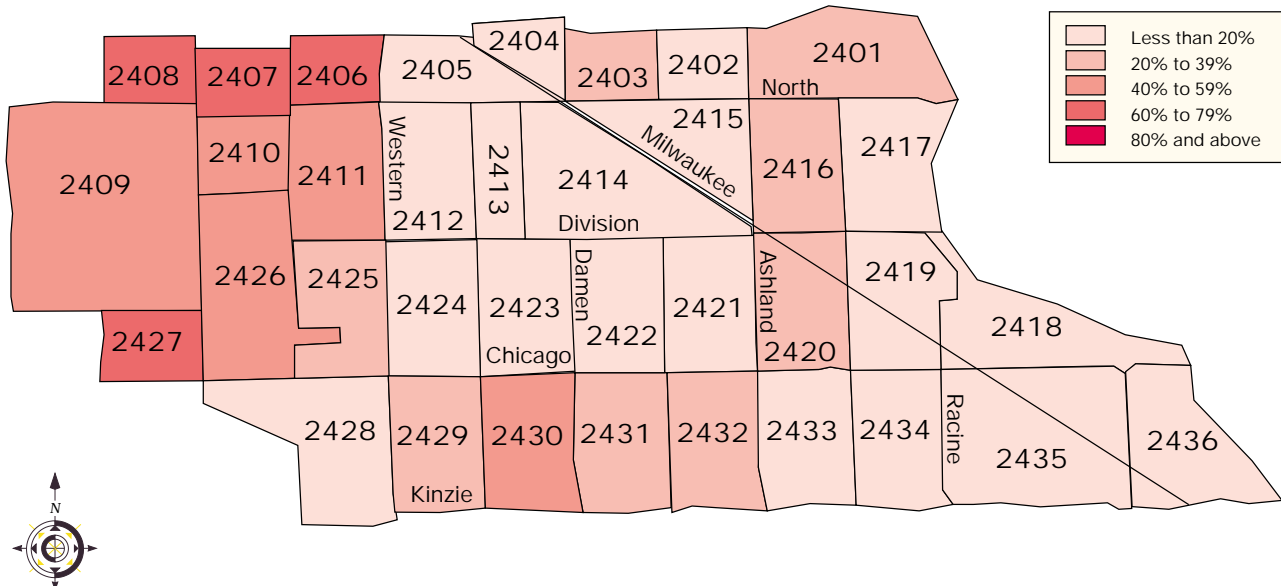
* Adjusted for Inflation: all in 1998 dollars.
Source: Gray Data, Inc., UIC Voorhees Center

Percentage of Loans Made to White Borrowers, West Town 1993-1998



Source: Federal Financial Institutions Examinations Council (FFIEC), Home Mortgage Disclosure Act Data 1993-1998

Percentage of Loans Made to Latino Borrowers, West Town 1993-1998



Source: Federal Financial Institutions Examinations Council (FFIEC), Home Mortgage Disclosure Act Data 1993-1998

Throughout the period, Asian households received only a little more than 2% of the home purchase loans. Likewise, Black households share of the home purchase loans was between 2-4% of the loans throughout the period.

D West Town Community Area: Average Home Purchase Loan Amount By Year and Race*

	Period Average	1993	1994	1995	1996	1997	1998
Asian	\$168,875	\$139,928	\$165,125	\$146,200	\$173,000	\$170,318	\$188,758
Black	161,281	164,291	143,095	133,736	152,464	179,523	185,310
Latino	132,763	148,025	118,146	119,801	131,344	142,481	140,608
White	164,000	109,935	156,087	154,489	164,354	165,520	187,789
Other	90,866	168,000	107,000	124,000	185,000	180,875	190,461
Unknown	168,724	325,800**	149,066	161,050	154,703	160,377	173,690

* Adjusted for inflation. All in 1998 dollars. ** This high number is due to a one loan close to \$1 million.

Today, as evidenced by the census data, home price data, mortgage data and property tax case study, remaining West Town lower-income residents, particularly Latinos and Blacks, are undergoing extreme hardships in their efforts to stay

in what is rapidly becoming an area they can no longer afford. Similarly, owners of low-income rental housing units face increasing pressure to sell or to develop their buildings for higher-income residents. Gentrification has reached a point that

makes development or the preservation of low-income or moderate-income housing in the area impossible without deep subsidies.

Changes In Real Estate Finance

A major external factor that is accelerating the West Town gentrification process is the changes in real estate financing. Financial deregulation and the expansion of credit have resulted in increased availability of financing both for developers and purchasers of real estate. According to a number of studies, housing finance policy has made development much easier with the large availability of financing and mortgage capital and in fact accelerates the gentrification process very significantly.³¹ Changes in housing finance policy have come about because of the economic expansion of the mid to late 1990s combined with low inflation and low interest rates, reduced borrowing costs and broader standardization of underwriting of loans. In addition, the expansion of the secondary mortgage market has been directing more capital to housing generally and home ownership in particular.

Public Policy Advances Gentrification

In 1989, Richard M. Daley was elected mayor with major funding from a coalition of developers, downtown and corporate interests. The Daley administration has had a concerted policy to make the city more attractive to middle and upper income families.

This administration has given aldermen increasing control over real estate decisions in their communities. The office of local aldermen is the gate keeper for development. In this way, the alderman plays a large role in advancing or slowing down development. Every zoning change and federal grant in the ward is under the control of the alderman. As a result, redistricting of the ward boundaries and aldermanic elections are crucial for determining the fate of neighborhoods like West Town.

“Daley says that all the time—it’s policy, clear policy of the administration to foster middle-income housing wherever it can.”³²

³¹ “Thinkers and Resources for Promoting Equitable Development,” Policy Link, March 20,2000. This briefing paper includes a summary of articles by Brian J.L. Berry, Elvin K. Wylie and Daniel Hammel, which discuss the changes in real estate finance and their consequences for inner city development.

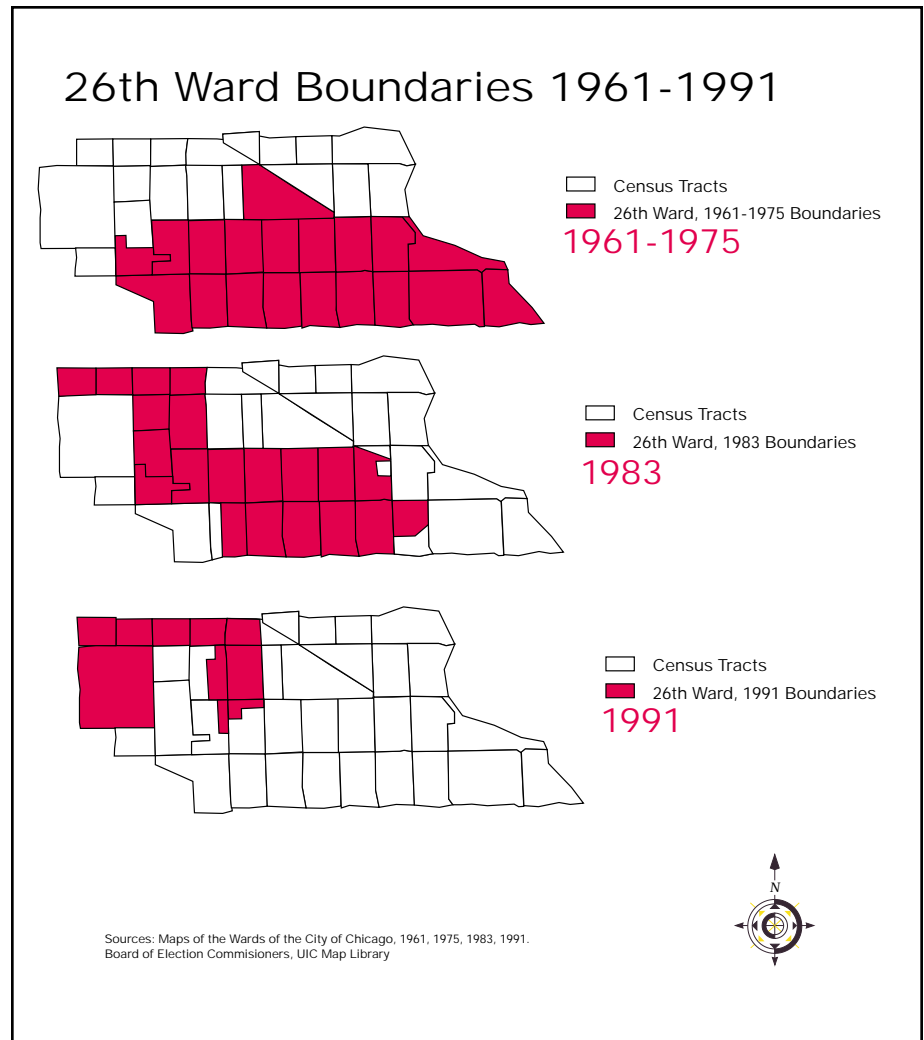
³² Interview #1

Ward Redistricting Divides Up West Town

According to some interviewees, ward redistricting has been used to divide and dilute the Latino electoral presence in West Town. In 1991, the West Town community was divided into four separate wards. The 1st ward brought together Wicker Park and the areas of gentrification to the southeast. To the northeast, the 32nd Ward included a vast section of white communities to the north and the east in advanced stages of gentrification, with a tiny minority of Latinos and a portion of gentrified census tracts in the middle of West Town. The northwest, a largely Latino and Black section of the community was consolidated with a community of heavy gentrification to the north. Finally, the southern industrial border became part of another ward of heavy contrasts to the south that includes the gentrifying West Loop. In other words, West Town was fragmented into wards including highly disparate communities by income and race. In this way, the electoral power of Latinos and Blacks was divided. The adjacent set of maps shows how the redistricting of the 26th ward over time has moved this historically Latino controlled ward further and further west away from the gentrified areas.

Zoning: A Policy Tool used to favor Gentrification

Between 1996 and 2000, the West Town community area experienced substantial changes in zoning.³³ Indeed, this 4-year period reflects a new use of zoning as a tool of revitalization and gentrification. Significantly, zoning changes have been guided by local aldermen, who have facilitated a process wherein rezoning follows public transportation lines and major access routes, but also occurs extensively through industrial land conversion.



Re-zoning in West Town has taken place in two forms. The first form, *spot re-zoning*, is the process by which properties are re-zoned, one at a time, until an entire area appears to be substantially changed. For example, if an individual large residential project is approved within a 3-block manufacturing zone, then the area remains manufacturing, except for the property within the residential project boundaries. But, if 15 of these large residential development projects are approved over a period of 5 years, then soon there is nothing left of the manufacturing zone.

The second form of re-zoning is *area re-zoning*. For example, City Council approves a request to change 5 square blocks of R-3 (single family homes, 2-flats, 3-flats) to R-5 (6-12-unit buildings). This re-zoning significantly increases the density of the area, since all new construction will probably have 6 or more units.

³³ We examined zoning ordinances back to 1990, but found that no significant zoning changes began until 1996.

Understanding Zoning Terms

Maps of West Town zoning patterns during the 1990s reveal about 10 predominant types of zoning in this community area, which fall under the categories of Residential (R), Manufacturing (M), Commercial (C), and Business (B). This section explains the zoning rules for the manufacturing and residential classifications and explores issues that each classification faces.

Residential (R)

Understanding R-3, R-4, and R-5 is crucial to recognizing re-zoning patterns in West Town. Remember that the current zoning code for the City of Chicago was established in 1957, to reflect primarily what existed at that time, and 45 years later these zoning categories may no longer reflect what currently exists.

Here is a thumbnail sketch of residential zoning in West Town: R-3 is single-family homes and 2-flats; R-4 is 3-flats-6-flats, and R-5 is 6-12-unit buildings.³⁴ Each one of these residential zonings has different rules about how much of a property can be built on, how small the units can be, etc.

In more detail, a comparison of a sample property in West Town can illustrate how each zoning classification will result in a different development. The standard city-size lot in Chicago is 25 ft. x 125 ft., producing a total of 3,125 square feet. The table below compares how a vacant lot could be built out on each of the zonings.

As Table E (see below) illustrates, R-3, really only allows for single-family homes, while R-4 can accommodate a 3-flat comfortably, and R-5 a 6-flat. It is important to remember, though, that the City of Chicago now requires 1:1 parking. That is, every new unit must have an individual parking space on or near the property, not including street parking. So, a developer must make accommodations for 6 units of parking if (s)he wants to build out 6 units on one parcel. This can occur by reducing the number of units in order to make room for a parking pad, purchasing an adjacent or nearby vacant lot for parking, or perhaps getting a variance, (an exception), through the alderman to circumvent this rule.



E R-3 vs. R-4 vs. R-5 Buildable Space

	Standard Lot Area (square ft)	Floor Area Ratio	Total Allowable Building Space (square ft)	Square Feet, per Unit minimum	Total Possible Number of Units	Probable Layout
R-3	3,125	0.9	2812.5	2500	1.125	Single-family home
R-4	3,125	1.2	3750	1000	3.75	3-flat
R-5	3,125	2.2	6875	1000	6.88	6-flat

³⁴ A flat means that one apartment unit takes up an entire floor of a building.

Manufacturing Zoning (M)

Some manufacturing space in West Town has been rezoned as “Protected Manufacturing District” (PMD) in order to help save manufacturing from being encroached upon by other uses. A Protected Manufacturing District is a special zoning area over an existing manufacturing district. The PMD virtually ensures no residential conversions because any zoning change requires a majority vote by the entire City Council, not just the local alderman.³⁵

There are two PMD’s in West Town. The first is the Clybourn Corridor, which was created in 1992 and runs along the river on the eastern edge of West Town. The second is the Kinzie Corridor, created in 1998 and runs along Kinzie Street in the 27th Ward.

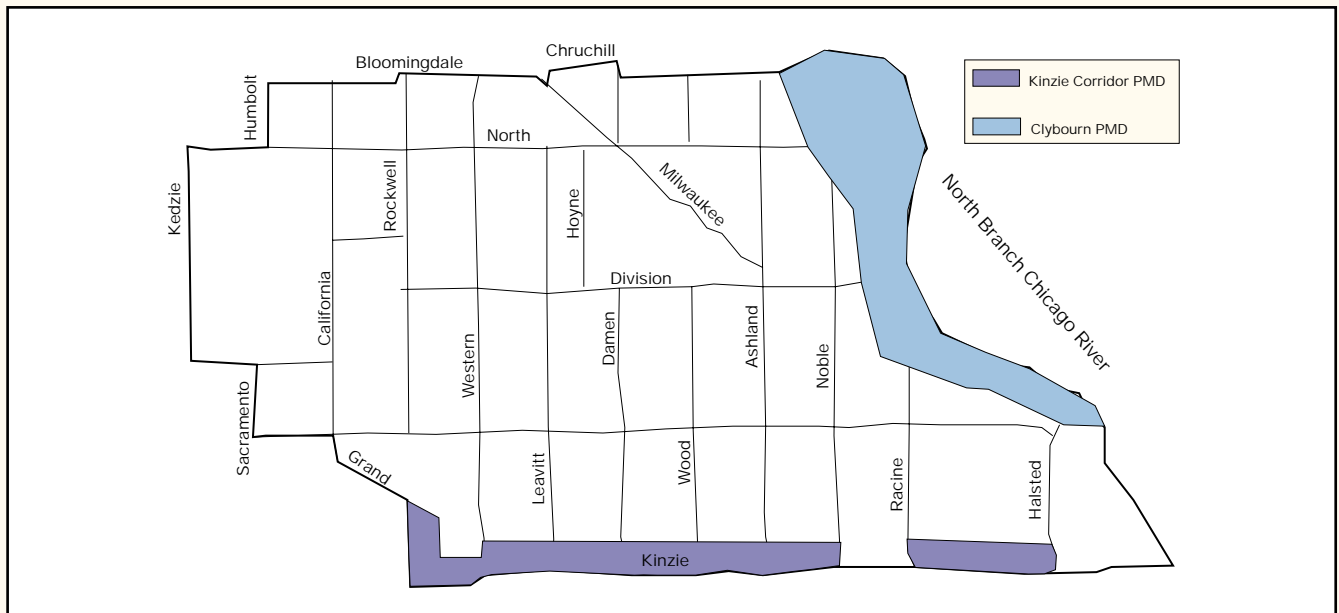
In general, manufacturing-zoned space cannot contain any residential units. But in space without the PMD protections, many underutilized factories, (factories that have un-rented or unused space), have been converted to residential use, which has the adverse consequence of

pressuring the remaining manufacturing space to convert to residential. Why is this? When any area of manufacturing space is re-zoned to a non-manufacturing space, (especially residential), the surrounding manufacturing space is subject to new rules:

- **Certain materials cannot be stored or manufactured within 200 feet of residential, business or commercial, (Article 10.3). Fire hazards and explosive materials cannot be stored within 40 feet of Residential, business, or commercial (Art.10.10).***
- **All storage must be in completely enclosed buildings or screened by an 8-ft wall/fence within 300 feet of any residential district.**
- **Noise levels must be reduced along residential & business district boundaries (Art.10.5)***
- **Equipment causing intense vibrations (i.e.from heavy hydraulic surges) must be placed 300 ft away from Residential, Business, or Commercial zoning(Art. 10.6).***

While factories did not previously have to follow these rules because residential areas were further away, now every time a neighboring factory is converted to lofts or condominiums, the remaining manufacturing uses must take into account these and other rules of operation. So, in some cases, a factory owner is forced to relocate or sell because of the zoning changes around him/her. The case study of the Bloomingdale Corridor on page 28 looks at an example of this pattern.

* City of Chicago Zoning Code



³⁵ Bill Lester, “Old Economy or New Economy? Economic or Social Change in Chicago’s West Town Community Area,” unpublished paper, April 26, 2000.

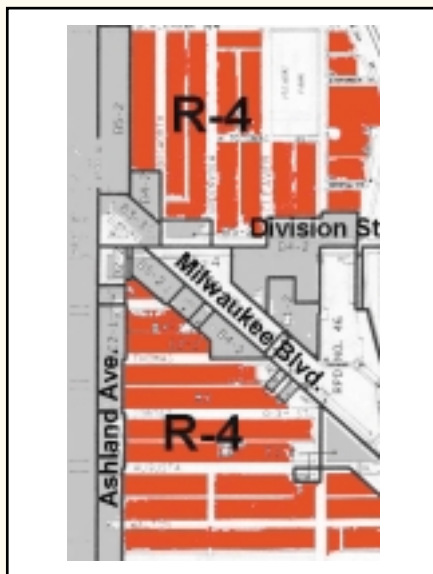
Case Study: The Polish Triangle

Polish Triangle is a small island at the intersection of W. Division, N. Ashland, and N. Milwaukee.

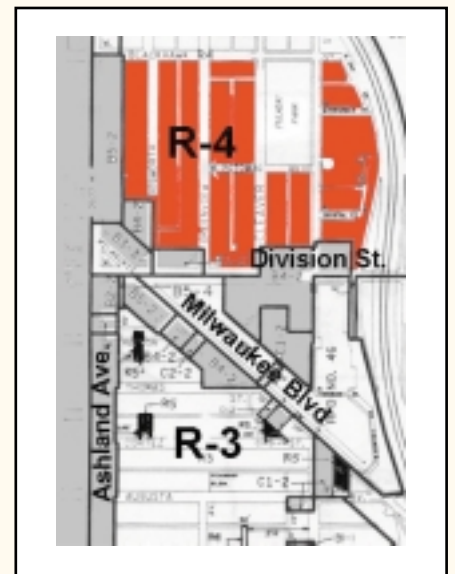
The area's zoning changed substantially from 1996-1999, due to two area down-zonings, one north of Division, and one south of Division. Both 1997 down-zonings, shown below, reduced zoning

from R-4 to R-3, giving the community an impression of control over large developments. However, since 1997, there have been 5 up-zonings in the area north of Division, which is noticeable considering the small size of that area.

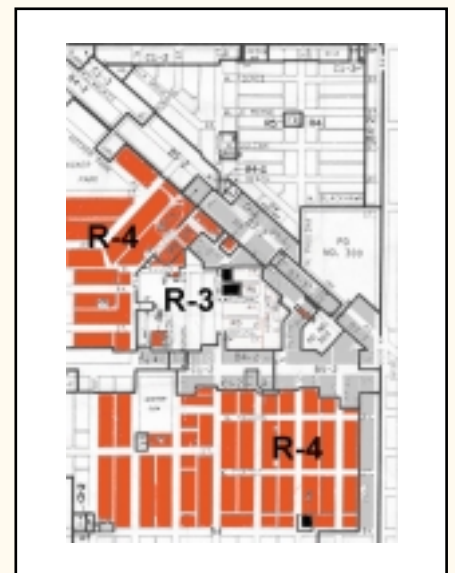
These re-zonings are particularly significant because in this same area the alderman deterred two affordable housing agencies on up-zoning changes needed for low-income housing development.



EAST
 « 1995/1998 »



WEST
 « 1995/1998 »



Case Study: Bloomingdale Corridor

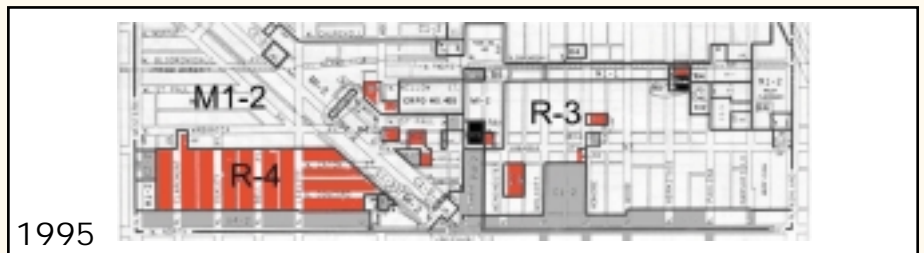
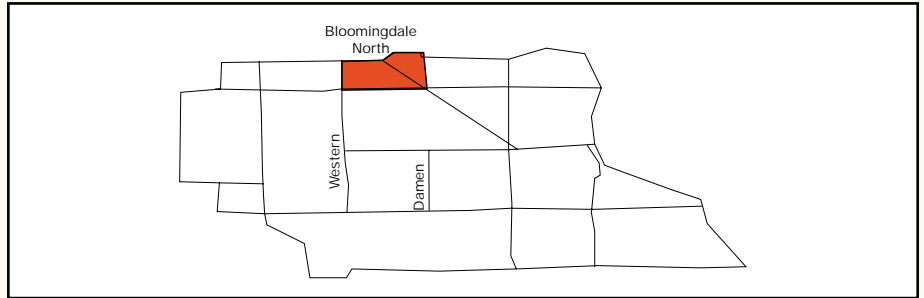
Once a predominantly manufacturing neighborhood, area re-zoning and spot re-zoning has transformed the Bloomingdale Corridor into a high-density residential neighborhood. (see maps to the right)

Though re-zoning started in the early 1990s, much of the high profile conversions occurred after 1996, including the re-zoning of an entire M1-2 area to R-5 between 1996 and 1997.

In 1990, the area had clearly defined zones for manufacturing (M1-2), residential (R-4) and some business (B4-2) along North Avenue.

By 1995, a spattering of residential conversions had begun between Milwaukee Avenue and Damen. However, the area remained primarily manufacturing north of Wabansia and east of Milwaukee.

By 1999, the area's zoning has been significantly changed. Overall, very little manufacturing-zoned space remains in the area east of Milwaukee. What used to be purely manufacturing is now filled with commercial and residential projects. A large chunk of manufacturing in the northwest corner has been re-zoned to residential (R-5). This particular area re-zoning accommodated the conversion and new construction of several loft and condo developments. The Clock Tower Lofts was the first of this series, followed by Pinnacle Lofts, Electric Lofts, St. Paul Lofts, etc.



Zoning Legend

R-3	Manufacturing
R-4	Business/Commercial
R-5	

Case Study: The Clock Tower Lofts

Built in the early 1900s and designed by well-known architect Alfred Alschuler, the building was used primarily by tailors, curtain makers, and fabric companies. The Clock Tower Lofts is now made up of 113 condominiums, which have balconies and new large-scale windows.

When the Clock Tower lofts opened in 1996, the average sale price for a condo was about \$152,500. Four years later, condo prices increased over 55%, with units selling for approximately \$238,300. Some condos were flipped every year with individual owners making significant profits. The following example is based on real buyers and sellers of a unit at the Clock Tower Lofts.

Oct 1996: 1st buyer purchases a unit at \$140,000

Feb 1997: 1st Buyer sells to 2nd buyer for \$156,000

(1st buyer potentially made \$16,000. But if there were listing and selling agent realtors he may have paid about \$7,800 in fees, taking home only \$8,200.)

Aug 1998: 2nd buyer sells to 3rd buyer for \$169,000

(2nd buyer potentially made \$13,000. But with realtors, he may have paid \$8450, taking home only \$4,550.)

Dec 2000: 3rd buyer sells to 4th buyer for \$215,000

(4th buyer makes \$46,000. But realtor fees may have been as high as \$10,750, leaving him with \$35,250).



It is impossible to determine exactly how much a seller profited from each transaction; if the seller did not use a realtor or was a realtor himself, then the fees may have been waived, leading to a higher return on the investment.

The realtor's fees are significant, totalling a possible \$27,000 for one of the 113 units. The more times a unit is bought and sold, the higher the percentage of the increased value that a realtor takes home. Also, this example highlights an important trend over time: each round of investors tends to make more money on speculation, especially if the investor sits on a property and simply waits for it to increase in value.

The Zoning Yo-Yo

Several interviewees point to shifting power dynamics since the re-election of Richard J. Daley as Chicago's Mayor in 1996, a shift that is reflected in the use of zoning as a tool of development by Chicago aldermen in West Town. Simply put, "the Alderman controls the zoning in his ward".³⁶

West Town is currently divided into four wards, shown to the right. These wards have only been in official existence since 1994, after a 3-year court battle over redistricting. While zoning changes in West Town between 1990 and 1995 were sparse, once the new ward boundaries came into effect in 1994 and aldermen were elected to office in 1996, zoning changes began to occur with frequency (see map to the right).

How exactly does the alderman control zoning? Zoning changes in West Town follow what has been called "yo-yo zoning," in that entire residential areas have been downzoned, only to later experience up-zoning for certain development projects. Many interviewees referred to this "zoning yo-yo," which has led to substantial confusion over zoning policy in general.

*People still don't understand it. It's a strange tool that either the city is using or the residents are fighting over. Some preservationists want downzoning, developers want up-zoning, and East Village Association wants both. It's not clear whether the zoning yo-yo is a city policy or an effect of inside battles among residents and developers.*³⁷

In reality, the upzonings and downzonings do follow a pattern. The analogy of a yo-yo is especially pertinent to West Town—first, the alderman throws the yo-yo down as he/she downzones an entire area, usually from R-4 to R-3. Then, the alderman pulls the yo-yo back up, and upzones select properties from R-3 to R-4 or R-5 for larger development projects. So, while it appears that upzoning and downzoning occur simultaneously and without apparent reason, in fact these rezonings adhere to a consistent pattern.

By down zoning an entire area, the alderman expands his/her control over developers whose activities (s)he could not previously oversee. For instance, if the alderman downzones a three-block area from R-4 to R-3, every new owner who wants to build more than one unit on a standard, city-sized property has to go to the alderman for approval.³⁸

If the alderman downzones an area only to upzone it back to its previous state one project at a time, what is the point? In fact, this process allows the alderman to pick and choose the type of development that can proceed. For example, in the Polish Triangle Case Study on page 27 it appears that an area was downzoned in order to prevent two subsidized housing projects from taking place. With the lower zoning, the alderman was not under any obligation to approve an upzoning considered a zoning exception for affordable housing. However, aldermen have also used down zoning to curb excessive building height. Because R-4, until recently, allowed builders to go up to 55 feet in height, some aldermen downzoned in order to prevent these types of buildings from being erected.

³⁶ Interview #2

³⁷ Interview #2

³⁸ Interview #2

With R-4... what is happening is you are getting a duplex (two story condominium), a simplex (one story condominium), and another duplex. This is going 55 feet in the air. And next to somebody's house it is just obscene...R3 is too small; R-4 is too big. So what [we] really need is an R3 and a half. But it does not exist. So [the alderman] downzones everything to R3, then [he/she] has some control on a case-by-case basis... [There are] people building seven story buildings and they have all these overhangs...and they just don't fit the neighborhood³⁹



In an area downzoned to R3 in 1996, the newer building (middle) is a case of upzoning.

Conflict With the Alderman and Lack of Planning in Regard to Zoning

As development occurs, the alderman lands in somewhat of a predicament. On the one hand, long-time residents living in old single-family homes are unhappy with the 5-story building going up next door, and they want the alderman to put a stop to it. When the alderman proposes downzoning to increase control, though, some of these same residents protest. These residents want to control their neighbors' building rights, but at the same time, they want to reserve the right to keep their own zoning potential in order to increase property value should they ever decide to sell.⁴⁰ This zoning conflict brings us back to an important point: each successive round of owners wants to make money on their investment, but the owners don't want any future investors to take any of their share. So, while a group of new condo owners may advocate for a zoning change to allow extra height on their building to provide access to beautiful views of downtown, this same group will vehemently oppose

another new project across the street whose height would block their vistas. In short, they want the rules to apply to everyone except themselves.

All of the 4 West Town Aldermen have used zoning to influence development patterns. But two of the Aldermen have used area re-zoning to substantially change the development in certain parts of West Town.

Some aldermen decide to work exclusively with private developers, but there are plenty of examples of aldermen who have chosen other paths. For example, in the southern portion of West Town, the 27th ward alderman chose to establish a protected manufacturing district (PMD) in order to retain space for manufacturing, while the manufacturing corridors along Grand and Bloomingdale have been re-zoned extensively for residential usage. In the 1st Ward, the Alderman works with four community groups in

order to make decisions on zoning: the Old Wicker Park Committee (OWPC), the Ekhardt Park Community Council (EPCC), the Noble Square Homeowner's Association, and the East Village Association (EVA).

A member of one of these community organizations became involved in order to put a stop to the "horrendous development" patterns evolving in West Town in the early to mid 1990s.⁴¹ Indeed, it appears that quite a few members of these groups are vitally concerned with the aesthetic environment, appearance and conditions of the housing stock in West Town.

³⁹ Interview #6.

⁴⁰ Interview #6.

⁴¹ Interview #4.

Conflict With the Alderman and Lack of Planning in Regard to Zoning *continued*

The East Village Association (EVA) is one such example of a group that has actively worked on residential zoning issues in the 1st Ward. The EVA has been in existence for about 15 years, but according to interviews, it only really got some “political muscle” 3-5 years ago, when relations with local aldermen improved. One of the major committees of the EVA is the zoning committee. Working with both the 1st Ward and 32nd Ward aldermen, the EVA helped initiate a height restriction on R-4 which decreased the maximum height to 38 feet from 55 feet, which has the effect of preventing the top floor of a building from being converted into a duplex.⁴² One interviewee estimated that properties with R-4 zoning fell in value by up to \$25,000 because of this height restriction.⁴³

In general, these community groups claim to have open membership and work through a committee structure. In

some groups, members are eligible to vote once they have been to a certain number of meetings, while others have a tiered-system of voting. But this claim is disputed by some low-income residents who say that they attempted to join one of these groups but were barred under a variety of pretenses.⁴⁴

A developer normally presents a project requiring a zoning change to the local community group, and the community group votes to recommend or oppose the zoning change. In this manner, the alderman claims that he does not make any decisions, but that it is rather the “community” who decides. As noted previously, though, if not all members of the community are actually allowed to actively participate in these organizations, then these groups represent only a segment of the community.

Several of our interviewees said realtors and speculators are dominant in many of these groups. A member of one of these groups complained that the alderman does not always follow their recommendation. It becomes clear that while community groups carry influence, the alderman ultimately retains full control over zoning.

Some of the members of these groups are also frustrated with gentrification. Within these organizations, some recognize the danger of investors who simply buy a property to speculate and have no intention of making a long-term commitment to the community, but only want to turn over the property for profits. These residents point to the lack of family-size condominiums that could accommodate couples as they decide to raise children; instead, these couples are likely to move out of the community to the suburbs once they decide to have children.

Continued Opposition and Conflict

Throughout the 1990s, the development of low and moderate-income housing faced increased opposition. As the number of middle and upper income households and real estate players grew, they organized themselves into an increasing number of property owner associations. These organizations’ main mission was to protect their investment and improve the neighborhood. Consequently, they started going after buildings with code violations, vacant buildings, “illegal” activities and other “eye sores” in or near their areas of redevelopment.⁴⁵ Some members of the property associations claim they made efforts to come together and share the community. However, as the following

statement demonstrates there often was an underlying racism and lack of understanding and tolerance for the Latino and Black residents of the community.

“We tried to reach out to the Blacks and Latinos but it did not work. They felt uncomfortable. For some psychological reason they don’t stick it out. For the last 10 or 15 years, we wanted to make Wicker Park a community. We have a community of cultures, not just white but rehabbers, tenants, students and artists.”⁴⁶

When West Town was targeted by the Habitat Company, the receiver of the Chicago Housing Authority’s (CHA) for its scattered site public housing program,

the fight against low-income housing development in the area intensified. Habitat purchased numerous vacant sites (many of which were city-owned) within West Town to develop 634 units of senior housing and 485 townhouse units for families. The building of public housing units in the area was opposed by many of the property owners associations. While claiming that they want the diversity of West Town, many of the property owners associations argue that West Town has too much low-income housing and that low income housing and organizations like BRC are no longer needed in the community. This sentiment came to a head over a 30-unit housing co-op development sponsored by the Erie Settlement House in partnership with BRC.

⁴² Interview #3, 4, 10

⁴³ Interview #3

⁴⁴ Lyderson, Kari, “To Build or Not to Build,” *Chicago Reader*, February 5, 1999, Section One.

⁴⁵ Illegal activities mentioned include subdivisions, overcrowding, illegal garden and attic apartments, drinking in public, working out of garages, kids playing in alleys and streets and street vending.

⁴⁶ Interview #12

The Erie Co-op

The Erie Settlement House is a social service agency which has been operating in West Town since the turn of the century. Erie House organized a group of residents interested in working together to develop a limited equity scattered site co-op development. It was initially planned for 40 units on scattered sites throughout West Town. Erie House worked with BRC to develop the co-op proposal. This proposal was receiving some resistance from new investors and homeowners in the area. Consequently, in 1995, the alderman chose to put the Erie Co-op proposal up for a referendum vote. The referendum passed with 56% of the vote despite many of the property associations opposing it.

After the passage of the referendum, however, property owner associations, particularly the Eckart Park Community Council, continued to oppose the cooperative development because they felt it was really a rental instead of an ownership structure. In addition, the local alderman who had supported the referendum felt that the co-op had been a “bait and switch”, and withdrew his support.⁴⁷ The alderman said that the co-op had been presented to him as a home ownership project when it was actually a rental project. Erie House organizers argued that it was a cooperative ownership structure but because they needed additional financing for the project through low income tax credits the cooperative would not be fully operational for 15 years.⁴⁸

The difference of opinion over whether the co-op could be categorized as a home ownership versus a rental project was an issue. But as the controversy grew around the development of the Erie Co-op, attitudes toward low-income housing and the participation of BRC in the project also became an issue. BRC’s rental properties in the area were described as the “Nexus of pathologies that concern the whole neighborhood.”⁴⁹

“We have concerns that no more low-income housing be dumped in West Town.”⁵⁰

Once the alderman withdrew his support for the Erie Co-op, the city’s Department of Housing would not commit the necessary public financing for the project.⁵¹ Despite letter writing campaigns, demonstrations and two more submittals (1997 and 1999) to the city for the project’s approval, the alderman refused to support the project.

In July 1998, in response to a BRC organized protest regarding the co-op and the overall need for affordable housing in West Town, the alderman released a statement to the press, stating that “The First Ward has gone above and beyond their responsibility with regard to affordable and low income housing.”⁵² In this same press release the alderman questioned the “security for Bickerdike Redevelopment properties” and listed a number of arrests, which had been made at BRC properties. In addition, the alderman attached a memo from one of the CAPS (Community Alternative Policy

Strategy) Beat Facilitators, which accused BRC of having units, which are “gang and drug infested” and further, stated “the killing of a 7 year old was partly the results of Bickerdike’s non-caring attitude.”

BRC board and staff responded swiftly to these allegations with their own press release disputing the allegations in the alderman’s press release and the attached CAPS memo. The BRC board and staff filed a formal complaint against the CAPS facilitator for “disseminating libelous information about the Bickerdike Redevelopment Corporation, our security operations, and our human resource practices.”⁵³ They called for his termination as the CAPS Beat Facilitator. In March 1999, he was removed from this position.

In December 1998, the BRC Board filed a legal suit against the alderman for false and defamatory statements against the BRC’s reputation and integrity.⁵⁴ Three years later, this lawsuit was resolved when the alderman made a public apology to BRC in a statement published as a full-page ad in multiple local newspapers. BRC, then, filed a motion to dismiss the defamation lawsuit as a result of this action.⁵⁵

To protect its reputation and affordable housing mission, it was necessary for BRC to fight back and win these concessions from the alderman and CAPS program. Regarding the future of the co-op development, BRC still owns the land where the co-op units would have been built. In 2001, BRC submitted a new co-op proposal to the state for tax credit funding.

⁴⁷ Joravsky, Ben, “Bait and Switch: West Town residents voting for an attractive proposal get less than they bargained for”, *Chicago Reader*, July 26, 1996.

⁴⁸ Ibid.

⁴⁹ Boonroueng, Nikit, “Erie Coop Faces Opposition,” *Extra*, April 10, 1997.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Press Release, July 27, 1998, Alderman Jesse D. Granato. All the quotes in this paragraph are from the press release.

⁵³ Press Release, August 21, 1998, Bickerdike Redevelopment Corporation.

⁵⁴ Complaint of Law, case 98L13977, Circuit Court of Cook County, Illinois, Bickerdike Redevelopment Corporation, Plaintiff, vs. Jesse D. Granato, Defendant. December 4, 1998.

⁵⁵ Rotzoll, Brenda W., “Alderman Apologizes to Settle Lawsuit,” *Chicago Sun-Times*, May 4, 2001.

Conflict Intensifies

The political opposition to the Erie Co-op and the attacks on BRC demonstrate the intense conflict and pressure that can be put on community development corporations that own and manage low-income rental housing in a gentrifying area. Throughout 1999 the BRC staff documented a series of events, which they felt were politically motivated harassment from city inspectors related to their buildings. To try to end these incidents, BRC filed a formal request for an investigation with the United States Attorney's office and the Federal Bureau of Investigation (FBI), and a formal complaint to the City Commissioner of Buildings, and the City of Chicago's Office of the Inspector General.⁵⁶

The event that intensified these on-going conflicts and further galvanized the BRC board and staff was the arrest of one of BRC's property managers by the City police for criminal housing management. This is a misdemeanor punishable up to a year in jail or a \$1,000 fine.

In June 1999, a BRC property manager thought he was going to a meeting with local police to brief them on progress he had made getting problem tenants out of a BRC recently acquired building. Instead, the police arrested the property manager, charged him, and held him in detention until his wife bailed him out later that night. This BRC building had been purchased with the assistance of the City's Department of Housing so that BRC could rehabilitate this building. According to then Acting Housing Commissioner Jack Markowski, "There is no question that [BRC] did not run this building down, but the police chief did not think they had been responding [to police concerns]."⁵⁷ Several other community development corporations in the city came to BRC's defense because, as one CDC director said, "It makes us terribly nervous and concerned, because most of us in the non-profit world are struggling with the most difficult buildings in the most difficult neighborhoods."⁵⁸

In August 1999, the City prosecutors dropped the charges against the property manager. As a result of this incident, the City's chief of staff formed a task force with representatives of the police, housing and building departments and BRC and other developers to discuss this incident and to avoid its repeat. One of the citywide newspapers called for a public apology from the police to BRC and its property manager. The editorial commentary stated, "It was ridiculous for police to charge the property manager of a crime-infested building with criminal housing management when he tried to report progress in fighting the building's problems."⁵⁹

Humboldt Park Redevelopment Plan

In 1998 and 1999, the City's Department of Planning and Development was working with a coalition of neighborhood groups to create a redevelopment plan for the western portion of the community. The City of Chicago's Department of Planning and Development worked with more than 80 community groups under the umbrella of the Humboldt Park Empowerment Partnership (which included BRC) to create a redevelopment plan for an 689 acre area that includes the western portion of West Town from Western Avenue to California Avenue. The existence and future development of low-income rental housing in this part of

West Town was an issue during this planning process. Many felt the concentration of low-income housing in this area brought down property values.

The plan, completed in January 1999, declares this area "slum and blighted" because, among other things, it does not "generate a proper share of tax revenues, housing opportunities, or employment commensurate with the capacity of the area."⁶⁰ The redevelopment plan sets as two of its general goals, to "increase home ownership opportunities for current residents of the community" and "to establish a coordinated, sensible strategy

for developing assisted/subsidized housing in the community, as there is a significant concentration of such housing in the area."⁶¹ This planning effort puts an emphasis on home ownership and casts a shadow on the existing assisted rental housing in the area painting it as one of the causes of the "slum and blight." Even progressive Latino leaders from the community are unclear about the development of assisted rental housing in West Town. One Latino leader openly expressed his opposition to it because it will "trigger a cycle of community destruction that begins with sinking property values."⁶²

⁵⁶ "Summary of Incidents of Harassment Against Bickerdike Redevelopment Corporation," Bickerdike Redevelopment Corporation memo, undated, and "Bickerdike calls for FBI Investigation," *LaRaza*, English edition, May 20 To 26, 1999.

⁵⁷ Pallasch, Adam, "Rehabbers say city, cops set them up," *Chicago Sun-Times*, June 23, 1999.

⁵⁸ *Ibid.*

⁵⁹ "Apology in Order," Commentary, *Chicago Sun-Times*, August 25, 1999.

⁶⁰ City of Chicago Department of Planning and Development, "Humboldt Park Redevelopment Plan," January 12, 1999.

⁶¹ *Ibid.*

⁶² "West Town Forum: Latinos, Artist and Gentrification," *Extra*, January 27, 1994

Commercial Development

An interesting aspect of gentrification in West Town has been the difficulty to develop a solid retail sector catering to gentrifiers. Many storefronts sit vacant or have been replaced by residential space. Certainly, the presence of businesses catering to gentrifiers increased significantly in the 1990s, but they often operate next door to traditional businesses serving the older ethnic white and Latino residents in the neighborhood.

In 1995, Latino businesses reinforced their presence on the Division Street commercial strip by erecting a 40-ton sculpture of the Puerto Rican flag over the street.⁶³ More recently, in 2000, the Division Street Business Development Association and the Near Northwest Neighborhood Network (NNNN) commissioned a study of the feasibility of a

Puerto Rican cultural and restaurant district. Meanwhile, two Tax Increment Financing (TIF) districts are proposed for areas within Humboldt Park and West Town. One of these districts will include the retail strip of North Avenue and Division Street. Community groups supporting these efforts are trying to preserve the existing businesses, particularly the Latino businesses, in the area. To the extent that retail redevelopment is considered the last stage of gentrification, we might argue that these efforts could add to the gentrification process. At the same time, however, the explosion of retail in the adjacent areas of Near North and Lincoln Park communities to the east of West Town make redevelopment of its multiple retail strips a challenge.

More than anything, these recent efforts to use TIFs to revitalize the commercial areas and the redevelopment plan for the area around Humboldt Park highlight the difficulties of community groups and local leaders trying to improve and preserve the neighborhood for existing businesses and residents while the area is undergoing rapid redevelopment and gentrification.

⁶³ "Puerto Rican flag unveiled on Division Street," *Lawndale News*, January 12, 1995.

Conclusion

The story of West Town presents an increasingly polarized and contested community. On the one hand, pioneering real estate investors capitalized on the artist settlement and disinvested mansions in Wicker Park to initiate a rebirth of West Town as an up-and-coming opportunity for adventurous investors. The investors would later pave the way for young urban professionals seeking a trendy, less expensive alternative to Lincoln Park with access to the Loop. Public policies and actions at the local and national level have encouraged this renewed reinvestment and interest in inner city neighborhoods. In addition, changes in the financing of real estate have increased access to capital for both developers and households seeking mortgages, which has greatly accelerated the gentrification process.

On the other hand is the struggle of low-income Latino and African Americans who were displaced from Lincoln Park and Old Town during its phase of urban renewal in the 1960s and 1970s. They have been determined to avoid continued displacement and Puerto Rican nationalism has played a major role in the development of a new identity for West Town as a Latino community. CDC's and other neighborhood groups organized for the creation of affordable housing, and BRC and other organizations were seen as leaders of redevelopment efforts directed by the low-income residents. Affordable housing and community organizing were viewed as a reflection of the community's abilities and efforts to improve local conditions. Currently, BRC and other groups representing or working with low-income residents are feeling increased pressure and scrutiny on their existing housing developments by local politicians, residents and property owner associations. The associations, particularly, have continually opposed affordable housing projects over the last 40 years; these efforts have resulted in increased property prices which are forcing low-income residents to move further west.

Gentrification has been played out in racial terms. However, it would be more accurate to recognize that the strong overlap between race and class turned this process in to a combined class-race conflict. Conflicts have affected relations between members of the same class and same ethnic or racial group. Over the years, the conflict has assumed several forms:

- conflict between working class European ethnic groups and incoming Latino and Black minorities;
- conflict between "urban pioneers" and Latino and Black minorities;
- conflict between members of the same class of gentrifiers but of different racial backgrounds.
- conflict between Latino and Black homeowners and lower income Latino and Black households who are primarily renters.

The first process expressed itself initially in the conflict between incoming African-American residents of the Noble Square urban renewal project as well as in the organized resistance of European ethnic residents to the incoming Latinos and Blacks. Interestingly enough, European ethnics were able to maintain, throughout the years and up to today, a strong enclave in West Town's central south portion known as Ukrainian Village. Although NCO, the umbrella organization established in the 1960s to stabilize the area, worked to facilitate integration, racial conflict continued.

The eventual demise of NCO at the end of the 1980s resulted in the proliferation of many homeowners associations and organizations like BRC, LUCHA and others with their own, often contending agendas. In spite of multiple examples of cooperation, ethnic and racial separation has prevailed and continues to exist today.

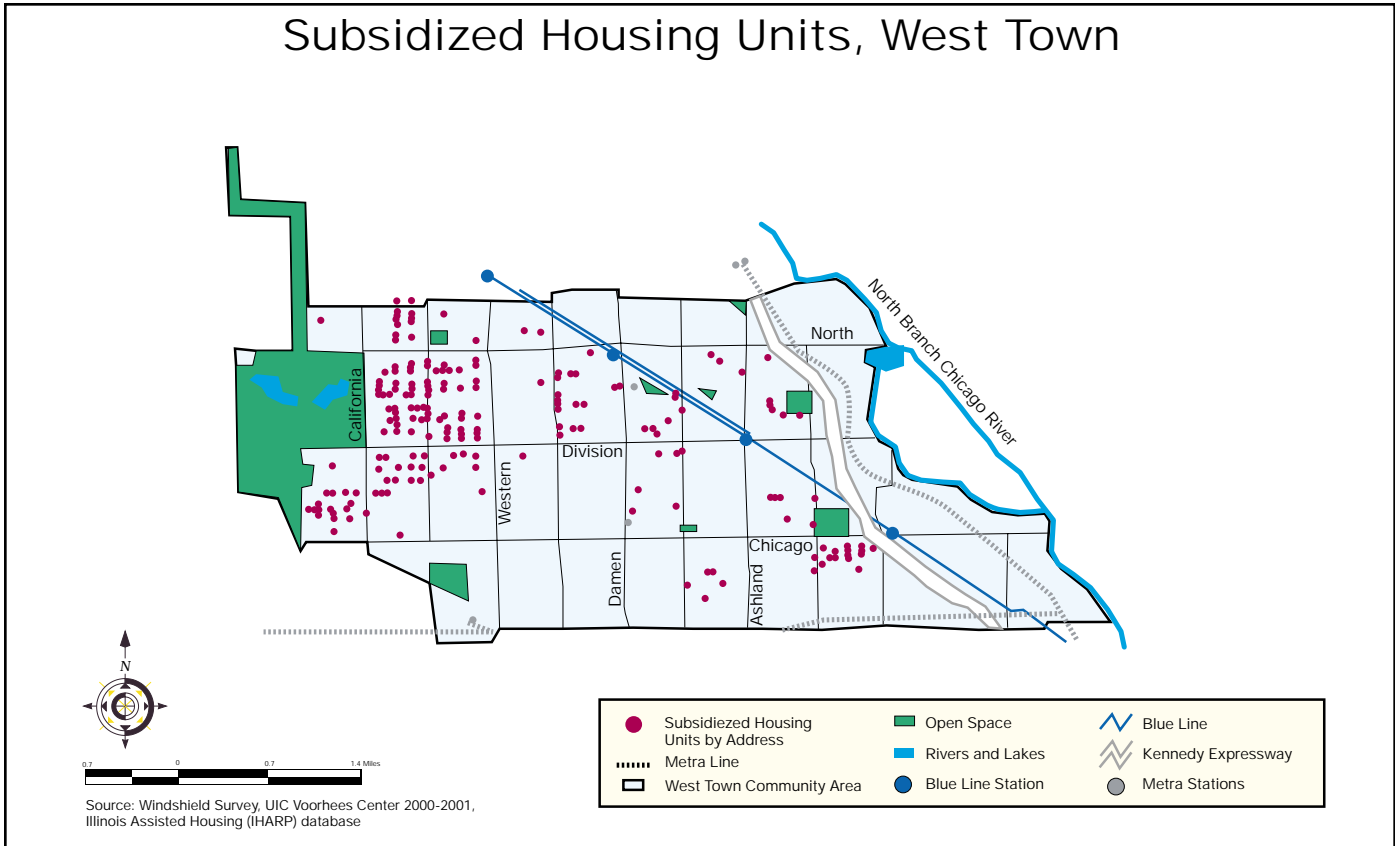
Quite often representatives of the forces of gentrification explained their actions in racial terms—it is not that they are taking the area away from a group but that they are doing some type of recovery and civilizing of the area that deserves a better group and a better treatment. They talked about saving the area from (minority) low-income residents; they described their culture with negative connotations; they resented the nationalism of organizations representing them and, generally, accused such organizations of protecting drug pushers and of promoting concentrations of poverty/social degradation. This type of language can be a code for racial hostility. Similarly, they claim that Latinos did not welcome them in the neighborhood, allegedly because they were whites—rather than for reasons of displacement and racial exclusion. Not only the lower income Latinos and Black but also the middle class Latinos and Blacks point to racial hostility on the part of white new-comers. In reaction to this, in the same way that European ethnic groups retained a closely-knit concentration in Ukrainian Village, some Puerto Rican leaders are envisioning a Puerto Rican enclave within West Town as the only way to assure the presence in the community. According to some of our interviewees, the Humboldt Park Redevelopment Area and the Paseo Boricua are meant to facilitate this process. In these ways, gentrification has intensified antagonistic feelings between races, ethnic groups and classes within an ethnic or racial group.

I don't know if they are called pioneers or homesteaders or whatever but they were on the fringe when they started reclaiming these neighborhoods, which is wonderful. Now as it happened with this westward expansion...you had the townspeople coming in that were more civilized.

Interview #6

Conclusion continued

Subsidized Housing Units, West Town



However, while the 2000 census indicates that there are still 47% Latinos, 9% African-Americans, and 40% non-Hispanic white in West Town, these numbers represent a loss in West Town's diversity—the number of Latinos fell dramatically while the number of non-Hispanic whites rose significantly. This population shift is especially important because of its connection to the makeup of household incomes of West Town residents. Home loan data indicates that Latinos purchase significantly less expensive homes than whites. In 1998, for example, the average mortgage taken out by Latinos was for \$141,000, while for whites the average mortgage was for \$188,000. With home prices having increased 83% over the last 10 years, many Latinos are being priced out of West Town. Consequently, the loss in diversity can only be expected to worsen

without further intervention, especially in light of the increase in newly constructed and thus more expensive condominiums, lofts, and single-family homes in West Town over the last five years. These figures do not include the impact on renters, the majority of which are minority. Affordable rental housing provides stable occupancy for low-income residents, including a vast number of minorities. The income range of these residents generally is below \$20,000, which prevents them from being able to become homeowners at West Town prices. According to public records and our windshield survey, West Town has 2,894 government-assisted rental units. This includes: 634 public housing units designated for seniors, 468 family public housing scattered site units, and another 1,792 units owned and managed by BRC and other not for

profit community developers (see map on page 40). This represents only 7.4% of the total number of housing units.⁶⁵ As housing prices continue to increase, it seems likely that the numbers of Latinos and African-Americans will continue to decrease. Consequently, subsidized rental housing represents the most important stabilizing factor in preserving the income and racial diversity of West Town given the current housing market trends. According to the recently released 2000 census, the occupied rental housing units in West Town dropped from 77% of the occupied units in 1990 to 71% in 2000.⁶⁶

⁶⁵ Illinois Assisted Housing Database, 2001, for the number of assisted housing units and total housing units for West Town (39,251) in 2000 census, U.S. Department of Commerce.

⁶⁶ 2000 census, U.S. Department of Commerce.

Conclusion *continued*

While the need for subsidized housing is recognized to maintain the income and racial diversity, so too is the concern that subsidized housing might negatively impact the neighborhoods in which these developments are located. A small body of research provides evidence that not only contradicts this viewpoint, but also suggests that such developments can have a positive impact in many cases, particularly if the neighborhood is lower-income and if the development is completed by community based organizations such as BRC and LUCHA. For example Goetz, Lam and Heitlinger found that subsidized developments completed by CDCs in Minneapolis 1) enhanced property values on average, 2) reduced criminal activity as evidenced by an average number of crime calls to buildings that CDCs had rehabbed, and 3) was generally a good fit to the neighborhood based on demand for affordable rental housing and characteristics of the population.⁶⁷ Along similar lines, a recent study of subsidized housing by The Urban Institute found that generally speaking: 1) it had a positive effect on house prices and 2) there was no real difference in the rates of reporting disorderly conduct when compared to other neighborhoods.⁶⁸

Despite what might appear to be good evidence that subsidized housing produced by community based organizations will most likely not negatively impact neighborhoods, there is still ample evidence from our interviews that West Town residents are not convinced. At one end of the spectrum are people who oppose development projects for low-income people because they fear racial and income diversity and negative impacts like increased crime and decreased housing values, a phenomenon known as Not In My Backyard (NIMBYism). On the other end, there is a concern currently in Chicago that affordable housing development and other publicly financed improvements may be a catalyst for positive change, but can also lead to gentrification and the displacement of the current residents.

Despite the conflicts, the one factor that many residents tend to agree with is the notion of diversity. Many seem to celebrate the mix of races, ethnicities and incomes in West Town. Several interviewees who were part of the influx of white professionals suggested that they came to West Town not only because it was less expensive than Lincoln Park, but also because it was different from Lincoln Park. Specifically, West Town has had a more bohemian image and a wider variety of people, all of which makes West Town a more exciting and interesting place to live.

As we have presented in this report, the diversity engendered by this mix of socio-economic backgrounds is being endangered by private market forces, reinforced by local political decisions and policies. In order to continue the fight to maintain West Town as a mixed-income and diverse community, there is a need for interventions and strategies to balance out the effects of increasing property prices and the tendency toward home ownership at the expense of a mix of housing choices that includes affordable rental units.

⁶⁷ Goetz, Edward, Hin Kin Lam, and Anne Heitlinger. 1996. "There Goes the Neighborhood? The Impact of Subsidized Multiple Family Housing on Urban Neighborhoods." Center for Urban and Regional Affairs and Neighborhood Planning for Community Revitalization, Minneapolis, Minnesota.

⁶⁸ The Urban Institute. 2000. "The Impacts of Supportive Housing on Neighborhoods and Neighbors." Prepared for the U.S. Department of Housing and Urban Development

Strategies for the Future

After reviewing this history of conflict over the future of West Town, the following strategies are recommended to maintain and further develop the neighborhood as

an affordable place to live for lower and moderate-income residents. Clearly, the market is taking care of the middle and upper income households who want to

live in West Town. Collective action and public policies are needed to ensure there is space for the low and moderate-income households.

1. Increase government resources for affordable rental housing programs

Despite the shortage of affordable rental housing in West Town, the city of Chicago and nationally, the federal government has drastically reduced its commitment and resources to rental housing programs. It is over ten years now since the project based Section 8 Program has been effectively scrapped. The units produced by this program years ago are now at risk of being lost because of expiring contracts. In addition, units produced under the 1986 tax credit program are also coming of age and many are at risk of being lost as their terms expire. Rental public housing units are already being dramatically scaled down; Chicago alone is losing about 40% of its public housing stock. Many rental buildings serving low-income communities are also being lost through gentrification and condo conversions catering to higher income groups and resulting in the displacement of low-income households. The affordable housing crisis is therefore real in the face of actual and imminent reduction in the existing rental housing stock with no meaningful program or policy to make up for the loss. While scattered initiatives to promote local responses are important, these efforts are no substitute to confronting the larger issues of getting the federal government to meaningfully engage in addressing the affordable housing crisis.

BRC should play a leading role in the effort to put affordable rental housing back on the federal agenda. Legislation is pending in Congress to create The National Housing

Trust Fund. It is the goal of this legislation to build and preserve 1.5 million units of rental housing for the lowest income families over the next 10 years. The National Housing Trust Fund would be capitalized by excess FHA and Ginnie Mae revenues and other sources as needed. There is a national campaign that BRC and other Chicago housing groups can join to work towards having this legislation passed by Congress in the next year.

This, however, is only a first step in the fight to elevate the affordable housing agenda back to the federal level. Other programs no less significant than the project based supply program of the 1970's have to be put in place if the affordable housing crisis is to be reversed. It is important to note that the HUD budget has been cut five fold between the early 1970's to 1997 (from \$85 billion to \$16 billion) resulting in the creation of no units in 1997 from the height of adding 400,000 units of housing annually in the 1970's. We are at a time now when no units are not only being added, but when existing affordable units are being lost.

2. Continue to develop assisted low income and moderate-income rental and ownership housing to counteract the trends in the private market.

To counteract the private market trends that are displacing many lower and moderate-income renters and homeowners, BRC and other CDCs should continue to develop rental assisted and assisted low income ownership developments in the West Town area. Using 20% of the total housing units (39,251) as a

goal for the number of affordable housing units, there is a need for as many as 4,956 affordable renter and owner occupied housing units to maintain West Town as a mixed income area. Looking only at total 2000 census rental units (25,107), an additional 2,000 affordable rental units are needed to reach the 20% goal. These units could be developed directly by the existing CDCs in West Town. Some of these units could also be developed as part of an inclusionary zoning ordinance, as discussed below.

3. Preserve and maintain existing assisted rental-housing units in West Town.

Assisted rental units (2,894 units) represent 7.4% of the housing units in West Town. These units are essential to maintain West Town as an affordable and mixed income community. The existing units should be preserved and maintained as important assets in the community. For this reason, every effort should be made to keep these buildings in excellent condition through proper reserves in the operating budgets for these developments. In addition, the management of these buildings needs to give special attention to tenant involvement and supportive services for tenants when necessary.

Strategies for the Future *continued*

4. Advocate for inclusionary zoning as part of city-wide zoning reform

Inclusionary zoning is a mechanism that requires developers to include a certain percentage of affordable units in residential developments they undertake. The goal in most cases is to accomplish socio-economic integration of housing in the same development. It is also a way of ensuring the development of affordable units in an otherwise upscale market. Inclusionary zoning is a legitimate vehicle to promote affordable housing and socio-economic integration as long as it does not jeopardize the interest of the developer to derive a reasonable return. A number of jurisdictions—Montgomery County, Maryland; Boulder, Colorado; Santa Fe, New Mexico—utilize this vehicle to accomplish affordable housing goals.

Since there is such a large volume of new construction in West Town (see map on page 18), BRC should also consider working on an inclusionary zoning ordinance for the city using West Town as one of the first areas to implement such an ordinance.

5. Maintain strong base of support for CDC efforts in West Town

In its recent victories in receiving a public apology from one of the West Town aldermen, concessions from the Community Alternative Policing program (CAPS), and the dropping of criminal mismanagement charge against one of its property managers, BRC has shown the importance and need for a strong base of support to fight back against real estate and other political interests. A lot is at stake for both sides of the gentrification battle. For BRC and its supporters, it means maintaining some space in West Town that is affordable to households making lower and moderate-incomes, many of whom are also African-American and Latinos. For the realtors

and other investors, it means increased property prices, profits and higher returns on their investment.

Because of the continuing conflict and the high stakes involved on both sides, as shown in the history of West Town and the more recent events mentioned above, BRC needs to be ever vigilant in its efforts to maintain and build its base of support in the community. Based on our interviews, there is support for BRC and the efforts of other West Town groups to maintain West Town as an integrated and mixed income community.

BRC might consider doing more outreach to property owners and creating an organization or support committee of property owners and tenants. This would create a place where homeowners and renters could come together to discuss community issues and work together on resolving conflicts. This group could work on issues related to police and safety issues, housing court, and promote rental and homeownership education programs.

BRC staff should also consider developing an education outreach program to inform the public on the impact of gentrification and lack of public resources for affordable housing on low-income households and communities as well as on the fabric of society. This effort would expand and galvanize the constituency for social justice in order to impact public policy and expand resources for the provision of affordable housing to all.

6. Promote Local and Citywide Zoning Reform

BRC should work locally and citywide to develop more citizen participation in zoning reform. Models of citizen zoning or planning boards should be considered as a citywide program. The purpose of such local boards is to increase citizen participation at the local level, improve communication between elected officials and citizens, improve city services and provide an arena for the development of new leadership. At least 20 cities nationwide have established neighborhood-planning boards by city charter or ordinance.⁶⁴ Planning boards are either appointed by the mayor or locally elected officials; the more democratic models are actually elected directly by residents. A direct election model similar to the Chicago Board of Education local school council elections is recommended.

While we found that several of the aldermen in West Town consult with community groups on zoning issues and changes, this consultation is advisory and is often ignored. The establishment of citizen zoning and planning boards for each ward would open up the process of zoning changes and other planning decisions to more public scrutiny.

Another option is to make zoning changes a city business transaction. Zoning changes would become an administrative task of the city's Department of Planning and Development with little or no aldermanic participation. More research is needed on this idea but the purpose would be to disconnect zoning changes from developer influence and campaign contributions to local officials.

⁶⁴ UIC Center for Urban Economic Development, "Neighborhood Board Discussion Paper for Grand Boulevard Community Development Corporation", Project #199, 1984.

Strategies for the Future *continued*

7. Use Humboldt Park Redevelopment Plan as a vehicle for affordable housing

The western portion of West Town targeted for redevelopment in the Humboldt Park Redevelopment Plan is still affordable to many of the existing West Town households. BRC and other groups in West Town committed to maintaining its mix of income and racial groups should closely monitor the redevelopment plan and implementation. This process could produce new mechanisms to ensure the diversity and affordability of the area. New mechanisms could include a land trust to control property prices while promoting home ownership, affordable rental housing and cooperative and condominium development for low and moderate-income households.

8. Property Tax Relief

BRC and other groups in West Town should support the Chicago Rehab Network's proposal to expand the senior Circuit Breaker Program to cover all income-eligible households. The expanded property tax circuit breaker is based on a ratio between income and amount of tax. This would mean a property owner who makes less than \$35,000 (depending on family size) should not pay more than 3.5% of her income for property taxes. The person must be an Illinois resident living in the property subject to the tax.

Also, BRC should support the County Assessor's recommendation to reduce the Class 3 property tax rate from 33% to 26%. Class 3 properties include all rental properties of seven units or more; these properties are presently assessed at 33%. By comparison, single-family homes—Class 2 properties—are assessed at 16% of their assessed valuation. It is hoped that this reduction in the tax rate will alleviate one of the barriers to the development of rental housing.

Finally, it is recommended that BRC support the expansion of Class 9 to all areas of Cook County. Class 9 provides a reduction in the assessment of rental properties to 16% that involve substantial rehabilitation or new construction, and where at least 35% of the units have affordable rents. It is currently limited to 1990 census tracts that have majority low and moderate-income households. With the new 2000 census, it is anticipated that West Town and other gentrifying areas will not be eligible for this program. This will discourage the maintenance and preservation of affordable housing in these areas. The expansion of Class 9 will enable communities like West Town to continue to try to maintain a mix of housing affordable to low and moderate income households.

Bibliography

Books

- Beauregard, Robert A. Editor, Economic Restructuring and Political Response, Beverly Hills: Sage Publications, 1988.
- Berry, Brian J.L. "Islands of Renewal in Seas of Decay." The New Urban Reality. Ed. P. Paterson. Washington D.C: Brookings Institute, 1985.
- Padilla, Felix, M. Puerto Rican Chicago. Notre Dame: University of Notre Dame Press, 1987.
- Smith, Neil. The New Urban Frontier: Gentrification and the Revanchist City. London, New York: Routledge, 1996.

Maps

- Chicago 21 Plan, A Plan for the Central Area Communities. Chicago Central Area Committee, 1973.
- Map of the Wards of the City of Chicago. 1991. www.ci.chi.il.us
- Map of the Wards of the City of Chicago. Redistributive Ordinance Adopted by the City Council, November 30, 1981. Amended by Federal Court Orders, Northern District of Illinois on December 12, 1982; January 6, 1983; January 17, 1983. Issued by Board of Election Commissioners of the City of Chicago, Room 308, City Hall, Chicago, Illinois 60602. University of Illinois at Chicago Map Library.
- Map of the Wards of City of Chicago and of the Municipalities under the Jurisdiction of the Board of Election Commissioners. September 28, 1961. Issued by Board of Election Commissioners, September 28, 1961; October 15, 1963; April 11, 1966; July 15, 1969. University of Illinois at Chicago Map Library.
- Ward Map of Chicago, City of Chicago. Department of Development and Planning, May 1975. University of Illinois at Chicago Map Library.

Major Newspaper and Magazine Articles

- "Apology in Order," Commentary, **Chicago Sun-Times**, August 25, 1999.
- "Arson on the West Side." **Chicago Tribune** 4 June 1978.
- Aruguete, Joy. Letter. **Extra** 21 March 1996.
- Boonroueng, Nikit. "Erie Co-op Faces Opposition." **Extra** 10 April 1997.
- "Deborah's Place Loses Zoning Bid." **Extra** 7 August 1993.
- "Erie Co-op Faces Opposition." **Extra** 4 April 1997.
- "Fire Fighters." **Chicago Reader** 9 September 1977.
- Frago, Charles. "What's a Little Money Between Friends: The Selling of West Town?" **Streetwise** [Chicago] 16-31 July 1997.
- Frago, Charles. "Development, displacement and corruption in West Town." **Streetwise** 16-30 June 1997.
- Garza, Melita Marie. "Group Fears Loss of Affordable Rental Units." **Chicago Tribune** 17 March 2000.
- "Granato Decides Against Cooperative." **Streetwise** 16-20 April 1997.
- "Granato decides against Co-op." **Streetwise**, April 16-20, 1997.
- "HPEP meeting." **Extra** 14 September 1995, 1 November 1995.
- Huebner, Jeff. "Full Nelson." **Chicago Reader** 20 November 1998.
- Joravksy, Ben. "Bait and Switch: West Town residents voting for an attractive proposal get less than they bargained for." **Chicago Reader** 26 July 1996.
- Leroux, C and Worthington R. "Arson: The fears still flicker long after the flames are out" **Chicago Tribune** 5 June 1978.
- Lydersen, Kari. "To Build or Not to Build." **Chicago Reader** 5 February 1999.
- Mabley, Jack. **Chicago Tribune** 12 June 1975.
- Mabley, Jack. "Park Area Falls Victim to Arsonists." **Chicago Tribune** 13 June 1975.

Bibliography *continued***Major Newspaper and Magazine Articles continued**

- "Milwaukee-Hermitage Streetscape Project" **Extra** 29 September 1994
- Suro, Roberto. "Humboldt Park Puerto Rican Rebellion." **Chicago Tribune** 4 June 1978.
- Suro, Robert. "One Year Later." **Chicago Tribune** 4 June 1978.
- "29 Reject low rent plan." **Chicago Defender** 19 February 1986.
- "West Town Arson Crackdown Vowed." **Chicago Tribune** 29 June 1979.
- "West Town Co-op units on hold." **Extra**. 27 June 1996.
- "West Town Forum: Latinos, Artist and Gentrification." **Extra** 27 January 1994.
- "Wicker Park Home Loan Advice." **Chicago Tribune** 5 October 1978.
- "Wicker Park land grab complaints to be heard." **Sun Times** 12 December 1973.
- "Wicker Park Residents file Lawsuit against HUD." **Tribune** 20 August 1981.

Local Newspaper Articles

- "Ald. Jesse Granato's year of shame review." **West Town Tenants Union** Winter 1998.
- "Angry Voters Go to Polls." **West Town Free Press** April 1999.
- "Daley Breaks Ground for \$7.8 Million Commitment." **American** 19 March 1967.
- "First Starbucks in Wicker Park" **New City** 26 October 2000.
- "How Will Downzoning Threaten Affordable Housing?" **West Town Tenants Union** Winter 1997.
- "Gentrification 101: 'Developer Joe' shows How to turn a fast buck at Wood & Division." **West Town Tenants Union** Fall 1997.
- "Let's Put an End to Ward-Beating!" **West Town Free Press** Election 1999.
- "Mayor Daley Unveils Special Street Project." **Lawndale News** 6 October 1994.
- Montelongo, Susana. "Taxed out of the Neighborhood." **West Town Free Press** Autumn 2000.
- "PMD at Goose Island." **North Loop News** August 2000.
- "Progress Without Process." **West Town Tenants Union** Holiday 1998.
- "Puerto Rican flag unveiled on Division Street." **Lawndale News** 12 January 1995.
- "Pressure by Wicker Park Block Clubs Gets Action From City." **Northwest Herald** 30 September 1981.
- "Puerto Rican flag unveiled on Division Street." **Lawndale News** 12 January 1995.
- "Rehabbers say city, cops set them up," **Chicago Sun-Times**, August 25, 1999.
- "Residents and Merchants Oppose Shopping Center Backed by City" **All Chicago City News** 12 August 1981.
- "UFO Crashes Into 1st Ward Office and Other Myths." **The Union**. Fall 1998.
- "Urban Renewal or Gentrification?" **West Town Free Press** September 1999.
- "Western Civilization." **New Homes** July 2000.
- "Wild, Wild West Town." **West Town Free Press** June 1999.
- "West Town Police Issue Unresolved." **Northwest Herald** 25 February 1981.
- "West Town Police Issue Unresolved." **Northwest Herald** 25 February 1981.
- "Wicker Park First Greening Festival." **All Chicago City News** 25 August 1981.
- "Zoning Changes Promote Upscale Condos." **West Town Tenants Union** Summer 1997.

Bibliography *continued***Journal Articles and other Academic Papers**

- Carr, James H., Ed. "Learning from 'Just Right' Neighborhoods." *Building Blocks*. 1 (2), Winter 2000, Fannie Mae Foundation.
- Giloth, R. and Betancur, J. "Where Downtown Meets the Neighborhood: Industrial Displacement in Chicago 1978-1987." *Journal of the American Planning Association*. Summer (1988).
- Goetz, Edward, Hin Kin Lam, and Anne Heitlinger. "There Goes the Neighborhood? The Impact of Subsidized Multiple Family Housing on Urban Neighborhoods," Center for Urban and Regional Affairs and Neighborhood Planning for Community Revitalization, Minneapolis, Minnesota. 1996.
- Hudspeth, N. "West Town Gentrification Analysis based on 1970, 1980, 1990 Census Data." Prepared as working document for UIC Nathalie P. Voorhees Neighborhood Center, Spring, 2000.
- Lester, Thomas, "Old Economy or New Economy? Economic and Social Change in Chicago's West Town Community Area." Unpublished Paper, UIC Masters of Urban Planning and Policy Program, April 26, 2000.
- Marciniak, Edward. "Reviving An Inner City Community: The Drama of Urban Change in Chicago's East Humboldt Park." Institute of Urban Life 1977.
- Marcuse, P. "Gentrification, Homelessness, and the Work Process: Housing Markets and Labour Markets in the Quartered City." *Housing Studies* 4 (3): 211-220.
- The Urban Institute. "The Impacts of Supportive Housing on Neighborhoods and Neighbors." Prepared for the U.S. Department of Housing and Urban Development. 2000.
- Thinkers and Resources for Promoting Equitable Development. PolicyLink, March 2000.
- University of Illinois Nathalie P. Voorhees Neighborhood Center, "Development Without Displacement Background Paper." Report prepared for Chicago Rehab Network, 1995.
- University of Illinois at Chicago Center for Urban Economic Development, "An Assessment of the Economic Conditions of Humboldt Park and West Town and Options for Economic Development." November 1984.

Zoning Case Studies:

- Hartshorn and Plunkard Architecture. <http://www.hparchitecture.com> Property Search: 2300 W. Wabansia.
Chicago Tribune Homes Section, Transactions. www.chicagotribune.com February 25, 2001.
- Chicago Historical Society.

Data:

- Chicago Zoning Ordinance. 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999 Chicago: Index Publishing Corporation. Municipal Reference Section, Harold Washington Library.
- Home Mortgage Disclosure Act Tabulations for Community Area 24, prepared by Gray Data, Chicago, Illinois, 1993-1998.
- U.S. Census, Department of Commerce, 1970, 1980, 1990, 2000.
- Department of Planning and Development. Permit Data 1993-1998, Demographic Changes 1990-1996.

Other Local Information:

- City of Chicago Department of Planning and Development, "Humboldt Park Redevelopment Plan," January 12, 1999.
- Press Release, July 27, 1998, Alderman Jesse D. Granato.
- Press Release, August 21, 1998, Bickerdike Redevelopment Corporation.

Other Media:

- Bob Villa Show. <http://www.bobvila.com/>

Appendix: West Town Gentrification Analysis (see map on page 14)

West Town was one of the poorer community areas of the city in 1970 and 1980. When ranking census tracts relative to the 11 “gentrification factors” the criteria “above or below the city” was used for 1970 and 1980 as in the analysis of the 1990 data. However, this criteria was often meaningless, because all or all but a few tracts would have lower median income than the city (for instance). Therefore, in some cases the criteria was changed to figure out which tracts in West Town were relatively better off. (But in absolute terms, these tracts were still poor.) However, it is important to keep in mind that a “gentrification factor” in 1970 may still not mean the tract is becoming more middle class; it just means that the tract is better off than many others in West Town. Changes between 1980 and 1990 are more likely to reveal gentrification than changes between 1970 and 1980.

Another point of interest is racial change. West Town was very poor in 1970, but had a much higher percentage of Whites (non-Spanish speaking) than it did in 1990. The assumption that a higher percentage of whites than minorities in the population meant that the tract was wealthier is not always a valid one in looking at the 1970 data.

Finally, the factor “owner occupied housing value” had to be eliminated in the 1970 analysis, because very few tracts had anything listed for this in the census.

The results of the 1980 and 1990 gentrification and anti-gentrification rankings are shown in the attached tables and summarized in “number of gentrification factors” lists.

SUMMARY OF CHANGES:

The Ukrainian Village tracts (2423 and 2424) stayed relatively wealthy and did show much change between 1970 and 1990.

Tracts 2403, 2404, 2412, and 2418 were identified as “gentrifying” in the analysis of 1990 data. These tracts showed significant increases (5 or more) in the number of gentrification factors between 1980 and 1990 and significant decreases in the number of “anti-gentrification” factors. 2405, 2417 and 2428 showed more gradual change toward gentrification.

2403 is remarkable because between 1980 and 1990 it went from 2 to 11 gentrification factors and from 8 to 0 anti-gentrification factors.

2418 is remarkable because between 1980 and 1990 it went from 0 to 8 gentrification factors and from 10 to 1 anti-gentrification factors.

2414, 2415, 2422 were not strongly gentrifying in 1990, but their anti-gentrification factors dropped significantly between 1980 and 1990 and these areas are being redeveloped today.

The tracts that were identified as “anti-gentrifying” in the analysis of 1990 data did not change much between 1980 and 1990.

Appendix: Anti-Gentrification Factors–West Town 1980 Census Data

Highest % Latino & Black Over 50%	Lowest Median Family Income Below City <\$15,000	Highest % Families Below Poverty 30% +	Highest % Children Age 13 or Younger Above City	Highest Population Per Household Above 3	Lowest % White Collar Workers Below 40%	Lowest % Adults with College Education Below City	Lowest Housing Value Owner occ Below City	Lowest Median Contract Rent	Lowest Percent Owner Occupied Below 25%	Highest Female Headed Household
2401	2401	2401	2402	2402	2401	2401	2401	2403	2401	2401
2402	2411	2405	2403	2403	2402	2402	2402	2404	2402	2403
2405	2406	2406	2404	2406	2403	2403	2403	2413	2404	2407
2406	2426	2407	2406	2407	2404	2404	2406	2414	2405	2408
2407	2409	2408	2407	2408	2406	2405	2407	2415	2406	2409
2408	2410	2409	2408	2409	2407	2406	2408	2416	2409	2410
2409	2414	2410	2409	2410	2408	2407	2410	2417	2410	2411
2410	2407	2411	2410	2411	2409	2408	2412	2418	2411	2412
2411	2408	2412	2411	2412	2410	2410	2415	2420	2413	2414
2412	2413	2413	2412	2413	2411	2414	2416	2421	2414	2418
2413	2421	2414	2413	2416	2414	2415	2417	2422	2415	2420
2414	2427	2426	2414	2418	2415	2416	2418	2424	2416	2421
2415	2433	2427	2415	2419	2416	2418	2421	2428	2417	2426
2416	2434		2416	2426	2417	2420	2422	2429	2418	2430
2418	2403		2418	2427	2418	2421	2425	2430	2419	2431
2419	2405		2419	2429	2420	2422	2426	2431	2420	2433
2420	2412		2420	2430	2421	2425	2427	2433	2421	
2421	2415		2422	2431	2422	2426	2430	2435	2422	
2422	2417		2425	2432	2425	2427	2431		2424	
2425	2422		2426	2434	2426	2428	2432		2426	
2426	2430		2427	2436	2427	2429	2434		2427	
2427	2435		2429		2430	2430	2435		2429	
2430	2418		2430		2431	2431	2436		2433	
2431	2420		2432		2432	2432			2434	
2432	2429		2433		2433	2433			2435	
2433	2432		2434		2434	2434			2436	
2434			2435			2435	all below city 47200			

Appendix: Gentrification Factors–West Town 1980 Census Data

Lowest % Latino & Black Over 50%	Highest Median Family Income Above City	Lowest % Families Below Poverty Below City	Highest % Children Age 13 or Younger Below City	Lowest Population Per Household Below 3	Highest % White Collar Workers Over 40%	Highest Adults with College Education Above City	Highest Housing Value Owner occ Above City	Highest Contract Rent Over \$200	Highest Percent Owner Occupied Over 25%	Lowest Female Headed Household Below City
2417	2404	2436	2436	2417	2424	2413	none	2401	2403	2436
2436		2435	2401	2401	2436	2417		2402	2407	2417
2424	\$17,000+	2431	2424	2421	2419	2424	\$35,000+	2405	2408	2402
2428		2424	2417	2424	2423			2406	2423	2404
2429	2424	2428	2423	2423	2435		2424	2407	2425	2424
2423	2436	2425	2428	2404	2405		2413	2408	2428	2423
2403		2423	2405	2405	2412		2414	2409	2430	2415
2404			2421	2422	2429			2410	2431	2434
					2413			2411	2432	2405
	only one above city			2435	2428			2412		2416
				2425				2419		2413
				2414				2423		2425
				2420	none over city=52%			2425		2428
				2415				2426		2429
				2433				2427		2432
				2428				2432		2435
								2434		
								2436		

Appendix: Table of Home Purchase Loans for 1993–1998 by Census Tract

Census Tract	Total Loans	% White	% Latino	% less than 120% of median income (\$80,000)	Total \$ Investment	Average Loan	Rank by TI\$
2405	462	83.3	6	48	69,918,000	151,337	1
2414	325	82.7	7.27	3	65,097,000	200,298	2
2402	229	86	5.6	20	48,053,000	209,838	3
2415	246	80.8	10	73.9	43,722,000	177,731	4
2403	233	66.5	26.1	49.7	43,389,000	186,218	5
2423	147	80.9	11.5	78.9	40,314,000	274,244	6
2422	220	76.8	18.6	39	38,083,000	173,104	7
2435	195	80	4.1	26.1	36,845,000	188,948	8
2404	215	89.7	1.3	43.7	35,358,000	164,455	9
2434	257	80.9	8.9	56.4	32,761,000	127,474	10
2421	184	76.6	15.2	43.4	31,533,000	71,375	11
2413	143	87.4	4.1	69.2	28,538,000	199,566	12
2432	152	68.4	21	38	24,967,000	164,256	13
2430	159	62.2	31.4	73.5	21,215,000	133,427	14
2429	136	71.3	19.8	48.5	20,761,000	152,654	15
2426	170	41.1	48.8	72.3	19,828,000	116,635	16
2431	125	50.4	41.6	60	19,004,000	152,032	17
2411	149	34.8	51	72.4	17,962,000	120,550	18
2433	97	76.2	12.5	38	17,919,000	184,731	19
2420	109	60.5	28.4	79.8	17,891,000	164,137	20
2412	105	73	19	67.6	17,593,000	167,552	21
2416	104	66.3	24	84.6	17,419,000	167,490	22
2428	107	72.8	16.8	55.1	15,230,000	142,336	23
2418	107	89.7	2.8	35.5	14,336,000	133,981	24
2425	102	53.9	39.2	71.5	12,717,000	124,676	25
2424	57	78.9	12.2	36.8	10,972,000	192,491	26
2410	64	41.6	50	73	7,901,000	123,453	27
2436	58	91.3	3.4	65.5	6,738,000	116,172	28
2427	49	22.4	63.2	95.9	5,686,000	116,040	29
2407	51	15.6	76.4	78.4	5,675,000	111,274	30
2406	50	26	70	80	5,669,000	113,380	31
2408	50	16	72	86	5,224,000	104,480	32
2409	42	35.7	47.6	69	5,102,000	121,476	33
2419	36	69.4	2.7	33.3	5,623,000	156,194	34
2401	22	36	31.8	54	4,271,000	194,454	35
2417	11	54	18	72.7	1,606,000	146,000	36
	4968				814,920,000	164,034	
Average		63.3	25.6	58.8			

Appendix: Total Dollar Amount and Average Price of Home Sales in West Town—by Census Tract for 1990–2000 Period

Census	Total \$	Average \$
2401	11,896,217	699,777
2402	55,767,217	306,413
2403	54,374,861	360,098
2404	54,703,186	276,279
2405	124,108,953	256,954
2406	17,030,950	157,694
2407	14,601,394	160,455
2408	11,117,923	129,278
2409	12,411,530	149,537
2410	15,898,508	187,041
2411	40,637,025	153,347
2412	36,629,315	288,420
2413	35,808,915	328,522
2414	105,472,526	322,546
2415	78,955,997	253,878
2416	42,872,516	225,645
2417	4,756,514	198,188
2418	33,197,153	331,972
2419	16,978,579	308,701
2420	43,149,098	222,418
2421	57,472,806	252,074
2422	63,019,877	261,493
2423	67,191,926	294,701
2424	28,733,705	308,965
2425	28,901,826	181,772
2426	46,191,802	152,448
2427	22,183,052	233,506
2428	29,242,473	233,940
2429	51,521,137	320,007
2430	43,931,280	207,223
2431	44,165,806	234,924
2432	95,179,037	403,301
2433	54,189,391	302,734
2434	52,284,756	201,095
2435	61,572,891	222,285
2436	17,035,114	239,931
TOTALS*		
Averages*		234,492

All dollars adjusted to 2000

Source: First American Real Estate Solutions, UIC Voorhees Center

Appendix: Description of the Windshield Survey

The Windshield Survey was conducted over a period of five months, from June to December 2000, in approximately 10 canvassing sessions. The survey's purpose was to track visible changes in residential development in West Town since 1995. Except for one section in East Humboldt Park, every block of the community area of West Town was surveyed.

The Windshield Survey reflects new construction, labeled subsidized housing, and substantially improved housing to the extent that the improvements were visible from the exterior.

The survey tracks construction changes according to three principal categories: number of residential units, type of housing, and the condition of the housing. In some cases, the number of residential units is an estimate. Types of housing include: rental apartments, single-family homes, townhouses, condominiums, vacant land, and lofts. Condition of housing is broken down into: new, rehabilitated, subsidized, and conversion.

The survey was completed by UIC Voorhees Neighborhood staff with Isabel Domeyko taking the lead and attending every canvassing session to ensure data collection consistency. Other participants were John Betancur, Nancy Hudspeth, Matthew Glesne, Nacho Gonzalez, and Cheryl Wilson.

Appendix: Interviews

The Voorhees Center conducted thirteen (13) interviews as an integral component of this study. The purpose of the interviews was to understand and document the process of reinvestment in West Town from various key perspectives. Interviewees represented a cross section of the West Town Community:

- City officials (staff, elected)
- Long-time residents (especially those actively involved in West Town's development)
- Real Estate Industry players (non-profit and for-profit developers, realtors, marketers, brokers, architects, etc.)
- Community Organizations (commercial, community groups, non-profit organizations)

Confidentiality was stressed for the interviews. No names or identifying markers will be released by the Voorhees Center.

Each interviewed followed the basic format of questions listed below, although each interview included additional questions tailored to each interviewee's particular expertise or experience.

1. Please explain your experience in the West Town community, including years in the community, roles played, positions held, participation in community politics and civic life, and any research or writing (on the community) that you may have participated in.

2. Please, tell us the story of changes of West Town as you know and understand it (who, what, how, when, where, and why). Start back as early as you can and explain those events that you find crucial for understanding change in the community (what changed, what remain unchanged, what are the major trends).

3. Specifically, can you explain in as much detail as possible the role that the following institutions, organizations or individuals played (if any) in the transformation of the community? Please illustrate with examples.

Urban renewal
 Historic designation
 The Latino community
 The Polish community or other communities
 Gays and Lesbians
 Artists
 Alderpersons
 Individual Entrepreneurs
 City Hall
 Real Estate Industry
 Banks and other lending institutions
 Hospitals
 Community Organizations
 Newspapers
 Other external factors
 (e.g. economic, political)

Other factors

4. Please select some single factors or players that had the most definite roles in changes in the community.
5. How were different interests in the community affected by these changes (winners, losers)?
6. How have changes in West Town been affected by changes in the larger economy, political context, or other outside factors in other communities, the city, and beyond?
7. How have local conditions and relationships between neighbors, organizations and local leaders been affected by changes in West Town?
8. Based on the local experience so far, what has been learned in West Town about the feasibility of a mixed-income, mixed-race community? Has it worked? Why or why not? If it has not worked, could it work, and under what circumstances?
9. Based on this conversation, what recommendations do you have for West Town?