

THE DIFFERENTIAL IMPACT OF GENTRIFICATION ON COMMUNITIES IN CHICAGO

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Executive Summary

The cycle of community reinvestment and displacement of low-income residents is a process present in cities throughout the U.S., Europe and other developed nations. This study of the impact of gentrification on different groups of Chicagoans is undertaken at the request of the City of Chicago Commission on Human Relations. In particular, the experiences of different racial, ethnic, and economic groups are examined. In addition to documenting demographic patterns in the city, the study measures perceptions of community leaders regarding the impact of the gentrification process on their communities and the people who live there. Because these interpretations are the basis for human behavior, they have a real impact on day-to-day life in Chicago's neighborhoods. Differing perspectives can produce competing interpretations of community change. They can also result in clashing priorities of what community "improvement" and positive community change should be. In the course of examining perceptions of gentrification and displacement we have documented these different interpretations and clashing definitions of community futures in Chicago.

Focus groups and interviews were used to understand perspectives on gentrification and displacement from a range of leaders familiar with the social, economic, and cultural impact of community-level economic development. The 68 interviewees or focus group participants included businesspersons, religious leaders, educators, non-profit organization directors, and community-based organization staff, among others. Some interviews were completed to get a sense of citywide trends while others focused on two areas of the city that have experienced the most visible reinvestment in recent years--the combined West Town and Humboldt Park communities and the Mid-Southside communities of Douglas, Grand Boulevard, Oakland, and Kenwood. These two areas of the city were also selected for closer examination because of their different ethnic and racial characteristics. Mid-South neighborhoods, which are predominantly African-American, are currently experiencing significant gentrification by new primarily African-American residents. West Town and neighboring Humboldt Park are included because of past and continuing reinvestment patterns, along with new community dynamics involving the significant existing Latino population and new non-Latino homeowners.

It is a sign of a thriving city to see regular reinvestment and renewal in residential and business districts. New construction and rehabilitation of existing buildings and neighborhoods can be effective in meeting changing demands of both residents and businesses. Such new investment can make a city an attractive place to live and visit. It can also strengthen the tax base, allowing government to be more effective in addressing the needs of all residents. However, reinvestment does not occur in a random pattern. At any one time it tends to be concentrated in particular neighborhoods—typically neighborhoods where private investment dollars are most likely to realize maximum return. Both private investment decisions and public policies that encourage and direct investment to particular communities play a role in shaping "hot" housing and commercial property markets in the city.

Analysis of changes in property assessments in Chicago from 1991 to 2000 shows a significant trend of increased property value moving from the Loop/North Michigan Avenue central business

district up the northern lakefront and into northwest neighborhoods. West Town, the Near West Side, and the Near Southside show the greatest change between 1990 and 2000. However, significant changes are also apparent in the Mid-South communities of Douglas, Grand Boulevard, Oakland, and Kenwood. Logan Square, Lincoln Square, North Center, Lake View, East Garfield Park, and Armour Square also showed high rates of property sales, increased property value, and construction/rehab activity.

The impact of gentrification in any community is multifaceted. The study identified a number of themes that either increase inter-group tensions or facilitate positive inter-racial, inter-ethnic, or inter-income group relations, as noted below.

The loss of community and ethnic/racial identity: Part of the tension between existing residents and gentrifiers is related to control over community identity or fears by existing residents of “loss of community.” In West Town/Humboldt Park this revolves around whether or not the current Puerto Rican identity will remain. In the Mid-South communities, how redevelopment affects the strengthening the Bronzeville African-American historic district is a centerpiece.

Housing development and community impact: Respondents identified changes in housing as the most visible mark of the onset of gentrification, and can therefore become a highly contentious issue. Descriptive words include “drastic,” “dramatic,” and “radical.” Participants give examples of condominium developments, an increase in market rate housing, and the elimination of public housing high rises. Housing development and gentrification is taking on different forms in different communities. West Town/Humboldt Park redevelopment is primarily driven by private developer activity, while the Mid-South changes are heavily influenced by the Chicago Housing Authority’s (CHA’s) Plan for Transformation which involves replacement of high rise public housing with less dense mixed-income developments.

Commercial and business development: The business development in gentrifying communities generally is seen a positive. However, a key problem identified by advocates for low-income residents in these communities is that improvement of the types of retail opportunities that can serve a broad range of consumers is often accompanied by the displacement of those very people, the low-income families, to whom this change represents an improvement, an opportunity for greater personal financial stability.

Declining numbers of children and public school utilization: Gentrification is typically accompanied by both a reduction in the proportion of children in a neighborhood and by a lower population density. In some communities the displacement of low-income children from previously improved public school facilities has become an issue. In other neighborhoods the improvement of schools after gentrification takes place is seen as an investment favoring new middle-class gentrifiers. Whether or not there is any racial, ethnic, or class bias on the part of Chicago Public School officials, there is a perception among low-income, African-American and Latino residents that improved schools are not intended for them.

Role of local government in the community reinvestment process: While the substantial proportion of new investment in gentrifying communities comes from the private sector, local government policies play a significant role in stimulating development—particularly encouraging development in a specific community. Interviewees and focus group participants are keenly aware that government officials and city programs play this “traffic cop” role in facilitating housing and commercial development in Chicago communities. Zoning and tax increment financing district (TIF) creation were mentioned as two key tools used by city government in spurring on community reinvestment. Respondents also note that Chicago Alternative Policing

Strategy (CAPS) groups in gentrifying communities are sometimes perceived by current residents as being “taken over” by middle-class gentrifiers who, by equating crime to low-income residents, push to force low-income residents and related supportive social services out of the community. Also in areas with high concentrations of public housing, such as in the Mid-South communities, the CHA Plan for Transformation is a major force stimulating gentrification and displacement.

General attitudes toward gentrification: There is not a dominant pro or con perspective on gentrification among the community leaders and residents we interviewed. Many told us that gentrification is having a primarily positive effect on their community. Residents enjoy seeing aesthetic improvements to homes and businesses opening up in the area. However, the uneasiness came when people had doubts about whether they could afford to stay in the community and benefit from the improvements.

Displacement is not just a housing issue: By definition, housing affordability is a measure of housing costs compared to income. If housing costs rise at rates significantly higher than the income of existing residents—typically the process in a gentrifying community—then affordability declines for those existing residents. Similarly, if living-wage jobs disappear or are not open to applicants at the education and skill levels of the current community residents, housing affordability among existing residents is negatively affected.

Displacement in relation to race, ethnicity, and social class: In everyday interpretations of the world around us, race, ethnicity, and social class are woven together, sometimes in a tangle that makes it difficult to understand which variable is most important. In the current research project, it is clear that social class does underlie many of the differences and tensions seen in Chicago communities. Conflicts of “values” cited by respondents are often closely related to income differences or the social class differences between “old” and “new” residents. These issues, which often relate to a lack of understanding, communication, and contact, have contributed to hostility, tension, and conflict in many Chicago neighborhoods.

Racism and Ethnocentrism: A majority of respondents mentioned the role of racism and ethnocentrism in gentrification. Racial and/or ethnic labels frequently become synonymous with “current resident” or “gentrifier.” Hence, gentrification and displacement become a race- or ethnicity-related process in the eyes of many community residents.

Latino-Anglo Tension Versus White-Black Tension: In looking at diverse neighborhoods in both the city of Chicago and its suburbs, it is more likely that Anglos and Latinos live in the same neighborhood than do whites and blacks. Latinos also serve as a buffer between predominantly Anglo neighborhoods and predominantly black neighborhoods in Chicago. Given this demographic positioning, gentrification is more likely to lead to inter-racial and inter-ethnic tensions in gentrifying neighborhoods that are currently predominantly Latino, than in gentrifying neighborhoods that are predominantly black and experiencing gentrification by black middle-class newcomers.

Anglo-Latino Relations: Gentrification is generally seen by Latinos as middle- and upper-income “white Anglos” moving into their neighborhoods. Anglo “yuppies” are viewed as isolated, racist, intolerant, and even hostile towards the Puerto Rican and Latino people and cultures in West Town and Humboldt Park.

Black-Latino Relations: Contrasts between the rapid growth of the Hispanic population in both Chicago and the wider metropolitan area, and the relatively unchanging African-American

population is one factor affecting inter-racial and inter-ethnic relations. Latinos are becoming the largest single ethnic or racial group in the city of Chicago, clearly changing political and social dynamics in this city. This has produced an environment of talking past each other in some communities. On the one hand, among the stereotypes in the Latino community are the negative images of black residents as “former CHA residents” and all of the dysfunctional and criminal activity associated with that stereotype. On the other hand, African-American respondents see Latinos as comparatively less affected by gentrification in contrast to the black community.

The Asian Community and Gentrification: Income differences and ethnicity within the Asian community have produced different experiences with gentrification. Southeast Asian immigrants have lower income levels than other Asian ethnic groups and hence are more vulnerable to gentrification and displacement.

Immigrants: Insofar as recent immigrant neighborhoods tend to be lower-income neighborhoods, they are susceptible to gentrification and displacement. There are some instances where strong ethnic organizations, capital available for business and residential investment, and attraction of tourists can stabilize immigrant communities and reduce the likelihood that a gentrification and displacement cycle will displace local residents. In other cases, communities that historically served as immigrant ports-of-entry may witness significant displacement if they are in the line of reinvestment trends.

Class Conflicts: Discussion of conflicts between social classes or income groups is prominent in interviews and focus groups across communities in Chicago. In other cases race or ethnicity have become proxies for social class in residents’ analysis of changes in their community. The combination of class and race differences can have a more powerful effect than class alone.

Impact of gentrification on people with disabilities; women and children; the homeless; and the elderly: Beyond issues of race, ethnicity, and social class other groups are adversely affected by gentrification and displacement even though they may not have the geographic visibility of racial and ethnic minorities in Chicago. Despite improvements in accessibility requirements in new construction, persons with disability, who are disproportionately low-income, are not always able to benefit from these improvements because of lack of affordability or displacement from gentrifying communities. Women, particularly single mothers, are also adversely affected by gentrification because they also are more likely to be lower-income and vulnerable to displacement cycles. The homeless are hit at two levels. They themselves are pushed out of gentrified neighborhoods; in addition, the long-established institutions that have provided them housing and social services are also frequently pushed out of the community. Because there is a dramatic income gap among Chicago’s elderly (over 50 percent falling in the lowest one-fifth of income-earners and over 23 percent falling in the highest one-fifth) there are different experiences. Gentrification is related to the displacement (voluntary and involuntary) of lower-income elderly homeowners and renters at the same time as upper-income households headed by persons 65 and over appear to be the buyers of higher-priced properties in the city’s downtown and previously gentrified northern lakefront communities.

In addition to a listing of suggestions from community leaders to ameliorate the negative affects of the gentrification and displacement cycle, we conclude with a number of recommendations:

- *Build better communication and face-to-face contact among community residents.*
- *Develop a citywide adult community service curriculum to facilitate more inter-racial, inter-ethnic, and inter-group understanding and interaction.*

- *Create new or improve existing mechanisms for community voice in neighborhood development and change.*
- *Recognize that inequalities and divisions still exist along racial, ethnic, and social class lines in our city; interventions need to address the root economic and social causes of such inequalities and divisions.*
- *In shaping interventions, private and public sector leaders need to recognize that the impact that the gentrification and displacement cycle has on different racial, ethnic, and income groups varies by community.*
- *Efforts that support the development of mixed-income as well as racially and ethnically diverse communities can provide an alternative to the negative effects of the gentrification and displacement cycle.*
- *The city needs to protect communities and community resources as valuable public goods serving all Chicagoans.*
- *Although race, ethnicity, and social class are dominant divisions along which we understand the impact of the reinvestment and displacement process, it is critical that any negative impacts on other groups be recognized and ameliorated.*
- *Support the maintenance or development of private and public community-level institutions that serve as social seams that bring together different groups in a given community.*