

Memorandum
Planning and Urban Development Department
Planning Division

To: Mayor Brandon Johnson and Chicago Department of Planning and Zoning
From: Kabir Jain, Graduate Student in Urban Planning and Policy at UIC
Date: 10/07/2024
Re: Lower West Side and the 18th St Commercial & Cultural Corridor

To Mayor Johnson and members of the Chicago Department of Planning and Zoning:

As a member of the community, I have undertaken an in-depth analysis of the Lower West Side and the encompassed corridor on West 18th St, bounded by S Leavitt St to the west and S Halsted St to the east. This analysis will provide a deeper understanding of the community and its history, advantages, and disadvantages.

The table below provides a summary of each of the components of the memorandum.

Table 1 - Components of the Memorandum

Section	Content	Description
Introduction and History	<ul style="list-style-type: none">• Geography of the study area• Historical overview<ul style="list-style-type: none">◦ Precedents for Gentrification	This section will provide a brief introduction to the study area through a series of maps and a description of the history of the study area – how and when it became what it is today, and the steps it took along that journey.
Demographics	<ul style="list-style-type: none">• Trends over time• Population characteristics• Race and ethnicity	This section will provide a brief description of the recent trends in overall population, median age, and types of households. This section will also provide an overview of the racial, ethnic, and sex composition of the study area.
Housing & Finances	<ul style="list-style-type: none">• Trends over time• Financial characteristics• Housing characteristics• Housing affordability	This section will focus on financial characteristics (median incomes) and housing characteristics (tenure, occupancy, vacancy) and on housing affordability for locals. This section is of vital importance since one of the known threats to the neighborhood is the ongoing displace of locals due to processes of gentrification.
The 18 th St Commercial & Cultural Corridor	<ul style="list-style-type: none">• Physical features and landmarks• Symbol of the neighborhood	This section will focus on the identified corridor. It will begin by situating the corridor within the study area and will then provide context by examining places of local importance, what the corridor means for the neighborhood and the current state of employment around the corridor.
Stakeholder Interviews	<ul style="list-style-type: none">• Two stakeholder interviews	To assist in the development of this memorandum as a comprehensive

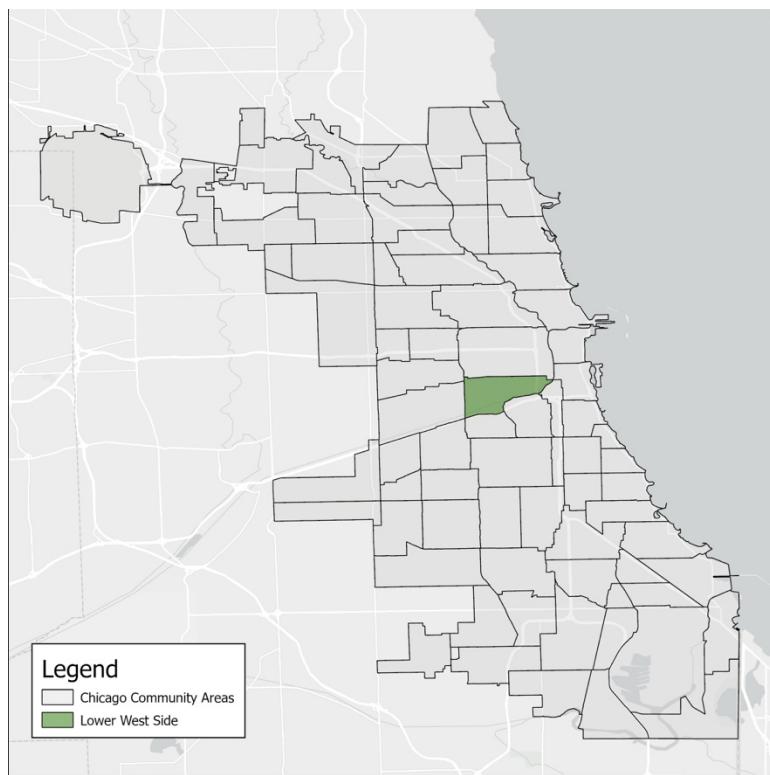
		document, interviews were conducted with two members of the community who had varying roles. The key takeaways in the Conclusion section draw heavily from these insights.
Key Takeaways	<ul style="list-style-type: none"> • Key takeaways • Lessons for the future of Pilsen 	This memorandum will conclude by synthesizing all collected information into a set of key takeaways and examining the status quo and future of the neighborhood.

Introduction and History

Geography and Location of Study Area

The Lower West Side is a community area located southwest of the Loop. Located along the Chicago River, this community area is bound by W 16th St (and the CTA Green Line) to the north, S Western Ave to the west, the Chicago River (and the Stevenson Expressway / Interstate 55) to the south, and S Canal St. and the Chicago River to the east. The map below shows the location of the Lower West Side amongst the other Chicago community areas.

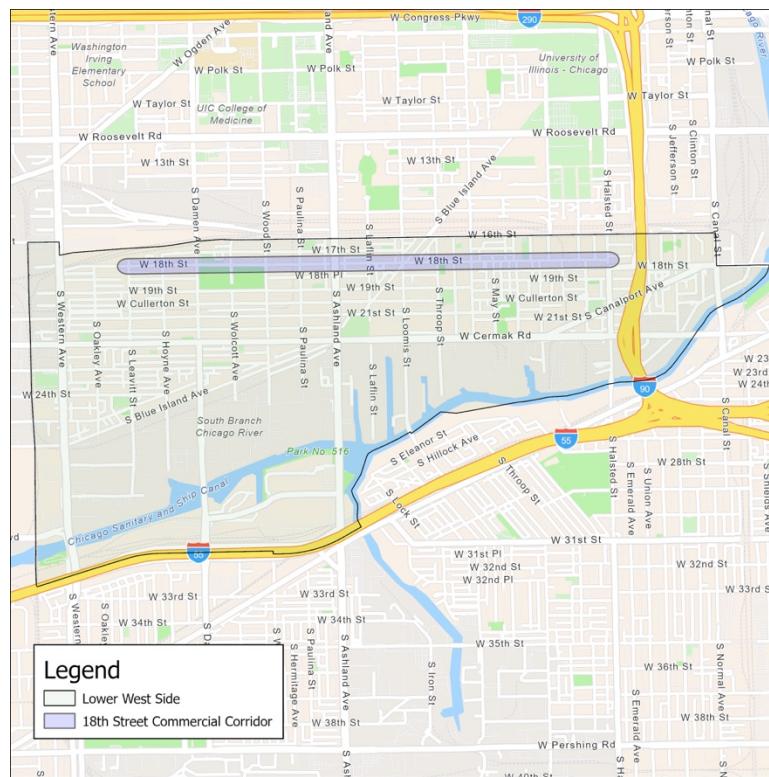
Figure 1 - Lower West Side and other Chicago community areas



Source: City of Chicago Data Portal

Along with an analysis of the community area, I will be doing an in-depth analysis of the 18th Street corridor, bound by S Loomis St to the west and S Halsted St to the east. Figure 2 shows a more detailed geography of the study area.

Figure 2 - 18th Street Corridor within the Lower West Side



Source: City of Chicago Data Portal, Analysis

Historical Overview

To begin, it is important to acknowledge that the Lower West Side is located on the land of the Council of Three Fires, composed of the Ojibwe, Odawa, and Potawatomi Nations.¹ The Lower West Side of Chicago has a rich history shaped by waves of immigration, industrial development, and more recently, concerns of gentrification. Originally settled by Czech immigrants displaced by the Chicago Fire of 1871, the area was dubbed “Pilsen”, allegedly after one of the largest cities of their homeland.² A competing naming theory postulates that this name may have come from a

¹ Bentley, C., Mirabile, H., Johansson, S., et al. *Gentrification in Pilsen and its impacts*. University of Chicago. <https://mappingglobalchicago.rcc.uchicago.edu/2023-elpaseo/gentrification/>

² Encyclopedia of Chicago, <http://www.encyclopedia.chicagohistory.org/pages/765.html#:~:text=First%20settled%20by%20Germans%20and,own%20schools%2C%20churches%20and%20newspapers.>

popular tavern on S Carpenter and W 19th St called “U Města Plzně”, meaning “Near the City of Pilsen”.³

Pilsen’s early population was predominantly Bohemian; however, immigrants from many other European ethnicities settled here as well. They included Slovaks, Prussians, Lithuanians, Poles, Swedes, Dutch, and Croatians. Like Bohemians, many were skilled tradesman who had been lured to Chicago by the opportunities to rebuild the city after the Great Fire.⁴

Known as ethnic succession by sociologists, many ethnic neighborhoods in Chicago evolved as new ethnic groups replaced older ones. Pilsen was no exception. The area attracted immigrants due to its affordable housing and ample job opportunities. Beginning in the 1950’s, Pilsen, changed yet again to reflect the culture and aesthetic of its most recent Mexican immigrants. The new arrivals in Pilsen came from Mexico directly, as well as relocating from other nearby neighborhoods, some of which were undergoing redevelopment.⁵

The construction of the Eisenhower Expressway (I-290) beginning in 1949, the Stevenson Expressway (I-55) in 1960, and the University of Illinois at Chicago (UIC) campus in 1963, was responsible for the displacement of thousands of African American, Italian, Jewish, Greek and Mexican residents. Many of these Mexican families moved to Pilsen as long time European residents of Pilsen relocated to the surrounding suburbs.⁶

Historical Precedents for Gentrification

Over the last 20 years, Pilsen has become increasingly gentrified – household incomes have risen as a function of richer people moving in and original residents being displaced. This change coupled with several new housing developments resulted in increasing housing costs, making it harder for original residents to continue to stay in the area.

³ Preliminary Summary of Information – Pilsen Historic District, City of Chicago.
https://www.chicago.gov/content/dam/city/depts/zlup/Historic_Preservation/Publications/Pilsen_Historic_District_Prelim_Summ.pdf

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

Why is Pilsen so susceptible to gentrification? This question is answered partially through an examination of the history of the neighborhood. I argue that locational and economic factors contributed to Pilsen first becoming an immigrant neighborhood. The presence of immigrants and people of color in turn made it easier for the residents to be displaced for the “greater good”, following a nationwide precedent that the United States has abided by for time immemorial. Furthermore, historical factors led to the undervaluation of property in the area, making it more attractive for developers. All these factors combine to make the neighborhood susceptible to gentrification.

When European migrants first settled in this neighborhood in the 1840s, it was due to the construction of the Southwestern Plank Road, a major route of trade from the hinterland into Chicago. After the 1871 fire, the McCormick Reaper Company lumber mills, sweatshops, and railyards created thousands of unskilled jobs in the 1870s, inducing Bohemian immigrants to settle along Evans Street (now 18th St).⁷

Labor shortages during World War I led to liberal immigration laws and combined with the forced removal of Mexicans from the Near West Side to expand the University of Illinois Chicago, many Mexican migrants moved into Pilsen.⁸ As such, the creation of facilities that made the Lower West Side attractive – the intersection of the Eisenhower expressway and the I-90, the University of Illinois Chicago, and the industrial jobs – were all linked to the displacement of people of color into the neighborhood. The precedent mentioned earlier is witnessed here – throughout the history of the United States, there has never been successful organized opposition to the displacement of people of color. This process was instrumental in making the neighborhood what it is today.

⁷ Encyclopedia of Chicago,
<http://www.encyclopedia.chicagohistory.org/pages/765.html#:~:text=First%20settled%20by%20Germans%20and,own%20schools%2C%20churches%20and%20newspapers>.

⁸ Ibid.

Gentrification in Pilsen began in the second half of the 20th century. The locational advantage offered by the neighborhood was now augmented by the presence of the University. In 1996, the mayor of Chicago, Richard M. Daley, appointed a pro-gentrification alderman, Danny Solis, for the ward encompassing Pilsen.⁹ Soon after, thousands of public housing units in Pilsen were demolished to create space for mixed-income housing, and the neighborhood saw a new wave of incoming residents with much higher incomes than earlier. This was the start of the collapse of the affordable housing market in Pilsen.

In 2016, John Betancur and Youngjun Kim from the University of Illinois Chicago published a report on gentrification in Pilsen, and noted that during the Great Recession, while development had paused, “investors acquired foreclosures on homes and short sales, renting them while awaiting the opportunity to sell them to a new wave of gentrifiers”.¹⁰ They also found significant evidence suggesting that developers, capital investors, and gentrifiers have been predominantly White, and that the situation in Pilsen is not, as some have argued, Latino-on-Latino gentrification.¹¹

Today, the affordable housing market in Pilsen has largely vanished. Many local residents are burdened by increasing costs of housing, causing many to leave. Over the course of the rest of this memorandum, the consequences of this are analyzed through an investigation of demographics, housing affordability, and physical form, aided by two incredibly informative stakeholder interviews.

⁹ Bentley, C., Mirabile, H., Johansson, S., et al. *Gentrification in Pilsen and its impacts*. University of Chicago. <https://mappingglobalchicago.rcc.uchicago.edu/2023-elpaseo/gentrification/>

¹⁰ Betancur, John J., Kim, Y. *The Trajectory and Impact of Ongoing Gentrification in Pilsen*, University of Illinois Chicago, 2016.

¹¹ Bentley, C., Mirabile, H., Johansson, S., et al. *Gentrification in Pilsen and its impacts*. University of Chicago. <https://mappingglobalchicago.rcc.uchicago.edu/2023-elpaseo/gentrification/>

Demographics

The demographics of the Lower West Side were analyzed using American Community Survey (ACS) 5-year estimates, collected and distributed by the U.S. Census Bureau. The Lower West Side's demographics were compared against trends seen across the City of Chicago. To arrive at estimates for the Lower West Side, ACS data was pulled at the Census Block Group level and then appropriated to the Lower West Side by identifying the Block Groups that comprised the community area. The map below shows the Block Group composition of the Lower West Side. Fortunately, the comprising Block Groups did not change between 2010 and 2020 (Census boundaries are usually reworked every decade), making the comparison across time easier. Another coincidental convenience was that the block groups comprising the Lower West Side are completely encompassed, making it unnecessary to proportionally allocate data. For this analysis, data was pulled from 2013 to 2022 (10 years of data).

Figure 3 – Census Block Groups in the Lower West Side



Source: City of Chicago Data, U.S. Census Bureau TIGER/Line Database - 2023

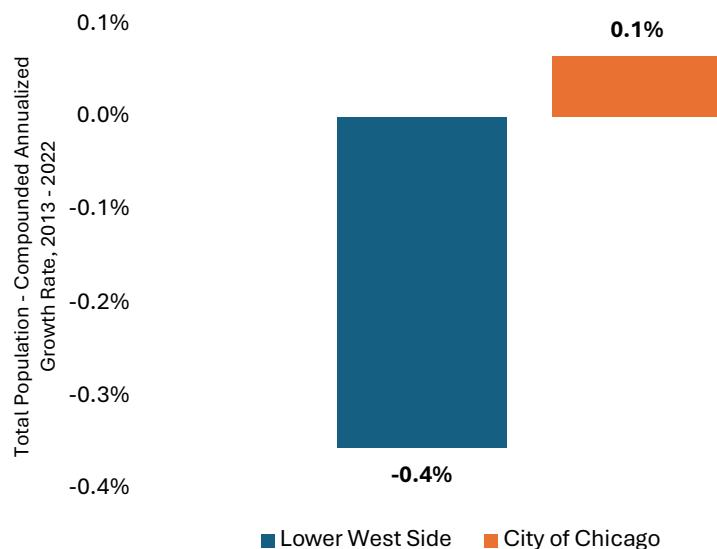
Population and Households

Between 2013 and 2022, the population of the Lower West Side decreased from 35,353 to 34,237.

This is contrasted with a citywide increase in population from 2.706 million to 2.721 million.

Figure 4 below compares the annualized growth rates for each of these regions.¹² While the city of Chicago's population grew at a rate of 0.1% each year between 2013 and 2022, the Lower West Side's population decreased at a rate of -0.4% over the same period.

Figure 4 - Annualized Growth in Total Population, Lower West Side and Chicago, 2013 to 2022

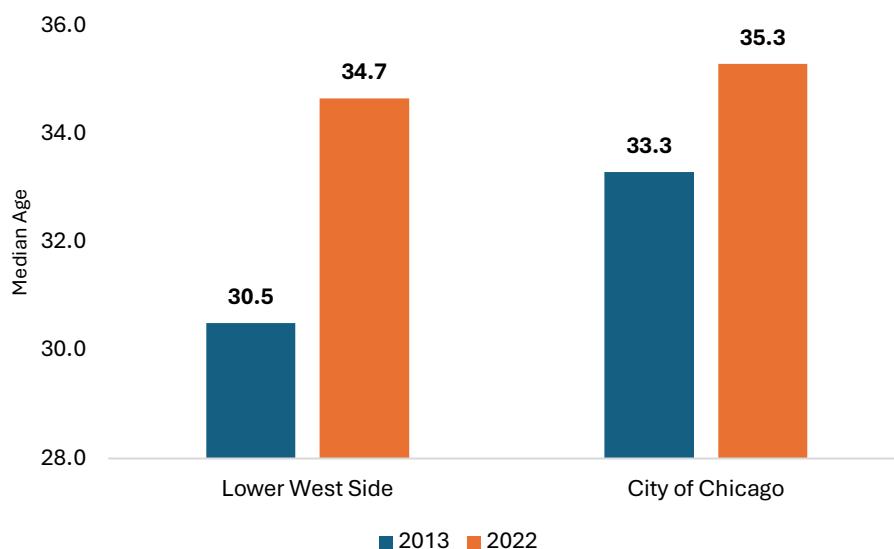


Source: American Community Survey 5-year Estimates, 2013-2022

Figure 5 shows the changes in median age for the Lower West Side and the city of Chicago. The Lower West Side was and continues to remain, on average, younger than the City. However, the gap between the Lower West Side and the City has gotten smaller – the Lower West Side has been aging more rapidly than the City.

¹² A compounded annualized growth rate (CAGR) shows the **per-year percent change**. More information can be accessed here: <https://www.investopedia.com/terms/c/cagr.asp#:~:text=The%20compound%20annual%20growth%20rate%20is%20the%20rate%20of%20return,of%20the%20investment's%20life%20span>.

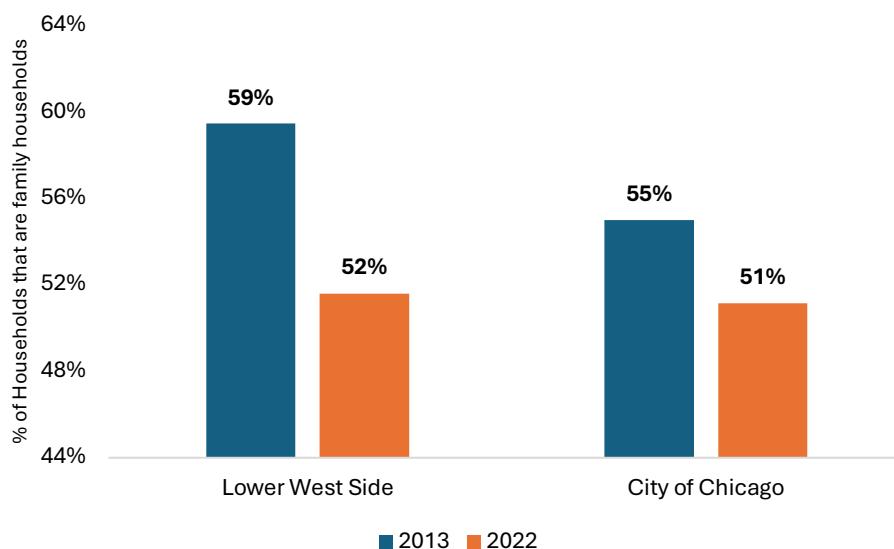
Figure 5 - Change in Median Age, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Figure 6 shows the changes in the percent of households that are family households. In 2013, nearly 60% of all households in the Lower West Side were family households, compared to 52% for the City. While the percent of family households has decreased between 2013 and 2022, the Lower West Side remains, on average, a slightly more family-oriented neighborhood than the City as a whole.

Figure 6 - Change in Percent of Households that are Family Households, Lower West Side and Chicago, 2013 to 2022

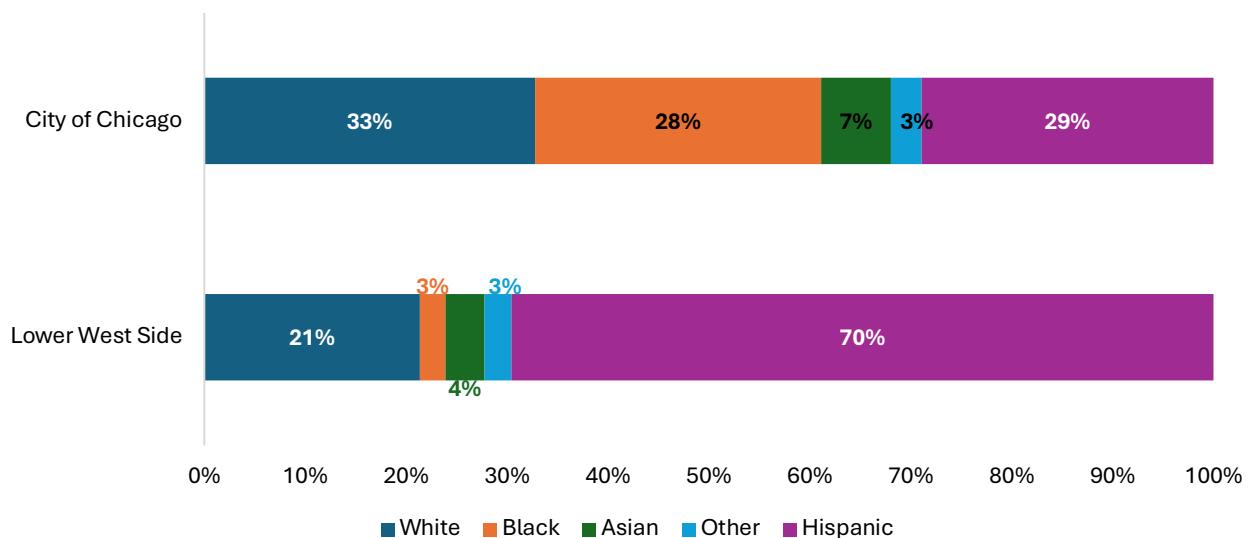


Source: American Community Survey 5-year Estimates, 2013-2022

Racial & Ethnic Composition

Race and ethnicity characteristics for residents were collected and analyzed from the American Community Survey estimates. Please note that when this report refers to a specific race (e.g: “White”, “Black”, “Asian”), the report is referring to non-Hispanic, “race alone” categories. People of all races reporting Hispanic ethnicity are combined into the “Hispanic” category. Figure 7 below shows the racial and ethnic makeup of the Lower West Side and the city of Chicago in 2022.

Figure 7 - Racial and Ethnic Makeup, Lower West Side and Chicago, 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Notably, the Lower West Side has more than twice the proportion of Hispanic population than the City does. Proportions of population for all other groups here are lower in the Lower West Side than in the City, except for Asian people, who contribute to 3% of both, the Lower West Side’s and the City’s population.

Key Takeaways: Demographics

- Over the last decade, the Lower West Side has seen a slight decrease in population, going against the trend set by the city of Chicago.

- Median ages in the neighborhood are rising rapidly. There are many possible explanations for this: younger people moving out at an increasing rate, people in this neighborhood being not as likely to have children, older people moving in at a higher rate. The underlying explanation could be any combination of all (or none of) the above.
- The Lower West Side has remained a family-friendly neighborhood as evidenced by the high proportion of households that are families.
- 70% of the community area's population identifies as Hispanic. This is among the highest concentrations of a group in any community area across the City. For non-Hispanic people, the Lower West Side follows similar trends to the City, except for an extremely low proportion of Black population.

Housing & Finances

Data for this section was also collected from the American Community Survey 5-year estimates from 2013 to 2022. This section focuses on the financial characteristics (incomes) and housing characteristics (occupancy and price) of residents as well as on the interactions between the two (affordability).

Financial Characteristics

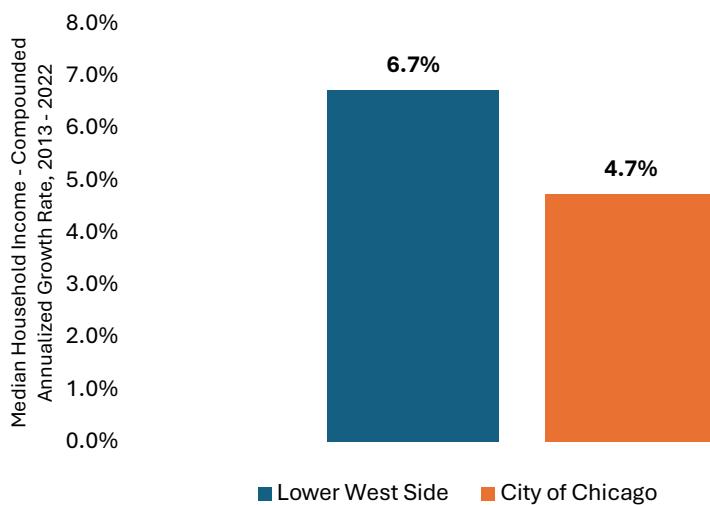
Figure 8 below shows changes in median household income for the Lower West Side and Chicago between 2013 and 2022. The annualized growth rates for these changes are shown in Figure 9.

Figure 8 - Change in Median Household Income, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Figure 9 - Annualized Growth Rate for Median Household Income, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

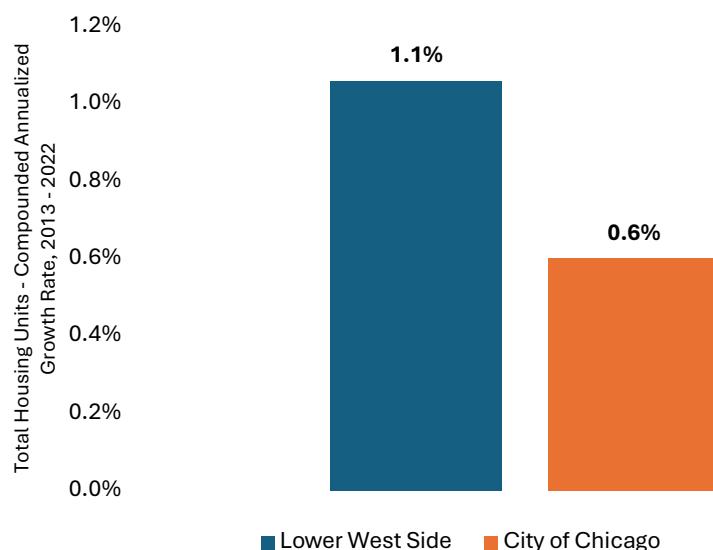
Gaps between the median incomes of residents of the Lower West Side and the City are large. The median income across the City in 2013 was nearly twice the median income of the residents in the Lower West Side. While median incomes in the Lower West Side grew faster between 2013 and 2022, this growth has not been sufficient to catch up to the citywide median income, with the gap in 2022 remaining larger than \$20,000 per year.

It is important to note that a key factor behind this income disparity may be attributable to the fact that many students at the University of Illinois Chicago tend to rent apartments in the Lower West Side because of its proximity to campus.

Housing Characteristics

Figure 10 below shows the annualized growth in the number of housing units reported in the Lower West Side and across the City in 2013 and 2022. In the Lower West Side, new housing units were added at an annual rate of 1.1% each year, compared to a Citywide rate of 0.6%. This is almost twice as fast.

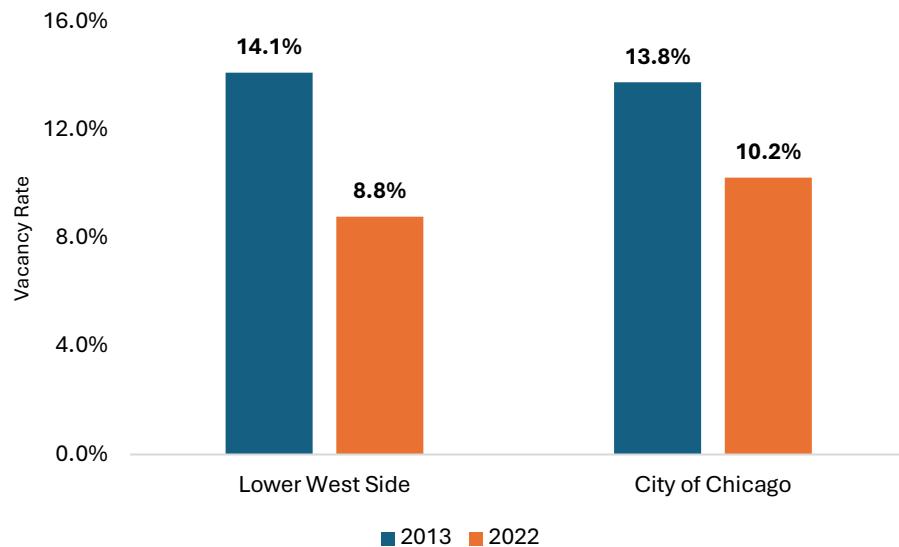
Figure 10 - Annualized Growth Rate, Total Housing Units, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Figure 11 shows the vacancy rates for the Lower West Side and the city of Chicago.

Figure 11 - Vacancy Rates, Lower West Side and Chicago, 2013 to 2022

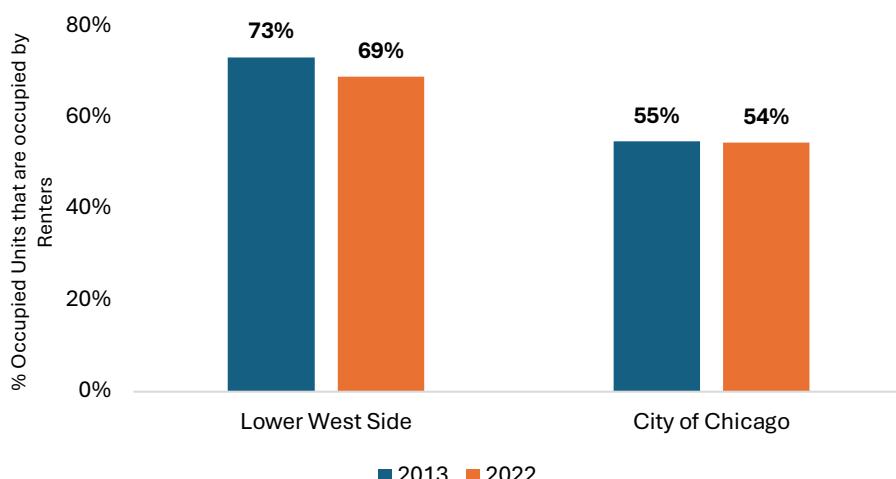


Source: American Community Survey 5-year Estimates, 2013-2022

Vacancy rates in the Lower West Side have remained higher than Citywide rates over the last decade. However, since 2013, while Citywide vacancy rates have risen from 8.8% to 10.2% (+1.4%), the Lower West Side's vacancy rate fell from 14.1% to 13.8% (-0.3%).

Figure 12 shows renter rates in the Lower West Side and the City. Of all occupied units in the Lower West Side, 69% are occupied by renters. This is significantly higher than the Citywide renter occupancy rate, which is 54%. Again, this may be an artifact of the high student population in the area but is an interesting departure from the mean.

Figure 12 - Renter Percentages, Lower West Side and Chicago, 2013 to 2022

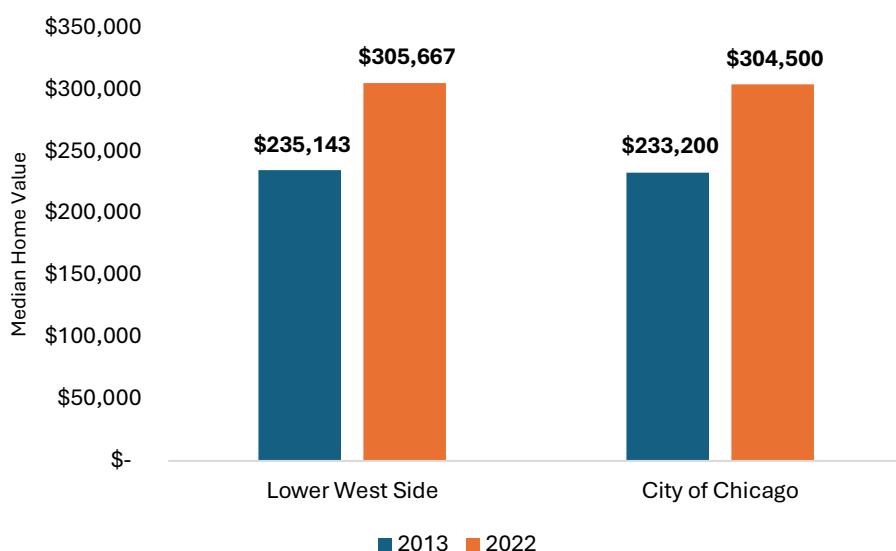


Source: American Community Survey 5-year Estimates, 2013-2022

Housing Affordability

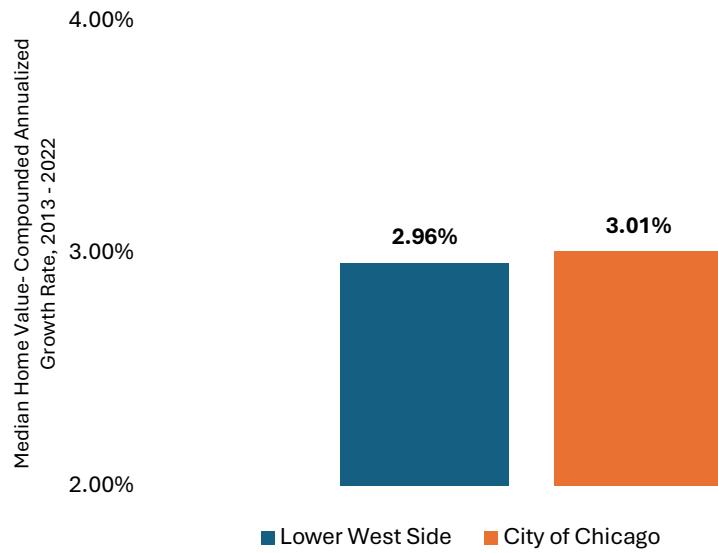
Figure 13 shows the median home values for the Lower West Side and the city of Chicago. Figure 14 shows the annualized growth rate in median home value as reported by American Community Survey estimates between 2013 and 2022.

Figure 13 - Median Home Values, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Figure 14 - Annualized Growth Rate - Median Home Values, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Clearly, housing prices in the Lower West Side seem to have followed the trend that the city of Chicago set – an annualized growth rate of 3% per year and a median home value of approximately \$305,000. Based on this information, one might be tempted to say that affordability problems in the Lower West Side are similar to affordability problems across the City. It is important, however, to give these issues local context. For example, consider the ratio of median home value to household income. Approximately how many years of income equate to the value of the median home is the metric calculated here, and the answer varies based on the area for which we are calculating this metric. Consider Figure 15, which shows the change in this ratio for the Lower West Side and the city of Chicago.

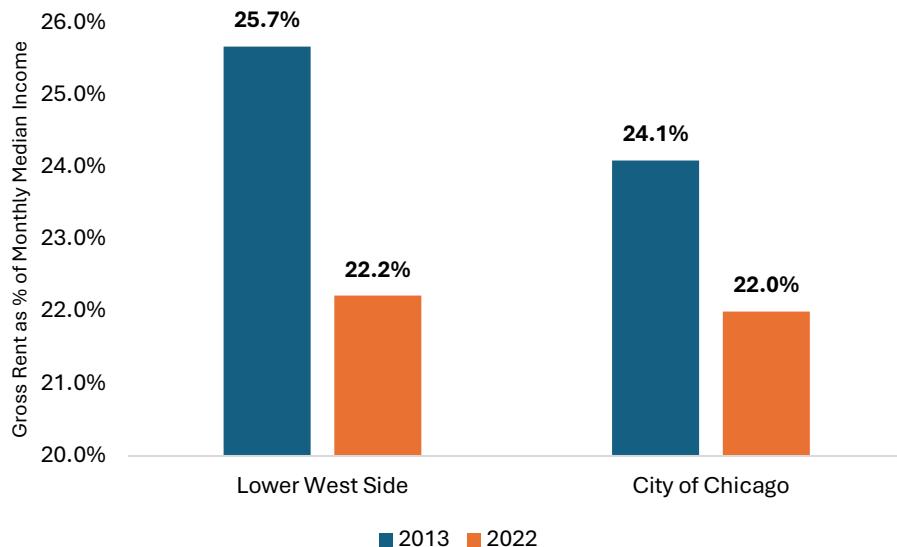
Figure 15 - Ratio of Median Home Value to Median Income, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

Despite what Figures 13 and 14 implied about the similarity of affordability in the Lower West Side and the city of Chicago, Figure 15 implies that affordability is a more severe problem in the Lower West Side. In 2013, the median home value in the Lower West Side would equate to 6.26 years of a resident's income. Across the City, this ratio was 4.53. While the ratio for the Lower West Side has reduced in 2022 (4.93), it is still higher than the City's ratios in 2013 and 2022. Similarly, Figure 16 shows median gross rent as a percentage of a resident's monthly median income. Note that monthly median income is calculated by simply dividing the annual median income by 12 in order to obtain a figure that is more commonly associated with rent figures.

Figure 16 - Gross Rent as a Percentage of Monthly Median Income, Lower West Side and Chicago, 2013 to 2022



Source: American Community Survey 5-year Estimates, 2013-2022

This figure shows that rent was comparatively more expensive in the Lower West Side than in the City as a whole in 2013, with residents paying 25.7% of their monthly income towards rent in the Lower West Side compared to 24.1% across the City. In 2022, however, this gap seems to have reduced to a negligible difference. This could be a function of the high rate of growth median household income had seen in the Lower West Side as shown earlier.

Stakeholder Interviews: Housing

Key Takeaways: Housing, Finances, Affordability

- The Lower West Side has added housing units at a rate twice as fast as the city of Chicago since 2013.
- The Lower West Side has been and remains a renter-friendly neighborhood, with a high proportion of units occupied by renters.
- Housing affordability has been and remains a more severe issue in the Lower West Side when compared to the City as a whole.

18th Street Commercial & Cultural Corridor

This section will focus on the corridor on 18th St bound by S Leavitt St to the west and S Halsted St to the east. This corridor, part of the Pilsen Historic District¹³, is a vibrant street in the center of the Pilsen neighborhood and features many of Pilsen's most famous attractions. From retail storefronts, grocery stores, and bakeries, breweries, and eateries to the National Museum of Mexican Art as well as several incredible murals that showcase the creativity and self-expression of Mexican artists.

Physical Features and Landmarks – A walking tour of the corridor

This section will chart a course across W 18th St from S Leavitt to S Halsted, noting important physical features and commercial and cultural landmarks that have become community anchors.

Beginning on S Leavitt St, 18th St seems to be mostly residential, with a majority of parcels sporting 2 to 3-story walk-up apartments and a few single-family houses. Many residential buildings across not just 18th St but the entire neighborhood are historic buildings that were built between the mid-1870s and early 1910s. Census data from these years shows that these single-family homes and two-flats often accommodated numerous families. An interesting physical feature of many residential lots in Pilsen is the presence of two structures on a parcel – a cottage at the rear of the lot and another structure at the front.¹⁴ An example of this can be found at 1748 W 18th St. Figures 17, 18, and 19 show front, rear, and aerial views of the parcel. This was likely done to maximize

¹³ Preliminary Summary of Information – Pilsen Historic District, City of Chicago.
https://www.chicago.gov/content/dam/city/depts/zlup/Historic_Preservation/Publications/Pilsen_Historic_District_Prelim_Summ.pdf

¹⁴ Ibid.

parcel values and is an example of self-built housing that enables multiple households to reside on the same parcel, a practice common across most countries in Latin America.

Figure 17 - Front of 1748 W 18th St

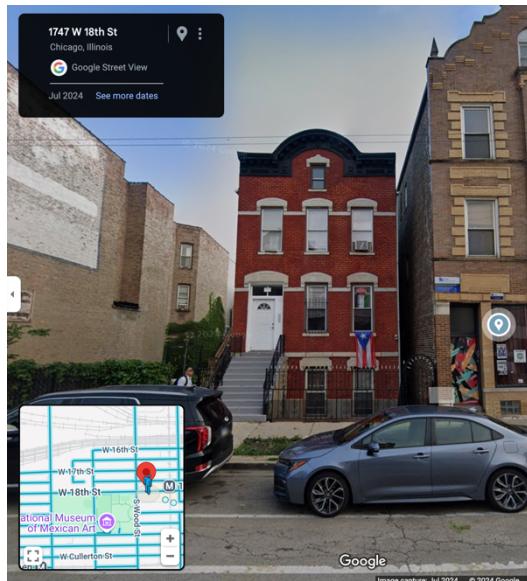


Figure 18 - Rear of 1748 W 18th St

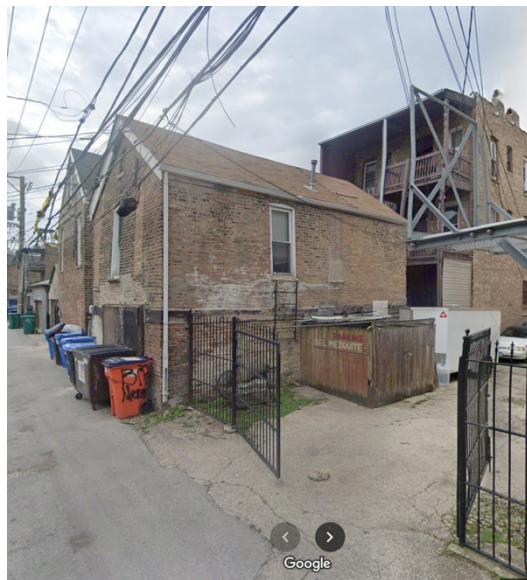
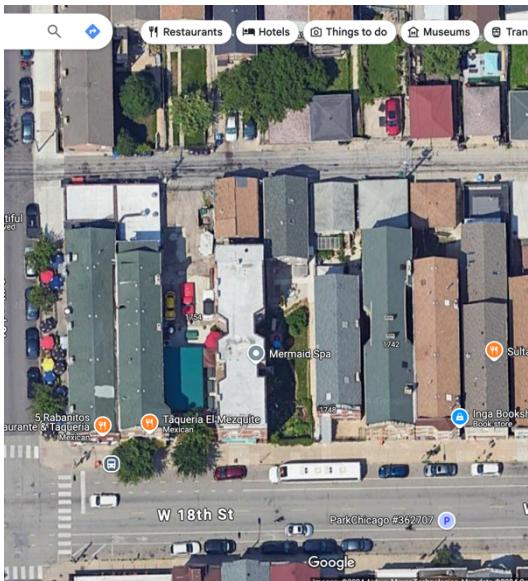


Figure 19 - Aerial View of 1748 W 18th St



Source: Google Maps Imagery, accessed 10/04/2024

Moving west-to-east, arriving at S Hoyne St marks the beginning of interspersed commercial uses. Barbershops, corner stores, bars and restaurants dot the streets, providing daily services to residents and visitors. There also appear to be several large previously industrial parcels that now serve as centers for wholesalers and mechanics. A block ahead, on the northside of the intersection of W 18th St and S Damen Ave, sits the Orozco Academy, a public elementary school with a highlighted bilingual program. Across the street, Harrison Park provides the neighborhood with a variety of recreational services. Facilities for baseball, soccer, tennis, swimming and more are available here. Located adjacent to the National Museum of Mexican Art, the Park offers many cultural opportunities in partnership with the museum.

Moving eastwards, the overhead CTA Pink Line station for 18th St comes into view near S Paulina St. The imposing overhead structure acts almost as a threshold – there are subtle changes in land use past this point, the most notable of which is the increased frequency of mixed-use parcels with commercial and retail on the first floor and apartments above.

Figure 20 – Frequent Mixed-Use Parcels on W 18th St



Source: Google Maps Imagery, accessed 10/04/2024

Several historic buildings in the area became community anchors. One such example is Casa Aztlan. Near the intersection of S Racine and W 18th, this building, originally known as the Howell Neighborhood House, served 19,000 newly arrived European immigrants from 1905 onward. By 1970, when residents were mostly Latino, the name was changed to Casa Aztlan. During its time, Casa Aztlan served as a hub for artistic creation as well as for community and social services such as health counseling, legal advocacy, and after-school programs for children. In 2015, a company bought the building and turned the community center into luxury apartments, sparking public outrage in the process as they painted over the iconic mural (pictured in Figure 21).¹⁵

¹⁵ <https://www.chicagotlan.org/5>

Figure 21 - The Caza Aztlan mural as it appeared in the mid-1990's



Source: Ted Lacey, published in "A Guide to Chicago's Murals" by Mary Lackritz Gray, University of Chicago Press, 2001

Gentrification has become a tangible threat to the housing security of residents of the Lower West Side. As developers and real estate buyers appraise local parcels and buildings, residents have expressed concern over not just their community anchors such as Caza Aztlan, but also over the impacts on their homes.¹⁶ As developers continue to propose lofty projects involving luxury apartments, new waves of residents with higher median household incomes move in, spurring changes in the community and increasing living costs and property taxes for all residents.

Between Allport St and Sangamon St are a number of breweries, eateries, and retail establishments that draw visitors from not just the rest of the city, but the suburbs as well. On Allport St, there is the famous live music venue known as Thalia Hall, originally designed as an opera house in 1892. Today, Thalia Hall has incorporated a restaurant and cocktail bar in addition to its continuing function as a live music venue.

¹⁶ <https://www.chicagotribune.com/2017/10/27/pilsen-residents-fear-history-will-repeat-itself-with-apo-building/>

Across the street, on the northern part of the intersection, is the St Procopius Catholic Church, a historic landmark founded in 1875 that continues to serve the community and the city today through the St. Procopius School, the only dual language catholic school in the Archdiocese of Chicago.

Past Sangamon St, the south half of 18th St continues to serve residential, commercial, and mixed-use parcels, while the north half is comprised of currently vacant parcels that are in plans for development.¹⁷ This is the most recent plan in a series of proposed developments that has sparked concerns amongst residents. A detailed discussion of this development and what it means for the neighborhood is in the stakeholder interview for this section, where I have interviewed a member of the firm that was contracted by the City of Chicago to develop the site plan and conduct the economic feasibility study for this development.

Stakeholder Interviews

Over the course of the development of this memorandum I conducted two interviews with local Chicagoans who have had professional and personal ties to the Lower West Side. I conducted two interviews: the first with a local property owner, and the second with a private sector planning consultant. Each of these interviews have been anonymized. Interviews were largely unstructured, and responses to questions have been summarized with minimal paraphrasing. Questions are bolded, with respective responses italicized below each question.

Interview #1: Local Property Owner

What is your personal relationship with Pilsen? Do you currently live in the neighborhood?

¹⁷ <https://www.chicago.gov/city/en/sites/18th-and-peoria-development-framework-plan/home.html>

I do not live in Pilsen currently. I lived here between 1995 and 2000, and then again for a while from 2013 through mid-2014.

There is a large gap between the two instances where you lived in Pilsen. From your experience, what are some of the biggest changes in the neighborhood that you noticed between these periods?

1995 was a low point for the neighborhood vis-à-vis the standard of living for local residents. The reason for that is many tenants were exploited; building owners did not conduct modernization of units and their electrical/plumbing facilities were outdated. Though rent at the time was comparatively low, building owners would do their best to minimize effort yet maximize the rent they were extracting from properties. In general, change happened slowly. Since Pilsen was structurally unaffected by the Chicago fire and since Pilsen was a majority immigrant neighborhood, structures were, on average, very old. In other neighborhoods, there is a balance between new and old construction, but in Pilsen nearly two-thirds of the structures are over a century old, and it has largely remained that way. Interior remodeling has occurred in many places, but the outward appearance of the neighborhood remains somewhat homogenous.

Gentrification is currently a primary community concern for Pilsen residents. Why do you think Pilsen is one of the first neighborhoods that comes to mind when we talk about gentrification in the city?

I think Pilsen's residents have been more vocal and united as a community in speaking out against the process of gentrification. At some point, 90% of the neighborhood was of Mexican descent. After the World War 2, many people of Mexican descent began moving in while the original residents who were Bohemian began moving to suburbs. Pilsen has seen waves of movement in the past as well. Historically, many property owners did not do proper maintenance and upkeep, leading to many people moving out and resulting in undervalued property.

New developments in the area have sparked concern for residents and property owners. The most recent one is the proposed development nearby, on 18th and Peoria. As someone who has property in the area, how do you feel about the new developments?

There have been developments previously that have remodeled old construction, and they have worked well. One example is the Resurrection Project that began buying large buildings with the help of funds from the State and Federal government and offered rent-controlled units. Many of these were named for a different Mexican state, such as Casa Michoacan and Casa Guanajuato. There was also new construction such as traditional wooden two-story wooden houses that were constructed and sold. For landlords there is a fear that with an increase in the supply of newer, modern apartments, they will lose out on potential renters who may prefer to stay in newer construction. Honestly, many of the new proposed developments have been in the process for decades. I'm not sure any will even go through during my lifetime.

What do you think are some ways for new development to occur in a neighborhood like Pilsen without contributing towards gentrification?

I'm sure there are ways. Currently, a lot of the people who are moving into Pilsen are students and young people of Mexican descent who are trying to be closer to their culture, maybe for a sense of ethnic belonging. The main concern of many local residents is that these young people will leave soon. It's important to participate in the community.

Regarding the City administration, how have you felt about policies and initiatives that are geared towards Pilsen? Can you recall anything that stands out as particularly good or bad?

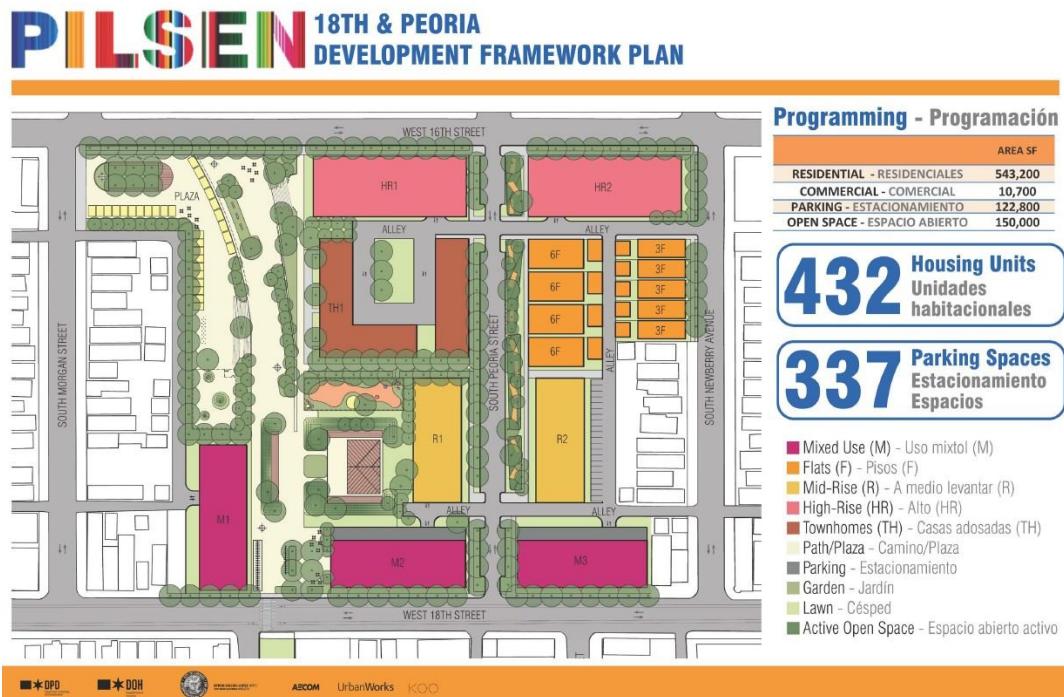
In general, the City has maintained the nature of the neighborhood by preventing high-rise construction; that is a good thing. There have also been declarations of certain places in Pilsen as historic landmarks, giving community anchors more protection. Yes, there are places where there has been new construction, but you can notice a significant effort to maintain the character

of the neighborhood. There have also been interior remodels, but these also preserve the exterior appearance of the building.

Interview #2: Local Planning Consultant

Recently, the City of Chicago contracted a private sector consulting firm to compile the development framework for a proposed residential and mixed-use development at the corner of W 18th St and S Peoria St. This plan is available online on the City of Chicago's website.¹⁸ Figure 22 shows the site plan that was one of the outcomes of this framework.

Figure 22 - Site Plan for the proposed development at 18th & Peoria in Pilsen



Source: City of Chicago

I was able to schedule an interview with a member of the project team that worked on this development framework.

What did the development framework for this project entail?

¹⁸ <https://www.chicago.gov/city/en/sites/18th-and-peoria-development-framework-plan/home.html>

The development framework is, first and foremost, a site plan. It includes plans for site development, a model buildout, and an economic feasibility study. All these aspects were grounded in market realities; we conducted analyses on the demographics, employment, real estate market, and environmental impact in the neighborhood. Finally, there was a proforma and cost buildout for three different scenarios of overall residential affordability in the development.

Was this project a public-private partnership?

In a general sense, yes; the City owns the land and will be funding part of the residential development, but the actual development will be contracted out, and ownership of the property and structures will fall to the selected developer.

Is there a stipulation regarding the number or percentage of residential units that need to be made affordable?

Yes. The technical designation is “majority” affordable, which is why the development framework consists of three different affordability scenarios that analyze the impacts of 51% affordable units to 100% affordable units. This was a contentious point with the public; some community members wanted the development to be 100% affordable, which is completely understandable, whereas others wanted varying portions of it to be market driven. Overall, the City has maintained its stance as “majority” affordable.

The vacant lot upon which the development is being proposed has been vacant for three decades now and has seen several proposals over that time. Do you expect this particular proposal to go through? What changed to make this proposal viable?

Yes, I do. This plan was allowed to move forward into the development framework process with the intention of doing a complete buildout soon. Previously, the alderman (who has the final say) had been opposed to this development. As this site is industrial, it requires a lot of environmental remediation because of runoff and waste that was left there. The original concept for redevelopment was residential, but less dense than is being proposed now. It was around 4 or 5

stories for the entire lot, whereas now we're looking at nearly 450 units. Ultimately, the alderman denied the zoning change for that development. The current alderman, Byron Sigcho Lopez, was on board with a development that prioritized density and affordability, and the City consulted directly with his office before putting out a Request For Proposals (RFP) for this project. His office continued to be very involved throughout the process of developing the framework.

Your team organized several public meetings over the course of the process of developing the framework. What were those like? How did community members react to the development?

We had four public meetings, of which the last three were in-person. The public meetings were held in the gymnasium at an elementary school nearby. It was open house, with different stations to help the public understand the impacts of the development on different aspects of life in the neighborhood – housing, environmental impact, and more. The meetings were contentious. Several people and organizations who had been part of the previously proposed developments and were not part of this proposal were upset. That's understandable – their lives are being affected and they have a right to voice their concerns.

For people who were there at multiple community meetings, did you notice a shift in attitudes towards the development with time?

Looking back, I'd guess about 60% of the people there were repeat visitors – they came for every public meeting. They definitely got more invested in the process and the overall plan by the end. The second meeting that went over existing conditions was particularly contentious because people were more focused on final development, which is fair. It was hard to get them invested in the reality of "this is the beginning; we need to understand the issues are before we can start planning to redevelop the space". Our role ends after we deliver the framework plan to the City. From there, the City will select developers who will actually implement the plan. There was some miscommunication regarding this. Many folks assumed that we were coming in as the

developers. Understandably, they were initially more concerned with the reality of the final buildout. However, people got more interested in what we were actually doing and learned more about what the process was, what outcomes were going to be, and what their level of engagement would be once the City selected a developer. The City has changed the process to require more public meetings before the buildout.

Do we have a timeline for the buildout?

They plan to break ground in 2025. The City's housing website shows that the developer selections were launched in early 2024. I think the developer selected is a local Pilsen non-profit group. They might have updated the timeline by now.

What do you think it takes for a development in a neighborhood like Pilsen to contribute to the community in a positive way and not towards the gentrification and displacement of local residents?

The simple answer is intention and involvement. Whoever is doing the development needs to intentionally engage with the people who will be impacted on a regular basis, and these people need to be involved in the process from start to finish. They must have a say in what the development will look like when it is built out. Bureaucracy is the hard part. The messaging, the education. Helping people understand how, for example, increased density can allow for more affordable units across the board, provides more direct access to goods and services that people need, but also can provide an opportunity for local businesses and shops. Personally, I think the community needs to be empowered as much as possible. The public engagement meetings are an excellent forum for this. Educate them on the resources they have available, who to talk to for specific issues. It's important to make yourself available to them. Ask them what the plan is missing. Constantly get feedback. The other piece is when these ideas are identified, you must hold the people in charge accountable. Community wealth building is another aspect of economic development that I think is great. The City of Chicago developed a resource guide for this and brought in several non-profits and community organizations. Another project we've

been working is a development framework for the 95th St corridor, and we've partnered with community organizations and have pushed for a shift to this form of economic building, educating local community members on how they can get involved and invested in what's going on. There are examples of working community wealth building practices in Chicago, like on 79th St. These examples are inspiring to me as a planner.

I've looked at the history of Pilsen and how and why it first became an immigrant neighborhood. I think the same factors are linked to the threat of gentrification that the neighborhood is facing today. What do you think are some of the factors that make Pilsen susceptible to gentrification?

First and foremost, Pilsen is a community of people of color. Historically, the United States has not balked at displacing people of color. They are more dispensable than any white communities, and there's historical precedence for it. Secondly, the presence of UIC in the neighborhood. Earlier, the neighborhood went all the way up to the highway and it was torn down and redistributed so UIC could fit in. It was an economic boon to the city. There was a precedent set here, and displacement is the most euphemistic way of putting it – people were simply thrown and pushed out. There was no replacement of anything, no assistance with relocation. That prioritization of the economy of the city and of the well-being of people other than the local residents set another precedent that make Pilsen more susceptible to gentrification today. Finally, the third factor is that neither of those two mindsets have changed. They have not been challenged holistically in the City or across the United States. There are communities where people take pride and power in the impacts that people of color have, but they are still not regarded as on par with what white communities, white developments, or white economies can do. So, until that mindset changes, this won't go away. The same thing happened with the neighborhood around the Dodger Stadium in Los Angeles. It was also a community that was predominantly Hispanic, and developers came in, liked the land and the potential the area had,

and people were just thrown out. They viewed this area that had homes and communities and organizations as just a vacant piece of land.

Key Takeaways

- Over the last decade (2013 to 2022), the demographic composition of the Lower West Side has changed significantly. The decreasing population (*Figure 4*) is aging rapidly (*Figure 5*), and the neighborhood as a whole has become less family-oriented than it previously was (*Figure 6*).
- Housing affordability in the neighborhood has remained a persistent problem. Despite rapid growth in their median household income (*Figure 9*), residents of Pilsen/the Lower West Side tend to pay higher shares of their incomes towards housing costs (*Figures 14 & 15*).
- To add to the already documented process of gentrification in the neighborhood, the Lower West Side has seen the addition of new housing units at a rate almost twice as fast as that across Chicago (*Figure 10*). Despite this, vacancy rates in the Lower West Side have continued to remain well above the vacancy rate for Chicago (*Figure 11*).
- Interacting with the physical spaces in the Lower West Side as well as with stakeholders and local residents, it is clear that the ongoing gentrification of the neighborhood is at the forefront of residents' minds. Recent developments such as the “redevelopment” of Caza Aztlan have had adverse effects through the destruction of community anchors.
- Much of the gentrification in Pilsen is “invisible” – outer appearances of structures tend to remain the same to preserve the image of architectural homogeneity, but the interiors are remodeled and often marketed as luxury apartments.
- There are ways in which new development can serve the community. Important factors during the planning process include the active inclusion of the community and understanding their needs, as well as holding public officials accountable.

Lessons for the future of the Lower West Side

In terms of the preservation of local communities and their community anchors, the future of the Lower West Side is in jeopardy. Recently, the City presented plans to expand the current TIF (tax-increment funding) zone in Pilsen.¹⁹ The majority of Pilsen's residents have remained opposed to TIF as an economic development incentive for years now, observing that this policy brings with it large-scale gentrification. Many community members and organizations have spoken out against this proposed expansion for the reasons cited above, and their efforts succeeded as the City Council's Committee on Finance deferred voting on the matter due to the requests of several aldermen including Bryan Sigcho-Lopez.²⁰

Not all development has to contribute to the process of gentrification. Neoclassical economists and neoliberals may argue that any betterment of a neighborhood will result in displacement due to the market forces of demand and supply. I disagree with neoclassical economic theory and neoliberal economic policies and believe that with the protection of local residents through strict, enforceable affordability programs, and through the constant inclusion and involvement of local communities in the development process, neighborhood revitalization and new development does not necessarily have to lead to displacement.

¹⁹ City of Chicago, https://www.chicago.gov/city/en/depts/dcd/provdrs/ec_dev/news/2024/july/pilsen-tif-amendment-proposed-to-support-local-businesses--prope.html, Jul 17, 2024

²⁰ Hernandez, F. G., Block Club Chicago, <https://blockclubchicago.org/2024/09/17/controversial-pilsen-tif-expansion-proposal-delayed/>, September 17, 2024