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# **These Chicago residents are trying to revitalize their neighborhood without gentrification**

For decades, governments have favored rental housing for low-income Americans. North Lawndale is a test case of whether homeownership is a better bet.

By [Kyle Swenson](#)

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CHICAGO — For decades, North Lawndale has been slipping into weedy neglect.

In 1966, the Rev. Martin Luther King Jr. moved his wife and four children into a dilapidated apartment here to highlight housing inequalities in Northern cities. Nearly 50 years later, when writer Ta-Nehisi Coates wrote his influential essay, “[The Case for Reparations](#),” he started with the story of a North Lawndale homeowner. Today, the poverty rate is twice that of the rest of Chicago, and more than 2,000 lots in the neighborhood are vacant, many with a clear view of the crowded downtown skyline.

But earlier this year, two houses were built on South Avers Avenue, part of a homegrown plan to challenge more than 40 years of public policy

orthodoxy that has favored renting over owning for the working poor and instead use homeownership as an engine for economic stability.

Together, a group of local residents and national organizers are planning to build 1,000 units of housing. With \$12.5 million already raised and backing from Chicago Mayor Lori Lightfoot, the two model homes on Avers Avenue are a sneak preview of what local organizers think will transform North Lawndale and inner cities across the country. The idea has already attracted the attention of federal policymakers, and backers are working to get the necessary funding for such projects included in the Biden administration's \$3.5 trillion Build Back Better Act.

But the project also needs to sell working-class Americans locked in a generational cycle as renters — people like Arica Weathers. What was for sale here wasn't just a home but the idea of homeownership.

A 35-year-old college counselor and single mother, Weathers grew up in the neighborhood. As a child, she figured her family had rented on “almost every block from Pulaski to Kedzie,” the roads tracing the rough east-west borders of the neighborhood.

Here was the courtyard where she had her kindergarten graduation. That was the house where the owners threw big parties every year. There was the apartment building where her father had jumped off the balcony once when the police came knocking. But the school building now housed a charter school. The couple that threw the parties had lost the house years ago. And the old apartment building was now another lot.

But on a morning in late September, Weathers stood outside the locked gates of the new model homes, trying to connect her ambition with reality.

“I’ve got anxiety,” she said as noises of last-minute construction floated from the houses. “This is something no one I know had or was even capable of having. The fact that I’m even close to touching it now is scary.”

## **Skewed toward rental housing**

As major cities like San Francisco and D.C. grapple with an acute shortage of affordable housing and rising housing prices push low-income residents out, some policymakers are taking another look at homeownership for low-income Americans as both an engine for community revitalization and individual economic stability.

The Black and White homeownership gap has been particularly stubborn since the 1960s — in fact, it is slightly wider today, despite the 1968 Fair Housing Act and decades of investment in affordable housing programs. The homeownership gap between Hispanics and Whites ranges from less than zero in El Paso to 39 percent in New York City, according to the Urban Institute.

Those gulfs are partly grounded in public policy.

In 1986, the creation of the [Low-Income Housing Tax Credit \(LIHTC\)](#) provided a financial incentive for developers to build high-density rental housing for poor residents. By creating an attractive solution to public housing through private development, the policy became the dominant approach and the country’s largest source of affordable housing financing, according to the Tax Foundation, an independent nonprofit tax policy organization. The program now results in the construction of around 107,000 units each year.

The U.S. Department of Housing and Urban Development “primarily supports rental housing, and most of the budget goes to preserving existing housing,” said Alex Schwartz, a professor at the Milano School of Policy, Management, and Environment at the New School in New York City. “Since the ’80s and ’90s, hardly anything had been built. And since the tax credit was created in 1986, it’s become the primary funding force for low-income housing.”

He added: “It’s the only game in town.”

*When every new dollar goes to old debt, families wonder whether stimulus will end poverty*

This funding emphasis, however, largely came at the exclusion of extensive investment in housing ownership for lower-income earners. There are multiple programs through Fannie Mae and Freddy Mac, as well as tax deductions. But these programs mostly benefit “people with substantial income,” Schwartz said. “Most of the mortgage interest deductions, especially now, go to people making well over \$100,000.”

But some housing advocates have begun to question this rental-heavy policy.

“Using tax credits to generate more rental housing, there’s a high level of comfort in that approach with developers and builders and nonprofits,” explained Michael Gecan of the Industrial Areas Foundation, a national network of community organizing groups. “But it doesn’t do two things we know homeownership does. It doesn’t create equity. And it does not create large-scale, critical mass ownership opportunities that can revitalize communities that have suffered for decades.”

Gecan and IAF were instrumental in one of the most successful experiments in affordable housing.

In the early 1980s, New York City Mayor Ed Koch agreed to sell 16-square miles of abandoned lots in Brooklyn's Brownsville neighborhood to a group of local churches for \$1 per lot. The city also offered \$10,000 deferred payment loans to perspective home buyers. Around 1,250 homes were initially constructed with prices starting as low as \$50,000. The project — called Nehemiah homes — created a critical mass of development and equity in the neighborhood that continues today.

More than 4,500 Nehemiah homes have been built since the 1980s in the New York City area, generating more than a billion dollars in total homeowner equity, according to the developers. The project has a less than 1 percent foreclosure rate, and a study conducted by Nehemiah found that children who grew up in the development earned 53 percent higher wages than their parents.

Despite success building similar projects in other cities, Nehemiah has yet to be fully replicated in another city at the same large scale.

“If you don't see something for a generation or two, you stop imagining it can happen,” Gecan said.

## **Building a base of support**

Richard Townsell first heard about the Nehemiah development when he was a young organizer in the 1990s. He saw Brownsville's resurrection as a blueprint.

In the early 2000s, Townsell's group, the Lawndale Christian Development Corporation, a community development nonprofit group, along with United Power for Action and Justice, another Chicago nonprofit community organization, constructed around 100 new homes on empty lots donated from the city. But the office of Chicago Mayor Richard M. Daley balked at handing over more lots.

Townsell spotted a valuable lesson in the defeat: Community development was only possible if the community organized and pressured politicians for help.

"The reason we lost before was because we didn't have a base," he said. "We were building houses, but we didn't have leaders. So now we needed to do that through a homeowners association."

Over the next decade, North Lawndale residents successfully organized around local issues, including improvements to a library and permit parking on high-crime blocks to limit traffic.

"That helped us have faith we can win," Townsell said. "So many folks have been losing for decades. They would call the alderman about their trash cans and nothing would happen. But you get involved with us, we're trying to teach people to win."

Organizers also worked to create demand for homeownership by holding workshops on how mortgages work, what to look for in an inspection and what insurance was needed. "You can't just have affordable housing if they don't teach you how to afford the house," said Chris Brown, a North Lawndale resident involved in the effort. The organizers also wanted to help people avoid falling prey to predatory lenders, which targeted Black and Hispanic home buyers in the lead up to the Great Recession.

By the time Lightfoot was elected mayor in 2019, one of her first public appearances was before more than 1,000 North Lawndale residents and allies asking for her commitment to the home building project. Illinois agreed to kick in \$10 million for home buyer subsidies. Construction began this year on the two South Avers Avenue lots.

## **‘It does not belong on this block’**

Weathers stepped into the first model home, morning light glowing on the new paint and staging furniture.

“This is three bedrooms, one and a half baths, and it’s 1,600 square feet,” the woman showing the house explained. “You get to pick the flooring and the lighting and cabinetry, so it doesn’t have to come like this.”

“This is just crazy, because this just looks like it does not belong on this block,” Weathers said.

They stepped through a kitchen outfitted with stainless steel appliances. Upstairs, the bedroom windows looked out onto the iconic Willis Tower spiking the downtown skyline.

“I am going to freak out right now,” Weathers said walking down the upstairs hallway. “I have this tapestry on the living room wall. I don’t know if this is a sign or what, but I have these all through my house.”

“I think it’s a sign, Arica,” the woman leading the tour said. “You know, you could get this very house if you wanted it.”

### *Where buying a home is cheaper than renting one*

Weathers at that moment felt her prospects shifting. For years she had been pushing past low expectations she came to see as barriers. She was the first of the four children in her family to go to college, then to get a master’s

degree. She had lived among homeowners in other Chicago neighborhoods, but the same opportunity didn't seem possible in North Lawndale.

"No one owned," she said. "That wasn't a thing growing up. In this community, even when we are working our hardest, giving all the hours we can, we still are used to falling behind because that's just how it always has been."

Here, though, Weathers was already mentally grafting her life into the space. At the bench by the door, her son could do his homework. Over there the dog could lie in the morning sun.

"I'm picturing Christmas, because I'm a huge Christmas person," she said. "The tree is going to have to go in front of the window there."

## **Revitalization without gentrification**

With \$12.5 million raised and the final legal steps for a land transfer agreement with the city set to be finalized by the end of October, construction on the next round of 50 homes could begin as early as November. The developers continue to raise money, hoping the success of the initial round will trigger further development. "We are very urgent," Townsell said.

In D.C., efforts to include funding for affordable home construction at scale in the \$1.5 trillion infrastructure bill continue. Two key subsidies are needed on a federal level: zero-interest construction financing and zero-interest second mortgages to home buyers who spent \$30,000 to \$70,000 on their home.

So far, the bill includes increased spending on public housing but leans heavily on the same tax credits that support rental housing. As of this

week, the two subsidies for affordable home construction at scale were not in the latest bill.

“Can Congress understand that two things have not happened in spite of 40 years of other approaches,” Gecan said. “One: Most inner cities have not been rebuilt by the people living there. The second: Equity has not increased for African Americans and Hispanic families because they cannot buy a home. Our approach is revitalization without gentrification.”

By mid-October, the two homes on South Avers Avenue had yet to be sold. Weathers was hoping to make an offer, but the state subsidies she needs to do so do not kick in until 2022. She hopes to be ready to buy a house from the project’s next round. “I don’t know where I’m going to be next year, and that’s scary,” she said. “I just am going to hope for the best.”