Immigrant Homebuyers See Bias Against Many Relatives Sharing the Same Roof

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ELGIN, Ill. -- Ted and Brigid Trimble say they were happy when Jose Deanda, a Mexican immigrant, moved in next door four years ago. The house had been vacant for a year. Mr. Deanda and his wife had a small child with a baby on the way, potential playmates for the Trimbles' boys.

Then the Trimbles discovered how Mr. Deanda was paying the mortgage for the small two-family house. Downstairs was Mr. Deanda's immediate family of four. The two-bedroom flat upstairs housed his mother, two brothers, a sister and sister-in-law. Five men Mr. Deanda said were his nephews moved into the basement. Though zoned for six people, the home contained 14.

The Trimbles complained to Mr. Deanda about loud music blaring from the house and cars being fixed in the driveway. Mr. Deanda said the Trimble's dog barked all the time. The Trimbles told housing inspectors that Mr. Deanda's house was overcrowded. Mr. Deanda said that if the police bothered him, he would file a discrimination lawsuit. The Trimbles put up a wooden fence.

In a time-honored American tradition, Hispanic immigrants are often doubling up and pooling resources to buy homes. But unlike earlier generations of immigrants who packed together in urban tenements, many Hispanics are heading straight to suburban communities, looking for better schools and safer streets. They are aided by real-estate agents eager to tap into the fast-growing Hispanic housing market and by banks and mortgage companies looking to boost their lending to minorities.

But the immigrants' drive for upward mobility is clashing with the suburban ideal of quiet streets and single-family homes, and in some places opening up a racially charged class war.

"Some people have this attitude, 'It's my house and I can do whatever I want,' " says Mrs. Trimble, who plans to go back to school and become an elementary-school teacher. "But when that happens, you no longer have a community -- you have a very unfriendly neighborhood."

'I Like to Get Along'

Jose Deanda

On the other side of the fence, Mr. Deanda, a supervisor at a furniture factory, says: "I like to get along with everyone, but you can't do that with some people. Some people don't like Hispanic people." Besides, he says, "I'm not going to throw my mom and brother on the street."

The Virginia Senate last year passed a bill permitting Fairfax County, which was seeing an influx of Hispanic families, to ban sleeping in any room except bedrooms. The bill was subsequently withdrawn.
amid charges that it was anti-immigrant. Rolling Meadows, another Chicago suburb, changed the
definition of "family" in its zoning code to reduce the number of unrelated adults who can legally live
together in a single family home to three from four.

Here in Elgin, an old industrial town outside Chicago that has seen its fortunes improve in recent years,
the U.S. Department of Housing and Urban Development charges that local housing inspectors are
discriminating against Hispanic homeowners and renters. The agency says inspectors are conducting
predawn raids looking for overcrowded conditions, but they disproportionately target Hispanics with
relatives or others living in converted basements and attics. "Guilt ... is often assumed" by Elgin housing
inspectors when dealing with Hispanics, concludes a HUD report issued in August 2000. The Justice
Department's civil-rights division is reviewing 23 housing-discrimination complaints by Hispanics
against the city and could decide to sue Elgin over its alleged mistreatment of Hispanic residents. The
city and federal officials are meeting to try to resolve the dispute.

Enforcing Codes

But where HUD and many Hispanics see discrimination, Elgin city officials and many white residents
say enforcing housing codes is necessary to ensure health and safety. Fires are a threat when houses are
overcrowded or basements and attics lack a quick means of escape. In 1995, a three-year-old boy and his
parents died when fire raced through their Elgin basement apartment, which had only one exit. Codes
can also help neighborhoods from decaying and property values from declining.

"If I'm going to sink $30,000 into my house, I want to know my neighborhood is going to stay nice,"
says Sheri Buttstadt, who is renovating her house in one of Elgin's reviving historic neighborhoods. "If
you can barely afford the mortgage, you don't have money to fix the roof or the screen door."

Hispanics lead the surge of immigrants seeking homes in the suburbs. The most popular surname among
home buyers in California in 2000 was Garcia -- joined in the state's top 10 by Lopez, Martinez,
Hernandez, Rodriguez and Gonzalez. More than 41% of the immigrant population in the Chicago area
now lives in the suburbs, up from 33% in 1970. Hispanics are flocking to suburbs like Elgin because
they offer service jobs in hotels and restaurants and other job opportunities such as landscaping.

Banks and mortgage lenders, under pressure from the Community Reinvestment Act, are boosting loans
to low- and moderate-income home buyers, especially striving immigrants. Five years ago, World
Savings & Loan, a unit of Golden West Financial of Oakland, Calif., started opening branches in the
suburbs around Chicago. The bank established a special "community loan program" targeted at low-
income minorities.

Last year, Lee Ann McLaughlin, a loan officer who serves Elgin, approved more than 200 loans to low-
income minorities, up from 22 five years earlier. Three-quarters were to Hispanics pooling resources to
buy homes, say Ms. McLaughlin. She says her foreclosure rate hasn't changed, remaining "well below"
1%.

Ms. McLaughlin recently approved a loan for a two-bedroom condominium that will house eight people.
She discounts complaints by some whites in Elgin that the eagerness of mortgage lenders and real-estate
agents to land Hispanic clients is fostering overcrowding.

"The more affluent we become, we tend to forget where we came from," she says, "I grew up in a four-
bedroom farmhouse in Ohio with my grandparents, my mother, two uncles, a brother and a sister."
Moving Up on Returnables

After 11 years renting an apartment behind a Chinese restaurant in Duarte, Calif., Maximiliano Garcia moved into a four-bedroom, $150,000 house in a nicer residential area of the Los Angeles suburb. The mortgage is $1,200 a month, yet the 65-year-old Mexican immigrant earns just $300 a month collecting returnable bottles and cans.

As night falls and people come home from work, the economics of the Garcia household become clear. A young factory worker, his wife and their two young girls stop by the kitchen to get a snack. They rent two rooms at the back of the house. Mr. Garcia's 22-year-old son, Javier, who sells truck accessories, rents a bedroom off the living room. Another immigrant factory worker slips wordlessly past the bouquet of artificial red roses on the living-room coffee table into the bedroom next to Javier's. Finally, there's Maria Nevin, who peddles American clothes across the border in Mexico. She sleeps on an air mattress in the living room. Nine people live in Mr. Garcia's four-bedroom house. Everyone pays cash to Mr. Garcia, who gives the money to another son, a worker in a salvage yard, who then writes a check to the mortgage company.

"If everyone was separate, there would be no house," says Mr. Garcia with a smile.

Such arrangements don't trouble Duarte city officials in this racially mixed city. They say it's common for Hispanic homeowners to rent out rooms to relatives and strangers to meet the mortgage. "It's a traditional way of reaching homeownership," says Duarte city planner Steven Sizemore.

But in Elgin, the influx of Hispanics doubling-up is pitting neighbor against neighbor, whites against Hispanics.

An old industrial town northwest of Chicago, Elgin declined in the 1970s and 1980s. Starting in the 1990s, housing prices rose, prompted by a renewed interest in Elgin's many historic homes and a downtown renaissance aided by the opening of a riverboat casino in 1994. The city expanded its housing-code enforcement division to eight staffers from two and began cracking down on violations more vigorously.

At the same time, Hispanic home-buyers began flocking to the city, drawn by relatively low home prices and plentiful service jobs. Since 1990, Elgin's population has increased by 10,000 to 95,000. The proportion of Hispanic residents has grown from 19% to 34%. Hispanic homeowners say housing officials have applied the local codes much more vigorously to them than to white homeowners.

'My House Is Open'

Three years ago, Jose Lara and his wife bought a three-bedroom home in one of Elgin's neighborhoods, attracted by the two bedrooms the previous, white owner had added in a converted basement. Mr. Lara installed a bathroom in the spacious attic, carpeted the floors and invited his sister-in-law and two nephews to move into the attic. "My house is open to my relatives," he says. "I give them a helping hand."

Eight months later, after a complaint from a white neighbor, Elgin housing inspectors came by at 6 a.m. and declared that the bedrooms in both attic and basement violated city building standards -- the ceiling was three inches lower than allowed in the basement and the attic stairway was too small for a safe exit. The bathrooms and some electrical wiring had also been installed without proper permits. Mr. Lara's relatives moved out.
At night, Mr. Lara says, he sometimes goes up to his now vacant attic, looks out the window and sees the attics of white neighbors with people sleeping inside.

"The city doesn't want Latinos," says Mr. Lara. "I see my white neighbors sleeping in their attics. Why can't I use my attic?" He says he'd consider leaving Elgin, but his wife has family here.

Elgin city officials say they don't discriminate between Hispanic and white homeowners and are simply enforcing national housing codes. "It's a public health and safety issue," says the city's corporation counsel, William Cogley. Inspectors tend to find out about violations through complaints of neighbors, city officials say.

The Trimbles know about the code issues. When they bought their Prairie-style house 14 years ago for $76,000, it was advertised as a five-bedroom house. But two of those bedrooms were in the basement and so violated housing codes. The Trimbles converted the basement rooms to a family room and workshop, redid the kitchen, installed new electricity and plumbing and stripped much of the paint to reveal period details. They estimate their house today is worth $150,000.

**Seeking the Real World**

The Trimbles say they moved to Elgin because they wanted an affordable suburban neighborhood that wasn't all white. "We didn't want our kids growing up in an unreal world," Mrs. Trimble says. At the time, the neighborhood was predominantly white, with a smattering of blacks and Hispanics. Over the years, more and more Hispanics have moved in, and the Trimbles say their neighborhood is now filled with large Hispanic families and illegal boarders who crowd the streets with cars and significantly increase the amount of traffic on the street.

But the crime rate in Elgin has dropped 36% since 1995. Far from depressing housing prices, real-estate agents say the Hispanic demand has contributed to an overall rise. In the third quarter of 2001, housing prices in Elgin jumped 9.3% from the year-earlier period, more than twice the rate for Illinois as a whole. The value of their house has doubled since the Trimbles bought it in the 1980s.

"I'm not prejudiced," says Mr. Trimble, a mechanic with United Air Lines. "I just expect everyone to play by the same rules."

Banks and government-backed mortgage programs "are giving mortgages to people who can't afford them," says Mrs. Trimble. "It's gotten to the point where some people see owning a house as a right. But it's a privilege to own a house, not a right."

Mr. Deanda agreed to stop renting out his basement soon after housing inspectors came to his house. A few months later, one of his upstairs brothers bought his own house a few blocks away and took his mother and other relatives to live with him and help with the mortgage. The upstairs apartment is now occupied by another brother and his wife.

Mr. Deanda reckons that his house, which he bought for $96,000, has appreciated in value to $150,000 in the past four years. He just expanded a downstairs bedroom to accommodate his new baby, born in September. With the two relatives upstairs, the baby puts the house at its legal occupancy limit of six. Mr. Deanda says he would welcome other relatives to move in if they needed his help.
"I like the neighborhood," he says. "Why am I going to leave?"

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