

Gentrification and Its Impacts on Wealth Disparities

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A millennial's point of view on gentrification

What is Gentrification?

Coined by Ruth Glass, a British sociologist, in 1964:

"One by one, many of the working class quarters of London have been invaded by the middle classes — upper and lower. Shabby, modest mews and cottages — two rooms up and two down — have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in earlier or recent periods — which were used as lodging houses or were otherwise in multiple occupation — have been upgraded once again. Nowadays, many of these houses are being subdivided into costly flats or "houselets" (in terms of the new real estate snob jargon). The current social status and value of such dwellings are frequently in inverse relation to their size, and in any case enormously inflated by comparison with previous levels in their neighbourhoods. Once this process of "gentrification" starts in a district, it goes on rapidly until all or most of the original working class occupiers are displaced, and the whole social character of the district is changed."

There are a wide array of definitions in today's society, but they all focus on the displacement of low-income for middle class people.

What is Gentrification?



Gentrification

ALLEN EDSON, ENVIRONMENTAL SCIENCE INSTITUTE, OAKLAND, CA

I'm looking at Brownfields regionally, but I see the same thing happening throughout the region. In poor communities of color, all of a sudden, their locations have become assets. They have these great, strategic locations and the property is cheap. That's what's happening everywhere that they've established a Brownfields Pilot Project. In a lot of cases, there's still opportunities for someone with an entrepreneurial outlook to benefit from Brownfields. Brownfields can't be supported just with public money.

But part of it is just that most of the people that are controlling all those things, resources, etc., have historically kept communities of color out.

Lower-income areas property are bought at a low rate by commercial real estate business.

The new owners raises rent for future and current residents.

Reasons these areas are chosen are based on their location.

Tax abatements are given to new business owners and homeowners.

What is Gentrification?



Expert from The Carmichael Show that shows both side and views of gentrification.

One brother sees it as the neighborhood getting a positive make over, while the other brother sees the harm it creates for low income residents.

Pros and Cons

Pros:

- Increased integration (i.e., racial and economic diversity)
- Less Crime (i.e., law enforcement safer parks)
- Better living conditions (i.e., new housing, renovation of old buildings)

Cons:

- Increased cost of living (i.e., higher rent, more expensive food)
- Income does not increase as rising expenses do
- Destruction of historical buildings
- Stereotypes are formed about both incoming and current residents

Pros and Cons





Why is this a problem?

- ★ Displacement of low-income families
- ★ Integrated neighborhoods may increase stereotyping
- ★ Rent-burdened homes
- ★ Closing of small businesses leads to unemployment



Types of Power

Institutional Power

Type of power has official authority or the ability to decide what is best for others and to allocate resources. It exists in circumstances where the authority has been socially approved (i.e., by a vote) and accepted as legitimate.

Discriminatory Public Policy



Types of Power

Control of resources

Not providing necessities to the low-income neighborhood

Stereotype Power

The idea that low-income neighborhoods should accept gentrification because they will be worse off without it

Obligation to Others

People need to feel a sense of community and commitment and find reasons to stay

Gentrification happens in 7 steps: Grassroot, Planning, Pioneer, Intensive Investment, population shift, Displacement, Full Transformation

Solutions

Rent Protection

Policies to protect rent from increasing in neighborhoods undergoing gentrification

Cultural/Historic Preservation

Provides long-time residents to stay in their current neighborhoods experiencing drastic changes. Keeping the culture that's already in the city rather than demolishing them for newer buildings

Local Hiring

Prevents local residents from being unemployed by the masses of new workers flocking to recent developments and businesses

Rent Protection

The need for rent protection stems from the **Affordability Crisis**

Between 2005 and 2012, rent in NYC across all 5 boroughs increased by 11% while renters' incomes stayed the same

In 2012, more than half, or 55% of all renter households were rent-burdened (spending more than 30% income on housing costs)

More than 30% of rental households spent more than 50% of their incomes on housing. This put them in the category of "severely rent-burdened."

The Power of Policy: Examples of Rent Protection

‘Housing New York: A Five-Borough, Ten-Year Housing Plan’ May 5th, 2014

Mayor of NYC, Bill de Blasio announced a \$41 billion plan to build and preserve 200,000 affordable housing units throughout all five boroughs of NYC. 60% of the 200,000 will be focused on preserving current housing units while 40% aims to construct new developments.

Key Policies of the program include:

- Fostering diverse, livable neighborhoods
- Preserving the affordability and quality of existing homes
- Building new affordable housing

"Mayor de Blasio's affordable housing plan is a breath of fresh air to those of us who have been fighting to stem the tide of gentrification and make the city an affordable place to live, regardless of income," said **Assemblywoman Linda B. Rosenthal.**

Steps to Solve Displacement

1. Identify which neighborhoods are targeted
2. Mobilize residents to be more involved in the planning and grassroots stages
3. Encourage policy makers to talk to developers and implement rent protection
4. Encourage policy makers to provide incentives to business to hire locally and not out sourcing (employees and resources)
5. Encourage the city to continue with public investments so residents stay put; extended transit, waterfronts, restaurants, cleaner parks

Revitalization vs. Gentrification

Revitalization goal is to preserve the neighborhood's characteristic but provide new economic availability.

- Adds new businesses while protecting current small business

- Leaves the neighborhood affordable for low-income residents

Focuses on grassroots, planning, intensive investment, and positive integration

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