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Technical Memorandum on Gentrification Issues
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Revitalization without Gentrification:

Gentrification is a controversial and divisive issue that has been extensively debated. From our research and the work of others, we feel two critical issues must be addressed in the gentrification debate.

1. Defining gentrification
2. Achieving revitalization without gentrification

Defining gentrification-

Without defining gentrification, it becomes impossible to determine if gentrification is occurring within a neighborhood. Viewpoints on what gentrification is may vary significantly, and based on these misconstrued definitions identifying the impacts of gentrification becomes difficult. The term is often mistakenly intermixed with urban revitalization or is used to describe any physical investment within a neighborhood. These definitions are flawed and miss an important distinction. Gentrification is not simply reinvestment into the neighborhood, gentrification is a process that extensively dislocates traditional low income residents (usually residents of color) and extensively changes the social fabric of the neighborhood.

Research by the Brookings Institute provides the best working definition of gentrification:ⁱ

Gentrification: the process by which higher income households displace significant numbers of lower income residents of a neighborhood, thus changing the essential character and flavor of the neighborhood. Based on this definition, three specific conditions must be met: displacement of original residents, physical upgrading of most of the housing stock and change in neighborhood character.

This working definition produced by the Brookings Institute continues to address what gentrification does not entail. Gentrification is not occurring if higher income residents move into a neighborhood at a scale that is too small to displace existing residents, or redevelopment is targeted toward abandoned or vacant structures or lots. Also, the existence of economic development activity (revitalization) does not automatically provide for gentrification.ⁱⁱ Gentrification is the process of permanently changing a distressed community into an exclusive upper income community and does not simply equate with community reinvestment.

By using this narrow definition it is easier to understand the negative impacts of gentrification and easier to distinguish revitalization from gentrification. Gentrification (by this definition) is not a healthy phenomenon for a community. The displacement caused by gentrification falls most heavily on disenfranchised low income resident.



Gentrification also does little to deconcentrate poverty, instead shifting the low income population into neighboring communities, further concentrating poverty in nearby areas.ⁱⁱⁱ

Gentrification:	Revitalization:
Widespread displacement of traditional low income residents by affluent households.	Mixed income housing development, displacement avoided.
Residents unable to accrue wealth, remain highly susceptible to displacement.	Wealth building strategies for existing residents implemented, residents stabilized from displacement pressure.
Existing social networks, neighborhood services and local businesses disrupted in the community.	Social networks, neighborhood services and businesses reinforced in the community. Additional new business and services expand options for all residents.
Community transitions to an exclusive community, inaccessible to low income households.	Community transitions to a mixed income, mixed wealth and diverse community.

Table 1: Contrasting gentrification with revitalization

Revitalization instead of gentrification-

Neighborhood improvement (or revitalization) is not synonymous with gentrification. Neighborhood reinvestment can occur and improve the quality of life for existing residents without the widespread displacement associated with gentrification. Several urban/social policy research institutions have been pushing for a new model of development that does not gentrify the community. These new development models have been labeled as “equitable development”^{iv} or “community revitalization”. All of these new models of development share certain characteristics.

- The distressed community transitions into a mixed income, mixed wealth and diverse community.
- The social networks and services utilized by traditional residents are maintained and improved.
- Existing neighborhood businesses are supported while additional viable businesses are created in the community.
- Neighborhood improvement not only focuses on improving the physical environment but focuses on creating wealth and opening opportunities (such as employment) to existing residents.

PolicyLink has further refined its model of equitable development. Detailed information of the policies to promote equitable development can be found in **Appendix A**.

Monitoring/Diagnostic Tools:

One of the recommendations widely supported for addressing gentrification pressure is neighborhood monitoring and assessment. Establishing a diagnostic system for monitoring investment and property ownership enables intervention before gentrification occurs. Conversely, this system enables a community to analyze if reinvestment in the community poses little threat of gentrification, thus resources can be targeted toward

other neighborhood concerns. The critical aspect of monitoring neighborhood change is to address potential problems before they occur, case studies have shown too many communities have organized to mitigate gentrification after significant displacement has altered the neighborhood. As addressed by the Brookings Institute:

“Perhaps the most important task for neighborhood residents, local and regional government officials and other stakeholders is to identify gentrification pressures early, and to understand how gentrification dynamics are to unfold.” Brookings Institute. Dealing with Neighborhood Change. Page 30.

Understand Context of the Neighborhood/Region-

Before establishing a monitoring system for a neighborhood, it is also important to assess the neighborhood in the context of the surrounding city and region. Research by director Powell (and supported by research from the Brookings Institute) has found that gentrification pressure is directly tied to the regional housing market.

The degree of gentrification stress is higher for “rich” or high market cities (San Francisco, New York, Portland) and much less a phenomenon in weak market cities (Cleveland, Detroit). Also, the strategies to mitigate gentrification will vary within these cities. For example, inclusionary zoning may be a better strategy in a hot market city, while strategies to avoid displacement and build assets (for existing residents) may be more appropriate for a weak market city. (Many of these issues are addressed in the presentation prepared for the Community Development Partnership Network that I submitted to you earlier).

Another consideration is assessment of what attributes may lead to gentrification in a neighborhood. Research by PolicyLink of California has identified several characteristics that gentrifying neighborhoods share.

- The neighborhood contains a high proportion of renters (population most sensitive to displacement pressure).
- Easy access to job centers and regional amenities.
- Comparatively low housing values in the context of the regional and local market, particularly for housing stock with architectural merit.

Methods of Monitoring-

The tools to monitor for gentrification depend on the housing market and size of the area of concern. Diagnostic systems may be city wide (measuring all neighborhoods) such as systems found in Philadelphia and Providence RI. The Providence, RI monitoring system analyzes the property sales and abandonment to identify areas of potential land speculation.

At the neighborhood level, diagnostic systems can be more proactive, specific and accurate. Neighborhood organizations can track change in the community to understand if gentrification is occurring. Indicators to consider monitoring include:

1. Property appreciation rates, how fast are they growing, compare rates with the region, the city or other urban neighborhoods.



2. Analyze the rental market in the community. Determine if rents are changing and how they compare the change in rents in the region, the city or other urban neighborhoods
3. Are critical neighborhood social services under pressure to relocate?
4. Determine if any displacement is occurring in the neighborhood. Are other local (neighborhood) housing opportunities available to displaced residents?
5. Are traditional residents able to maintain properties, monitor if code violations are threatening to cause displacement.

Mitigation Strategies in Place-

Neighborhood monitoring also requires planning for mitigating gentrification if it disrupts the neighborhood. Researching and identifying mitigation strategies beforehand can speed up any response to gentrification in the neighborhood. A wide range of mitigation policies exist to address gentrification. These vary from extensive inclusionary housing ordinances to localized programs to provide financing for local businesses or funding for code compliance for existing residents. **Appendix B** provides a brief summary of a selected number of potential mitigation strategies. More information can be provided for specific strategies at a later date, if this would be helpful to your efforts.

Addressing Land Speculation:

Land speculation is a problem in inner city neighborhoods across the nation. We are currently assisting a community advocacy organization in Detroit address vacancy and speculation problems by advocating for a city wide land bank program. Options for dealing with land speculation are somewhat limited, but two primary recommendations would be helpful in dealing with speculative property owners.

First, strict code enforcement is the best policy for addressing land speculation. Second, aligning other redevelopment tools against abandoned properties can also prove effective. Land bank programs can be used to acquire properties for community use. Community groups can work proactively with the city to enforce codes and utilize eminent domain to address vacant properties. Finally, any incentive programs to revitalize the neighborhood should attach requirements to assure properties will be redeveloped in a timely manner. Also, incentives should not be given to potential property owners that have a history of speculation in the community or city at large.

Potential Housing Policies:

Based on the concerns you addressed in our conversation several policies may be useful to pursue in the neighborhood planning process for Weinland Park.

Code Enforcement/Building Rehabilitation Policies – strategies to improve quality of housing for existing residents

Examples: Local code enforcement monitoring, aligning community organizations with the city to address blight and code violations, maintain local database of code violations.



Asset Building Strategies – a neighborhood revitalization strategy that improves the quality of life for existing residents and buffers residents from future gentrification pressure.

Examples: Limited equity housing cooperatives, strategies to promote homeownership for existing residents (financing availability, down payment assistance), also could include business assistance for existing businesses and service providers in community.

Investment Strategies – encourage income diversity in the neighborhood and public investment

Examples: Align public subsidies with neighborhood planning goals, use of incentives to increase homeownership and introduction of market rate housing

Other (Addressing Gentrification Concerns)

Establish Early Warning System – monitor for Gentrification and identify appropriate tools to mitigate gentrification if problems occur



Appendix A: Principles identified to promote a model of equitable development

Source: PolicyLink, *Equitable Development tool kit*. <http://www.policylink.com>

To create a context for equitable development while preventing displacement of residents:

- Understand the economic, political, and social forces at work
- Assess, map, and analyze the potential for displacement
- Support resident participation in land use planning that envisions community-wide economic improvement
- Stabilize current residents
- Build public awareness of the issues and proposed solutions among key players
- Advocate mixed-income development at every turn and across jurisdictions
- Expand the range of housing not susceptible to the commercial market through permanent affordability mechanisms
- Promote diverse homeownership opportunities for current residents
- Target income and asset strategies to stabilize current residents
- Utilize equity criteria to guide new investment
- Anchor culturally-rooted commercial, nonprofit and arts organizations
- Tie housing production to commercial growth
- Plan for newcomers to promote a diverse community mix and ensure affordability
- Strengthen regional cooperation in community and economic development planning
- Craft policies to engage local, regional, state and federal governments in addressing gentrification pressures



Appendix B: Equitable Development Strategies to promote revitalization while avoiding gentrification.

Source: PolicyLink, *Equitable Development tool kit*. <http://www.policylink.com>

Brownfields

This tool covers strategies used to encourage redevelopment of brownfields (abandoned, idled, or underutilized commercial or industrial sites). Brownfield redevelopment is complicated by the real and perceived dangers of environmental contamination. Infill development is the use of vacant land within built urban areas. Reclaiming brownfields and the use of infill development offers new land use options in gentrifying areas.

Minority Contracting

Ensures that healthy local businesses owned by people of color are a basic component of strong, sustainable communities. These businesses generate job opportunities for residents, and keep money circulating within the neighborhood. This tool reviews major approaches for achieving parity for minority-owned businesses.

Real Estate Transfer Taxes

This innovative tool reviews techniques through which tax regulations can limit two destabilizing practices in low- and moderate-income communities: delinquency, when property taxes are not paid on blighted property; and speculation, when land is acquired with the intent of 'flipping' its ownership strictly for profitability as the housing market inflates.

Local Hiring Strategies

An array of strategies that connect economically marginalized communities to regional job opportunities. For example, linkage programs can require that a percentage of jobs created by a commercial development go to local residents. Other programs link urban core and inner-ring suburban residents to employment opportunities around the region. Building such economic opportunity helps residents remain in their communities.

Affordable Housing Development 101

Increasing and preserving affordable housing stock is critical to community stability. There are a range of practices that are aimed at both existing housing and new development. The focus is typically protecting low-income residents most at risk of displacement from gentrification. Often strategies expand to include a spectrum of housing choices from rental to ownership in a range of income classes.

Expiring Use: Retention of Subsidized Housing

Protects "expiring use" subsidized housing from losing its affordability-designation and reverting to the private market. This tool clarifies ways to protect affordable housing originally supported by HUD, with a special focus on regions with extreme housing shortages, and not coincidentally, considerable amounts of gentrification.



Commercial Linkage Strategies

A range of programs and fees that tie economic development to the construction of affordable housing. Most require developers of new commercial properties to pay fees to support affordable housing construction. Linkage programs support smart growth, mitigate rising housing costs caused by economic development, and provide a dedicated source of revenue for affordable housing.

Commercial Stabilization

This tool reviews effective techniques employed by community-based organizations to preserve cultural organizations and longstanding commercial enterprises that define the historic character of communities. These institutions are frequently the most vulnerable to displacement in gentrifying neighborhoods.

Community Mapping

This tool identifies key information needed to assess the considerable public and private forces driving gentrification. The tool reviews effective community mapping and indicator projects; identifies key data sources to guide community interventions; and shows the role of mapping in community education and organizing.

Community Development Financial Institutions

Existing and emerging resident-owned financial institutions serve to build assets for low-income/low-wealth residents and provide them with a stronger voice in running an institution dedicated to neighborhood development and revitalization.

Cooperative Ownership Models

Businesses, based on democratic principles, owned and run by various stakeholders such as employees, producers, consumers, or others. Co-op models targeted to low-income/low-wealth residents can offer potential financial benefits, business skills, and experience in running a democratically controlled enterprise.

Just Cause Eviction Controls

These laws give special protections to the elderly, disabled and catastrophically ill, and ensure that landlords can only evict with proper cause, such as failure to pay rent or property destruction. They protect renters against being unfairly evicted by landlords who want to capitalize on the explosive rental and housing markets.

Code Enforcement

Prevents and abates violations on private property such as vacant, poorly maintained, and dangerous buildings, illegal dumping, weeded lots, graffiti, junk motor vehicles and more.



Code enforcement can be an important way to protect existing residents or to accelerate gentrification. This tool will provide strategies to ensure resident protection.

Infill Incentives

Density bonuses allow developers to create higher density projects, increasing affordability measures. Infill incentives reward innovative housing efforts to expand homeownership through unused or abandoned lots in urban core neighborhoods. Used properly, these programs can produce new housing units, reduce blight, preserve open space, reduce traffic, and encourage retail development that serves the needs of existing residents.

Developer Exactions

Requires new commercial developments to contribute fees to the development of affordable housing, community services and infrastructure. Creative nonprofit organizations are utilizing exactions as an anti-gentrification tool to finance services such as day care, cultural centers, job training, below market rate housing, and ride sharing.

Living Wage Provisions

Ordinances that ensure the employees of public contractors, private contractors receiving public sector funding, and public employees are paid wages at pace with regional cost of living measures. Higher wages achieved through living wage ordinances assist low-income residents in remaining in their communities, lead to greater stability in the workforce and increase the municipal tax base.

Rent Controls

A review of legal and programmatic protections for renters to slow the pace in markets with rapidly escalating rental prices. The effectiveness and implications of rent control has been heavily debated for as long as such ordinances have existed. This tool reviews their potential application in gentrifying contexts, as well as the complementary techniques necessary to make this a useful strategy.

CDC's with Resident Shareholders

An emerging tool that offers low-income/low-wealth residents the opportunity to own equity in real estate projects spearheaded by community development corporations (CDCs). Owning CDC project stock provides residents with financial benefits and voice in the neighborhood development process. This tool directs profits from development back into the community, ensuring benefit for existing residents.

Community Reinvestment Act

Congressional mandate that financial and depository institutions, such as commercial banks, help meet credit needs of the communities in which they operate, including low- and moderate-income neighborhoods. To utilize the Act as an anti-displacement tool requires



diligent monitoring to ensure investment occurs, as well as strategic planning to direct investment to benefit residents.

Inclusionary Zoning

Land use regulation mandating a percentage (usually 15-20%) of the housing units in any project above a given size be affordable to people of low and moderate incomes. The developer can build the housing or contribute to a fund to develop it elsewhere. This tool has particular relevance in gentrifying communities, where high-income and luxury apartment developments can quickly overrun the existing low- and moderate-income housing stock.

Housing Trust Funds

Public funds, established by legislation, ordinance or resolution, to receive specific revenues dedicated to affordable housing development. The key characteristic of a housing trust fund is that it receives on-going revenues from dedicated sources such as commercial development taxes, fees on loan repayments, and transfer taxes. These funds can stabilize communities facing gentrification pressures.

Limited Equity Housing Cooperatives

A partnership wherein residents collectively own and control their housing. The limited equity component limits the return on resale, insuring that housing remains affordable to future residents. Limited equity co-ops promote democratic participation through resident control and ownership.

Community Land Trusts

A model where nonprofit organizations acquire and hold land for community benefit, making the land available to individuals through long-term land leases. Residents own the homes located on the land. This alternative property ownership model insures long term community benefits such as permanent affordability, while creating homeownership and equity opportunities for individual residents.

ⁱ Excerpted from “Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices” written by Maureen Kennedy and Paul Leonard (April 2001). A Discussion paper prepared by the Brookings Institution Center on Urban and Metropolitan Policy and Policy Link.

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ⁱⁱⁱ For more information about the impacts of gentrification please review “Giving Them the Old “One-Two”: Gentrification and the K.O. of Impoverished Urban Dwellers of Color”. By John A. Powell and Marguerite L. Spencer. Forthcoming journal article. (2004)



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^{iv} For extensive information on equitable development tools and gentrification mitigation tools visit the equitable development toolbox website provided by PolicyLink at: <http://www.policylink.org/EDTK/>