

Gentrification:

The Evolution of Urban Neighborhoods and the Consequences of Improvement

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Gentrification has become one of the most controversial types of neighborhood change in America today. By its proponents, gentrification is viewed as a redeemer of declining inner-city neighborhoods; however, its critics see it as a destroyer of the communities inhabited by the poor. All over the country, gentrification is displacing lower-income residents. As inner cities are de-industrialized, factory and other blue-collar jobs are being replaced with professional white-collar jobs and low paid service jobs with few benefits. In addition, more white-collar workers are relocating from the suburbs to city centers eager for culture and convenience.¹

The poor have very few political or economic resources with which they can defend themselves against developers who want to buy up their crumbling apartments in order to renovate them as luxury condos. However, many social activist groups and nonprofit organizations have accepted the responsibility of defending those at risk for displacement by attempting to provide and protect affordable neighborhood housing for low-income residents. Through protests, legal clinics, tenant buyouts, and support from socially conscious, non-profit developers, activists have won some major victories all across the country.

However, despite past victories, some activists and scholars only see two possible outcomes of gentrification in inner-city neighborhoods: market saturation as expensive housing developments cannot be filled, or the displacement of poorer residents to outlying neighborhoods and suburbs where they are easily forgotten. Nonetheless, more optimistic activists argue that it is possible to redevelop and improve a declining neighborhood without driving existing residents away.²

¹ Mele.

² Mele.

New York, the original gateway for bohemians and immigrant families, has long been a refuge for the masses. However, as living expenses rise, it is becoming one of the least welcoming cities in America. Manhattan has become almost completely gentrified with only pockets of the city available to lower-income residents. And now even these neighborhoods, such as the Lower East Side, are on the verge of being obliterated. “Gentrification has made New York look less and less like a melting pot and more like a pot of oil and water, where people with varying wallet thicknesses never mix.”³

The Process of Gentrification

Gentrification became part of the American public consciousness in the 70s and 80s when artists and bohemians began to move into inner city buildings previously used as warehouses and factories. According to Larry Bennett, a political science professor from DePaul University, this early gentrification didn’t actually displace people, but it opened the way for the inner city to be considered a desirable place to live.⁴ However, neighborhoods just outside city centers very soon began to feel pressure of gentrification.

According to Nacho Gonzales, a University of Illinois at Chicago professor, several essential elements are necessary to induce gentrification. First the neighborhood must have an attractive location and housing stock, preferably a disinvested area with run-down but attractive architecture.⁵ Secondly, the population must be comprised of lower-income residents with little political or economic power to

³ Lyderson.

⁴ Bennett qtd. in Lyderson.

⁵ Duany.

defend their neighborhood. Third, there must be realtors, developers, mortgage lenders, and construction companies interested in redeveloping the area. Lastly, there must be a group of people interested in the neighborhood that can afford to move into the area.

Most often it's the artists that are the first to move into a low-income neighborhood, bringing with them cafes, galleries, and nightlife. The cafes, galleries, and nightlife are in turn what attract the "gentrifiers." In addition, young people moving into cities look for cheap housing and are willing or even eager to live in an area with substandard housing stock and high crime. They are attracted by the diversity and stimulation of the "real" neighborhood, and tend to bring along a more vibrant cultural scene.⁶ Sociologists often characterize these individuals as the "risk oblivious." They prove that old lofts and apartments are "habitable, and indeed charming."⁷ Because they are often educated and from upper class backgrounds, their presence makes the area seem safer to developers and higher income yuppies.

The next wave of "settlers" is comprised of a higher-income and "risk-aware" individuals. This group generally has more money to invest in renovation and is more likely to be able to secure loans. Their presence seems to be more of an economic, rather than physical gentrifying force, for they value the original character and edgy look of the neighborhood.

The last wave is a group of more conservative individuals. They are interested in more conventional methods of real estate as well as thorough physical change in the

⁶ Duany.

⁷ Duany.

neighborhood. Andres Duany characterizes this last, risk averse group as “dentists from New Jersey.”

Greenwich Village is an excellent example of a gentrified neighborhood. In the 1940s and 50s it was home to the beatnik generation and was a very inexpensive and relatively seedy neighborhood. However, to rent a one-bedroom apartment in this area of Manhattan now costs more than \$1500 a month. The boundaries of the gentrified “Village” are now spreading east, encroaching on traditional immigrant enclaves such as the Lower East Side.⁸

The Displacement of the Poor

Once the gentrification process begins, it is difficult to intervene in defense of lower income residents who often times have lived in the area for many years. The Lower East Side has housed several generations of the cities poorest, most recent immigrants. Originally populated by the first waves of Irish immigrants in the 19th century, the population was slowly replaced by the Italians and the Jews. However, just as the Jews and Italians replaced the Irish, now the dominant immigrant groups are the Hispanics and Chinese.⁹ However, the neighborhood is now being threatened with gentrification, and consequently, increased demand for housing and increases in rent.

With increases in rent come massive increases in evictions. As higher income renters move into the neighborhood, landlords are eager to evict their lower-income inhabitants so that they can make more money. If an apartment is not under rent control, the landlord can increase rent freely. Tenants operating on fixed incomes are

⁸ Mele.

⁹ Quartz.

forced to move once they can no longer afford to pay their rent. Often times the only neighborhoods they can afford to go to are located in the suburbs, far away from their jobs and social network.

Rent control laws have long been in place to protect tenants by preventing landlords from increasing the cost of rent beyond the small increase in the cost of living each year. This law is meant to protect residents with fixed incomes and allow them to stay in their home, no matter how much the rent prices increase around them. Thus, it's not surprising that landlords dislike rent control laws, as they force them to rent their property for much less than market value.¹⁰

However, in many cities, including New York, rent control laws release vacated apartments from the agreement. Thus, landlords have extreme motivation to evict their tenants. Once their renter leaves, they can increase the rent at will, sometimes even charging 300% of the original cost.¹¹ Many landlords have created fairly interesting ways to remove their tenants. One common strategy is to fake an "owner-move-in," where the owner is allowed to evict so that he can move into the unit himself. In addition, there have been many reported cases of tenants being harassed by their landlord in effort to get them to vacate their apartment.

The Puerto Rican Community on the Lower East Side is currently engaged in the struggle against gentrification and displacement. The section of the Lower East Side known as "Loisaida" has lost 70 percent of its predominately Puerto Rican population due to increased rental fees.¹² Gentrification of the Lower East Side is due to it's accessibility to public transportation and proximity to midtown Manhattan and Wall

¹⁰ Lyderson.

¹¹ Lyderson.

¹² Elbaum and Jung.

Street. According to Nicole Marwell, a Columbia University sociologist who specializes in Latino communities, “Gentrification is all about location. Places located close to subway lines or cultural venues are more likely to be gentrified than other areas.”¹³

The majority of the Puerto Ricans living in Loisaida do not own their apartments and cannot afford to pay the increases in rent that their landlords demand. Many have been evicted or pushed out of their housing as their leases expire. In addition, according to neighborhood leaders, the social structure of the Lower East Side makes it more vulnerable to displacement. This includes high incidences of teen pregnancy, lack of family structure, and reliance on public financial assistance, such as welfare. Some residents speak only Spanish and many lack education, which makes it nearly impossible to find a job offering a livable wage. These people rely on the Puerto Rican social network for support, and when they are evicted, they often have nowhere to go and no way to provide for themselves.¹⁴

Protecting the Tenant’s Rights

In recent years, there have been many attacks on rent control and other tenant rights laws by landlords and developers. Kathleen Crow of the Tenants Union of the West Side in New York believes that tenant laws and welfare reform are hopeless. Due to a lack of financial resources and lobbying power, the individual tenants cannot compete with developers and wealthy landlords. She says, “The governor and his gang want to end all rent control. The landlords fill their pockets with a lot of nice money. And [New York’s] housing courts keep getting less and less tenant-oriented. [The

¹³ Elbaum and Jung.

¹⁴ Elbaum and Jung.

government seems to be] on the landlord's side."¹⁵ By replacing low and moderate income tenants with those willing to pay outrageously high rents, landlords can stand to make nearly five times as much money.

Fortunately, there are non-profit groups dedicated to the protection of housing rights and combating displacement as a result of gentrification. Some groups in New York have been successful in their lobby for rent control law provisions for the elderly and other anti-gentrification measures. In addition, community-based tenants rights organizations help tenants turn their individual struggles into communal action. While developers and landlords may have money, the tenants have numbers, and Lower East Side organizations such as Eviction Watch, the Lower East Side Tenants Union, and Good Old Lower East Side (GOLES) help to provide individuals dealing with housing problems with the information and resources they need to defend themselves.¹⁶

"Landlords have successfully driven many tenants out of their buildings by refusing to do any repairs and maintenance work, insulting, ridiculing, and scaring them."¹⁷ Tenant unions bring together individual tenants and tenant associations so that they are not fighting alone, but are rather addressing threats from landlords together as a unified group. According to Robert Watlington, a long time resident of the Lower East Side, tenants in the privately owned building where he lives were forced to endure a whole month without heat and hot water in the winter. It was only with the aid of a tenant union that they were able to take action and force the landlord to make the necessary repairs.¹⁸

¹⁵ Lee qtd. in Lyderson.

¹⁶ "Spotlight on GOLES."

¹⁷ Elbaum and Jung.

¹⁸ Elbaum and Jung.

In neighborhoods such as Loisaida, GOLES has been particularly useful to residents and is responsible for helping more than 60 people a day with landlord disputes. Like other tenant unions, GOLES works with residents to educate them as to their rights and to develop strategies that can help their defense.¹⁹ Charas, the Latino community center located in Loisaida, recently won its case against Gregg Singer, their building's new owner with the help of GOLES. Open for 22 years, Charas was given an eviction notice two years ago when their new owner took control of the building. Chino Garcia, co-founder of the center, started Charas as an organization to address racial injustices as well as give back to the Lower East Side community.²⁰

After a drawn out court battle, the judge ruled that Charas could not be evicted because the owner could not prove that he would use the facility for community purposes, as stipulated in the deed of the building.²¹ Victories like Charas' are becoming more common in Loisaida as tenants begin organize with unions such as GOLES. However, the problem is far from being solved. As the demand for housing increases from high-income residents, displacement will continue to be a problem for low-income residents.

Creating Affordable Housing Options

Neighborhood change is inevitable, and little can be done to stop the process of gentrification. Higher-Income Americans are choosing to live in many inner-city neighborhoods because these places have urbane attributes not found in the suburbs.²²

¹⁹ "Spotlight on GOLES."

²⁰ Elbaum and Jung.

²¹ Elbaum and Jung.

²² Duany.

The challenge is maintaining affordable housing options. If residents are able to remain, there is a general improvement in the quality of life as a result of better consumer services and municipal services as the neighborhood improves.²³ The problem is, most residents living in rent-controlled housing cannot afford to stay in the neighborhood if they are evicted. As a neighborhood improves, it is inevitable that rent will increase, and it's not easy to get landlords to agree to putting affordability before potential profit.

However, while GOLES and other tenant unions are very effective in their efforts to help residents defend themselves against threats from landlords, there are other methods of maintaining affordable housing options in communities faced with rising rental fees. The Organization of the Northeast (ONE) has been working in Chicago's uptown neighborhood, an area long at risk for gentrification as a result of its lakefront location. However, due largely to the efforts of ONE, the neighborhood remains one of the most affordable in the city, primarily through the strategy of tenant buyouts.²⁴

ONE has successfully organized several tenant buyouts in buildings that would have otherwise gone condo. The organization helps tenants buy their buildings from their landlord, creating low-income coops. According to organizer Chris Pope, the tenant buyouts in uptown Chicago serve as anchors for the community. "We work from building to building , keeping them from being sold to someone who will throw everyone out. We're working on a lot-by-lot survey so we have a sense of what's happening and we know what will be targeted next."²⁵

²³ Lyderson.

²⁴ Lyderson.

²⁵ Lyderson.

Bickerdike Redevelopment Corporation is another Chicago non-profit dedicated to creating secure, affordable housing units in the neighborhood of Pilsen. Bickerdike focuses on building new, affordable housing units, thus, increasing low-income housing options. Some accuse the company of “paving the way for gentrification” by creating quality, affordable housing. However, representatives of Bickerdike emphasize that their mission as a community developer is to provide units to people who already live in the community. Even though gentrification continues to threaten Pilsen, the problem of displacement has been minimized due, in part, to Bickerdike’s efforts.²⁶

In New York City, city officials have been working hard to provide longtime neighborhood residents with more affordable housing options for low-income renters. According to Ismene Speliotis, executive director of a grass-roots organization that advocates affordable housing known as ACORN, there is still much work to be done. She states, “The city has come a long way, but we want to develop programs where the word ‘affordable’ really means affordable.”²⁷

Under the direction of Mayor Bloomberg, many new housing initiatives have been enacted in order to reduce the displacement of longtime residents and create more affordable housing options. The New Housing Opportunities program (NewHOP) issues taxable bonds to provide long-term, fixed-rate permanent financing for low-income rental projects. The NewHOP initiative also requires at least 20% of the units in rehabilitated developments to be reserved for low-income households earning less than 50% of the New York City median income. Bloomberg also recently instituted the Tenant Interim Lease Program (TIL), which provides assistance and training to

²⁶ Lyderson.

²⁷ Watson.

organized tenant associations in occupied city-owned buildings to create “economically self-sufficient, low-income, tenant-owned cooperatives.”²⁸ In addition, city officials have created a website that helps direct renters to affordable housing across the city. However, most of these options are in undesirable locations.²⁹

While Bloomberg’s efforts to provide affordable housing are a step in the right direction, the NewHOP and TIL programs have yet to have a significant impact on the housing situation in New York City. Furthermore, many of the new affordable housing options still require residents leave their neighborhood communities. The Puerto Ricans of Loisaida, are determined to stay in their neighborhood. Many residents have lived in the same apartment buildings for over forty years. Moving across the city for affordable housing is hardly an attractive option when their family, friends, and job remain on the Lower East Side. While GOLES and other tenant unions have been very effective in combating harassment from landlords, the landlords are not going to go away. In order to defend residents against displacement, more efforts need to be made to promote tenant buyouts and the creation of low-income coops. In addition, redevelopment organizations, like Bickerdike, could create new affordable housing in the Lower East Side and more housing options for low-income residents.

Nevertheless, for all of the criticism gentrification receives, on the whole, it can be a good thing for a neighborhood and the city as it improves the tax base, decreases crime and increases the quality of life for urban residents. However, strategies must be implemented in order to ensure that the upgrading process does not destroy the viable working class neighborhoods, but rather revitalizes them. Communities like the Puerto

²⁸ “The New Housing Marketplace...”

²⁹ “The New Housing Marketplace...”

Ricans' in Loisaida should not be displaced as a result of this process, but rather they should benefit. However, though progress has been made by non-profit organizations and the city of New York, affordable housing is disappearing on the Lower East Side, and with it the generations of immigrants that have resided there for so many years. If changes are not made soon, then nothing may be left to remind us of immigrant neighborhoods such as the Puerto Rican Loisaida that have been an important part of New York's cultural fabric for more than fifty years.

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