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THE PHENOMENON OF GENTRIFICATION

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A PLAN B PAPER

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THE PHENOMENON OF GENTRIFICATION

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INTRODUCTION

Recycling housing through restoration and preservation is the housing phenomenon of the seventies and eighties. In the United States, the resurgence of middle-class urban home buying and urban homesteading has begun to stem the decay of the cities. Baltimore, Cincinnati, Pittsburgh, and Seattle have all brought new life to their inner cities through a conscious effort to forego the "scorched earth" policies that dominated urban renewal in the fifties, and to view existing structures not as eyesores but as valuable resources to be adopted to today's needs.¹ In Europe and in much of the developing world, rehabilitation, often in the form of self-help, is at the forefront of housing policy.

This rehabilitation of inner-city districts, often historic areas, are subject to a process which the British have dubbed "gentrification"--i.e., the poorer, working-class populations are "decanted" and the historic container is filled with new, upper-class population. This process of gentrification has not been studied systematically. Indeed, it has only recently begun to be recognized as an international phenomenon, especially in the great cities of Western Europe and North America. Donald Appleyard, in a recent study of gentrification,

¹Bruce Stokes, "Recycled Housing," Environment, Vol. 21, No. 1, Jan/Feb. 1979, p. 7.

has described it quite succinctly:²

Most commonly it is a private process, with a chain of gentrifiers. Those who spearhead invasions of lower income districts are often students, artists, and design professionals looking for cheap accommodations and interested in living in mixed neighborhoods. They are often single people or couples without children. From the Trastevere to Telegraph Hill, Chelsea to Greenwich Village, this process has inexorably transformed the character of these places. It appears to take place in some Eastern European cities, too.

Ironically, many of the complaints about gentrification come from the first groups who enter. Jane Jacobs' famous book described the same richness of life in Greenwich Village that used to attract visitors to Trastevere. The poor migrants are usually welcome and only marginally affect the quality of life in such an area. However, they usually do not wish to live under the same conditions as the inhabitants and therefore improve their dwellings. As more are attracted, the neighborhood becomes mixed, still retaining much of its original character but now acquiring the status of being "chic", and relatively safe even for more conventional young executives, professionals, secretaries, and the like. By this time real estate speculators are actively buying, converting, and selling. The first wave of gentrifiers resents the destruction of character caused by the second wave, sometimes even more than the original working class population. The area loses its "life" and "integrity". The old bars or wine shops fold. Boutiques, art galleries, and specialty shops take their place.

DEFINITIONS/DESCRIPTIONS

Gentrification is considered newsworthy because in recent decades the reports emanating from the many inner cities have been overwhelmingly bleak. Riots, decline, abandonment, and failed efforts at renewal have been the standard fare. Gentrification appears to move in opposition to such findings; often young affluent couples are redoing old houses and in the

²James Martson Fitch, Historic Preservation: Curatorial Management of the Built World (New York: McGraw-Hill Book Co., 1982), p. 66.

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process often revitalizing whole neighborhoods. All authorities on the subject appear to agree that gentrification occurs when better-off citizens move into a neighborhood and often displace the original lower income residents. It is also generally agreed that gentrification is a private phenomenon. Many authorities, however, believe that governmental actions can influence the process to a large extent.

A lack of consensus exists when one tries to describe who the gentrifiers are. Originally, they were portrayed as young affluent suburbanites, the forefront of the "back to the city" movement trumpeted by the media. Studies show that, in fact, gentrifiers are not always suburbanites, but also urbanites moving from other areas within the city.

Overall, the bulk of gentrifiers are former suburbanites who most likely came to the city for education or job-related reasons, and found the possibility of being involved in urban revitalization an interesting, worthy, and potentially lucrative experience. Thus, although it is true that gentrification is not totally made up of relocated suburban households, it is wrong to imply that it does not herald a return to the city. The image of return is correct if we see that the bulk of the gentrifiers are not relocated long-term middle-class city residents, but rather suburban-oriented young people who have chosen to establish households in an urban setting. Their decision signifies a return to a market parity between selected

urban inner city neighborhoods and the suburban housing market.³

The use of the term gentrification has occasioned some comment. Bruce London has written perceptively that it does not convey a true impression of that which it purports to describe.⁴ For him, gentrification as a term is full of false assumptions since in actuality there is no urban gentry at work, if we assume gentry to imply persons of high birth or aristocratic background. London also points out the term's British origins, and feels that "we need a term that is not culture specific." London's most serious reservation about the term is that it connotes a "back to the city" movement of former suburbanites. It is unclear from where this connotation comes, other than from popular press imagery. The literal definition of gentrification refers only to how one area is becoming oriented to, and sometimes dominated by, newcomers of greater wealth than the old residents. It does not refer to the origins of this "gentry". Unless one assumes, incorrectly, that "gentry" only exists in the suburbs, it is not logical to deduce that suburbanites make up the bulk of the gentrifiers. Thus, although London's objection is potentially the most crucial since it pinpoints what is actually occurring, in this case it appears to be simply incorrect.⁵

The other objection to the term's inaccurate epistemo-

³Michael H. Lang, Gentrification Amid Urban Decline (Cambridge: Ballinger Publishing Co., 1982), p. 7.

⁴Bruce London, "Gentrification as Urban Reinvasion: Some Preliminary Definitional and Theoretical Considerations," Back To The City, Laska, Spain, n.d., p.78.

⁵Lang, p. 8.

logical basis is well-taken, but not very important. As stated, the term gentrification implies the upgrading of an area, the process whereby a given neighborhood is prettied up with period colors, and architecturally accurate housing details are restored or recreated. Social pressure mounts on nonconformists, usually the original residents, to toe the historically correct line. In the view of many established residents, the newcomers throw their weight around as if they were aristocrats. The gentrifiers may be insensitive to the fact that the original residents may like their area as it was, and see their efforts to upgrade the neighborhood as bogus grandstanding. Cost factors also enter into such feelings from both sides, of course, since architectural restoration is an expensive undertaking.

But perhaps the most commonly expressed feeling of the established residents is that the effort of the newcomers to transform the old neighborhood into a historical artifact is a negative verdict on how the newcomers view the current condition of the neighborhood and its residents. Given such feelings, it becomes clear why gentrification has stuck as a descriptive term; it may be inaccurate, but it successfully conveys the extent of the change that is occurring as well as the degree of social distance that separates the original residents from the newcomers.

The gentrification phenomenon is so complex that even the experts often disagree about basic definitions. For the purposes of this work, the following terms require clarifi-

cation:⁶

Gentrification: Unless otherwise stipulated, gentrification will connote essentially private-capital-induced development in formally lower income areas that results in a pattern of higher rents and land and house values. This pattern of rising rents and property values displaces many existing renters and owner-occupiers on fixed incomes by making the area unaffordable. Some displacement is the direct result of public revitalization programs, but since such displacement is covered by the Uniform Relocation and Real Property Acquisition Act (1970) and similar provisions, it has not been the general focus of complaint and will not be treated here.⁷

Secondary Displacement: This occurs when by dint of public spending programs (e.g. urban renewal, block grants) in one area, nearby areas attract the eye of private market speculators and gentrifiers with the resultant displacement of the original residents. Although most displacement is secondary displacement, unless otherwise stipulated the term gentrification will connote both types.

PURPOSE

One may question the validity of studying gentrification, since statistically it appears to be a minor element in the resurgent housing market in select areas. Problems of urban disinvestment, blight, and aged infrastructure all bulk larger statistically and therefore occupy a more prominent place in the minds of most city officials. The argument here is that gentrification must be studied and understood precisely because it is a concomitant of the recovery of housing submarkets and because, to the extent that planning policies can revive significant sections of our urban areas, gentrification can be expected to occur repeatedly.⁸

⁶Ibid.

⁷Less than one-fifth of all displacement moves are the direct result of government programs. U.S. Department of Housing and Urban Development, Interim Displacement Report, HUD-PDR-382 (Washington, D.C.: Government Printing Office, Feb. 1979), p. 11.

⁸Lang. p.11-12.

Indeed, the Department of Housing and Urban Developments (HUD) position on this matter during President Carter's administration was clear:⁹

Neighborhood revitalization has clear benefits to cities when it is occurring. Middle and upper income households bring a much needed boost to the central city tax base. This private reinvestment offers a unique opportunity to encourage the development of neighborhoods that are integrated both racially and economically, where low and moderate income residents can enjoy the benefits of the revitalization process.

In addition, the increased cost of new housing has made existing urban housing look increasingly attractive and competitive. The increased rate of household formation is expected to continue through the 1980's, and will likely fuel increased demands for home ownership. It has been suggested that the rate and the amount of gentrification will be clearly related to the twin influences of the new household formation and new housing starts. HUD has data that suggest that investment in the existing housing stock increases when the supply of new units to the housing stock is reduced. Thus, as completion rates fall, marginal units are brought back into the housing stock. Naturally, high interest rates also fuel this process since they place new housing out of reach of more households.

Gentrification is not apt to be a wide-spread phenomenon in any given area. Yet it has the potential for occurring in a number of various areas continuously throughout this and the coming decade; it is a "slow burn" phenomenon capable of affecting large parts of a city, albeit a few sections at a time. It is

⁹Ibid.

capable of making life increasingly insecure, particularly for the poor and middle-income renters. Yet, because it is unlikely to affect more than a few households at any one moment, it will not achieve the political visibility of the more wide-spread urban problems. It is this hidden characteristic that makes gentrification so insidious. Its gradualism is a major justification for studying it.¹⁰

Another reason for looking at gentrification is that it is a major operation component of an emerging pattern of neighborhood resegregation occurring in America's larger cities. Neighborhood resegregation occurs when the original, usually segregated, pattern is replaced by another segregated pattern. Specifically, after World War II, many inner city neighborhoods became segregated with a disproportionate share of poor and minority groups. The bulk of the middle-class moved "up and out" to the adjacent, and then the far, suburbs. This pattern of movement held true for many newly arriving urban population groups at different times, depending on their varying positions on the economic scale.

Today a new twist is occurring, with the recycling or gentrification of former slum and low-income areas. Earlier residents moved out of the inner city voluntarily as their disposable monies rose; the current residents, however, are being forced out regardless of their ability to afford replacement homes. Affluent people who should be prime candidates for suburban houses, are choosing to live in the core urban areas.

¹⁰Ibid, p. 12-13.

They tend to congregate in select areas that possess a critical mass of noteworthy characteristics, including:¹¹

- good amenities, such as parks and vistas
- good ambiance, such as markets and craft shops
- good architecture
- safety
- centrality
- adequate parking
- adequate vacancy rates

By zeroing in on neighborhoods that possess such characteristics, a bandwagon effect is set up. These areas become the fashionable places to live, and realtors promote them and encourage or participate in their physical development. As a result, the newcomers are placed in direct competition with the original residents and their offspring who often wish to remain in the area. It is an unequal competition, since by definition it is the affluent newcomers who will be able to meet the inflated prices charged for housing. The result is a gradual pushing out of the original residents, and a succession to the neighborhood by newcomers.

THE COMPONENTS

LOCAL POLITICS

Leaders of older urban areas are faced with a dilemma: they know they are in the midst of a chronic decline, but they cannot agree among themselves as to its nature. Nor do they

¹¹Ibid.

know how to remedy or mitigate it. The problem of building a consensus on the nature of the phenomenon of urban decline, although formidable, is not insurmountable. Clearly, broad agreement could be obtained for a proposition that blamed the decline of the Northeast on exogenous governmental and market forces. Similar agreement might be found for a proposition that claimed that the best that local policymakers can do to cushion the impact of economic decline, is to devise specific plans for managing this decline.

A major problem arises in devising a method for carrying out such a policy approach: the older urban areas are currently undergoing rapid and severe urban change.¹² The twin forces of gentrification and urban decline demand a strong policy response. In addition, since gentrification and urban decline are relatively new, a new policy approach will have to be devised to handle them. However, it frequently has been noted that policymakers shy away from innovative policy approaches in fear of community and political repercussions. For instance, one Philadelphia city planner has said that Society Hill, a nationally renowned urban revitalization project, could never be carried out today.¹³ This is because the various special interests in the community have learned to participate in the local decisionmaking process, and how to stop projects

¹²Ibid, p. 90.

¹³Lang's report of conversation with Paul Wheeling, City State Planner, Philadelphia City Planning Commission, Philadelphia, Pa., 1978. "Urban Decline and Revitalization," Gentrification Amid Urban Decline.

they do not support.. It may help here to review the case of the Society Hill development project. It is a classic example of the changing decisionmaking structure in older cities. These changes have lead to the inability of older cities to carry out large scale development projects in existing communities.

The Society Hill project was one of the preeminent success stories of old-style urban renewal. Once a rowhouse neighborhood of merchants and artisans, Society Hill had degenerated over the years into an area of poorly maintained apartments for the poor. It also took on an increasingly commercial function, eventually serving as the central wholesale food distribution point for the city. The proximity of this area to the central business district (CBD) and the historic Independence Hall area led city leaders to attempt a renewal plan. The plan was put forward under the leadership of Edmund Bacon, who headed the Philadelphia City Planning Commission from 1946 to 1970. The main idea was to relocate the wholesaling and food distribution function to a modern center south of the city's built-up area. Once the area was vacated, the city would stimulate development by encouraging private investment with prior city investment for infrastructure repair, replacement, and upgrading. These infrastructure investments were coordinated with sensitive land use planning that featured a greenway linking Society Hill to the larger open spaces at Independence Hall. Infrastructure investments were made obvious and carried out the strong colonial theme that the planners wished to emphasize.

Period street lighting fixtures, brick sidewalks, retention of cobblestones on the streets, and the relocation of utilities below ground all combined to make an attractive atmosphere for private reinvestment in the area.

Although the area had been essentially commercial, some residents remained and they had to be relocated. The poor black households that submitted to the urban redevelopment authority's relocation services found themselves scattered throughout the city's lower income areas. Often they were relocated to inferior accommodations. No serious efforts were made to accommodate them on the renewal site. Indeed, subsequent efforts by authorities and public interest groups to develop a minimum of low-interest housing have run into the vociferous opposition of the new affluent Society Hill residents who fear diminished real-estate values.

The realization that public inclusion in the planning process must be guaranteed from the start of the project is now well-entrenched in the public consciousness. The Society Hill planners were lucky in that the area was essentially commercial. These interests were easily placated with the provision of a newer, more efficient distribution center. One cannot help wondering what their response might have been if the redevelopment authority offered to relocate them to another, less centrally located slum area. The planners were also lucky that as a result of commercial intrusion, the area's population was severely reduced. But the major factor in their ability to carry out the Society Hill plan was that planners

had yet to provoke the large reserve of suspicion and dislike that may now surround the profession. Authorities such as Jane Jacobs, Robert Goodman, and Peter Blake all blame planners for espousing practices destructive of community.¹⁴ Specifically, planners are criticized for the intolerably high-handed manner in which they have dealt with the affected public. A new consciousness points to the importance of planning for community change in a way that reflects concern for social as well as physical elements.

The literature of community development attests to the fact that the poor and their representatives have learned their lessons well. No more will they stand by and conform while their homes are bulldozed for a massive renewal project. They are prepared for confrontation. They are aided by recent legal requirements mandating citizen participation for virtually all physical development that receives public funding.¹⁵ They are in a position to stymie or at least impose costly delays on almost any project. They might do this by pursuing specific legal remedies in court, such as challenging an environmental impact statement, or the more general tactic of protesting at city hall. Whatever the tactics, it is clear that lower income groups have been granted enough legal remedies and have assumed sufficient political power to be taken seriously by local planners. As a result, any solution to the problems occasioned by

¹⁴Jane Jacobs, The Death and Life of Great American Cities (New York: Vintage, 1961); Robert Goodman, After the Planners, (New York: Simon and Schuster, 1971); Peter Blake, Form Follows Fiasco, Why Modern Architecture Hasn't Worked (Boston: Little, Brown & Co., 1977).

¹⁵E.M. Burke, A Participatory Approach to Urban Planning (New York: Human Services Press, 1979), p. 13.

urban decline and gentrification must take into account the varied political interests at stake in the issue. These conflicting interests can only be resolved by a mediating or trade-off process. This will allow both the planning process to proceed and a worthwhile plan to emerge.

Given the political realities that exist on the local level, what new policy approaches can be devised that will handle both gentrification and urban decline? It is argued that they must be seen as tandem forces of the new urban change process that affects our older cities. Moreover, they must be dealt with if these cities are to stand a chance of leveling off at some lower population density.

Any policy proposals that may be developed that address the issue of gentrification most likely will then also deal with the conditions of urban decline. Although different, the two are almost inseparable.

Most important in a policy will likely be the socio-political issues, especially with the strong degree of the human element involvement. Also important is the issue of housing. This is not to imply that other local and national strategies based on various industrial or commercial approaches should be abandoned. Rather, up to the present, housing has assumed the overwhelmingly dominate role in the gentrification process.

Finally, urban economic decline should be dealt with as a fact of life. This is not to deny that a major new industry might relocate to a given neighborhood and stimulate a new series of economic flows. Rather, it seems prudent to view

continued urban decline as the governing characteristic of our older urban areas for the foreseeable future. The need, then, is for a program that encourages gentrification, yet controls its detrimental spin-off effects on low income households. The program must also be able to respond to the reality of wholesale economic decline.

DISPLACEMENT

Among the central issues in contemporary urban analysis is the human cost of displacing established residents in older inner city neighborhoods. This analysis has identified the gentrification process as an important factor causing such displacement.¹⁶ Nonetheless, the phenomenon is not new--it is a variation of the old "negro removal" theme, which focused on the difficulty of rehousing poor people on central city sites developed under renewal programs. One reason that gentrification-induced displacement is not synonymous with the older form of displacement is that, heretofore, the poor were usually displaced by larger commercial office or highway projects sponsored by local and federal authorities.¹⁷ The gentrification process is also different in that many people currently being displaced are working class whites. Gentrification is a more subtle and complicated process than the urban renewal initiated by local urban renewal authorities underwritten by federal policy.

Displacement of the poor is probably the single biggest criticism attached to the gentrification issue. Sociologists

¹⁶P. Levy, Queen's Village: The Eclipse of Community (Philadelphia Institute for the Study of Civic Values, 1978), p. 26.

¹⁷Lang, p.5.

argue that the "gentry" sweep through older neighborhoods with their paint brushes and shingles, forcing the poor out of their homes for profit as they go. Preservationists sometimes argue that little, if any, displacement occurs because many of the homes they purchase are already vacant.

Patrich Hare, a Hartford planning consultant, has made several suggestions to lessen the conflict of lower and upper income housing demands in urban areas. Hare recommends building some new housing for middle class newcomers, whose primary interest is a close-in location rather than a historic structure.¹⁸ Several other programs have been developed recently to try to minimize displacement. These include:

- anti-speculation taxes
- staggered property tax increases for long-time residents whose houses are improved
- lengthened eviction notice periods
- revised building codes that do not discourage homeowners from making minor repairs
- reverse annuity mortgages under which elderly homeowners can receive payment from the bank for their houses, but not relinquish title to the bank until they move or die.

If the end result of preservation is to remove the poor to a few out of the way neighborhoods, the cities could find themselves violating civil rights and the Federal Fair Housing Act. Thus, the federal government's policy is also to minimize

¹⁸Neal R. Pierce, "Lending Neighbors a Hand," Historic Preservation, May/June 1979, p. 21.

displacement. Recently, HUD stated its conviction that preservation is relevant to neighborhood conservation, and provided examples of historic preservation projects that may be assisted with HUD Community Development Block Grant funds.¹⁹ These projects, although historical-preservation oriented, must benefit low and moderate income persons and/or aid in the preservation or elimination of slums and blight.

Many cities have come up with workable alternatives for displacement of poor people through historic preservation efforts. In the meat packing Louisville neighborhood known as "Butchertown", some residents are sharing the old houses they have rehabilitated with pensioners and widows who have lived there all along. In Buffalo, new middle class arrivals have lived harmoniously with tenants subsidized by the HUD Section 8 program, and have supported efforts to shield longtime residents from the economic costs of upgrading the neighborhood.²⁰

Still however, there are many who insist that displacement figures have been exaggerated. Preservationists argue that one reason why displacement has been a big issue recently is because the definition of what is necessary for a stable neighborhood has changed. Up until recent years, homogeneity was thought to be vital to a cohesive and stable neighborhood. But there is a newer trend to focus on neighborhood diversity as a positive asset to neighborhoods. So when restoration results in displacement, preservation is criticized because it

¹⁹Philip Langdon, "Plain Talk About Displacement," Historic Preservation, Vol. 32, No. 2, March/April 1980, p.46-47.

²⁰Ibid, p. 22.

fails to produce the diversity that neighborhoods are thought to need.

Everett H. Ortner, a pioneer of the Brooklyn brownstone revival and president of a national organization known as Back To The City, Inc., maintains that most back to the city people are not professionals nor do they typically have a great deal of money. Many fix up buildings that need substantial improvements. "If that's a crime" Ortner says, "we should encourage more of it."²¹ He goes on to argue that higher property values and rents may be essential if city neighborhoods are to be preserved (this is, however contradictory to Chester Hartman, et al, who advocate for property tax relief to be provided). American cities appear to be experiencing more abandonment than rehabilitation. "The amount of displacement is exaggerated for political purposes," Ortner believes. "What is not exaggerated is the amount of destruction when there is no urban revival."²² Thus, although Ortner leads us to believe that the question of how much displacement exists and its effects have not yet been answered, more research and studies are continually devoted to this topic and answers and solutions are cropping up to change many peoples thinking.

HOMEOWNERSHIP AND THE HOUSING PROGRAM

Along with the issue of displacement comes that of the housing dilemma. For the past generation, population growth and rising affluence have physically and financially outstripped the ability of governments and private industry to meet shelter needs

²¹Ibid, p. 47.

²²Ibid.

through new construction. The United Nations estimates that worldwide the number of households will increase 44 percent between 1970 and 1985.²³ In urban areas alone, authorized construction is expected to fall from four to five million units behind demand each year during that period. This shortfall comes at a time when at least 800 million people are already living in badly built, badly equipped dwellings.²⁴

In both private and public housing developments there have been some detrimental environmental consequences. Existing buildings of stone and wood are often replaced by structures sheathed with aluminum and glass. Time-tested architectural practices that permitted buildings to take full advantage of natural heating and cooling were abandoned in favor of short-run efficiencies. Aesthetic sensibilities and the desire of people to live in buildings with human proportions were often neglected. The graceful lines of structures, worn by weather and time and the ambiance of neighborhoods infused with tradition, can create a psychological climate of incalculable benefit--something frequently overlooked by those seeking to impose a new imprint on the built environment.²⁵

This, then, is the housing dilemma. Commercially constructed private homes are beyond the economic reach of more and more people. Public housing has proven too expensive for the government to build and maintain, and often unlivable for the poor who rent it. New housing is often environmentally and aesthetically bankrupt. The solution to these problems may lie in the desire of both rich and poor all over the world to own their own homes, even if they

²³Stokes, p. 7.

²⁴Ibid.

²⁵Ibid.

have to build or rehabilitate them with their own hands.

Private ownership of conventional dwellings is increasing in many countries. In the United States, nearly two out of three homes are owner-occupied. In France, the homeownership portion of the population has grown by nearly 50 percent in the last 15 years. A quarter of all urban homes and more than half of the homes in the countryside in the Soviet Union are privately owned. Even in China, most peasants in rural areas own their own dwellings; only in cities, where a fifth of the population lives, are the majority of houses provided by the government. In almost every nation, public opinion surveys show that more people would like to own their own homes.²⁶

In Africa, Asia, and Latin America, data on homeownership--although more sketchy--tell a similar story. In Mexico, two-thirds of conventional homes are owned by occupants, in India--85 percent. In many communities, even the poorest own their sparse shelters, but not the land they are built on. Unfortunately, the threat of being evicted can sap any incentive to improve these houses and offsets much of the advantage of homeownership.

Governments and community organizers have begun to regard the desire to control personal shelter as a potentially valuable resource. In 1973 several U.S. cities, and later the federal government, started to match urban shelter needs with the mount-

²⁶Barbara Ward, The House of Man (New York: W.W. Norton & Co., 1976), p. 14.

ing number of abandoned houses. This urban homesteading program is rooted in the pioneer philosophy that occupation and improvement of property give rights to ownership. Houses that have become the property of local governments in lieu of payment of back taxes are sold for a nominal sum, often no more than a dollar, to couples or individuals willing to move in and rebuild them. Occupants buy their homes with the investment of their own labor in making housing improvements. Such "sweat equity" opened the door to homeownership through federal programs to 1,013 homesteading families by mid-1978. Although this is only a drop in the bucket, interest in homesteading seems strong. Twenty-three cities already participate in the program, including Baltimore, Cleveland, Rochester, and Peoria. More than 22,000 people have applied to become urban homesteaders, and the government is expanding the program.²⁷

City governments are also turning to self-help housing as a means of turning abandoned neighborhoods into livable communities. While governments can provide leadership and support for self-help housing, individual initiative is still the core of the housing rehabilitation movement.

The trend toward private buying of old homes for renovation is growing. In 1976, 50 percent of the growth in homeownership in U.S. city centers was due to individuals buying old houses as rising prices for new homes made buyers more willing to ren-

²⁷U.S. Department of Housing and Urban Development, The Urban Homesteading Catalogue, Vol. 3 (Washington, D.C.: Office of Policy Development and Research, August 1977).

ovate. By contrast, as recently as 1970, 80 percent of new homebuyers in city centers chose newly built houses and condominiums.²⁸ Because of a willingness to invest time and money in improving old houses, the arrival of today's homeowners can mark the rejuvenation of decaying neighborhoods. But it can also cause rising property values--and rising property taxes. The largely middle-class redevelopment of neighborhoods can slowly push out the poor, who originally found inadequate--but cheap--housing in decaying areas.

HISTORIC PRESERVATION AND REVITALIZATION

The movement for historic preservation in this country is an evolving idea.²⁹ One concept that may be changing is the frequently heard accusation that historic preservation is an elitist phenomenon, a collector's collection of architectural rarities. The change appears to be an emerging interest in more common elements of history. The historic site expands to become the historic area. This area comes under scrutiny in the environmentally conscious 1970's when many issues, including preservation, are seen in the context of concern for the total environment. To understand the environment, one must look for underlying ecological processes which in preservation, include the interaction of social factors together with physical qual-

²⁸Robert C. Embry, "Urban Reinvestment and the Effects of Displacement on Low and Moderate Income Persons," presented to the U.S. Senate, Banking, Housing and Urban Affairs Committee, Washington, D.C., July 7, 1977.

²⁹Carol Minar, "Historic Districts: An Evolving Aspect of Preservation Activity," Historic Preservation and the Cultural Landscape: An Emerging Land Use Planning Concern, No. 7, 1976-77, p.11.

ities. Thus historic preservation is now focusing on larger contexts, and is encountering many new issues as well.

Within these historic areas or urban neighborhoods, are two types of revitalization that are experiencing improvements and can be distinguished. The first is "incumbent upgrading."³⁰ These types of neighborhoods or districts are mostly moderate income, and revitalization occurs primarily because of existing residents. The neighborhoods in this case usually have active local organizations and a strong sense of community.

The second type of revitalization of course is gentrification, often involving young couples without children who enjoy, to some degree, an upwardly mobile economic status. Contrary to the incumbent upgrading, gentrification occurs as a result of individual efforts, rather than a community or organizational effort.

Within revitalization and preservation, upgrading neighborhoods do differ from those that are "gentrified".³¹ Gentrification neighborhoods tend to be smaller than upgrading neighborhoods, and are usually older. They are much more likely to have attractive topographic locations, such as high elevations, proximity to open space or to the shore of a river, lake, or important public square. They also typically receive more assistance from city governments. The social characteristics of

³⁰Jon Pynoos, Robert Schafer, Chester W. Hartman, ed., Housing Urban America (New York: Aldine Publishing Co., 1980), p.537.

³¹Scott Steinhoff, "Revitalization and Preservation: Methods and Differences in Urban Neighborhoods", Unpublished term paper, Michigan State University, May 31, 1984, p. 2.

the gentrified neighborhoods are substantially different before they were improved than afterwards. Before improvements, they usually contained the types of families that are particularly susceptible to displacement: they include more households that were either black, elderly, or transient, and more often had a higher percentage of dilapidated housing.

One study concluded that three-fourths of these areas have experienced some displacement to make room for the middle class.³² The causes of displacement were often direct; either by federal or local government action, or by private eviction. Indirect causes include sharp increases in taxes, and strict enforcement of codes which places difficulties on the poor or elderly.

By contrast, the upward pressure on housing costs was less in upgrading neighborhoods. Their population remained relatively the same before and after revitalization, and even though the average income continued to remain lower than in the gentrified neighborhoods, studies have shown that these neighborhoods more often contained a higher percentage of settled families with more children and thus, were considered more stable in many ways. As one neighborhood politician told a historic preservationist, "You are for buildings, and I am for people."³³

In the past, many urban dwellers have questioned the relevancy of historic preservation to the needs of their neighborhood. For example, residents of a working class community

³²Pynoos, Schafer, Hartman, p. 543.

³³Pierce, p. 21.

in Seattle were given a list of neighborhood revitalization tools and asked to choose the ones they preferred. As a tool, historic preservation was the least popular item. This may be an indication that historic preservationists must broaden their focus, and recognize the need to view structures in a larger context of social and economic life. It can be argued that buildings and neighborhoods should be preserved for other reasons than just historic or architectural significance. Considerations such as "sense of place", community development, and cultural continuity need to be recognized.

Despite the opposition of some neighborhood organizations, historic preservation techniques can be valuable in achieving neighborhood revitalization goals. One argument made is that preserving older buildings (not just housing but also commercial structures) is often less expensive than building from scratch. One study has shown that on the average, costs ran from thirty to forty percent less for rehabilitation of older buildings than new construction. Because this approach is more labor intensive, it also produces more jobs per dollar spent than with new construction.³⁴

The value of historic preservation techniques to promote neighborhood conservation has been proved. The principal shortcoming in the effective use of historic preservation techniques by neighborhoods seems to be, in many cases, a lack of adequate

³⁴"Remember the Neighborhoods," Urban Policy Group, Advisory Council on Historic Preservation, 1981, p. 3.

information. Historic preservation programs are often complex, and preservationists often neglect neighborhood organizations as a valuable resource. Better communication between preservationists and neighborhood conservationists may help prevent some problems.

There are many signs, though, that preservationists are beginning to be more sensitive to the needs of existing residents when upgrading neighborhoods. The consideration of low income persons in historic preservation projects has become more prevalent. Arthur Zigler, of Pittsburgh History and Landmarks Foundation, has developed a program that permits homeowners to borrow money at three percent interest to fix up their homes. Lee Adler of the Savannah Landmark Rehabilitation Project has won federal funding to buy houses in the city's Victorian Historic District, rehabilitate them, and rent them to their low income black occupants. Denver and Hartford have developed similar programs. The Pike Place Market Historic District is probably one of the best examples of how preservation of both buildings and neighborhood character can be simultaneously preserved. The Pike Place District was created with the intention of keeping the market for the sale of food, retaining low income residents, and preserving such "unsavory" establishments as taverns, thrift shops, and cheap hotels.³⁵ Thus, preservationists are satisfied as they see the old structures restored to their original condition, and neighborhood residents are satis-

³⁵Pierce, p. 22.

fied with minimal displacement and continued use of structures as they were before.

THE MARKET

Neighborhood resegregation occurs when gentrification induced immigration produces a rapid change in population characteristics. It should be clear, though, that gentrification is not the cause of resegregation, but rather a concomitant of the normal working of free housing markets.³⁶ Nonetheless, it is true that unfettered gentrification operating in a free market may result in the spatial segregation of varied ethnic and minority groups.

If we accept as a gift a free housing market, we must also realize that it fosters these segregated housing patterns. The market operates via individuals who, to be successful, must act according to the sound economic principle of selling to the highest bidder. Therefore, when rich and poor covet the same housing, they will find that, all things being equal, the rich will always win out. By simply casting their eye on a particular neighborhood, the rich homebuyers will immediately produce a surge in house prices and rents that will eventually preclude market participation by the poor. In addition, this effect will be most pronounced in the dense inner city where any physical improvements are quickly noted by the local residents, speculators, and neighborhood handicappers bent on making wind-

³⁶Lang, p. 14.

fall profits.³⁷

The recent inflation of both housing values and money markets is perhaps the strongest element in this resegregation effect, since this inflation ensures that a revitalized neighborhood will be affordable to only a narrowly defined income group. For many cities, this distinctly changes the housing patterns of previous years. In Philadelphia, for instance, the earlier and stable money market environment ensured that as neighborhoods developed, housing size and quality differentials were reflected in sale or rental prices. As a result, many areas were characterized by early development of large houses on deep lots, affordable only by those with some wealth. In succeeding years, many such households developed the rear portions of their lots by constructing small rowhouses. These accommodations were occupied by less affluent citizens working in the neighborhood. As a result, many center city neighborhoods had a surprising amount of economic diversity within a small geographic area.³⁸

Today, as those same areas are gentrified, this pattern of economic diversity is absent. Generally, the early gentrifiers or "pioneers" stake out an uncharted area that they feel has long-term promise. They are able to buy up large houses from the original owners who do not realize the actual or potential value of the area. Once this migration becomes noticeable, the housing values quickly escalate, pricing large struc-

³⁷D. Kimelman, "Recyclers Causing Spring Garden Row," Philadelphia Inquirer, August 16, 1979, p. 1-2.

³⁸Lang, p. 15.

tures out of reach of all but the most affluent gentrifiers. As demand falls, many of these large structures are made available for apartments or condominium conversions. However, these smaller units now command premium prices and rents. As a result of the increase in local housing values as well as the increase in money costs, middle-class gentrifiers requiring a home now shift their attention to the smaller streets. Here the more modest houses command more reasonable prices. In many cases, such houses are so small and densities so high, that it would be illegal to build them today under most housing and building codes. Yet, because of their location, they too begin to command premium prices and rents.

Thus, money costs coupled with local housing submarket dynamics produce conditions of artificial shortage, and thereby create a vastly inflated housing cost structure. The end result is that market participation is limited to the affluent, regardless of the characteristics of the house.³⁹

Free market housing makes it nearly impossible for the rich and poor to coexist. It does not prevent the integration of racially distinct but economically similar family units. However, recent census reports on black suburbanization patterns confirm that middle-class black families are demanding housing styles and community attributes that preclude their interest in living in center city middle-class areas.⁴⁰ As a result,

³⁹C. Weiler, "Optimizing Reinvestment, Minimizing Displacement," in P. Levy, Queen's Village..., p. 87.

⁴⁰P. Levy and R. Cybriwsky, "Hidden Dimensions of Culture and Class: Philadelphia," in Back to the City, p. 144.

gentrified areas do not attract many minority households, and a fully gentrified neighborhood is a remarkably uniform neighborhood--filled with white middle-class people from a narrow economic range.

The early gentrifiers or "pioneers" mentioned previously are the first of three groups--the other two being "settlers" and "joiners" as part of the gentrification process. Pioneers move in before a neighborhood is perceived as safe, settlers move in as a neighborhood is on the verge of stabilization, and joiners move in as the neighborhood becomes fashionable. In the current housing market, the joiner phase is now the strongest.

"The housing of historical interest on good blocks close to downtown--the brownstones, triple-deckers, Queen Annes, prairie houses, et al.--continues to trade up to blue-chip status," says Walter C. Klein, Jr., senior executive vice president at Lomas.⁴¹ As an example, Klein points to such Brooklyn neighborhoods as Park Slope and Boerum Hill where elegantly restored brownstones that sold for \$25,000 in 1966 and \$150,000 in 1979, now are selling for \$200,000 to more than \$400,000.

Phase two gentrification--the settlers--also is fairly strong according to Klein, but pioneering is becoming weak.

"There is a shortage of neighborhood pioneers. Demographic and social changes have reduced the supply of the kinds of young people who become pioneers," Klein reports.⁴² Other factors

⁴¹"Gentrification is Back," Builder, Vol. 7, No. 10, October 1984, p. 90.

⁴²Ibid.

keeping phase one weak are the disappearance of long gas lines and inflated suburban house prices.

In cities where gentrification is particularly strong--Boston, St. Louis, Dallas, and New York--it is linked to the growth of downtown employment. In cities where gentrification is falling off--Washington, D.C. and Philadelphia--there's been no growth or a net loss of downtown employment.

"Where gentrification is strong," Klein continues, "it changes the fabric of neighborhoods and cities. It changes their image."

In St. Louis for instance, the Central West End has become a trendy place to live. Empty-nesters who grew up there are moving back from the suburbs. Houses in Central West End that sold for \$20,000 to \$25,000 in the late 1970's, now are selling for \$100,000. In Soulard, a 100-block neighborhood south of the downtown, German workers' houses, circa 1900, are being restored while new in-fill rentals and condominiums are going up. Soulard shells sold for \$1,000 to \$2,500 in the late 1970's; now shells sell for \$10,000 to \$12,000, and restored houses command prices of \$70,000 to \$140,000.⁴³

Overall, gentrification appears to be a permanent cycle within the housing market and industry. For a time in the late 1970's, it was widely perceived as a process with the potential to transform the economic base and the population mix of large cities. However, Klein has noted, "it is now clear that this

⁴³Ibid, p. 96.

hope--or fear as the case may have been--was exaggerated."⁴⁴

THE PROCESS

Many prorenewal urban specialists, conceding that gentrification is not without difficulties, question the assumption that anything should be done to control it. They assert that the impact of relocation for families unable to fend for themselves should be cushioned, and, in such cases, they suggest extending relocation allowances or other forms of assistance. Their understanding of gentrification may be summarized as follows:⁴⁵

- 1) Everyone agrees that large parts of America's cities must be renewed or rehabilitated.
- 2) No matter how renewal is carried out, it entails some dislocations. Only a small percentage of those displaced will be able to afford the rents or sale prices of their renewed neighborhoods. Subsidies can only help a fraction of the original residents to return.
- 3) This "cost" is more than offset by the beneficial economic effects of the renewed area and its spillover effects on surrounding areas.
- 4) Those low-income residents who are adversely affected simply do not matter in the face of the overwhelming majority of the population that can be said to benefit.
- 5) Gentrification is very limited geographically.

⁴⁴Ibid.

⁴⁵Lang, p.31.

Specifically, in the case of Philadelphia, which has 109 different neighborhoods, only six or seven are under any kind of gentrification pressure, and all of these are clustered near the CBD. The major urban problem has been, and still is, neighborhood decline for those many neighborhoods that are not candidates for gentrification. Indeed, more displacement is caused by housing abandonment than by gentrification.

6) Gentrification is a concomitant of the fair-share housing policy, currently being charted by housing reformers, supported by the courts. In brief, the policy aims to open up the affluent suburbs to low and moderate-income groups in the quest of geographically determined social balance. As a result, the cities must gear up to receive a greater proportion of under income residents to balance the already existing preponderance of low-income residents.

It is clear from this outline that the proponents of renewal view gentrification as a static, rather than a dynamic process. The points they make are not incorrect--rather they are incomplete since they represent only the perspective of the development agencies. The same process looks quite different when seen from the perspective of the affected lower income community. Such a summary will yield a scenario considerably different from the one offered by those who favor traditional renewal activities, and the value assumptions on which they are based. From the vantage point of a low-income community,

gentrification may be summarized as follows:⁴⁶

1) Currently, poor communities are concentrated in inner city areas, while the suburbs provide the residential locale for the bulk of the affluent.

2) The poor traditionally have been forced out of one potentially valuable neighborhood after another if it suits the planners and speculators. Up until now, they have been unable to find alternative accommodations within the core slum areas.

3) To the extent possible, the lower income groups have attempted to move out of the core to the "inner suburbs" as their income rose.

4) The new element today is urban reinvestment, produced by the combined effects of the energy shortage and the desire of an increasing number of the affluent to live in town.

As a result, more and more inner city areas are being upgraded by gentrification, and on an increasing scale. Specifically, the 1975 Urban Land Institute survey found that 73 percent of cities with populations over 500,000 are undergoing substantial and significant housing renovation in what were declining neighborhoods.⁴⁷ More recently, Philip Clay has found that neighborhood revitalization has occurred in all of the nation's 30 largest cities.⁴⁸ This trend ensures that there

⁴⁶Ibid, p. 32.

⁴⁷National Urban Coalition, Displacement: City Neighborhoods in Transition (Washington, July 1978), p. 2.

⁴⁸Philip Clay, Neighborhood Revitalization: The Recent Experience in Large American Cities (Cambridge: MIT Press, 1978), p.17.

are less available low-income areas in the inner core. Where can the poor go? They can go to the old inner suburbs, and specifically those old inner suburbs that are just now approaching advanced states of decay, due to old age. Ironically, the cost of running homes in such areas will be highest when the poor are able to afford rental, and in some cases, downpayment charges. This is due to the costs of commuting, the increased dependence on the car for shopping, and the prevalence of homes inefficiently heated because of basic design problems.⁴⁹

The major point is that dislocation of the poor by gentrification is not a one-time process, the costs of which can be justified by enumerating the balancing benefits. Rather, gentrification is part of a market process by which the poor will be pushed into areas that are rejected by the affluent. A further concern is that a sizable segment of each generation of the affluent appears to covet geographically distinct areas. A suburban address was the status for many newly forming households of the 1950's and 1960's. Today, a rising proportion of the affluent offspring of these suburbanites find a center city address fashionable. Will the offspring of these urban pioneers, too, make a housing choice geographically distinct from that of their parents? Perhaps they will prefer the Victorian suburbs, the area of the city that increasingly houses those dislocated from center city slums. If this is so, the poor will have no rest. It could well happen due to our complete lack of infor-

⁴⁹Ibid.

mation and control over specific housing submarkets.

CONCLUSIONS

CONTROLLING GENTRIFICATION

Federal efforts to deal with the problems caused by gentrification are rooted in Section 902 of the Housing and Community Development Amendments of 1978.⁵⁰ Section 902 requires HUD to 1) conduct a study on the nature and extent of displacement, and 2) make recommendations to Congress for the formulation of a national policy to minimize involuntary displacement caused by HUD's programs, and to alleviate the problems caused by publicly and privately financed development and rehabilitation.

As a result of this legislative directive, HUD issued two reports: an interim report in February 1979, and a final report in November 1979 (since this time there seems to be a lack of interest or a cooling down period). The final report suggested that:⁵¹

Appropriate national policy on publicly and privately financed displacement is for the federal government to ensure:

- that the displacement of persons in connection with federal or federally assisted programs and activities be minimized;

- that efforts are made to expand the housing supply available to low and moderate income persons; and

- that sufficient research and technical assistance is provided to encourage and support the efforts of state and local

⁵⁰Lang, p. 39.

⁵¹Ibid, p. 40.

governments, neighborhood based groups, and the private sector to enable them to develop appropriate strategies and activities to minimize displacement and carry attending hardships caused by private revitalization.

Most of the specific regulatory changes undertaken by HUD related to federal or federally assisted programs. They extended the coverage of the uniform relocation act and established a federal antidisplacement policy. This policy was in essence a restatement of the displacee's right to adequate replacement housing and not a prohibition on displacement by government programs. Both reports stressed HUD's limited ability to deal with most instances of displacement since they are gentrification-induced. As a result, they focused on what was controllable--namely direct and secondary displacement due to HUD's own programs. In regard to gentrification-induced (private) displacement, HUD states:⁵²

Local governments are in the best position to recognize the complexity of a displacement problem within their housing markets, and to devise antidisplacement strategies. These may include:

- methods to provide direct housing assistance to persons displaced (e.g. counseling, special targeting of section 8 existing housing, urban homesteading, priority in assisted housing, etc.)

⁵²Ibid.

- methods to help existing residents capture or maintain control of the housing stock (e.g. purchase of existing rental stock by cooperatives or nonprofit community corporations using Community Development Block Grant (CDBG) funds, section 235, state and local bond issues, etc.).

- methods to control reinvestment (e.g. anti-speculation codominium conversion ordinances, etc.).

- methods to ease demands on certain desirable neighborhoods and attract developers and potential homebuyers to other neighborhoods.

- methods to increase the housing supply in the inner city (e.g. conversion of non-residential buildings to residential use, saving vacant buildings for future rehabilitation instead of demolishing them, etc.).

In developing specific solutions to private displacement, HUD involved state and local governments, neighborhood organizations, and the private sector, specifically developers, leaders, real estate brokers, and business leadership. In working to assist such groups, HUD has outlined several programs that might be used:⁵³

- 1) Improve data on the nature of displacement via more precise designing of the questionnaires in the annual housing survey. Current questions do not enable researchers to determine whether or not a move was due to involuntary displacement.

- 2) Continue research on the nature and extent of rein-

⁵³Ibid, p. 41.

vestment and displacement via HUD's funding of several local studies of displacement. In addition, HUD is monitoring local government efforts in this area as well as studying the legal issues surrounding displacement. An evaluation of community development strategies is being undertaken to assess the secondary impact (if any) of CDBG funded community development activities. HUD also is monitoring the effects of the Urban Homesteading Program, although research to date has indicated little or no displacement effects due to this program.

3) Consider new programmatic initiatives. HUD proposes to modify the section 235 Home Ownership Program so that it can more easily be utilized as a housing alternative for displaced households. This will be done by putting involuntary displacees in a preferred position to receive such housing as well as increasing the Section 235 mortgage limits in gentrifying areas. (However, since this step in the outline was proposed, federal money to homeowners has been dropping each year. No money will be available to new applicants for 1985, and over 19,000 units currently receiving federal help will be dropped from the program. This is a decrease from 96,000 units in 1984, to 77,000 units in 1985.⁵⁴).

4) Fund locally designed efforts to combat displacement. On January 19, 1979, the Department invited units of local government to submit suggestions for its innovative grant program. This program would "assist low and moderate income residents

⁵⁴U.S. Department of Housing and Urban Development, Congressional Justification for 1985 Estimates, (Washington, D.C., March 1984), p. N-1.

to remain in neighborhoods which are in the process of revitalization or provide opportunities for low and moderate income residents to move outside cities, if they so desire, on an area-wide intergovernmental basis."⁵⁵ A number of cities have received funding to construct antidisplacement strategies. Other activities in this area include the funding of local conferences and workshops on displacement, and the provision of technical assistance materials.

On the local level, many municipalities have passed ordinances that attempt to deal with gentrification. However, almost all suffer from being purely negative checks on free market operations. Washington, D.C., for instance, has passed a series of ordinances that include: moratoriums on condominium conversions; regulations limiting the conditions under which condominium conversion and rental property rehabilitation can occur; heavy taxes on property sales by speculators; and stronger eviction regulations. Both the impact and the legality of many of these ordinances are still in doubt, but clearly the approach is not conducive to the urban reinvestment strategies followed by most large urban areas.⁵⁶ Other solutions, such as tax deferrals or reverse mortgages for low-income homeowners, have a more benign effect on the housing market and often have limited utility. Most of the other efforts to counter gentrification involve local private and nonprofit development corporations, preservation groups, or private investors rehabilitating or

⁵⁵HUD, Final Displacement Report, PBD-491 (Washington, D.C.: Government Printing Office, December 1979), p. 1.

⁵⁶Lang, p. 43.

building low and moderate-income housing in areas experiencing reinvestment.

One of the most noteworthy local attempts to counter gentrification is the Savannah Landmark Rehabilitation Project, Inc. (mentioned previously), a private nonprofit corporation that buys, renovates, and subsidizes housing units in neighborhoods threatened with gentrification, thereby allowing the original residents to avoid displacement.

Currently, the Savannah Project is restoring 1,200 units in the Victorian District--89 percent black and mainly lower-income in population--and is trying to guarantee that at least half of the rehabbed units are kept available for current residents. The effort relies on a variety of rehab subsidy programs--HUD's Section 8 and 312 programs and Savannah's Homeowner Rehabilitation Program--in combination with UDAG money and private foundation funds.⁵⁷ Without the subsidies, rent and mortgage increases resulting from rehabilitation costs would probably displace most of the residents.

It is too early yet to tell if this generous approach can succeed in promoting historic preservation without displacement. Shortages in the availability of subsidy funds may grow worse, and the limitations of the subsidy programs themselves may cripple the attempts. Further, since the other half of the units in the District will be rehabilitated without subsidy, and the neighboring Savannah Historic District has been largely gentrified through rehabilitation, uncontrolled market forces

⁵⁷Chester Harman, et al, Displacement: How To Fight It (Berkeley: National Housing Law Project, 1982), p. 164.

may undo what good Savannah Landmarks does accomplish. So it is a question of wait-and-see whether the Landmarks approach establishes a precedent for combining anti-displacement goals with large scale historic preservation rehab programs.⁵⁸

No major government programs directly tackle the problem of gentrification. Many deal with the problem of displacement and its related issues (eg Uniform Relocation Act), but not directly with gentrification. Clearly, a programmatic effort with a large potential impact must be considered. All that is needed is the basic agreement on policy, and the skill and dedication to carry it out. If it is to succeed, any program seeking to limit the costs and maximize the benefits of gentrification must be devised and operated in a manner sensitive to wider contextual realities. Thus, gentrification's place within the wider context of urban change must be understood before specific programmatic initiatives can be contemplated.

ANALYSIS

The problems facing America's older cities are manifold and interrelated. It is no wonder that even urban specialties disagree on how and where to start revitalization efforts. Therefore, it can be seen that gentrification may comprise the best hope for initiating a revitalization effort. Gentrification, if it is successfully carried out as proposed under a neighborhood program, may lead to an era of smaller, but more vibrant,

⁵⁸Ibid.

urban centers.⁵⁹ These centers will be attractive as a place to live and do business for a sizable portion of the population. From whatever perspective one views the problems of our older cities, the root cause of these problems is the lack of balance between old and new, and decline and renewal, whether in housing, industry, or commerce. The issue is not so much that American cities have areas of physical and socioeconomic decline, but that such problem areas are not balanced by meaningful amounts of physical and socioeconomic regeneration. As a result, the problem areas increasingly characterize the city as a whole.

Gentrification, by reintroducing or increasing the participation of the middle-class households in our urban areas, can serve as a major component of a rebalancing force for our older cities. Uncontrolled gentrification, however, cannot produce this result since it is conducive to the development of a pattern of reseggregated wealthy neighborhoods surrounded by increasingly blighted low-income neighborhoods. Such an outcome would be highly likely to lead to a dangerous state of geographic and socioeconomic polarization.⁶⁰ As a result, gentrification is perceived as a political embarrassment to local government officials: a phenomenon the money-making potential of which they privately endorse, while publicly ignoring or deploring its social ramifications. Gentrification should not

⁵⁹Ibid, p. 44.

⁶⁰Ibid, p. 147.

be the major force of the revitalization planning process. The only way for this to happen is if the gentrification process can be controlled. This control must be structured to provide the private incentive to help finance the revitalization of urban neighborhoods, and to benefit both rich and poor, the central city and outlying areas. Specifically, gentrification must be controlled and directed to mitigate its harmful effects and accentuate its positive effects. In order to do this, city officials must:⁶¹

- 1) Understand the gentrification process and its costs and benefits.

- 2) Understand the current socioeconomic trends for their region, city, and neighborhoods.

- 3) Understand current urban theory and its relation to current urban reality.

- 4) Confront the growth-oriented assumptions that underpin current urban theory and the programs that stem from them.

- 5) Develop a program for controlling gentrification that can operate in the context of the overall economic decline that characterizes so many of our northeastern cities.

- 6) Develop a program, if desired, to initiate gentrification in cities where there is none at present--for specific locations and time frames.

Gentrification is unique in that it can be utilized within the context of urban change, rather than in opposition to it.

⁶¹Ibid, p. 2.

It can help lead older cities back to a socioeconomic equilibrium while confronting the contextual reality of general urban decline. It is important to realize that such decline dictates that not all neighborhoods will be able to find the resources necessary for survival. Gentrification, then, is seen as operating in conjunction with neighborhood abandonment-consolidation strategies, and not in an artificial vacuum.

Today a sense of growing despair exists in many of our older urban areas, a perception that after years of urban programs and federal and state subsidies, we are no closer to solving the "urban crisis" than we were twenty or more years ago. The litany of urban ills encompasses a discouragingly long list: poor schools, inadequate housing, high tax rates, population declines, plant closings, decayed and obsolete infrastructures, and fiscal problems, to name a few. These problems are to many the real "urban crisis". To such people, gentrification may seem like an insignificant population trend, irrelevant to the crisis situation that is the current urban context.

Although such a view is understandable, it may be incorrect. The probability is greater that gentrification is, and will continue to be, an important component of the urban housing market. More importantly, if handled properly, gentrification can be a major source of significant urban revitalization and thereby provide a solution to many of our urban problems. It is also true that although gentrification

may provide a strong impetus for revitalization, it is a reflection of only part of the current urban change process.

The urban crisis--urban decline and neighborhood disinvestment--is also a major part of this process and therefore must be included in the analysis, even though this complicates the search for solutions.

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