

# Shelter-in-Place: Reducing Displacement and Increasing Inclusion in Gentrifying Neighborhoods

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*In the past few decades, across the United States, middle- and upper-class whites have been returning to the urban centers they abandoned in the 1970s, attracting renewed investment from public and private actors to once-disinvested neighborhoods. Meanwhile, lower-income residents of color who remained in those now-gentrifying neighborhoods are often excluded from the benefits of new development. This paper examines the mechanics of gentrification and its effects on low-income community members, considers the prospect that it could advance integration, and aims to provide guidance on how governments should respond to gentrification pressures in order to protect low-income communities from displacement and immobility. It provides two case studies—Detroit and Los Angeles—which incorporate the perspectives of community members, developers, local officials, and other stakeholders as shared with the author in a series of interviews. The case studies layer additional texture on top of quantitative research, providing a frame through which to understand how gentrification operates in particular contexts and how policy responses should be tailored accordingly.*

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*Once this process of 'gentrification' starts in a district, it goes on rapidly until all or most of the original working class occupiers are displaced, and the whole social character of the district is changed.*

– Ruth Glass (1964)<sup>1</sup>

## FOREWORD

On Detroit's Second Avenue, a street once synonymous with prostitution, drug trafficking, and homelessness ("the city's longtime Skid Row"<sup>2</sup>), Will Leather Goods stands like a sentry on an otherwise nearly empty block. Smelling of rich leather and tastefully decorated with a designer's eye for detail, combining industrial lighting with a prominent cowhide teepee, Will is a wealthy millennial's dream. According to one developer—who grew up in this neighborhood—it is high-end retail like Will that is "attracting people to the area."<sup>3</sup> Just around the block on Canfield, luxury watchmaker Shinola's curbside sign warns "valet parking only." And one block down Second lies an empty, mud-filled lot—presumably the final resting place of a home or business—where hobnobbers park before partaking in seasonal small plates at acclaimed restaurant Selden Standard.

<sup>1</sup> RUTH GLASS, LONDON: ASPECTS OF CHANGE xviii–xix (1964).

<sup>2</sup> Detroit blogger John, *Bum Rap*, DET. METRO TIMES (Mar. 18, 2009), <https://www.metrotimes.com/detroit/bum-rap/Content?oid=2194377> [<https://perma.cc/4V6D-EEAZ>].

<sup>3</sup> Interview with former City Official, in Troy, Mich. (Mar. 9, 2017) (notes on file with author) (interviewed on condition of anonymity).

Will, Shinola, and Selden Standard are all part of the rebranding of the area that was once called “Cass Corridor,” to “Midtown.” Will took the place of Tom Boy Market, a small grocery store that had inhabited 4120 Second Avenue since the 1950s, which a *Detroit Metro Times* blogger in 2009 described as the place “where the area’s bums, beggars, hookers and drug dealers have gathered for years.”<sup>4</sup> It was the only market in the neighborhood, however, so sometimes residents would have no choice but to go there. “[I]f we ran out of something we would be like, ‘Oh no! I think you might have to go to Tom Boy,’” one former resident explained.<sup>5</sup> If she or her neighbors had been consulted about what should go in Tom Boy’s place when the market went under in 2014, she said, they probably would have asked for another—better—grocery store. But rather than a better grocery store, the neighborhood got Will, a store that caters to a different demographic, the same demographic to which the recently opened yoga studios, hip barber shops, and chic cafes are beckoning.<sup>6</sup> “Goodbye, Tomboy: Luxury Leather Conquors [sic] Midtown’s Grimy Grocer,” proclaimed a *Curbed Detroit* headline in 2015.<sup>7</sup> But not everyone is quite so cheerful about the change that new restaurants and shops like Will symptomize. Some fear that these changes mean that the residents of what was once Cass Corridor will be pushed out as well.

#### INTRODUCTION

Homes are as much the building blocks of our society as they are the foundations of our “American dreams.” It is among and between homes that we have grouped and segregated into and between families, communities, classes, and races, through both government action—as with segregation and redlining—and private choices like “white flight.” This separation has dramatic implications for the U.S. social fabric, education system, political system, and economy. Yet in the past few decades, across the country, middle- and upper-class whites have been returning to the urban centers they abandoned in the 1970s, attracting renewed investment from public and private actors to once-disinvested neighborhoods. Meanwhile, lower-income residents of color who remained in those neighborhoods are often excluded

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<sup>4</sup> Detroitblogger John, *supra* note 2. See *infra* Appendix II for a Google Maps image capture from July 2015 that still shows the Tom Boy sign over new construction, a signal of the changes taking place around it.

<sup>5</sup> Interview with Kimberly Dowdell, Partner, Century Partners, in Detroit, Mich. (Mar. 9, 2017) [hereinafter Dowdell Interview].

<sup>6</sup> See generally Sarah Cox, *Run-Down Tom Boy Market to Be Replaced by High End Retail*, CURBED DET. (Oct. 2, 2014, 2:35 PM), <http://detroit.curbed.com/2014/10/2/10040374/run-down-tomboy-market-finally-getting-replaced-by-high-end-retail> [<https://perma.cc/H8WW-K3SL>] (describing the sale of Tom Boy and the transition of midtown Detroit’s transition to house high-end retailers).

<sup>7</sup> Paul Beshouri, *Goodbye, Tomboy: Luxury Leather Conquors [sic] Midtown’s Grimy Grocer*, CURBED DET. (Apr. 23, 2015, 1:59 PM), <http://detroit.curbed.com/2015/4/23/9967668/tom-boy-markets-old-building-transforming-into-highend-leather-goods> [<https://perma.cc/PDR2-LGLU>].

from the benefits and subjected to the brunt of the consequences.<sup>8</sup> As property values and rent steadily rise, community members are often pushed out of their neighborhoods or trapped within them at great additional cost.<sup>9</sup> As James Baldwin said in 1963, “Urban renewal . . . means Negro removal.”<sup>10</sup>

Though there is much disagreement about to what exactly “gentrification” refers,<sup>11</sup> this paper employs the definition of the term as originally conceived by its creator, British sociologist Ruth Glass: the movement of

<sup>8</sup> See generally MARGERY AUSTIN TURNER & LYNETTE RAWLINGS, URBAN INST., PROMOTING NEIGHBORHOOD DIVERSITY: BENEFITS, BARRIERS, AND STRATEGIES (Aug. 2009), <https://www.urban.org/sites/default/files/publication/30631/411955-Promoting-Neighborhood-Diversity-Benefits-Barriers-and-Strategies.PDF> [<https://perma.cc/ME7U-N39P>]. See also ANN OWENS, UNIV. S. CAL., URBAN REVITALIZATION IN U.S. CITIES AND NEIGHBORHOODS, 1990 TO 2010, at 19 (2016), [http://www.21stcenturyneighborhoods.org/wp-content/uploads/2016/07/Owens\\_21CC\\_neighborhood\\_transformation\\_Final.pdf](http://www.21stcenturyneighborhoods.org/wp-content/uploads/2016/07/Owens_21CC_neighborhood_transformation_Final.pdf) [<https://perma.cc/6N48-XRLF>] (finding that “racial transition from minority to white may occur alongside city revitalization” and thus “Black and Hispanic urban residents . . . may not experience the benefits of city revitalization”).

<sup>9</sup> Cf. Geoffrey DeVerteul, *Resisting Gentrification-Induced Displacement: Advantages and Disadvantages to ‘Staying Put’ Among Non-Profit Social Services in London and Los Angeles*, 44 AREA 208, 210 (June 2012) (discussing the “ironic outcome [of his study] that alongside displacement, gentrification can also engender considerable immobility”).

<sup>10</sup> *Urban Removal as ‘Negro Removal’: Before Plumley, There Was Laurel-Clayton*, JANE JACOBS WOO: BLOG (July 7, 2016), <http://www.janejacobsinthewoo.org/blog/2016/7/7/urban-renewal-as-negro-removal-before-plumley-there-was-laurel-clayton> [<https://perma.cc/3GC9-8E55>].

<sup>11</sup> While some define it as demographic shifts—from lower-income to higher-income, people of color to white—others define it as displacement, the reinvestment of capital in previously neglected areas, a shift in the neighborhood culture or “flavor,” or some combination of those factors. Compare *Inside Gentrification: The Emotional, Physical, and Financial Implications*, SHELTERFORCE (Oct. 7, 2013) [hereinafter *Inside Gentrification*], [http://www.shelterforce.org/article/3444/inside\\_gentrification/](http://www.shelterforce.org/article/3444/inside_gentrification/) [<https://perma.cc/LP45-6X8A>] (defining gentrification as a “process in which a poor or working-class neighborhood is replaced by people of a higher income”), with Jacob L. Vigdor, *Does Gentrification Harm the Poor?*, BROOKINGS-WHARTON PAPERS ON URB. AFF., 2002, at 135 (citation omitted) (citing Maureen Kennedy and Paul Leonard’s definition of gentrification as a change in the “essential character and flavor of the neighborhood”), and DeVerteul, *supra* note 9, at 209 (citing LORETTA LEES ET AL., GENTRIFICATION (2008)) (“Gentrification involves at least four key elements: reinvestment of capital; social upgrading of locale by incoming high-income groups; landscape change; and, crucially for the purposes of this paper, direct or indirect displacement of low-income groups.”). For a further discussion of gentrification and its varying definitions, see KATHRYN P. NELSON, GENTRIFICATION AND DISTRESSED CITIES (1988) (defining gentrification as investment in urban neighborhoods “accompanied by inflows of households with higher socioeconomic status than the neighborhood’s initial residents”); Stan Paul, *Gentrification and Displacement in Southern California*, UCLA LUSKIN SCH. PUB. AFF. (Aug. 29, 2016), <http://luskin.ucla.edu/2016/08/29/gentrification-displacement-southern-california/> [<https://perma.cc/QC33-ZNQ2>] (first quoting Paul Ong, Director of UCLA Luskin’s Center for Neighborhood Knowledge; and then quoting Anastasia Loukaitou-Sideris, principal investigator on the Los Angeles team from UCLA Luskin) (describing “commercial gentrification, which leads to the closing down of mom-and-pop stores and ethnic small businesses in some neighborhoods”); and Neil Smith, *Commentary: Gentrification and the Rent Gap*, in ANNALS OF THE ASSOCIATION OF AMERICAN GEOGRAPHERS (1987), reprinted in THE GENTRIFICATION READER 100 (Loretta Lees et al. eds., 2010) (“The crucial point about gentrification is that it involves not only a social change but also, at the neighborhood scale, a physical change in the housing stock and an economic change in the land and housing markets. It is this combination of social, physical, and economic change that distinguishes gentrification as an identifiable process . . .”).

investment and higher-income residents into previously under-invested communities.<sup>12</sup> According to this definition, gentrification and displacement are separate, albeit deeply entwined. Moreover, although race is not included in the definition itself, it is often deep at the core of how gentrification plays out in the United States.<sup>13</sup> This article focuses not on Glass's definition, but on her conclusion that "[o]nce this process of 'gentrification' starts in a district, it goes on rapidly until all or most of the original working class occupiers are displaced, and the whole social character of the district is changed." This frame may lead voters and policymakers to become defeatist or complacent, believing that once gentrification begins, the outcome is inevitable. Is that really the case, or are there policies and programs that can reduce gentrification's effects?<sup>14</sup>

The irony is that for a brief moment, when higher-income people move into lower-income communities, integration—economic, racial, educational—emerges. That is, before being eclipsed by the displacement of low-income populations forced out by rising rents. What would it take to hold on to that moment? How might policies eliminate the prospect of displacement? What would inclusive development look like? In a world of mounting inequality and escalating fears and hatred of "the other," the stakes for finding adequate answers to these questions are rising.

Taking these questions as a starting point, this article examines the mechanics of gentrification and its effects on low-income community members, considers the prospect that it could integrate segregated communities, and aims to provide guidance on how governments should respond to gentrification pressures in order to protect low-income people and advance the public interest. Part I discusses the importance of neighborhoods and outlines a brief history of residential segregation in the United States. Part II introduces and defines gentrification and describes its effects. Part III provides two case studies of cities at very different stages in the gentrification process—Detroit and Los Angeles—as a lens through which to understand how gentrification operates in particular contexts. In addition to scholarly research, these case studies are based on interviews by the author with community members, developers, local officials, and other stakeholders. Part IV describes and assesses a number of policy interventions to reduce displacement of low-income people from gentrifying neighborhoods. Part V con-

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<sup>12</sup> See GLASS, *supra* note 1, at xviii ("One by one, many of the working class quarters of London have been invaded by the middle classes—upper and lower. Shabby, modest mews and cottages—two rooms up and two down—have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in an earlier or recent period—which were used as lodging houses or were otherwise in multiple occupation—have been upgraded once again. Nowadays, many of these houses are being subdivided into costly flats or 'houselets' (in terms of the new real estate snob jargon). The current social status and value of such dwellings are frequently in inverse relation to their size, and in any case enormously inflated by comparison with previous levels in their neighbourhoods.").

<sup>13</sup> See, e.g., Vigdor, *supra* note 11, at 138 ("[G]entrification often implies racial transition.").

<sup>14</sup> GLASS, *supra* note 1, at xviii–xix.

cludes by recommending that cities take displacement seriously and take steps to ensure that the benefits of development are more equitably distributed.

## I. THE HISTORY AND SIGNIFICANCE OF U.S. NEIGHBORHOODS

While it is not the aim of this paper to provide a thorough history of race and socioeconomic relations in the United States, gentrification, properly understood, must be placed in context. That context is neighborhoods. Neighborhoods matter.<sup>15</sup> They are the spaces where identities and relationships—interpersonal and political—are formulated and reconfigured. They are the locations where children are educated, both formally and informally. They are also the places in which norms and values are shared and imparted among peers, shaping the worldviews and behaviors of the children that are raised within them.<sup>16</sup> Experiences that children have in their neighborhoods, such as exposure to crime and violence, can have profound and lasting effects, including on their mental<sup>17</sup> and physical<sup>18</sup> health. Thus, the politics and policies that shape neighborhoods affect not only where and how people live, but also ripple more broadly. In the United States, one of the major forces that has shaped U.S. neighborhoods and the people within them is segregation.

In addition, gentrification and the displacement it engenders are the product of a long history of exclusion and desertion, from 246 years of slavery,<sup>19</sup> to 89 years of separate-but-equal,<sup>20</sup> to the *de facto* segregation that persists today.<sup>21</sup> Even after the Supreme Court heralded an end to segregation in public services in *Brown v. Board of Education*,<sup>22</sup> white Americans have

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<sup>15</sup> See, e.g., Vigdor, *supra* note 11, at 147 (listing studies that show “correlations between neighborhood characteristics and child or adolescent outcomes”).

<sup>16</sup> See TURNER & RAWLINGS, *supra* note 8, at 2.

<sup>17</sup> See *id.*

<sup>18</sup> See James Krieger & Donna L. Higgins, *Housing and Health: Time Again for Public Health Action*, 92 AM. J. PUB. HEALTH 758, 759 (2002) (citations omitted) (describing how when holding individual-level risk factors constant, scientific studies have shown “neighborhood-level effects” of living in a low-income neighborhood on an individual’s health, including “elevated rates of intentional injury, poor birth outcomes, cardiovascular disease, HIV, gonorrhea, tuberculosis, depression, physical activity, and all-cause mortality”).

<sup>19</sup> See Nat’l Geographic Educ. Staff & Caryl-Sue, *A History of Slavery in the United States*, NAT’L GEOGRAPHIC, <http://www.nationalgeographic.org/interactive/slavery-united-states/> [https://perma.cc/9SGU-NB56].

<sup>20</sup> See *Plessy v. Ferguson*, 163 U.S. 537, 548 (1896).

<sup>21</sup> See, e.g., Richard Rothstein, *America Is Still Segregated. We Need to Be Honest About Why*, GUARDIAN (May 16, 2017), <https://www.theguardian.com/commentisfree/2017/may/16/segregation-us-neighborhoods-reasons> [https://perma.cc/ACA7-S4VA]. See generally JONATHAN KOZOL, *SAVAGE INEQUALITIES: CHILDREN IN AMERICA’S SCHOOLS* (1991) (discussing disparities in educational quality between public schools in urban high-poverty neighborhoods—schools that predominantly serve students of color—and schools in higher-income neighborhoods that predominantly serve white students).

<sup>22</sup> 347 U.S. 483, 495 (1954).

found more subtle ways to enforce separation from people of color.<sup>23</sup> Restrictive covenants, local land use regulations, underwriting requirements for federally insured mortgage loans, and prohibitive regulations for public housing have institutionalized racial segregation in both housing and employment.<sup>24</sup> In 1968, the Kerner Commission described the United States as a nation “moving toward two societies, one black, one white—separate and unequal.”<sup>25</sup>

When the Civil Rights movement and racial tensions rose to a boil in the 1960s and 1970s, white residents “fled” to the suburbs, leaving their lower-income black and brown neighbors in the inner city.<sup>26</sup> Under-occupation of these urban neighborhoods, and occupation exclusively by lower-income residents, meant less tax revenue for local governments and fewer public services for the city residents.<sup>27</sup> The quality of education provided by

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<sup>23</sup> See, e.g., EDBUILD, FAULT LINES: AMERICA’S MOST SEGREGATING SCHOOL DISTRICT BORDERS 3 (Aug. 23, 2016), <https://s3.amazonaws.com/edbuild-public-data/data/fault+lines/EdBuild-Fault-Lines-2016.pdf> [<https://perma.cc/RQ6M-A8SJ>] (arguing that later cases like *Milliken v. Bradley*, 418 U.S. 717 (1974), which held that racial segregation between—rather than within—school districts was constitutionally permissible, “removed all teeth” from *Brown*).

<sup>24</sup> See TURNER & RAWLINGS, *supra* note 8, at 8 (citing Douglas S. Massey & Nancy A. Denton, *Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970–1980*, 52 AM. SOC. REV. 802 (1987); ALEXANDER POLIKOFF, *WAITING FOR GAUTREAU: A STORY OF SEGREGATION, HOUSING, AND THE BLACK GHETTO* (2006)); see also Justin Steil et al., *Desvinculado y Desigual: Is Segregation Harmful to Latinos?*, 660 ANNALS AM. ACAD. POL. & SOC. SCI. 57 (2015).

<sup>25</sup> NAT’L ADVISORY COMM’N ON CIVIL DISORDERS, *THE KERNER REPORT* 1 (Mar. 1, 1968), <http://www.eisenhowerfoundation.org/docs/kerner.pdf> [<https://perma.cc/4V4B-4USV>]; see also EDBUILD, *supra* note 23, at 3 (noting that by some measures, segregation has actually increased over time).

<sup>26</sup> See, e.g., Jan Blakeslee, “White Flight” to the Suburbs, a *Demographic Approach*, FOCUS, Winter 1978–79, at 1–4, <https://www.irp.wisc.edu/publications/focus/pdfs/foc32a.pdf> [<https://perma.cc/C8CQ-M6C9>] (describing and analyzing possible explanations for “white flight”); Emily Badger, *Mapping 60 Years of White Flight, Brain Drain and American Migration*, CITYLAB (Nov. 1, 2013), <http://www.citylab.com/work/2013/11/mapping-60-years-white-flight-brain-drain-and-american-migration/7449/> [<https://perma.cc/7LM5-WZT2>] (“[F]rom the 1970s, white populations have clearly left major Midwestern cities like Chicago, Detroit and Cleveland, with increased in-migration into surrounding counties. . . .”); cf. LAURA LIPPMAN ET AL., NAT’L CTR. FOR EDUC. STATISTICS, *URBAN SCHOOLS: THE CHALLENGE OF LOCATION AND POVERTY*, at vi fig.A (1996), <https://nces.ed.gov/pubs/96184all.pdf> [<https://perma.cc/K4KE-K5ZT>] (showing, per data provided by the U.S. Census, that poverty rates of children under eighteen in urban environments grew between 1980 and 1990 at a faster rate (increase of 3.8 percentage points) than the increase in poverty rates for children under eighteen in suburban (1.3 percentage points) or rural environments (2.8 percentage points); noting also that although the number of students in urban public schools remained stable between 1980 and 1990, the proportion who were white declined and the proportion who were of color increased).

<sup>27</sup> See TURNER & RAWLINGS, *supra* note 8, at 2.

inner city schools, largely funded through local tax dollars,<sup>28</sup> suffered,<sup>29</sup> as did the neglected neighborhoods where their students lived.<sup>30</sup>

Though white residents began to move back into urban areas in the 1990s, residential segregation—by both race and socioeconomic status—persists today.<sup>31</sup> Low-income African Americans<sup>32</sup> and Latinos<sup>33</sup> remain concentrated and isolated in areas of the inner city, typically with less access to resources such as quality schools,<sup>34</sup> well-paying jobs,<sup>35</sup> and human capital<sup>36</sup>

<sup>28</sup> Elementary and secondary school funding structures vary by state, but state and local funding makes up the vast majority of school funding. Nationally, throughout the 1980s and 1990s, the proportions of funding that came from state and local sources varied, but were more or less equivalent, together making up about ninety percent of school funding. See Clare McCann, *School Finance*, NEW AMERICA ED CENTRAL, <http://www.edcentral.org/edcyclopedia/school-finance/> [<https://perma.cc/E5TG-8GYX>] (describing, in the first graph, sources for elementary and secondary school funding in 2010).

<sup>29</sup> See *id.* (noting that because property taxes provide the majority of local funding for public schools, “often . . . children that live in low-income communities with the highest needs go to schools with the least resources, the least qualified teachers, and substandard school facilities”); see, e.g., LIPPMAN ET AL., *supra* note 26, at x fig.1 (showing that the percentage of urban high school students in the sophomore class of 1980 who graduated on time was lower than that in suburban and rural schools, even where levels of “disadvantage” were comparable); *id.* at 83 fig.43 (showing the percentage of teachers who agreed that necessary materials are available in their schools, by urbanicity and school poverty concentration: 1987-88); see also KOZOL, *supra* note 21.

<sup>30</sup> See, e.g., OWENS, *supra* note 8, at 7 (citations omitted) (asserting that racial segregation had a negative impact on cities because “resources were disproportionately allocated to primarily white suburbs rather than minority inner cities”); *id.* at 6 (citing John D. Kasarda, *Urban Change and Minority Opportunities*, in *THE NEW URBAN REALITY* 33–68 (Paul E. Peterson ed., 1985)) (noting that cities economically declined, “leaving urban cores as clusters of minority residents, many of them without the skills to occupy the new employment positions”).

<sup>31</sup> Cf. INGRID GOULD ELLEN ET AL., N.Y. UNIV. WAGNER SCH. & FURMAN CTR. FOR REAL ESTATE & URBAN POLICY, *PATHWAYS TO INTEGRATION: EXAMINING CHANGES IN THE PREVALENCE OF RACIALLY INTEGRATED NEIGHBORHOODS 1* (2012), [http://furmancenter.org/files/publications/Pathways\\_to\\_Integration\\_May\\_2012\\_2.pdf](http://furmancenter.org/files/publications/Pathways_to_Integration_May_2012_2.pdf) [<https://perma.cc/MR6B-K463>] (“[O]ur metropolitan areas remain highly segregated by race. . .”).

<sup>32</sup> TURNER & RAWLINGS, *supra* note 8, at 1; see also MIRIAM ZUK ET AL., *GENTRIFICATION, DISPLACEMENT AND THE ROLE OF PUBLIC INVESTMENT: A LITERATURE REVIEW* (2015) (citation omitted), [http://iurd.berkeley.edu/uploads/Displacement\\_Lit\\_Review\\_Final.pdf](http://iurd.berkeley.edu/uploads/Displacement_Lit_Review_Final.pdf) [<https://perma.cc/FXB9-B376>] (finding a subset of “low-density, black-dominated [census] tracts, whose numbers and locations barely changed during the past 20 years”).

<sup>33</sup> See Steil et al., *supra* note 24, at 59 (stating that “Latino-white and black-white segregation levels began to converge between 1980 and 2010,” to the point that by 2010, black-white segregation was still higher than Latino-white segregation, but the difference was much smaller).

<sup>34</sup> See ED BUILD, *supra* note 23, at 3 (noting that “half of America’s schoolchildren are enrolled in high-poverty school districts, often bordered by much more affluent neighbors”).

<sup>35</sup> See Steil et al., *supra* note 24, at 61–62 (citing William J. Wilson, *Another Look at The Truly Disadvantaged*, 106 POL. SCI. Q. 639, 654–55 (1992)) (suggesting that disinvestment from black neighborhoods has “sapped the vitality of local businesses and other institutions”).

<sup>36</sup> For a discussion on why educational experiences of neighborhood adults can affect the outcomes of youth, see WILLIAM J. WILSON, *WHEN WORK DISAPPEARS: THE WORLD OF THE NEW URBAN POOR* (1997). For research supporting that theory, see Patrick Bayer et al., *Separate When Equal? Racial Inequality and Residential Segregation*, 82 J. URB. ECON. 32 (2014); David M. Cutler et al., *When Are Ghettos Bad? Lessons from Immigrant Segregation in the United States*, 63 J. URB. ECON. 759 (2008).



than predominantly white communities with comparable income levels.<sup>37</sup> Conversely, they often have higher exposure to violence and environmental hazards than predominantly white neighborhoods.<sup>38</sup> In addition to receiving lower quality city services, neighborhoods of color have received less investment by private lenders and have been disproportionately targeted by loan terms that “strip wealth . . . rather than . . . build [it].”<sup>39</sup>

Besides being inconsistent with the values of equality and justice that this country’s founding documents proclaim to be at its core,<sup>40</sup> segregation also has other detrimental effects: it “undermines the well-being of individuals, communities and American society as a whole.”<sup>41</sup> It “affect[s] . . . hearts and minds in a way unlikely ever to be undone,”<sup>42</sup> and is associated with worse health, educational, employment, and socioeconomic outcomes for people of color.<sup>43</sup> These detrimental effects may be due in part to lack of access to high quality schools, lower institutional density, lower exposure to college-educated neighbors, and higher levels of violent crime in segregated neighborhoods of color.<sup>44</sup> Integration, on the other hand, has been shown to have positive effects on education, employment, mental and physical health, and cultural sensitivity.<sup>45</sup>

In sum, predominantly poor communities of color in inner cities have for decades been deprived of the resources, city services, and private development that help communities thrive. That is the backdrop upon which gentrification, the next chapter of the story of U.S. urban neighborhoods, must be overlaid and understood.

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<sup>37</sup> See TURNER & RAWLINGS, *supra* note 8, at 2 (citation omitted) (noting that even one of the wealthiest African American communities in the country has low-performing schools and budget shortfalls).

<sup>38</sup> See Steil et al., *supra* note 24, at 58.

<sup>39</sup> TURNER & RAWLINGS, *supra* note 8, at 2 (citations omitted).

<sup>40</sup> See, e.g., THE DECLARATION OF INDEPENDENCE para. 2 (U.S. 1776) (“We hold these truths to be self-evident, that all men are created equal . . . .”); U.S. CONST. amend. XIV, § 1 (“[N]or shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.”); cf. *Strauder v. West Virginia*, 100 U.S. 303, 307 (1879) (“What is [the Fourteenth Amendment] but [a declaration] that the law in the States shall be the same for the black as for the white; that all persons, whether colored or white, shall stand equal before the laws of the States, and, in regard to the colored race, for whose protection the amendment was primarily designed, that no discrimination shall be made against them by law because of their color?”).

<sup>41</sup> TURNER & RAWLINGS, *supra* note 8, at 1.

<sup>42</sup> *Brown v. Bd. of Educ.*, 347 U.S. 483, 494 (1954).

<sup>43</sup> See Steil et al., *supra* note 24, at 58 (citing David M. Cutler & Edward L. Glaeser, *Are Ghettos Good or Bad?*, 112 Q. J. ECON. 827 (1997); Ingrid Gould Ellen, *Is Segregation Bad for Your Health? The Case of Low Birth Weight*, BROOKINGS-WHARTON PAPERS ON URB. AFF., 2000, at 203; David Card & Jesse Rothstein, *Racial Segregation and the Black-White Test Score Gap*, 91 J. PUB. ECON. 2158 (2007)).

<sup>44</sup> See Steil et al., *supra* note 24, at 59–61.

<sup>45</sup> See TURNER & RAWLINGS, *supra* note 8, at 3–4 (citations omitted) (describing various studies with these findings).

## II. THE CHANGING FACE OF NEIGHBORHOODS: GENTRIFICATION

The story shifts around the 1990s. Since then, inner-city urban neighborhoods across the United States have been receiving an influx of residents demographically and socioeconomically different from those who had been living there.<sup>46</sup> Far from bringing about thriving, diverse communities, the return of whites to urban neighborhoods oftentimes actually occasions harm to the previous residents. This part describes what gentrification is, why it is happening, and what social science and scholarly literature suggest its effects are, framing Part III's description of gentrification and its effects on the ground in Detroit and Los Angeles.

### A. Gentrification of U.S. Neighborhoods

#### 1. History

Although suburban growth still outpaced city growth in the 1990s,<sup>47</sup> higher-income people began to move back into urban areas that had previously been disproportionately populated by low-income residents.<sup>48</sup> Perhaps this “return to the city”<sup>49</sup> was inspired by the socioeconomic improvement in many cities throughout the country between the 1970s and 2000s<sup>50</sup> often associated with so-called “urban renewal” or “neighborhood revitalization” strategies implemented by local governments.<sup>51</sup> Regardless of the reason for its arrival, the new population has increased the demand for housing in cities.

During the 1990s, gentrification accelerated across the country in areas with high concentrations of low-income and black households,<sup>52</sup> and in the

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<sup>46</sup> See, e.g., Mike Maciag, *Gentrification in America Report*, GOVERNING (Feb. 2015), <http://www.governing.com/gov-data/gentrification-in-cities-governing-report.html> [<https://perma.cc/S9BB-NJGC>].

<sup>47</sup> OWENS, *supra* note 8, at 8.

<sup>48</sup> See *id.* at 2; Maciag, *supra* note 46.

<sup>49</sup> See OWENS, *supra* note 8, at 4 (citing LEES ET AL., *supra* note 11; PAUL S. GROGAN & TONY PROSCIO, *COMEBACK CITIES* (2000); Elvin K. Wyly & Daniel J. Hammel, *Islands of Decay in Seas of Renewal: Housing Policy and the Resurgence of Gentrification*, 10 HOUSING POL'Y DEBATE 711 (1999)).

<sup>50</sup> Compare *id.* at 4 (citing Ann Owens, *Neighborhoods on the Rise: A Typology of Neighborhoods Experiencing Socioeconomic Ascent*, 11 CITY & COMMUNITY 345 (2012)) (noting that 15–20% of all U.S. metropolitan areas “experienced socioeconomic ascent in each decade from the 1970s to the 2000s”), *with id.* at 5 (speculating that the socio-economic improvements “in the past several decades” may be related to the growth of the “creative class”).

<sup>51</sup> See Vigdor, *supra* note 11, at 133–34.

<sup>52</sup> See Terra McKinnish et al., *Who Gentrifies Low-Income Neighborhoods?*, 67 J. URB. ECON. 180, 181 (2010) (citing Ingrid Gould Ellen & Katherine O'Regan, *Reversal of Fortunes? Lower-Income Urban Neighbourhoods in the U.S. in the 1990s*, 45 URB. STUD. 845 (2008)).

2000s, it accelerated still faster,<sup>53</sup> with gentrifying neighborhoods experiencing significant socioeconomic changes, particularly in race, educational attainment, and cost of rent.<sup>54</sup> A recent study found that in the 2000s, there was a twenty percent gentrification rate<sup>55</sup> in the fifty largest U.S. cities—double that of the 1990s<sup>56</sup>—a number that, though high, is likely an underestimate.<sup>57</sup>

## 2. Causes

Though the causes of gentrification remain unclear, the process is often attributed to reinvestment in urban neighborhoods,<sup>58</sup> changes in preferences among high socioeconomic status households, and increases in income inequality within a metropolitan area.<sup>59</sup> These changes are associated with the disproportionate movement of college-educated people—who tend to be white, under forty, and childless<sup>60</sup>—into a neighborhood, property value appreciation,<sup>61</sup> and escalating rent prices that eventually “price out” low-income residents.<sup>62</sup> Meanwhile, the character of the neighborhood tends to shift as businesses and amenities change to cater to the newcomers.<sup>63</sup> According to

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<sup>53</sup> See Ingrid Gould Ellen & Lei Ding, *Advancing Our Understanding of Gentrification*, 18 CITYSCAPE, no. 3, 2016, at 4; see also Maciag, *supra* note 46 (finding that gentrification rate in the past decade was significantly increased from the decade prior).

<sup>54</sup> See Ellen & Ding, *supra* note 53, at 5.

<sup>55</sup> In other words, one out of five low-income neighborhoods is gentrifying, according to the study’s definition of gentrification. See Maciag, *supra* note 46.

<sup>56</sup> See *id.*

<sup>57</sup> Josh Ishimatsu, *Gentrification Is More Widespread Than We Think*, SHELTERFORCE (Nov. 17, 2015), [https://shelterforce.org/2015/11/17/gentrification\\_is\\_more\\_widespread\\_than\\_we\\_think/](https://shelterforce.org/2015/11/17/gentrification_is_more_widespread_than_we_think/) [<https://perma.cc/VQG5-NU9B>].

<sup>58</sup> For example, a number of studies have shown that transit can make property values rise. See ZUK ET AL., *supra* note 32, at 63–66 (listing studies).

<sup>59</sup> See Vigdor, *supra* note 11, at 135–36.

<sup>60</sup> McKinnish et al., *supra* note 52, at 181. *But see* Raphael W. Bostic & Richard W. Martin, *Black Home-Owners as a Gentrifying Force/Neighbourhood Dynamics in the Context of Minority Home-Ownership*, 40 URB. STUD. 2427, 2428 (2003) (concluding, based on data from the 1970s and 1980s, that “gentrification does not necessarily imply a race-based neighborhood transformation and can potentially involve a minorities moving in, minorities moving out transitional process”).

<sup>61</sup> See, e.g., Vigdor, *supra* note 11, at 156; Suleiman Osman, *Gentrification in the United States*, in OXFORD RESEARCH ENCYCLOPEDIA OF AM. HISTORY (2016) (noting that during “super-gentrification” in the 2000s, “[p]roperty values in some districts rose to levels that even displaced the wealthy arrivals from the 1980s and 1990s”).

<sup>62</sup> See, e.g., ZUK ET AL., *supra* note 32, at 67 (citing Stephanie Pollack et al., Dukakis Ctr. for Urban & Regional Policy, *Maintaining Diversity in America’s Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change*, NE. UNIV. (Oct. 2010), [http://www.northeastern.edu/dukakiscenter/wp-content/uploads/2011/12/TRN\\_Equity\\_final.pdf](http://www.northeastern.edu/dukakiscenter/wp-content/uploads/2011/12/TRN_Equity_final.pdf) [<https://perma.cc/S9CC-A4R5>]); see also McKinnish et al., *supra* note 52, at 182 (citations omitted) (“A standard filtering model predicts that as the willingness-to-pay for residency by high-income households increases, current low-income residents will be quickly displaced.”).

<sup>63</sup> See Vigdor, *supra* note 11, at 147 (defining “character” as “the demographic composition of the neighborhood or the amenities, commercial establishments, and local institutions present”); cf. John Revel Sims, “It Was Like Dancing On A Grave”: Eviction and Displacement in Los Angeles 1994-1999, at 223 (Jan. 1, 2014) (unpublished Ph.D. dissertation, UCLA), <https://cloudfront.escholarship.org/dist/prd/content/qt3232511z/qt3232511z.pdf?t=nfnrhhx>

some scholars, this process unfolds in phases,<sup>64</sup> sometimes over a significant period of time.<sup>65</sup> Today, gentrification is driven largely by the increased demand for and rising prices of rental housing,<sup>66</sup> which some scholars attribute to the foreclosure crisis and recession of the late 2000s leading those who would otherwise own a home to join the rental market.<sup>67</sup>

### 3. Metrics

Scholars employ a variety of metrics to measure gentrification's presence and extent, including intra-neighborhood changes to racial or socioeconomic demographics; home values or rental prices; occupancy density,<sup>68</sup> or some combination of those factors.<sup>69</sup> Of course, the metrics employed can affect whether and where such studies find evidence of gentrification.<sup>70</sup> For example, because of its narrow definition of and metrics for gentrification, a 2015 study in *Governing* may misclassify some neighborhoods as not gentrifying.

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[<https://perma.cc/XQ59-QQ4H>] (describing “redevelopment . . . efforts in Hollywood, Koreatown, and Downtown” as “creat[ing] spaces of exclusion in the form of increased surveillance, private police forces, and architectural formations designed for and against specific bodies marked by their human and sociological conditions”).

<sup>64</sup> See, e.g., ZUK ET AL., *supra* note 32, at 3 (describing gentrification as a “complex, multi-stage process”); Osman, *supra* note 61 (“When American social scientists first began to study gentrification in the late 1970s, they theorized that gentrification occurred in ‘stages.’”).

<sup>65</sup> See, e.g., Vigdor, *supra* note 11, at 134 (describing changes in Boston over an approximately sixty-year period).

<sup>66</sup> See, e.g., INGRID GOULD ELLEN & BRIAN KARFUNKEL, N.Y. UNIV. FURMAN CTR. & CAPITAL ONE, RENTING IN AMERICA’S LARGEST METROPOLITAN AREAS 4 (2016), [http://furmancenter.org/files/NYU\\_Furman\\_Center\\_Capital\\_One\\_National\\_Affordable\\_Rental\\_Housing\\_Landscape\\_2016\\_9JUNE2016.pdf](http://furmancenter.org/files/NYU_Furman_Center_Capital_One_National_Affordable_Rental_Housing_Landscape_2016_9JUNE2016.pdf) [<https://perma.cc/9D6V-QY2X>] (noting that eleven of the largest U.S. metropolitan areas saw an increase in both the number and share of renters in the past decade); Stephen Cho, *Zumper National Rent Report: April 2017*, ZUMPER (Mar. 30, 2017), <https://www.zumper.com/blog/2017/03/zumper-national-rent-report-april-2017-2/> [<https://perma.cc/8QU6-EMQN>] (finding that as of April 2017, median rents for one-bedroom apartments in fifteen of the fifty largest U.S. cities had increased ten percent or more from the previous year).

<sup>67</sup> A study by Harvard University’s Joint Center for Housing Studies found that as of 2015, the 2010s were on track to be the “strongest decade for renter growth in history,” a trend driven in large part by the increase in rentals among historically-homeowning populations: older and higher-income people. See JOINT CTR. FOR HOUS. STUDIES OF HARVARD UNIV., THE STATE OF THE NATION’S HOUSING 2015, at 25–26 (2015) [hereinafter JOINT CTR.], <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-sonhr-2015-ch5.pdf> [<https://perma.cc/8NMX-RZ78>].

<sup>68</sup> Evidence suggests that gentrifiers “under-occupy” their properties. See Sims, *supra* note 63, at 175.

<sup>69</sup> See *id.* at 174–75 (citing Lance Freeman, *Displacement or Succession? Residential Mobility in Gentrifying Neighborhoods*, 40 URB. AFF. REV. 463 (2005) [hereinafter *Displacement or Succession?*]) (describing Freeman’s two-stage methodology of identifying “disadvantaged and disinvested neighborhoods within the inner-city” and then “determin[ing] which of these undergoes improvement based on educational attainment and housing values”); see also *id.* at 176 (identifying gentrified tracts as those that fulfill a number of conditions, including when the housing stock was built and the average household income in 1990 relative to those metrics at the county level; increases in educational attainment and the proportion of non-Hispanic whites beyond that at the county level; and rent increases).

<sup>70</sup> See *id.* at 174–75 (citing *Displacement or Succession?*, *supra* note 69) (explaining why the method that Freeman used would be less informative as applied to Los Angeles).

The study uses rising home values as a proxy for gentrification,<sup>71</sup> thereby excluding from the definition of “gentrifying” any neighborhoods in which home values are not rising but rental prices are, such as urban centers affected by the foreclosure crisis, like Detroit. In addition, the study limits the universe of neighborhoods “eligible” for gentrification to current low-income areas, thus excluding some areas that have already begun to gentrify (to the point that they are no longer “low-income”) but are still in the process of gentrifying.<sup>72</sup>

### B. Gentrification’s Footprint

There is general consensus among academics that there are major social costs to gentrification,<sup>73</sup> and studies generally show that gentrification can negatively impact low-income residents in two divergent ways.<sup>74</sup> While some are forced out due to rising rental costs, usually moving to lower-income communities than they were living in before, others are trapped in their gentrifying neighborhoods, unable to bear the financial burden of moving and forced to extend beyond their means to remain in their ever-costlier communities.<sup>75</sup>

#### 1. Displacement

Whether due to eviction<sup>76</sup> or their inability to meet the rising cost of rent, tenants in gentrifying neighborhoods are often forced out of their

<sup>71</sup> Compare Maciag, *supra* note 46, with Ishimatsu, *supra* note 57 (critiquing the *Governing* report).

<sup>72</sup> For a more in-depth critique of the study, see Ishimatsu, *supra* note 57.

<sup>73</sup> See Tom Slater, *The Eviction of Critical Perspectives from Gentrification Research*, 30 INT’L J. URB. & REGIONAL RES. 737, 751–52 (2006) (citing ROWLAND ATKINSON, ESRC CTR. FOR NEIGHBOURHOOD RESEARCH, DOES GENTRIFICATION HELP OR HARM URBAN NEIGHBOURHOODS? AN ASSESSMENT OF THE EVIDENCE-BASE IN THE CONTEXT OF THE NEW URBAN AGENDA 20–21 (2002), [http://www.urbancenter.utoronto.ca/pdfs/curp/CNR\\_Gentrification-Help-or-.pdf](http://www.urbancenter.utoronto.ca/pdfs/curp/CNR_Gentrification-Help-or-.pdf) [<https://perma.cc/R73Y-JMHZ>]) (reviewing over one-hundred studies of gentrification and finding that “the majority of research evidence on gentrification points to its detrimental effects,” including “a displacement and moving around of social problems rather than a net gain either through local taxes, improved physical environment, or a reduction in the demand for sprawling urban development”).

<sup>74</sup> See Vigdor, *supra* note 11, at 140–41, 149 (showing through economic model, and confirming with other research, that low-income residents are harmed regardless of whether they stay or go if moving costs are “not negligible”).

<sup>75</sup> See *id.* at 162 (“[T]he absence of elevated exit rates [by low-income residents from a gentrifying community] does not imply that the poor have escaped harm in the case of Boston. As discussed above, the presence of high moving costs could lead such households to remain in place, pay more for the housing they occupy, and suffer a decrease in living standards as a consequence.”); DeVerteuil, *supra* note 9, at 210 (discussing the “ironic outcome [of his study] that alongside displacement, gentrification can also engender considerable immobility”).

<sup>76</sup> As property values and rents rise in gentrifying neighborhoods, landlords may respond by “seiz[ing] opportunities, and evict[ing] undesirable tenants that were not sufficiently undesirable when alternatives were not present.” Sims, *supra* note 63, at 224.

neighborhoods, an effect known as “displacement.”<sup>77</sup> Its definition varies,<sup>78</sup> but displacement is often defined as involuntary residential movement.<sup>79</sup> Given how difficult it is to discern which moves are voluntary,<sup>80</sup> however, it is often difficult to ascertain the extent to which displacement is occurring. For instance, some consider movement caused by rent increases to be involuntary<sup>81</sup> while others do not.<sup>82</sup> Moreover, some kinds of displacement, such as that of homeless populations,<sup>83</sup> or that due to low-income tenants leaving rent-controlled apartments in response to landlords’ threats to evict or call immigration officials,<sup>84</sup> evade conventional metrics. For the purposes of this paper, involuntary movement, and thus displacement, will be broadly defined to include departure from a home or neighborhood where a tenant would otherwise have wanted to remain if not for socioeconomic pressures making that infeasible or undesirable.

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<sup>77</sup> However, some studies have found little or no displacement of low-income residents, or even *less* mobility among low-income households in gentrifying neighborhoods than in non-gentrifying neighborhoods. *See, e.g.*, Lance Freeman & Frank Braconi, *Gentrification and Displacement: New York City in the 1990s*, 70 J. AM. PLANNING ASS’N 39, 51 (2004) (studying gentrification in New York City in the 1990s using data collected as part of the city’s rent regulation policy); *Displacement or Succession?*, *supra* note 69, at 483 (studying a sample of U.S. neighborhoods using the geo-coded version of the Panel Study of Income Dynamics (PSID), which identifies census tract of residence).

<sup>78</sup> *See* Vigdor, *supra* note 11, at 148 (citation omitted).

<sup>79</sup> *See, e.g.*, DeVerteuil, *supra* note 9, at 210 (citation omitted) (defining displacement as “changes of residence which are hoisted on people, which they did not seek out on purpose, for which they may lack the social and economic coping resources”); *see also* Sims, *supra* note 63 (citing NICHOLAS BLOMLEY, UNSETTLING THE CITY (2004)) (describing displacement as “the continuing process where a certain discourse and ideology of property rights are employed to deny people a right to occupy a specific space”).

<sup>80</sup> *See* ZUK ET AL., *supra* note 32, at 4–5.

<sup>81</sup> *See, e.g.*, *Inside Gentrification*, *supra* note 11 (quoting Allan Mallach as saying, “When I say forced, I’m using that term very broadly. If somebody lives in an apartment and the rent is raised to the point where they can no longer afford it, that is as much a forced displacement as if the building is going to be knocked down.”).

<sup>82</sup> *See* Vigdor, *supra* note 11, at 148.

<sup>83</sup> Displacement of the homeless can occur in response to gentrification pressures, for example, when cities implement anti-begging laws, when shelters shut down because their owners are bought out by a city or developer, or when single-room occupancy housing is converted into market rate housing. *See, e.g.*, Teresa Wiltz, *Anti-Panhandling Laws Spread, Face Legal Challenges*, PEW CHARITABLE TRUSTS (Nov. 12, 2015), <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2015/11/12/anti-panhandling-laws-spread-face-legal-challenges> [<https://perma.cc/95WW-G4VB>] (“Many cities—and even some states—increasingly are cracking down on panhandling, driven in large part by the unlikely combination of thriving downtowns and the lingering effects of the Great Recession.”); Greg Allen, *Lowering a City’s Homeless Population—By Forcing the Homeless Out*, NAT’L PUB. RADIO (Apr. 5, 2015, 9:42 AM), <http://www.npr.org/2015/04/05/397302426/lowering-a-citys-homeless-population-by-forcing-the-homeless-out> [<https://perma.cc/D5R8-9HBC>]; Brady Collins & Anastasia Loukaitou-Sideris, *Skid Row, Gallery Row and the Space in Between: Cultural Revitalisation and Its Impacts on Two Los Angeles Neighbourhoods*, 87 TOWN PLAN. REV. 401, 407–08 (2016).

<sup>84</sup> *See* Observations Made While Attending the Strategic Actions for a Just Economy (SAJE) Tenant Clinic, in L.A., Cal. (Mar. 14, 2017) [hereinafter SAJE Tenant Clinic] (notes on file with author); Interview with Maria Patiño Gutierrez, Program Coordinator, and Favian Gonzalez, Organizing Team Coordinator, SAJE, in L.A., Cal. (Mar. 14, 2017) [hereinafter Patiño & Gonzalez Interview].

Displacement can have lasting negative effects on both individuals and on communities. Studies show that people who are displaced suffer “root shock, the traumatic stress reaction to the destruction of all or part of one’s emotional ecosystem.”<sup>85</sup> As neighbors’ fear keeps them indoors, higher levels of neighborhood violence can lead to lower levels of physical activity.<sup>86</sup> It can also undermine neighborhood collective efficacy,<sup>87</sup> a trait associated with lower rates of neighborhood violence.<sup>88</sup> In his acclaimed ethnographic study *Evicted*, Matthew Desmond depicts the human face of this effect. After explaining that a woman named Doreen and her family had been evicted from their previous home and forced to move to a new neighborhood, he writes:

[T]he Hinkstons settled into the neighborhood but always considered their stay temporary, even as the months rolled by, one after the other. It wasn’t like on Thirty-Second, where Doreen had made it a point to get to know her neighbors and watch over the neighborhood boys. . . . ‘I don’t even go to anybody’s houses, like I used to,’ Doreen said about her new neighborhood. ‘I used to get up and go to visitors. Now I just . . . stand around.’ When winter set in, weeks would pass without Doreen so much as stepping outside.<sup>89</sup>

Displacement can also have particularly damaging effects on children and the elderly, for example by disrupting the education of the former and increasing mortality rates of the latter.<sup>90</sup>

Research regarding whether and to what extent gentrification causes displacement is mixed,<sup>91</sup> for a number of reasons. First, the nature of gentrification can make it difficult to study its effects: it often occurs over a long

<sup>85</sup> Sheila Crowley, *Hope VI: What Went Wrong*, in *FROM DESPAIR TO HOPE: HOPE VI AND THE NEW PROMISE OF PUBLIC HOUSING IN AMERICA’S CITIES* 229, 230 (Henry G. Cisneros & Lora Engdahl eds., 2009) (quoting MINDY T. FULLILOVE, *ROOT SHOCK: HOW TEARING UP CITY NEIGHBORHOODS HURTS AMERICA AND WHAT WE CAN DO ABOUT IT* 11 (2005)).

<sup>86</sup> Krieger & Higgins, *supra* note 18, at 760 (citation omitted).

<sup>87</sup> Collective efficacy is “a combination of trust, social cohesion, and informal social control.” *Id.*

<sup>88</sup> *See id.*

<sup>89</sup> *See* MATTHEW DESMOND, *EVICTED* 69–70 (2016).

<sup>90</sup> *See* Crowley, *supra* note 85, at 231 (citing Sara Sanders et al., *Lessons Learned on Forced Relocation of Older Adults: The Impact of Hurricane Andrew on Health, Mental Health, and Social Support of Public Housing Residents*, 40 *J. GERONTOLOGICAL SOC. WORK* 23–35 (2003)); *id.* at 231 (citing Carlos A. Manjarrez et al., *Urban Inst., Brief No. 5, Poor Health: Adding Insult to Injury for HOPE VI Families*, in *HOPE VI: WHERE DO WE GO FROM HERE?* (2007)) (describing the findings of study showing that black women fifty-five and older who were displaced from their public housing by the HOPE VI program had a mortality rate twice as high as older black women and also higher than other female public housing residents); *id.* (describing a study showing that leaving classrooms during the school year can disrupt children’s learning processes).

<sup>91</sup> *Compare, e.g.,* ZUK ET AL., *supra* note 32, at 59 (citation omitted) (summarizing studies finding that, among those displaced, black-headed households are more likely than white-headed households to move from non-poor to poor census tracts, and less likely to move from poor to non-poor), *with* Vigdor, *supra* note 11, at 135 (finding no evidence that low-income households in gentrifying areas of Boston were more likely to exit their current housing unit),

period of time,<sup>92</sup> making it difficult for shorter-term studies to capture its effects. However, evidence suggests it has been happening more rapidly over the past few years,<sup>93</sup> so studies with longer time horizons may mask its more recent effects as well. In addition, gentrification can occur within micro-neighborhoods, so studies by census tract may hide more localized effects.

Other challenges include too-narrow definitions of voluntariness, along with shortcomings in available data,<sup>94</sup> both of which can be obstacles to measuring displacement effectively. Also, “[g]entrification may not precede displacement.”<sup>95</sup> In fact, a recent University of California, Berkeley study found that the latter sometimes precedes the former, “and that the two processes are often occurring simultaneously,” which complicates efforts to find a causal relationship.<sup>96</sup> Furthermore, most available data do not track the movement of individual households, making it difficult to determine, for example, whether neighborhood socioeconomic changes are attributable to the arrival of newcomers or to changes in the socioeconomic status of previous residents; or whether consistent racial demographics are due to a lack of displacement, or to a displacement, for example, of lower-income people of color by higher-income people of color.

## 2. *Immobility*

Conversely, some residents of gentrifying neighborhoods manage to “stay put,” either because moving is cost-prohibitive or because they choose—and implement strategies that enable them—to stay.<sup>97</sup> However, given the rising cost of rent, they are forced to pay a larger proportion of their income on housing, or make difficult choices to make ends meet.<sup>98</sup> In

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and McKinnish et al., *supra* note 52, at 181 (finding no evidence that low-education or minority homeowners “disproportionate[ly] exit[ed]” gentrifying neighborhoods during the 1990s).

<sup>92</sup> See, e.g., Vigdor, *supra* note 11 (describing changes in one Boston neighborhood between 1940 and 2000).

<sup>93</sup> See Ishimatsu, *supra* note 57.

<sup>94</sup> See *id.* (critiquing gentrification studies for basing their findings on home prices, rather than rental prices, and for being unable to track gentrification as it happens); see also Sims, *supra* note 63, at 229 (suggesting that cities implement measures to track evictions, making it easier to identify trends of displacement); McKinnish et al., *supra* note 52, at 181 (citing studies that found that gentrifying neighborhoods experienced a four-thousand dollar decrease in median household income during the 1990s and that there was little evidence of displacement in gentrifying areas; this incongruous result is likely due to sample size constraints that led the study authors to define gentrification broadly).

<sup>95</sup> See ZUK ET AL., *supra* note 32, at 3.

<sup>96</sup> For example, the study found that even *planned*—and incomplete—investments in transportation and infrastructure often accelerate displacement even before gentrification occurs. See *id.* at 49–50.

<sup>97</sup> See DeVerteuil, *supra* note 9, at 214 (finding that social service organizations that remain in gentrifying neighborhoods may help residents resist displacement).

<sup>98</sup> One study found that low-income households that spend more than half of their income on housing spend, on average, thirty-nine percent less on food than low-income households that spend less than half their income on housing. See MAC TAYLOR, LEGISLATIVE ANALYST’S OFFICE, CALIFORNIA’S HIGH HOUSING COSTS: CAUSES AND CONSEQUENCES 27 (Mar. 17, 2015), <http://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf> [<https://perma.cc/2YTE-T8DL>]; see also Vigdor, *supra* note 11, at 140–41.



addition to cutting costs in other areas, residents often move in with relatives or friends to share the cost burden.<sup>99</sup> As a result, those living in areas where rent and housing costs have increased are more likely than those who do not to live in crowded housing, which has a number of negative effects on health and educational achievement.<sup>100</sup>

Those who are immobile are often those with the lowest education levels among residents of gentrifying neighborhoods.<sup>101</sup> The economic harm they often experience may come not immediately, but years later. The long timespan of such effects may explain some early researchers' conclusions that gentrification does not harm low-income residents at all.<sup>102</sup> In his study of Boston, however, Professor Jacob Vigdor looked at gentrifying neighborhoods over approximately sixty years—between 1977 and 1998—finding that although the housing itself did not noticeably improve, housing costs rose and failed to fall when income fell, suggesting that some low-income owner-occupied households “experience[d] income declines after having locked in their housing costs at the peak of a boom.”<sup>103</sup>

### 3. *Positive Impacts of Gentrification?*

Ideally, those who manage to stay in gentrifying neighborhoods would enjoy the benefits development can bring, such as “a new proximity to job[s] . . . , a larger tax base and better public services, improved retail environment, and other changes in neighborhood quality such as reductions in crime.”<sup>104</sup> There is some evidence to suggest that this may be the case.<sup>105</sup> However, researchers disagree about whether such benefits may so improve the living standards of those who remain that they sufficiently ameliorate the negative impact of having less income after paying more for housing.<sup>106</sup>

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<sup>99</sup> See, e.g., Patiño & Gonzalez Interview, *supra* note 84.

<sup>100</sup> See TAYLOR, *supra* note 98, at 30–32; Krieger & Higgins, *supra* note 18, at 759 (describing studies showing negative effects on mental health of overcrowded housing).

<sup>101</sup> See Vigdor, *supra* note 11, at 159–60 (“[L]ess educated householders are considerably more likely to stay in their housing unit within gentrifying areas.”).

<sup>102</sup> See, e.g., Richard Florida, *The Complicated Link Between Gentrification and Displacement*, CITYLAB (Sept. 8, 2015), <https://www.citylab.com/equity/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/> [<https://perma.cc/2QFQ-493Z>] (listing and describing studies suggesting that gentrification does not lead to displacement of low-income households).

<sup>103</sup> Vigdor, *supra* note 11, at 165.

<sup>104</sup> McKinnish et al., *supra* note 52, at 182 (citing Vigdor, *supra* note 11; Freeman & Braconi, *supra* note 77); see also Vigdor, *supra* note 11, at 145 (citations omitted) (describing the idea that “gentrification could potentially improve labor market outcomes for central city residents by offsetting spatial mismatch,” or “the continued decentralization of employment in metropolitan areas”).

<sup>105</sup> See, e.g., McKinnish et al., *supra* note 52, at 181 (finding that thirty-three percent of the income gains experienced in the gentrifying neighborhoods studied were attributable to black high school graduates, who made up thirty percent of the population of those neighborhoods in 2000).

<sup>106</sup> Compare, e.g., Slater, *supra* note 73, at 752–53 (quoting ATKINSON, *supra* note 73) (finding that gentrification engenders “a displacement and moving around of social problems rather than a net gain either through local taxes, improved physical environment, or a reduc-

Theoretically, in addition to benefitting economically, residents who are able to remain after gentrification begins could benefit educationally as well. “Gentrifiers” (i.e. those who move into gentrifying neighborhoods) tend to have higher education levels than the previous resident populations. In addition, previous residents who remain in their neighborhoods through periods of gentrification tend to have lower education levels than those who leave.<sup>107</sup> Some research suggests that such exposure to adults with higher education levels could widen the lens of educational opportunity of lower-income students. For instance, one study by Hoxby and Avery found “that a large number—probably the vast majority—of very high-achieving students from low-income families do not apply to a selective college or university” even though these institutions would “also offer high-achieving, low-income students so much financial aid that these students would often pay less to attend a selective institution than the far less selective or nonselective postsecondary institutions that most of them do attend.”<sup>108</sup> The researchers hypothesized that low-income high-achieving students may miss out on this opportunity because they lack exposure to “local, critical masses of high achievers.”<sup>109</sup> Such exposure could potentially expand students’ perceptions and pursuit of their own educational opportunity.

Of course, displacement, or immobility coupled with the debilitating economic burden of remaining in an ever-costlier neighborhood, “could prevent [low-income households] from reaping the benefits of better public services in a gentrifying jurisdiction.”<sup>110</sup> Thus, rather than focus on simply how to prevent displacement and immobility, this Article seeks to understand how best to ensure that the residents of gentrifying neighborhoods are not excluded from the opportunity that reinvestment can bring. The next part looks at the cases of Detroit and Los Angeles, two sprawling metropolises in different parts of the country at very different stages in the gentrification process, as a lens for understanding how communities experience these dy-

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tion in the demand for sprawling urban development”), *with* Vigdor, *supra* note 11, at 144 n.21 (“A second labor market channel opens up if some low-status households exit the urban area. This may lead to an increase in wages for low-skilled workers that remain, depending on the net effect on labor demand. The availability of high wages in the local labor market will tend to increase poor households’ willingness to pay for housing in this area. This mechanism enables households with high moving costs to benefit from the presence of other households with low moving costs. In some situations, this labor market effect, combined with the reduced pressure on housing prices caused by outmigration, will be sufficient to preclude any negative impact on the poor.”).

<sup>107</sup> Vigdor found that during a period of rapid gentrification in Boston, the “average individual in poverty witnessed a doubling of the share of college-educated residents within his or her own neighborhood.” Vigdor, *supra* note 11, at 168. In Detroit, the effect was smaller but still significant: the proportion of college-educated residents in the neighborhood of a typical person below the federal poverty line rose by sixty-two percent. *See id.*

<sup>108</sup> CAROLINE HOXBLY & CHRISTOPHER AVERY, THE MISSING “ONE-OFFS”: THE HIDDEN SUPPLY OF HIGH-ACHIEVING LOW-INCOME STUDENTS, BROOKINGS PAPERS ON ECON. ACTIVITY, Spring 2013, at 1–2.

<sup>109</sup> *See id.* at 3–4.

<sup>110</sup> Vigdor, *supra* note 11, at 147.

namics, the contexts within which they operate, and the possible policy interventions that might address community concerns.

### III. CASE STUDIES

This part aims to bring community wisdom to bear on an issue that has been vexing scholars and policymakers around the country. It is based upon a review of scholarship as well as nineteen interviews and observations of three meetings that the author conducted in Los Angeles and Detroit in 2017.<sup>111</sup> The cities were selected in an effort to capture geographic diversity and distinct economic environments—one coastal and one Midwestern, one in which professional industries have dominated the economy for decades, and one manufacturing hub—and to examine different stages of the gentrification and displacement processes. In Los Angeles, gentrification has been occurring for decades in a number of neighborhoods, whereas in Detroit, at the time of this writing, interviewees disagreed, about whether gentrification was occurring at all.

#### A. Los Angeles

Once characterized as “[seventy-two] suburbs in search of a city,”<sup>112</sup> Los Angeles is as complex as it is sprawling. In spite of the fact that space is plentiful in the city as a whole, that is not the case in an increasing number of coveted neighborhoods, particularly those accessible to “natural amenities” like the ocean,<sup>113</sup> and to man-made ones like public transit. The slow expansion of the city’s metro system has played an important role in its gentrification story, as new transit stations contribute to a development boom and property value surge in formerly disinvested and low-income neighborhoods like Boyle Heights or Koreatown.<sup>114</sup> This has meant that gentrification hap-

<sup>111</sup> Interviewees were selected by the author based on their involvement in gentrification-related activities, such as advocacy, policymaking, development, or academic research. The author sought to capture a diversity of roles and views in the gentrification process in each city, including representation of stakeholders from several gentrifying neighborhoods (in Detroit, Downtown, Midtown, and New Center and in Los Angeles, South Los Angeles, Boyle Heights, and Downtown). The interviews were conducted in March 2017. Each interview lasted between thirty minutes and an hour and a half.

<sup>112</sup> This quote is often attributed to American author and poet Dorothy Parker, though there is some debate over whether that is indeed the case. See Adrienne Crew, *Misquoting Dorothy Parker*, LA OBSERVED (Aug. 22, 2013, 12:38 AM), [http://www.laobserved.com/intell/2013/08/misquoting\\_dorothy\\_parker.php](http://www.laobserved.com/intell/2013/08/misquoting_dorothy_parker.php) [<https://perma.cc/U3VG-FUH8>].

<sup>113</sup> DeVerteuil *supra* note 9, at 209.

<sup>114</sup> Cf. ZUK ET AL., *supra* note 32, at 1 (citing ROBERT CERVERO & MICHAEL DUNCAN, NAT’L ASS’N OF REALTORS & URBAN LAND INST., LAND VALUE IMPACTS OF RAIL TRANSIT SERVICES IN LOS ANGELES COUNTY (2002), <https://drcog.org/documents/TODvalueLosangeles.pdf> [<https://perma.cc/6RYX-9URB>]; Robert Cervero & Michael Duncan, *Benefits of Proximity to Rail on Housing Markets: Experiences in Santa Clara County*, 5 J. PUB. TRANSP. 1 (2002), <http://trid.trb.org/view.aspx?id=720184> [<https://perma.cc/74Q5-DQ6X>]; Daniel Baldwin Hess & Tangerine Maria Almeida, *Impact of Proximity to Light Rail Rapid Transit on Station-Area Property Values in Buffalo, New York*, 44 URB. STUD. 5–6,

pens in different neighborhoods at different times,<sup>115</sup> a challenge for those trying to study and understand where and how gentrification occurs there, particularly using quantitative methods.<sup>116</sup> To many of the interviewees, however, there is no question that gentrification is happening in a number of Los Angeles neighborhoods.<sup>117</sup>

### 1. History

Los Angeles began to gentrify in the 1990s, a decade that brought the city a recession,<sup>118</sup> a decline in household income and property value,<sup>119</sup> and a shrinking proportion of white residents.<sup>120</sup> In 1992, riots rocked the city, and Los Angeles's racial landscape began to shift.<sup>121</sup> As John Revel Sims explains:

[H]istoric forms of segregation that artificially reduced the land values of locations like Koreatown and South L.A. became key locations for new immigrants from Asia and the Americas who in their search for jobs and housing challenged and simultaneously reinforced existing patterns of racial formation. In response, many groups left the urban core for opportunities in other parts of the city, the county and the region.<sup>122</sup>

During that period, four census tracts in the city had high eviction rates surrounded by tracts with high property values.<sup>123</sup> In the high-eviction neighborhoods—Hollywood, Koreatown, Downtown/Boyle Heights, and, later in the decade, South Los Angeles<sup>124</sup>—property sales patterns corre-

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1041–68 (May 1, 2007)) (showing research linking proximity to transit with a property value premium of between 3 and 45 percent).

<sup>115</sup> Cf. *id.* (citing Ellen Reese et al., *Weak-center' Gentrification and the Contradictions of Containment: Deconcentrating Poverty in Downtown Los Angeles*, 34 INT'L J. URB. & REGIONAL RES. 310 (2010)) (“Los Angeles County is far more polycentric and patchy, leading to a weak-centre [sic] pattern of gentrification structured by multiple and competing cores.”).

<sup>116</sup> See, e.g., Sims, *supra* note 63, at 174 (explaining that Lance Freeman’s two-stage methodology for identifying gentrifying tracts “is . . . an insufficient metric for identifying gentrifying neighborhoods in Los Angeles”).

<sup>117</sup> See, e.g., Patiño & Gonzalez Interview, *supra* note 84; Interview with Rudy Espinoza, Exec. Dir., Leadership for Urban Renewal Network, in L.A., Cal. (Mar. 16, 2017) [hereinafter Espinoza Interview].

<sup>118</sup> See Sims, *supra* note 63, at 150.

<sup>119</sup> See *id.* at 175.

<sup>120</sup> See NEAL RICHMAN & BILL PITKIN, UCLA ADVANCED POLICY INST., THE CASE OF LOS ANGELES, U.S.A. 5 fig.4 (2003), [http://www.ucl.ac.uk/dpu-projects/Global\\_Report/pdfs/LA.pdf](http://www.ucl.ac.uk/dpu-projects/Global_Report/pdfs/LA.pdf) [<https://perma.cc/7HFA-XAER>].

<sup>121</sup> See *id.* at 192.

<sup>122</sup> *Id.* at 164.

<sup>123</sup> See *id.* at 168.

<sup>124</sup> See *id.*; see also *Los Angeles Gentrification Maps and Data*, GOVERNING, <http://www.governing.com/gov-data/los-angeles-gentrification-maps-demographic-data.html> [<https://perma.cc/GF8H-QKS2>] (showing gentrification in similar areas in the Los Angeles Gentrification Map: 2000–present). Notably, South Los Angeles and Boyle Heights were areas in which black and Jewish residents, respectively, were concentrated as a result of discriminatory policies including redlining during the period following World War II. Many of the residents of those areas had been systematically denied credit or subjected to predatory and

sponded tightly with evictions, suggesting that as newcomers arrived, lower-income people were pushed out.<sup>125</sup>

Since 2000, gentrification in Los Angeles has accelerated. As the city suffers from a severe housing crisis precipitated by population growth outpacing housing construction,<sup>126</sup> rents are rising throughout the city,<sup>127</sup> including in neighborhoods like Boyle Heights that were once considered affordable.<sup>128</sup> In Downtown Los Angeles, for example, the residential population grew dramatically (15.1%) between 2008 and 2010.<sup>129</sup> The number of market rate apartments followed that trend (growing 14.8%), but the number of affordable units grew at a significantly slower pace (5.2%).<sup>130</sup> As of March 2017, Los Angeles ranked as the sixth most expensive rental market in the country.<sup>131</sup> Meanwhile, according to a 2015 analysis by *Governing*, which, as explained earlier, may underestimate gentrification,<sup>132</sup> the percentage of gentrifying census tracts increased from 2.9% (ten tracts) to 15.1% (fifty-one tracts).<sup>133</sup>

In Los Angeles, gentrification is often associated with transit, as young people—and, accordingly, private investors—are attracted to neighborhoods where they can avoid depending on cars.<sup>134</sup> Boyle Heights interviewees pointed to the approval of the extension of a metro line into the neighbor-

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second mortgages, as a result of which their mobility and opportunity was severely limited. *See Los Angeles Gentrification Maps and Data*.

<sup>125</sup> See Sims, *supra* note 63, at 198–99.

<sup>126</sup> Cf. Jessica Mendoza, ‘Granny Flats’—A Solution to Housing Crunch—Come Under Fire, CHRISTIAN SCI. MONITOR (Aug. 9, 2016) (citation omitted) (citing TAYLOR, *supra* note 98, at 22), <http://www.csmonitor.com/USA/Society/2016/0809/Granny-flats-a-solution-to-housing-crunch-come-under-fire> [<https://perma.cc/3FHZ-264W>] (“Between 1980 and 2010, Los Angeles County needed to build 55,000 units to cover the growing demand—but constructed less than 20,000, according to a report from California’s Legislative Analyst’s Office. San Francisco County needed 15,000 units in the same period, but built less than 5,000. The majority of what was constructed in both cities were single-family homes and luxury apartments.”).

<sup>127</sup> According to an April 2017 Zumper report, median rents for one-bedroom apartments are up 4.6% from 2016. *See* Crystal Chen, *Los Angeles Metro Report: April 2017*, ZUMPER (Apr. 5, 2017), <https://www.zumper.com/blog/2017/04/los-angeles-metro-report-april-2017/> [<https://perma.cc/RQJ6-PX9X>]. The city has a record low apartment vacancy rate, three percent, and about one in three renters spends more than half of their income on rent. *See* Times Editorial Bd., *Measure S Isn’t A Solution to L.A.’s Housing Woes, It’s A Childish Middle Finger to City Hall. Vote No*, L.A. TIMES (Feb. 11, 2017, 5:00 AM), <http://www.latimes.com/opinion/endorsements/la-ed-measure-s-201702111-story.html> [<https://perma.cc/S2PC-FT6V>]; *see also* ELLEN & KARFUNKEL, *supra* note 66, at 41–42.

<sup>128</sup> *See* Natalie Delgadillo, *The Neighborhood That Went to War Against Gentrifiers*, CITY-LAB (Mar. 1, 2017) (citation omitted), <https://www.citylab.com/housing/2017/03/the-neighborhood-that-went-to-war-against-gentrifiers/518181/> [<https://perma.cc/QM6B-7Q3W>].

<sup>129</sup> Collins & Loukaitou-Sideris, *supra* note 83, at 408 tbl.5 (citing DOWNTOWN CTR. IMPROVEMENT DIST., DOWNTOWN LOS ANGELES DEMOGRAPHIC STUDY (2011)).

<sup>130</sup> *See id.*

<sup>131</sup> *See* Crystal Chen, *Los Angeles Rent Prices Mapped This Spring (March 2017)*, ZUMPER (Mar. 27, 2017), <https://www.zumper.com/blog/2017/03/los-angeles-rent-prices-mapped-this-spring-march-2017/> [<https://perma.cc/PU9R-DS8W>].

<sup>132</sup> *See* Maciag, *supra* note 46; *see also* Ishimatsu, *supra* note 57 (critiquing the *Governing* report).

<sup>133</sup> *See Los Angeles Gentrification Maps and Data*, *supra* note 124.

<sup>134</sup> *See* Paul, *supra* note 11.

hood as the beginning of gentrification-induced displacement there.<sup>135</sup> Ironically, however, residents of some historically disinvested neighborhoods advocated for such investment in transit, which they believe may now be impacting them negatively.<sup>136</sup>

As is often the case, demographic groups in Los Angeles are not equally affected by displacement. A dissertation by a UCLA doctoral candidate on gentrification in Los Angeles between 1994 and 1999 showed that people with “low average incomes, low educational attainment, and non-white populations—particularly Latinos—are more susceptible to eviction in Los Angeles.”<sup>137</sup> Today, in historically low-income neighborhoods like Boyle Heights, tensions around gentrification have risen to a fever pitch, with anti-gentrification groups successfully demanding the closure of some art galleries,<sup>138</sup> perceived as a tool “to perpetuate and enable gentrification.”<sup>139</sup> The fact that Mayor Garcetti’s Innovation Team—with the support of Bloomberg Philanthropies—spent months studying the topic of gentrification and what can be done about is a testament to the issue’s salience in the city.<sup>140</sup>

## 2. Community Experience

Interviews with policymakers, community organization leaders, developers, and academics confirm that the “specter of gentrification is real” in Los Angeles.<sup>141</sup> It is a topic with which community members are concerned, about which they are talking, and against which they are protesting.<sup>142</sup> Interviewees articulated a tension between the desire for neighborhood development and the fear of pushing neighbors out.<sup>143</sup> One interviewee described a community rallying cry—“better neighborhood, same neighbors”—though she was quick to clarify that she does not see the gentrifiers themselves as the

<sup>135</sup> See, e.g., Interview with Isela Gracian, President, E.L.A. Cmty. Corp. (ELACC), in L.A., Cal. (Mar. 16, 2017) [hereinafter Gracian Interview]; cf. DeVerteuil, *supra* note 9, at 212 fig.2 (finding that social service facilities in certain parts of Hollywood, Downtown, and Venice were experiencing immobility between 1998 and 2008).

<sup>136</sup> See, e.g., Espinoza Interview, *supra* note 117.

<sup>137</sup> Sims, *supra* note 63, at 220.

<sup>138</sup> See, e.g., Delgadillo, *supra* note 128; Brittany Mejia & Steve Saldivar, *An Arts Nonprofit Closes Shop After ‘Constant Attacks’ by Anti-Gentrification Activists*, L.A. TIMES (Feb. 22, 2017, 10:50 AM), <http://www.latimes.com/local/lanow/la-me-ln-boyle-heights-20170222-story.html> [https://perma.cc/3SWW-LMHA]; Carolina A. Mirana, ‘Out!’ Boyle Heights Activists Say White Art Elites Are Ruining the Neighborhood. . . But It’s Complicated, L.A. TIMES (Oct. 14, 2016, 4:00 AM), <http://www.latimes.com/entertainment/arts/miranda/la-et-cam-art-gentrification-boyle-heights-20161014-snap-story.html> [https://perma.cc/4SST-YSHX].

<sup>139</sup> See Delgadillo, *supra* note 128 (quoting community activist Angel Luna defining “artwashing” as “the use of art and artistic labor to perpetuate and enable gentrification”).

<sup>140</sup> See Cole: L.A. Mayor’s “I-Team” Seeks to Minimize Displacement During Urban Revitalization, PLAN. REP. (Feb. 13, 2015), <http://www.planningreport.com/2015/02/13/cole-la-mayors-i-team-seeks-minimize-displacement-during-urban-revitalization> [https://perma.cc/8A49-SPLY].

<sup>141</sup> See Espinoza Interview, *supra* note 117.

<sup>142</sup> Gracian Interview, *supra* note 135.

<sup>143</sup> *Id.*

problem, particularly if they demonstrate a desire to be a part of the community.<sup>144</sup>

In Boyle Heights, even affordable housing construction and development have become gentrification concerns, and protests have targeted nonprofit community development corporations. For example, in 2015, a local nonprofit developer evicted eighteen households near the Metro Gold Line in order to build a mixed-use development with retail and commercial space and fifty affordable units.<sup>145</sup> Locals protested, fearing this development would make the neighborhood still more desirable to outsiders, pushing up rents and forcing others out.<sup>146</sup> One interviewee said that residents of Boyle Heights are grappling with dilemmas like: “We need a park. But if we build it, will we be priced out of the neighborhood?”<sup>147</sup> The same interviewee described the feeling in the community as, “We’re walking on eggshells. . . . [I]t’s gotten so bad that now even something that’s good might hurt us.”<sup>148</sup>

Interviewees described instances of both immobility and displacement. One described a community member who has been living in a Boyle Heights studio with a family of five—including her elderly and ailing father, and her daughter, who has special needs.<sup>149</sup> Because of the family’s need to be proximate to transit, school, and a health clinic, the community member has been unable to find affordable alternatives and has had to remain in the studio, even as the cost of living in the area rises.<sup>150</sup> Others described families moving in together, with one citing an instance of two families subdividing a single-family home just to make ends meet and remain near their churches and schools.<sup>151</sup> At a tenant counseling session in South Los Angeles observed by the author, a family living in such a unit recounted the building’s poor conditions and their landlord’s unfulfilled promises to make repairs.<sup>152</sup>

In terms of displacement, some recounted landlords threatening tenants in rent-controlled units, including threats that the landlord would call immi-

<sup>144</sup> See Patiño & Gonzalez Interview, *supra* note 84.

<sup>145</sup> See David Zahniser, *Eastside Housing Group Under Fire from Gentrification Foes*, L.A. TIMES (Sept. 21, 2015), <http://www.latimes.com/local/cityhall/la-me-boyle-heights-renters-20150921-story.html> [<https://perma.cc/7P6J-FAY4>]; Antonio Mejías-Rentas, *Tenants Protest Against ‘Displacement’ by ELACC*, BOYLE HEIGHTS BEAT (Sept. 10, 2015), <http://www.boyleheightsbeat.com/tenants-protest-against-displacement-by-elacc-11751/> [<https://perma.cc/36Y7-WC8E>] (describing protests against nonprofit community corporation that evicted fifteen low-income tenants in a location near the Metro Gold Line to build a mixed use building with commercial space and fifty affordable units); see also Gracian Interview, *supra* note 135; Espinoza Interview, *supra* note 117.

<sup>146</sup> See Zahniser, *supra* note 145 (describing one Boyle Heights resident’s comments “that the nonprofit’s residential projects are so appealing they have the potential to attract buyers from other neighborhoods—potentially driving up housing prices in the area”); Mejías-Rentas, *supra* note 145.

<sup>147</sup> See Espinoza Interview, *supra* note 117.

<sup>148</sup> See *id.*

<sup>149</sup> See Gracian Interview, *supra* note 135.

<sup>150</sup> See *id.*

<sup>151</sup> See Patiño & Gonzalez Interview, *supra* note 84.

<sup>152</sup> See SAJE Tenant Clinic, *supra* note 84.

gration authorities unless the tenants vacated.<sup>153</sup> Others described maneuvers by landlords that, while lawful, would still displace people (though perhaps not be accounted for in some of the studies of displacement described above<sup>154</sup>). For instance, one said that landlords offer tenants “cash for keys” to move out, with the tenants not realizing that it will no longer be possible to find a unit in their neighborhood that they can afford.<sup>155</sup> During the aforementioned tenant counseling session, a monolingual Spanish-speaking tenant living in a rent-controlled unit brought a notice from a property management company stating that she must move out because the landlord intends to move in.<sup>156</sup> Under Los Angeles’s rent control law, a landlord may forcibly displace tenants, but only if the landlord is going to move into the unit.<sup>157</sup> However, this notice came not from the landlord, but from a property management company, which a pro bono lawyer and a non-lawyer tenant counselor interpreted as an indication of likely pretense.<sup>158</sup>

Many interviewees expressed concerns not just about displaced housing, but also about income and commerce. Some described displacement of neighborhood necessities, like laundromats and grocery stores, by rail lines or other development.<sup>159</sup> Others raised concerns about the displacement of local small businesses because of rising rents.<sup>160</sup>

In terms of policy solutions and interventions, many agreed that strategies that support pathways to ownership should be a priority because they promote long-term access and stability in a rapidly changing market.<sup>161</sup> Several interviewees described a hope that community land trusts with collective land ownership would be expanded,<sup>162</sup> with some pointing to one established in 2005 in South Los Angeles as a model.<sup>163</sup> Some interviewees described

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<sup>153</sup> See Gracian Interview, *supra* note 135; Interview with Gilda Haas, Founder & Exec. Dir., SAJE, and Founder, Dr. Pop, in L.A., Cal. (Mar. 17, 2017) [hereinafter Haas Interview]; Interview with Community Organizer, in L.A., Cal. (Mar. 17, 2017) [hereinafter Interview with Los Angeles Community Organizer] (transcript on file with author) (resident interviewed on condition of anonymity); see also *supra* note 84. In 2017, the California legislature barred such threats by passing the Immigrant Tenant Protection Act, now codified as California Civil Code §1940.05. See Christopher Cadelago, *California tenants can't threaten undocumented tenants anymore*, SACRAMENTO BEE (Oct. 5, 2017), <https://www.sacbee.com/news/politics-government/capitol-alert/article177222826.html> [<https://perma.cc/G6HB-U8EC>]. The law prohibits a landlord from several types of exploitation based on a person's real or perceived immigration or citizenship status. See CAL. CIV. CODE § 1940.05.

<sup>154</sup> See *supra* note 11.

<sup>155</sup> See Interview with Los Angeles Community Organizer, *supra* note 153.

<sup>156</sup> See SAJE Tenant Clinic, *supra* note 84.

<sup>157</sup> See L.A., CAL., MUN. CODE §§ 151.09(A)(8), 151.30(A), <https://planning.lacity.org/eir/CrossroadsHwd/deir/files/references/J203.pdf> [<https://perma.cc/4DHD-C7BN>]; *Landlord Occupancy*, L.A. HOUS. & CMTY. INV. DEP'T (HCIDLA), <https://hcidla.lacity.org/Landlord-Occupancy-Owners> [<https://perma.cc/AJ3Z-M6JD>].

<sup>158</sup> See SAJE Tenant Clinic, *supra* note 84.

<sup>159</sup> See Gracian Interview, *supra* note 135.

<sup>160</sup> See Espinoza Interview, *supra* note 117.

<sup>161</sup> See, e.g., *id.*; Gracian Interview, *supra* note 135.

<sup>162</sup> See Gracian Interview, *supra* note 135; Patiño & Gonzalez Interview, *supra* note 84.

<sup>163</sup> See Patiño & Gonzalez Interview, *supra* note 84. The interviewee was referring to T.R.U.S.T. South LA. See T.R.U.S.T. SOUTH LA, <http://trustsouthla.org/> [<https://perma.cc/EU9L-UBJH>].



other types of policies to make acquiring and maintaining ownership more accessible, such as a program that would provide forgivable silent loans to homeowners to reduce their monthly payments, and another that would offer renters (commercial and residential) in gentrifying neighborhoods the right of first refusal to buy a property before a landlord could sell it.<sup>164</sup>

Acknowledging that ownership is not accessible to all, interviewees also proposed policies that would protect renters facing displacement and improve the conditions of the immobile. For instance, several interviewees expressed the desire to preserve rent-controlled units; create more affordable housing stock, such as by incentivizing developers to do so through regulation;<sup>165</sup> and establish and enforce tenant protections, such as barring evictions without “just cause.”<sup>166</sup>

Residents—particularly those of Boyle Heights—also expressed concerns about the ability of those living in gentrifying neighborhoods to generate sufficient income to sustain themselves in an increasingly costly community.<sup>167</sup> To this end, Community Benefits Agreements (CBAs)—agreements between the community and a developer who has proposed to build in their neighborhood<sup>168</sup>—are a major discussion topic,<sup>169</sup> particularly in Boyle Heights and in South Los Angeles, where a coalition of over thirty organizations secured one of the first major CBAs in the country in 2001.<sup>170</sup> While interviewees expressed appreciation that CBAs allowed communities to have a seat at the table and to access some economic opportunities generated by the proposed developments,<sup>171</sup> they also noted CBAs’ shortcomings.<sup>172</sup> For example, one interviewee described the time- and resource-intensive nature of CBA enforcement, along with a concern that many of the jobs created by such developments are inaccessible to undocumented immi-

<sup>164</sup> See Interview with Los Angeles Community Organizer, *supra* note 153.

<sup>165</sup> See Patiño & Gonzalez Interview, *supra* note 84.

<sup>166</sup> See Haas Interview, *supra* note 153; Interview with Los Angeles Community Organizer, *supra* note 153.

<sup>167</sup> See, e.g., Gracian Interview, *supra* note 135.

<sup>168</sup> See Vicki Been, *Community Benefits Agreements: A New Local Government Tool or Another Variation on the Exactions Theme?*, 77 U. CHI. L. REV. 5, 7 (2010) (defining CBAs as “agreements that detail the conditions a developer will provide in order to secure the cooperation, or at least forbearance, of community organizations regarding the developer’s application for permission to develop a particular project”).

<sup>169</sup> See, e.g., Gracian Interview, *supra* note 135.

<sup>170</sup> See Been, *supra* note 168, at 8 (describing the Staples Center CBA—the first CBA); see also *National Examples of Community Benefits Agreements (CBAs)*, SOMERVILLE COMMUNITY CORP. 5 (citing *Policy & Tools: Community Benefits Agreements and Policies in Effect*, PARTNERSHIP FOR WORKING FAMILIES, <http://www.forworkingfamilies.org/page/policy-tools-community-benefits-agreements-and-policies-effect> [<https://perma.cc/45DT-6R5R>]), [http://somervillecdc.org/sites/default/files/scc-minimal/files/national\\_examples\\_of\\_community\\_benefits\\_agreements\\_cbas.pdf](http://somervillecdc.org/sites/default/files/scc-minimal/files/national_examples_of_community_benefits_agreements_cbas.pdf) [<https://perma.cc/UX2B-8B5P>] (calling the Staples CBA a “tremendous achievement” that “includes an unprecedented array of community benefits” and listing some of those benefits).

<sup>171</sup> See Patiño & Gonzalez Interview, *supra* note 84; Gracian Interview, *supra* note 135 (calling CBAs “interesting”).

<sup>172</sup> See Patiño & Gonzalez Interview, *supra* note 84.

grants and people with criminal records,<sup>173</sup> who make up a significant portion of the population in a number of low-income communities in Los Angeles.<sup>174</sup>

Several also described a grassroots initiative to legalize street vending<sup>175</sup> rooted in the desire to ensure an adequate income source for those who live in gentrifying neighborhoods.<sup>176</sup> Years of advocacy from community organizations culminated in the city finally decriminalizing street vending in 2017—one month after President Donald Trump’s inauguration—making it the last of the ten largest U.S. cities to do so.<sup>177</sup> However, efforts to fully legitimize street vending under the municipal code are slow,<sup>178</sup> leading one state legislator to propose a law to authorize street vending throughout California and require that cities impose administrative fines, rather than crimi-

<sup>173</sup> See *id.*

<sup>174</sup> Cf., e.g., ENRICO A. MARCELLI & MANUEL PASTOR, SAN DIEGO STATE UNIV. & UNIV. S. CAL., UNAUTHORIZED AND UNINSURED: BOYLE HEIGHTS AND LOS ANGELES COUNTY 2 (2015), [https://dornsife.usc.edu/assets/sites/731/docs/Web\\_06\\_Boyle\\_Heights\\_LA\\_Cnty\\_Final.pdf](https://dornsife.usc.edu/assets/sites/731/docs/Web_06_Boyle_Heights_LA_Cnty_Final.pdf) [<https://perma.cc/E3MU-CAGV>] (estimating that undocumented immigrants are more concentrated in Boyle Heights than in the rest of Los Angeles County); Cindy Chiang, *USC Study: 1 in 10 L.A. County Residents in U.S. Illegally*, L.A. TIMES (May 7, 2013), <http://articles.latimes.com/2013/may/07/local/la-me-ln-usc-immigrant-study-20130507> [<https://perma.cc/N96D-Q6QN>] (describing large undocumented population in Los Angeles County and noting that their median wage is significantly lower than that of U.S.-born residents); George Lavender, *This Map Shows Where L.A.’s Jail Population Comes From*, KCRW (Sept. 13, 2016), <http://curious.kcrw.com/2016/09/this-map-shows-where-las-jail-population-comes-from> [<https://perma.cc/35EW-HKEU>] (showing that Los Angeles’s jail population comes largely from low-income neighborhoods like Boyle Heights and East and South Los Angeles); George Lavender, *Why Map Incarceration in LA?*, KCRW (Oct. 14, 2016), <https://curious.kcrw.com/2016/10/why-map-incarceration-in-la> [<https://perma.cc/DR4S-DD8G>] (“The true essence of a Million Dollar Hood is a neighborhood that is usually low-income or working class with predominately people of color that populate the community. This community is highly policed and incarcerated for petty crimes.”).

<sup>175</sup> See Gracian Interview, *supra* note 135; Espinoza Interview, *supra* note 117. Interviewees referred to the L.A. Street Vendor Campaign. See L.A. STREET VENDOR CAMPAIGN, <http://www.streetvendorsforla.org/> [<https://perma.cc/73ZK-A9JD>]; see also *Street Vending Decriminalized in Los Angeles*, ABC7 (Jan. 31, 2017), <http://abc7.com/news/street-vending-decriminalized-in-la/1730362/> [<https://perma.cc/EK7A-ARTR>].

<sup>176</sup> See, e.g., *Legalize Street Vending*, ELACC, <http://elacc.org/building-community/organizing-advocacy/> [<https://perma.cc/8Y9J-7BBZ>] (describing the issue as “a growing lack of traditional employment opportunities in Boyle Heights and all over the City of Los Angeles, leaving people who are willing and able to work, with fewer options. With few prospects for employment, low-income residents are turning to street vending as a way to earn a living.”); Javier Cabral, *How This Elotero Is Dealing With Gentrification*, MUNCHIES (Sept. 12, 2016), [https://munchies.vice.com/en\\_us/article/vvq3xd/how-this-elotero-is-dealing-with-gentrification](https://munchies.vice.com/en_us/article/vvq3xd/how-this-elotero-is-dealing-with-gentrification) [<https://perma.cc/SQ2B-JVEY>] (describing Highland Park street vendor’s efforts to sustain a living in the gentrifying neighborhood and the challenges given illegality of street vending).

<sup>177</sup> See *Street Vending Decriminalized in Los Angeles*, *supra* note 175; Amelia Taylor-Hochberg, *What L.A. Can Learn From Its Failed Experiment in Legalized Street Vending*, CITYLAB (June 26, 2017), <https://www.citylab.com/life/2017/06/what-la-can-learn-from-its-failed-experiment-in-legalized-street-vending/530829/> [<https://perma.cc/P35B-DLFX>].

<sup>178</sup> Cf. Times Editorial Bd., *Legalize Street Vendors*, L.A. TIMES (Nov. 25, 2017, 4:00 AM), <http://www.latimes.com/opinion/editorials/la-ed-street-vendors-20171125-story.html> [<https://perma.cc/56TM-2Q2X>] (critiquing a proposed municipal ordinance that ultimately did not pass for being overly restrictive and burdensome).

nal charges, for violations of local rules.<sup>179</sup> Governor Brown signed the bill, known as the Safe Sidewalk Vending Act, into law in September 2018.<sup>180</sup> To meet the January 1, 2019 deadline imposed by the state law for effecting new regulations, the Los Angeles City Council in November 2018 unanimously approved regulations that will make it easier for street vendors to legally make a living in Los Angeles.<sup>181</sup>

Finally, a common theme that arose throughout the interviews with community organizations was a concern with the decision-making process regarding development.<sup>182</sup> Some expressed a belief that residents of communities affected by gentrification should have a seat at the table to advocate for their own interests.<sup>183</sup> In describing policy solutions she would like to see, one community member and activist called for a policy of “radical inclusivity.”<sup>184</sup>

In sum, Los Angeles interviewees described a fear and tension around gentrification, concerns about immobility as well as displacement of neighborhood residents and local businesses, desires for policy interventions that include pathways to ownership and protections of rental affordability, the costs and benefits of potential policy solutions such as CBAs and community land trusts, and the hope that efforts to address gentrification’s negative effects include economic opportunities for low-income people as well as their inclusion in the policy design and decision-making process. Several of these concerns, themes, and proposals were echoed in conversations about gentrification a city a world away from Los Angeles and the focus of the second case study: Detroit.

### B. Detroit

If Los Angeles is a city of suburbs, Detroit is a city of single-family homes.<sup>185</sup> Once characterized by its high homeownership rate compared to

<sup>179</sup> See Emily Alpert Reyes, *California Bill Would Override L.A. and Other Cities That Don’t License Street Vendors*, L.A. TIMES (Feb. 2, 2018, 2:45 PM), <http://www.latimes.com/local/lanow/la-me-ln-vending-rules-20180202-story.html> [https://perma.cc/XFY3-K3XS]; S.B. 946, 2017–18 Leg., Reg. Sess. (Cal. 2018).

<sup>180</sup> See Mona Holmes, *Selling Street Food in LA Will No Longer Be a Crime Starting in 2019*, EATER L.A. (Sept. 18, 2018), <https://la.eater.com/2018/9/18/17874900/street-vending-governor-brown-bill-sb-946-los-angeles> [https://perma.cc/28DA-QARE].

<sup>181</sup> See Elizabeth Chou, *Street Vending Is Now Legal in Los Angeles After City Council Approves Regulations*, L.A. DAILY NEWS (Nov. 28, 2018), <https://www.dailynews.com/2018/11/28/legal-street-vending-promised-for-years-set-to-become-a-reality-in-los-angeles/> [https://perma.cc/B3D4-G854].

<sup>182</sup> See, e.g., Gracian Interview, *supra* note 135.

<sup>183</sup> See Haas Interview, *supra* note 153; *cf. id.* (“Nobody was watching out for this neighborhood [referring to South Los Angeles]”).

<sup>184</sup> See *id.* (not in transcript due to recording cutting off, but available in notes held by author).

<sup>185</sup> See Ta-Nehisi Coates, *Detroit Was Like Cheers: Everyone Knew Your Name*, THE ATLANTIC (Mar. 9, 2011), <https://www.theatlantic.com/national/archive/2011/03/detroit-was-like-cheers-everyone-knew-your-name/72226/> [https://perma.cc/4GUG-N7Z5] (noting that “85 percent of Detroit housing consists of single-family homes”).

the national average,<sup>186</sup> Detroit's economy has slowly declined since the 1960s or 70s.<sup>187</sup> It is a city that does not typically come to mind in the category of "gentrifying," and at least one recent study has concluded that the city has "practically no gentrification at all."<sup>188</sup> However, after years of suffering from vacancy, blight, and a reduced tax base, city policymakers, along with local employers, undertook a campaign to drive people into its borders.<sup>189</sup> Rents have surged in Downtown and Midtown, and today, even middle-class and young professionals are being priced out of those markets.<sup>190</sup> Meanwhile, other parts of the city still struggle to attract investment and population.

### 1. History

There are a number of narratives about what caused Detroit's decline, from the weakening of the American automotive industry,<sup>191</sup> to the "nearly 50-year" middle-class and white "exodus"<sup>192</sup> "fueled by" the 1967 riots,<sup>193</sup> to the election and twenty-year tenure of Mayor Coleman Young.<sup>194</sup> The rapid

<sup>186</sup> See *id.*

<sup>187</sup> See OWENS, *supra* note 8, at 12 ("Detroit was the most disadvantaged city in the U.S. in 1990 and also experienced the largest decline from 1990 to 2010.").

<sup>188</sup> See Maciag, *supra* note 46.

<sup>189</sup> See, e.g., Matt Helms, *Housing Deals Boost Midtown's Revival in Detroit*, DET. FREE PRESS (Nov. 1, 2015, 11:30 PM), <http://www.freep.com/story/news/local/michigan/detroit/2015/11/01/midtown-incentives-boost-diversity/74014992/> [<https://perma.cc/5XUA-8DTS>] (describing programs such as Live Midtown).

<sup>190</sup> See *Entry Barrier: Rising Rents in Popular Detroit Areas Price Out Young Workers*, DEADLINE DET. (Jan. 26, 2014, 8:05 AM) [hereinafter *Entry Barrier*] (citing J.C. Reindl & John Gallagher, *Detroit In Demand*, DET. FREE PRESS, Jan. 26, 2014, at A1), [http://www.deadline-detroit.com/articles/8093/entry\\_barrier\\_rising\\_rents\\_in\\_popular\\_detroit\\_areas\\_keep\\_out\\_young\\_workers/#.WPvf1VPytsN](http://www.deadline-detroit.com/articles/8093/entry_barrier_rising_rents_in_popular_detroit_areas_keep_out_young_workers/#.WPvf1VPytsN) [<https://perma.cc/DW7F-JCMA>].

<sup>191</sup> See Pete Saunders, *Detroit After Bankruptcy*, FORBES (Apr. 24, 2016, 1:16 PM), <https://www.forbes.com/sites/petesauanders1/2016/04/24/detroit-after-bankruptcy/#252b6d2f63d7> [<https://perma.cc/9YF2-MAZ3>] (describing this as the "auto-industry-collapsed-and-people-left narrative that's prevailed for decades"); cf. Bill McGraw, *He Started the Detroit Riot. His Son Wrestles with the Carnage: Part 2*, BRIDGE (Dec. 15, 2016), <https://www.bridgemi.com/detroit-bankruptcy-and-beyond/he-started-detroit-riot-his-son-wrestles-carnage-part-2> [<https://perma.cc/W78K-XM88>] (noting that between 1947 and 1963, the city lost 134,000 jobs).

<sup>192</sup> The city lost ninety-three percent of its non-white Hispanic population between 1970 and 2010. See Pete Saunders, *Black Power and the Pyrrhic Victory*, CORNER SIDE YARD (Aug. 10, 2014) [hereinafter *Black Power*], <http://cornersideyard.blogspot.com/2014/08/black-power-and-pyrrhic-victory.html> [<https://perma.cc/2CUX-FE9B>].

<sup>193</sup> For a detailed account of the beginning of the riots, and their aftermath, see Bill McGraw, *He Started the Detroit Riot. His Son Wrestles with the Carnage.*, BRIDGE (Dec. 15, 2016), <http://www.bridgemi.com/detroit-bankruptcy-and-beyond/he-started-detroit-riot-his-son-wrestles-carnage> [<https://perma.cc/7TWN-5TBU>].

<sup>194</sup> See *Black Power*, *supra* note 192 (discussing the impact of the election of Coleman Young and the city of Detroit and the stigma that surrounds it: "Newark and Detroit, already tainted by the aftermath of urban riots, were effectively shunned by white residents after the elections of their first black mayors."); see also Nathan Bomey & John Gallagher, *How Detroit Went Broke: The Answers May Surprise You—and Don't Blame Coleman Young*, DET. FREE PRESS (Sept. 15, 2013, 1:00 AM), <https://www.freep.com/story/news/local/michigan/detroit/2013/09/15/how-detroit-went-broke-the-answers-may-surprise-you-and/77152028/> [<https://perma.cc/7715-2028>].

reduction in the city's population<sup>195</sup>—and thus tax base—exacerbated its economic challenges. In recent years, the city experienced higher unemployment rates than the national average,<sup>196</sup> along with sky-high foreclosure rates<sup>197</sup> and infamously high vacancy rates and blight<sup>198</sup> brought about by over-taxation<sup>199</sup> and one of the highest rates of subprime lending in the country.<sup>200</sup> In

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perma.cc/TBX8-HKYE] (finding that the downward spiral was the result of a drop in property tax revenues—the inevitable result of the city's shrinking population base and a seventy-seven percent drop in the value of property—combined with cuts in federal and state aid, a swollen city payroll, gifts to Chrysler and other industries, and some very bad deals with Wall Street).

<sup>195</sup> Slow population losses in the latter part of the twentieth century, followed by rapid losses of about twenty-four thousand per year in the 2000s, brought the city to its current size of just over 700,000, about thirty-nine percent of its peak size of 1.8 million in the 1950s. See Christine MacDonald, *Detroit Population Rank Is Lowest Since 1850*, DET. NEWS (May 20, 2016, 12:24 PM), <http://www.detroitnews.com/story/news/local/detroit-city/2016/05/19/detroit-population-rank-lowest-since/84574198/> [https://perma.cc/C6T8-2VVZ].

<sup>196</sup> At the height of the economic crisis in June 2009, Detroit reached an unemployment rate of 28.4 percent, while the national average was 9.5 percent. See Paula Gardner, *Detroit's Unemployment Rate Hits 16-Year Low*, MLIVE (June 1, 2017), [http://www.mlive.com/business/index.ssf/2017/06/detroits\\_unemployment\\_rate\\_hit.html](http://www.mlive.com/business/index.ssf/2017/06/detroits_unemployment_rate_hit.html) [https://perma.cc/R6BW-NCJ8]; U.S. BUREAU OF LABOR STATISTICS, *THE RECESSION OF 2007–2009*, at 2 (2012), [https://www.bls.gov/spotlight/2012/recession/pdf/recession\\_bls\\_spotlight.pdf](https://www.bls.gov/spotlight/2012/recession/pdf/recession_bls_spotlight.pdf) [https://perma.cc/L2Z2-3ZEM]. At the time of this writing, the national average was 4.5 percent unemployment, while Detroit's was 4.9 percent. See U.S. BUREAU OF LABOR STATISTICS, *DETROIT AREA ECONOMIC SUMMARY 1* (2018), [https://www.bls.gov/regions/midwest/summary/blssummary\\_detroit.pdf](https://www.bls.gov/regions/midwest/summary/blssummary_detroit.pdf) [https://perma.cc/3X83-53JE].

<sup>197</sup> In the past ten years, more than one-third of Detroit properties have been foreclosed upon. See Christine MacDonald & Joel Kurth, *Top Companies with Most Blighted Detroit Foreclosures*, DET. NEWS (May 14, 2015), <http://www.detroitnews.com/story/news/special-reports/2015/05/14/top-lenders-foreclosed-blighted-homes/27248845/> [https://perma.cc/3X3J-3PA8].

<sup>198</sup> See, e.g., *id.* (discussing the mortgage foreclosure crisis and stating that “56 percent of all mortgage-foreclosed homes from 2005–14 are now blighted, need to be demolished or were foreclosed for nonpayment of taxes”); Corey Williams, *Detroit Demolishes Thousands of Structures*, DET. NEWS (Dec. 28, 2016, 11:42 PM), <http://www.detroitnews.com/story/news/local/detroit-city/2016/12/28/detroit-demolishes-thousands-structures/95947206/> [https://perma.cc/HD45-PLP8] (“A blight task force in 2014 said 40,000 [structures in Detroit] needed to be torn down and 38,000 others were falling apart. . . . Many blocks have more abandoned houses and empty lots than lived-in homes. . . .”); Christine MacDonald & Joel Kurth, *Foreclosures Fuel Detroit Blight, Cost City \$500 Million: Risky Loans Contribute to Swaths of Empty Homes, Lost Tax Revenue*, DET. NEWS (June 3, 2015) [hereinafter *Foreclosures Fuel*], <http://www.detroitnews.com/story/news/special-reports/2015/06/03/detroit-foreclosures-risky-mortgages-cost-taxpayers/27236605/> [https://perma.cc/2CNE-ATMP] (noting that “[u]p to 78 percent of foreclosed homes financed through subprime lenders are now in poor condition or tax foreclosed” and that the City “demolished 3,500 buildings last year at a cost of about \$15,000 per home” but “[t]ens of thousands remain”).

<sup>199</sup> See, e.g., Ardelia Lee, *Detroit Has the Second Highest Residential Property Taxes in the Nation, Says Study*, DAILY DET. (June 16, 2016), <http://www.dailydetroit.com/2016/06/16/detroit-second-highest-residential-property-taxes-nation/> [https://perma.cc/B6Y5-SU3A].

<sup>200</sup> See *id.* (“Detroit was hit hard by subprime lending, mortgages with higher interest rates that were designed for borrowers with damaged credit. Before they failed, the loans were lucrative because they increased monthly payments but were far more likely to default.”). In 2005, sixty-eight percent of Detroit's mortgages, compared to twenty-seven percent of Michigan's mortgages and twenty-four percent of the nation's, were subprime. See *Foreclosures Fuel*, *supra* note 198 (defining subprime the same as the federal benchmark: “loans with annual rates of 3 percentage points or more higher than Treasury securities of comparable maturity”).

2013, these trends culminated in the largest municipal bankruptcy filing ever.<sup>201</sup>

However, recent years have seen new development,<sup>202</sup> such as the construction of a light rail between Downtown Detroit and a neighborhood north of the city called New Center, and the construction of two new sports stadiums between Downtown and Midtown (with still more proposed<sup>203</sup>).<sup>204</sup> These developments, along with concerted efforts to recruit new Detroiters,<sup>205</sup> have increased rents—particularly in Downtown<sup>206</sup> and adjacent Midtown<sup>207</sup> and Corktown,<sup>208</sup> attracted whites back to the city for the first

<sup>201</sup> See Saunders, *supra* note 191 (describing the bankruptcy filing and estimated eighteen- to twenty-billion dollar debt).

<sup>202</sup> See, e.g., MacDonald, *supra* note 195 (noting that according to the Southeast Michigan Council of Governments, in 2015, the city issued 913 development permits, up from 806 in 2014).

<sup>203</sup> See Violet Ikonomova, *Detroit Sports City? The Unknown Cost of Putting a Fourth Pro Sports Facility Downtown*, DET. METRO TIMES (Feb. 14, 2017, 2:11 PM), <http://www.metrotimes.com/news-hits/archives/2017/02/14/detroit-sports-city-the-unknown-cost-of-putting-a-fourth-pro-sports-facility-downtown> [<https://perma.cc/AYF8-6RXB>] (describing Gilbert's proposed soccer arena).

<sup>204</sup> See Kim Slowey, *Construction Boom Poised to Revitalize Detroit*, CONSTRUCTION DIVE (Jan. 4, 2017), <http://www.constructiondive.com/news/construction-boom-poised-to-revitalize-detroit/433318/> [<https://perma.cc/DCJ3-SPE5>] (describing the construction of the light rail of “QLine,” the new Red Wings arena, and other proposed construction); see also Dylan Blair, *The District Detroit Gives Us Time Lapse Video of Red Wings Stadium Build*, DET. SPORTS NATION (Sept. 3, 2015), <http://detroitnation.com/detroit-red-wings-news/dbair/district-detroit-gives-us-time-lapse-video-red-wings-stadium-build/43151/> [<https://perma.cc/LDT9-R3A>] (time-lapse video of Red Wings stadium construction).

<sup>205</sup> A number of these efforts focused specifically on Downtown—where mogul Dan Gilbert's Quicken Loans, a mortgage lending company, made its home in 2010. See Ned Randolph, *Detroit Native Dan Gilbert Bets Big on the City's Rebound*, REUTERS (Nov. 11, 2011, 6:10 PM), <http://www.reuters.com/article/us-detroit-comeback-gilbert-idUSTRE7A17UG20111102> [<https://perma.cc/Q9JC-SMFR>] (describing Quicken's move to Downtown Detroit and Gilbert's vision for “Detroit 2.0”). Campaigns such as Live Midtown and Live Downtown have brought more than 2500 new residents (primarily renters) to their namesake neighborhoods. See Helms, *supra* note 189 (noting that ninety percent of the 1200 people who participated in Live Midtown were renters); ERIKA C. POETHIG ET AL., URBAN INST., *THE DETROIT HOUSING MARKET* 58 (2017), [https://www.urban.org/sites/default/files/publication/88656/detroit\\_path\\_forward\\_finalized.pdf](https://www.urban.org/sites/default/files/publication/88656/detroit_path_forward_finalized.pdf) [<https://perma.cc/U5P4-YQLC>].

<sup>206</sup> See J.C. Reindl, *New Wave of Detroit Apartments Opens to Big Demand*, DET. FREE PRESS (June 4, 2016, 11:32 PM), <http://www.freep.com/story/money/business/michigan/2016/06/04/detroit-apartments-rate-demand/85296384/> [<https://perma.cc/PQ34-CGWS>] (“The intense demand suggests that greater downtown Detroit's rental market could support additional waves of fresh building supply and remain hot. It is also giving landlords reason to continue raising rents, although the size of the year-to-year jumps could subside as more new apartments hit the market.”).

<sup>207</sup> According to the president of Midtown Detroit, Inc., between about 2011 and 2014, rents for market rate units in Midtown rose about fourteen percent, with rents rising about five percent in 2014 alone. See Louis Aguilar, *Detroit's Cass Corridor Makes Way for New Era*, DET. NEWS (Apr. 21, 2015, 11:32 PM), <http://www.detroitnews.com/story/business/2015/04/21/detroit-cass-corridor-makes-way-new-era/26156687/> [<https://perma.cc/5MCC-7WWG>].

<sup>208</sup> See Louis Aguilar & Christine MacDonald, *Detroit's White Population Up After Decades of Decline*, DET. NEWS (Sept. 17, 2015, 11:32 PM), <http://www.detroitnews.com/story/news/local/detroit-city/2015/09/17/detroit-white-population-rises-census-shows/72371118/> [<https://perma.cc/LWH7-GKV4>] (“Corktown and Midtown are among the neighborhoods that have experienced a steady stream of development and support by public-private partnerships to lure residents. Some include financial incentives for people to relocate there.”).

time since 1950,<sup>209</sup> and begun to bring about gentrification and displacement.<sup>210</sup> Some of the property value increase has spread to adjacent areas,<sup>211</sup> and some Detroiters fear that New Center, the endpoint of the new rail line, is next.<sup>212</sup>

While much of the housing instability in Detroit has been the result of mortgage and tax foreclosures,<sup>213</sup> gentrification too is beginning to take its toll. Property owners are often able to benefit from rising property values in gentrifying neighborhoods, however the fact that “effective” homeownership rates<sup>214</sup> in Detroit are below fifty percent means that few Detroiters will benefit from rising property values.<sup>215</sup> Moreover, by subsidizing new residents and driving up rents,<sup>216</sup> the campaigns to drive people into Downtown and Midtown may displace lower-income, and even some middle-income, renters.<sup>217</sup> Given the already high rates of rent burden around the city—seventy percent of Detroit renters spend more than thirty percent of their income on

<sup>209</sup> See *id.* (citing U.S. Census Bureau data showing that the city’s white population increased by about 8000 residents in 2014).

<sup>210</sup> See Saunders, *supra* note 191 (“Detroit’s Midtown, Corktown, Woodbridge, east riverfront and other areas adjacent to downtown have become hotspots, and now the city and its residents are contemplating the spillover effects of such growth into areas that have long been forgotten.”).

<sup>211</sup> See *Entry Barrier*, *supra* note 190 (quoting Reindl & Gallagher, *supra* note 190) (“Renters already in the middle class and enjoying professional careers now are being displaced by those even farther up the income scale who can afford the higher rents.”).

<sup>212</sup> See, e.g., Interview with Lisa Johanon, Exec. Dir., Cent. Detroit Christian Cmty. Dev. Corp. (CDC), in Detroit, Mich. (Mar. 10, 2017) [hereinafter Johanon Interview].

<sup>213</sup> Michele Oberholtzer, *Silent Auction*, OBERDOIT (Sept. 6, 2016), <https://oberdoit.com/2016/09/06/silent-auction/#more-2665> [<https://perma.cc/P6FS-J48Z>].

<sup>214</sup> The “effective” homeownership rate is the proportion of those occupying homes who actually have equity stakes in those homes. See, e.g., Andrew Haughwout et al., *Staff Report No. 418, The Homeownership Gap*, in FED. RESERVE BANK OF N.Y. STAFF REPORTS 2 (2009) [https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr418.pdf](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr418.pdf) [<https://perma.cc/DQ4S-ZCHW>].

<sup>215</sup> See *id.* at 8.

<sup>216</sup> See *Blame Subsidies for Rising Downtown/Midtown Rent*, DEADLINE DET. (Jan. 26, 2014, 1:30 PM), [http://www.deadlinedetroit.com/articles/8098/blame\\_subsidies\\_for\\_rising\\_downtown\\_midtown\\_rent#.WP1AAVPytsN](http://www.deadlinedetroit.com/articles/8098/blame_subsidies_for_rising_downtown_midtown_rent#.WP1AAVPytsN) [<https://perma.cc/W5CJ-LM89>] (noting that the two-hundred to four-hundred dollar rent spike in Downtown and Midtown matches the extra subsidy funding that Live Midtown and Live Downtown renters receive and explaining the impact as a predictable effect given the economic concept of how subsidies function); *Entry Barrier*, *supra* note 190 (quoting Reindl & Gallagher, *supra* note 190) (describing these programs as “hav[ing] played a role in driving up rents”); Helms, *supra* note 189 (noting that according to Midtown Detroit, Inc., the development agency that manages Live Midtown, the program has “raised rents and encouraged new developments”). According to Midtown Detroit, Inc., the newcomers are racially and economically diverse: forty percent black, thirty percent white, twenty percent Asian and ten percent Latino or from another minority group. See Helms, *supra* note 189. Detroit is about eighty-three percent black, ten percent white, six percent Latino and one percent Asian, so while the program may be increasing white, Asian, and Latino proportions in the community, it is certainly decreasing the proportion of black residents. See *id.*

<sup>217</sup> Cf. J.C. Reindl, *Could Detroit Soon Have Too Many New Apartments?*, DET. FREE PRESS (Feb. 18, 2017, 11:21 PM), <http://www.freep.com/story/money/business/2017/02/18/detroit-apartments-real-estate/97640058/> [<https://perma.cc/4QZY-YHMM>] (noting that rental price increases have pushed out some longtime tenants who could no longer afford to live in Downtown).

housing—even small rent increases could lead to displacement.<sup>218</sup> Meanwhile, subsidies from 1980s-era development agreements regarding a number of downtown buildings have ended,<sup>219</sup> and many such buildings that have housed lower-income tenants for decades are converting to market-rate apartments,<sup>220</sup> further feeding the “chronic cycle of housing instability in Detroit.”<sup>221</sup>

Yet even as booming neighborhoods enjoy reinvestment and surging populations, major concerns about equity, and who will be displaced and left behind, linger. Economic recovery strategies have focused on how to grow the population and stimulate home ownership, rather than on how to ensure that current residents benefit from the development.<sup>222</sup> Neighborhoods just beyond the borders of those that have been the focus of developers’ eyes, where residents earn twenty-five percent less on average,<sup>223</sup> have been excluded from the surge in interest and investment. The narrative of “Two Detroits”—one for the new white residents and one for the old-time black residents—is pervasive among long-time community members.<sup>224</sup>

## 2. Community Experiences

While concerns about gentrification may be more geographically confined in Detroit than in Los Angeles—and perhaps still outweighed by concerns about isolated areas of poverty and struggles to attract investment—a number of the community members interviewed expressed concerns that gentrification-induced displacement has begun, and that its reach will

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<sup>218</sup> See Tanvi Misra, *How to Get Detroit Back on Its Feet*, CITYLAB, (Mar. 7, 2017) [https://www.citylab.com/cityfixer/2017/03/how-to-get-detroit-up-to-speed/518559/?utm\\_source=NL\\_link3\\_030817](https://www.citylab.com/cityfixer/2017/03/how-to-get-detroit-up-to-speed/518559/?utm_source=NL_link3_030817) [<https://perma.cc/QY3V-UMBF>] (citing Poethig et al., *supra* note 205); see also Kirk Pinho, *Ordinance Would Require Affordable Housing in Detroit*, CRAIN’S DET. BUS. (Feb. 19, 2017, 12:01 AM) <http://www.craindetroit.com/article/20170219/NEWS/170219837/ordinance-would-require-affordable-housing-in-detroit> [<https://perma.cc/847E-ANZC>] (showing that fifty-nine percent of Detroit families spent at least thirty percent of their income on housing, and nineteen percent spent more than fifty percent on housing).

<sup>219</sup> Cf. Reindl, *supra* note 217.

<sup>220</sup> Cf. *id.* For instance, fifty-one low- and middle-income tenants of the Renaissance City Club Apartments were notified in January 2016 that their rent-subsidized apartments would increase to market rate in one year. That meant that tenants like Toni Washington, a senior who had lived in the building for twenty-two years and could not afford the new \$1205 per month rent—nearly double what she had been paying—would have to leave. *Id.*

<sup>221</sup> Oberholtzer, *supra* note 213.

<sup>222</sup> See, e.g., Misra, *supra* note 218 (quoting Joe Cartright, *City Observatory*, as saying, “As a practical matter, the only way forward for the Detroit economy is if more middle-income and even upper-income families choose to move to the city (or stay there as their fortunes improve).”).

<sup>223</sup> Peter Moskowitz, *The Two Detroits: A City Both Collapsing and Gentrifying at the Same Time*, GUARDIAN (Feb. 5, 2015, 10:33 AM), <https://www.theguardian.com/cities/2015/feb/05/detroit-city-collapsing-gentrifying> [<https://perma.cc/J2FZ-BNCK>].

<sup>224</sup> See *id.* (“[W]here there’s been a confluence of public incentives and private investment, Detroit—like Manhattan and north Brooklyn—is booming. In the rest of Detroit—like in the rest of New York—the chasm between rich and poor is growing.”); see also POETHIG ET AL., *supra* note 205, at 61–62 (noting that several interviewees mentioned concerns with “being left behind”).



grow.<sup>225</sup> Interviewees identified Downtown, Corktown, and Midtown—the same areas that public and private initiatives have focused on driving new residents into—as gentrifying,<sup>226</sup> and proximate areas like New Center as at-risk of gentrifying.<sup>227</sup> They described the city as “becoming a more popular destination for younger people,” and “diversifying.”<sup>228</sup> One former resident of Midtown described the neighborhood as shifting from a residential area once dotted with grocery stores and ethnic restaurants, to one that is “almost touristy now.”<sup>229</sup>

As in Los Angeles, most Detroit interviewees believe displacement is occurring. One interviewee, a young professional, described a personal experience of being priced out of Downtown Detroit.<sup>230</sup> Interviewees noted that in many Detroit neighborhoods, residents have been rooted for many years and have a deep connection to their communities, and displacement disrupts the social fabric.<sup>231</sup> Another interviewee, a policymaker, rejected the idea that displacement is associated with gentrification in Detroit. Because of vacancy, he said, people can move into neighborhoods without displacing others.<sup>232</sup> One interviewee wondered whether development of vacant houses is “really the negative gentrification that people talk about,” describing such efforts as “changing the nature of the neighborhood from an economic standpoint, but that’s not necessarily bad if people can stay where they are.”<sup>233</sup> As in Los

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<sup>225</sup> See, e.g., Interview with Chase Cantrell, Founder & Exec. Dir., Bldg. Cmty. Value, in Detroit, Mich. (Mar. 9, 2017) [hereinafter Cantrell Interview] (noting that the Urban Consulate recently held a parlor series about gentrification in Detroit, and that people are passionate about the subject). *But see* Interview with Tom Goddeeris, former Exec. Dir., Grandmont Rosedale Dev. Corp., in Detroit, Mich. (Mar. 9, 2017) [hereinafter Goddeeris Interview] (noting that gentrification is “still a ways away from . . . becoming like a pressing issue of the day”).

<sup>226</sup> See, e.g., Interview with Jamila Martin, Dir. of Operations, and Molly Sweeney, Organizing Dir., 482Forward, in Detroit, Mich. (Mar. 8, 2017) [hereinafter Martin & Sweeney Interview]; Cantrell Interview, *supra* note 225; Interview with Nonprofit Dir., in Detroit, Mich. (Mar. 10, 2017) [hereinafter Interview with Detroit Nonprofit Dir.] (transcript on file with author) (interviewed on condition of anonymity).

<sup>227</sup> See, e.g., Johanon Interview, *supra* note 212 (“[W]e’ve got the Midtown creep. You know, people who can’t afford to live in Midtown now are saying, ‘Hey, this neighborhood’s a good deal!’”); *cf.* Interview with Detroit Nonprofit Dir., *supra* note 226 (noting this with respect to the area called HOPE Village).

<sup>228</sup> Dowdell Interview, *supra* note 5.

<sup>229</sup> She described her rent for a two-bedroom apartment in Downtown Detroit going from \$740 to \$1700 after Quicken Loans began offering its employees thousand-dollar vouchers to live in the City. Martin & Sweeney Interview, *supra* note 226; *cf.* J.C. Reindl, *Rents Keep Going Up in Greater Downtown Detroit*, DET. FREE PRESS (Dec. 7, 2014, 12:42 AM), <http://www.freep.com/story/news/local/michigan/detroit/2014/12/07/rents-keep-going-downtown-detroit/20019111/> [<https://perma.cc/4XJV-CKJ8>] (quoting a former Quicken employee as saying, “I was making excellent money over at Quicken, so \$1600 was really just a throw in the bucket.”).

<sup>230</sup> See, e.g., Martin & Sweeney Interview, *supra* note 226.

<sup>231</sup> See Dowdell Interview, *supra* note 5; *cf.* Interview with Detroit Nonprofit Dir., *supra* note 226 (noting that the foreclosure crisis, which forced people from their homes, disrupted communities’ “social fabric”).

<sup>232</sup> See Interview with former City Official, *supra* note 3.

<sup>233</sup> Dowdell Interview, *supra* note 5.

Angeles,<sup>234</sup> interviewees speculated that if there were a way to slow the gentrification process, the risk of displacing lower-income community members might be reduced, while the chance that they could benefit from new development might be increased.<sup>235</sup>

Interviewees repeatedly stressed concerns that many Detroiters—and some whole neighborhoods—are being excluded from the benefits of new development. One called this disparate opportunity “spatial racism.”<sup>236</sup> Those living or working outside of the so-called “Twenty-Minute Neighborhoods”—neighborhoods that Mayor Mike Duggan has publicly identified as the target of his development efforts<sup>237</sup>—expressed particular worry.<sup>238</sup> “There’s a pretty big split . . . between the public image that’s been projected about Detroit’s rebirth and the fact that most people aren’t experiencing it . . . [or] benefiting from it,” explained one interviewee.<sup>239</sup> Overall, interviewees described a sense of “fear and suspicion” pervading communities, as new families move in and their neighbors begin to wonder, “Is this the first family of a wave? What are their motivations?”<sup>240</sup>

Some interviewees spoke favorably of a then-proposed, now-passed, City Council ordinance requiring that twenty percent of the units in new housing developments be affordable.<sup>241</sup> But one interviewee, a developer, voiced a concern that there is “not . . . enough money available [for developers] to give the community what they really want” and remain profitable.<sup>242</sup> That interviewee also noted the shortcomings of efforts to engage community members in new development initiatives, describing low and often non-representative attendance of community engagement sessions.<sup>243</sup>

Conversations about solutions echoed those with Los Angeles interviewees,<sup>244</sup> with Detroiters emphasizing that policymakers should focus on ensuring that residents have a seat at the table to discuss solutions; that solutions focus on ensuring that they benefit from rising property values, such as by paving pathways to collective ownership;<sup>245</sup> and that in conjunction with development, the City help create accessible and well-paying commercial

<sup>234</sup> See, e.g., Telephone Interview with Dr. Dana Cuff, Dir., cityLAB-UCLA (Mar. 16, 2017) [hereinafter Cuff Interview].

<sup>235</sup> See Dowdell Interview, *supra* note 5 (describing a desire to “slow down the escalation in rental rates to give people time to adjust to the changing landscape”).

<sup>236</sup> See Interview with Detroit Nonprofit Dir., *supra* note 226.

<sup>237</sup> See Robin Runyan, *The Mayor’s Vision for 20-Minute Neighborhoods*, CURBED DET. (June 15, 2016, 1:49 PM), <http://detroit.curbed.com/2016/6/15/11946166/mayor-detroit-neighborhoods-walk-bike> [https://perma.cc/MK66-WSLT].

<sup>238</sup> See, e.g., Interview with Quincy Jones, Exec. Dir., Osborn Neighborhood All., in Detroit, Mich. (Mar. 10, 2017) [hereinafter Jones Interview].

<sup>239</sup> Goddeeris Interview, *supra* note 225.

<sup>240</sup> Cantrell Interview, *supra* note 225.

<sup>241</sup> See, e.g., Goddeeris Interview, *supra* note 225; Jones Interview, *supra* note 238.

<sup>242</sup> Dowdell Interview, *supra* note 5.

<sup>243</sup> See *id.*

<sup>244</sup> See, e.g., Cantrell Interview, *supra* note 225.

<sup>245</sup> See, e.g., Goddeeris Interview, *supra* note 225; Interview with Detroit Nonprofit Dir., *supra* note 226; Johanon Interview, *supra* note 212.

opportunities.<sup>246</sup> In general, Detroiters voiced less concern than Angelenos about displacement in the short term, and more concern that their neighborhood might be left behind by development. In Los Angeles, the latter was less a concern than the former, particularly among interviewees in Boyle Heights, one of Los Angeles's rapidly gentrifying neighborhoods. However, one Los Angeles interviewee noted that in the early 2000s, before the first wave of gentrification began, they might have felt similarly to how Detroiters feel now, but that as gentrification advanced, the tide quickly turned.<sup>247</sup>

In sum, themes that emerged from the interviews included concerns that gentrification-induced displacement has begun—though in Detroit, more than in Los Angeles, those concerns were mixed with fear and frustration that those living outside of gentrifying areas are being excluded from development; the desire that any processes to devise policy solutions include local voices; and the hope that such solutions focus not only on housing, but also on socioeconomic opportunity. Perhaps the strongest theme that emerged from these interviews, however, was the desire to seize this moment in Detroit's history and learn from other cities that have failed to develop equitably. Other scholars who have interviewed Detroiters in recent years have heard similar comments. A study by the Urban Institute quotes one interviewee as saying:

We can do something at this stage of development that I don't know if any other city was thinking about at this stage of their development. . . . We can be aggressive and . . . create neighborhoods with mixed incomes, and make investments that are aimed at ensuring a diverse mix of housing choices in those areas. Hopefully we aren't too late.<sup>248</sup>

For this reason, it is particularly timely and important to look to other cities for examples of policy interventions to promote inclusive development, which is the aim of the next part.

#### IV. THE PATH FORWARD: POLICY INTERVENTIONS

Contrary to common belief that little can be done to halt gentrification or its effects while advancing development and economic growth, cities around the country have proposed and implemented a number of laws and policies to do just that. While there is no one-size-fits-all model of policymaking to advance inclusive development, these efforts and their results can be considered in context to determine how they might meet the needs of

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<sup>246</sup> See, e.g., Martin & Sweeney Interview, *supra* note 226.

<sup>247</sup> See Gracian Interview, *supra* note 135 (describing the results of community surveys in 2004 showing that community members in Boyle Heights were not concerned about gentrification and displacement, and results of the same survey in 2006 showing that they were).

<sup>248</sup> POETHIG ET AL., *supra* note 205, at 62.

the city or community in question. For instance, Professor Vigdor's study of Boston revealed that older residents, particularly those living alone in rental units, were particularly vulnerable to the negative effects of gentrification.<sup>249</sup> In such a context, therefore, inclusion or anti-displacement strategies should take into account the needs, behaviors, and attributes of older residents, such as, at a minimum, whether they would use the internet or other forms of communication to get information about new programs available to them. Thus, in general, to determine which anti-displacement strategies (if any), and in what form, are appropriate to a particular context, study on the particularities of the implementation environment is crucial.

Moreover, policymakers should consider whether a potential policy solution is appropriate given the phase of gentrification their community finds itself in. While some policy solutions can create affordability in neighborhoods with already high rental prices, others are more effective at preserving affordability in neighborhoods that are on the brink of gentrifying.<sup>250</sup> In general, policies could focus on creating new affordable housing, maintaining existing affordable units, creating pathways to ownership, or even supporting pathways to employment and economic opportunity so that community members can benefit from new development and keep pace with the rising cost of living in their neighborhoods. Likely, a combination of strategies is appropriate. Moreover, regardless of which policy is being pursued, collecting data about gentrification, eviction and other forms of displacement, and immobility, as well as the policy's impact on those dynamics, should be a component of any implementation strategy.<sup>251</sup> This type of information can help document patterns in a given neighborhood, and thereby inform efforts to establish and target interventions on an ongoing basis, even as conditions change over time.

This part provides brief descriptions of various policy interventions proposed and described by interviewees and scholars. They are grouped by category, providing examples of places where they have been implemented and discussing key considerations.

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<sup>249</sup> See Vigdor, *supra* note 11, at 173.

<sup>250</sup> See DIANE K. LEVY ET AL., URBAN INST., KEEPING THE NEIGHBORHOOD AFFORDABLE: A HANDBOOK OF HOUSING STRATEGIES FOR GENTRIFYING AREAS 1 (2006), <http://www.urban.org/sites/default/files/publication/50796/411295-Keeping-the-Neighborhood-Affordable.PDF> [<https://perma.cc/N2V7-4CUM>] (“[E]fforts to build new affordable housing in a neighborhood where prices already are high will need to take a different approach from that used in an area with a weaker housing market.”).

<sup>251</sup> See Sims, *supra* note 63, at 229 (arguing that requiring documentation of eviction could allow for more targeted policymaking at the neighborhood and citywide level, and prove that individual evictions, in the collective, amount to a broader pattern of displacement associated with redevelopment).

A. *Creating and Preserving Affordability in Gentrifying Communities*

1. *Affordable Housing Construction*

One way to reduce displacement is by creating or maintaining affordable housing in gentrifying neighborhoods. Beyond securing additional federal and state subsidized housing, which is difficult, time consuming, and unlikely in the current political environment, there are a number of mechanisms for creating affordable housing locally. This section describes two such mechanisms—housing trust funds and inclusionary zoning—which have been implemented in a number of cities.<sup>252</sup>

Housing trust funds (HTFs) are pots of funding usually administered by public agencies and distributed to developers, nonprofits, or local government departments to build affordable housing.<sup>253</sup> HTFs may be launched and administered by state or local actors.<sup>254</sup> Their funding may originate from several sources, including real estate transfer taxes, accumulated interest from real estate transactions, or penalties for late real estate excise tax payments.<sup>255</sup> Accordingly, HTFs are particularly useful where real estate markets are thriving and can generate significant funding. However, because securing the creation of a fund through local ordinances or state legislation can be time consuming and politically fraught—and because accumulating revenue in a fund can likewise be time consuming—efforts to establish new funds should ideally be launched before major gentrification pressures begin.<sup>256</sup> Forty-seven states—including both California and Michigan—and the District of Columbia have HTFs, as do over 560 cities<sup>257</sup> including Los Angeles,<sup>258</sup> and, as of fall 2017, Detroit.<sup>259</sup> Notably, in 2015, the United States

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<sup>252</sup> Other such mechanisms exist as well, including tax incentive programs such as split-rate taxes and tax increment financing; these have not been implemented as broadly. For more information on these types of policies, see LEVY ET AL., *supra* note 250, at 9–11.

<sup>253</sup> *See id.* at 4.

<sup>254</sup> *See id.* (“Housing trust funds can be implemented in any size of city, large or small, or can be applied statewide.”).

<sup>255</sup> *See id.* (citation omitted). Real estate transfer taxes and documentary stamp taxes are the most common revenue sources for HTFs. *See State Housing Trust Funds*, HOUSING TR. FUND PROJECT, <https://housingtrustfundproject.org/housing-trust-funds/state-housing-trust-funds/> [https://perma.cc/A4B9-MMNN].

<sup>256</sup> *See* LEVY ET AL., *supra* note 250, at 5 (citation omitted).

<sup>257</sup> *See City Housing Trust Funds*, HOUSING TR. FUND PROJECT, <https://housing-trustfundproject.org/housing-trust-funds/city-housing-trust-funds/> [https://perma.cc/6YPP-Q6EP].

<sup>258</sup> *Housing Trust Funds in the United States*, HOUSING TR. FUND PROJECT 3 (2016), <https://housingtrustfundproject.org/wp-content/uploads/2017/01/HTFunds-in-the-US-2016.pdf> [https://perma.cc/6PP4-NMJW].

<sup>259</sup> For information about Detroit’s HTF, the Detroit Affordable Housing Development and Preservation Fund, see *From the Field: Detroit Establishes New Housing Trust Fund and Passes Inclusionary Zoning Ordinance*, NAT’L LOW INCOME HOUSING COALITION (Oct. 16, 2017) [hereinafter *Detroit Establishes New HTF*], <http://nlihc.org/article/field-detroit-establishes-new-housing-trust-fund-and-passes-inclusionary-zoning-ordinance> [https://perma.cc/T8SG-NQJW].

Department of Housing and Urban Development launched the first-ever national HTF, the National Housing Trust Fund,<sup>260</sup> through which it distributed \$174 million to states in 2016.<sup>261</sup> However, state and local funding still make up the vast majority of HTF revenue, annually collecting more than \$790 million<sup>262</sup> and \$385 million, respectively.<sup>263</sup>

Inclusionary zoning, also known as inclusionary housing,<sup>264</sup> is policy (usually espoused in a municipal ordinance) requiring or incentivizing residential builders to provide affordable housing in addition to market rate housing.<sup>265</sup> Typically, inclusionary zoning ordinances require that a minimum percentage of units in new residential developments be set aside as affordable for a designated period of time.<sup>266</sup> Sometimes, inclusionary zoning ordinances also include density bonuses that provide financial incentives for building more units on a given lot, thereby counterbalancing the financial disincentive of requiring that portions of development projects be affordable.<sup>267</sup> The idea behind inclusionary zoning is that with the right mix of incentives and requirements, government can induce builders who would otherwise primarily build market-rate housing to produce a wider variety of housing types and prices.<sup>268</sup> This can be particularly useful in higher-income communities where lower-income residents might have increased access to jobs, higher quality city services, and safer neighborhoods.<sup>269</sup>

Inclusionary zoning was already in place in some cities as early as the late 1960s or early 1970s.<sup>270</sup> As of 2010, only about five percent of the jurisdictions in the fifty largest metropolitan areas mandated inclusionary zoning, while twice that percentage offered developers an affordable housing density bonus, “making [that] the single most important regulatory housing program.”<sup>271</sup> Inclusionary zoning is most common in Massachusetts, California,

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<sup>260</sup> See *National Housing Trust Fund Factsheet*, U.S. DEP’T HOUS. & URBAN DEV., <https://www.hudexchange.info/resources/documents/National-Housing-Fund-Trust-Factsheet.pdf> [<https://perma.cc/LF44-SM6V>].

<sup>261</sup> See Press Release, Brian Sullivan, Supervisory Pub. Affairs Specialist, U.S. Dep’t Hous. & Urban Dev. (HUD), HUD Allocates \$174 Million Through New Housing Trust Fund (May 4, 2016), <https://archives.hud.gov/news/2016/pr16-068.cfm> [<https://perma.cc/2C33-ZJ9T>].

<sup>262</sup> See *State Housing Trust Funds*, *supra* note 255.

<sup>263</sup> See *City Housing Trust Funds*, *supra* note 257.

<sup>264</sup> See LEVY ET AL., *supra* note 250, at 5.

<sup>265</sup> See Rolf Pendall, *How Might Inclusionary Zoning Affect Urban Form?*, in URBAN AND REGIONAL POLICY AND ITS EFFECTS 223 (Nancy Pindus et al. eds., 2010) (citation omitted).

<sup>266</sup> See LEVY ET AL., *supra* note 250, at 5.

<sup>267</sup> See *id.* at 6. For other types of incentives inclusionary zoning ordinances may include, see *id.*

<sup>268</sup> See Pendall, *supra* note 265, at 227.

<sup>269</sup> See LEVY ET AL., *supra* note 250, at 6 (citation omitted). For a paper evaluating the effectiveness of inclusionary zoning, see Vinit Mukhija et al., *Can Inclusionary Zoning Be An Effective and Efficient Housing Policy? Evidence from Los Angeles and Orange Counties*, 32 J. URB. AFF. 229, 247–48 (2010).

<sup>270</sup> See Pendall, *supra* note 265, at 225–26.

<sup>271</sup> *Id.* at 235.

and New Jersey,<sup>272</sup> and has been adopted by a number of large cities including Boston and San Francisco.<sup>273</sup> In September 2017, the Detroit City Council unanimously passed an inclusionary zoning ordinance that requires twenty percent of any residential development receiving more than \$500,000 of public funding<sup>274</sup> to be comprised of units affordable to those with incomes below eighty percent of the area median income (AMI), or about \$42,900.<sup>275</sup> The units must remain affordable for at least thirty years.<sup>276</sup> Critics say this measure does not go far enough to make housing in these neighborhoods affordable, since AMI is calculated based on the regional median, and two in three Detroit families earn less than eighty percent of AMI.<sup>277</sup>

Los Angeles, on the other hand, does not have such an ordinance— inclusionary zoning ordinances for rental housing have been suspended throughout California since an appellate court ruling in 2009 found such ordinances to be an illegal form of rent control under California’s Costa Hawkins Act.<sup>278</sup> However, the California Supreme Court clarified in 2015 that the bar on inclusionary zoning under Costa Hawkins does not apply to inclusionary zoning on for-sale housing,<sup>279</sup> and advocates are using this decision to try to gain momentum around efforts to reform the law to authorize inclusionary zoning more broadly.<sup>280</sup>

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<sup>272</sup> See *id.* at 230, 235 (noting that California “leads the nation in the adoption of [inclusionary zoning], with over 35 percent of jurisdictions (124 jurisdictions) estimated to be using [inclusionary zoning]”).

<sup>273</sup> See *id.* at 226 (citation omitted).

<sup>274</sup> See Aaron Mondry, *Detroit’s Inclusionary Housing Ordinance, Explained*, MODEL D: FEATURES (Mar. 5, 2018), <http://www.modeldmedia.com/features/inclusionary-housing-ordinance-030318.aspx> [<https://perma.cc/NN59-LW39>].

<sup>275</sup> Tyler Scott, *Detroit City Council Passes Affordable Housing Ordinance to Fight Gentrification*, MICH. RADIO (Sept. 19, 2017), <http://michiganradio.org/post/detroit-city-council-passes-affordable-housing-ordinance-fight-gentrification> [<https://perma.cc/8KRC-W5WS>]. The ordinance was amended before it was passed, but the original draft ordinance required developers to make ten percent of their units affordable to those making eighty percent of AMI, five percent to those making sixty percent of AMI, and five percent to those making fifty percent of AMI. See Pinho, *supra* note 218.

<sup>276</sup> See *Detroit Establishes New HTF*, *supra* note 259.

<sup>277</sup> Aaron Handelsman & LaToya Morgan, *Opinion: As New Development Attracts New People, Detroit Officials Need to Help Keep the City Affordable*, DET. METRO TIMES (June 28, 2017), <https://www.metrotimes.com/detroit/opinion-as-new-development-attracts-new-people-detroit-officials-need-to-help-keep-the-city-affordable/> [<https://perma.cc/5Q8C-KVTV>].

<sup>278</sup> See Michael Lane, *From the Field: California Supreme Court Upholds Inclusionary Housing*, NAT’L LOW INCOME HOUSING COALITION (June 29, 2015) [hereinafter *California Supreme Court*] (citing *Palmer/Sixth St. Properties, L.P. v. City of Los Angeles*, 96 Cal. Rptr. 3d 875 (Cal. Ct. App. 2009)), <http://nlihc.org/article/field-california-supreme-court-upholds-inclusionary-housing> [<https://perma.cc/P3EB-CDYM>].

<sup>279</sup> See Lane, *supra* note 278; see also Times Editorial Bd., *How to Get More Affordable Housing in Los Angeles*, L.A. TIMES (Aug. 18, 2015), <http://www.latimes.com/opinion/editorials/la-ed-inclusionary-zoning-20150818-story.html> [<https://perma.cc/Q7KN-YZAS>].

<sup>280</sup> See *California Supreme Court*, *supra* note 278 (citing *Cal. Bldg. Indus. Assn. v. City of San Jose*, 351 P.3d 974 (Cal. 2015)); see also Patiño & Gonzalez Interview, *supra* note 84.

Inclusionary zoning has both strong advocates<sup>281</sup> and strong critics.<sup>282</sup> Critics have asserted that inclusionary zoning raises housing prices and reduces housing supply, without doing much to advance affordability.<sup>283</sup> As one critic wrote, “Common sense tells us that you cannot make something more affordable by starting out to make it more expensive.”<sup>284</sup> Another critique is that inclusionary zoning’s impact is limited because it is localized—it does not typically apply to entire housing markets—and because it is dependent upon choices of private actors.<sup>285</sup> Moreover, fear that inclusionary zoning programs that provide “deep” and long-lasting affordability for the lowest-income residents will drive away developers may deter some governments,<sup>286</sup> or incentivize them to implement an ordinance that provides affordability for few.<sup>287</sup> Moreover, mandatory inclusionary ordinances must be established through legislation, which is often difficult and time-intensive to pass. In addition, like other affordable housing policies, the affordability requirements often have expiration dates, so while they may postpone displacement or create affordable options for lower-income residents in gentrifying communities, the solutions may be short-term.<sup>288</sup> Finally, they often do not address the needs of the lowest-income residents who are most likely to be displaced to gentrifying communities: as in Detroit’s ordinance, the ordinances often specify that they require the “affordable units” to be affordable to people who earn below a certain percentage of the AMI, with the units often remaining out of reach to those above that floor.<sup>289</sup>

However, a study on inclusionary zoning programs in California between 1988 and 2005 has indicated that such policies can be effective in shifting the residential housing market toward affordable housing.<sup>290</sup> Hold-

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<sup>281</sup> In Brooklyn, Washington, D.C., San Francisco, Los Angeles, and Louisiana advocates have expressed support of inclusionary zoning as a response to gentrification. See Pendall, *supra* note 265, at 249.

<sup>282</sup> See, e.g., John Paul Hanna, *Guest Opinion: What Can Be Done to Address the Shortage of Affording [sic] Housing?*, PALO ALTO ONLINE (Aug. 26, 2016), <https://www.paloaltoonline.com/print/story/2016/08/26/guest-opinion-what-can-be-done-to-address-the-shortage-of-affording-housing> [<https://perma.cc/G2FX-VF7W>] (outlining economic argument against an inclusionary zoning proposal in Palo Alto, California).

<sup>283</sup> See Pendall, *supra* note 265, at 230 (noting that some jurisdictions might use inclusionary zoning as a “convenient smokescreen that will divert attention from its underlying hostility to low-income housing,” and describing one jurisdiction with an aggressive inclusionary zoning ordinance that had not produced any affordable housing).

<sup>284</sup> Hanna, *supra* note 282.

<sup>285</sup> See Pendall, *supra* note 265, at 227.

<sup>286</sup> See *id.*

<sup>287</sup> See *id.* at 230 (noting that the aggressive inclusionary zoning ordinance in Bridgewater had not produced a single unit of affordable housing as of 1984).

<sup>288</sup> See LEVY ET AL., *supra* note 250, at 7 (citation omitted).

<sup>289</sup> See DETROIT, MICH., ORDINANCE ch. 14, §§ 14-12-1, 14-12-16 (2017), [http://mediad.publicbroadcasting.net/p/michigan/files/ordinance\\_inclusionary\\_final\\_adopted\\_2017\\_sept\\_19.pdf.pdf?\\_ga=2.63374191.1148847557.1505779925-503605376.1433859048](http://mediad.publicbroadcasting.net/p/michigan/files/ordinance_inclusionary_final_adopted_2017_sept_19.pdf.pdf?_ga=2.63374191.1148847557.1505779925-503605376.1433859048) [<https://perma.cc/MR86-LF6D>].

<sup>290</sup> See Pendall, *supra* note 265, at 244 (citing GERRIT-JAN KNAAP ET AL., NAT’L CTR. FOR SMART GROWTH RESEARCH & EDUC., HOUSING MARKET IMPACTS OF INCLUSIONARY ZONING (2008)), [http://smartgrowth.umd.edu/assets/documents/research/knaapbentolowe\\_2008.pdf](http://smartgrowth.umd.edu/assets/documents/research/knaapbentolowe_2008.pdf) [<https://perma.cc/ZWN9-T87H>].



ing constant other characteristics of the cities, Professor Gerrit Knaap and others found that having an inclusionary zoning policy was associated with an average shift of more than six percentage points away from single-family and toward multi-family housing.<sup>291</sup> Strict mandates appear to be even more effective: inclusionary zoning ordinances requiring more than ten percent affordable housing were associated with a twelve percentage point shift toward multi-family housing.<sup>292</sup> Studies of other inclusionary zoning programs have had more mixed results, however. One study by Schuetz and others found no average impact of inclusionary zoning on housing prices.<sup>293</sup>

In addition, unlike HTFs, inclusionary zoning ordinances can often be passed as gentrification is occurring. In the midst of stronger housing markets, developers can be more confident about the profitability of proposed developments, even with inclusionary zoning requirements. For this reason, in California and Washington, D.C., inclusionary zoning ordinances were passed during the housing affordability crises of the 1970s.<sup>294</sup> Thus, though Detroit has recently passed such an ordinance and Los Angeles has yet to do so given existing legal barriers, there may be opportunity for advocates in both cities to collaborate with local officials to shape and implement such policies.

As noted above, political will is the most important barrier to the adoption and effectiveness of these policies as displacement reduction strategies. Specifically, high land costs make providing affordable housing expensive, so in already-gentrifying neighborhoods, stimulating the production of new affordable housing may require incentives or regulations.<sup>295</sup> In not-yet-gentrified neighborhoods, on the other hand, it may be difficult to garner political will to produce affordable housing before displacement occurs, unless the communities are able to effectively identify the harbingers of gentrification based on other examples of more advanced gentrification stories around the country.<sup>296</sup>

## 2. Pathways to Ownership

Low-income renters are often the most vulnerable to the displacement pressures of gentrification, as property values rise and owners seek to cash in on their investment by increasing the rent or selling the property. However, property ownership can allow residents to benefit from the rising property values, rather than being threatened with resultant displacement. Thus, one

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<sup>291</sup> See KNAAP ET AL., *supra* note 290.

<sup>292</sup> See *id.*

<sup>293</sup> See JENNY SCHUETZ ET AL., N.Y. UNIV. FURMAN CTR. FOR REAL ESTATE & URBAN POLICY, THE EFFECTS OF INCLUSIONARY ZONING ON LOCAL HOUSING MARKETS: LESSONS FROM THE SAN FRANCISCO, WASHINGTON DC AND SUBURBAN BOSTON AREAS 8-9 (2007), [http://furmancenter.org/files/publications/IZPolicyBrief\\_LowRes.pdf](http://furmancenter.org/files/publications/IZPolicyBrief_LowRes.pdf) [<https://perma.cc/FD9Q-X5YZ>].

<sup>294</sup> See generally *id.*

<sup>295</sup> See LEVY ET AL., *supra* note 250, at 3.

<sup>296</sup> See *id.*

way that cities have sought to advance and preserve affordability is by creating pathways to ownership for renters. Several different mechanisms for doing so are described in this section. Of course, residents can still choose to sell their property, but with the aid of such policies, they might have more choice than they would otherwise have had.

One way a city might preserve affordability in gentrifying or potentially gentrifying neighborhoods is by leveraging its own land. Cities often acquire vacant properties through tax foreclosures or other means, and hold those properties in entities called land banks.<sup>297</sup> For instance, as of this writing, the City of Detroit, through the Detroit Land Bank Authority (DLBA), owns over 96,000 parcels.<sup>298</sup> There are a number of mechanisms by which cities can distribute these properties in ways that advance affordability and inclusion. In addition, cities can advance inclusion by creating spaces in the decision-making process for community members. For instance, Philadelphia passed a city ordinance establishing a Land Bank in January 2014, which stipulated that the land bank would be the single owner of the city's vacant properties, would be governed by a board of eleven including four community representatives, and would be required to "weigh community benefit, and not just price, when deciding between potential buyers."<sup>299</sup>

One way a city can leverage its own land to advance affordability is by establishing lease terms for its land that create access to affordable ownership. For instance, cities can lease some of their properties to developers for a long period of time, establishing within the terms of the lease certain requirements as to building and maintaining affordable housing that the developer must fulfill.<sup>300</sup> In other words, to gain access to the property to develop, developers become contractually obligated to maintain affordability over time. City governments in New York City and Washington, D.C. have em-

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<sup>297</sup> See PAYTON HEINS & TARIK ABDELAZIM, CTR. FOR CMTY. PROGRESS, TAKE IT TO THE BANK: HOW LAND BANKS ARE STRENGTHENING AMERICA'S NEIGHBORHOODS 11 (2014), [http://www.communityprogress.net/filebin/Center\\_for\\_Community\\_Progress\\_-\\_Take\\_it\\_to\\_the\\_Bank\\_-\\_2014\\_-\\_Updated\\_Online\\_Version.pdf](http://www.communityprogress.net/filebin/Center_for_Community_Progress_-_Take_it_to_the_Bank_-_2014_-_Updated_Online_Version.pdf) [<https://perma.cc/F9Q2-WRPF>].

<sup>298</sup> See DETROIT LAND BANK AUTH., QUARTERLY REPORT TO CITY COUNCIL JANUARY - 2018, at 5 (2018), [https://s3.us-east-2.amazonaws.com/dlba-production-bucket/City\\_Council\\_Quarterly\\_Report/January+2018+City+Council+Report.#LBA.pdf](https://s3.us-east-2.amazonaws.com/dlba-production-bucket/City_Council_Quarterly_Report/January+2018+City+Council+Report.#LBA.pdf) [<https://perma.cc/4HSN-WTTZ>].

<sup>299</sup> Penn Loh, *How One Boston Neighborhood Stopped Gentrification in Its Tracks*, YES! MAG. (Jan. 28, 2015), <http://www.yesmagazine.org/issues/cities-are-now/how-one-boston-neighborhood-stopped-gentrification-in-its-tracks> [<https://perma.cc/HY2E-KY2A>].

<sup>300</sup> See N.Y. UNIV. FURMAN CTR., GENTRIFICATION RESPONSE: A SURVEY OF STRATEGIES TO MAINTAIN DIVERSITY 7 (2016) [hereinafter GENTRIFICATION RESPONSE], [http://furmancenter.org/files/NYUFurmanCenter\\_GentrificationResponse\\_26OCT2016.pdf](http://furmancenter.org/files/NYUFurmanCenter_GentrificationResponse_26OCT2016.pdf) [<https://perma.cc/8YH9-Y8YL>].

ployed this strategy.<sup>301</sup> In New York's case, the leases to developers raise money for public housing.<sup>302</sup>

Cities can also donate properties to nonprofits dedicated to affordability and inclusion, or sell them and restrict the buyers' use of them through legal terms known as restrictive covenants or restrictive declarations.<sup>303</sup> A restrictive covenant is a term in a property deed that indefinitely limits the ways in which the land may be used until the original owner agrees to remove the covenant.<sup>304</sup> Similarly, restrictive declarations are agreements made between a government and private actors that also bind future owners of the land to its provisions.<sup>305</sup> By default, the city would have to enforce these provisions, and thus enforcement could be subject to partisan political pressures. Cities could also stipulate in the covenant or declaration that both city officials and certain designated private parties, such as residents or resident collectives, could enforce the requirement.<sup>306</sup> Such a policy could advance the desires expressed by interviewees in both Detroit and Los Angeles to have a seat at the table in the development process.

*i. Shared Equity Homeownership*

Another way to leverage city-owned land to create long-term affordability is by allocating it toward shared equity home ownership initiatives. While low-income residents might struggle to finance a home solely through debt, shared equity homeownership programs allow residents to receive equity assistance in their home purchase.<sup>307</sup> Typically, resident-controlled nonprofit cooperatives take out a mortgage loan for a multi-household property, and then occupants purchase shares in the cooperative, which can appreciate over time.<sup>308</sup> Such policies aim to "shift housing toward a 'social resource rather than a commodity yielding private windfalls.'"<sup>309</sup> They can take on a variety of forms, including ownership by a public agency, a nonprofit organization, or residents, with the "defining characteristic . . .

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<sup>301</sup> See *id.* at 7 (citing N.Y. UNIV. FURMAN CTR., BUILDING NEW OR PRESERVING THE OLD? THE AFFORDABLE HOUSING TRADEOFFS OF DEVELOPING ON NYCHA LAND (2015) [hereinafter BUILDING NEW OR PRESERVING THE OLD?], [http://furmancenter.org/files/NYUFurmanCenter\\_NYCHABrief\\_13MAY2015.pdf](http://furmancenter.org/files/NYUFurmanCenter_NYCHABrief_13MAY2015.pdf) [<https://perma.cc/A2QL-KPKN>]; NextGeneration NYCHA RFP, N.Y.C. HOUSING PRESERVATION & DEV. (Jul. 1, 2015), <https://www1.nyc.gov/site/hpd/developers/request-for-proposals/NextGeneration-NYCHA-RFP.page> [<https://perma.cc/WMB8-L7XH>]; ROBERT HICKEY & LISA STURTEVANT, URBAN LAND INST. & NAT'L HOUS. CONFERENCE, PUBLIC LAND & AFFORDABLE HOUSING IN THE WASHINGTON D.C. REGION: BEST PRACTICES AND RECOMMENDATIONS (2015), [http://washington.uli.org/wp-content/uploads/sites/56/2015/02/ULI\\_PublicLandReport\\_Final020215.pdf](http://washington.uli.org/wp-content/uploads/sites/56/2015/02/ULI_PublicLandReport_Final020215.pdf) [<https://perma.cc/DLD5-SPZ8>]).

<sup>302</sup> See GENTRIFICATION RESPONSE, *supra* note 300, at 7 (citing BUILDING NEW OR PRESERVING THE OLD?, *supra* note 301).

<sup>303</sup> See *id.* at 7-8.

<sup>304</sup> See *id.* at 8.

<sup>305</sup> See *id.*

<sup>306</sup> See *id.*

<sup>307</sup> POETHIG ET AL., *supra* note 205, at 51.

<sup>308</sup> See *id.*

<sup>309</sup> Sims, *supra* note 63, at 228 (citation omitted).

that it is not owned and operated for profit, sold for speculation, and that it provides security of tenure for residents.<sup>310</sup> Social ownership of housing could reduce or even eliminate the threat of displacement in the long-term.<sup>311</sup>

A community land trust (CLT), a “nonprofit organization governed by community members that stewards land for long-term public benefit,”<sup>312</sup> is one form of social housing that has proven particularly effective in some communities. CLTs can advance affordability and inclusive development by owning land and selling improvements to it, such as housing structures, to homeowners through long-term lease arrangements. The idea is not only to ensure affordability, but also to create a permanent role for community members in the decision-making process regarding how land is allocated.<sup>313</sup> As one member of a land trust explained, “[T]he land trust doesn’t exist just to acquire and manage land. It’s really about engaging [sic] community to decide together what they want on their land.”<sup>314</sup> Put another way, CLTs can serve as a “bridge between the homeowner and the neighborhood.”<sup>315</sup> CLTs have been established in communities such as the Roxbury neighborhood of Boston, and certain neighborhoods in Durham, North Carolina; Madison, Wisconsin; Albuquerque, New Mexico; Burlington, Vermont; Philadelphia, Pennsylvania.<sup>316</sup> City- and state-wide CLTs have been established in places like Chicago and Irvine, and Delaware and Rhode Island, respectively.<sup>317</sup> Most CLTs focus on affordable housing and serve urban areas.<sup>318</sup> According to a 2011 survey of ninety-six CLTs across the United States, they together hold nearly ten thousand housing units.<sup>319</sup>

CLTs typically operate by gaining ownership of property—for example, if a city uses its eminent domain power to grant property to the CLT—building or improving the homes on the properties, and then selling just the structure on the land to a community member at an affordable price. Meanwhile, the CLT maintains ownership of the land beneath the structure, and thus can sell the homes at more affordable rates. Typically, residents can sell the homes themselves but resale prices are constrained to preserve affordability.<sup>320</sup> For example, in the CLT in the Roxbury neighborhood of Boston, the price is capped at a one-half percent increase per year, up to a maximum of five percent over ten years.<sup>321</sup> CLTs also often provide counsel-

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<sup>310</sup> *Id.*

<sup>311</sup> *See id.*

<sup>312</sup> *See* Loh, *supra* note 299.

<sup>313</sup> *See* POETHIG ET AL., *supra* note 205, at 52.

<sup>314</sup> *See* Loh, *supra* note 299.

<sup>315</sup> *See id.* (quoting Tony Hernandez).

<sup>316</sup> *See id.*

<sup>317</sup> *See id.*

<sup>318</sup> *See id.*

<sup>319</sup> *Id.*

<sup>320</sup> *See* POETHIG ET AL., *supra* note 205, at 52.

<sup>321</sup> *See* Loh, *supra* note 299.

ing and other support services to residents to advance financial stability and detect challenges early.<sup>322</sup>

Cities can advance the creation, successful implementation, and effective operation of CLTs in a number of ways. Of course, an important way to support CLTs is by providing them with opportunities to own land. Land banks could establish processes or programs whereby community benefit is an important objective, and community members have a say in how the land gets allocated.<sup>323</sup>

One example of a highly effective CLT is the Dudley Street Neighborhood Initiative (DSNI), a CLT in the Roxbury neighborhood of Boston. In the 1980s, Roxbury community members concerned about future development in Boston's South End were able to successfully lobby the City of Boston to allocate vacant lots to a CLT using its eminent domain power; the city allocated sixty acres of blighted land to the CLT.<sup>324</sup> Today, DSNI has a thriving community of 225 units of affordable housing including ninety-five units of permanently affordable homeownership, seventy-seven cooperative housing units and fifty-three rental units; a single family moderate income home currently being built by Youth Build Boston; a playground; a mini-orchard and community garden; a greenhouse, and community nonprofit office space.<sup>325</sup> By many metrics, the community is thriving. A 2011 study found that only 0.46% of DSNI homeowners were in foreclosure proceedings, compared to 4.63% outside of DSNI,<sup>326</sup> suggesting that the CLT has been effective in reducing displacement.

ii. *Land Use Regulation*

Cities and states can also leverage land use regulation to encourage or ensure affordable housing.<sup>327</sup> State land use regulation comes in many forms. While some states, such as Oregon, mandate that their localities provide for multi-family housing,<sup>328</sup> others, such as Pennsylvania, restrict local governments from excluding it.<sup>329</sup> To carry out the goals related to housing and urbanization, Portland's elected council adopted the Metropolitan Housing Rule, requiring local governments to zone so that attached single- and multi-family homes make up at least half of the zoned capacity for potential housing units.<sup>330</sup>

One variation on this type of regulation—or, rather, proposal to reform existing regulations—that has become a topic of conversation and fervent

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<sup>322</sup> See POETHIG ET AL., *supra* note 205, at 52.

<sup>323</sup> See, e.g., Loh, *supra* note 299 (discussing Philadelphia's efforts).

<sup>324</sup> See *id.*

<sup>325</sup> *Land Trust 101*, DUDLEY NEIGHBORS INC., <http://www.dudleyneighbors.org/land-trust-101.html> [<https://perma.cc/8R6B-DH7H>].

<sup>326</sup> Loh, *supra* note 299.

<sup>327</sup> See Pendall, *supra* note 265, at 233.

<sup>328</sup> See *id.* at 234.

<sup>329</sup> See *id.* (citing *Surrick v. Zoning Hearing Bd. of Upper Providence Township*, 382 A.2d 105 (Pa. 1977)).

<sup>330</sup> See *id.*

debate in cities such as Los Angeles is the debate around accessory dwelling units (ADUs).<sup>331</sup> ADUs, sometimes called “in-law units” or “granny flats,” are second homes on a single-family lot.<sup>332</sup> Though often legally prohibited or stringently regulated,<sup>333</sup> ADUs have become increasingly common in a few cities such as Seattle and Portland and seem poised to grow based on a recent push to loosen zoning restrictions that bar them.<sup>334</sup> Affordable housing advocates in Los Angeles had long advocated for such reforms as a means of increasing the supply of affordable housing, and thus lowering housing costs.<sup>335</sup> Their calls were answered on January 1, 2017, when California passed a law that eased ADU zoning and permitting.<sup>336</sup> Experts project that adding a secondary unit to just ten percent of single-family properties in Los Angeles would create fifty thousand homes.<sup>337</sup> It could also allow lower-income residents to find additional ways to meet the rent in gentrifying neighborhoods, for example by housing extended family (who can help pay rent) in the ADU. Opponents of ADUs often argue that allowing such construction could change the character of the neighborhood.<sup>338</sup>

Though it is still too early to assess the impact of the ADU-friendly legislation in California, some promising early results are emerging from cities like Seattle, Portland, and Vancouver. In Seattle, though ADU applications still come from wealthier homeowners, city staff say that ADUs rent at more affordable rates than conventional housing.<sup>339</sup> In addition, surveys of ADU owners in the three cities find that sixty percent of ADUs will be used for permanent housing, and twelve percent for short-term rentals, and—at

<sup>331</sup> See, e.g., Emily Alpert Reyes, ‘Granny Flats’ Left in Legal Limbo Amid City Hall Debate, L.A. TIMES (Aug. 28, 2016, 5:00 AM), <http://www.latimes.com/local/lanow/la-me-ln-granny-flats-20160821-snap-story.html> [<http://perma.cc/7484-KAPU>].

<sup>332</sup> See *id.*

<sup>333</sup> See *id.* In Los Angeles, regulations include parking space requirements, driveway requirements (a ten-foot wide uncovered passageway) prohibitions on building such structures in hilly parts of town, and size constraints.

<sup>334</sup> See KAREN CHAPPLE ET AL., URBAN LAND INST., JUMPSTARTING THE MARKET FOR ACCESSORY DWELLING UNITS: LESSONS LEARNED FROM PORTLAND, SEATTLE, AND VANCOUVER 4 (2017), [http://ternercenter.berkeley.edu/uploads/ADU\\_report\\_4.18.pdf](http://ternercenter.berkeley.edu/uploads/ADU_report_4.18.pdf) [<https://perma.cc/NNC6-W7R9>].

<sup>335</sup> See Hanna, *supra* note 282 (“Restrictions on building second units on a parcel limit the supply of affordable housing. If the city were to remove restrictions on second dwelling units, the result would be more affordable homes at no expense to taxpayers; and, they would be equally distributed throughout the community rather than being concentrated in a ‘housing project.’”).

<sup>336</sup> See *id.* California had also passed two laws regarding ADUs in 2016. See Kathleen Pender, *New California Housing Laws Make Granny Units Easier to Build*, S.F. CHRON. (Dec. 3, 2016), <https://www.sfchronicle.com/24hrsale/article/New-California-housing-laws-make-granny-units-10688483.php> [<https://perma.cc/M9NL-QT7B>].

<sup>337</sup> See Liam Dillon & Andrew Khouri, *How to Solve California’s Housing Shortage? Build “Granny Flats” in Homeowners’ Backyards*, L.A. TIMES (July 26, 2016, 3:00 AM), <http://www.latimes.com/politics/la-fi-small-houses-solution-20160725-snap-story.html> [<http://perma.cc/HJU9-C2ZC>].

<sup>338</sup> See, e.g., Joe Linton, *NIMBYs Against Parking Reforms for Granny Flats*, STREETS BLOG L.A. (Dec. 2, 2016), <http://la.streetsblog.org/2016/12/02/nimbys-against-parking-reforms-for-granny-flats/> [<https://perma.cc/KHS3-BSL7>].

<sup>339</sup> See CHAPPLE ET AL., *supra* note 334, at 10.

least in some cases—it was only the prospect of that rental income that allowed the owners to purchase the entire property.<sup>340</sup> Moreover, fifty-eight percent reported renting below market rate, with only about forty percent of those units rented to the homeowner’s friends or relatives, suggesting that these units may indeed provide affordable options in “hot” housing markets.<sup>341</sup> Finally, the survey results suggested that the loosened regulations had helped motivate ADU construction.<sup>342</sup> Policymakers and scholars should continue to rigorously measure the impact of such reforms to determine the impact on low-income residents’ ability to remain in place and thrive in gentrifying neighborhoods. However, these early results seem to suggest that such reforms could create an affordable option for both lower-income homeowners and lower-income renters in gentrifying neighborhoods, even neighborhoods in Los Angeles where gentrification is further along than those in Detroit.

### B. Reducing Displacement from Rental Housing

Given the research showing that renters tend to be particularly vulnerable to displacement and immobility accompanied by rising housing costs,<sup>343</sup> tackling rental affordability is another intervention strategy. This section describes several strategies for doing so, including rent control and tax incentive programs.

#### 1. Rent Control

One way of preserving affordability for renters is with rental price supports, of which there are several variations, including rent control, rental subsidies, and assistance finding a new—less expensive—residence.<sup>344</sup> Rent control, or rent stabilization, aims to protect tenants in private rental properties from rapid rent increases by barring increases beyond a certain percentage of the current rent.<sup>345</sup> Currently, four states (and Washington, D.C.) have cities with rent control laws: California, New York, New Jersey, and Maryland.<sup>346</sup> Most other states prohibit or preempt such laws,<sup>347</sup> so adopting rent control would require state legislation. In addition, because landlords’ incentives to oppose rent control increase as cities gentrify and housing val-

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<sup>340</sup> See *id.* at 17.

<sup>341</sup> See *id.* at 18.

<sup>342</sup> See *id.* at 19.

<sup>343</sup> See, e.g., Vigdor, *supra* note 11, at 172–73 (finding that Boston renters are vulnerable to gentrification-induced negative effects).

<sup>344</sup> See *id.*

<sup>345</sup> See LEVY ET AL., *supra* note 250, at 15.

<sup>346</sup> See GENTRIFICATION RESPONSE, *supra* note 300, at 16 n.35.

<sup>347</sup> *Rent Control Laws by State*, NAT’L MULTIFAMILY HOUSING COUNCIL, <http://www.nmhc.org/Research-Insight/Rent-Control-Laws-by-State/> [<https://perma.cc/AX9V-JZ6K>].

ues rise,<sup>348</sup> adoption is more feasible before severe gentrification pressures set in.

Rent control has produced mixed results in terms of preventing displacement of low-income populations and increasing economic integration.<sup>349</sup> In California, cities with rent control have seen less of an increase in rents and incomes on average than those without, whereas in New Jersey, the opposite is true.<sup>350</sup> Research has also shown that New York City rent control tenants are, on average, lower-income and older than tenants in the city overall, and are also more likely to be white.<sup>351</sup> Thus, a question arises about whether the policy equitably benefits those most in need, as many low-income tenants in New York City are not white.<sup>352</sup> In addition, rent control—like most policies—may not serve its desired purpose if tenants are not informed of their rights. Landlords desperate to sell a rent-controlled property because of rising property values might threaten tenants to incentivize them to leave. In Los Angeles, interviewees said that landlords of rent-controlled buildings often threaten tenants in this manner, which particularly affects vulnerable populations such as non-English speakers.<sup>353</sup>

Critics assert that rent control interferes with landlords' ability to provide housing on the private market by regulating their return on investment. Some argue that rent control reduces their return to the point that it becomes financially infeasible to maintain the property, and thereby reduces the stock of affordable units.<sup>354</sup> There are also a number of other criticisms, including that such regulations discourage the construction of new housing, shift the property tax burden to non-rent-controlled properties, and focus on the units themselves rather than on low-income tenants.<sup>355</sup>

## 2. Tax Relief and Incentives

As property values in gentrifying neighborhoods rise, increasing property taxes can create an unsustainable burden on low-income homeowners (and business owners who own their property). Providing property tax relief and assistance is one way to support these residents and reduce the likelihood that they will be displaced or face foreclosure as a result of an inability

<sup>348</sup> See LEVY ET AL., *supra* note 250, at 18.

<sup>349</sup> See ZUK ET AL., *supra* note 32, at 8.

<sup>350</sup> See *id.* at 61 (citing Edward L. Glaeser, *Does Rent Control Reduce Segregation?*, 10 SWEDISH ECON. POLICY REV. 179 (2003))

<sup>351</sup> See *id.*

<sup>352</sup> See *Racial/Ethnic Socio-Demographic Disparity at the State Level, New York State*, N.Y. ST. DEP'T HEALTH 6 (2009), [https://www.health.ny.gov/statistics/community/minority/docs/socio-demographic\\_disparities-nys.pdf](https://www.health.ny.gov/statistics/community/minority/docs/socio-demographic_disparities-nys.pdf) [<https://perma.cc/8TZQ-XTC3>].

<sup>353</sup> See *supra* notes 84, 153.

<sup>354</sup> See LEVY ET AL., *supra* note 250, at 16.

<sup>355</sup> See *id.* Many of these criticisms contributed to the defeat of California's Proposition 10 in November 2018. The measure would have repealed the Costa Hawkins Act, allowing cities across the state to expand rent control. See Melody Gutierrez, *Prop. 10: California Rent Control Expansion Defeated*, S.F. CHRON. (Nov. 6, 2018), <https://www.sfchronicle.com/politics/article/Prop-10-California-rent-control-expansion-13369284.php> [<https://perma.cc/X9PA-VUHP>].



to withstand the rising tax burden. Tax deferral legislation can benefit lower-income residents of gentrifying neighborhoods, particularly the elderly, by allowing them to defer payment of property tax increases until they sell their home.<sup>356</sup> Local governments can also support low-income homeowners whose tax burden is increasing due to gentrification by providing low-interest grants and loans for property maintenance, thereby increasing the likelihood owners can stay in their homes.<sup>357</sup>

Another way that some cities have considered protecting the affordability of unsubsidized housing stock is through property tax incentives for owners.<sup>358</sup> Responding to a significant reduction in stock of the unsubsidized units affordable to low-income households in the past decade or so, New York City proposed such a program in its 2014 ten-year housing plan.<sup>359</sup> The idea is that although New York City has rent control, there is no cap on how much owners may increase the rent upon vacancy,<sup>360</sup> and the tax incentive program could help maintain affordability. Though programs like this are relatively untested, a study by NYU's Furman Center found that "there are some markets in the city where an owner of an unsubsidized building would agree to restrict future rent increases in exchange for a tax benefit": markets where landlords are not optimistic about rent growth in the neighborhood.<sup>361</sup> If that is indeed the case, such a program is less likely to be helpful as a means of reducing displacement in gentrifying neighborhoods, where landlords may perceive rapid rent increases on the horizon.

### C. Building Social and Political Capital

As previously mentioned, gentrification can create new economic opportunities in close proximity to, or even within, gentrifying neighborhoods. Residents who are able to capitalize on those opportunities may not only be able to stay put, but also benefit from the socioeconomic changes gentrification brings to their neighborhood. This may require policy responses outside of the housing sector, such as employment training programs, school quality improvements, or education subsidies for qualifying residents.<sup>362</sup> One interviewee proposed trainings for minority residents in Detroit so that they could capitalize on development opportunities in their own neighborhoods.<sup>363</sup> While options in this category are varied, and only two are de-

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<sup>356</sup> See *id.* at 21–22.

<sup>357</sup> See *id.* at 22.

<sup>358</sup> See, e.g., JESSICA YAGER, N.Y. UNIV. FURMAN CTR., THE CHALLENGE OF RISING RENTS: EXPLORING WHETHER A NEW TAX BENEFIT COULD HELP KEEP UNSUBSIDIZED RENTAL UNITS AFFORDABLE (2015), [http://furmancenter.org/files/NYUFurmanCenter\\_ChallengeofRisingRents\\_10JUN2015.pdf](http://furmancenter.org/files/NYUFurmanCenter_ChallengeofRisingRents_10JUN2015.pdf) [<https://perma.cc/2MJK-LCM6>].

<sup>359</sup> See *id.* at 1.

<sup>360</sup> However, a rent increase greater than twenty percent requires an investment in the unit. See *id.*

<sup>361</sup> *Id.* at 11.

<sup>362</sup> See Vigdor, *supra* note 11, at 144.

<sup>363</sup> See Cantrell Interview, *supra* note 225.

scribed here, the key point is to expand tenants' capacity to advocate more effectively for themselves so that they are more likely to benefit from the economic opportunities that exist in their neighborhood.

### 1. *Supporting Tenant Advocacy*

Supporting tenants' access to information about their legal protections—and expanding those protections themselves—can also help reduce displacement.<sup>364</sup> Any of the aforementioned legal protections, such as rental price supports, are only effective if tenants are aware of and can enforce them. While those accused of crimes and threatened with some types of civil deprivation have a right to an attorney, there is no constitutional right to legal representation in housing cases.<sup>365</sup> When threatened with eviction—whether or not the landlord may legally evict them under the circumstances—tenants who do not know their rights may “voluntarily” leave. In Los Angeles, interviewees said that landlords of rent-controlled buildings often threaten tenants in this manner,<sup>366</sup> which particularly affects vulnerable populations such as non-English speakers. Staff at one community organization reported that landlords in their neighborhood threaten to call U.S. Department of Homeland Security Immigration and Customs Enforcement.<sup>367</sup> Thus, expanding access to pro bono representation—including by legislatively extending a right to an attorney in eviction cases—could be an important part of an anti-displacement strategy, as would funding and supporting organizations that support tenant advocacy through eviction clinics or know-your-rights trainings.

### 2. *Maintaining Social Service Organizations*

Like the communities they serve, social service organizations may be displaced by gentrification. Part of any strategy to allow low-income people to remain in place should include strategies to allow these community touchstones to remain as well. As Professor DeVerteuil explained: “staying put” enables the persistence of service hubs in the gentrified inner city and guarantees the continued existence of the public city; the very presence of non-profit social services then may act as bulwarks against further gentrification.”<sup>368</sup> Policy interventions that may reduce social service organization dis-

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<sup>364</sup> See Sims, *supra* note 63, at 230.

<sup>365</sup> See generally Rachel Kleinman, *Housing Gideon: The Right to Counsel in Eviction Cases*, 31 *FORDHAM URB. L.J.* 1507 (2004) (arguing for the extension of the right to counsel to housing cases). Some cities, such as San Francisco and New York, have passed their own local right to counsel in housing cases, and the Los Angeles City Council in August 2018 launched an initiative to explore a “right to counsel” ordinance. See City News Service, *‘Right to Counsel’ Law for L.A. Tenants Facing Eviction Moves Forward*, L.A. *DAILY NEWS* (Aug. 11, 2018), <https://www.dailynews.com/2018/08/11/right-to-counsel-law-for-l-a-tenants-facing-eviction-moves-forward/> [https://perma.cc/5UFX-GGKJ].

<sup>366</sup> See, e.g., Interview with Los Angeles Community Organizer, *supra* note 153.

<sup>367</sup> See *supra* notes 84, 153.

<sup>368</sup> DeVerteuil, *supra* note 9, at 214.

placement include the provision of financial support or subsidized leases.<sup>369</sup> Other interventions described above in the residential context, such as “land use controls and dedicated space that guarantee a persistent and legally-legitimate base for services,” and “reduced property taxes where otherwise they would have been priced out with pervasive gentrification,” could be effective in this context as well.<sup>370</sup> In Los Angeles, facilities that have managed to remain in gentrifying areas attribute their continued tenancy to supportive public and private sector partners that made the retention of nonprofit social services a priority for the neighborhood, such as by declining to adopt a policy to evict nonprofit social service agencies.<sup>371</sup> In other neighborhoods, such as Downtown, however, Community Redevelopment Agencies have implemented a “managed displacement” strategy of moving facilities deeper into low-income areas to allow gentrification to take place in their previous locations. In some cases, the city has “subsidized immobility” by conditioning subsidies on that managed displacement.<sup>372</sup>

However, even the organizations that manage to stay face challenges. Professor DeVerteuil found that a number of facilities were “lock[ed] in” to their locations because of rising rents around the city, were unable to expand “due to gentrification-infused NIMBYism [Not-In-My-Backyard-ism],” and found it “necessary to improve their community image and micro-manage their clientele even more.”<sup>373</sup> Finally, “staying put means that while facilities stand their ground and actively (or passively) contest displacement, the clientele themselves may be displaced further and further away to cheaper and more socially amenable locales. This is particularly a problem for very poor renters in places like Los Angeles, where governmental-subsidised [sic] tenure is exceedingly low. . . .”<sup>374</sup> In sum, policymakers seeking to advance inclusive development and mitigate the negative impacts of gentrification should consider not only how to preserve affordability for low-income residents, but also how to preserve the local social services that support their ability to remain and sustain.

## CONCLUSION

Though gentrification is taking place at an increasing rate in cities across the United States, the displacement and immobility of low-income people who have long occupied now-gentrifying neighborhoods is by no means a foregone conclusion of economic development. Law- and policymakers concerned about the economic well being of low-income community members, and about ensuring that their cities remain diverse well into the

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<sup>369</sup> See *id.* at 213 (describing the tactics of some facilities in relying on (1) direct funding from local government and (2) subsidized leases in publicly-owned buildings).

<sup>370</sup> *Id.* at 209.

<sup>371</sup> See *id.* at 214.

<sup>372</sup> See *id.*

<sup>373</sup> *Id.* at 215.

<sup>374</sup> *Id.*

future, can and should intervene to mitigate gentrification's harmful effects by pursuing inclusive development strategies. Models for how to do so exist in cities and neighborhoods throughout the country, where communities and cities have piloted a number of solutions to secure affordability and access alongside growth.

Gentrification is a process that occurs in blurred phases, and policy interventions should be tailored to the phase of gentrification that the neighborhood is in and to the context and particular needs of that neighborhood and the city in which it is located. Ideally, local policymakers, in consultation and partnership with affected communities, should begin planning well ahead of the spiraling rental price increases and other pressures associated with gentrification. In other words, the best solution to gentrification is avoiding gentrification through inclusive development: locking in affordability and economic opportunity for existing community members so that they too can benefit from the economic growth finally at their front door. In many Detroit neighborhoods that are further from the Downtown area that has been the focus of development efforts, this is still possible. In other neighborhoods, such as Los Angeles's Boyle Heights, where gentrification and displacement have already begun, or in Silverlake, where it is even further along, different policy solutions are required, such as those that capitalize on rising property values by using them as leverage to incentivize affordable development.

Solutions can, but need not be, legislative or regulatory. Policymakers can also leverage existing resources. For example, CLTs—which local governments can help to facilitate and support by providing grants of city-owned land and clearing regulatory hurdles—appear to be a particularly promising model. As the example in Boston's Roxbury neighborhood demonstrates, CLTs can lock in long-term affordability, opportunities to build equity through collective ownership, and participatory decision-making processes to ensure that community members' commercial, as well as residential, needs are met.

Because of insufficient data on gentrification and displacement, however, the effectiveness of many of these policy solutions at reducing gentrification's negative effects remains to be seen. Policy solutions should build in plans to collect and use data to identify gentrifying neighborhoods and track the impact on community members, in order to understand community needs, target interventions, and measure their impact.

Finally, as the case study sections on "community experiences" have illustrated, community members have deep knowledge of their neighborhood, visions for what its future should look like, and wisdom about the barriers that policies might face in the particular context. Their exclusion from the policymaking process is part of what created the conditions for gentrification to take hold in the first place; they should be partners in crafting solutions.

## APPENDIX I

## INTERVIEWEES\*

Detroit	Los Angeles
three neighborhood organization directors community advocate two developers two community development corporation directors former mayoral advisor community arts organization director law professor	three community advocates housing policy professor community development corporation director tenant advocate mayoral advisor bank community lending manager

\* The author also observed tenant advocacy sessions in each city, two in Detroit and one in Los Angeles.

APPENDIX II

TOM BOY SUPER MARKET, JULY 2015

