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Insufficient income taxes on the rich, cash-starved local governments and opportunistic developers constitute the ingredients for a particularly bitter pill for low-income people: higher rents.

So says Peter Moskowitz, who has written a new book exploring gentrification and its impacts on American cities. But what particularly worries him is the fact that young white people moving to cities – those urbanites who contribute to gentrification while also suffering the effects of it – fail to recognize they can be part of a badly needed mainstream political movement for housing, he said.

“They just see themselves as like, ‘Well, I just have to make more money to afford more rent.’ Or, ‘Well, I should move to a different city,’” Moskowitz said. “It’s much easier to see yourself as individualized than it is to see yourself as part of this collective action that needs to take place.”

That collective action is materializing in cities overseas.

“It’s not uncommon in Berlin to have tens of thousands of people on the streets protesting gentrification, which seems almost unfathomable in most U.S. cities right now,” he said.

Moskowitz is author of “How to Kill a City: Gentrification, Inequality, and the Fight for the Neighborhood,” which he describes as a narrative journey through gentrification in San Francisco, New Orleans, Detroit and New York City. The book was published in March.

The Philadelphia-based journalist and writer spoke with Street Roots about gentrification, its causes, its effects and some potential solutions.

Jared Paben: *To set the scene for readers, I was wondering if you could give us a sense of what gentrification looks like on the ground. If I were walking down the street, how would I recognize it?*

Peter Moskowitz: It looks like a couple of different things. When it’s first starting out, you might just see the renovations. Or you might see new trees being planted. It might look like a neighborhood is really coming back to life, especially if it’s happening in a neighborhood that’s been disinvested in for a long time. Slowly but surely things will change. How I see

the end of gentrification – or the last stage – is that neighborhoods move into a different scale of living. Buildings get bigger, they become completely unaffordable to the people that used to live in that neighborhood, and the entire feel of a neighborhood changes because it now caters to that new demographic. So I think the changes can start out as subtle, but nowadays, especially in a city like Portland, I think you’re seeing less of that mom-and-pop-moving-in-and-fixing-up-a-house kind of gentrification and more of the corporate, top-down gentrification where condos are all of a sudden plopped into a neighborhood.

High tax rates for the rich “used to pay for things like public schools. That used to pay for things like public transit, for public housing, for housing subsidies. And now none of that exists, so cities are fending for themselves, and the only way that they can fund their tax base is to attract rich people.”

PETER MOSKOWITZ

J.P.: *What are some of the ingredients that lead to the gentrification of different parts of cities?*

P.M.: I think you should go all the way back to how cities became attractive real estate investments in the first place. If you look at right after World War II and the creation of the suburbs – really right after the Great Depression, which is when the suburbs started to be created – the federal government essentially subsidized the mortgages of white people and redlined communities

of color. And what “redlining” means is literally they drew red lines on maps and said, “Banks cannot lend here.” And they determined what neighborhoods those would be based on how many people of color lived in them. And so what that essentially did was push an entire generation of white people out to the suburbs and give them wealth in the form of housing and create a completely disinvested urban core. So now fast forward to the 2000s, and what’s an attractive real estate investment if you’re an investor? The suburbs are already built out. Commute times are ridiculous. No one wants to live there anymore because it’s boring. And cities all of a sudden seem like a great investment: They’re cheap. You can buy a bunch of single-family homes and build a huge condo there and get a great return on your investment. That’s the main ingredient is this decades-long history of disinvestment in the cities. And now that kind of seesaw has tipped it the other direction.

I also think you have to look at how governments fund themselves these days, when tax rates on the rich are so low, especially at the federal level. We used to have 70, 80, 90 percent income tax rates for the richest Americans, and now

that’s down to about 39 percent. And with all the loopholes, even lower than that. That used to pay for things like public schools. That used to pay for things like public transit, for public housing, for housing subsidies. And now none of that exists, so cities are fending for themselves, and the only way that they can fund their tax base is to attract rich people. That merges with developers’ interests to buy up real estate for cheap. And cities all of a sudden say, ‘Hey, want to bring a bunch of rich people to the city? Well that’s good for our bottom line. Here’s some land, here’s some tax breaks. Please come and do what you will.’

J.P.: *Some of what you mentioned about mortgage policies and redlining I recognize from the Vice article you wrote focusing on LGBTQ communities in New York. Looking at that, are there examples of specific places where it’s been most disheartening – or even maddening – to see this occur? You talked about New York, but you also mentioned in “How to Kill a City” New Orleans, San Francisco and Detroit.*

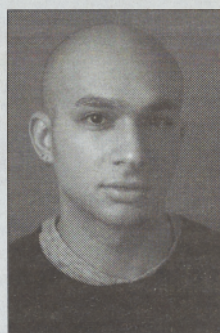
P.M.: I visited those four cities, and I’ve never actually been to Portland, but I do hear it’s pretty bad there. But yeah, I think pretty much every large and mid-sized city is under pressure right now. To me, the most disheartening is a place like New Orleans because of how (Hurricane) Katrina decimated the city and how the city used that as an opportunity to essentially kick out 100,000 African-Americans. There are now 100,000 fewer African-Americans living there than there were before Katrina. And you know, the politicians essentially said – the governor at the time, Kathleen Blanco, said it took the storm of a lifetime to create the opportunity of a lifetime. And they dismantled the school system, they dismantled the public housing system. So that was just the most direct and evil – for lack of a better word – version of gentrification I saw. But I really think anywhere it’s happening it’s sad. Because even if it does bring new public transit or revitalization in an aesthetic sense to a neighborhood, it’s pointing to this deeper sickness of how we fund our cities and how we think of our cities.

J.P.: *In your research, did you find that liberal cities are more prone to this than conservative ones? Or did you see any kind of difference at all with regard to political philosophies in a city?*

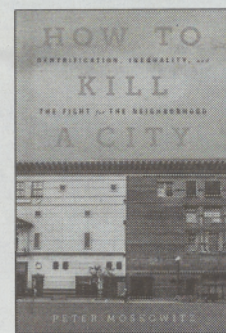
P.M.: I don’t really think political philosophy matters that much because, nowadays, liberals and conservatives have very little differences when it comes to city policy. New York, for

UPZONED and DISOWNED

Author Peter Moskowitz discusses gentrification – how it happens, who it harms, and how we can work toward a solution



Peter Moskowitz



“How to Kill a City,” by Peter Moskowitz

example, or San Francisco – they’re both good examples, but let me talk about San Francisco. They’re socially liberal. They’re pro-gay marriage. But they’re still giving tax breaks to developers. They’re still giving tax breaks to large companies. They’re still underfunding public transit and public housing. So there are maybe degrees of difference between these cities, between a conservative city and a liberal city. At the end of the day, I don’t really think it matters that much these days. Every city is kind of addicted to funding themselves via gentrification.

J.P.: *Is that fair to say, in general, that government fiscal policy is a prime driver?*

P.M.: Yeah, I think it’s the prime driver. Let’s say you have a hundred poor people and a hundred middle-class people and a hundred rich people in a city. The poor people are going to require more resources in terms of housing, in terms of public transit, and all those things. Theoretically, the rich people in a classical Keynesian economic model would fund those poor people, but because we don’t have high enough income taxes, we have to extract wealth in other ways. And that’s essentially become the job of city governments, is to convince rich people to spend their money in cities. Whether that’s buying a condo so they can extract it through property taxes or coming there as tourists, whatever it may be. Michael Bloomberg, the former mayor of New York, one day on the radio said if we could just get a couple more billionaires to live in New York, so many of our problems would be solved. That’s really the modus operandi of cities: How do you get as many rich people living there as possible?

J.P.: *That’s an interesting idea. It almost sounds like the land-use laws that allow this kind of upzoning are really being driven by a lack of tax revenue, and that’s what’s having the downstream effects on low-income people in those neighborhoods.*

P.M.: Exactly.

J.P.: *But isn’t there something to be said for upzoning areas to allow more density, to allow more transit-oriented development, walkable cities, things like that?*

P.M.: Sure. I think it is

unfortunate American cities were developed in this really silly way that was based on automobiles, and it does make sense to create walkable cities. But the problem is that you want to do that in a way that doesn’t just end up creating these rich enclaves. You can’t just use buzzwords like “walkability” or something. You have to actually create policy that protects people. Looking at Williamsburg in Brooklyn, for example, that was completely upzoned to have 30-story-tall, 50-story-tall condo towers. Before, it was kind of an abandoned industrial waterfront. Is that really a problem? Not necessarily. But if the people living on the next block don’t have rent control, then they’re essentially forced out. And if they don’t invest an equal amount in public transit as they did upzoning, then you have what you have now. They literally can’t fit enough people on the EL Train. It doesn’t work anymore. And I assume the same thing is happening in Portland. They’re building more densely. That’s great. But if you’re building more densely and you’re not protecting the people across the street from the effects of that, then what’s the point? If you’re doing transit-oriented development without adding transit, then what’s the point?

J.P.: *What are some concrete steps that American cities can take to mitigate some of these impacts on low-income people?*

P.M.: In terms of government solutions, I think the most pressing thing is rent control across the board, universal rent control. And I believe essentially every city should have that. I think a lot of cities get scared that if they institute rent control, then it doesn’t give incentives for landlords to fix up places or to even buy up buildings. But rent control in Detroit doesn’t have to be the same as rent control in Portland, which doesn’t have to be the same as rent control in New York. Every city can figure out a system and a metric by which to cap people’s rent.

In terms of other government solutions, I really think higher taxes are the way to go, but we’re so far from there in this country. The biggest solution is we have to start building a political movement around housing. Housing is not thought of really politically in this country. In the last presidential election, it wasn’t mentioned once during the entire campaign, even though it’s everyone’s biggest expense, not only in cities but in suburbs, too. We have food-justice movements; we have anti-poverty movements. There’s not a mainstream housing movement in this country, which is kind of baffling to me and is something I think

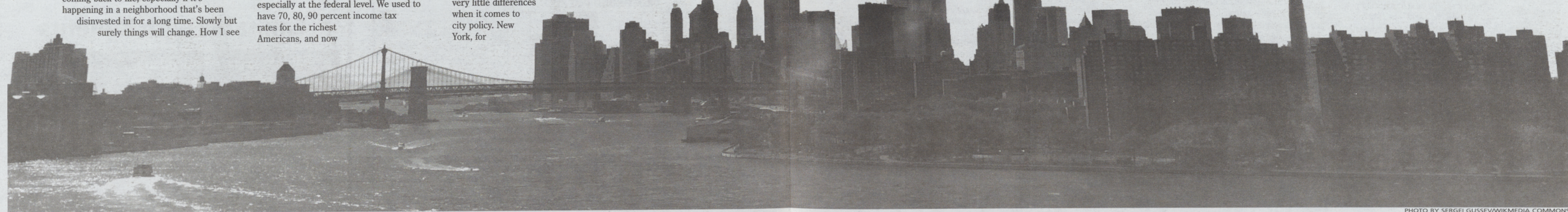
needs to change if we have a hope of changing how we live.

J.P.: *To play devil’s advocate a little bit, if the private sector is looking at an area and investing a lot of money in there and creating jobs and bringing in tourists, does that always have to be bad?*

P.M.: I think if communities can wrest control from that situation, it doesn’t necessarily have to be bad. In Detroit, for example, they’re working on instituting a community benefits ordinance where big developments have to talk to community members. Before they move in, they have to guarantee a certain number of jobs to go to local residents for publicly funded developments like stadiums and things like that. So I think there are ways to wrest control away from corporations and more towards citizens, and that can give people a better say in how development happens. It’s not like people living in the outer neighborhoods of Detroit don’t want to see development. Because I think people would rather live next to a bunch of houses that are filled with people than live on a block of abandoned houses and wild dogs, which is what a lot of Detroit is. So it’s not like people are saying, “Don’t come here. Don’t develop.” In some places, like in San Francisco and New York, it’s a different story: People are saying that, for good reason. But in places where development could be used, I don’t think it’s viewed as a completely negative. I think people are just saying, “We want a say in how this happens, and we want to make sure that it benefits everyone and not just the developer.”

J.P.: *I’m kind of an incurable optimist. Have you ever seen an example where investments are done right in a community, where the community had input and got benefit from that?*

P.M.: I think there are lots of examples of communities revitalizing their own neighborhoods. If you look at Jefferson-Chalmers in Detroit, or even the Lower Ninth Ward right now in New Orleans, both of those places are facing pressures from gentrification. But also they’re communities coming together and rebuilding parks and rebuilding houses and having neighborhood watch groups and things like that. I don’t know if there’s ever been a successful corporate redevelopment that didn’t have negative impacts on low-income people. I think there’s always going to be fallout from that.



Williamsburg, Brooklyn, (left) which sits across the East River from Manhattan, “was completely upzoned to have 30-story-tall, 50-story-tall condo towers,” author Peter Moskowitz says. “If they don’t invest an equal amount into public transit as they did upzoning, then you have what you have now. They literally can’t fit enough people on the EL Train. It doesn’t work anymore.”

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