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THE ETHICALITY OF CITY GOVERNMENTS PROMOTING
GENTRIFICATION

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ABSTRACT

Gentrification research has largely centered on the idea of displacement, the process of poor residents being forced to leave their homes due to the increased cost of living. The question of greatest concern has been whether or not its effects are substantial enough to categorize gentrification as a negative force in urban development. Displacement research, however, is often the result of incomplete and unrealistic experimental methods, leaving scholars arguing about whose methods result in more accurate predictions. Instead of focusing on this single aspect, scholars should examine multiple factors involved in the process. A stakeholder analysis of gentrification will allow a more comprehensive understanding of the positive and negative implications of gentrification's effects. Among others, the following stakeholders will be analyzed: original residents, middle and upper class in-movers, city governments, the environment, schools, and business. In order to frame this approach in the appropriate ethical context necessary for a stakeholder analysis, the question at the center of this argument will be the following: Is it ethical for city governments to promote gentrification as a solution to urban deterioration? Each stakeholder will then be analyzed under two common ethical outlooks, a cost-benefit analysis and a Kantian analysis. The argument will demonstrate that each outlook may come to entirely different conclusions, allowing city governments to use the ethical outlook that best fits their agenda.

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Chapter One: Framing Gentrification through a Stakeholder Analysis

Gentrification is defined by Smith and Williams (1986) as “the rehabilitation of working class and derelict housing and the consequent transformation of an area into a middle class neighborhood.” This transformation is often accomplished through the cooperation of city government and private investors, with the intention of making a neighborhood attractive to business development (Hackworth and Smith 2001).

Gentrification scholarship throughout time has displayed a dichotomy that seemingly forces readers to take one of two sides: (1) Gentrification is a menacing force that eats away at affordable housing and displaces poor residents from their homes or (2) Gentrification is a positive force that raises indigenous dwellers’ standards of living and provides the greatest long term benefit to the greatest number of people. While the latter argument has received the most recent publicity by attempting to show the minimal displacement of low income dwellers in gentrifying neighborhoods (Vigdor 2007; Freeman 2005), many urban studies scholars continue to cry foul at governments’ promotion of gentrification policies as a fix to urban deterioration (Slater 2006; Davidson 2008; Newman and Wyly 2006). The predominate flaw of these arguments is that relatively little precise data and executable, realistic experimental methods exist to properly perform a quantitative causal analysis of gentrification on displacement (Atkinson 2002). Thus, scholars are left jostling back and forth about whose methods more accurately depict the true state of displacement.

Lees (2000) raises the gentrification debate in a different light by acknowledging that other factors also play a large role in the gentrification process; these include, among

other things, “black/ethnic gentrification” and “livability/urban policy. Lees acknowledges that blacks and immigrants can also be gentrifiers. A new understanding of gentrification must shed the idea that affluent whites are the sole facilitators of gentrification.

Additionally, a shift in urban policy has made gentrification an accepted practice for city and national governments. Lees (2000: p. 404) explains that the government “subtly and not so subtly promote(s) gentrification as a blueprint for a civilized city life. Gentrification in the guise of urban liveability/sustainability is constructed as the medicine for the problems endured by British and American cities.” She calls upon researchers to examine other facets of the gentrification process.

Gentrification, as Lees explains (2000), is being influenced by forces not historically analyzed by gentrification scholars. These new forces include heightened environmental awareness, increased international travel, the availability of international financing, greater racial understanding, and an unprecedented interconnectedness that are all part of the conglomeration known as globalization. As gentrification progresses through a combination of many forces, it deserves to be analyzed through a combination of many different lenses. To measure whether gentrification is a positive force or not through only displacement is too straightforward. This is why a multifaceted stakeholder analysis of urban gentrification should first be implemented in order to understand the complexity of the issue.

A stakeholder analysis provides a consequentialist, utilitarian approach to deciding the net gain or loss of a specific decision, normally determining the ethicality of that decision. It is a common tool of analysis used by a business manager when making a decision that will affect a large number of entities. For example, a pharmaceutical

company may develop a drug that cures a disease specifically located in underdeveloped countries. The top executive of this company must decide whether it should be made available to those infected, even if the governments of these countries will not be able to afford the drug in order for the pharmaceutical company to break even. Using a stakeholder analysis, the executive would delineate those who would be affected by his decision. These stakeholders may include company shareholders, those affected by the disease, foreign and domestic governments, international non-governmental organizations, and employees, among others. After deciding who would be affected and in what way, the executive would then determine the answer that fits his goals. He might decide that offering the drug puts the long term financial stability of the company in jeopardy, and he does not want to upset the shareholders. On the other hand, he might decide that the company's social bottom line takes precedence over its financial bottom line.

Applying this analytical framework to gentrification will provide greater insight into how gentrification affects all constituents involved. Hackworth and Smith (2001) explain that state involvement has become a staple in the third wave of gentrification, which began in the early 1990s as federal regulations regarding public housing were relaxed and the state became involved in promoting private development projects. Examples of state promotion of private development include providing tax abatements or partial funding to luxury or non low income housing projects in economically disadvantaged areas. Additionally, they include converting public housing projects to market-priced housing developments. Another more subtle way that the government can influence gentrification is by appointing private developers and financiers to leadership

roles in neighborhood revitalization projects, often making it easier for them to receive funding for their own projects.

Hackworth and Smith (2001) describe the process that David Walentas, a New York real estate developer, went through in order to gentrify the DUMBO (Down Under the Manhattan Bridge Overpass) neighborhood of Brooklyn. The district was comprised of loft buildings in an industrial area of Northern Brooklyn. Walentas had a vision of creating an artistic enclave of galleries and loft apartments. Eventually, he was appointed the head of the revitalization process of the neighborhood by City Hall, making it easier for him to receive private loans and zoning support. DUMBO has since become a trendy upscale neighborhood and an alternative residential choice for white collar Manhattan workers. Such processes essentially hand over the reins of the development from city governments to private developers. Other examples of these gentrification policies in New York City include the government's promotion of gentrification in Long Island City and Clinton (Hackworth and Smith 2001).

Long Island City was targeted by New York's Economic Development Corporation as a potential location for the development of luxury apartments and commercial space in the 1980s. Subsequent promotion of the land by the government led private developers to purchase land in the area. In the mid-90s, after ignoring the protests of a community organization, the Federal Housing Administration offered insurance for a private developer to begin creating the Queens West complex. Without the funding of the Federal Housing Administration and the cooperation of city government, the project would have faced increased resistance from both the community and independent financiers (Hackworth and Smith 2001).

The Special Clinton District (SCD) was formed by the residents of the Clinton neighborhood in New York City in order to prevent new development from displacing current residents. The SCD and New York governments agreed upon strict development clauses, including laws stating that buildings could not be demolished if they were structurally sound or if they had a history of tenant harassment. However, in the early 1990s the city eventually succumbed to the wishes of private developers and stopped enforcing regulations. Housing in the Clinton neighborhood has steadily increased in price and is slowly losing its working-class constituency (Hackworth and Smith 2001).

These government-promoted gentrification plans are not simply limited to large metropolitan cities. Reading, PA, is a city with a population of about 88,000 located 50 miles west of Philadelphia. Part of the city's recovery plan involves attracting more middle and upper income residents in order to improve its tax base and housing stock. Reading's Entertainment Square initiative involves the creation of an IMAX theater, upscale restaurants, and luxury apartments partially funded with government grants (Spatz 2011). This development is happening with the hopes of attracting wealthier citizens to live and play in the city, where 35% of current residents live below the poverty line (Youker 2010).

The laws that promoted gentrification in the aforementioned neighborhoods were done so legally. However, the purpose of this analysis is to help determine whether or not the government's actions are ethical. Thus, in order to provide the proper framework for an argument, an ethical question needs to be proposed. The question studied in this analysis will be the following: Is it ethical for city governments to promote gentrification as a solution to urban deterioration?

Fulfilling this process requires that the stakeholders of gentrification must be determined. The clearest stakeholders include the original dwellers, usually lower class citizens already living in the neighborhood in question, and the gentry, or middle to upper class citizens moving into the neighborhood. The third stakeholder is the city government, or entity promoting gentrification. All of these constituencies are clearly defined as participants in the gentrification process. However, there are less conspicuous stakeholders.

The United Nations Division for Sustainable Development in its *Agenda 21* (2009) lays groundwork for the coordination of government environmental and development policies on the basis of creating “a more systematic consideration of the environment when decisions are made on economic, social, fiscal, energy, agricultural, transportation, trade and other policies, as well as the implications of policies in these areas for the environment.” Recognizing the importance of this agenda, the United States has responded with, among other things, methods to create sustainable communities, promote green buildings and infrastructure, and revitalize brownfield sites (U.S. National Report 2010). There is an international acknowledgement that efforts to protect the environment and create sustainable communities should be taken. Therefore, the environment is an important stakeholder in the gentrification process, which often includes large scale construction projects and the redevelopment of green space.

The following research will examine the positive and negative effects of gentrification on each of the aforementioned stakeholders, as well as touch upon business, schools, commuters, tourists, and the unemployed, among others. It will show that a stakeholder analysis only provides a framework. The ethical lens through which one looks

is what truly makes the difference. Like the pharmaceutical executive performing his stakeholder analysis, one may choose to side with whom he feels is the most important stakeholder. Or, another option may be to choose the outcome with the greatest benefit to the greatest amount of people. Such a cost-benefit analysis is often the path of choice, because it incorporates the overall costs and benefits on each stakeholder, ultimately making the decision with the greatest positive impact. A cost-benefit lens will be applied to the stakeholder analysis of gentrification in order to determine if gentrification does provide the greatest benefit to the greatest number of people.

On the other hand, a cost-benefit analysis may diminish the voice of the minority in order to provide the calculated greater good for the majority. Gentrification deals with urban poverty, housing, standard of living, and other sensitive issues faced by the poor minority, and a cost-benefit analysis risks ignoring the needs of low income residents. A deontological Kantian analysis allows a greater influence from the perspective of the poor. A deontological analysis does not rely on what is perceptively good or bad, especially what would bring the most good to the most people. It is focused more on duty. To Kant, “moral rightness is not a function of the value of intended or actual outcomes”(Johnson 2010). The pharmaceutical executive may choose not to give the drug to the underdeveloped countries because the company could lose millions of dollars, take a hit to its stock price, have to let go of hundreds of workers with families, and stop research for other more widespread diseases. The financial impact on the business, economy, and its employees may take precedent over the few thousand people infected in developing countries. However, does the executive have an ethical obligation to provide the drug to those infected? This is a question that a Kantian analysis answers. Kant emphasizes a respect for the humanity in

each person, explaining that one “should never act in such a way that we treat humanity, whether in ourselves or in others, as a means only but always as an end in itself”(Johnson 2010). He develops an overall ethical principle with the formation of the Categorical Imperative. The Categorical Imperative begs one to “act only in accordance with that maxim through which you can at the same time will that it become a universal law”(Johnson 2010). In the case of the pharmaceutical executive, a Kantian analysis might imagine if every time a company discovered a new cure it was withheld from the market due to lack of profitability. For more communicable, widespread diseases, withholding cures may seem careless. Because of the importance of the poor minority as a stakeholder, a Kantian analysis is another practical lens through which to view gentrification.

Both a cost-benefit analysis and a Kantian analysis will be applied to each stakeholder. Depending on the stakeholder in question, the two analyses may correspond or contrast. The goal of this argument is to shed light on different ethical analyses of gentrification in order to understand how city governments justify its promotion.

Chapter Two: Gentrification, Original Dwellers, and In-movers

Original Dwellers

There is little doubt that gentrification leads to displacement of some original low income community residents. While many quantitative analyses differ over the exact scale of this displacement, they recognize its presence. In fact, according to Atkinson (2004) more than half of gentrification studies in the United States examine displacement. Additionally, qualitative analyses are quick to display the emotional accounts of displaced residents (Davis, Edlynn, and Nyden 2006; Freeman 2006; Newman and Wyly 2006). It is hard to avoid this controversial topic, and it should not be avoided. Even Freeman (2005: p. 488) states that “although displacement may be relatively rare in gentrifying neighborhoods, it is perhaps such a traumatic experience to nonetheless engender widespread concern.” Still, there are other critical implications of gentrification, both positive and negative, that must be investigated.

The new forces of change brought about by gentrification provide new opportunities for indigenous populations. The influx of wealthier inhabitants brings a greater variety of available consumer goods, including healthier food choices at large supermarkets. As the area gentrifies there are more restaurants offering an array of different cultural cuisines (Freeman 2006). These new stores and restaurants bring employment opportunities for residents without postsecondary educations who could not travel to work in the suburbs.

Improvement in retail is mirrored by an improvement in goods and services; this includes an improvement in private, as well as public, goods and services as members of

the gentry are able to afford those of a better quality. With an increase in middle class residents comes access to better banking, often less expensive with more financing options (Davis, J., E. Edlynn, and P. Nyden 2006). Chain pharmacies may provide a greater array of medical supplies and offer more reliable services. In-movers may also use personal networks and political organizations to demand better public goods and services. Examples of public goods and services may be the renovation of a city park, improved trash pickup, or the establishment of a more direct bus route. Unfortunately, sometimes these new goods and services might have higher costs, like an increased bus fare, that make them unavailable to poorer residents (Atkinson 2004).

Homeowners in gentrifying neighborhoods experience substantial increases in home value (Freeman 2005). Glick (2008) explains that black and Latino homeowners in gentrifying areas of Denver, New Orleans, Seattle, and Phoenix have seen their home values increase. A study by O'Sullivan (2005) of gentrifying central Seattle showed that the median housing price rose from \$45,173 to \$152,582 between 1990 and 2000. This 238% increase in value is greater than the 156% home value increase in the rest of Seattle during this period. Of those gentrifying neighborhoods studied by Freeman (2005), only 41.3% of residents owned homes in 1990, raising slightly to 46.2% by the year 2000. Assuming that some residents are displaced and do not reap the full reward of this increased housing price, this number is even smaller. Indigenous homeowners only receive the benefit of housing price increases if they have not been displaced. Similarly, renters benefit from increased property tax revenues. Police and fire services are tied to property taxes, and public schools receive a substantial amount of funds from these taxes. The reliance of public schools on property tax revenues has created a

great debate as to whether this process is fair for public schools in low income neighborhoods (Kenyon 2007).

The development of new stores and better goods and services, along with an influx of more affluent in-movers alters the isolation between the inner city and suburbia. Many poor minority residents, long isolated in urban ghettos, have the opportunity to live in a gentrified neighborhood with a higher quality of life. While the ideas of “social mix” posited by some gentrification researchers are entirely too optimistic (Byrne 2003; Slater 2006), there is a greater opportunity for residents of different incomes and educational levels to join similar organizations and become a part of similar networks. Due to gentrification, the gap that, more often than not, both physically and mentally separates affluent suburbs and poorer urban neighborhoods has an opportunity to become smaller.

However, there are times when native residents are overwhelmed by changes that they feel are negatively impacting their communities (Freeman 2006). For those low income residents that remain in gentrifying neighborhoods (usually because the cost of living has not surpassed their willingness to pay), they might find themselves in a community that slowly becomes unfamiliar. In the case of the West Town/Humboldt Park neighborhood of Chicago, Latino residents have watched the erosion of their ethnic community (Davis, Edlynn, and Nyden 2006). Similarly, longtime residents of Harlem, perhaps the most quintessential example of modern gentrification, have expressed concerns regarding their newfound unfamiliarity with the neighborhood. Residents see local businesses being replaced by national chain stores and hear of brownstone houses being sold for millions of dollars. Such changes, especially with the influx of new racial groups,

have the tendency to make one question his identity (Williams 2008). Explains a recent college graduate and native of Harlem:

I went away to school, for five years, with the intention of...establishing my independence and coming back home. During that five year period...the neighborhoods have changed drastically and that's like kind of disheartening that, you know, I come back and want to return back home to stay in my community and I, I really can't (Freeman 2006).

It is the fear of many, echoed previously in the voice of a Harlem native, that race, ethnic, or cultural based neighborhood institutions or histories will be lost as gentrification wields its hand.

What some may not realize is that Harlem of the late 1800s and early 1900s was an affluent suburb of New York (Freeman 2006), an image almost entirely incompatible with its current renown. It then slowly transitioned to a hub of African American wealth, becoming the residence of many prominent black American families. Only after the onset of the Great Depression did the neighborhood begin to enter a state of degradation (Freeman 2006). It seems as if modern day Harlem may be experiencing another socioeconomic shift. While the sentiments of longtime Harlem residents are compelling and may elicit sympathetic feeling, it is difficult to argue that a government should be responsible for maintaining a specific neighborhood's cultural or racial makeup. Neighborhood identity, like that of Harlem, is often cyclical and not determined solely by the government's promotion of gentrification. For this reason, loss of cultural identity alone cannot be a motive to prohibit gentrification.

Rental inflation furthers the disconnect of indigenous residents with their neighborhoods, as members of their socioeconomic class can no longer afford to move into gentrifying zones. While Freeman (2005) promotes little causal relationship between gentrification and displacement, he does acknowledge that wealthier in-movers slowly begin to populate the neighborhood as residents leave; this is often referred to as “replacement.” Some scholars have suggested that gentrification creates a higher propensity towards the minimization of racial and socioeconomic diversity within a neighborhood, as neighborhoods become populated by mostly affluent whites (Wyly and Hammel 2004; Walks and Maaranen, 2008). In North and Northeast Portland, Oregon, development without measures to prevent large scale displacement has left zero of the area’s census tracts with black majorities; this is down from 10 in the year 2000 (Hannah-Jones 2011). However, Freeman (2009) argues that gentrification does not decrease diversity. It seems most likely that the amount of diversity is a result of the initial composition of the neighborhood in question. In predominately black Harlem, gentrification may serve to increase diversity. While, in areas like central Portland with an initial white majority, gentrification probably negatively impacts diversity. In either of these scenarios, rising rent will prohibit poorer inhabitants, often racial minorities, from moving into gentrifying neighborhoods (Freeman 2005).

As neighborhoods become more middle class, the voices of poorer residents may be lost among the demands of more affluent residents. Referring to the idea of “social displacement,” Atkinson (2004) explains that as areas become labeled as gentrified, they are viewed as less of a problematic space, causing governments to focus on more middle class, professional, and pro-business issues. A new middle class focus may increase the

demand for gentrification policies by middle class residents and accelerate the gentrification process.

The separation between original residents and gentrifiers has the potential to cause class conflict, including grassroots opposition and crime (Robinson 1995). The effect of gentrification on crime has been debated and broadly falls into two areas. The first area revolves around the idea that the replacement of poor residents reduces crime levels, while the second area hypothesizes that crime increases as wealthier inhabitants become targets of criminal acts (Atkinson 2004). Taylor (1988) and Covington (1989) have shown that certain crimes can increase with gentrification, like assault and murder, while others may decrease, like property crime. Quantitative analyses like those of McDonald (1986) display a drop in personal crime but little change in property crime. The number of murders and robberies in Harlem's 28th Precinct has dropped 85.4% and 75.8% respectively between 1990 and 2010 (NYPD 2010); but, it is unclear whether gentrification played any role in this drop. While it may seem logical to assume that crime will drop as neighborhoods become more affluent, this has not been definitively proven to be the case.

After a cost-benefit analysis, it is apparent that much of the scholarly work on gentrification provides mixed results for poor residents in gentrifying areas. Some scholars are quick to tout increased home values and improved infrastructure, retail, and banking services (Byrne 2003; Freeman 2006; Davis, J., E. Edlynn, and P. Nyden 2006). However, others show the variance in empirical data (Glick 2008). Atkinson (2004) is dubious of gentrification's impact on crime, explaining that in some cases crime has decreased and in others it has increased. Whether or not the poor benefit from new amenities and infrastructure is not easily quantifiable, leaving much of the assertions of both pro and anti-

gentrification scholars as mere theoretical predictions. The idea that both sides agree on, however, is that gentrification decreases the amount of affordable housing through “replacement” (Freeman 2005). As neighborhoods gentrify, housing becomes more expensive and decreases the total amount of affordable housing available to low income city dwellers. According to a cost-benefit analysis, the effect of gentrification on the urban poor is greatly undetermined. Because of such conflicting evidence, it is difficult whether to say the process is predominately positive or negative.

Gentrification receives greater scrutiny when placed through a Kantian ethical analysis, although the basis of this scrutiny is not centered on data. The most influential Kantian tests are that of the humanity principle and the Categorical Imperative. Kant asserts that humanity is “that collection of features that make us distinctively human, and these include capacities to engage in self-directed rational behavior and to adopt and pursue our own ends, and any other capacities necessarily connected with these”(Johnson 2010). The greatest implication of this principle is that humans should not be treated as a means to an end but as an end in and of themselves (Johnson 2010). If gentrification is going to pass the humanity principle, then poor residents should not simply be pawns in the process but have an actual say in the outcome. The cost-benefit analysis has shown that the positive impact of gentrification on the urban poor is limited and receives mixed support. As far as the humanity test is concerned, gentrification passes only to the extent that the needs of the poor are addressed in the process. Examples of development projects that largely seek the input of poor residents include those of the Lincoln Park Coast Cultural District and the South Chicago LEED initiative. Both of these efforts are described further in Chapter Four. These projects surely pass a Kantian humanity test.

However, other projects like the gentrification of the Clinton neighborhood of New York specifically ignored the desires of poorer residents. City Hall purposely overruled the desires of the Special Clinton District in order to promote gentrification. In these instances, gentrification does not pass the humanity principle.

The Categorical Imperative provides a more concrete result. To perform this test, it is necessary to imagine what would happen if city governments attempted to gentrify every neighborhood. Imagine governments using funds to subsidize luxury housing developments instead of to provide grants for the neighborhood's public schools, to improve the neighborhood's public transit options, or to fund after school neighborhood programs. These three issues directly affect poor residents, but may not directly affect affluent residents. The influx of wealthier residents would only mask these problems. Atkinson (2004) explains that social displacement is often a result of gentrification. Social displacement occurs when neighborhoods gentrify and the needs and desires of the new, wealthy majority take precedence over those of the poorer minority (Atkinson 2004). Wealthier residents might favor the demolition of public housing projects in order to create market-rate housing. But, what about the poor residents who need government-sponsored housing in order to raise families on a low wage? The voices of these poor residents would be drowned out by the affluent majority. Davis et al. (2006) explains that gentrification also attracts retailers that predominately cater to wealthier residents. Indigenous residents of Chicago's gentrifying West Town/Humboldt Park neighborhood explain that they can no longer afford to shop at neighborhood retailers (Davis, J., E. Edlynn, and P. Nyden 2006). Furthermore, as gentrifying central neighborhoods with access to job centers continue to lose poor residents to displacement and "replacement" (Freeman 2005), poor

citizens will be forced to spend more in order to commute to their jobs. The need for easy, affordable access to public transportation for the poor may not be heard over the desires of the wealthy. All of these examples are potential results of making gentrification a universal tactic in city neighborhoods. Gentrification masks the problems of the poor, as they are not heard over the demands of the new affluent majority. Promoting gentrification does not pass Kant's Categorical Imperative test.

In-Movers (Gentrifiers)

If low levels of crime are not an incentive for the middle class to move into urban neighborhoods, then why are they doing it? The economic responses to this question revolve around demand-side versus supply-side explanations (Lees 2000). Hamnett (2003) explains that scholars have recognized the shift in global economic city centers from industrialist to post-industrialist based economies. Because businesses, many located in central urban areas, are now more service oriented and demand white collar jobs, there is an increased demand for revitalized housing closer to the workplace (Ley 1996). It is thus referred to as the demand-side explanation, as the affluent are demanding housing options closer to city centers. Expanding further on this notion, other scholars propose that the new service oriented economy has created a new middle class that prefers the culture and convenience of urban living (Hamnett 2003; May 1996). Long commutes to work from the suburbs can be expensive and time consuming. Denser urban areas maintain restaurants, stores, banks, pharmacies, and entertainment all within walking distance. A Fannie Mae housing report lays out some factors that are changing preferences towards urban living, which include mounting traffic congestion, immigrants and their vibrant

communities, a growing café culture, fashionable architectural designs for dense living, and positive examples of dense living communities (Gearin 2001).

Globalization is also changing the image of the city in the eyes of young students. As students travel abroad to cities that have not experienced such a high level of suburban sprawl, many find themselves liking the idea of living in a dense, convenient urban environment. Such dense environments include the metropolitan areas of London, Paris, and Madrid, among many others. These environments do not require the use of a car, having expansive public transit networks. One can find grocery stores, pharmacies, restaurants, and parks all within an immediate neighborhood. Additionally, with sidewalk cafés, designer stores, and world class museums, life in the city is often thought to be more sophisticated and cultured. This environment is especially appealing to young graduates. Caulfield even argues that the city is an “emancipatory space” where gentrifiers can step outside the monotony of suburbia and meet new kinds of people (Lees 2000). Travel experiences are changing the image of city life among college graduates, who see potential for higher quality, denser urban living in American cities and abroad. Much of this preference is also borne out of the so-called “green” movement and the promotion of an environmentally friendly lifestyle. Classes, like that of Christiansen and Fischer of Augsburg College, are teaching students about urban sociology, political institutions, and ethical environmental standards (2010). The idea of sustainability and the environment will be discussed further in Chapter Four; however, developing a more environmentally friendly lifestyle, especially life without a car, is a significant motivation for many gentrifiers. Additionally, gentrification may lead to the preservation or creation of green

space, as middle class residents demand more amenities and environmental improvements from their city government (Byrne 2003).

According to Hamnett (2003), Smith is the greatest proponent of the supply-side gentrification explanation. Smith explains that the demand-side argument of changing preferences and industries is at too broad a level. It assumes too drastic changes in living preferences, especially in a country like the United States which has historically associated wealth and luxury with suburban living. Instead, he asserts that the availability of international finance causes developers take advantage of undervalued city property and charge high rents and prices in order to increase profit (Hamnett 2003). Developers have taken advantage of low prices of urban land in many American cities and have constructed housing that appeals to the more affluent. The construction of this housing is many times subsidized or insured by the government, as is seen in the examples of DUMBO, Long Island City, and Clinton (Hackworth and Smith 2001). Successful inner city developments have started a trend that has made city development more appealing to financiers. Unlike the demand-side argument, Smith explains that it is these developers and financiers who have made city living appealing to wealthy residents instead of a broad change in taste. He goes further to say that this investment process, and government's promotion of it, is a "revanchist" technique (Hamnett 2003). Revanchism is most closely associated with the political desire to reverse territorial losses after a war. However, in this case it would be to return urban properties owned by the poor to the wealthy. Oftentimes, developers have little connection to specific neighborhoods and their cultures (Lees 2000). But, because of city governments' need for private investment, financiers often have incredible influence. The supply-side argument is legitimate, as real estate developers are investing more in

urban properties (Hackworth and Smith 2001). However, it is difficult to determine what has made these developments successful. Have luxury city developments been successful because of a broad change in American living preferences (demand-side) or have they been successful because developers themselves have made specific city developments appealing to affluent citizens (supply-side)? This is the central theme of the demand-supply debate. It is difficult to see a future winner in the debate, because there are clear connections between both arguments and the process of gentrification.

Whether or not there has been a broad change in American living preferences, there are incentives for affluent Americans to live in dense urban environments. These incentives include living closer to job centers, access to public transportation, and dense neighborhoods with daily amenities within walking distance. Such a lifestyle is often thought to be more sustainable, especially as residents do not need to depend on cars for daily travel. Disincentives of gentrification may include crime and under-performing public schools. Atkinson (2004) does acknowledge that gentrification can lead to an increase in certain crimes. However, he acknowledges that a complete causal analysis of gentrification on crime is difficult to perform. Additionally, gentrification's impact on public schools is debated. While gentrifiers may see sending their children to public schools as a negative implication of moving to the city, Byrne (2003) explains that public schools have the potential to perform better as their students come from more wealthy households. On the other hand, he does acknowledge that as an affluent resident of the city, there is always the option to send children to private schools. Furthermore, although the number of gentrifiers with children is increasing, this number is still minimal (Karsten 2003).

Regarding gentrifiers themselves, it would be difficult to classify gentrification as a negative force. The newfound benefits of access to jobs, transportation, and daily amenities outweigh the potential for increased crime and underperforming public schools. While crime may increase and schools may continue to underperform while a neighborhood is gentrifying, it is difficult to envision such patterns in perpetuity, especially after the majority of poor residents become replaced by wealthier residents over time. In terms of a cost-benefit analysis, gentrification provides greater benefits to middle and upper class gentrifiers than costs.

A Kantian analysis of affluent in-movers in the gentrification process is more positive than in the case of original residents. The process of gentrification actively includes the needs and desires of the affluent. As Kant requires, the middle and upper class in-movers are not merely means but an end in and of themselves. This is not surprising considering that the process of gentrification is clearly named after the gentry. Gentrification respects the humanity within the middle class to “adopt and pursue their own ends” (Johnson 2010) if they wish to live in convenient, sustainable urban environments.

The Categorical Imperative provides a similar scenario. It demands that a maxim be applied universally in order to be ethically judged. In the case of the middle and upper classes, the question would be the following: What if government attempted to gentrify all neighborhoods as a universal approach to attend to the living preferences of middle and upper class Americans? In this application, the Categorical Imperative favors the stakeholder in question. While a universal application of gentrification may mask the desires of the poor, it caters directly to the desires of the middle and upper class. Hamnett

(2003) explains that the new middle class is demanding easier access to job centers as the American economy has shifted to a service-based focus. Among other reasons, affluent Americans are becoming attracted to city living because of a desire to live close to job centers, new trends in green living, and increasing positive examples of upscale city living (Hamnett 2003; Christiansen and Fischer 2010; Lees 2010; Gearin 2001). The Categorical Imperative supports gentrification for gentrifiers.

In terms of a stakeholder analysis, it is difficult to decide whose preferences will have the greatest impact on urban society, those of the poor or those of the middle and upper classes. There is an argument that gentrification may psychologically affect poor indigenous dwellers as their neighborhoods change and they fear eviction due to increased prices. However, it is unfair to restrict wealthier gentrifiers from living in urban areas (Byrne 2003). While some may view it as important to safeguard culturally significant neighborhoods for their history, it is difficult to argue that specific neighborhoods should be forced to maintain a certain racial makeup or predominant socioeconomic class (Byrne 2003). This is especially true when neighborhoods, like Harlem, have undergone cyclical changes in socioeconomic makeup over the past 200 years (Freeman 2006).

Gentrification is often touted as a result of the free market. It may be championed by city government as response to the desires of the middle and upper classes. However, the cost-benefit analysis shows that the opinion of scholars on this idea of the free market differs. While the demand-side economic viewpoint argues that the desire for city living has created gentrification, supply-side supports assert that it is the combination of financiers, developers, and governments who have promoted gentrification (Hamnett

2003). The government may claim that poor residents benefit from gentrification, but there is little concrete evidence that this is true. In fact, a cost-benefit analysis displays that gentrification's effect on poor residents is relatively uncertain. A Kantian analysis shows the negative implications of gentrification on poor residents, whose problems are masked by the influx of wealthier residents. Affluent in-movers are positively impacted by gentrification, as the benefits outweigh the costs. This is unsurprising as the process is aptly named after the affluent gentry. Furthermore, both the Kantian humanity principle and Categorical Imperative support the use of gentrification as a process that positively impacts the lives of middle and upper class citizens.

Chapter Three: Gentrification, City Government, and Federal Government

City Government

At the center of the gentrification debate are city governments promoting gentrification. Hackworth and Smith (2001) use the examples of development in Long Island City and DUMBO to illustrate the New York City government's promotion of gentrification. State involvement in gentrification is a clear characteristic of the third wave of gentrification, which began in the early 1990s. Recall that a policy promoting gentrification purposely targets an influx of upper and middle income residents as an attempt to revitalize a city neighborhood. These policies range from offering tax abatements for upscale development projects in poor city neighborhoods to appointing a private developer the head of a neighborhood revitalization program.

An often cited reason for city governments to promote gentrification is the increase in taxes received from gentrifiers (Hackworth and Smith 2001; Atkinson 2004; Spatz 2011). These new revenues can be used to improve public services, attract businesses with partial funding for projects, and rely less upon federal and state funding. In order to receive loans from private banks and federal and state governments, cities often need a relatively balanced budget in order to avoid default (Hackworth and Smith 2001). In a recessionary period, taxes are even more crucial to continue the development and flow of public goods and services. Modern examples of city bankruptcy abound due to the economic recession beginning in 2008. In 2009 the city of Reading, PA, entered Act 47 recovery due to financial distress. The Act 47 analysis claims that "one of the most significant factors contributing to the fiscal stress for the City of Reading is a stagnant tax base that cannot

support the current level of expenditures or services” (Municipalities Financial Recovery Act Consultative Evaluation). Current projects being promoted by the City of Reading include large scale center city luxury housing developments and entertainment projects in order to entice upper and middle class residents to live, dine, and play in the city (Spatz 2011). Lees (2000) argues that cities like Reading are taking cues from the actions of larger cities like New York and Philadelphia, along with the Department of Housing and Urban Development’s promotion of revitalization and gentrification practices.

Such development projects oriented towards the upper and middle class are also intended to increase the standards of living in targeted neighborhoods. Although the relationship between gentrification and crime is controversial (Atkinson 2002), governments assume that decreased crime, improved retail, cleaner streets and parks, improved infrastructure, increased employment, and better schools are all effects of gentrification. These consequences of gentrification require less government spending on public services like police, cleanup, and unemployment; or, at least, the increased tax base will afford government the ability to pay for such services.

A heightened standard of living is increasingly important as the world economy globalizes and international economic hubs emerge in certain cities. The forces of globalization cause cities, like New York, to compete on a global scale to attract and maintain businesses and workers (Smith 2002). Due to New York’s prominence in the financial services sector and its service based economy, it needs to attract educated professionals. Thus, targeted gentrification has been used in certain neighborhoods as an attempt to attract economic development in the form of new business and a professional

work force. Smith (2002) explains that global cities are trying (and need) to promote and conduct themselves like businesses in order to compete in the international economic system.

Tourism is an especially important part of a global city's economy. Gentrification not only provides for increased public funds to promote tourist attractions and develop new ones, but also it spurs the revitalization of many historical and architecturally significant buildings. The Society Hill neighborhood of Philadelphia is often referred to as an example of the state's direct role in gentrification (Lees 2000; Hackworth and Smith 2001). Home to the city's historic cobble stone streets and quintessential examples of 18th Century American architecture, Society Hill is a premium attraction of Philadelphia tourism. If Philadelphia tourism is going to compete with neighboring global cities like New York and Washington, DC, it needs to provide a safe, clean, and impactful environment for tourists. This environment can be created through gentrification.

There are scholars, however, who argue that an increase in public funds due to a wealthier tax base is neutralized by the fact that gentrifiers are moving from within the city and not from the suburbs (Atkinson 2004). If members of the gentry are simply switching locations within the city, there will be little net increase in the overall tax base. Still, not all upper class residents will move into a gentrifying neighborhood from within the city. If a household moves from an upscale city neighborhood to an up-and-coming neighborhood, it may not be greatly affecting the overall tax pool. However, if the now vacant house in the upscale neighborhood is replaced by another wealthy household from the suburbs, there is a net increase in the tax pool. Studies, like those mentioned by Atkinson (2004), do not take into account all of the potential scenarios. It also matters who replaces the

gentrifier's original home within the city. If the original home of the gentrifier is replaced by an affluent family from the suburbs, there is potential for a net gain in taxes. Like the debate on displacement, such occurrences are difficult to capture and study due to the difficulty of obtaining accurate and relevant data.

Even without the inflow of new tax money, the city government may benefit in other capacities. Byrne (2003) explains that members of the new affluent class may have more trust in the police force, be more inclined to patrolling in their neighborhoods, and be willing to cooperate with them. They may be more prone to organizing neighborhood volunteer associations and other organizations that promote the general welfare of the neighborhood without using government money (Byrne 2003). A simple change in the neighborhood constituency may bring businesses and jobs that lessen the city's spending on development programs and job creation (Byrne 2003). There are a number of benefits simply brought about by the change in makeup of the neighborhood and not necessarily the increase in tax receipts.

On the other hand, an increase in upper and middle income residents may pose problems for city governments. Even if the tax base is increased, there is potential that the new affluent class will demand increased quality of public goods or services, or simply demand more of them. In this case, an increase in taxes may be counterbalanced by the new demand for better, or more, goods or services. Residents may demand more police patrols, more qualified public school teachers, or more departures from a local train station. Additionally, the increased demand for public goods and services may force governments to hire new employees (Byrne 2003). While hiring may create employment opportunities for poorer residents of the gentrifying neighborhood, it also may increase public spending.

If the amount of new tax revenue inflows does not meet the new demand for government spending, gentrification will not have improved the tax pool.

Another concern for city government may be the backlash of indigenous residents in the form of organized opposition or crime. The Tenderloin neighborhood of San Francisco is notorious for its well organized activism against perceived anti-poor development initiatives by the city government (Robinson 1995). Attempting to gentrify such neighborhoods may have negative impacts on the government including negative publicity, lawsuits, and unmanageable community backlash and crime. While the increase or decrease of crime in gentrified areas has been debated, it is most likely contextual or follows some form of progression. Cities that are not ready for a potential increase in crime, especially property crime, may lose legitimacy in the eyes of potential gentrifiers and fail to attract affluent residents. Perhaps the most threatening factor to city government in the gentrification process may be the loss of sovereignty. As cities, especially those in dire financial positions, partner with large scale developers, they are becoming dependent upon the success of that development (Hackworth and Smith 2001; Smith 2002). Decision-making may revolve around the completion of a development project. For example, the city of Reading, PA, was previously explained to be financially insolvent. In order to attract people downtown, it has created an entertainment district (Spatz 2011). The city has undergone improvements to infrastructure, has increased policing, and has changed zoning ordinances in order to accommodate this district. If the district fails to be successful, the city will have wasted a significant amount of money and resources that it could have used for other endeavors. Such partnerships between cities and private developers may give

substantial influence to the developer. This is especially true when cities or entire neighborhoods are dependent upon a single large scale project.

As Smith (2002) explains, the state of the globalized economic system is forcing cities to compete for business and jobs. In order to attract professionals and new businesses, governments are turning to gentrification. The promotion of gentrification has allowed for increased private investment during a period of decreased government loans and grants from the federal and state levels. While some scholars argue that gentrification is a temporary, or ineffective, quick fix to cities' economic problems (Slater 2006), others believe that it has positive economic effects at most levels (Byrne 2003). However, whether or not gentrification fixes a city's problems are in the eyes of the beholder. Strategic investment in specific neighborhoods can gradually spur economic growth and improve standards of living. If the goal is private investment, then targeted gentrification can be a catalyst. However, if the goal is to reduce poverty, then gentrification may simply mask the problems of the poor in favor of wealthier inhabitants. Either way, the process of gentrification is by no means a quick fix; it can take a decade or more (Freeman 2005). The questions become, "At what expense are governments promoting gentrification? Are they giving up some of their sovereignty to private investors? Are they sacrificing the needs of the poor?" City governments must balance short and long term economic needs with other health and social needs of their residents.

A cost-benefit analysis of gentrification seems to point to gentrification as a positive force in regards to city government. This is especially true in a period of economic recession, where city governments are having to make substantial cuts in public spending. Furthermore, as globalization pits metropolitan hubs against one another in economic

competition, gentrification allows a city to attract private investment and an educated workforce, as well as tourists (Hackworth and Smith 2001; Smith 2002). The potential for an increase in crime or class conflict or a loss of sovereignty to private developers may be worth the risk if the city is going to avoid bankruptcy and remain attractive to business development.

At first, gentrification in regards to city government seems to pass the Kantian humanity test. This is because gentrification treats city government as a means to an end as well as an end in and of itself. Whether it is to increase taxes, attract businesses and workers, or boost tourism, city governments are actively involved in the gentrification process in order to stay financially and economically sound. Because of their need to provide public goods and services for their citizens, as well as attract employment, city governments are making their present financial stability a priority. This concept of not sacrificing the present for the future aligns with Kantian perspective.

However, Kant specifically mentions the idea of self-preservation in his studies (Johnson 2010). In the case of gentrification the lives of thousands of people in a specific neighborhood may be affected, making the decision that much more important. Just like a case of self-preservation, a city government may argue that in order to stay financially sound it must attract middle and upper income people into the city; and, to attract wealthier citizens, lower income citizens may be displaced. In other words, the ends of economic prosperity justify the means; or, the needs of the minority must be sacrificed for the needs of the majority. According to Kant, this type of ethical thinking is greatly flawed (Johnson 2010).

To Kant, self-preservation is a subjective consideration (Johnson 2010). One may value other things over his or her life, like a perilous bungee jump off of a bridge. For example, imagine if an innocent civilian is held at gunpoint during a robbery and forced to shoot the clerk behind a convenience store counter. An outsider's instant reaction is that the innocent civilian had no choice but to shoot the clerk in order to save his own life. On the contrary, Kant would argue that the civilian did have a choice, and he chose self-preservation over saving the life of the clerk. In this instance, even though the civilian was acting to save his life, his actions were still unethical. City governments avoiding bankruptcy does not make the decision to appeal to wealthy in-movers ethical. They may still be acting in a manner that negatively impacts poor residents. Because a cost-benefit analysis of gentrification on the poor is inconclusive, it is difficult to say whether a city government's self-preservation is ethical. In terms a cost-benefit analysis on the poor, it may be ethical. However, if the Kantian analysis on the poor is used, city government promoting gentrification for the purposes of avoiding financial collapse is not ethical.

The Categorical Imperative provides a different scenario for gentrification and city government. In this case, the maxim would be city governments promoting gentrification as a universal approach for the purposes of financial stability. If the government were to promote gentrification in all city neighborhoods, this would have a positive impact on the city's financial stability. A more affluent tax base, increased private investment, and a more educated workforce would allow for the continued flow, or even improvement, of public goods and services. Byrne (2003) also acknowledges that gentrification can improve the performance of public schools. City government as a stakeholder in gentrification passes Kant's Categorical Imperative test.

Federal Government

The principal federal authority in promoting affordable housing is the U.S. Department of Housing and Urban Development (HUD). HUD describes its duty as the following:

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes: utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business (U.S. Department of Housing and Urban Development).

In its Strategic Plan for 2010-2015 HUD clearly displays a need for affordable housing options, especially rental properties. Explains the plan, "Between 2005 and 2007, the nation experienced a net loss of 1.2 million affordable rental units for renters with incomes below 50 percent of area median income (AMI), even though there was an increase in the overall U.S. rental stock of 1.4 million units" (FY 2010-2015 HUD Strategic Plan).

Because of this giant loss of affordable rental properties, HUD specifically outlines its goals to "expand the supply of affordable rental homes where they are most needed, preserve the affordability and improve the quality of federally assisted and private unassisted affordable rental homes, and expand families' choices of affordable rental homes located in a broad range of communities" (FY 2010-2015 HUD Strategic Plan).

Much of HUD's regulatory power has been stripped in the third wave of gentrification that began in the mid-1990s. Explains Hackworth and Smith (2001: p. 469), "The few remaining obstacles (within the federal state) to gentrification (which partially

restricted state involvement in the second-wave) have largely been removed since the onset of the third wave.” For example, municipal governments no longer have to replace affordable housing units one-for-one when they are being removed for redevelopment (Hackworth and Smith 2001). A significant part of HUD’s strategy now centers on developing grant programs for private developers to include affordable units in their developments. HUD recognizes the need to help families facing rising housing costs as their neighborhoods experience development and continues to provide housing vouchers for those who meet specific income qualifications. The housing voucher program allows low income citizens to live in quality market-rate housing while paying less than the typical resident. HUD’s Hope VI and Choice Neighborhoods programs offer grants to redevelop and renovate blighted areas with high concentrations of citizens receiving housing assistance. The Choice Neighborhoods program is only a recent addition to the agency, which has yet to receive permission to make the program permanent. However, if approved, the Choice Neighborhoods program will attempt a broader involvement of the community, non-profits, local governments, and private developers in order to provide better access to transportation, schools, and jobs. HUD’s Choice Neighborhoods program recognizes the importance of developing mixed income communities; however, it does not lay out how it will prevent these communities from becoming gentrified (U.S. Department of Housing and Urban Development).

In fact, Lees (2000) explains that in Hackworth and Smith’s third wave of gentrification, HUD has actually become a promoter of gentrification tactics. She writes that HUD proposes “issues and solutions...very similar to those of the British Urban Task Force – the redevelopment of brownfield sites, environmental sustainability, liveability and

the decline in a sense of community. To counter the loss of middle-class families in the inner city HUD argues for increased support for the revitalization initiatives of community-based organizations (read pro-gentrification groups). Gentrification discourse and practices have permeated recent urban policy and urban politics”(p. 391). Recently, through its Choice Neighborhoods program HUD has begun to recognize the importance of including community, local governments, and non-profits in making sure that the needs of the poor are met. However, it has greatly been forced to adapt to city government’s promotion of gentrification and conservative free market politics.

HUD seems to be in an internal struggle with how it is to fulfill its aforementioned mission. After losing a portion of its role as a housing regulator in the mid-1990s, HUD began to embrace gentrification as a method of creating mixed income communities and attracting wealthier citizens to the inner city (Lees 2000). It switched its focus from providing funding for concentrated public housing developments to creating mixed income communities through the use of housing vouchers and subsidies to market-rate home developers (U.S. Department of Housing and Urban Development). However, between the period of 2005 and 2007, the total number of affordable rental units for Americans earning below 50 percent of the area median income dropped by 1.2 million (FY 2010-2015 HUD Strategic Plan). HUD has since made it a goal to drastically increase the number of affordable rental units by 2015, and has begun to embrace the involvement of community and local governments with its Choice Neighborhoods program. HUD continues to use a mix of public housing, housing vouchers, and subsidies in its process to provide affordable housing (U.S. Department of Housing and Urban development). Because it has embraced the process of gentrification, HUD has become more of a reactionary institution instead of

a leader in maintaining affordable housing. It promotes private development and the influx of middle class residents in urban neighborhoods and then helps low income citizens cope with this change.

A cost-benefit analysis shows that gentrification's impact on the Department of Housing and Urban Development is mixed. As the 1.2 million unit decrease in affordable rental units between 2005 and 2007 shows, promoting gentrification may decrease the amount of affordable units for lower income Americans. However, it promotes HUD's goal of reinvestment in urban neighborhoods. As the FY 2010-2015 Plan shows, HUD is then forced to react to this change in housing by increasing the amount of housing vouchers it provides to citizens, building more affordable public units, and subsidizing more private projects (FY 2010-2015 HUD Strategic Plan). Because it both simultaneously fulfills the goals of HUD while forcing it to react to the negative consequences, a cost-benefit analysis shows that gentrification's impact on HUD is uncertain.

In terms of a Kantian analysis, HUD does have a say in the process of gentrification. It is not merely a pawn in the process of gentrification, but it actually promotes the process in order to spur urban development. Thus, it passes the Kantian humanity test. The Categorical Imperative test is a bit more complicated. The universal maxim would be government using gentrification as a universal approach in all neighborhoods in order to fulfill HUD's mission. As HUD's mission does include urban development and reinvestment, gentrification does pass the Categorical Imperative in this regard. HUD's mission is also to provide affordable housing for all, which it can do through housing vouchers if neighborhood housing becomes increasingly expensive. Gentrification in regard to HUD seems to pass the Categorical Imperative, as it can

continue to adapt its methods of providing affordable housing to its support of gentrification.

Chapter Four: Gentrification and Sustainability

Lees (2000) calls upon scholars to examine the livability and sustainability concept of gentrification discourse. Borne out of globalization, climate change, and the subsequent international initiative for environmental awareness, the idea of sustainability has pierced both the public and private sectors. In fact, the word sustainable is so diffused throughout society that its definition seems to depend on the circumstance. More often than not it is associated with the related “going green” trend that offers a similar ambiguity. The following are multiple persons’ or entities’ definitions of sustainability:

- “Of, relating to, or being a method of harvesting or using a resource so that the resource is not depleted or permanently damaged” – Merriam-Webster Dictionary
- “Condition under which humans and nature ‘can exist in productive harmony, and fulfill the social, economic and other requirements of present and future generations of Americans ’” – Environmental Protection Agency’s 1970 National Environmental Policy Act (Sustainability)
- “When economic prosperity is pursued in the context of social equity, human rights, peaceful relations among peoples, and ecological balance.” – Walter Simpson, Energy Officer at University of Buffalo and LEED Specialist on the UN’s definition of sustainable development (Sustainable Practices and Opportunities Plan)

Although its definition varies, sustainable urban development has broad international support. The United Nations maintains an entire division for sustainable development, the backbone of which is the organization’s *Agenda 21*.

Quastel (2009) explains that often gentrification and environmental sustainability efforts go hand-in-hand. It is predominately wealthier members of the gentry who have the ability to afford new environmentally friendly condominiums or renovate existing derelict apartments (Quastel 2009). And, many times members of the gentry are attracted to urban living for sustainability purposes. In the case of urban development and sustainability, there are many definitions. Broadly, Blair and Evans define sustainable development as connecting “environmental, economic, and social welfare by thinking and managing for the longer term” (Bromley 2005). In a national report to the UN, the United States explains that sustainable communities have the goal “to move and plan toward safe, livable, and healthy lifestyles, while also expanding economic opportunities and protecting the environment” (U.S. National Report 2010). In these definitions there is a clear connection between gentrification, sustainable communities, and the environment; therefore, the environment is a key stakeholder in the gentrification process. In order to analyze the environment in the context of gentrification it will be assumed that sustainable policies will positively impact the environment. The goal of sustainable development is not simply environmental protection; there are also economic, health, and social concerns involved in creating sustainable communities. However, the connection between sustainability and environmental protection is often used as a positive argument towards gentrification (Quastel 2009; Bunce 2009; Lees 2000). So, the gentrification process will be analyzed in this context.

Frequently deemed as Smart Growth or New Urbanism policies, city governments promote the densification of urban living space in order to create convenient, self-sustaining communities (Quastel 2009). These policies often take the form of revitalization

initiatives headed by private developers. The Toronto Waterfront Revitalization Corporation (TWRC) and Delaware River Waterfront Corporation (DRWC) are both examples of non-profit companies established by city governments for the purposes of promoting development. On the boards of both of these corporations are members of large private financial firms. Bunce (2009) explains that the TWRC has purposely integrated plans for sustainability into its waterfront plans. In the case of Philadelphia's DRWC, the goal is to promote sustainable residential units, retail space, parks, and hotels along the Delaware River (Delaware River Waterfront Corporation). These developments are being undertaken with a clear determination to create sustainable communities and will have a large impact on the neighborhoods in which they are constructed.

Both of these riverfront communities center on the use of public transportation, existing waterfront areas, and neighborhood grocery stores and restaurants. For many governments the key to sustainability is walkability (Quastel 2009). Because city inhabitants can live, work, and play in a more concentrated, walkable area, the amount of energy that they use decreases. Much of the energy savings is due to the minimal use of cars, as gentrifiers who previously resided in the suburbs and had to commute to work every day are now walking or taking public transportation to work and decreasing their carbon footprints. Furthermore, LEED (Leadership in Energy and Environmental Design) certified buildings use less energy and are often a requirement of new urban developments (Bunce 2009). Living in compact communities, especially those built with specific energy efficient amenities, decreases an individual's energy consumption.

The development and preservation of green space is also associated with sustainable development. Both the Toronto and Philadelphia Waterfront Corporations call

for plans with open waterfront parks that will take the place of unused piers or underutilized roads. Replacing concrete roads and wooden piers with parks and grasslands not only beautifies neighborhoods but also creates natural ecosystems for birds and other wildlife. Philadelphia's Greenworks initiative calls for a six year plan to reduce energy consumption throughout the city. One of its most important facets is making sure that parks are within a ten minute walking distance from 75% of residents in the city. Greenworks is not without gentrification ties, however, as it uses government funds to incentivize private developers to build energy efficient buildings and includes the head of private banks and real estate financiers on its board (Mayor's Office of Sustainability; Mayor Nutter Appoints...).

What attracts many promoters of Smart Growth is the idea that dense urban developments are the opposite of suburban sprawl (Neuman 2005). Instead of building outward onto green land, urban developments are often built upon already used, brownfield space. For example, Brooklyn's DUMBO neighborhood was built predominately from already constructed industrial buildings (Hackworth and Smith 2001). Additionally, urban neighborhoods are not built around the use of cars like suburban neighborhoods. According to Echenique and Saint (2001), dense city neighborhoods are seen as being more economically, socially, and environmentally viable.

Under the U.S. Partnership for Sustainable Communities, the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT), and the Environmental Protection Agency (EPA) have recognized the importance of integrating sustainability principles into future community development initiatives. Specifically, HUD has adopted criteria for giving sustainability grants to neighborhoods based upon their

adherence to LEED's Neighborhood Development checklist. The purpose of the LEED Neighborhood Development certification is to ensure that new neighborhoods are developed with sustainable principles and to classify already sustainable neighborhoods as fitting models for study. LEED's checklist is broken down into the following main categories: Smart Location and Linkage, Neighborhood Pattern and Design, and Green Infrastructure and Buildings. The system awards points to developments that adhere to certain aspects of the list, ultimately classifying neighborhoods in escalating order as Certified, Silver, Gold, or Platinum (U.S. Green Building Council).

The Smart Location and Linkage category includes checklist points like water body and land conservation, brownfield redevelopment, bicycle network and storage, housing and jobs proximity, locations with reduced automobile independence, and long term commitment to conservation of habitat or wetlands. Neighborhood Pattern and Design includes points like walkable streets, compact design, mixed-use neighborhood centers, mixed-income diverse communities, transit facilities, local food production, tree-lined streets, and neighborhood schools. Finally, the Green Infrastructure and Buildings category involves points like certified green buildings, construction pollution prevention, water and energy efficiency, storm water and wastewater management, recycled content in infrastructure, historic preservation and adaptive reuse, and light pollution reduction. Each component of these categories is weighted with a specific number. For example, under Neighborhood Pattern and Design walkable streets receives 12 points, mixed-income diverse communities receives 7 points, and neighborhood schools receives 1 point. The total number of points affects what level of LEED certification the neighborhood receives (U.S. Green Building Council).

In order to be considered for LEED Neighborhood Development certification, an area is recommended, but not required, to be at least two buildings and no more than 320 acres. The variety of developments that have been certified range from a single 35 story office building and retail complex in the Rosslyn neighborhood of Arlington, VA, to the 1,150 acre South Chicago LEED Neighborhood Development initiative. While the former office building is hardly a gentrifying project in the already prosperous downtown of Arlington, the latter South Chicago initiative has the potential to gentrify a derelict Chicago neighborhood (U.S. Green Building Council). However, according to city government plans, the construction of affordable housing units, the re-greening of existing units, and incorporation of parks and transit in the low income neighborhood intends to integrate current residents with sustainability principles. The city intends to work only with private developers who commit to this development from within approach. Due to the expansiveness of the project it is expected to be completed over a 25 year period (Olson 2009). Whether the project maintains its commitment to low income Chicagoans and affordable housing is yet to be seen.

On the other hand, A LEED Neighborhood Development project in the Lincoln Park neighborhood of Newark, NJ, has exhibited great success in integrating current and new low income residents with their community. The Lincoln Park Coast Cultural District (LPCCD) includes multiple LEED certified green buildings, a community farm, building restoration projects, and the Museum of African American Music. Community members also have been greatly influenced by a green job training program that provides low income residents with potential employment opportunities in the burgeoning green development industry. One of the LPCCD's unique attributes is that it was borne out of a

grassroots movement by community members and initiated from the bottom-up (Lincoln Park Coast Cultural District).

Through the LEED Neighborhood Development certification program it is evident that new, dense developments and neighborhoods do have the potential to positively impact the environment if they follow LEED standards. While the Neighborhood Pattern and Design portion of the certification includes points for mixed-income diverse communities, certification does not require the presence of mixed-income housing (U.S. Green Building Council). Neighborhoods of dense luxury housing can be certified under LEED standards and should be if they follow the guidelines. But, the important aspect of LEED certification is that it allows for community and government input; it applies to a great range of neighborhood and development types. The example of the Lincoln Park Coast Cultural District shows that it is possible to create sustainable communities out of blighted areas without simply increasing the number of wealthier inhabitants. It is possible to create green affordable housing and retrofit existing low income housing with green technology. Poor residents can be taught how to live with a decreased negative environmental impact. Take, for instance, the community farm used by Lincoln Park residents (Lincoln Park Coast Cultural District).

Thus, the role of government in creating sustainable neighborhoods is extremely important. It takes comprehensive plans, like that of South Chicago, that integrate the voices of residents, the government, and private developers. It is easy to allow developers to build single LEED certified buildings on the basis that it is good for the environment. It is even easier to allow these buildings to be constructed in historically derelict

neighborhoods. However, it is difficult to develop sustainability plans for entire neighborhoods that display an actual impact.

Environmental sustainability through gentrification seems quite limited in scope. There are multitudes of components that go into making environmentally friendly communities. These components are laid out by the LEED Neighborhood Development program and sponsored by the U.S. Department of Housing and Urban Development. Attracting wealthier inhabitants to urban neighborhoods instead of more energy dependent suburbs is only one facet of creating sustainable cities. Density is not alone the answer. While a dense urban area may create a more energy efficient lifestyle, there is the possibility that a high concentration of people simply aggregates pollution or carbon emissions into a smaller area. Some of the United States' largest cities are also the country's most polluted. According to the American Lung Association, New York City, Philadelphia, and St. Louis are among the top 25 most polluted cities in the country (Half of Americans...). Energy consumption in highly concentrated urban areas may have a greater negative impact than if citizens lived in less dense communities. Assuming that denser living environments will positively impact the environment is not always the case.

This is why some scholars question the labeling of urban communities as sustainable and environmentally friendly, asserting that these labels may be promotional ploys more than viable mechanisms of change (Neuman 2005; Bunce 2009). Quastel (2009) uses the example of Onni Development Group's promotion of a residential community in Vancouver by associating itself with a downtown urban garden. He explains that this garden was mainly meant to keep the homeless and loiterers off of the vacant lot that displayed their advertisement. Because there are no universal standards for

sustainability, urban developments are able to promote themselves as being environmentally friendly based upon little hard evidence.

A cost-benefit analysis shows that gentrification can have positive effects on the environment and a community's sustainability. Whether or not these benefits are substantial enough to promote gentrification as an environmental movement is another question. Although the example of the LPCCD and South Chicago initiatives show that it is possible to create sustainable communities without gentrification, the process of gentrification does not inherently harm the environment. In fact, gentrification can reduce citizens' dependence on automobiles, result in the rehabilitation of green space, and attract wealthier residents who may have contributed to suburban sprawl. Gentrification can also promote the development of LEED certified buildings and communities that have guidelines for the use of transportation systems, trash and recycling programs, local food production, tree-lined streets, neighborhood schools, water body and land conservation, reduced automobile independence, and long term commitment to conservation of habitat or wetlands. Gentrification's positive benefit on the environment outweighs its negative impact.

In terms of a Kantian analysis, the environment is intended to be a benefactor of the process of gentrification. Although it is difficult to measure, gentrification does have a relative positive impact on the environment and can lead to the development of more sustainable communities. As a result, both the urban poor and wealthy in-movers benefit from the process. Because the environment is not simply the means but also an end, and its preservation will in turn positively impact city dwellers, it passes the Kantian humanity test.

Similarly, gentrification for the purposes of environmental protection passes Kant's Categorical Imperative test. The maxim in this case would be all cities adopting gentrification as a universal approach to creating sustainable communities. This does not mean adopting gentrification as a sole means but simply as one of the tactics. Gentrification does result in denser urban environments that rely less on cars, improves walkability, and includes more energy efficient buildings (Bunce 2009; Quastel 2009). It is intended to curb suburban sprawl and in turn allow for the preservation of more open space. Still, as the cost-benefit analysis displays, is not a complete answer to environmental sustainability, even though its impact is positive. Furthermore, every city does not need to gentrify in order to increase sustainability, as the examples of the LPCCD and South Chicago LEED initiative display. However, if every city were to adopt gentrification as one way of creating sustainable communities, there would be positive steps towards sustainability. In terms of the environment as a stakeholder, gentrification passes the Categorical Imperative test.

Chapter Five: Gentrification, Public Schools, and Business

Public Schools

Byrne (2003) explains that public schools with students from mixed income backgrounds often perform at higher levels. Wealthier parents with less stringent work hours or stay at home mothers or fathers will get involved in school organizations and demand educational improvements (Byrne 2003). However, a study of gentrification in Chicago shows that gentrifying neighborhoods actually see a decrease in enrollment in public schools (Davis, J., E. Edlynn, and P. Nyden 2006). The study explains that gentrification not only decreases the amount of households in a specific neighborhood, but also it decreases the amount of neighborhood constituents that attend public schools (Davis, J., E. Edlynn, and P. Nyden 2006). The idea that public schools perform better as areas gentrify may be overstated, as gentrifiers do have the option of sending their kids to private schools. Displaced residents of mid-South Chicago have expressed concern that gentrification has created better public schools for their former neighborhood, but these public schools are only for the new affluent residents who have displaced poorer residents (Davis, J., E. Edlynn, and P. Nyden 2006). Jennifer Vey, a fellow at the Metropolitan Policy Program of the Brookings Institution, explains that gentrification can have a positive impact on public education, “as neighborhoods see greater diversity of income levels of residents”(Coffin 2009). However, gentrification must be controlled in order for poorer residents to benefit, and it should be “accompanied by attempts to improve education and public housing.” Otherwise, if gentrification wields its full force, only the wealthy will end up benefitting (Coffin 2009).

According to a cost-benefit analysis, gentrification seems to be a positive force on the public school system. Both Byrne (2003) and Vey explain that mixed income schools often out-perform schools with predominately low income students (Coffin 2009). While public schools may see a decrease in total enrollment in gentrifying neighborhoods, this does not preclude the schools from performing well. It may be unfortunate that newly gentrified areas see a dramatic decrease in the enrollment of racial minorities due to displacement (Davis, J., E. Edlynn, and P. Nyden 2006); however, public schools are not required to maintain a specific racial balance.

Because public schools are involved and benefit from an increasing number of wealthier students, gentrification passes the Kantian humanity test. Public schools are not simply pawns in the gentrification process, but they are benefactors of that process; and, residents reap the rewards of these benefits. On the other hand, gentrification does not pass the Kantian Categorical Imperative test. Imagine city governments adopting gentrification as a universal approach to improve public schools in all neighborhoods. Relying on an influx of wealthy residents only masks the problem of educating the poor. While the school may superficially seem better because of the successes of its new, wealthy students, this does not directly translate into better education for poorer students. Oftentimes, as the Chicago study illustrates, poor residents are displaced and do not reap the rewards of improved public schools (Davis, J., E. Edlynn, and P. Nyden 2006). Additionally, relying on gentrification neglects problems that may be associated with teachers, learning materials and methods, and extracurricular programs. A wealthy school may still have a few bad teachers or be learning outdated information. Gentrification used as a means to improve education is unethical under the Kantian Categorical Imperative.

Business

“In general, the emergence of national chain stores and the development of local businesses serving middle-class customers have been regarded as major symbols of gentrification”(Davis, J., E. Edlynn, and P. Nyden 2006: p. 8). Smith (2002) explains that cities need to attract private investment in order to compete in the global market, and gentrification is one way to fulfill this process. While the study of Chicago by Davis et al. (2006: p. 8) generally displays the need to include poorer residents in the process of community development, it also states that “business development itself is not necessarily a negative in gentrifying communities.” Retail and business development improves job opportunities for the neighborhood’s unemployed; and, Davis et al. (2006) explains that unemployment is often the biggest issue in poor Chicago neighborhoods. Furthermore, for people looking to start their own businesses, Byrne (2003) explains that banks are more willing to offer loans to entrepreneurs opening businesses in gentrified areas. A new, gentrified population with deeper pockets can also benefit already existing stores with increased business (Byrne 2003). There is concern that new chain stores will overtake “mom and pop” establishments, but Byrne (2003) explains that this trend is one happening in all neighborhoods and not necessarily in gentrifying neighborhoods. The idea that more successful businesses take over less successful, and sometimes smaller, businesses is commonplace in all neighborhoods and not just those undergoing gentrification. Residents of Chicago’s poor Southern neighborhoods express concern that minority-owned businesses are being replaced by “white” neighborhoods (Davis, J., E. Edlynn, and P. Nyden 2006). However, much like the situation of racial and cultural

makeup of residents in city neighborhoods, it is difficult to argue that businesses should be forced to maintain certain minority ownership.

Although gentrification may result in the replacement of “mom and pop” stores by larger retailers, this is viewed as a natural occurrence in the business world. A cost-benefit analysis shows that gentrification is a positive force in business. This is especially true as middle and upper class residents have more disposable income to spend, attracting more business to gentrifying neighborhoods. Additionally, as the section on city government explained, a more educated workforce has the propensity to attract private investment (Smith 2002). For this reason, gentrification is often used as tactic to attract private investment by city government. Increased business investment may have a disproportionate negative impact on minority business owners (Davis, J., E. Edlynn, and P. Nyden 2006); however, the overall impact of gentrification on business is positive.

Business is generally positively impacted by gentrification, which in turn provides more employment opportunities and services for neighborhood residents (Davis, J., E. Edlynn, and P. Nyden 2006; Byrne 2003). Because business is not neglected by the process of gentrification but is included in it, gentrification passes the Kantian humanity test. For a Categorical Imperative test, the maxim would be government using gentrification as a universal approach to improving business in all neighborhoods. Gentrification as a maxim for business promotion inherently neglects poorer business owners. And, while it is normal for larger, more successful businesses to overtake smaller “mom and pop” stores in a natural, free market economy, gentrification as promoted by city government expedites this process by intervening in the free market. While gentrification may be good for business overall, it unfairly caters to the desires of the middle and upper class business

owners and consumers over poorer residents. It does not pass the Categorical Imperative test.

Chapter Six: Conclusion

After analyzing the effects of gentrification on its stakeholders, it is easier to understand why the issue is so controversial. There are costs and benefits of gentrification at all levels. The most controversial aspect surrounds the idea of gentrification and displacement, which was assumed to be a substantial issue until the recent findings of Freeman (2005) and Vigdor (2007). Because the gravity of displacement is so ambiguous, a stakeholder analysis was necessary to understand the other implications of gentrification. The idea of this analysis was to decide whether a city government's promotion of gentrification policies is ethical.

When city governments choose to promote gentrification as a fix to urban blight, they must understand that there is an ethical aspect of this decision. Governments may legitimize their decisions to pursue gentrification due to the desire for a wealthier tax base, improved business investment, better public schools, decreased crime, and environmental sustainability, among other reasons. In many situations it may seem logical to analyze the process of gentrification using a cost-benefit analysis that asks, "Do the benefits of gentrification on the general population outweigh the negative effects?" As a stakeholder analysis displays, in some cases the benefits do outweigh the costs. This is true for middle and upper class in-movers, city government, the environment, schools, and businesses. However, cost-benefit analyses provide mixed support for gentrification for original residents and for the federal government's Department of Housing and Urban Development. Because gentrification is often promoted by government on the basis that it helps the poor, the cost-benefit analysis should cause alarm. While scholars debate many

issues surrounding gentrification's effects on the poor, they agree that gentrification slowly depletes the availability of affordable housing for low income Americans (Freeman 2005; Slater 2006; Vigdor 2007). Similarly alarming is HUD's promotion of gentrification while maintaining that its mission is to provide affordable housing for all (Lees 2000; U.S. Department of Housing and Urban Development). As gentrification decreases the amount of affordable housing for low income residents, these two ideas seem to conflict. Even though a cost-benefit analysis is inconclusive on two of the stakeholders, it does support a majority of the stakeholders, giving city government plenty of motivation for using gentrification tactics.

On the other hand, the Kantian analysis conflicts with the cost-benefit analysis on many occasions. The Kantian ethical analysis supports in-movers, city government, the federal government, and the environment. While a few stakeholders pass the humanity test, all do not pass the Categorical Imperative test. A Kantian ethical analysis conflicts with the cost-benefit analyses of original residents, the federal government, schools, and businesses. The fact that two ethical lenses can result in such different perspectives may explain why scholars are so divergent on the issue. While scholars like Byrne (2003) argue that the benefits of gentrification greatly outweigh the potential for negative impacts, other scholars like Slater (2006) see it as an entirely negative force. Atkinson (2004) stays neutral in explaining that studies have shown reduction in certain crimes in gentrifying areas, as well as increase in others. Even public and media opinion seems split on the issue. In an article entitled "Reading Dying for Gentrification," Don Spatz (2011) blatantly explains that the city of Reading, PA, "needs new blood. Richer blood." He continues to explain that the City of Reading's strategy could be classified as "urban removal" instead of "urban

renewal.” On the contrary, articles like “Mixed Feelings as Change Overtakes 125th Street” show that gentrification can cause confusion and loss of identity but also bring new, exciting amenities (Williams 2008).

Efforts like Newark’s Lincoln Park Coast Cultural District and Chicago’s South Chicago initiative show promise that improvements to schools, business, public services, and the environment can occur without the call for gentrification (Lincoln Park Coast Cultural District; Olson 2009). Safe streets, successful schools, business investment and low income residents may not be mutually exclusive. The unfortunate truth of such projects is that they often take greater coordination and cooperation, which in turn costs more money. During a period of economic recession, it is easier to understand why city governments may be choosing to promote gentrification and allow the influence of private development instead of engaging in costly and time-consuming coordination efforts. Recall that the South Chicago initiative is slated to occur over a 25 year period (Olson 2009).

Is city government’s promotion of gentrification ethical? The response depends on the ethical lens through which one looks. Because two ethical lenses, a cost-benefit analysis and a Kantian analysis, often give two differing positions, the government is able to legitimize its decisions either way. Government can further use scholarly research to back its claim. Because it is so difficult to empirically measure displacement, scholars are able to choose how they justify or discredit gentrification. The result is conflicting discourse that allows the government to manipulate gentrification’s appeal in any way that it chooses. Perhaps in the case of gentrification the only entity without a substantial say is the stakeholder that faces the greatest direct impact, the poor.

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