

Audience: City Council Members, Developers and Legislators, this address is to gain consensus on the adaptation of statewide measures to remediate spatial inequality stemming from gentrification. It is understood that the parent process of urbanization is vital for both national and global progression. However, a balanced approach to Urbanization is necessary to ensure we do not grow the widening gap between rich and poor. Mayors, Governors and City Council members should ensure that Urban Planning consists of affordable housing, rent control and employment opportunities. This will require building healthy partnerships amongst legislators, real estate developers and “big business”.

Working class residents are often victims versus beneficiaries of gentrification because of the resultant higher cost of living that leads to displacement and further decay of their economic status. ***(INSERT HOMELESSNESS STAT)*** Additionally, according to CityLab, economic and geographic inequality are mutually correlated. Citing a study conducted by the Economic Innovation Group (EIG), the CityLab article states that 27% of Americans live in affluent neighborhoods while the balance reside in "comfortable" to "at risk" zip codes. Unregulated gentrification threatens the latter groups significantly. Most of the working class are already "priced out" of top earning suburban zip codes. Therefore, an overly penetrated influx of affluence via gentrification in urban areas causes greater erosion to their economic stability, ultimately causing a downward mobility effect that shifts the “comfortable” to “at risk” and the “at risk” into poverty.

New York City — our neighbors to the east — has recently passed sweeping housing regulations to both prevent and correct the negative effects of gentrification. The new laws include an up to \$10,000 landlord fine for “forced evictions”; removal of the ability to deregulate rent-control units based on income; and caps on rent increases due to unit improvements made

during vacancies (New York Times, n.d.). Similarly, in March 2019 Oregon became the first state in the U.S. to pass statewide rent-control regulation (*add texture*). Although, the effects of both measures are yet to be seen, local residents and social advocates alike agree it's a step in the right direction.

However, broader efforts should be considered which is the aim of this proposal. I urge you to review the following initiatives outlined below high level and then detailed further.

I. Statewide Rent Control (with Oregon & New York City as case studies)

II. Protected urban zones for affordable housing

III. Stricter criteria for real estate developer contract approvals

IV. Mandatory local labor minimums for large corporate entities

**Statewide Rent Control** (these themes will become paragraphs)

Start small, min/max annual rent percentage increase per year table/schedule contingent upon “reason code” for increase Example below:

Market Adjustment (MA)	2%
Unit Level Improvements + MA	5%
Structural Amenities**	8%

*\*\* Shall only be applied once per every 5 years as Structural Amenities should not experience considerable fluctuations*

Benefits: regulation uniformity and clear guidelines without loop holes and gray areas

B2; neighborhood stability = economic stability because less volatile turnover patterns produces community which in turn supports schools, churches, libraries and other public institution

### **Protected Urban Zones**

Many times the ring of gentrification expands outwardly — as one ring hits a price ceiling a new ring is established and at risk groups get pushed further and further away from metropolis epicenters disconnecting them from mass transit and other goods and services once easily accessed. Therefore...

**Benefit 1;** protects “comfortable and “at risk” groups which in turn reduces displacement > homelessness

**B2;** secures and provides an entry level labor pool for large corporate players in the newly gentrified area

### **Stricter Criteria for Real Estate Developers**

A key solution to this issue is stricter criteria issued by local state and city council leaders on real estate developers placing bids to secure contracts. We must compel developers seeking multiple contracts within our municipality to adhere to three key touchstones:

- Guarantee "X" (will define “X”) number of affordable housing developments in underserved areas
- Achieve percentage of occupancy minimums and regulated rent caps for federal/state employees and active duty/military veterans.
- Ensure earmarked income mix buildings within large community complex developments (cite Toll Brothers example)

Also we should continue to ease density restrictions allowing for building “up and not out”. As is the case with LoConte and the Ward Train Station project, building smaller apartment units of 482-800 sq ft in  $\geq 8$  story buildings creates more density and lower rent/unit (INSERT CITATION). This provides a great example of the luxury hybrid housing scheme. The

cons of this solution is developers generally don't like stipulations and may opt to use private funding or simply walk the deal altogether.



Benefit 1; working class benefits from modernized affordable housing

B2: Balanced approach that serves ALL residents

B3: Good PR for real estate developers in promoting healthy image as a “good actor” in the community committed to Corporate Social Responsibility (CSR).

### **Labor Minimums**

Finally, we should push for mandatory local labor percentage minimums from “big businesses” across a range of roles. This should be done as part of tax breaks and other subsidies they receive to operate in newly urbanized neighborhoods. This gives the working class the opportunity to achieve upward mobility and enjoy the same live, work, play benefits of their affluent neighbors.

In addition to the proposal above, greater community involvement and attendance is needed at public town halls and city council meetings where developers present their proposals. Greater attendance with meaningful, probing questions promotes accountability for both sides. Having a voice during initial stages can deliver equitable outcomes for residents at risk while lifting and modernizing the community which provides a higher quality of life for ALL residents.

**Works Cited** 

**CityLab: “Americas worsening Geographic Inequality”**

<https://www.citylab.com/equity/2018/10/americas-worsening-geographic-inequality/573061/>

**New York Times: “Oregon to Become First State to Impose Statewide Rent Control”**

<https://www.nytimes.com/2019/02/26/us/oregon-rent-control.html>

**app.com: “Toll Brothers Picked for Homes in Middletown Town Center”**

<https://www.app.com/story/money/business/main-street/whats-going-there/2019/02/06/middletown-nj-town-center-toll-brothers-affordable-housing/2762276002/>

**NorthJersey.com; LoConte awarded Train Station project**

<https://www.northjersey.com/story/news/paterson-press/2019/06/22/paterson-nj-34-m-apartment-complex-proposed-near-train-station/1525399001/>