

# Are We Growing Together or Growing Apart?

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## 4 Questions to Consider

Last year, my hometown of Los Angeles was awarded the dubious distinction of being the most unequal city in the country. The gap between L.A.'s richest and poorest residents is greater than in any other U.S. city. In 1970, according to the Brookings Institute, 52 percent of L.A. neighborhoods were middle income. By 2000, that dropped to 28 percent, ranking lowest among the top 100 metropolitan areas in the country. In the process, Los Angeles had achieved an economic inequality index equivalent to that of Mexico.

What's more disturbing about this sorry state of affairs in L.A. is that it marks a national trend. Economic inequality is on the rise throughout the country, fueled by domestic policies and global economic forces that have radically changed the context of city life and growth since the 1970s. Deindustrialization, the loss of unionized core industries and the growth of the service economy have created very large low-wage employment sectors. Investors pulled billions of dollars from an unstable stock market and put their money in urban real estate, inflating land prices and the cost of housing. Meanwhile, federal investment in cities has declined 80 percent since the 1970s, making it necessary for city managers and city councils to find new sources of revenue. As a result, the number of redevelopment areas has skyrocketed, and so has the "fiscalization of land use" - the practice of viewing land first and foremost as a revenue generator.

In many major U.S. cities, tenants have become the majority of the population: 70 percent in New York; 68 percent in Boston ; 65 percent in San Francisco; more than 60 percent in Washington, D.C. , L.A. and Oakland; and 57 percent in Atlanta. Not surprisingly, this shift is accompanied by increased housing costs, "gentrification," and increased and rapid displacement of historic working-class neighborhoods and communities of color. These trends also exist in cities like Miami that have not yet reached the tenant-majority tipping point but are steadily moving in that direction.

## A Question of Imbalance

The new inequality poses problems and questions for urban democracy with respect to who controls the decisions that affect everyday life. Can cities be democratic when entire neighborhoods are absentee owned? Does it matter that downtown redevelopment projects continue to consolidate ownership into fewer and fewer corporate hands? As the middle class diminishes and cities become increasingly segregated by income and class (what the United Way of Los Angeles , in a recent far-reaching report, calls a "Tale of Two Cities"), how do we grow with common purpose and vision?

In thinking about growth, the most important question for policy-makers today is, "Are we growing apart or are we growing together?"

There are many ways to adjust the increasing imbalance. Absentee ownership can be offset by increasing local ownership or increasing tenants' rights (or both). Growing consolidation of downtown property ownership can be balanced by policies that elicit clear community benefits, capture windfall property values for the public good, and then intentionally direct resources toward producing good-paying jobs and affordable housing for people who possess neither. Common purpose and vision can be accomplished when people across classes once again share common public experiences, such as excellent public schools, mixed-income communities and reliable, affordable public transportation.

Over the past few years and throughout the nation, the crisis of a widening divide within cities has evoked a grassroots response. In January 2007, diverse organizations from New York, Boston, L.A., Washington, D.C., Miami, Providence, San Francisco, Oakland and New Orleans assembled in Los Angeles to form a new alliance that is grounded in a set of principles designed to reduce urban inequality. The effort is called Right to the City, and its first accomplishment has been to produce a sense of

collective purpose and hope that inequality can be reduced, democracy can be reborn and people can reclaim their cities and neighborhoods.

### How Does Your City Rate?

In the spirit of Right to the City, I offer four questions to help you evaluate your own city's practices and potential for moving growth policies toward a vision of improved urban human rights.

1. Does your city notify tenants as well as property owners about important land-use decisions, planning and zoning actions, and entitlement procedures? If the answer is yes, give yourself a 10. If it is easier for a group of out-of-town professionals who own property in your neighborhood to determine its future than for long-term tenants, give yourself a zero.
2. Does your city routinely provide developers with entitlements that substantially increase the value of their property without capturing a portion of that value to help reduce inequality in your city? If you typically capture a portion of increased property values in a strong intentional way to produce affordable housing, good jobs, child care, public services or other benefits that help balance the scales in your city, give yourself a 10. If you just watch the property values rise, let the developer reap the windfall, and hope that the trickle-down theory will work for the first time in world history, give yourself a very low score.
3. Do renters in your city have any rights to housing stability? Does your city have "just cause" eviction laws that explicitly lay out reasonable parameters for forcing people out of their homes? If people must be displaced through no fault of their own, do they receive relocation benefits that actually help them find a new place to live? If you answered yes to all of the above, give yourself a high score and understand that your children ( who will most likely start their adult lives as tenants) thank you. So does your Aunt Margaret, a retired schoolteacher who really doesn't want to move out of her apartment at this late stage in her life. But if tenants don't have rights in your city, take another look at who lives in your city, take a look at your kids and your Aunt Margaret, and think again.
4. Does your city take an educative posture toward its population? Is it easy for people to learn how to navigate an environmental impact report, a plan amendment or a new policy proposal? Can ordinary people who care about your city find out about the budget and weigh in on allocations in a meaningful way? Participation and voting do not constitute democracy. It is *informed* participation - in a process including dialogue, debate and articulation of ideas - that is the very fabric of real democracy. The business of reducing inequality and promoting healthy growth can thrive only in an arena that promotes equal access and responsibility. For example, if *everyone* is responsible for solving a housing crisis, and *every* place is an equally possible location for affordable housing, as in the case of inclusionary zoning, "Not In My Backyard" (NIMBY) reactions lose resonance. Let's be honest, none of our cities deserve a really high score here. We can all do better.

Every policy, every land-use entitlement and every public decision has the potential to increase or decrease inequality. If we learn to recognize the opportunities to reduce inequality that appear before us every day, we can better understand that only equitable growth makes "smart growth" worthy of the name.