

**The Economic Redevelopment of Harlem:  
A Snapshot in Time, Spring 2004**

A Thesis Presented to The Faculty of Architecture and Planning  
COLUMBIA UNIVERSITY

In Partial Fulfillment  
Of the Requirements for the Degree  
Master of Science in Urban Planning

By

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May 2004

## **The Economic Redevelopment of Harlem:** **A Snapshot in Time, Spring 2004**

### **Executive Summary**

#### **History and Introduction**

Just the mention of the word 'Harlem' conjures countless different images in people's minds. Few neighborhoods in the United States carry as much weight with the mere mention of their name as Harlem. Today, this historic neighborhood is at a crucial crossroads in its history. But before this defining moment can be analyzed and explained, it is this history that makes the neighborhood so great that needs first to be understood.

Originally called Nieuw Harlem, this neighborhood was farmland from the late 1600's through the mid 1800's. During this time, Harlem was home to some shantytowns which housed the poor who could not afford to live closer to downtown. Over-building at the turn of the 20<sup>th</sup> century coupled with a collapse of the real estate market in Harlem created a low demand for the neighborhood. This low demand led to lower prices, which in turn opened the door for blacks to begin pouring into the neighborhood. This major increase in the population and mass urbanization of Southern populations led to the Harlem Renaissance, an explosion of music, literature, and all-around culture led by blacks in Harlem. The stock market crash of 1929 brought with it hard times for Harlem's black population, which suffered from the Depression even more than the general population. Major unemployment, yet a lack of other neighborhoods willing to accept the black population, left residents with little choice and kept rents in Harlem high. The black population in Harlem continued to grow over the next three decades. With the onset of the civil rights movement, other neighborhoods and the city's suburbs began opening up to the black community. The 1950's and 1960's saw a large out migration of Harlem's middle class and a mass concentration of black urban poor. This trend continued in the 1970's, with mass disinvestment by landlords. During this time, many Harlem buildings were foreclosed upon and became owned by the city. At one point the City owned 60% of the land in Harlem. The decade of the 1980's brought with it the crack epidemic and Harlem continued to be stuck in a rut of inner city poverty, with the major investment that midtown saw never making it uptown. The recession of the late

80's and early 90's brought more of the same to Harlem. This storied history of ups and downs brings us to the point at which this study begins.

From the mid-1990's until today, Harlem has seen the development of several large buildings, both commercial and residential, that have defied decades of tradition. Never had buildings of such size or use been seen in Harlem. But the development of the past decade seems to be merely a precursor of things to come. There are several major projects in the pipeline. This study gathered data from the U.S. Census and the 2002 New York City Housing and Vacancy Survey (HVS) to attempt to analyze the impacts the previous decade's investment has had on Harlem and its people. Also, Harlem leaders were interviewed to get a ground level perspective on the past, present, and future of Harlem. Data collected from the Census, HVS, and interviews was analyzed and conclusions and recommendations have been made. It is because of an appreciation of the importance of this neighborhood and its people, coupled with an understanding that both the neighborhood and community are undergoing a major transition that this study was conducted. Much change has occurred over the last decade in Harlem. Much more is planned. The neighborhood is at a crucial point in its history. It is facing a major transformation. This study hopes to capture that phenomenon. This study will show some of the effects of the recent investment and will look to the future to try to understand and predict where Harlem will be 5, 10, 20 years from today.

Harlem did not become the way it is by mistake. There were conscious decisions and real policies that created this predominantly black, predominantly poor community as well as policies and decisions that maintained its race and class status. Studies show that the changes being experienced currently by Harlem are bound to bring both positive and negative effects to its residents, often both to the same resident. Answers to the questions on how to best develop the inner city have been hotly debated for quite some time. There are those that see the free market as the answer. Others feel that a more active government is necessary. This study was conducted with an understanding of the impacts brought upon by policies that create inner cities and an open mind to the theories behind neighborhood change and economic development.

### **Census Data**

Central Harlem experienced much investment and changed significantly during the 1990's. The Upper Manhattan Empowerment Zone financed 152 initiatives with \$134 million and claims to have leveraged an additional \$695 million for investment in Upper Manhattan. During the 1990's, Central Harlem's population grew by 8.4%. The number of households grew even faster, at 10.2%. Two and three person households are increasing dramatically, while larger households are in decline. The Hispanic population nearly doubled, and now represents 17% of Central Harlem. The White non-Hispanic population increased by 64% and now represents 2% of Central Harlem. Non-Hispanic Blacks lost 5% of their population and now represent 77% of Central Harlem, down from 88% in 1990. The percentage of homeowners is steadily increasing; from 5% in 1990 to 7% in 2000 to approximately 10% in 2002. The median gross rent in Central Harlem has gone up by 49% during the 1990's, a much faster increase than the rest of the City. The rent burden (% of income paid towards rent) in Central Harlem is higher than the rest of the island and seems to be increasing. Property values in Central Harlem increased nearly 300% during the 90's, while the rest of the City only saw a 12% increase. The unemployment rate in Central Harlem remained at 9% between 1990 and 2000. Also, very few sectors saw increases in the number of jobs. Health Care was the only sector to see a significant increase. The rest saw marginal increases or in many cases significant decreases. The 2002 HVS data shows a polarizing neighborhood. 41% of Central Harlem residents moved in after 1995; 15% after 1999. Of property owners, 15% acquired their unit after 2000 while 15% acquired their unit before 1970. 60% of households have an income below thirty thousand dollars. 21% have a household income above fifty thousand dollars. 10% have an income above seventy-five thousand. The data seems to indicate that new populations are moving into Harlem. This is creating a stratified Harlem. While direct causation cannot be established, a correlation between the economic development and population, housing, and income indexes does exist.

### **Interview Data**

The interviews with the Harlem leadership also revealed some very interesting information regarding the economic redevelopment of the neighborhood. There remains

distrust and a binary attitude of us vs. them. The impression received from the interviews is that this attitude is not the overriding factor in community interactions, but rather a fading yet underlying theme in neighborhood politics and development. The second recurring theme was that of an improved neighborhood, but not a perfect neighborhood. The leaders admit that the neighborhood is in better shape than it was a decade ago, but are quick to point out that they are not fully satisfied with the results. The neighborhood is in need of affordable housing, better health, and quality education. Most agree that the economic redevelopment has benefited some but not all. Many also indicate that the benefits can be seen in the provision of new services to the neighborhood and the development of housing. It is clear to all that the economic piece, the employment piece is still missing. Perhaps the most major theme that continually arose was the lack of an organized and responsible leadership. Most of the people I spoke with felt that there is a void in Harlem that needs to be filled with some new leaders; ones that will be accountable to the people of Harlem exclusively. It is apparent from the conversations with the leadership that Harlem is truly at a crossroads. Many of the leaders are cautiously optimistic that the neighborhood can develop responsibly. Many also point out that Harlem is like many other neighborhoods in the game of American capitalism. It is part of the big picture where external forces, both citywide and nationally, will affect its progress, independent of the desires of the community residents.

### **Conclusions and Recommendations**

From the census data and from the mouths of the Harlem leadership, it has become clear that economic development does not equal social justice. By all accounts, a lot of money has been made in Harlem over the last decade. This money, however, has not trickled down. It appears that indeed Harlem is better off today than it was a decade ago. There are more services. There are more housing units. Some money is being recycled within the community. The rent burden, however, is steadily increasing. The poverty level remains constant. Higher income non-families are replacing low-income families. The major conclusion is that the previous decade's investment was an investment in Harlem the place, not Harlem the people.

The data collected and analyzed indicate that there is much room for improvement in Harlem. Better planning and better implementation are necessary in order to avoid perpetuating the previous decade's investment impacts of poor employment, income, and housing indexes. The goal of the following recommendations to the community is to truly maximize the benefits of the investment to come while creating a neighborhood that is open and affordable to all. All recommendations are logical progressions from data gathered through the Census and Housing and Vacancy Survey and/or the interviews with the Harlem leadership.

1. *Strong 197-A Plan* - This master plan for the community is a first step in having a say in the development of the neighborhood. The Community Board cannot let the Plan be watered down by the approval process.

2. *Major Mobilization Campaign* – Spearheaded by leaders in the community, this aggressive education campaign should organize the residents of Central Harlem and bring major development and neighborhood change issues into the discussion. The social network of the neighborhood will help facilitate this campaign.

3. *Arts/Culture/Music Incubator* - Creating an arts incubator would capitalize on the artistic, cultural, and musical talents of the community. It would allow for the birth and growth of arts organizations and artists. It would be an appropriate tool of economic development yielding many benefits. It would be a draw for residents and outsiders alike.

4. *Improved TIL Program Management* - The Tenant Interim Lease (TIL) Program has the potential to be a great asset to the Harlem community. Currently, there are some buildings struggling to enter/maintain this program. A certain culture within the community is necessary in order to have an almost innate understanding that owning property is a desirable and achievable goal. It appears that this culture is not present in Harlem. The TIL program has the potential to change this, albeit on a small scale. Every

long term resident that enters homeownership is one less long term resident at risk of being displaced.

5. *Special Harlem District* – Central Harlem should be rezoned. The current C4-4 districts along 125<sup>th</sup> St. should be upzoned to C4-5X, increasing the FAR and protecting the style of the overall neighborhood. The increase in allowable density along 125<sup>th</sup> St. should be accompanied by the institution of a linkage fee. The Avenues should be rezoned to R7X which would increase the FAR but promote contextual building. The mid-blocks should be rezoned R6B, creating zoning that matches the built form. This rezoning of Central Harlem will promote development, preserve the character of the neighborhood, and produce affordable housing.

6. *Pressure UMEZ* – The Upper Manhattan Empowerment Zone should be pressured to place more effort on growing local businesses and business people. Using its funds, the Empowerment Zone has done plenty over the previous decade to open up Harlem to outside corporations. UMEZ should now focus its work on developing the human capital that is lacking in Harlem.

## Table of Contents

1. Harlem History	1
2. Major Question	4
3. Literature Review	7
4. Methodology	20
5. Presentation of Census Data	26
6. Presentation of Interview Data	50
7. Recommendations	64
8. Conclusions	79



## Chapter 1

Just the mention of the word 'Harlem' conjures countless different images in people's minds. Play word association with Harlem and you might hear "ghetto". You might hear "capital of Black America", "renaissance". You might hear "jazz", "civil rights", "Malcolm X". You might hear "gentrifying", "dangerous", "investment opportunity". Play the game enough times and you would hear all of these and so much more. Few neighborhoods in the United States carry as much weight with the mere mention of their name as Harlem. Today, this historic neighborhood is at a crucial crossroads in its history. But before this defining moment can be analyzed and explained, it is this history that makes the neighborhood so great that needs first to be understood.

Harlem got its name from Dutch settlers in the mid 17<sup>th</sup> century. Originally called Nieuw Harlem, this neighborhood was farmland from the late 1600's through the mid 1800's. During this time, Harlem was home to some shantytowns which housed the poor who could not afford to live closer to downtown. The extension of the train system to northern Manhattan saw the rapid development of the neighborhood in the late 1800's. Middle and upper middle class New Yorkers began settling in this newly desirable neighborhood. Wide, tree lined streets, single-family homes, and an emerging culture attracted many to this new neighborhood. Over-building at the turn of the century coupled with a collapse of the real estate market in Harlem created a low demand for the neighborhood. This low demand led to lower prices, which in turn opened the door for blacks to begin pouring into the neighborhood. With high quality housing stock, a favorable real estate market, and a mass migration of African Americans from other parts

of the City and the Southern States, the black population grew rapidly in the early years of the century and the neighborhood soon became a center for black culture.<sup>1</sup>

This major increase in the population and mass urbanization of Southern populations led to the Harlem Renaissance, an explosion of music, literature, and all-around culture led by blacks in Harlem. The Renaissance of the 1920's and 30's was truly the beginning of Harlem being seen as the "Capital of Black America". More African Americans lived in Harlem than anywhere else. The neighborhood, with its concentration of African Americans and booming popular culture, officially earned its reputation during this first third of the twentieth century.<sup>2</sup>

The stock market crash of 1929 brought with it hard times for Harlem's black population, which suffered from the Depression even more than the general population. Major unemployment, yet a lack of other neighborhoods willing to accept the black population, left residents with little choice and kept rents in Harlem high. The growth of the Harlem population continued during this time. The Harlem population peaked in 1950. Overcrowding and lack of building maintenance created dire conditions.

Harlem became a breeding ground for civil rights activists. The neighborhood continued its tradition of leading American black culture. With many civil rights gained and other neighborhoods and the suburbs opening up to the black community, Harlem began losing its middle class population. The 1950's and 1960's saw a large out migration of Harlem's middle class and a mass concentration of black urban poor. This trend continued in the 1970's, with mass disinvestment by landlords. During this time, many Harlem buildings were foreclosed upon and became owned by the city. At one

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<sup>1</sup> <http://www.hometoharlem.com/HARLEM/HTHADMIN.NSF/harlem/homepage?open>

<sup>2</sup> <http://www.harlemspirituals.com/harlem.html>

point the City owned 60% of the land in Harlem. The decade of the 1980's brought with it the crack epidemic and Harlem continued to be stuck in a rut of inner city poverty, with the major investment that midtown saw never making it uptown. The recession of the late 80's and early 90's brought more of the same to Harlem. This storied history of ups and downs brings us to the point at which this study begins. Everything that happens in Harlem happens on two levels; it is both the reality of the event and the importance of it as a symbol.

## Chapter 2

With major disinvestment throughout the 1970's and 80's, inner cities were in major distress when the 1990's rolled around. Crime, drug problems, and racial segregation were strongly evident in cities throughout the nation, with Harlem leading the way. With the start of the Clinton Administration, the national economy began to turn around and a focus was placed on investing in inner cities. In 1993, the Clinton Administration passed the Empowerment Zone legislation, creating incentives for new investment in distressed inner cities. Rudy Giuliani, New York's new mayor as of 1993, made decreasing crime a major priority. The stock market began its meteoric rise and the Internet wave was in its period of major ascent. All of these factors, and many more, contributed to the beginning of major investment in Harlem.

From the mid-1990's until today, Harlem has seen the development of several large buildings, both commercial and residential, that have defied decades of tradition. Never had buildings of such size or use been seen in Harlem. After years of political wrangling, a Pathmark supermarket opened on 125<sup>th</sup> Street and Lexington Avenue. Although several hundred thousand people called upper Manhattan home, until 1999 none of them could say they had a supermarket in their neighborhood. The opening of the Pathmark was an important step in the economic redevelopment of Harlem. In both action and symbol, the supermarket made a statement that corporations were beginning to realize the extent of the buying power of low-income neighborhoods. In addition to the opening of the Pathmark, a mixed-use building was opened on Lenox Avenue and 116<sup>th</sup> Street. Known as the Renaissance Plaza, this residential tower has a CVS pharmacy in its base, along with other neighborhood stores. Further up the road at the intersection of

Lenox and 125<sup>th</sup>, the Harlem Center opened. This complex houses the national chain Office Depot at its base and offices in its upper floors.

While these projects are important to Harlem's economic redevelopment, they pale in comparison to the importance of Harlem USA. A 275,000 square foot retail and entertainment complex, Harlem USA includes a movie theater, the national chain music store HMV, the clothing store Old Navy, the sporting goods store Modell's, and others. This development, subsidized by the Upper Manhattan Empowerment Zone Development Corporation, symbolizes the investment and economic redevelopment that Harlem is undergoing.

While Pathmark, Harlem USA, and many others are complete, the redevelopment continues. Starbucks, H & M, the Body Shop, and many more national chain stores are opening up. A class-A office building is on the verge of opening on the corner of 125<sup>th</sup> and Morningside Avenue. A market rate condominium development on the corner of Lenox and 129<sup>th</sup> Street has gained the necessary zoning variances and is about to break ground. Also, many developments are in the pipeline, with the biggest being a Marriott Hotel in another massive retail/entertainment complex on 125<sup>th</sup> Street and Park Avenue, currently planned to be above 40 stories tall.

It is because of an appreciation of the importance of this neighborhood and its people, coupled with an understanding that both the neighborhood and community are undergoing a major transition that this study was conducted. I recognize that much change has occurred over the last decade in Harlem. I recognize that much more is planned. The neighborhood is at a crucial point in its history. It is facing a major transformation. I hope to capture this phenomenon in this study. This study will show

some of the effects of the recent investment and will look to the future to try to understand and predict where Harlem will be 5, 10, 20 years from today.

### Chapter 3

The theories behind economic development and neighborhood change are vast and have been discussed by scholars, planners, and policymakers for decades. While unanimous conclusions are never reached, it is important to place Harlem in the context of some of these theories.

As touched upon in the section on the neighborhood's history, Harlem did not become the way it is by mistake. There were conscious decisions and real policies that created this predominantly black, predominantly poor community as well as policies and decisions that maintained its race and class status. In their very influential book American Apartheid, Douglass Massey and Nancy Denton discuss actions that have led to segregated neighborhoods. In American Apartheid, Massey and Denton address the topic of segregation and its effects. They say that the United States is still a very segregated country and this segregation is the leading cause of poverty among African-Americans. They say that racial segregation is very much alive today and seems to have gotten worse over the last century. They say it is institutionalized and perpetuated. "Most Americans vaguely realize that urban America is still a residentially segregated society, but few appreciate the depth of black segregation or the degree to which it is maintained by ongoing institutional arrangements and contemporary individual actions."<sup>3</sup> After explaining their point that segregation is a very real and powerful force presently, Massey and Denton build on this point and explain that segregation is the source of black America's troubles. They say, "Residential segregation is not a neutral fact; it systematically undermines the social and economic well-being of blacks in the United

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<sup>3</sup> Massey, Douglass and Nancy Denton. American Apartheid. Pg. 1 Harvard University Press, Cambridge 1993

States”<sup>4</sup> They say, essentially, that racial segregation is primarily responsible for the creation and perpetuation of poverty among black Americans.<sup>5</sup> They clarify this by explaining that economic declines disproportionately affect a segregated population precisely as a result of their spatial concentration. They say that a lack of physical concentration can serve to diffuse a gathering problem, whereas segregation causes the reverse. “Segregation is crucial to understanding why a self-perpetuating spiral of neighborhood decline is built into urban black communities.”<sup>6</sup> Massey and Denton then explain that the institutionalization and perpetuation of racial segregation over the course of decades has led black Americans to adapt to this environment. This adaptation further isolates blacks from the rest of America. Massey and Denton find that socially, culturally, economically, and politically, blacks in America are set apart from the rest of the country. They see this adaptation as another aspect of the perpetuation of segregation and its ill effects.

Massey and Denton attribute much of the blame to public policy that has both tolerated and supported racial segregation. They outline specific instances throughout U.S. history where attempts at enacting preventative laws were consciously dismantled. They say, “Each time that a legislative or judicial action was undertaken to ameliorate segregation, it was fought tenaciously by a powerful array of people who benefited from the status quo (realtors, bankers, politicians); these actors, in turn, relied on the broader indifference and hostility of most white Americans”<sup>7</sup>. They focus specifically on the Fair Housing Act of 1968 and explain its faults. They say, “The problem with the Fair

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<sup>4</sup> Massey, Douglass and Nancy Denton. American Apartheid. Pg. 2 Harvard University Press, Cambridge 1993

<sup>5</sup> Massey, Douglass and Nancy Denton. American Apartheid. Pg. 9 Harvard University Press, Cambridge 1993

<sup>6</sup> Massey, Douglass and Nancy Denton. American Apartheid. Pg. 131 Harvard University Press, Cambridge 1993

<sup>7</sup> Massey, Douglass and Nancy Denton. American Apartheid. Pg. 212 Harvard University Press, Cambridge 1993



Housing Act lay not in its coverage or in the kinds of discrimination that is specifically banned but in its enforcement provisions. Although the act committed the federal government to fair housing goals at a symbolic level, the systematic removal of its enforcement mechanisms prior to passage meant that its lofty goals were virtually guaranteed to remain unrealized. ... The fundamental weakness of the 1968 Fair Housing Act was its reliance on individual efforts to combat a social problem that was systemic and institutional in nature.”<sup>8</sup> These concepts that Massey and Denton so eloquently put forward are crucial in the understanding of Harlem as a people and Harlem as a place. This institutionalized segregation, its negative economic effects, and its isolation of communities have come to define Harlem.

But Harlem is changing. As neighborhoods change, social scientists study the causes and effects of such change. Much theoretical literature has been written about the potential for positive and negative impacts of neighborhood change and gentrification. Harlem has been studied often throughout the years, but with this most recent change, Dr. Lance Freeman has undertaken some gentrification studies of the neighborhood as an attempt to understand what exactly is happening in Harlem. In a qualitative study in 2003, Freeman attempts to understand the feelings long-term residents<sup>9</sup> have towards gentrification. His study, “There Goes the ‘Hood: The Meaning of Gentrification to Long-Term Residents”, captures some of the notions held by black, inner city residents about their neighborhood and the change they see. He discusses how an outsider “might wonder what all the fuss and concern about whites in the neighborhood is about. The

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<sup>8</sup> Massey, Douglass and Nancy Denton. *American Apartheid*. Pg. 195,198 Harvard University Press, Cambridge 1993

<sup>9</sup> Freeman defines “long-term residents” as living in gentrifying neighborhoods before the beginning of noticeable neighborhood change.

faces are still overwhelmingly black and brown. What this surprise signifies is just how racially isolated many of America's inner-city communities had become."<sup>10</sup> This first point is an important one. When the numbers are examined, the real demographic changes in these communities may not be so significant, but both perceptions and secondary changes might be impacted disproportionately. Freeman says that many respondents in his study felt that a small increase in the white population meant a large increase in services and amenities. He goes on to say that many long-term residents feel that new services are not always a good thing, especially in the case of police presence that might actually make long-term residents uncomfortable. The stories are not to be taken at face value, Freeman says, but instead "they should be viewed as representative of the cynicism that decades of unequal neighborhood treatment have wrought. They also provide additional insight into why gentrification is not always a welcome force, even among those not threatened by displacement."<sup>11</sup> Freeman's study is an important one. Emotions, feelings, and notions cannot be discounted when planning for a neighborhood. When races and classes mix, facts sometimes are not the most important factor. From his interviews, Freeman reaches some interesting conclusions. He says that "indeed the conflicting forces of gentrification are often felt by the same person."<sup>12</sup> Freeman thinks that "perhaps more needs to be done to include the voices of these residents in the planning and governing of their communities."<sup>13</sup> He feels that this is a good way to get long-term residents feeling like they do have some influence over their neighborhood while also attempting to minimize the detriments of gentrification.

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<sup>10</sup> "There Goes the 'Hood", pg. 17, Freeman, 2003.

<sup>11</sup> "There Goes the 'Hood", pg. 30, Freeman, 2003.

<sup>12</sup> "There Goes the 'Hood", pg. 51, Freeman, 2003.

<sup>13</sup> "There Goes the 'Hood", pg. 49, Freeman, 2003.

In a quantitative study looking at the turnover rate of low-income populations Freeman, along with Frank Braconi, concluded that low-income populations move less in gentrifying neighborhoods. This controversial study, “Gentrification and Displacement: New York City in the 1990’s”, analyzed the changes in New York City neighborhoods to see if gentrification truly does cause displacement. Freeman and Braconi acknowledge that gentrification often has a negative connotation. The researchers sought to find out if this connotation is justified. Their study revealed that during the 1990’s, “rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move.”<sup>14</sup> They explain this by saying that “neighborhood improvements ... are valued by disadvantaged households” even at the cost of higher rents.<sup>15</sup>

While this conclusion got all the headlines and caused a big stir within the urban planning world, deeper within the study, Freeman and Braconi do make some points that have been overlooked and should have been highlighted by the authors. They note that rent burdens were higher for the low-income populations living in gentrifying neighborhoods. They also note that perhaps one reason that lower income residents moved less in gentrifying neighborhoods, aside from enjoying the new amenities and services, was the fact that finding affordable housing elsewhere, either within the neighborhood or not, was a major challenge.<sup>16</sup> The major implication for planning that Freeman and Braconi point out is the usefulness of rent regulation and public housing. They say that these two programs “may have a certain logic in the context of

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<sup>14</sup> “Gentrification and Displacement”, pg. 51. JAPA, Winter 2004, Vol. 70, No.1

<sup>15</sup> “Gentrification and Displacement”, pg. 51. JAPA, Winter 2004, Vol. 70, No.1

<sup>16</sup> “Gentrification and Displacement”, pg. 50. JAPA, Winter 2004, Vol. 70, No.1

gentrification” since rent regulation has proven to keep lower income populations more stable and public housing is beyond the market forces of gentrification.<sup>17</sup> They say that “public housing, often criticized for anchoring the poor to declining neighborhoods, may also have the advantage of anchoring them to gentrifying neighborhoods.”<sup>18</sup>

The major critiques of this study have been that the researchers did not adequately address the issue of replacement. Out-movers from gentrifying neighborhoods are replaced almost exclusively by higher income residents. While the data might show that disadvantaged households are moving out at a slower rate, the socioeconomic status of replacers was not studied. This study, and its critiques, is very relevant to Harlem and the change that it is currently experiencing.

The most topical of economic development theories belongs to Michael Porter. Porter is a Harvard Business School Professor and founder of the Institute for a Competitive Inner City<sup>19</sup>. Porter achieved success from discussing competitive advantages of varying countries in the global trade market. The reason he is mentioned here, however, is that he took his ideas about globalized trade and applied them to disadvantaged urban communities. In his work The Competitive Advantage of the Inner City, Porter calls for a new approach to solving the ills of the poverty stricken urban neighborhoods. He suggests that the old “social” solutions will never solve the real problems and that new “economic” solutions are necessary to bring forth success from these communities.<sup>20</sup>

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<sup>17</sup> “Gentrification and Displacement”, pg. 50-1. JAPA, Winter 2004, Vol. 70, No.1

<sup>18</sup> “Gentrification and Displacement”, pg. 51. JAPA, Winter 2004, Vol. 70, No.1

<sup>19</sup> More information regarding the Institute for a Competitive Inner City can be found at [www.icic.org](http://www.icic.org).

<sup>20</sup> Porter, The Competitive Advantage of the Inner City, pg. 9.

Porter begins his argument by discussing the errors in logic of old approaches to addressing inner city problems. He says that emphasis has been placed on social programs in areas such as “housing, food, health care, education, income assistance, criminal justice, and other areas”. This emphasis, he says, does not get at the root of the problem. He says, “Jobs and genuine economic opportunity must come first. Without them, social programs may improve the quality of life but will ultimately fail, leading to the necessity for perpetual government subsidy.”<sup>21</sup> Porter discusses the differing economic development models of the past and states that none of them are successful in the attempts to improve the inner city.

Porter proposes a new model for inner city economic development. This model, he says, must be rooted in the private sector. It must be focused on creating profitable businesses that can stand on their own. He believes that this new model should have as its goal an inner city that interacts economically on the regional and even national level. “The new model must be trade and ‘export’ oriented, rather than focused solely on businesses that serve the local community.”<sup>22</sup> Porter wants this new model to put business in the lead and government out of the way.

Porter writes that there are four distinct advantages that inner cities have that should be exploited. The first is physical location. Porter says that even though there are those that will argue that location is no longer important with today’s technology, “the evidence makes it clear that proximity remains a critical advantage in many types of industries.”<sup>23</sup> He says that the centrality of inner cities should ideally make them economically valuable locations. The second advantage of inner cities is demand

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<sup>21</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 3.

<sup>22</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 10.

<sup>23</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 16.

conditions. Porter discusses the buying power of low-income communities and their unmet need. He says that there is a gap that needs to be filled here and that entrepreneurs can capitalize on this gap and also expand their businesses to other surrounding areas with similar unmet demands. The third advantage the inner city has over other areas is access to regional clusters. Porter says that nearby regional clusters can provide dedicated consumers for newly formed businesses looking to serve the specific type of service that the cluster provides. Inner city businesses that cater to specific clusters will have an advantage if those clusters are nearby. Porter also says that regional clusters provide an excellent source of employment opportunities. Once a resident is trained with the skills necessary to work in that cluster, the opportunities for employment are significantly larger. The fourth advantage is human resources. Porter points out that residents of the inner cities are a low-cost labor supply. He says that while this is not necessarily an advantage, it is a good starting point for building businesses. He also says that the spirit of entrepreneurship is strong in inner cities. He feels that the people of the inner city, as a population, are an advantage to the location.<sup>24</sup>

After discussing the new model of economic development and the advantages of the inner city that need to be exploited, Porter discusses the major disadvantages of the inner city and how to overcome them. He says that the overriding theme should be to shift focus away from social services and onto jobs. He says that too often the process of acquiring and assembling land creates a barrier to economic development. He says that the government should streamline the process of acquiring land and aid in assembling several parcels into larger lots in order to better accommodate businesses. Porter feels that government should subsidize clean up and demolition of land. He says that

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<sup>24</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 16-22.

environmentalism “will make the problem worse by further scaring away business investment.”<sup>25</sup> He feels that government should do all in its power to ease the process for businesses of acquiring suitable land.

Porter then discusses the disadvantage of building costs in inner cities. Here also, he feels that lowering government regulations is the key to promoting development. Porter feels that cities should create a single entity in charge of zoning and building permits and all approvals necessary to develop land. Business leaders, according to Porter, should head this new entity. He also feels that community input can be detrimental to development and therefore should be restricted to overall plans and nonexistent on specific developments.

Porter also identifies other costs of doing business in inner cities that are barriers to economic development. He says that these costs, associated with utilities, health care, insurance, linkage fees, real estate and other taxes, and many others, should also be limited by the government. Porter would like to see the creation of a regulatory ombudsman that would “ensure expeditious responses to businesses”.<sup>26</sup>

Porter discusses several other impediments to development in the inner city. He lists security, infrastructure, and employee and management skills as all lacking in the inner city. He feels that these issues must be addressed before true economic development can be achieved. The final barrier that Porter identifies is attitudes. He feels that workers should be more trusting of business. He feels that leaders and activists should not perpetuate anti-business attitudes. He also that inner city companies

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<sup>25</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 25.

<sup>26</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 27.

themselves need to change their attitudes regarding entitlement and profit. Porter says that these companies cannot expect hand outs and should be willing to compete fairly.

Porter then moves on to discussing the roles government and community organizations must take for this new model of economic development to succeed. He says that government must make jobs and development a priority. He suggests focusing all government actions on aiding the private sector. He does not want, however, businesses that cannot stand on their own. He wants government to stop propping up unsuccessful businesses that would not exist if not for government subsidy. He feels that government should do what it can to mobilize the private sector the way it has mobilized communities in the past.

Porter says that community based organizations (CBOs) should fundamentally change their attitudes and goals if inner city economic development is going to succeed. He feels that these CBOs cannot effectively work towards economic development. He says that their focus on people and local businesses is to be avoided. Porter feels that the best thing CBOs can do for economic development in the inner cities is “work to create a hospitable and inviting environment for business. They should work to change community and workforce attitudes, help improve public services, and act as a liaison with residents to quell unfounded opposition to new businesses.”<sup>27</sup>

Essentially, Porter feels that inner cities can be opened up to big business. Furthermore, government and community organizations should do all they can to get out of the way of investment opportunities. He feels that all efforts aimed at social services will only impede the development of inner cities. Porter feels that social approaches to solving the poverty problems of inner cities have had their chances and have failed. He

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<sup>27</sup> Porter, *The Competitive Advantage of the Inner City*, pg. 39.



feels that a new paradigm is necessary; one where government and community are on the sidelines while the private sector leads the way.

This theory is quite relevant to Harlem today. In some ways, much of what Porter advocates for has been implemented in Harlem. The private sector is leading the way in development of the neighborhood. Local businesses are not priorities and the neighborhood has been opened to big business. As for the results, that will be analyzed later. What is clear is that the neighborhood is changing.

There are those that have criticized Porter's approach. David Sawicki and Mitch Moody, in their article "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment", claim that Porter's new model of economic development is neither new nor meritorious. They say "little he [Porter] recommends is new or stands the scrutiny of thirty or more years of research and practice in inner-city economic redevelopment."<sup>28</sup>

Sawicki and Moody criticize Porter's theories and try to put them in context of United States history and policy-making. They say that after the 1960's the government's goal of finding the lowest cost solution to inner city problems was to cut all public assistance. Since this was too dangerous in terms of the potential for urban riots, "the next least costly solution, and the one adopted as de facto national policy for twenty-five years now, was to contain inner-city residents in poor-quality housing in segregated areas, providing little real hope of joining the economic mainstream."<sup>29</sup> They go on to say that "Porter's indictment that government-backed social programs have failed ignores the history of how present policies evolved."<sup>30</sup> Sawicki and Moody insist that the social programs that Porter is so against are actually the only source of salvation from the

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<sup>28</sup> "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment" Sawicki and Moody.

<sup>29</sup> "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment" Sawicki and Moody. Pg. 83.

<sup>30</sup> "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment" Sawicki and Moody. Pg. 83.

damage of private-sector led economic development of the inner-city.<sup>31</sup> Sawicki and Moody systematically examine Porter's arguments and show that at best, his suggestions are vague, and at worst run entirely in the face of proven outcomes. "Less than revolutionary, his proposals essentially re-advance pro-business ideology of less government, leaving basic economic patterns in the ghetto unchanged."<sup>32</sup>

Sawicki and Moody suggest that Michael Porter is speaking to conservatives and business leaders and telling them what they want to hear. They say that his ideas are a rehashing of the status quo of the free-market, pro-business agenda and are destined to perpetuate the problems of the inner city. They say that "the country needs a more radical look at the changing nature of work, private and public sector hiring policies, and an attitude that should hold our society to blame for creating too few jobs, rather than blaming those that lose in the competition for those jobs."<sup>33</sup>

Before the Harlem neighborhood is fully understood, it is first important to understand the theories behind the evolution of such a neighborhood. Massey and Denton show how segregation creates disadvantaged communities. They explain that segregation is ongoing and has immense negative consequences. Lance Freeman and Frank Braconi add to the literature by shedding some light on the feelings and mobility decisions of residents in gentrifying communities. Their neighborhood change studies raise questions about winner and losers of economic development. Michael Porter, David Sawicki and Mitch Moody discuss the benefits of free market ideas and the impacts of government social service programs. With differing opinions, they place the inner city in

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<sup>31</sup> "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment" Sawicki and Moody. Pg. 81.

<sup>32</sup> "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment" Sawicki and Moody. Pg. 90.

<sup>33</sup> "Deja-Vu All Over Again: Porter's Model of Inner-City Redevelopment" Sawicki and Moody. Pg. 92.

the middle of an important debate on policy and the nature of capitalism. It is these concepts that underlie and drive my case study on Harlem.

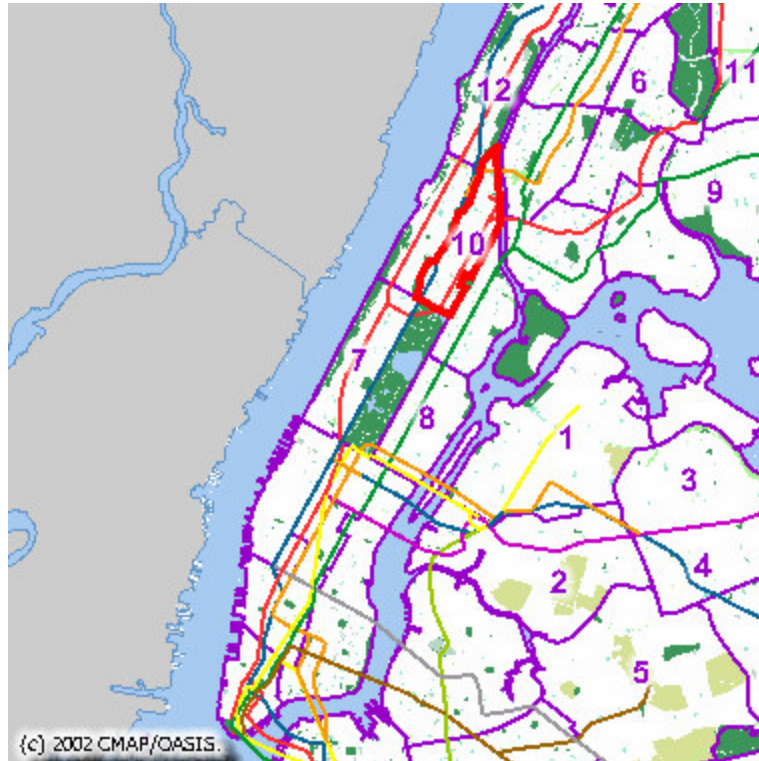
## Chapter 4

This study is unique in that it addresses the past, present, and future. Harlem gentrification studies examining the cause and effect of displacement exist, but no attempt has been made to take a practical look forward. There is a void in the literature. This study attempts to fill that void. While the study does address the needs of the Harlem community, I am just as concerned with place. This is an important distinction that comes up often in various aspects of this study. The history of Harlem is both the history of its people and the history of a neighborhood. They are equally important and come together to create the legend that is Harlem. This study aims to understand the needs of both. While it discusses displacement and neighborhood change, it is not a gentrification study. It is a study of a neighborhood in transition. Harlem is changing. Ten years from now it will look different. A gentrification study looks at what has happened to a neighborhood. Who has moved in? Who has been forced out? Have services and amenities improved? I am interested in all of these things and more. I want to know what has happened, what have been the effects, what more will happen, and what is being done about it. The economic redevelopment of Harlem is far from being over. As a neighborhood evolves, there are important choices to be made. It is the events that promote and shape this evolution that I am interested in and hope to capture with this study.

An important question is why Harlem. I should mention that studying at Columbia University offers me easy access to the Harlem neighborhood. Situated on the border of Harlem (and expanding), the Columbia campus offers the urban planner an amazing opportunity for field work. It should also be known that as a Research Associate

for the Columbia University Office of Community Affairs, I worked for Central Harlem's Community Board 10, which furthered my interest in low-income communities and also inspired this study. Aside from the easy answers of location and relationship, however, there are deeper reasons why one should care to understand this neighborhood. While there are plenty of neighborhoods that are undergoing change, none of them carry the magnitude of Harlem. Harlem has beautiful architecture. Harlem has mammoth public housing. Harlem is, in many ways, the capital of black America. Harlem is a true community. But Harlem is much more than the sum of its parts. I can think of no other neighborhood whose name is so recognized and evokes so many images. The connotations associated with Harlem are endless. Even San Francisco's Castro, Chicago's South Side, and Boston's Southie do not come close to the gravity associated with Harlem. Perhaps Los Angeles' Hollywood has more recognition, but for much different and more superficial reasons. For better or for worse, Harlem represents urbanity. And not solely in the United States. Harlem is an international symbol. It has slowly climbed to the top of the list of New York destination spots for international tourists. It is for all these reasons, plus one more, that Harlem is the focus of this study. That final reason is the distinctive position Harlem finds itself in. As I see it, Harlem is in the middle of a cycle. There are strong forces pushing for change. There are strong forces opposing change. Just ten years ago, Harlem was a different place than it is today. Ten years hence, it will be even more different. It is in the nature of neighborhoods to change. How they change, however, is not natural. It is a product of many forces, important decisions, and opportune timing. It is this phenomenon that I hope to capture in my study, a snapshot in time of a neighborhood in transition.

On the subject of time, it is important to note that I discuss the period of investment as having started roughly a decade ago, in 1994. I use this as a starting point because the Federal Empowerment Zone legislation was passed then. It went into effect in Harlem in December of that year. There are signs that the investment started even before this, with talks of the Pathmark supermarket starting years before, among others, but a line must be drawn and the start of the Empowerment Zone seems as good a place as any to start. It is very important to understand, however, that I did not study the effects of the Empowerment Zone legislation. I use the passing of this legislation merely as a marker of time. I do not address the theories behind or the pros and cons of empowerment zones. I do not take a stand on the effectiveness of such urban policy. (I will state, however, that I do not hold much hope that empowerment/enterprise zones, on their own, act as much of a catalyst for economic activity. As will be discussed later, it appears that some of the Harlem leadership resent the Empowerment Zone and its effects on their neighborhood.) Also, for the purposes of this study, I am defining Harlem as the boundaries designating Manhattan Community District 10, or Central Harlem. These boundaries are 5<sup>th</sup> Avenue to the East, the natural boundaries of Morningside Park, St. Nicholas Park, and Jackie Robinson Park to the West, 110<sup>th</sup> St. to the South, and 155<sup>th</sup> St. to the North. The thought process here is that Central Harlem, while sharing many similar characteristics to East and West Harlem, is its own neighborhood. This study takes into account development projects outside those boundaries, but looks at impacts solely on Central Harlem.



This study contains three major parts. The first is an examination of some of the effects of the past decade's investment. For this, I looked at census data, housing and vacancy survey data, and information gathered from the Upper Manhattan Empowerment Zone Development Corporation (UMEZ). Using the census data, I looked at the change of certain variables concerning housing, employment, population, and other vital statistics between 1990 and 2000. For an even more up to date survey, I examined data from the New York City Housing and Vacancy Survey of 2002. This data provided demographic information regarding housing and economical variables. The UMEZ data detailed the amount and type of investment Harlem has seen since the inception of the Empowerment Zone. The use of these three data sources is the basis for the understanding of the impact of the recent economic development. The data provides a

way to measure the neighborhood change. It also helps in understanding what effects can be expected from more of the same type of investment.

The second major part of the study is an attempt to collect data on the attitudes of those most responsible for and accountable to the neighborhood. For this, I have interviewed the Harlem leadership. This section attempts to get value judgments from those in power. The idea here is that decisions are being made based on facts, perceptions, and a host of other variables. I attempt to get at the major conceptions held by the Harlem leadership. With the data gathered from the first section, I questioned Harlem's leadership, at differing levels of the hierarchy, on their vision for the future of Harlem. Showing the tangible outcomes of economic development, both positive and negative, I attempted to see where the leaders came down on key issues facing the neighborhood. This section was helpful in understanding where the neighborhood, represented by its leaders, stands in relation to the change it is undergoing. It attempts to answer the question of whether the neighborhood feels it is doing something, or conversely, that something is being done to it.

The final section analyzes all the data gathered and makes suggestions to the neighborhood. This section attempts to make sense of the phenomenon and identifies the common visions and differing views. After culling the census and interview data, I make major recommendations for the various levels of government and for the people of Harlem. Recommendations cannot be suggested without making value judgments and it is important that I disclose some of the values that taint my recommendations. I am a firm believer in social justice. I feel that wealth should be distributed more evenly in this country and that there is definitely a place for major market correction. In terms of



Harlem, my recommendations are practical and logical. They take into account reality, yet strive to be daring and equitable. Investment will continue in Harlem. My recommendations aim to maximize the benefits of this current round of investment for existing Harlem residents. The recommendations do not have maximum investment as the ultimate goal. They have a successful, prosperous neighborhood as the ultimate goal. I am in favor of affordable housing and do not feel the free market is the answer to a distressed community's problems. While it is clear my recommendations are influenced by my core beliefs, it should also be clear that every attempt was made to have the data collection be impartial.

As for shortcomings to the study, the information discussed here is very time-sensitive. The study will be made available to the Harlem community to use as it sees fit, but may not have much relevance to other communities. While general concepts can always be transferred, it is questionable how useful specific recommendations will be to those outside Harlem. Aside from the transferability, the use of this study will be relegated merely to historical reference within a few short years, assuming the economic redevelopment goes ahead as planned. The importance of this study also makes it a liability, in terms of longevity. Something is happening right now. It is crucial that the neighborhood be aware of what is happening and act accordingly. There is a small window and it is rapidly closing

## Chapter 5

Since the inception of the Empowerment Zone, hundreds of millions of dollars have been invested in Harlem. With most going to commercial projects, The Upper Manhattan Empowerment Zone Board has financed 152 initiatives with nearly \$134 million.<sup>34</sup> 58% of those funds went to business investment. 27% went to tourism and cultural industry development. The remaining 15% was spent on workforce and human capital development. UMEZ claims that every dollar it spent was leveraged over five times for an additional \$695 million invested in Upper Manhattan. Harlem USA, Pathmark, East River Plaza, Gotham Plaza – these are just some of the major developments UMEZ has funded over the last decade. These are the type of developments that are getting substantial support from UMEZ. Small, local entrepreneurs are not the main focus of the Empowerment Zone. Skills training and human development are also not the main focus of the Empowerment Zone. The main focus of the past decade's investment has been big corporations.

The motivation behind this study is the critical nature of its timing. Harlem is truly at a crossroads. The projects listed above have all been developed over the last decade. There are more projects being developed currently and even more in the pipeline. Before the neighborhood is totally transformed, it is important to stop where we are and look back in order to try and understand the impacts of such major development. In order to make any kind of educated decisions about future development, it is incredibly important to examine the effects of the \$829 million thus far invested in Harlem. I have pulled together relevant census data and New York City Housing and Vacancy Survey (HVS) data to address this need. The census data and HVS data are for

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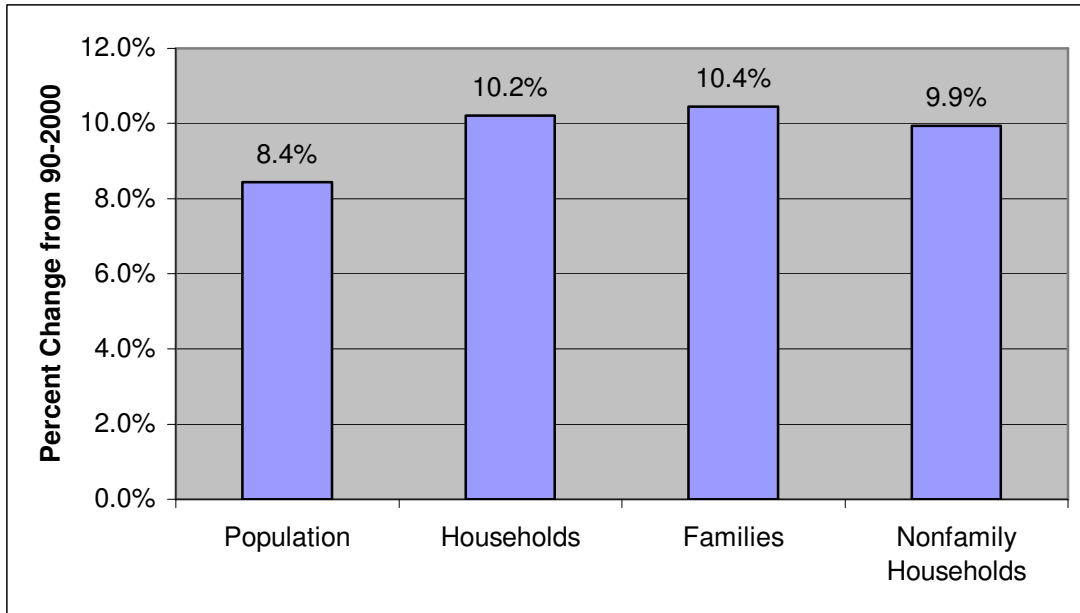
<sup>34</sup> Upper Manhattan Empowerment Zone Annual Report 2001. [www.umez.org](http://www.umez.org)

Central Harlem, whose boundaries are described in the previous chapter. It is also important to note that while the census data can be reasonably relied upon, the New York City Housing and Vacancy Survey data is less reliable. The Housing and Vacancy Survey is conducted every three years and takes small samples for New York City's neighborhoods. I use this data because it is the most recent data available. The strength of its use as an indicator of trends is not as strong as traditional census data since the HVS sample size for Central Harlem in 2002 was 330. With this said, the validity of the HVS data is not entirely lost and its usefulness as a sense of what is currently happening in the neighborhood is very much real.

In examining the trends of the neighborhood, the first figures to look at are the fundamental population numbers. Central Harlem's population increased by approximately 8,000 people between 1990 and 2000. As seen in Table 1, the number of households and families also increased. The increase in households very slightly outpaced the population increase, as seen in Graph 1. This indicates that the population that moved into Harlem in the 1990's was of a slightly different type of household than Central Harlem was used to.

	<b>1990</b>	<b>2000</b>
Population	99272	107643
Households	41486	45719
Families	21684	23949
Nonfamily households	19802	21770

Table 1 - Central Harlem Population



**Graph 1 - Central Harlem Population Change**

When the numbers regarding household type are examined, they reveal what Graph 1 implies. All types of households increased between 1990 and 2000, with the exception of larger households. As shown in Table 2, the number of 7 or more person households dropped dramatically. 6 person households gained a nearly negligible number, essentially not growing as the population grew. The real growth can be seen in 2 and 3 person households, with these groups increasing by 17% and 16%, respectively. The growth of these types of households was roughly double that of the general Central Harlem population. This data shows a trend towards smaller households.

	1990		2000		
	#	% of all 1990 households	#	% of all 2000 households	% change from 90 - 2000
1-person household	17929	43%	19337	42%	8%
2-person household	9486	23%	11079	24%	17%
3-person household	5763	14%	6699	15%	16%
4-person household	3864	9%	4369	10%	13%
5-person household	2134	5%	2356	5%	10%
6-person household	1087	3%	1095	2%	1%
7-or-more-person household	1221	3%	901	2%	-26%

Table 2 - Central Harlem household type

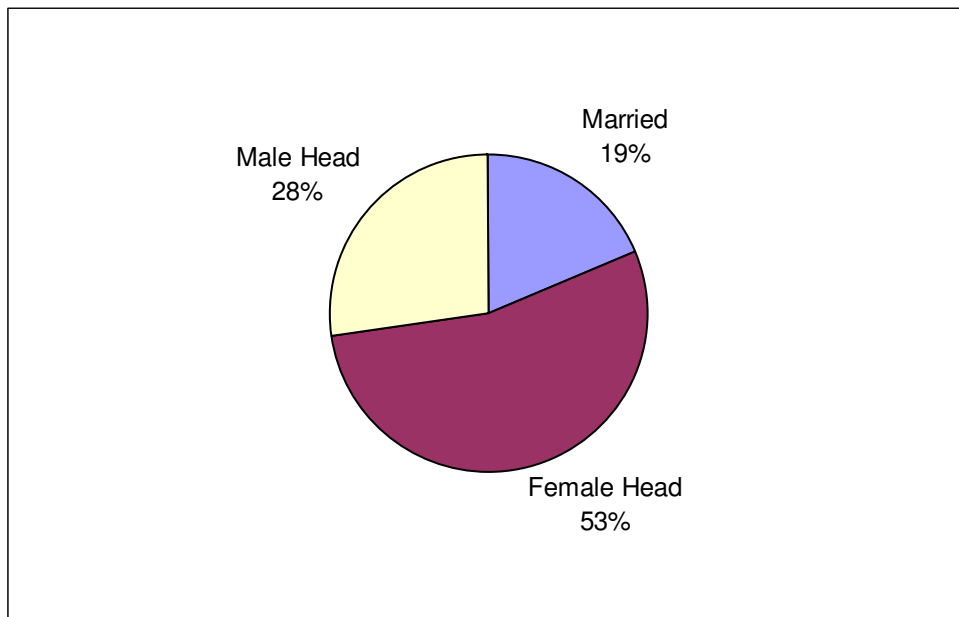
When Central Harlem’s household size is compared to Manhattan and New York City as a whole, we can see that Harlem is becoming more like the rest of the island. Table 3 shows the household size figures for Manhattan and New York City. The table shows that 76% of all households in Manhattan are either 1 or 2 person households. While not there yet, Central Harlem seems to be headed in that direction.

	Manhattan		New York City	
1-person household	354229	48%	962502	32%
2-person household	209356	28%	809063	27%
3-person household	80169	11%	486406	16%
4-person household	51293	7%	382341	13%
5-person household	23999	3%	207242	7%
6-person household	11273	2%	96924	3%
7-or-more-person household	8325	1%	77110	3%

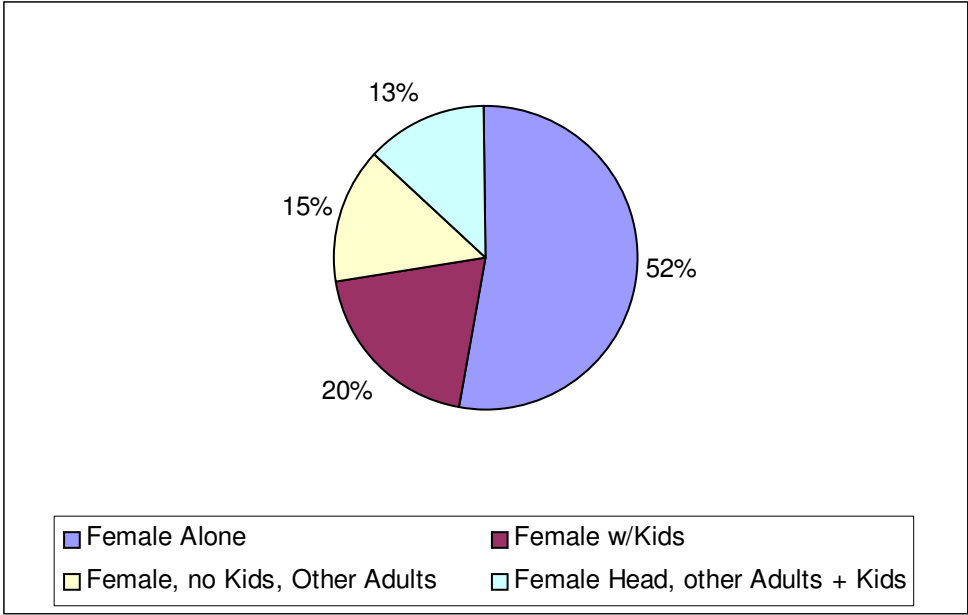
Table 3 - Household Size 2000

When the most recent data regarding family structure is examined, we see that Central Harlem households appear to continue this shift towards a smaller size. In Chart 1, we

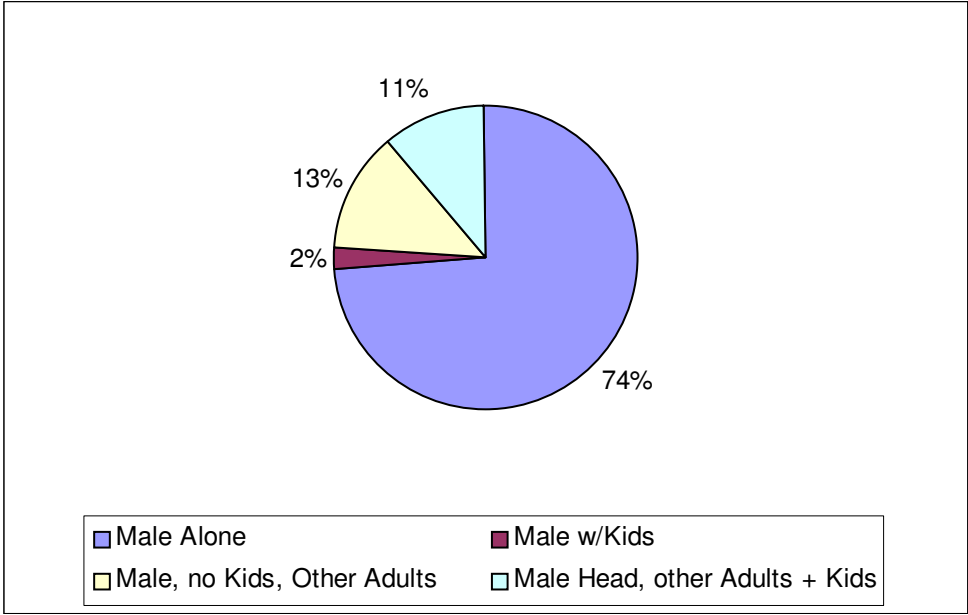
see that more than half of all households are female headed. We also see that male headed households make up slightly more than a quarter of households and that households headed by married couples are the smallest group, with 19%. When the female and male headed households are broken down further, Charts 2 and 3 imply that most households are small. In female headed households, 52% are female alone. Another 15% contain the female head with other adults, without children. In male headed households, these figures are even greater. The percentage of male alone households within all male headed households is 74%, with another 13% of these households showing the male head living with other adults but no children. These numbers point to a growing shift in household type. Harlem's newest residents appear to prefer smaller households.



**Chart 1 - Central Harlem Family Structure HVS2002**



**Chart 2 - Central Harlem Female Headed Households HVS2002**



**Chart 3 - Central Harlem Male Headed Households HVS2002**

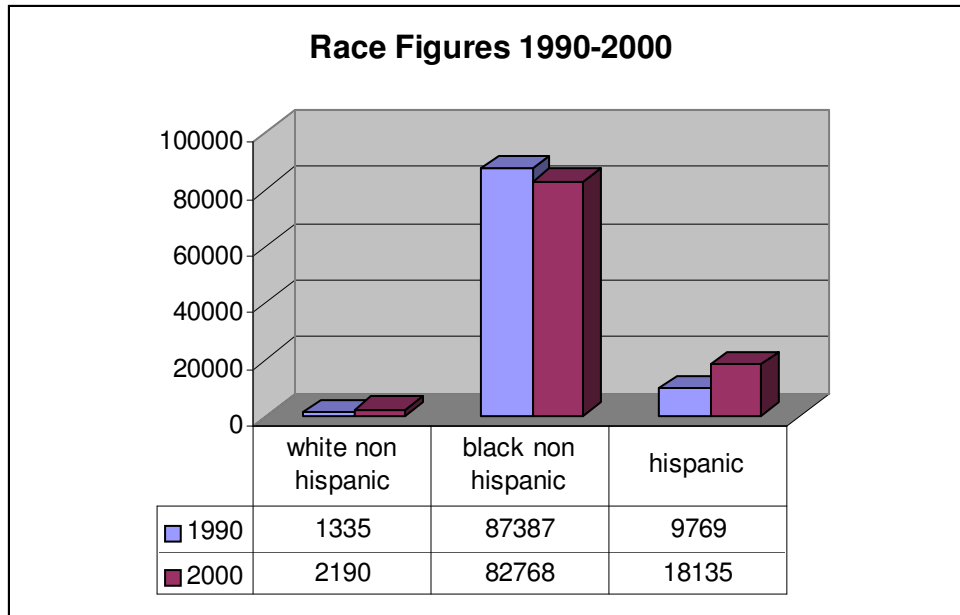
Along with household structure, another variable that is changing and cannot be ignored is race. For obvious reasons, race is a major issue in Harlem. For decades, Harlem was more than 90% black. This, however, has been changing. With the recent investment bringing with it many notions of gentrification, race and class issues are on the tips of

everyone’s tongues. While perception is one thing, a look at the numbers does reveal some interesting facts. As Table 4 indicates, when Hispanic origin is not factored in, it appears that the white population of Central Harlem roughly doubled during the 1990’s. The black population lost about 4300 people during the 90’s. While this amount of people was only five percent of the 1990 population, the large population increase of other races during this same period made the black loss seem much greater in terms of overall percentage. With a loss of 5% of its population, blacks constituted 81% of total population in 2000; down 11% from 1990. When the Hispanic/Latino aspect is factored in, the presence of the Hispanic and white communities are more clearly visible. Graph 2 shows that the non-Hispanic white population increased from 1335 people to 2190 people. The black non-Hispanic population dropped by about 4600 people and the Hispanic population spiked from 9769 to 18135, an increase of more than 8300 people.

	1990		2000		change	% change
	#	% of total	#	% of total		
White	3094	3%	5866	5%	2772	90%
Black	91240	92%	87047	81%	-4193	-5%
Other	4939	5%	14340	13%	9401	190%
White non-Hispanic	1335	1%	2190	2%	855	64%
Black non-Hispanic	87387	88%	82768	77%	-4619	-5%
Other non-Hispanic	781	1%	4160	4%	3379	433%
Hispanic	9769	10%	18135	17%	8366	86%
Non-Hispanic	89503	90%	89117	83%	-386	0%

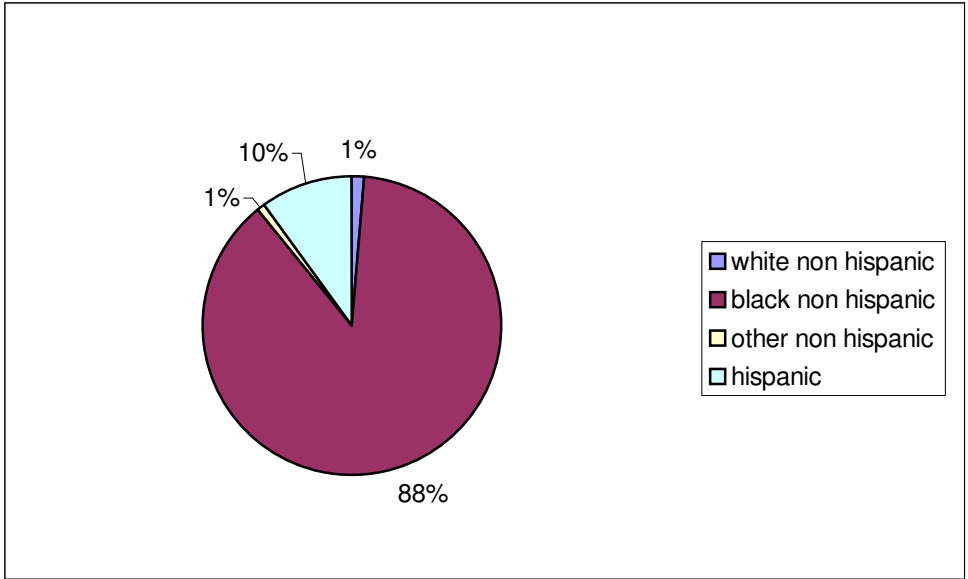
Table 4 - Central Harlem Race Figures



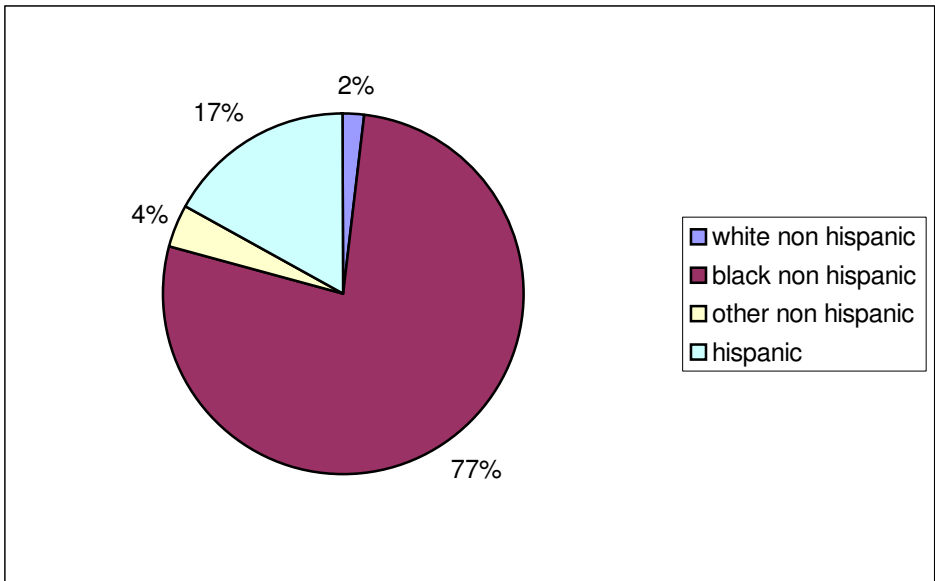


**Graph 2 - Central Harlem Race Figures**

Charts 4 and 5 show the racial distribution in 1990 and 2000. We can see that in 1990, 88% of the population consisted of non-Hispanic blacks. The non-Hispanic white population in 1990 was at 1%. The Hispanic population of Central Harlem in 1990 was roughly 10%. Ten years later, the Hispanic population was up to 17%, the non-Hispanic whites were now 2% of the population, a non-Hispanic population that was neither white nor black was now 4% of the population, and non-Hispanic blacks were 77% of the population in 2000. It is clear that while the black population is still very much in the majority, the near totality it once held is being eroded. The Hispanic population is growing at a fast rate. It is becoming a substantial piece of the Harlem population. The white population is increasing, but since the number of whites in Harlem was so small to begin with, there was essentially only one direction this population could go. While percentage-wise, the white population jumped, in real terms Central Harlem did not experience a mass migration of whites into the neighborhood during the 1990s.



**Chart 4 - Central Harlem Racial Distribution 1990**



**Chart 5 - Central Harlem Racial Distribution 2000**

Switching from population statistics to housing statistics, we can see from the data that the number of housing units increased during the 1990's by more than 6,000. As Table 5 shows, the number of housing units increased by 14%. This increase, larger than the population increase, points to both smaller households (as discussed earlier) and an

anticipation of a continued population increase. When compared to Manhattan and New York City as a whole, the data reveals that Central Harlem had a veritable construction boom during the 1990's. Table 6 shows that the increase in units was 7% in New York City and only 2% in Manhattan. This increase in Central Harlem housing units being faster than the general population increase does seem to have created more vacancies. As Table 7 shows, the number of vacant units and the vacancy rate in Central Harlem both increased during the 1990's. Of the 7509 vacant units in 2000, 3900 (52%) were available for rent, 616 (8%) were for sale, and 531 (7%) were either rented or sold but not yet occupied.

	<b>1990</b>	<b>2000</b>	<b>% change</b>
Total housing units	46973	53344	14%

Table 5 - Central Harlem Housing Units

	<b>90</b>	<b>2000</b>	<b>Difference</b>	<b>% change</b>
Manhattan	785127	798144	13017	2%
NYC	2992169	3200912	208743	7%

Table 6 - New York Housing Units

	<b>1990</b>		<b>2000</b>	
	<b>#</b>	<b>% of 1990 total</b>	<b>#</b>	<b>% of 2000 total</b>
Vacant housing units	5262	11%	7509	14%

Table 7 - Central Harlem Vacant Units

In terms of renter versus owner-occupied units, the tenure numbers reveal another interesting trend. As can be seen in Table 8, the 1990's saw a slight shift towards a more owner-occupied neighborhood. The benefits and drawbacks of this shift will be

discussed later, but when the 2002 HVS data is examined, Table 9 clearly shows the direction Harlem is headed in. The 2002 data, while not entirely reliable as a result of its small sample size, is helpful in showing a growing trend. Central Harlem is gaining more homeowners. When the data for Manhattan and New York City is examined, we see that Central Harlem is slowly heading in their direction in terms of tenure. Manhattan and New York City have much higher ownership rates, as can be seen in Table 10.

	1990		2000	
	#	% of 1990 total	#	% of 2000 total
Owner-occupied housing units	1888	5%	2991	7%
Renter-occupied housing units	39823	95%	42844	93%

Table 8 - Central Harlem Tenure

	2002
Owner-occupied housing units	12%
Renter-occupied housing units	88%

Table 9 - Central Harlem Tenure HVS 2002

Tenure	1990		2000	
	owner occupied	renter occupied	owner occupied	renter occupied
Manhattan	18%	82%	20%	80%
New York City	29%	71%	30%	70%

Table 10 - Manhattan & New York City Tenure

While the neighborhood is gaining more homeowners, the vast majority of residents remain renters. Table 11 shows the change in median rent of the neighborhood between 1990 and 2000. As one would expect, the median rent in Central Harlem increased dramatically during the 90's.

	<b>1990</b>	<b>2000</b>	<b>% Change</b>
Median gross rent	319	474	49%

Table 11 - Central Harlem Median Gross Rent

When one looks at the range of rents, it can be seen that more Harlem residents are paying higher rents than they were in 1990. As can be seen in Table 12, 84% of Central Harlem residents paid less than \$500 for rent in 1990. A decade later, half are still paying below \$500. While the increase in rent is not surprising, the fact that more than half the neighborhood is paying such a low rent is a bit shocking, considering Table 12 shows that the median rent for Manhattan was more than \$300 higher in 2000. What Table 13 also shows, however, is that the increase in rents during the 1990's was greater in Central Harlem than in Manhattan or New York City.

	<b>1990</b>		<b>2000</b>	
	#	% of total 1990 renters	#	% of total 2000 renters
<\$300	17680	44%	10837	25%
\$300-\$499	15874	40%	11322	26%
\$500-\$749	5000	13%	14752	34%
\$750-\$999	781	2%	3857	9%
>\$1000	107	0%	1275	3%
No cash rent	380	1%	799	2%

Table 12 - Central Harlem Rents

	1990	2000	% increase
Manhattan	567	796	40%
New York City	515	705	37%

Table 13 - Median Gross Rent

These rent figures indicate that the neighborhood is still a low-income community, for the most part, and the increases in rents might encumber its residents more heavily. With this in mind, the rent burden figures yield some telling results. The median rent as percent of income figure for Central Harlem residents not only was under the acceptable 30% threshold, it actually dropped from 28% to 27%. These numbers are comparable to Manhattan and New York City numbers. Table 14 shows the median Central Harlem rent burden. Table 15 shows the median rent burden for Manhattan and New York City. If this was the only number examined concerning rent burden, one might think that Central Harlem residents were doing fine. This, however, is not the truth. While Table 14 shows the *median* rent burden, Chart 6 shows the rent burden broken down into a fuller spectrum. This chart indicates that while half of Central Harlem residents are paying less than 30% of their income on rent, 40% are paying more than 30% and 22% are paying more than half of their monthly income on rent. When this variable is examined in the HVS 2002 data, the results are quite interesting. The rent burden data for 2002 shows a community that is polarized. Chart 7 shows that residents paying less than 30% of their income on rent actually increased from 1999, while at the same time, those paying more than 50% of their income on rent also showed an increase in 2002, up from 22% to 25%.

	1990	2000
Median Rent as % of Income	28%	27%

Table 14 - Central Harlem Median Rent Burden

	1990	2000
Manhattan	24%	25%
New York City	26%	27%

Table 15 - Median Rent Burden

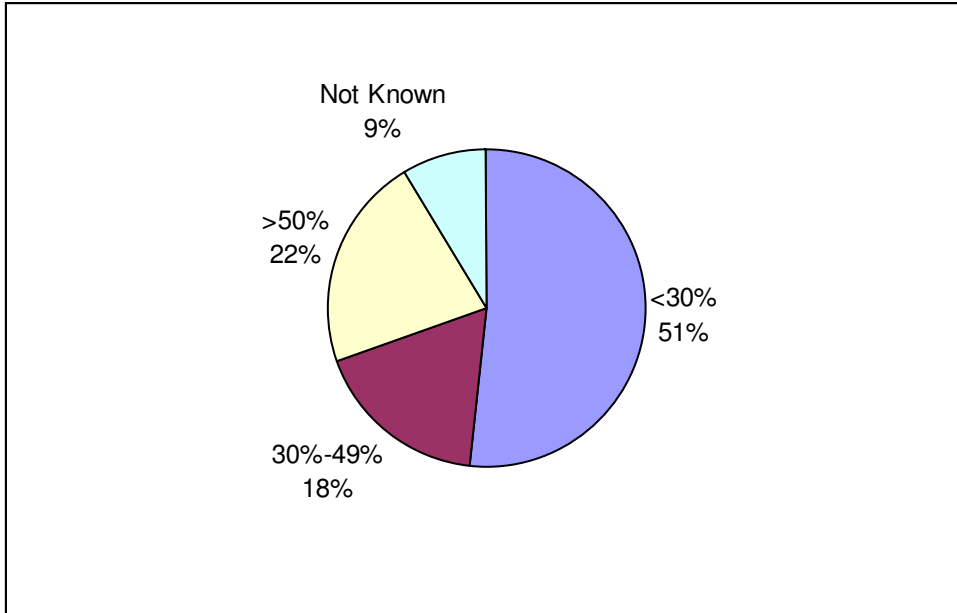


Chart 6 - Central Harlem Rent Burden 1999

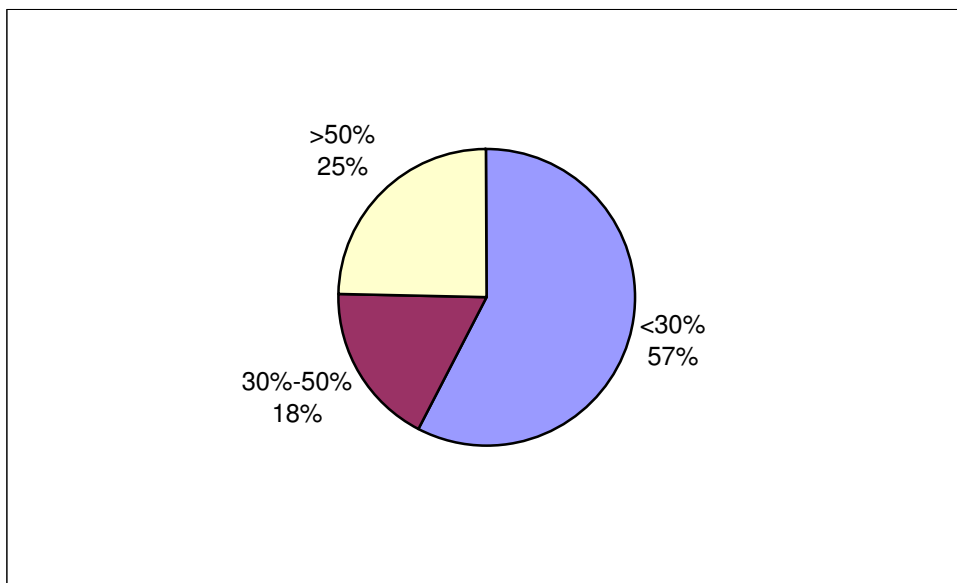


Chart 7 - Central Harlem Rent Burden 2002

This Central Harlem trend towards a polarized neighborhood is not as pronounced borough and citywide. Table 16 shows that in Manhattan and New York City as a whole, the rent burden remained essentially unchanged between 1999 and 2002. We can also see that the percentage of those New Yorkers and Manhattanites paying more than 50% of their income towards rent was 3 and 4 points lower, respectively, than Central Harlem's most burdened residents.

	<b>1999</b>	<b>2002</b>
<b>Manhattan</b>		
<30%	58%	60%
30%-50%	18%	19%
>50%	19%	21%
not known	5%	0%
<b>NYC</b>		
<30%	54%	58%
30%-50%	18%	20%
>50%	22%	22%
not known	6%	0%

Table 16 - NYC Rent Burden 99-2002

While the renter information is very important, the information regarding homeowners is also informative when trying to understand the desirability of a changing neighborhood. When the median value of all owner-occupied housing units is examined, a nearly 295% increase is seen between 1990 and 2000. An increase in value is to be expected, but the increase shown in Table 17 is significantly greater than the increase the rest of the city saw during the same period. Table 18 shows that New York City saw an increase of only 12% during the 1990's. Manhattan's increase, though difficult to gauge as a result of the census data not being specific, is significantly higher than the City number, but probably not as high as Central Harlem's increase.



	1990	2000	% Change
Median value of all owner-occupied housing units (dollars)	152768	602705	295%

Table 17 - Central Harlem median value of owner-occupied units

	1990	2000	% change
Manhattan	487,300	1,000,000+	105%
New York City	189,600	211,900	12%

Table 18 - Median Value of Owner Occupied Units

Moving away from housing for a moment, we turn to employment data. This type of data is crucial to understand since one of the most highly touted benefits of economic development is the creation of jobs. Central Harlem's employment figures show an interesting story when the job numbers are closely examined. As seen in Table 19, the core employment numbers remained essentially stagnant between 1990 and 2000. The percentage of residents employed stayed at 41% and the percentage of residents unemployed remained at 9%. With much investment in Harlem's economy throughout the 90's, one might expect the employment numbers to have changed. This is not the case. It is important to note that, as seen in Table 20, Manhattan and New York show similar numbers during this period.

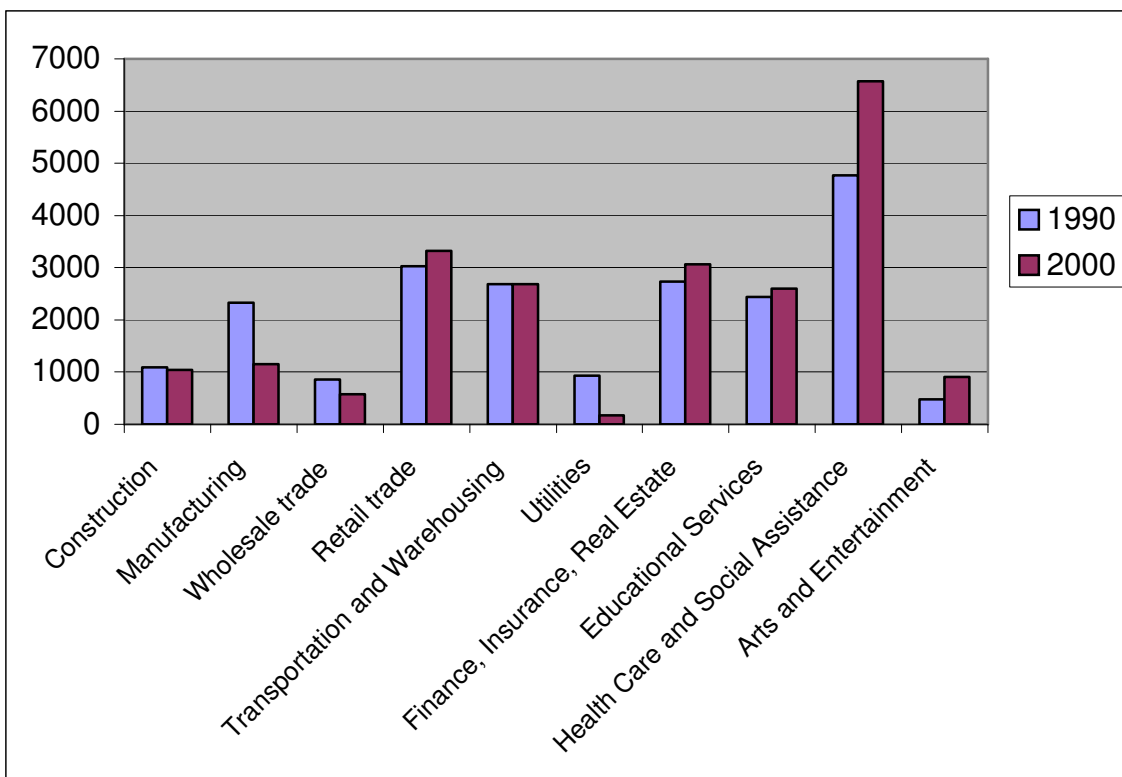
	1990		2000	
	#	% of 1990 total	#	% of 2000 total
Civilian persons employed	31398	41%	33527	41%
Civilian persons unemployed	6842	9%	7562	9%
Persons not in labor force	38010	50%	39847	49%
Persons in Armed Forces	99	0%	19	0%

Table 19 - Central Harlem Unemployment

	1990	2000
Manhattan	8.0%	8.5%
New York City	9.0%	9.6%

Table 20 - Unemployment Rate

Along with number of jobs, another issue raised with regards to economic development is type of jobs. When this data is examined, it becomes even clearer that there was job loss in some areas, very little job growth in others, and a significant increase in only one sector, health care and social assistance. As Graph 3 indicates, construction, manufacturing, wholesale trade, and utilities sectors in Central Harlem all lost jobs during the 1990's. The sector that one might think would show a large increase, retail trade, only showed an increase of 285 jobs. The more lucrative finance, insurance, and real estate sector also showed a modest increase, with a gain of 326 jobs. As will be discussed in detail later, the employment statistics of the 1990's do not show much improvement for the neighborhood.



Graph 3 - Central Harlem Areas of Employment

Although the employment numbers do not show much change between 1990 and 2000, the neighborhood has indeed been changing since 1990. This can best be seen in HVS 2002 data detailing housing and income data. This data provides a cross section view of the neighborhood. This data, the most recent data available, paints a picture of a very mixed and polarized neighborhood. The first of these statistics is the move-in date of Central Harlem residents. As seen in Table 21, roughly 40% of residents moved in after 1995. This table further shows that the neighborhood has roughly the same portion of very old (pre-1975) and very new (post-1999) residents. When just homeowners are examined, we see that this mix of old and new residents is even more diverse. Table 22 shows that the percentage of owners that bought their unit before 1970 is the same as those that bought after 1999. These two groups are not only even in size, but are quite sizable. Together they make up 30% of all Central Harlem. This means that 30% of all property owners living in Central Harlem either bought their apartment before 1970 or after 1999. Along with these two extreme groups, the rest of the years units were

acquired is spread out, with a slight emphasis on the 1990's. These two Tables 21 and 22 are beginning to show signs of a neighborhood that has very different populations within itself. The next statistic of importance is the mortgage status in 2002. This variable, displayed in Table 23, shows that slightly more than half of Central Harlem property owners own the property outright without any mortgage. The table further shows that of those who are "free and clear" of a mortgage, 45% purchased their unit before 1975, with one quarter of those free and clear having acquired their unit after 1995. This table also adds fuel to the polarized neighborhood fire. When it comes to rent regulations, the data reveals a neighborhood divided. Table 24 shows that Central Harlem has half of its rental units under some rent regulation. Of those with a regulation, the data shows that it is close to evenly split between rent control and rent stabilization.

Moved in after 1995	41%
Moved in before 1995	59%
Moved in before 1975	17%
Moved in after 1999	15%

Table 21 - Central Harlem  
Move-in Date 2002

Before 1970	15%
70-79	13%
80-89	18%
90-94	15%
95-99	23%
00-02	15%

Table 22 - Central Harlem Year  
Unit Acquired 2002

Have Mortgage	46%
Free and Clear	54%
<i>Of those Free and Clear</i>	
Unit Acquired pre-75	45%
Unit Acquired 75-95	30%
Unit Acquired post-95	25%

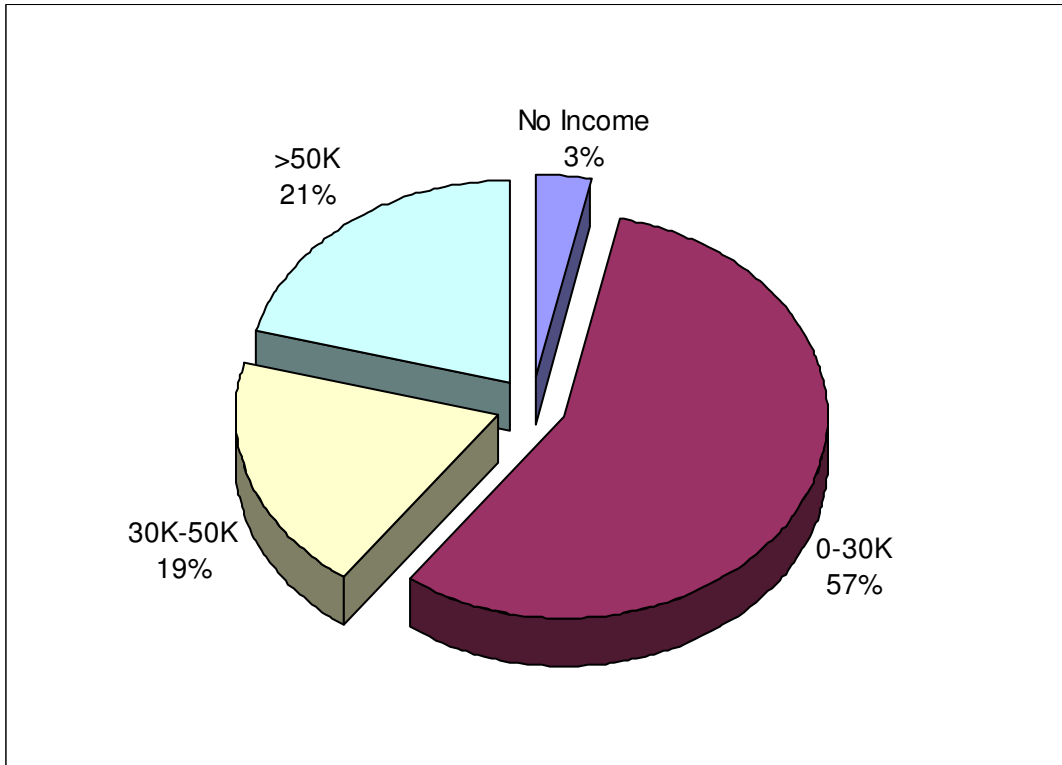
Table 23 - Central Harlem Mortgage Status 2002

No Rent Regs.	51%
Rent Stab. Rent Control	23%
Some Rent Regs.	26%
	49%

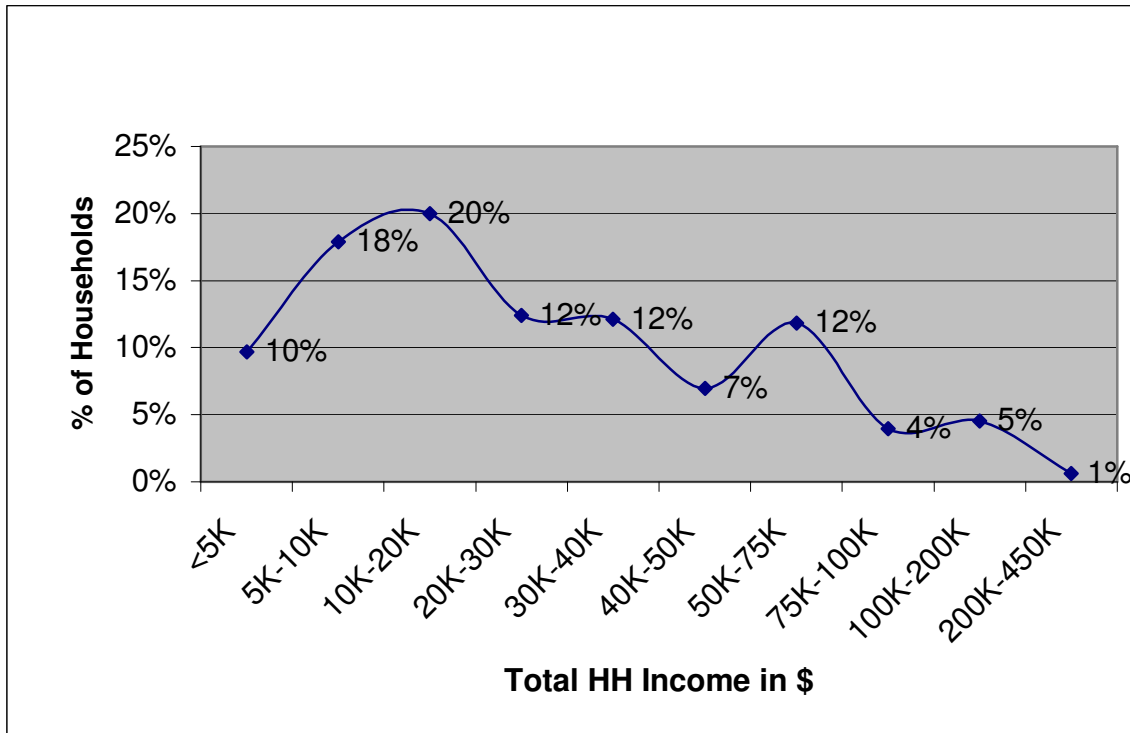
Table 24 - Central Harlem Rent Regulation 2002

With the HVS 2002 data for move-in date, mortgage status, year unit acquired, and rent regulation portraying a neighborhood with different populations, the case for such an argument is essentially sealed when HVS 2002 income data is examined. This data shows a neighborhood with wildly varying incomes touching all parts of the spectrum. Chart 8 shows that nearly 60% of the neighborhood earns less than thirty thousand dollars for the entire household. It also shows that 21% of households earn over fifty thousand dollars. Graph 4 shows the same data, displayed differently. This graph breaks down the

income spectrum and shows what percentage of households fall into each category. It shows, among other things, that 10% of households earn less than five thousand dollars annually while 10% earn over seventy-five thousand dollars annually.



**Chart 8 - Central Harlem Total Household Income HVS2002**



**Graph 4 - Central Harlem Income Distribution HVS2002**

## Analysis and Conclusions

The variables selected for the data presented above were chosen on the basis that they could effectively show some impacts of economic development. Assuming that I have chosen wisely, the statistics point to some very interesting results. While direct connections are hard to prove, it does appear that the past decade’s investment in Harlem has influenced the neighborhood demographics some. With the number of households and housing units outpacing the population growth, it appears that Harlem will continue to see an increase in overall population over the next several years. This new population, however, seems to have some different characteristics from the population that has come to define Harlem.

The first noticeable difference is the type of household. It seems that smaller housing units are on the rise in Central Harlem. Also, while still quite low,

homeownership appears to be increasing. The meteoric rise of property value between 1990 and 2000 indicates that real property in Harlem is generally a worthwhile investment and with the real estate market continuing to rise, it is likely that the demand for land in Harlem will also continue to rise. With all this increased interest in the neighborhood, there is present still a relatively poor population paying relatively low rents, with the exception of a (growing) handful of outliers. The increased pressures on the neighborhood, however, seem to be raising the rent burden on the residents of the neighborhood.

Along with the rising rent burden, another distressing factor is the employment data. With the data showing no improvement in the number of unemployed residents, the economic redevelopment of Harlem seems to have had very little positive effect in this arena. With job growth and creation one of the top supposed benefits of economic development, one would expect to see some positive numbers in this area, but this is just not the case. Most areas show drops in employment. Even lower paying jobs in the retail and service sectors, areas where one would expect to see much growth, barely increased. It is this type of data that worries a planner who sees promises of jobs every time a new development is proposed.

Another theory that begs to be analyzed is the effect of the development on the varying races. The issue of race is an important one to address when trying to analyze the impacts of the economic development. While the census data shows that irrespective of the Hispanic population, the white population has doubled to 6% of the total neighborhood population, the reality is that the white population in Central Harlem is much less. When Hispanics who list themselves as white are factored out of the



equation, the white population of Harlem drops to 2%. It is clear that the white population is not “reclaiming” Harlem at a rapid clip.

The most interesting impacts shown by the data is a mix of residents of differing race and differing class. It appears that Harlem is now home to a still substantial, relatively poor African American population, a rapidly growing Hispanic population, a new African immigrant population, and a small but growing black and white middle class/upper middle class population. It is this interesting mix of people, all with their own demands and needs that will have to be addressed in the near future.

## Chapter 6

After collecting and analyzing the census data, I took the findings and sought to interview the Harlem leadership. Though the inability or unwillingness of some to be interviewed and a lack of time prevented me from interviewing all the leaders that I would have liked, I was able to speak with a good number of folks coming from a wide spectrum of responsibilities and views. I spoke with Nellie Bailey, Executive Director of the Harlem Tenants Council. This organization advocates on behalf of tenants rights. I spoke with Mark Bones, the Assistant District Manager of Community Board 10 (CB10). Bones is relatively new to the Harlem neighborhood, having lived there for only a few years, but is from East New York and brings with him an Ivy League education and a deep understanding of politics and communities in distress. I spoke with Edwin Marshall and Nicole Ogg of the New York City Department of City Planning (DCP). Marshall is DCP's liaison to Upper Manhattan. Ogg is the co-chair of DCP's 125<sup>th</sup> Street River to River study. The two have much technical expertise and will be critical in shaping the City Planning Department's policy in Harlem. I spoke with Yasmin Cornelius. Cornelius is the District Manager of Community Board 10. Prior to working for the Board, Cornelius was a Board member as well as working for the Manhattan Borough President's Office. I spoke with Beverly Smith. Smith is the vice-president of the Astor Row Block Association. She is also the Chair of the Community Board Housing Committee and sits on the Upper Manhattan Empowerment Zone Board as the CB10 representative. I spoke with Lionel McIntyre, the Director of the Urban Technical Assistance Project (UTAP). UTAP provides services to low-income communities interested in planning and redevelopment. UTAP has been instrumental in aiding CB10

in their 197-A Master Plan process. McIntyre is also a Professor of Urban Planning at Columbia University's Graduate School of Architecture, Planning, and Preservation. Finally, I spoke with Bill Perkins. Perkins is the City Councilman that represents Central Harlem. Perkins has been a councilman for 6 years.

The reason for interviewing the Harlem leadership is twofold. The first is that it is an attempt to get at information that cannot be shown through census data. I sought to speak with people who live and breathe Harlem, people who are plugged into the community. Neighborhood leaders that have experienced Harlem over the last decade are able to provide information that is overlooked in numbers data. The second reason for interviewing the Harlem leadership is to speak with those people who, at some level, are involved in the decision making process. Harlem is changing. I sought to understand where the leaders of Harlem stand on key issues associated with this change. Looking towards the future, it is these people (and people like them) that will be advocating on behalf of the neighborhood and influencing its outcome. Understanding how they see the impacts of the previous decade's investment and what role they see the economic development playing in the neighborhood is essential to getting a sense of where Harlem will be 20 years from now.

My questions to the Harlem leaders started by addressing the past, moved to the present situation, asked the leaders to look towards the future, and ended with the leaders assessing the overall status of the process of the neighborhood's development. My first question dealt with a comparison of today and a decade ago. I asked if Harlem was better off today versus 1994, in what ways yes, in what ways no. To underscore the first reason for interviewing these leaders (to get at some data that cannot be extracted merely from

numbers), Nellie Bailey said to me, “Our less than scientific data just from our observations, we suggest to you, is more in line with the truth than this so called empirical data that is available through government agencies.” I heard this sentiment echoed, in varying forms and varying strengths, from several of my interviewees. The Harlem community is a bit wary of studies from outside agencies. Understanding how the community perceives itself as well as outsiders is a key to successful planning.

But to the question of whether the community is better off, nearly all respondents felt that Harlem was better off in some ways and not in others. Mark Bones said that Harlem was “unquestionably better off”. Yasmin Cornelius felt that “the fact that there is more development going on creates more activity and activity creates better quality of life. Certain areas are not as abandoned as they may have been ten years ago.” Cornelius also felt that asthma was a continuing problem. The rat and pest problem is also on the rise. She questioned whether these problems were actually increasing as a result of development. Ed Marshall, representing the City, said that Harlem was better off as a result of some good development and a renewed interest in historic preservation, but that “a lot of people [are] not enjoying this new activity. There’s a fear about what the future holds.” He also mentioned the fear of the loss of “soul” in the long term. Nellie Bailey seems to feel that Harlem is marginally better off. The “banality” and “ugly street mall” feel of 125<sup>th</sup> Street is not progress in her opinion. In discussing some of the great minds that emerged from the neighborhood, Bailey says, “These giants came from this community and the most we can think of is Magic Johnson [Theaters] and Starbucks. It’s so terribly, terribly sad”. Beverly Smith felt that there were many positives in the recent economic development, but she also felt that “the people haven’t been brought forward.

You've done a lot of the brick and mortar. The human development has not caught up as much as it should have." Councilman Perkins, similarly, felt that much should be celebrated in the recent development, but "that renaissance is not being reflected in terms of some very fundamental indexes." Perkins specifically mentioned health, education, and employment. This distinction between physical development and human development is an important one and was brought up many times by several of the leaders. A question of whether Harlem is better off begs the question what one means by 'Harlem'. It is clear that most leaders felt that the neighborhood (physical) is better off but that the community (human) is not where it should be.

To address this issue, I asked the leaders two questions relating to the impact of the economic development on the people of Harlem. The first question pointed to the census data indicating that the number and type of jobs showed very little improvement. Also, the census data seem to point to some displacement of lower income people being replaced by higher income people. I asked if the lack of new/better jobs and apparent displacement was worth this recent investment. The second question pointed to the fact that the poverty status of the neighborhood was essentially unchanged. I asked where the economic benefit to the neighborhood was. In response to these two questions, most interviewees felt that while the investment was worth this lack of job growth, too much emphasis has been placed on the big corporations and not enough on the people of Harlem. Bones felt that the recent investment did bring the neighborhood to a better place. "Ten years ago, this neighborhood's future was very much in doubt", he said. But he warned that Harlem has "a history of neglect" and that "the powers that be are always catering [to] downtown [interests]." Cornelius echoed this feeling. "The investment is

for whom? I don't think it's an investment for the overall population of Harlem. I think, quite honestly, it's an investment for some." Nellie Bailey said that the Upper Manhattan Empowerment Zone (UMEZ) "was to jump start local economies with the indigenous population first as opposed to the multi national corporations which have gotten more than their lion's share of the UMEZ budget". She continues, "Let's be real about this, they are here in Harlem not because of altruism, they are here to open up new markets for their consumer goods". Ed Marshall and Nicole Ogg felt that indeed the lack of positive economic indicators was worth the investment. Ogg said that perception is a big problem that Harlem is now beginning to grapple with. She feels that the recent investment lays the foundation for this shift in perception that will lead to further economic development and overall economic improvement. She says that one needs to "start thinking of it (125<sup>th</sup> St.) as a regional business district. The space isn't there. The buildings aren't there" for the kind of job growth that one would like to see. Bailey sees it differently. "The economic benefit to the neighborhood, in my opinion, is almost negligible. The price, collectively, that the community has had to pay for this selective corporate economic development in the end has not benefited the majority of poor and working people here in Central Harlem." This concept that she brings up, one of "selective corporate economic development", is important and is apparently held by many within the community. Cornelius says, "When you see that there's small businesses that are actually hiring people from the community then that's when it works. When you have these big chain stores that come in and they go back to where they live and they take the money back then that's a problem."

Next I asked the leaders to shift the focus and look at the present and into the future. I pointed to the census data and NYC Housing and Vacancy Survey data that showed that on both racial and class terms, the neighborhood was becoming more diverse. The Hispanic population is exploding. The white population is growing. Middle class blacks are returning. And of course there is a huge low-income black population. I asked the interviewees if these populations could share the same space, in terms of services and demands and secondary displacement. The responses to this question were entirely mixed. Some had no doubts. Most were hopeful. And one was certain that it could not happen. Councilman Perkins felt that while “this will always be a black community”, there should be no problem in integrating these newer populations. He says, “They’ve always shared the same space. We’ve always been in the same boat vis-à-vis the Latino community. Of course they can live together.” Bailey says that we are currently seeing it happen successfully in Harlem.

Some saw the newer populations as helping to bring services that otherwise would not be present in Harlem. Cornelius feels that the new diversity is positive. She hopes that the new populations can share the same space and the new services can be enjoyed by all as a whole community. “I think people can coexist. I think people have to sort of reexamine and sort of retool their thinking. But it does require discarding some long held perceptions”, Ed Marshall said. He went on to say, “Sometimes when you have a more affluent population moving in the police protection improves, the fire response time improves.” “You get your first big hardware store”, Ogg chimed in. Bones agrees. He says he is hopeful about the different populations sharing the same space. He says that

having professionals in the neighborhood who will not tolerate poor city services and who can effectively communicate with city hall is quite positive for all.

Others were not as confident. Beverly Smith was more hopeful than sure. “I don’t know. It’s going to be interesting to watch. I hope it does [work out], but I don’t know.” Lionel McIntyre feels that such an experiment is doomed to fail. He says that there are no examples of such neighborhoods where affluent whites are in the minority.

I then asked the leaders to name some of the biggest problems facing Harlem today and in the next 10 years. I also asked for some possible solutions. The answers varied some, but all respondents, with the exception of Bill Perkins, mentioned leadership as a major problem in Harlem. Bones says “there is a vacuum for someone who has a technical skill as well as a skill in organizing. At some level, there is a disconnect between the people who are making decisions downtown and what people understand here.” Cornelius says, “There’s no comprehensive approach to actual community development. You’ve got to elect people that have the guts to make these issues priority.” Smith finds fault in the people of Harlem as well as the leadership. She says, “People have to be prepared to participate in the development that’s going on and I don’t see enough of that happening. I don’t see our elected officials as really sending a strong message to their constituents about what they need to do to participate.” In discussing the leadership, Smith asked, “How dare you take the community for granted”? Bailey said, “They should have a loyalty and responsibility and commitment to their constituents above all”.

Another major problem mentioned by the leaders was the lack of affordable housing. The pressures on the long-term residents are clear, both from the census data



and from the leaders of the community. Bones says that how this issue of affordable housing is addressed is “going to determine the future of this community”. Councilman Perkins feels that defining affordability is paramount. He says he is fighting to ensure that what is called affordable actually is affordable to long-term Harlem residents. He says that currently “from that perspective, public policy is at odds with reality”. Several interviewees also felt that the Department of Housing Preservation and Development has some good programs, but that more were needed and the administration of the existing programs needed to greatly improve.

Education was another major problem that many leaders felt needed to be addressed. “Education is the key. It’s the key to being successful and being able to afford to live wherever you want to. As long as we don’t have that in Harlem we’re just going to perpetuate a generation of folks that are always going to be behind the curve”, Mark Bones said. Beverly Smith feels that education at all levels is important. In talking about career building, she says, “You have to build your capacity to earn. I don’t hear that message uptown”.

Another major problem identified by the leaders was the overall culture of the people of Harlem. Beverly Smith feels that much needs to be done to improve the worldview of many of Harlem’s residents. When discussing public assistance she said, “I always understood that to be a bridge to cross and get off. And I’m not hearing that from the people in Harlem. How can I advocate for you when you won’t advocate for yourself?” She says that there are some resources out there that are not being taken advantage of. She points to one skills class in particular as an example of a major problem among the community members. “Greater Harlem Real Estate Board gives this

fabulous class every month about working on your finances and what you need to do to get ready for homeownership. With everybody coming to me screaming about housing and ‘we’re getting left out and we can’t purchase’ and here’s this group based right here in Harlem who’s giving these classes, walking you through the process, holding your hand and I show up on a Saturday and there’s only nine people and three [of them are] from the outer boroughs, something’s wrong with that.” Ed Marshall says, “Part of the challenge is also to get people more engaged in the world around them; more ownership of the world around them”.

Nicole Ogg feels that one of the biggest problems facing Harlem is achieving a balance between providing the services that a community wants and having “five new market rate developments”. She says, “Sometimes you can’t get one without the other.” She thinks that 125<sup>th</sup> St. needs retail that “speaks” to all adults, not just teenagers. She says, “There’s a pretty high disposable income in Harlem and a lot of it is not spent in the area. That I think is an issue”. As for solutions to this problem, Ogg says, “You don’t have to be entrenched in historic preservation to respect what has happened in Harlem”.

As for the vision of the Harlem leadership, it seems that there is much common ground yet also some differing views. Bill Perkins would like to see an economically diverse population with successful schools, more homeowners, and an empowered community. He would like to “see a Harlem in which public policy will work towards guaranteeing affordable housing in terms of what’s available in the pockets of the people that need it”. He wants employment opportunities to flourish and he claims to be fighting for a policy that will require national chains to pay a living wage. Yasmin Cornelius sees an educated population where all people have affordable quality housing and healthcare.

She also would like to “have small businesses thrive not by luck but by real technical assistance provided to them”.

Nicole Ogg also sees small business growth. She would like “opportunities for local entrepreneurs but also for other big players to come in, as a service to the Harlem community”. She and the Department of City Planning see the development of 125<sup>th</sup> St. as “Harlem’s Main Street” that will be a “commercial/cultural corridor with active nightlife”. They see 14<sup>th</sup> St. as a good example of what they envision 125<sup>th</sup> St. becoming and hope to “push it in that direction”. “I would hate any land use decisions or policy decisions to change the identity or really start to chip away at that [soul of Harlem]. I would hate anything to take away from that. But I also don’t think that a Staples coming in necessarily means your chipping away at that. I actually think it’s great.”

Mark Bones feels that “renters are always at risk”. Ownership provides a different attitude towards one’s neighborhood. Bones thinks more ownership is needed. He sees Harlem becoming a homeownership community. “That will happen”, he says, but warns, “I’m just wondering if it will happen in the context of affordability”.

Others, when asked of their vision, saw major changes from the top down and from the bottom up. “We definitely need some new leadership”, Smith said. Bailey said, “My vision is a leadership that’s accountable to the community. My vision is a constituency that does not see itself as the hapless victim of political impotency that never addresses their needs.”

The final question I asked each interviewee was whether, in terms of the recent economic redevelopment, they felt Harlem was doing something or that something was being done to Harlem. Nearly all the respondents said that something was being done to

Harlem. Nellie Bailey felt that something was being done to Harlem. Mark Bones said, “for the most part, something is being done to Harlem”. Beverly Smith felt that something was being done to Harlem. Even Ed Marshall and Nicole Ogg agreed that something was being done to Harlem. Yasmin Cornelius felt that something is clearly being done to Harlem, but she said, “I don’t think it’s too late. We can become part of it.” Councilman Perkins said that while it was indeed obvious that something was being done to Harlem, at the same time, he felt that Harlem was doing something. Perkins feels that people have been active at the grass roots level since Harlem hit rock bottom in the late 1970’s/early 1980’s. He says that now the top down approach is getting all the headlines but one should not forget that “nothing starts when it starts”.

One major theme that emerged from the conversations was the importance of understanding Harlem in a larger context. Nellie Bailey said, “You cannot look at Harlem as a separate orbit in and of itself”. She says, “Institutional racism is responsible for the decline that happened here”. The conversation with Lionel McIntyre, in fact, strayed far from the questions and was focused on this theme. McIntyre says, “Every issue we’re seeing on the national and international scale, displacement and so forth, we’re seeing on the micro level [here in Harlem]”. He feels that Harlem’s problems are “fundamentally rooted in American Capitalism”. He too says that what has happened to Harlem “has all of the stampings of American institutional racism”. Professor McIntyre implored me to look at the big picture. He feels that it is a mistake to look solely at Harlem and its problems in a vacuum. McIntyre thinks it is unfair to blame the people of Harlem for problems created well beyond their control. He thinks it is imperative to

understand the bigger system at play here. He feels that Harlem's problems are not unique to Harlem and are actually problems of public policy.

This theme of public policy also emerged from the conversations. Councilman Perkins said that politics has played the biggest role in shaping Harlem. He said that public policy encouraged a slow moving, methodical displacement of the residents by allowing abandonment and not enforcing penalties on slumlords. He says that during the 70's and 80's Harlem's population dropped dramatically and the neighborhood was taken into even less consideration on a citywide level as a result of this. Perkins said, "You can't do nothing when you don't have voters". He feels that with Harlem's population increasing participation in the public process will increase and the neighborhood's demands will be listened to. "As much as this is an economic climate, an economic space, this is a political space, and as such you have to be able to translate your vision into public policy."

A third theme that emerged was the issue of supply and demand meeting. Aside from the public policies and grass roots activity that have led to much of the economic development, there is much to be said for market forces. Ed Marshall said that Harlem has great infrastructure already in place. Its location, regionally, is terrific. On top of having excellent public transportation service, being within minutes from New Jersey, the Bronx Queens, and midtown Manhattan, it is of the last areas where land is available in Manhattan. Marshall says, "Real estate in Harlem has become very desirable". He also says, however, that "we're running out of big sites". Mark Bones sees it similarly. He says, "Over here, it was almost like a blank slate. A lot of it happened because there was no other place in Manhattan that had as much vacancy." He says, "The pressures are just

beginning to increase. There was so much vacant land here.” Now most of it is developed. When asked whether differing populations could coexist, Bones says, “I guess we’ll see when there are no more spaces for folks to grow”. He also said that traditionally, in Manhattan, the solution to such problems was to build up, but that Harlem was looking to also preserve its architecture and prevent the development of buildings that would not blend in.

From the seven conversations that I had with these varied Harlem leaders several themes recurred. There remains distrust and a binary attitude of us vs. them. The impression received from the interviews is that this attitude is not the overriding factor in community interactions, but rather a fading yet underlying theme in neighborhood politics and development. The second recurring theme was that of an improved neighborhood, but not a perfect neighborhood. The leaders admit that the neighborhood is in better shape than it was a decade ago, but are quick to point out that they are not fully satisfied with the results. The neighborhood is in need of affordable housing, better health, and quality education. Most agree that the economic redevelopment has benefited some but not all. Many also indicate that the benefits can be seen in the provision of new services to the neighborhood and the development of housing. It is clear to all that the economic piece, the employment piece is still missing. Perhaps the most major theme that continually arose was the lack of an organized and responsible leadership. Most of the people I spoke with felt that there is a void in Harlem that needs to be filled with some new leaders; ones that will be accountable to the people of Harlem exclusively.

It is apparent from my conversations that Harlem is truly at a crossroads. Many of the leaders are cautiously optimistic that the neighborhood can develop responsibly.

Many also point out that Harlem is like many other neighborhoods in the game of American capitalism. It is part of the big picture where external forces, both citywide and nationally, will affect its progress, independent of the desires of the community residents.

## Chapter 7

From the census data and from the mouths of the Harlem leadership, it has become clear that economic development does not equal social justice. People make many promises when they are looking to invest, but they generally have one goal of which they will not let any promises get in the way. Investors are interesting in making money. By all accounts, a lot of money has been made in Harlem over the last decade. This money, however, has not trickled down. It appears that indeed Harlem is better off today than it was a decade ago. There are more services. There are more housing units. Some money is being recycled within the community. The rent burden, however, is steadily increasing. The poverty level remains constant. Higher income non-families are replacing low-income families. The major conclusion is that the previous decade's investment was an investment in Harlem the place, not Harlem the people.

Harlem is at a crossroads. Until now, there was enough supply of vacant land to absorb the demand for development. Currently, with a dwindling number of vacant parcels left, the demand is still high but supply is running low. This points to a friction that has the potential to result in much displacement. If the Harlem neighborhood does not act on its own behalf, decisions will continue to be made for it.

The term 'economic development' is used by many to mean various things. It is an easy term that can be used by all, since who is against economic development? But it has become increasingly clear that Harlem needs not only a better managed economic development, but the neighborhood needs to complement a more community based approach to economic development with a large investment in human capital. The data, both quantitative and qualitative, indicate that long-term residents and local entrepreneurs



need to be the focus of the investment. The message coming out of Harlem today is that the neighborhood is improving, but the community is severely lagging. As mentioned before, the reason for the undertaking of this study was the importance of this particular neighborhood. Harlem is a place like no other with a reputation like no other. There are many that worry that through the economic redevelopment, Harlem is losing that intangible something that makes it so special. They fear that through the addition of Old Navy, Starbucks, and the others, Harlem is slowly losing its soul. The Harlem leaders interviewed said that preserving and planning for this intangible goal is difficult, yet a must if Harlem is to be redeveloped successfully.

While it has become clear that social justice and community development are not inherent to economic development, it is also important to realize that authenticity does not have to equal poverty. The overall goal of the following recommendations is to help transform Harlem from a black ghetto into an enclave of black culture. Peter Marcuse, Professor of Urban Planning at Columbia University and housing expert, distinguishes a ghetto from an enclave by explaining that a ghetto is a place where the particular group is bound to as a result of lack of choices, whereas an enclave exists as a result of choice and is in some ways a celebration of that particular culture. This celebration is what I hope for. Harlem has been a center for black culture for decades. The recent demographics show that while there is some increase in the white and Hispanic community, Harlem is still very much a black community and will be so for quite some time. The data collected and analyzed indicate that there is much room for improvement in Harlem. Better planning and better implementation are necessary in order to avoid perpetuating the previous decade's investment impacts of poor employment, income, and housing indexes.

The goal of my recommendations to the community is to truly maximize the benefits of the investment while creating a neighborhood that is open and affordable to all. A neighborhood that has a healthy mix of lower income families that are not threatened by evictions and a middle class population that will bring with it services that can be enjoyed by all residents. The goal is to use the economic development to promote social justice; to preserve the soul of the neighborhood while reducing the overall poverty. It is a very delicate balance, but one that can be reached.

For it to be reached, however, it is imperative that the community mobilize and act. In 10, 20 years, Harlem will be different. There is no debate on that. How it will be different, however, has yet to be decided. The following recommendations attempt to outline major actions that need to be taken in order to create the best Harlem possible. A true second Harlem renaissance is possible. But it will not come if the people of Harlem do not seize the opportunity before them. The time is right to plan for a great community. I feel perhaps it is for the best that the first decade of development was not hindered by too many community demands. It is entirely possible that such demands would have persuaded the investment to go elsewhere. I see the true benefit of the past decade's investment as opening the eyes of the business world to the fact that low-income neighborhoods have, as an aggregate, much buying power. Although deep prejudices by the business world are unfair, they are also a reality. It is a shame that it took this long, but companies now feel comfortable to do business in Harlem. The success of the investments over the last 10 years has ensured a steady stream of investment over the next 10 years. That investment, coupled with sound planning and advocacy, can yield a neighborhood that is successful, just, authentic, and unique. Harlem has the potential to

be greater than ever. The following ideas are just some suggestions as to how to make this dream a reality. These recommendations will work best if they work together. They are each meant to complement the others. There is no one answer that will magically solve decades worth of policies of neglect. These recommendations attempt to build on some of the good work that has already been done.

Recommendations:

The following recommendations can be classified into two parts. One is a set of recommendations that the Harlem community can do on its own. The other is suggestions that cannot be enacted solely by the community, but for which the community should lobby. All recommendations are logical progressions from data gathered through the Census and Housing and Vacancy Survey and/or the interviews with the Harlem leadership.

**1. Strong 197-A Plan** – The first step that is to be taken is to ensure that the 197-A Plan that is currently being written by the Community Board is strong on issues that most concern the community. The Community Board must be specific in its demands and stand strong in the face of the Department of City Planning and the City Council. The theme of a lack of leadership accountable to the community emerged from the interviews. The 197-A Plan process is a good way to begin to rebuild the confidence of the community in their internal leadership. The Community Board cannot let the Plan be watered down by the approval process. A 197-A Plan is not the only way to control

development in a neighborhood. It does not have teeth and some will say that it is actually worthless. While it is true that it is not all-powerful, it is definitely not worthless. It is not the end of a community planning for itself but a solid beginning for a community that has demonstrated just such a need. It is a great place to start for a community looking to put its collective foot down. It is a way for a community to make clear its needs and wants. Central Harlem's Community Board 10 is currently writing its 197-A Plan. Before it leaves the Board's hands, this Plan must explicitly outline a clear vision for the neighborhood's future. The Community Board must know exactly what the most important points of its Plan are. The process of approval that a 197-A Plan must undergo leaves the Plan open to many opportunities to be diluted. The Community Board must stay firm on its most important recommendations. The community's demands for affordable housing and responsible disposition of city-owned land must be heeded. The calls for developments that include large family units cannot be pushed aside. Suggestions relating to zoning variances and appropriate economic development cannot be lost in the process. None of these demands should be weakened. This document will be the first major step taken by the community in an attempt to take control of its redevelopment. A message must be sent loud and clear. This community will no longer be taken advantage of. The 197-A Plan is the first step in showing that the community is educated and ready to act.

**2. Major Mobilization Campaign** – Expressed in the interviews was a need for change in attitudes and culture in Harlem. A sense of ownership was demonstrated to be lacking. The first step in increasing this 'sense' is increasing knowledge throughout the

community. This recommendation addresses this issue. This recommendation is to be spearheaded by the Community Board. It can be assigned to a special committee with members from both within and without the Board itself. The idea here is to mount a major, aggressive education campaign throughout Central Harlem to essentially get the word out about the importance of the moment; a campaign that encourages all within the community to feel connected and together in saying, "Let's take control of our neighborhood". The suggestion here is to systematically educate the constituents of Harlem on the magnitude of the crossroads that the neighborhood faces. Through connections with community groups such as major churches, non-profit organizations, community development organizations, etc. the special committee in charge of coordinating this education campaign will make presentations throughout the community showing data, explaining trends. Specific development projects can be addressed. Questions can be answered. Fears can be allayed. Different programs can be explained and forms and applications can be made available. Specific opportunities for residents relating to housing and economic development can be encouraged.

This campaign must come from the community. It cannot be perceived as being controlled by outsiders. It must be a community effort, but an all-inclusive one. It should also not be perceived as an attempt to rally against newcomers to the neighborhood or as being anti investment. Perhaps hired consultants could aid the campaign. These consultants would ideally come from the community and would advise on how to most effectively organize and mobilize. Local press could be used to spread the word and also encourage morale. Funding, which the campaign will invariably need,

is available. With minimal initiative, a grant could be secured. Harlem has such a name that organizations would be quite willing to support such a campaign. Community Development Financial Institutions, such as LISC, Enterprise, and the Enterprise Foundation (merely suggestions), are always looking for new initiatives to fund. Technical Assistance non-profits, such as UTAP and PICCED (again, merely suggestions), are also possible outlets for funding and technical assistance. Such a campaign would be, if done right, fantastically successful. People are yearning for issues to rally around. The social networks necessary for such an undertaking to be successful are already present in Harlem. The current leadership will be happy to have a way to connect with their constituents, and new leaders of the community will emerge. While not an easy task, a major community development education campaign has the potential to radically change the neighborhood for the better.

**3. Arts/Culture/Music Incubator** – The data showed a lack of employment and a need for increased human development. Also, much concern emerged for the impact of the economic redevelopment on Harlem’s ‘soul’. This recommendation is intended to build on what has always been a strength of Harlem, its culture. Creating an arts incubator would capitalize on the artistic, cultural, and musical talents of the community. It would allow for the birth and growth of arts organizations and artists. It would be an asset to the community. It would be a draw for residents and outsiders alike. Residents would be creating the art, establishing their businesses. Other residents and outsiders would patronize these artists. The basic idea is that a building would house these artists, non-profit cultural organizations, music studios, etc. and provide them with a home in which

to create. Along with the studio, the arts incubator would provide artists with technical assistance for business matters and an opportunity to show off their work to the general public. The rent of the businesses in the incubator would be subsidized. This funding can come from city and state agencies and/or private foundations. There are countless philanthropic arts institutions that can also be approached as partners. Again, like with the education campaign, Harlem must not underestimate its ability to raise funds. The name Harlem will encourage people within New York City as well as those outside the City to support this exciting idea. In this particular case, the incubator could draw support from the already existing and successful arts/culture/music establishments in the neighborhood. The Studio Museum of Harlem, the Apollo Theater, The Dance Theater of Harlem, and the National Black Theater, among others, seem like ideal candidates with which to collaborate. Arts incubators are not without precedent. Arlington, VA<sup>35</sup>, Washington, D.C.<sup>36</sup>, and San Jose, CA<sup>37</sup> all have successful arts incubators. Even England<sup>38</sup> is trying to capitalize on this successful model. For Harlem to have a successful arts incubator, two ingredients are necessary: desire and funding. The funding piece can be achieved. The desire is something that would have to be fostered within the community. An encouraging attitude exhibited by community leaders and city officials alike would go a long way in bringing such an idea to fruition. In terms of location, it seems that 125<sup>th</sup> St. would not be an ideal place. Along one of the Avenues or on 135<sup>th</sup> or 145<sup>th</sup> Sts. would be an appropriate location.

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<sup>35</sup> <http://www.arlingtonarts.org/incubator/story.html>

<sup>36</sup> [http://www.culturaldc.org/mather\\_arts.html](http://www.culturaldc.org/mather_arts.html)

<sup>37</sup> [http://www.sanjoseculture.org/art\\_inc/index.html](http://www.sanjoseculture.org/art_inc/index.html)

<sup>38</sup> <http://www.diversityprogramme-pace.org.uk/cms/assets/docs/Breathing%20Space%20Mary%20Kahn%20Davis%20presentation.pdf>

The creation of an arts/music/culture incubator would address several major deficiencies of the previous decade's investment identified in this study. An incubator would generate jobs. It would promote local entrepreneurship. It would be successful planning for the intangible 'something' that makes Harlem great. Finally, the technical assistance component would increase the human capital that the neighborhood lacks.

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**4. Improved TIL Program Management** – The Tenant Interim Lease (TIL) Program has the potential to be a great asset to the Harlem community. Under the TIL and TIL II programs, tenants in city-owned buildings are given the opportunity to create low-income cooperatives. The Department of Housing Preservation and Development (HPD) performs the necessary renovations to the building (before sale in the case of TIL and after sale in the case of TIL II) and tenants purchase their unit for \$250. Before the tenants can get to the point of purchase, however, the building and its occupants must meet certain requirements for acceptance into the program. At least 50% of the tenants must be paying rent. More than 50% must attend an introductory information meeting with TIL staff. And more than 50% of the tenants must attend two training classes. Along with getting 60% of the building to agree to enter the TIL program, these are the most difficult requirements necessary to create a low-income co-op. On paper, this program is outstanding; almost unbelievable. For paying your rent (which is generally low and something you are legally obligated to do), the city will renovate your building and then sell you your apartment for \$250. At this point, you must maintain ownership for fifteen years, after which the apartment is yours without restrictions, to sell or not sell as you see fit. Essentially, the city is giving away apartments. But the TIL program is



not nearly as successful as one would guess. A program that seemed to be without a catch indeed has a big one. The one thing the program does not account for is attitudes. It is tough to change people's state of mind. Generally, the people in these buildings do not have owner's mind frames. To be a property owner, it is necessary to have a certain attitude. A certain culture within the community is necessary in order to have an almost innate understanding that owning land is a desirable and achievable goal. It appears that this culture is not present in Harlem. While New York City as a whole is a renter community, Harlem is even more so. The TIL program has the potential to address many of Harlem's problems, albeit on a very small scale. It can create property owners. It can end cycles of poverty. It trains residents in financial and property management. It can instill this culture of ownership that is rare in the neighborhood. As it is now, however, it does not seem that the program is nearly as successful as one would hope. Community leaders, ranging from tenants organizations to Community Board members to local elected officials, and HPD must actively promote the TIL program and ensure its success. While recent examples of buildings failing in their attempts to enter the program might dissuade community leaders and city officials from pushing the program further, it is precisely these failures that highlight the one ingredient missing that prevents the total success of the program. More must be done to instill a sense of entitlement. The TIL program is not the solution to all of Harlem's problems. The number of Central Harlem buildings owned by HPD that are not assigned to a program is dwindling (currently around 40). This should not dissuade decision makers from seeking improvements in the program. The positive impacts of each unit transferred to ownership will last decades and go far beyond the individuals who enter the program. The data collected indicate that

Harlem is severely lagging in homeownership rates. The data also indicate that some displacement and gentrification has happened and that more is on the way. Every long term resident that enters homeownership is one less long term resident at risk of being displaced.

**5. Special Harlem District** with upzoning, contextual zoning, and linkage fees - Central Harlem needs to be rezoned. Whether through a traditional rezoning or the creation of a Special Harlem District (which would allow for more flexibility), comprehensive action must be taken. Currently, most of Central Harlem is zoned R7-2 or higher. An R7-2 zone has a maximum Floor Area Ratio (FAR) of 3.44. Such an FAR, without further restrictions, allows for developments of up to 14 stories. As the community has recently shown in fighting tall residential developments, 14 story buildings are not welcome in Central Harlem. As has been expressed in the interview section, community leaders are looking for reasonable contextual developments that will blend into the community and that will provide truly affordable housing for current residents. The community's desires do not match the neighborhood's zoning. It is for this reason that I propose a rezoning of the area. 125<sup>th</sup> Street, already vastly different than what it was a decade ago, has great potential to continue to attract investment and development. Currently, a section of the northern side of 125<sup>th</sup> St. is zoned C4-7. Most of the rest of 125<sup>th</sup> St. (within CD10) is zoned C4-4. A C4-7 district has a commercial FAR of 10 and a residential FAR of 10 also. This northern side of 125<sup>th</sup> St. is zoned for "shopping centers and high bulk offices in densely built central areas"<sup>39</sup>. It is not currently built out to its zoning, but is slowly getting there. The C4-4 zoning allows a commercial FAR of 3.4. I suggest that the

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<sup>39</sup> New York City Zoning Handbook

zoning of 125<sup>th</sup> St. be upped to promote more development and further encourage the creation of a regional, high bulk, high density commercial hub. To make this happen, the C4-7 district should be left as is and the C4-4 district should be rezoned to a C4-5X zone. C4-5X zoning will increase the commercial FAR to 4.0 and the residential FAR to 5.0. While increasing the bulk, it also protects the style of the overall neighborhood by placing some contextual restrictions on developments. If a push is made for an even larger commercial FAR for the C4-5X district, the neighborhood should lobby for the creation of a new zone that will allow for higher FAR but will preserve context. Similar to the creation of the C4-4D zoning for the Frederick Douglass Boulevard rezoning, a C4-6D zone could be created that would have a commercial FAR of 6.0 but would have similar contextual restrictions as the C4-5X. This rezoning of 125<sup>th</sup> St. will encourage the redevelopment of the many 1 and 2 story buildings that are currently in existence.

The increase in allowable density along 125<sup>th</sup> St. should be accompanied by the institution of a linkage fee. A linkage fee<sup>40</sup> is a fee generally imposed on commercial and retail developments in a community that is in need of affordable housing. The idea is that the commercial development exacerbates the need for affordable housing and the linkage fee offsets this increased pressure on the housing market. While some critics will argue that such a fee would squelch any development opportunities, the strong demand for major developments, the increase in FAR through rezoning, and the precedents set in San Francisco, Boston, San Diego, Seattle, and many other major cities should offset these critics. Linkage fees have been successful elsewhere and could be quite successful in Harlem. The timing is right for such a policy. The foundation has been established.

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<sup>40</sup> Information on linkage fees can be found at <http://www.policylink.org/EquitableDevelopment/>.

Much development has occurred and has succeeded. There are many more projects in the pipeline. This strong demand for development coupled with the upzoning will make the linkage fee possible. Studies<sup>41</sup> have shown that such linkage fees barely affect the bottom line for developers yet are sizable enough to create a substantial housing fund. Linkage fees vary in size from 50 cents per square foot to \$15/square foot. Linkage fees also often distinguish between retail and commercial developments and frequently institute a minimum square footage under which a development is exempt. This is intended to protect small businesses. Linkage fees have a legal basis and can be instituted if a nexus is found between the development of commercial space and a housing crisis. This connection should not be hard to prove and through a broad base of support such a policy could be instituted.

The third part of the suggested rezoning addresses the residential component of the neighborhood. As mentioned, the current zoning does not meet the needs of the community. The current R7-2 zones and R8 zones should be changed to R7X along the Avenues and R6B in the mid-blocks. An R7X zone created along the Avenues would allow for a greater FAR (3.44 to 5.0) but would create contextual buildings. The commercial overlays of the Avenues should remain in place. This shift to a zone that would allow buildings with more bulk but ones that fit in the neighborhood would both promote development and maintain the character that Harlem is in danger of losing. The mid-blocks, with an R6B zone, would have a lower FAR of 2.0. An R6B zone allows for

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<sup>41</sup> Studies prepared by David Paul Rosen & Associates for the California cities of Oakland and Long Beach indicate that linkage fees are feasible in major cities and do not thwart development yet create a sizable housing fund. These studies can be found at [http://www.ci.long-beach.ca.us/cd/house\\_rehab/Housing%20Trust%20Fund/5%20Commercial%20Dev%20Linkage%20Fee%20Analysis.pdf](http://www.ci.long-beach.ca.us/cd/house_rehab/Housing%20Trust%20Fund/5%20Commercial%20Dev%20Linkage%20Fee%20Analysis.pdf) and <http://users.lmi.net/tchapman/study.pdf>.

exactly the type of buildings currently found on most Harlem mid-blocks. Enacting the R7X and R6B zoning would ensure both the continued development and preservation of Harlem.

The rezoning of Harlem through a Special Harlem District would address several of the deficiencies exhibited through the data collection yet would also promote further development and investment in the neighborhood. Affordable housing must be increased if the current population is to stay in the neighborhood. Responsible development must occur if Harlem is to maintain its charm. Investment must not be thwarted if the neighborhood is to progress. The Special Harlem District proposed here specifically addresses these concerns.

**6. Pressure UMEZ** – The Census data revealed that there has been very little production of jobs in Harlem. The unemployment rate has remained unchanged. This indicates a clear need for increased human development. The Upper Manhattan Empowerment Zone (UMEZ) annual report indicated that UMEZ used a very small portion of its budget towards human development. Interviewees reported their displeasure with the perceived investment in place instead of people. All data points to a need for investment in the population. UMEZ should be pressured to place more effort on growing local businesses and business people. Using its funds, the Empowerment Zone has done plenty over the previous decade to open up Harlem to outside corporations. UMEZ should now focus its work on developing the human capital that is lacking in Harlem. Management programs, real computer skills classes, and general technical assistance in business development are

all necessary for homegrown talent to emerge. In five years, when its time expires the Upper Manhattan Empowerment Zone Development Corporation should be re-funded. UMEZ should use this new funding primarily to support local, small and large businesses and local workforce development. This is the only true way to recycle the dollars spent in the neighborhood. UMEZ has spent the last decade opening up Harlem to outside corporations. Now that this work has been done and it is proven that businesses can succeed in the neighborhood, UMEZ should focus on developing human capital. The 'rising tide' of the past decade did not lift all boats, but UMEZ has the opportunity to correct this.

## Chapter 8

Harlem did not become a black ghetto by accident. Throughout the 20<sup>th</sup> century, many policies were enacted that shaped this neighborhood. Many decisions were made and (sometimes more importantly) not made, further laying the groundwork for the development of Harlem. American Apartheid chronicles the no longer overt, but very real segregation policies of the United States. Massey and Denton explain the immense negative effects these segregation policies have had on neighborhoods like Harlem. The poverty and disadvantage that they describe can be seen throughout the Harlem population. Forces well beyond the control of any neighborhood leaders have left Harlem in a state of need. The neighborhood is in need of quality affordable housing, better education at all levels, and an infusion of capital that is recycled within the community.

Some of this is happening. Harlem is changing. Major steps have been taken, with policies and decisions aimed at improving the neighborhood on the rise. But improvement for who is the question. It appears that some would say the improvements do not benefit all equally. It appears that some gentrification and replacement of low income out-movers with a higher income population is happening in Harlem. Lance Freeman's studies suggest that gentrification can have positive consequences for a neighborhood. He claims that the low-income population will move out less in a gentrifying neighborhood. Perhaps this was true for the first decade of economic redevelopment of Harlem, but vacancy is now quite low. More development and rising rents are sure to pressure the lower income population of Harlem in the coming years. But just as Harlem's past was no accident, so is its future. Harlem will be different in 20

years. How is up to its people. Not acting is acting. I am not suggesting that “losers” in the game of capitalism are to be blamed for their position. It is clear that decades of governmental policy that ignored the plight of the disadvantaged and consistently supported big business have created massive discrepancies of wealth in this country. Harlem’s problems are not Harlem’s problems. They are New York City’s problems. They are the United States’ problems. It is clear to me that more fundamental system change is necessary if we are never again to see a black ghetto created. Attitudes on race and class must be altered at the national consciousness level. But this study was undertaken for the people of Harlem. History has proven that those less privileged will continue to be abused until they organize and act on their own behalf. That is precisely what Harlem needs to do, on a grand scale.

There are varying theories on how an economic redevelopment should be approached. Michael Porter’s approach is to use government to facilitate a private sector led process. It appears that in some way, this has been done over the past decade. The Empowerment Zone has encouraged big businesses to invest in Harlem. Those that have invested are receiving large returns. Essentially, the past decade opened up Harlem as a market for businesses that traditionally saw no opportunity in such a neighborhood. This type of approach has provided some amenities to the neighborhood, but has not brought with it the jobs and economic boost that the people of the neighborhood so desperately need. In fact, it has brought with it rising rent burdens and fears of displacement. The investment of the past decade was not an investment in production, but an investment in consumption. Jobs were not created, but shopping opportunities greatly expanded. I will concede that perhaps this type of approach was necessary initially. An attempt to



mobilize the population and work for real change in policy might have met harsh resistance a decade ago. Today, however, the corporations are aware that there is much money to be made in Harlem. It is this promise of more investment opportunities that will keep the private sector coming back for more, even in the face of a pro-active community demanding that its needs be met too.

There is a traditional debate in the economic development field that puts a people based approach versus and place based approach. The people based approach attempts to aid the people first, whether that means helping them move elsewhere or merely supports them with welfare-like policies. The place based approach attempts to revitalize an area. This could be done through infrastructure improvements or a specific type of zoning. This type of duality, however, is a dangerous one. What Harlem needs is to avoid this question. If you ask this question, you are setting yourself up for failure. Harlem is great because of its location and its people. Without the people of Harlem, you have no great “Mecca” of black culture. Without its location, the population of Harlem would be just another Atlanta. To bring Harlem back to greatness, for Harlem to regain its swagger, the people of Harlem must act on behalf of themselves and their neighborhood. Actions must be taken to ensure responsible development so the character of the neighborhood is not ruined. Policies must be enacted that create affordable housing so that the people can stay. Culture and investment must thrive so that the aura of Harlem can shine brighter than ever.

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