DEMONCRATIC DEVELOPMENT
FOR THRIVING COMMUNITIES

Framing the Issues, Solutions, and Funding Strategies to Address Gentrification and Displacement (excerpt)

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This is an excerpt of the report “Democratic Development for Thriving Communities: Framing the Issues, Solutions, and Funding Strategies to Address Gentrification and Displacement.”

To download the full version of the report, please visit nfg.org.

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This report is the result of collaboration between the California Funders Working Group on Gentrification and Displacement (CA FWGGD), field leaders, and academics who came together in the summer of 2015 to make sense of gentrification and displacement, and the impact on communities in California. Martha Matsuoka from the Urban & Environmental Policy Institute at Occidental College, in collaboration with Manuel Pastor of the Program for Environmental and Regional Equity (PERE) at USC, presented at the CA FWGGD convening in the summer of 2015 to lay the initial outline of a framework that situated gentrification and displacement in the context of unequal power and policies for change. Through a series of discussions and meetings, the CA FWGGD developed a shared analysis of gentrification and displacement, and began discussions about strategies for advancing community and democratic development. These discussions have shaped and refined the framework into a tool for ongoing funder engagement and strategic discussions.

Special thanks to the planning group of the CA FWGGD: Alexandra Desautels, The California Endowment; Yolanda Hippensteele, Nile Malloy, and Dennis Quirin from Neighborhood Funders Group; Luke Newton, Common Counsel Foundation; Amy Kenyon, Ford Foundation; and Nina Bohlen, Smart Growth California/Funders’ Network for Smart Growth and Livable Communities (TFN). Alex Desautels and Nile Malloy deftly and strategically led the process and discussions, integrating a diverse range of funders as well as field leaders. The report is grounded in neighborhood and regional experience and analysis generously shared by Gilda Haas, Dr. Pop; Dawn Phillips, Causa Justa :: Just Cause; and Tony Roshan Samara, Urban Habitat; along with Peter Kuhns from Alliance of Californians for Community Empowerment (ACCE) and Sam Tepperman-Gelfant from Public Advocates, who demonstrate what power building looks like.

Deep appreciation and thanks to Manuel Pastor, Jennifer Ito, and Gladys Malibiran at the University of Southern California’s Program for Environmental and Regional Equity (PERE) for their data expertise and in-depth knowledge about the Building Health Communities sites. Their generosity in data and analysis fuels many important social justice and movement research efforts, including this one. Many other researchers and academics have spent years understanding gentrification and displacement. Much appreciation for the current work by Karen Chapple and Miriam Zuk at UC Berkeley and Paul Ong and Anastasia Loukaitou-Sideris at UCLA for their work on the Urban Displacement Project for up to date data and analysis in the Bay Area and Los Angeles. Conversations with Elva Yanez and Manal Abolata of the Prevention Institute provided useful public health perspectives.

The California Endowment provided invaluable funding for the work of CA FWGGD and for this report.
The **California Funders Working Group on Gentrification and Displacement** (CA FWGGD) is a working group of funders committed to addressing gentrification and displacement issues in California and nationally. The working group has been led by a planning committee including: Alexandra Desautels, The California Endowment; Yolanda Hippensteele, Nile Malloy, and Dennis Quirin from Neighborhood Funders Group; Luke Newton, Common Counsel Foundation; Amy Kenyon, Ford Foundation; and Nina Bohlen, Smart Growth California/Funders’ Network for Smart Growth and Livable Communities (TFN).

The working group formed out of ad-hoc and informal discussions in 2014-2015 in response to community organizations’ efforts to engage philanthropic leaders more to address the housing crisis. Around 20 philanthropic staff participated in these initial meetings, including representatives from affinity groups (Neighborhood Funders Group, Smart Growth California, and Northern California Grantmakers), as well as funding institutions including Ford Foundation, California Community Foundation, The California Endowment, The California Wellness Foundation, Liberty Hill Foundation, The San Francisco Foundation, Common Counsel Foundation, Silicon Valley Community Foundation, and Enterprise Community Partners.

In July 2015, the working group convened a day-long gathering of over 70 funders and field leaders in order to begin to develop a shared analysis of the problems and solutions for gentrification and displacement in California communities. Building from this convening, the CA FWGGD developed an action-oriented learning community of funders and field leaders who have met regularly to share knowledge and better align responses to the crisis. The working group is now moving into a new phase of work that will result in the creation and capitalization of a collaborative fund. The fund is being designed in consultation with community leaders to advance racial and economic equity and community health in California’s cities, with a focus on supporting community-driven policy solutions to the crisis of gentrification and displacement while equalizing voice, influence, and power in the political process from local to statewide levels.

The working group and the funding initiative are hosted and staffed by Neighborhood Funders Group (NFG), in close alignment with NFG’s national Democratizing Development Program.

**ABOUT NFG**

Founded in 1980, **Neighborhood Funders Group** (NFG) works to build the capacity of philanthropy to advance social justice and community well-being. With a network of 90 institutions and over 900 participants, NFG organizes alignment and collaboration within the field of place-focused philanthropy, develops leaders within its national base of members, and encourages the support of policies and practices that advance economic, racial, gender, and social justice. NFG is one of the few vehicles for grantmakers to engage across issues, geographies, communities, and strategies. For more information, please visit www.nfg.org.
This report builds on previous work from the organizing, academic, and philanthropic sectors to present a framework for philanthropy to consider in strategically addressing gentrification and displacement. While the analysis presented here emerged out of discussions about the housing crisis and neighborhood change now underway in strong housing markets in California, this framework intends to illuminate and inform neighborhood changes occurring across a range of cities and regions across California and throughout the U.S.

New public and private investments in cities—from housing to transportation to parks and open space—have triggered changes in property value, speculation, and development in neighborhoods, particularly those historically ignored and suffering from long-term urban disinvestment. Unfortunately for low-income, working poor, and working class communities across the country, these investments tend to do more harm than good. The gentrification of these neighborhoods creates a new housing crisis that threatens the ability of long-time residents to afford housing and shelter, maintain an economic foothold in their neighborhood, preserve family and community ties, and organize together for community stability and change.

This framework identifies four mutually reinforcing systems that define the process of gentrification, displacement, and neighborhood change. These include market-driven development, government policy, structural racism, and unequal power dynamics. The role of government in development has shifted from a regulator and distributor of wealth and public goods to one focused on providing favorable conditions for capital investment in cities. Power held by developers and investors outweighs the limited power of longtime residents to participate in and influence the market, engage in policy decision-making, and shape the public policy debates based on their own lived experiences. Therefore, addressing gentrification and displacement requires addressing the unequal power relations between low-income communities and the economic and political elite that now define development decision-making.

The report asserts that the same drivers that facilitated gentrification and displacement can be interrupted and/or redirected toward more inclusive development goals.
For funders committed to building long-term resilience and vibrancy in underserved communities, there is no single magic solution or policy approach. However, this report suggests that resourcing power building strategies to address gentrification and displacement—and development more broadly—represents a strategic approach that pushes beyond housing as a single issue and creates opportunities to build broad strategic coalitions.

Key components of this agenda include:

1. stabilization of vulnerable neighborhoods (as a necessary first step for community-driven development);
2. community-defined development that meets community needs and reflects community values;
3. community ownership of land and housing infrastructure; and
4. power building at the community level to influence and direct policy and development.

Our analysis advises funders to support strategies that:

- build power from the ground up
- nurture strategic collaborations
- build statewide infrastructure
- address systemic racism
- connect to broader movement building goals.

A number of foundations and philanthropic initiatives around the country are grappling with the scale and urgency of displacement pressures in their communities. We hope this report will serve to support these colleagues in understanding a range of policy and investment choices to address gentrification and displacement, and to advance community-driven development that grows the capacity of low-income people to gain the power they need to define the conditions that shape their lives.
CONCLUSION

In developing sustained and impactful strategies, the promise of place-based initiatives ultimately lies in the people who live there and the power they wield to change conditions in their communities. This report presents a framework that lays out the importance of community power building and policy as well as investment choices to address gentrification and displacement, and advance community-driven development. But funders—and their grantees and allies—must grapple with important and strategic questions about next steps. What and where are the opportunities and challenges of shifting local, regional, and statewide power? What investments and policies are necessary to create the conditions for people to stay in place? How can funding support long-term, community-driven agendas and goals, rather than those that perpetuate the least common denominators framed by developers? How can funders invest in the “ecosystem” so a community can grow and be sustained?

The next four years will test the ability of progressive funders to sustain the gains they have invested in and to engage moderate and conservative funders to build upon these wins. Recognizing the current movement moment—defined by the Trump Administration as well as the #BlackLivesMatter, immigrant rights, climate justice, youth, economic justice, LGBTQ, women’s rights, racial justice, and police accountability movements—draws clear value lines and raises immediate questions about how investments can create the conditions for people to stay rooted in place, organize to create those places, reframe the debates, and define the futures of their communities. Doubling down on the commitment to stabilize and build neighborhood-based power and community infrastructure is critical. Reaffirming and expanding funder investments in anchor organizations and their coalitions continues the trajectory for building healthy and inclusive neighborhoods in California, and provides much needed leadership for the nation as well.
POWER BUILDING IN PLACE: FRAMING COMMUNITY DEVELOPMENT ISSUES AND SOLUTIONS

SYSTEMIC CONDITIONS
Systemic conditions define the underlying context for development, gentrification, and neighborhood change. These are mutually reinforcing and function together:
- Structural Racism
- Capitalism
- Neoliberalism
- Unequal Power Relations

DRIVERS OF NEIGHBORHOOD CHANGE
The following drivers influence development and neighborhood change. The impact and outcomes of these drivers are ultimately a function of competing agendas, policy decisions, and power relationships.

- Long term urban disinvestment
- Market driven reinvestment
- Economic development (deindustrialization/economic restructuring)
- Housing insecurity and vulnerable housing
- Rising inequality
- Segregation/resegregation
- Land use planning for development
- Transportation and infrastructure investments
- Shifting role of government
- Demographic change
- Criminalization and legal structures/processes
- Dominant narrative that reinforces drivers of change

POLICY APPROACHES
Influencing drivers of neighborhood change requires choices about public policy. Because these policy choices reflect competing values and agendas, power building strategies are necessary to win policies that shift the outcomes of drivers of neighborhood change to ensure community stabilization and longer term community driven development without displacement.

COMMUNITY DRIVEN
- Housing as a right and public good
- Stable communities with affordable and accessible housing, tenant and homeless rights and protections
- Government resources, policies, and decision making that prioritizes community needs over market driven development
- Community driven development without displacement, and development of strong neighborhood and regional infrastructure
- Community power building based on community needs, knowledge, and leadership in policy change and implementation
- Community ownership and control of development

COMPETING AGENDAS & VALUES

MARKET DRIVEN

AGENDA
- Housing as an unregulated for-profit commodity
- Development for profit and speculation
- Private sector driven and government supported investments and subsidies
- Limited government role in free market; role focused on capital investment
- Reduction of and absence of rent control laws/tenant rights/homeless rights; and other public protections and regulations
- Power held by elites

OUTCOMES
- Housing security
- Economic well-being and stability
- Investment and development without displacement
- Strong social networks and neighborhood and regional infrastructure
- Vibrant and healthy neighborhoods for all
- More equal power relations
- Public sector policy and decisionmaking focused on public needs and goods

Source: California Funders Working Group on Gentrification and Displacement; Martha Matsuoka, Urban & Environmental Policy Institute/Occidental College. Updated March 2017.
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