

Every neighborhood contains trace evidence of footsteps long gone or forced to move on. The question is why they left and who takes their place?

In Manhattan, late-stage gentrification has transformed much of the island into a place too expensive for most families, and too far gone to remember. I remember. There was a time when the Hudson River belonged to everybody, we could all be sheep playing in Central Park's Sheep Meadow, and the world below 125th Street wasn't ground zero for global capitalism and the real estate state. People whose parents tilled a Southern acre on halves before the Migration, or who memorized trails in Puerto Rican rain forests, or whose people knew only manual work walked Manhattan as if they lived there. The feel of their presence is mostly gone, but the results look nice. Now, the city has invested \$2.2 billion in taxpayer incentives to create the Hudson Yards neighborhood in midtown, another gleaming metropolis available strictly for the wealthy.

But no one lived there before, so no one was displaced. Not so across the nation's capital, which the *Washington Post* just declared the city with the greatest "intensity of gentrification" in the United States. Over a decade of planning policy to attract "the creative class" from the "knowledge economy" has disappeared blacks from once modest Columbia Heights and Latinos from Adams Morgan. The cranes long gone, huge apartment buildings hawking "Luxury Now Leasing" signs cast shadows on young families pushing baby carriages that cost more than cars used to. On U Street, holdovers still have bars on their windows. Newer folks sport yoga pants. Realities outnumber sandwiches, and even in Southeast, the wards that were forever all black, are litigated construction sites.

High up in the Los Angeles neighborhood of Baldwin Hills, the black middle class that moved in after racial covenants fell and white people left are seeing the great grandchildren of those whites come back. There is almost no such thing as a home selling for less than \$1 million there or anywhere on the West Side. Below the hills are plans for thousands of new condos and rentals, none with affordability restrictions.

Gentrification is the simultaneous unleashing of opportunity and panic into space. It persists as a flashpoint because it's where inequality happens in real time. It will mean different things as it takes shape in different places. Defenders argue that subsidized redevelopment planning is how cities re-make themselves and sustain a tax base for essential services and growth. Yet it will always signify that a lifetime of change is coming to the landscape, ending the economic era of one group and starting one for another. Add a racial component, and it looks like the history of a country.

We typically discuss inequality as a jobs/education/income problem. Low-wage, often contingent work for less educated people has yielded a yawning income gap between the working class and the affluent. A hallowed-out middle class makes for

increased economic anxiety about the old Gilded Age binary—haves and have-nots. With greater incomes, tech and tech-adjacent creatives join the ranks of a small swath of Americans who control over half of household wealth. Call them the 1% or the 10%, but they are the beneficiaries of economic transformation.

Yet they also reap the riches of neighborhood transformation where gentrification can be felt in housing, retail and public services.

For the have-nots, displacement means the loss of a home and the sense of a community, but also different (weaker) schools, longer commutes, more dangerous streets, isolation from social bonds and political ties, fewer services—and the assorted tolls on health, finances and belonging that come with root shock. Where they are going will not likely prepare them to come back.

Contrary to gentrification's defenders, this social hierarchy is not the Invisible Hand of markets at work, but deliberately planned government market-making using taxpayer dollars. The fight in Queens over Amazon's HQ is only the tip of an economic development iceberg under which states and cities have for decades paid companies billions in tax incentives, infrastructure spending and other subsidies to jump-start their local economies. Rarely are these public expenditures subject to scrutiny—or accountable for rates of returns. They are instead viewed as indispensable tools of municipal finance, necessary acts of fiscal stewardship.

Some of them probably are, but the clash of interests raises the question, stewardship for whom? The question is more important now for two reasons—urbanization and racial history.

The geography of American opportunity has shifted back to cities after a long hiatus in the suburbs. High-paying services industries recognize a competitive advantage in urban locations. Cities like Washington implemented specific policies to attract that investment of jobs and (educated) people. Since 2000, D.C. has seen average job growth of about 135,000 per year, but not in public sector jobs. Government employment has remained flat. Instead, D.C.'s job growth has occurred in professional, business, education and health services—the so-called knowledge workers—and the food services and drinking places they frequent. In that period, “Chocolate City's” African-American population shrank by 20,000 residents and is now about equal to whites.

Which brings us to how racial history matters to the inequalities of gentrification. *Everybody* is threatened by a growing lack of housing affordability. Yet blacks have been the canary in the nation's coalmine almost since American cities began. Slavery defined place. Then, for most of the 20th century, violent racial discrimination and custom limited where blacks could live. Government-enforced redlining and deed restrictions increased the costs and narrowed the scope of available housing into crowded urban neighborhoods. Urban (or Negro) Renewal razed those, redirecting the options of lower-income blacks into public housing, sited away from the commercial heart of cities.

The resulting ghettos of concentrated poverty were outposts of disinvestment, crime and lower property values. Now cities want that land back.

While black urban neighborhoods became the foundation for what economic and black power exists in the U.S., gentrification represents the movement back into those very spaces of white people, stronger institutions and political control. Gentrification does not happen only in predominantly black urban neighborhoods (in fact, most investment still prefers formerly white working-class areas). But when it does, as in our legacy cities and a growing number of others, the irony is more than cruel.

For these reasons, neighborhood change of this magnitude represents the odd capitalist power struggle in which those without power see their everything at stake and those with it would rather not see them at all. If you are the former, where can you go that won't make your economic, political and social powerlessness worse? And why is your own government in on the act?

It doesn't have to be such a stark choice if we follow the route that got us here: use government as a steward of *all* urban residents' interests in power and well-being. Currently, city governments use spending, taxing and land use authority to make markets for wealthier residents, with only an afterthought to the risks of displacing poorer residents. Favoring the preferences of future residents while ignoring the interests of current ones is an irresponsible and unfair transfer of wealth.

Whether or not Amazon would be good for Queens, the public was right to demand that billions of dollars of its money not subsidize the richest company in the world for moving where it needed to be without guaranteeing non-displacement. The activists suing Washington's mayor and city planners are exactly right to focus on how policymakers deliberately directed public funds to attract young white creatives at the expense of the working-class black and Latino residents who already lived in those neighborhoods. City governments from San Francisco to Miami have been negligent in causing an affordability crisis, period.

Government stewardship of housing choice should be one of the first priorities of democratic leadership, because housing is the linchpin to opportunity. What's needed are policies that promote *equitable growth*, such as inclusionary zoning, rent control, local fair housing, civil right to counsel in eviction cases, strict code enforcement and concerted planning for truly affordable housing construction and preservation. Cities with stable development markets should consider ending the subsidy business altogether, or put in place stricter accountability rules to ensure they get *for everyone* what they pay for. Right now, cities often guess and hope.

History without forethought and a good feel for real inclusion repeats itself. Along comes the Trump Administration's idea of Opportunity Zones—tax shelters for investing capital gains in distressed neighborhoods. As impact investing goes, OZ's may or may not be a gift to private equity at the further expense of people too poor to generate

a favorable return on capital. Whatever they become will not be an accident. It will be, like the state of inequality itself, a reflection of who we are.

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