

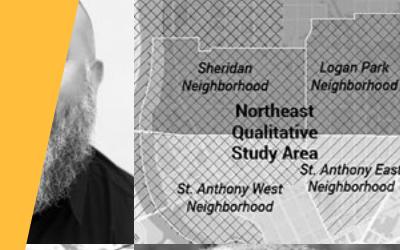
THE DIVERSITY OF GENTRIFICATION:

Multiple Forms of Gentrification in Minneapolis and St. Paul

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EXECUTIVE SUMMARY

This report presents the findings of a study of gentrification between 2000 and 2015 in the cities of Minneapolis and St. Paul. We found significant evidence of gentrification in the two cities. Results from both the quantitative analysis of neighborhood change and the qualitative interviews with key informants and neighborhood residents support the notion that gentrification is a varied phenomenon that looks and feels different from one neighborhood to another.

Research Approach

We utilize a mixed methods approach that combines a statistical analysis of neighborhood-level data with the use of in-depth qualitative analysis of interviews with public officials, community leaders, and neighborhood residents. The statistical analysis helps us to identify areas within Minneapolis and St. Paul that are changing in ways that are consistent with gentrification, and to characterize those changes. The in-depth qualitative interview analysis helps us to understand how those most affected by neighborhood change are experiencing the transformations taking place in their neighborhoods and how those in positions of power view the changes.

Measures of gentrification differ across the many empirical analyses of gentrification. We opted for a conservative approach to the identification of gentrification by utilizing three different methods of measuring gentrification and looking for where they converge in their conclusions.

Following common practice, we conducted a two-step analysis that begins with the identification of neighborhoods that are *vulnerable* to gentrification. Because gentrification describes a specific type of neighborhood change, that is, the upgrading of previously disinvested neighborhoods, there are large parts of metropolitan areas to which the concept cannot be applied. Areas that cannot, by definition, be gentrified are removed from our analysis. Throughout the study we compare two types of neighborhoods, vulnerable tracts that did, in fact, show signs of gentrification between 2000 and 2015 and vulnerable tracts that did not gentrify. From 2016 to 2017, we conducted 88 in-depth qualitative interviews with local public officials, nonprofit leaders, and residents to examine how they identify and experience gentrification. These interviews were done to: (1) assess whether or not our quantitative indices of gentrification match resident perception; and (2) analyze how local residents defined, experienced, and identified gentrification in their neighborhoods.

Findings

Almost half of census tracts in Minneapolis met the threshold for vulnerability in 2000, and a little more than one-third of the tracts in St. Paul met the definition. Application of the three indices to the census tracts in Minneapolis and St. Paul indicates that neighborhood change consistent with gentrification occurred in 27 of the 84 vulnerable tracts (32%) in Minneapolis and St. Paul. The prevalence of gentrification is higher in Minneapolis than in St. Paul, both in absolute and relative terms. In Minneapolis, one sees clusters of gentrification in the northeast along the river, the southeast along the Metro Blue Line light rail, portions of the near north, and the far north area. There is also a smattering of tracts in the south. In St. Paul, the pattern is dispersed. Two neighborhoods (Hamline-Midway and Frogtown/Thomas-Dale) along the Metro Green Line light rail showed signs of gentrification as did areas of West St. Paul.

Findings from both the quantitative and qualitative research indicate that gentrification looks different from one neighborhood to the next. Sometimes it produces racial change and sometimes not. In some neighborhoods gentrification is occurring simultaneously with deepening poverty, and in other neighborhoods not. Gentrification can be connected to a flourishing art scene in one place, while in others it is associated with transit development or other large-scale public investments. Understanding gentrification in Minneapolis and St. Paul requires recognition of the multiple ways it has unfolded.

Quantitative Results



Racial change was inconsistent across neighborhoods. Some gentrifying areas lost black populations while others gained; some lost Hispanic populations while others gained.



All gentrifying neighborhoods saw increases in the population with bachelor's degrees at rates far exceeding the citywide trends. Nongentrifying tracts saw much lower rates of increase.



The median household income in both gentrifying and nongentrifying neighborhoods declined from 2000 to 2015. Consistent with this, the percentage of the population below the poverty level increased in both types of neighborhoods.



The income and poverty findings are explained by higher levels of inequality in gentrifying neighborhoods. Incomes for the top 10% of households in gentrifying neighborhoods increased by almost 15% compared to a decline of 5% for affluent households in vulnerable tracts. Gentrifying tracts, on average, saw decreases in income at the lower tail of the income distribution and rising incomes at the higher end of the distribution. But vulnerable neighborhoods that did not gentrify saw income decreases across the distribution.



Both rental and homeowner markets increased in price at much higher rates in gentrifying neighborhoods between 2000 and 2015. Rents (in constant dollars) in the average gentrifying tracts increased 8.6% compared to 5.0% in nongentrifying areas. Median home values in gentrifying neighborhoods increased on average more than \$37,000, or 31%. In nongentrifying neighborhoods, home prices increased less than \$11,000, or about 13%.



Gentrification in the Twin Cities has not manifested itself in a single type of neighborhood change. Results indicate there are four distinguishable types of gentrification that have occurred in Minneapolis and St. Paul between 2000 and 2015. Two of the types conform to the “classic” model of gentrification in which incomes rise, housing costs skyrocket, and socioeconomic status (SES) also increases significantly. Minneapolis and St. Paul have seen two versions of this model, one that includes large reductions in the black population and one that does not. There is another pattern of gentrification that is occurring as well in the two central cities. This is a pattern in which at the tract level, median incomes



are declining and poverty is increasing, while at the same time housing costs are increasing and SES status is also increasing. As with the classic model of gentrification, there are two racial versions of what we call the “gentrification + poverty” model; one in which the black population is increasing significantly and one in which no significant change is occurring.

Qualitative Results



Local public officials we interviewed were fairly split on whether displacement was actually taking place as a result of increased investment. Half argued that displacement was inevitable, while the others claimed that it was not an issue and that there were plenty of vacancies in the local housing market.



In contrast, neighborhood leaders (civic and nonprofit leaders, and grassroots activists) were consistent in claiming that displacement, both physical and cultural, is happening and is disproportionately affecting people of color and people with low incomes.



There were four common themes in the interviews with neighborhood residents and business people in the five neighborhood clusters of Minneapolis and St. Paul: presence of whiteness, housing affordability, business turnover, and displacement fears.

- **Eighty-eight percent** of all those interviewed described the increased presence of white residents in places white people have historically avoided or that were once enclaves for communities of color. This pattern was most evident in the North Minneapolis and South Minneapolis clusters.

- **Every** neighborhood resident and business person interviewed spoke about the growing lack of affordability in their respective neighborhoods. The details of affordability problems varied across clusters, from concerns in North Minneapolis about young white families buying homes and driving up values and the inability for those living on a fixed income to afford increasing property taxes, to those in Northeast Minneapolis citing the high demand and rising rents, to Hamline-Midway and Frogtown/Thomas-Dale interviewees who indicated that even publicly subsidized housing (through the Low Income Housing Tax Credit program) being built in the neighborhood was out of the reach of local residents.

- **Two-thirds** of those interviewed talked about new business development, describing new businesses that are uncharacteristic of the neighborhood: new, high-end shops in South Minneapolis, breweries and new restaurants in Northeast, and the prevalence of “coming soon” signs in Hamline-Midway and Frogtown/Thomas-Dale. All of these were seen as signals of shifting demographic and economic realities of neighborhoods.

- **Three-quarters** of interviewees described being displaced, or having close friends or family who have been displaced. They emphasize their own and others' fear of impending displacement. These responses often included remarks about cultural and political displacement fears as older businesses disappear and the neighborhood changes around those who have remained.



Though there were commonalities across the clusters, the interviews simultaneously made it clear that the processes of change producing these outcomes were importantly different from one cluster to another.

- **In North Minneapolis**, respondents talked about the lack of community-based ownership, a “new wave” of development priorities that neglect residents’ voices, and the use of historic designation as a tool of gentrification.
- **In Northeast Minneapolis** gentrification, according to our interviewees, is about the commodification of the arts, creative placemaking that has brought new types of artistic makers/businesses, and the displacement of the first wave of independent artists who had occupied the neighborhood’s live/work space prior to the current period of gentrification.
- **In South Minneapolis** respondents mentioned the fear of “Uptowning” (Uptown is a previously gentrified South Minneapolis neighborhood), an influx of new businesses that do not serve the needs or tastes of existing residents, and concern about a lack of resources for established community driven businesses in the face of these commercial changes.
- **In Hamline-Midway** respondents were concerned about the overcriminalization of youth in the neighborhood, the development spurred by the new soccer stadium built to the south of the neighborhood, and a gradient of affordability reflecting lower housing costs in the eastern part of the neighborhood and declining affordability to the west.
- **In Frogtown/Thomas-Dale** interviewees talked about how new tax credit housing was not affordable for local residents, how families were being forced to double up or even

rent out their homes because of rising costs, and the more frequent “coming soon” signs creating a high level of anticipation of commercial change.

Policy Approaches

The examination of 10 local, community-based organizations doing work regionally indicates that antigentrification work is broader than the approaches that appear in the various “policy toolkits” that have been developed.

The approaches used by these groups embody various strategies, including efforts to change policy in ways that support more equitable development, redirect resources to build the economic and political power for community control, and shift narratives about people and communities to legitimize self-determination for low-wealth communities and communities of color in the path of gentrification.

The groups conceptualize gentrification as taking place along an extended time period characterized by four stages. Each stage suggests its own set of policy interventions, resource redirection, and organizing strategy.

- 1. Disinvestment and decline**, in which powerful public and private institutions redirect resources away from a community.
- 2. Devaluation**, in which a “deficit narrative” comes to dominate elite and public discourse about communities that have been subject to disinvestment.
- 3. Reinvestment**, in which low land values and rents are exploited, housing costs rise, and businesses and cultural institutions may turn over.
- 4. Displacement** in various forms, in which the loss of affordability pushes out long-term residents and businesses (direct displacement), changes conditions for those who are able to remain (cultural and political displacement), and precludes the entry of new, lower-income households (exclusionary displacement).



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PART 1: GENTRIFICATION DEFINED

The phenomenon of gentrification is a highly charged political issue. To some it represents a threat to community and neighborhood stability. To lower-income households and to people of color, gentrification represents the loss of affordable housing, the loss of community, and changes in neighborhoods that make continued residence there difficult, if not impossible. On the other hand, some see concerns about gentrification as overstated and ignoring the positive aspects of increased investment in neighborhoods that have suffered from the lack of such investment in the past. These observers see needed reinvestment in neighborhoods that improve conditions for all residents and turn around decades of neighborhood decline. They may also see concerns about gentrification as an impediment to the much-needed redevelopment of disadvantaged neighborhoods.

Our Approach

As both a process and a phenomenon, gentrification has been studied extensively from multiple disciplinary perspectives. Yet there are aspects of the phenomenon that have attracted less attention than is deserved. Specifically, the ways that individual residents mediate the gentrification process, and understand its characteristics and its benefits is an understudied area of analysis too often ignored in the national scholarly debate surrounding gentrification. To understand how gentrification processes both create and constrain economic opportunity, mobility, and access to quality goods and services, we utilize a mixed methods approach that combines a statistical analysis of neighborhood-level data with an in-depth qualitative analysis of interviews with public officials, community leaders, and neighborhood residents. The statistical analysis helps us to identify areas within Minneapolis and St. Paul that are changing in ways that are consistent with gentrification and to characterize those changes. The in-depth qualitative interview analysis helps us to further understand the ways that those most affected by neighborhood change are experiencing the transformations taking place in their local neighborhoods and how those in positions of power decide what is best for a growing inner-city core. This mixed methodological approach was used because quantitative

data analysis, while critical in establishing neighborhood-level trends in income, housing, and social characteristics, and in controlling for factors that may affect neighborhood outcomes, is nevertheless constrained by the definitions and categories that are attached to the data itself, and can offer no insight on how neighborhood changes are being understood by those affected. Qualitative data analysis, though less useful to generating knowledge about large trends across different neighborhood settings, assumes a dynamic and negotiated set of realities giving individuals the chance to share how they feel or live a reality, helping us to gain a deeper understanding of why and how something impacts people as it does.



Gentrification

At the core of the debate over gentrification are the issue of displacement and the question of who benefits and who is harmed by the neighborhood changes induced by it. Even low-income households that worry about gentrification are frequently in favor of neighborhood improvement. What concerns them is their ability to remain within the community and benefit from the improvements; that is, their ability to avoid physical displacement. If they do remain in the neighborhood, their concerns focus on issues of cultural and political displacement and the changes in the neighborhood that marginalize them. Thus, conflicting views of neighborhood improvement typically revolve around the issue of displacement. Indeed, it is displacement that makes gentrification the political hot potato that it is. Physical displacement was one of the defining characteristics of gentrification in its original usage. In Ruth Glass's study of London published in 1964 in which she coined the term, she wrote of gentrification as the changing social status of neighborhoods occurring "as the middle class—or the 'gentry'—moved into working-class space, taking up residence, opening businesses, and lobbying for infrastructure improvements." She adds, "Once this process of 'gentrification' starts in a district it goes on rapidly until all or most of the working class occupiers

are displaced and the whole social character of the district is changed" (Glass, 1964).

Some wonder whether meaningful neighborhood upgrading can occur at all without significant displacement. Such a concern is based on acknowledging that within the framework of capitalist land and housing markets, significant improvements in the built environment are almost inevitably capitalized into rents; that is, they are passed on to consumers in the form of higher housing costs. These higher rents price out some families and can induce spillover investments by nearby property owners. Even in slack markets with high vacancy rates in which the upgrading of vacant units does not directly displace low-income households, the market changes produced by upgrading can spread to the rest of the market and induce displacement. Yet, from the very beginning of the use of the term *gentrification* there has been acknowledgement that some forms of revitalization occur without widespread displacement. Clay (1979), for example, suggested that gentrification is one of two distinct types of neighborhood revitalization, the other being what he labels "incumbent upgrading" (see also Palen and Nachmias, 1984). This incumbent upgrading is not characterized by widespread replacement of a low-income population by an urban gentry.



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conceptualized as a staged process in some places. For example, in their study of gentrification on the Lower East Side of New York, Smith et al. (1994) showed a first stage of investment without upgrading in which properties were purchased and held until the local market was ripe for upgrading, and lenders were comfortable with financing such upgrading. The subsequent property improvements constituted the second stage of the process and produced the noticeable neighborhood changes that observers typically associate with gentrification. The first stage, however, can also result in physical displacement through the abandonment of the property or the emptying of a building during the waiting stage. Thus, it is possible to see abandonment and gentrification taking place side by side (Marcuse, 1985).

Over time, then, we see that the idea of gentrification has been expanded to describe a process that is often more than simple, and largely private-sector, housing rehabilitation and upgrade characteristic of the 1960s and 1970s. Hackworth and Smith (2001), for example, point to the important role of public-sector investment in what they call "third wave gentrification." Larger-scale redevelopment efforts since the 1980s, often supported or initiated by massive public-sector investments, including urban

can boost property values and trigger gentrification (e.g., Dawkins and Moeckel, 2016; Kahn, 2007).

Part of the "expansion" in the concept of gentrification has been in whether or not physical displacement is considered a necessary element of gentrification. This question has become contested among researchers. Many hew to the original formulation of the concept in which displacement is a defining characteristic of gentrification. In this model, gentrification is a specific type of neighborhood change that, among other things, results in the widespread displacement of lower-income residents and in their replacement by higher-income households (e.g., Marcuse, 1985; Kennedy and Leonard, 2001; Slater, 2009). From this perspective, neighborhood improvements that do not produce displacement would not be regarded as gentrification. The relationship between gentrification and displacement, in this view, is definitional. Slater (2006; 2009), for example, makes an argument that displacement is a constituent element of gentrification (see also Newman and Wyly, 2006; Davidson and Lees, 2005).

For others, the relationship is not definitional but empirical (e.g., Hamnett, 2009; Freeman, 2009; Ellen and O'Regan, 2011). For these authors the degree or even existence of physical displacement generated by gentrification is something that can and should be empirically demonstrated. This argument leads some researchers to ask the question of

As a result of the term's wide usage, the concept of gentrification has undergone some change since Glass's initial coinage. A robust literature on gentrification has developed over the past 50 years and produced debate on a number of issues, including the causes of gentrification, with some emphasizing cultural, demographic, and social changes, while others focus on economic and land market factors. Gentrification has been

waterfront development initiatives, stadiums, hotel and convention complexes, and public housing redevelopment, have produced social transformations consistent with Glass's original observation (e.g., Smith and Williams, 1986; Sassen, 1991; Wyly and Hammel, 1999; Shaw, 2008; Goetz, 2011; Slater, 2011). Similarly, recent work on "transit-induced gentrification" examines how large public infrastructural investments in transit

whether gentrification, in any particular instance, causes or is associated with displacement (e.g., Freeman, 2005; Freeman and Braconi, 2004). Following from this, some studies of gentrification have shown little evidence of displacement, leading some to rethink the relationship between the two dynamics. Such a perspective allows researchers to ask the question, as Vigdor et al. (2002) do in the *Brookings-Wharton Papers on Urban Affairs*, “Does gentrification harm the poor?” This perspective on gentrification has also produced a line of work on what some call “positive gentrification” (e.g., Byrne, 2003; Duany, 2001; Chaskin and Joseph, 2013), a strain that comes under considerable critique from others (e.g., Davidson, 2008; Lees, 2008; Slater, 2006).

Gentrification and Methodology

It is probable, as Brown-Saracino (2017) suggests, that the methodology chosen by researchers to study gentrification has consequences for how one views the phenomenon. She argues that “more qualitative scholars, typically relying on micro-level analyses...tend to present gentrification as increasingly endemic, advanced, and consequential, whereas more quantitative scholars...tend to present it in less dire terms.” If Brown-Saracino is correct in that the way one studies gentrification affects one’s findings and the assessments of gentrification’s impacts, scholars would do well to adopt varied research approaches. Indeed, Brown-Saracino’s observation suggests that a mixed method approach to studying gentrification could produce a more balanced assessment of the phenomenon.

Oftentimes the nuances of displacement and change cannot be captured from solely census-based quantitative approaches to gentrification, as this approach cannot always illuminate what is happening in the local community (Hammel and Wyly, 1996; Loukaitou-Sideris et al., 2017). Through qualitative research, scholars are able to explore

issues of social, cultural, and political displacement, even when census-based research does not indicate physical displacement (Bates, 2013; Hyra, 2015; Zuk and Chapple, 2015). Additionally, qualitative gentrification scholars seek to provide depth to not only identifying the phenomenon but also making meaning of gentrification through the experiences of local residents and residential stakeholders.

Understanding gentrification from the perspectives of residential stakeholders most affected by neighborhood change provides an avenue to explore the phenomenon through the experiential realities of residential stakeholders who are uniquely positioned in society based on their various identity characteristics and competing social, political, and economic factors, an aspect often missing from larger quantitative research. In turn, qualitative research can highlight underlying dynamics of the intersection of identities, including race and class, such as the use of racialized language, the creation of social and spatial boundaries, and the processes for and outcomes of cultural and political displacement. For example, Berrey (2005) draws on a history of ethnographic research studies that illustrate the use of the word diversity to reinforce pro-gentrification arguments, finding that white real estate professionals and politicians embraced diversity, identifying gentrification as a driver of diversity and more specifically a mixed-income housing agenda, whereas black housing advocates rarely

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used the word diversity and focused more on a discourse regarding rights, power, and discrimination. The use of the word diversity in this context often results in long-term low-income black residents being priced out of their neighborhoods and the new amenities that often accompany a new class of mostly white newcomers.

In changing neighborhoods, the identification of who belongs and can lay claim to the ownership of a community is always up for debate, especially in high-renter communities, yet it is often used as a tool to legitimize the presence of both historic and new residents. The pressure to claim belonging is particularly relevant in neighborhoods facing the pressures of gentrification (Anderson, 1990; Hwang, 2016; Pattillo, 2007). In Philadelphia, Hwang (2016) examined how residents identify and define the literal geographic neighborhood boundaries based on the racial identity and neighborhood history. Residents who identified as black or mixed race tended to define neighborhood boundaries referencing established neighborhood names as well as historic black events, citing larger geographic boundar-



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ies encompassing a diversity of residents. The other group of respondents, nearly all of whom identified as white, tended to define neighborhood boundaries based on income and crime rates, distinguishing areas of high poverty that were perceived to have higher crime rates from areas perceived to be safer. In essence, a smaller geography defines boundaries that aim to exclude rather than include all residents. Additionally, socially constructed boundaries allow groups to legitimize themselves over other groups as those who belong (Hwang, 2016; Martin, 2008).



Similarly, Martin (2008) explored what it means to claim legitimacy over a space, not through explicit action but through coded language around both race and class that centers on the safety and future of children in the neighborhood. She notes that residents often use this language "while casting themselves as the true protectors of children, and the 'other' as child endangerers" and found that new residents, primarily white, middle-class individuals, used racialized language when describing the potential harm for children that currently exists, highlighting a lack of opportunity, drugs, and poor schools as the issue that certain children are facing, which they need to protect them from through community revitalization processes. Long-time residents described a changing view of the young people in the community, with new residents displaying less care for the welfare of the children in the neighborhood. This use of language, which aims to serve a type of "symbolic action" on behalf of the children, highlights the tensions that persist across race and class boundaries and exacerbate the inevitable conflict between cultures that is produced by gentrification.

processes. This process prompts different classes of residents to state their case in an environment where they feel they might lack control.

Finally, Hyra (2017) asserts that although historic residents are not always physically displaced from their communities, they are vulnerable to losing political power due to an influx of new residents and may also experience cultural displacement as new residents push to increase community revitalization that fits their wants and needs. While many residents with low to moderate incomes in the Shaw/U Street neighborhood in Washington, DC, a historic African American community, were actually able to stay in place due to some of the community-owned affordable housing, residents report that the preferences and values of new residents do not always align with those of the previous residents. Additionally, the political structure in the neighborhood changed as local political leadership shifted and the public policy agenda began to cater to new residential demands and aesthetics. Finally, residents reported feeling some alienation, detachment, and lack of belonging in a community in which they were once comfortable.



The importance of mixed methodology, the intentional combining of quantitative and qualitative methods, has come to the forefront in gentrification research (Brown-Saracino, 2017; Loukaitou-Sideris et al., 2017). For example, Loukaitou-Sideris and her colleagues' 2017 study of gentrification in Los Angeles illustrates the comprehensive depth and breadth of mixed methodologies through the triangulation of secondary data, systematic observations, and in-depth interviews with community-based representatives to understand neighborhood change in four high-transit-service neighborhoods.

In some neighborhoods, although not all, observations captured information that was not apparent in the secondary data including new construction, upscale landscaping, and new commercial businesses. Additionally, interviews uncovered insights that had not been apparent in the secondary data or observations, such as the anticipation of new businesses that would not cater to new clientele, threats to affordable housing, and real estate speculation.

The Center for Urban and Regional Affairs (CURA) strongly values the critical insights that a mixed methods approach provides. We believe it is imperative that this approach be adopted when studying gentrification in order to provide a robust yet nuanced analysis of the complicated processes of community revitalization. To that end, we must contend with the many competing definitions of the term displacement that drive the public discourse around gentrification and that are often utilized differently by quantitative and qualitative scholars.

Displacement

As noted previously, displacement is one of the critical questions raised by the issue of gentrification. The classic definition of displacement was offered by Grier and Grier (1980):

Displacement occurs when any household is forced to move from its residence by conditions that affect the dwelling or its immediate surroundings, and that: 1) are beyond the household's reasonable ability to control or prevent; 2) occur despite the household's having met all previously imposed conditions of occupancy; and 3) make continued occupancy by that household impossible, hazardous, or unaffordable.

Marcuse (1985, p. 206) argues that the Grier and Grier definition covers two types of "direct" displacement: direct displacement that is economic (driven by higher rents or other costs) and direct displacement that is the result of land-

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lord actions that make the building physically impossible or hazardous to inhabit. Marcuse builds on the Grier and Grier definition by noting the difference between “last-resident” displacement and “chain displacement.” The typical measure of displacement simply looks at the last household that moves, but Marcuse argues that other households “may have been forced to move at an earlier stage in the physical decline of the building or an earlier rent increase,” and this he refers to as chain displacement. A full accounting of displacement would need to incorporate any possible chain displacement that occurred during the process of neighborhood change.

Marcuse (1985, p. 206) adds a further dynamic to our understanding of displacement by identifying what he calls “exclusionary displacement,” which occurs “when one household vacates a housing unit voluntarily and that unit is then gentrified or abandoned so that another similar household is prevented from moving in.” Such a process excludes the second household from a neighborhood where it could otherwise have located.

Marcuse (1985) makes other important improvements to the concept of displacement. He describes “displacement pressure” as the cues a family sees in the neighborhood in which it lives, the changes in the social makeup of the area, the turnover in commercial activity, transportation patterns, support services,



and public infrastructure that make the areas either less livable (in times of significant neighborhood decline) or are clearly pitched to a higher-income population (in times of upgrading). This pressure may result in a family moving because it feels displacement is inevitable. Such a move may look voluntary, but Marcuse argues that it should nevertheless be understood as a case of displacement.

Although Marcuse (1985) has added considerably to the understanding of displacement, his conceptualization remains limited to physical displacement. To his expansion of the concept, therefore, others have added modifications that encompass dynamics beyond physical displacement. Some, for example, highlight the “cultural displacement” that can occur during the process of gentrification. Even those fortunate enough to maintain residence in a gentrifying neighborhood may experience an alienation that results from the significant changes in neighborhood environment, the loss of meeting places, new norms of behavior, or the turnover in commercial and public life that leaves them excluded (Davidson, 2009; Atkinson, 2015; Hyra, 2017). Pattillo (2007, p. 264) writes of the “progressive criminalization of ‘quality of

life issues” in gentrifying areas and the efforts to censure behaviors that newcomers do not like. Davidson (2009) posits that the loss of place is as important as the loss of space. Even if a person is not physically displaced from a home due to gentrification, harassment from a landlord or the loss of a local community gathering space can be as alienating as being evicted. As a result, Davidson calls for something more than “a focus on displacement as out-migration [which] fails to comprehend the core aspect of the process through a[n] under-appreciation of place (p. 225).

Finally, Hyra (2017) writes of “political displacement,” the loss of political power experienced by the incumbent residents of gentrifying neighborhoods when their voices are no longer heard by local officials and when they no longer control community-based organizations that once spoke and worked on their behalf.

These advances in how we conceptualize displacement point to its many dimensions and provide a more robust understanding of the phenomenon. At the same time, they illustrate how difficult it is to adequately measure displacement. Indeed, empirically establishing the degree of displacement is one of the most difficult aspects of gentrification research. Data on displacement are difficult to obtain and generally not available at the scale that would allow for large-scale studies. Even when data exist that might highlight one form of displacement, typically most of the other forms of displacement remain largely hidden.

Studies that attempt to empirically assess the relationship between gentrification and displacement have typically utilized the linear view of the phenomenon



(e.g., Freeman and Braconi, 2004; Freeman, 2005). In these works, displacement is conceptualized as a direct process, whereby a distressed neighborhood undergoes an increase in investment as well as an increase in well-educated households, which, in turn, increases demand for housing, increases housing costs, and leads to the involuntary displacement of lower-income households. In this model displacement is conceived of as the direct, physical displacement of households; that is, they are physically removed from the neighborhood as a result of the dynamics unleashed by neighborhood change. While being a simplified conceptualization of gentrification, such an approach allows the use of large databases that can provide opportunities for studying large-scale processes.

Qualitative research approaches are able to incorporate a more multidimensional definition of displacement and can reveal limits to the accuracy of large database approaches. Using a more qualitative approach allows researchers to use a more expansive definition of displacement. Newman and Wyly (2006), for example, were able to document cases of displacement that would not have shown up in the quantitative database utilized by Freeman and Braconi in 2004. Similarly, Zuk and Chapple (2015) use a qualitative research approach that uses a broader conceptualization of displacement. They challenge both the distinction between voluntary and involuntary moves made by Freeman and Braconi, as well as the idea that displacement necessarily happens after the gentrification process has begun. Zuk and Chapple (2015, p. 4), like Grier and Grier (1980) and Marcuse (1985), stipulate two types of displacement: reinvestment-related displacement (apparent in traditional gentrification) and disinvestment-related displacement.

Atkinson (2015) operationalized a more expansive definition of displacement in a qualitative research study involving interviews in two major urban centers in Australia. Consistent with the qualitative aspects of the Newman and Wyly (2006) study, Atkinson found that one of the most

acute problems facing low-income renters in gentrifying neighborhoods is the potential for large increases in housing costs. Again, not only would this type of pressure not necessarily show up in a quantitative analysis, but even if it did, quantitative data might fail to take into account the personal harm that gentrification can have on the important unmeasurable qualities of a community. For example, Atkinson records how even if residents were able to pay the higher rents, they often felt alienated and angry as a result of the changes in the neighborhood—for example, the loss of friends and neighbors no longer able to afford the neighborhood—and the increased cost burden that they themselves were bearing. Thus displacement in this conceptualization represents the costs of gentrification for existing residents both in monetary terms and also in well-being and sense of belonging, which can easily be glossed over in more empirical modes of analysis.

Measuring Gentrification

A number of different measures of gentrification have been used by researchers. Some of the variation depends upon the data sources used, some on the methodological approach. In large-n quantitative studies, the unit of analysis is typically the census tract. As noted by many researchers across a number of fields, census tracts do not align perfectly with local definitions of neighborhood, but they represent a nationally standardized unit and they are typically of a size and scale that approximate urban neighborhoods (Coulton et al., 2001; Sperling, 2012). Of course, they are also convenient for researchers using a large-n research strategy because the census data that are compiled at the tract level are widely available.

Since the 1990s, researchers have typically conducted a two-step analysis that begins with the identification of neighborhoods that are *eligible* to gentrify (e.g., Hammell and Wyly, 1996). Bostic and Martin (2003), for example, identify *gentrifiable* tracts as those with a median income less than 50% of the median

income of the metropolitan statistical area (e.g., Freeman, 2005; McKinnish et al., 2010). Because gentrification is constructed by most observers as including what Atkinson (2003, p. 2343) calls “the class-based colonization of cheaper residential neighbourhoods,” there are large parts of metropolitan areas to which the concept cannot be applied.

Gentrification vulnerability refers to an initial state, a set of characteristics within a neighborhood that make gentrification possible. Upon establishing which neighborhoods are vulnerable to gentrification, researchers then determine whether gentrification is occurring by looking at sets of additional indicators and their change over time. Although there is wide variation in the specific indicators used by researchers, it is nevertheless the case that these indicators typically fall into one of three categories: measures of social characteristics, measures of neighborhood income, and measures of housing stock or the housing market.

“Indicators typically fall into one of three categories: measures of social characteristics, measures of neighborhood income, and measures of housing stock or the housing market.”

The most typical population characteristic examined by gentrification researchers is the proportion of the area’s population with a college degree, but other measures such as the proportion of managerial and administrative workers, age distribution, and race have been used (e.g., Barton, 2016; Atkinson, 2000; Galster and Peacock, 1986). Income variables used in these analyses are typically some variation on median household or family income, while housing-based measures include the value of single-family homes, rent levels, the proportion of the housing stock that is owner-occupied, and home-loan data (e.g., Papachristos et al., 2011; Lee, 2010; Covington and Taylor, 1989).

PART 2: THE MINNEAPOLIS-ST. PAUL CONTEXT

Housing Market and Demographic Trends in Minneapolis-St. Paul, 2000–2017

The housing market in the Twin Cities, as in other areas, has followed a familiar boom and bust cycle since 2000. The first several years of the decade saw large increases in home prices, with prices reaching an all-time high in 2006. The bubble burst in 2007 in the Twin Cities, as it did in other markets across the country. In 2016, however, overall prices had recovered to the pre-recession level (in absolute but not inflation-adjusted levels), although the recovery has been uneven across neighborhoods. Figure 1 shows the pattern of home prices since 2005.

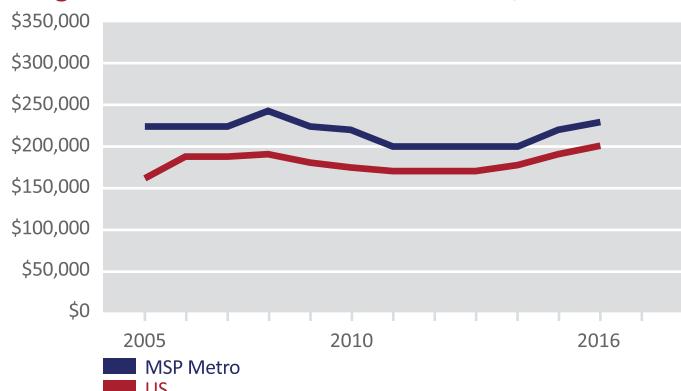
The rental market has also seen price increases. Figure 2 shows median rents in the region since 2005. Rents have risen steadily during this period, including through the recession years, though the increases have been steeper since the end of the recession in 2011.

At the same time, rental vacancies have declined. Figure 3 shows the metrowide vacancy rate for rental housing. There has been a precipitous drop in vacancies since 2010, and the metro vacancy rate is well below both the national rate but also the 5% to 7% range that economists regard as healthy.

All of these figures depict housing market trends at the regional level, combining suburban patterns with those in the two central cities. As a result, they may mask considerable variation across communities. For example, at the regional level, there is some evidence that housing affordability is not a problem. One national industry group found in 2013 that the median household income in the region exceeded the amount needed to purchase the median-priced home by 24% (Buchta, 2013). But, of course, metrowide median incomes exceed those in the two central cities by around \$20,000 (Berg, 2010). Thus, the housing burden is likely to be much greater in areas with lower incomes. Indeed, this seems to be the case in the Twin Cities; most households experiencing housing cost burdens are located in the core areas of the region (Metropolitan Council, 2014).

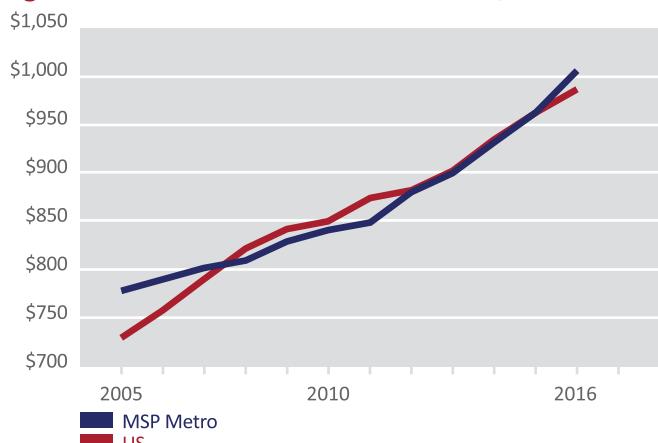
Another way of looking at the question of affordability is to break down overall metrowide trends (which point to greater affordability in the past few years) into trends for different income groups. Here the story shows declining problems of affordability for more affluent households but not for other income groups. For the lowest income groups in the metro area the lack of affordability is at a critical stage, more than four out of five very-low-income households (those earning less than

Figure 1. Home Prices in the Twin Cities, 2005–2016



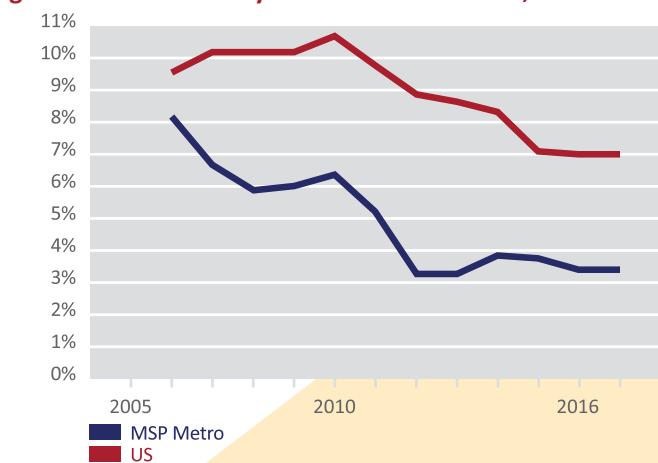
Source: US Census/American Community Survey

Figure 2. Median Rents in the Twin Cities, 2005–2016



Source: US Census/American Community Survey

Figure 3. Rental Vacancy Rate in the Twin Cities, 2006–2017



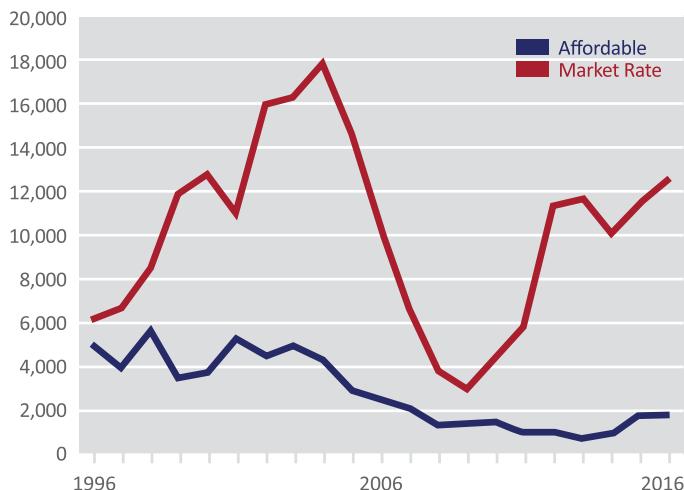
Source: US Census/American Community Survey

\$20,000 per year) lack affordable housing, and that number has remained steady since 2011, while the lack of affordability is getting worse for the group earning \$20,000 to \$35,000 per year (Kaul, 2017).

There is evidence, furthermore, that the production of affordable housing is at very low levels. A Metropolitan Council study indicated, for example, that in 2013 the region added fewer than 1,000 affordable housing units, “the lowest number on record since the Met Council began conducting housing surveys in 1996” (Melo, 2015a; 2015b). Figure 4 shows housing production figures since 1996.

A simple method for looking at affordability is to ask whether a household with the median income can afford the median-priced housing unit in a given area. The maps in Figure 5 show the result of such an analysis for renters in the city of Minneapolis. The top maps highlight in blue the neighborhoods in Minneapolis where the renter at the median income could afford the median rent in a given neighborhood in the year 2000. The maps show that there were very few neighborhoods in Minneapolis in which a black or Asian household with the median income for black renters could afford the median rent. The picture was quite different for Hispanic and white households for whom most of the city was affordable in 2000.

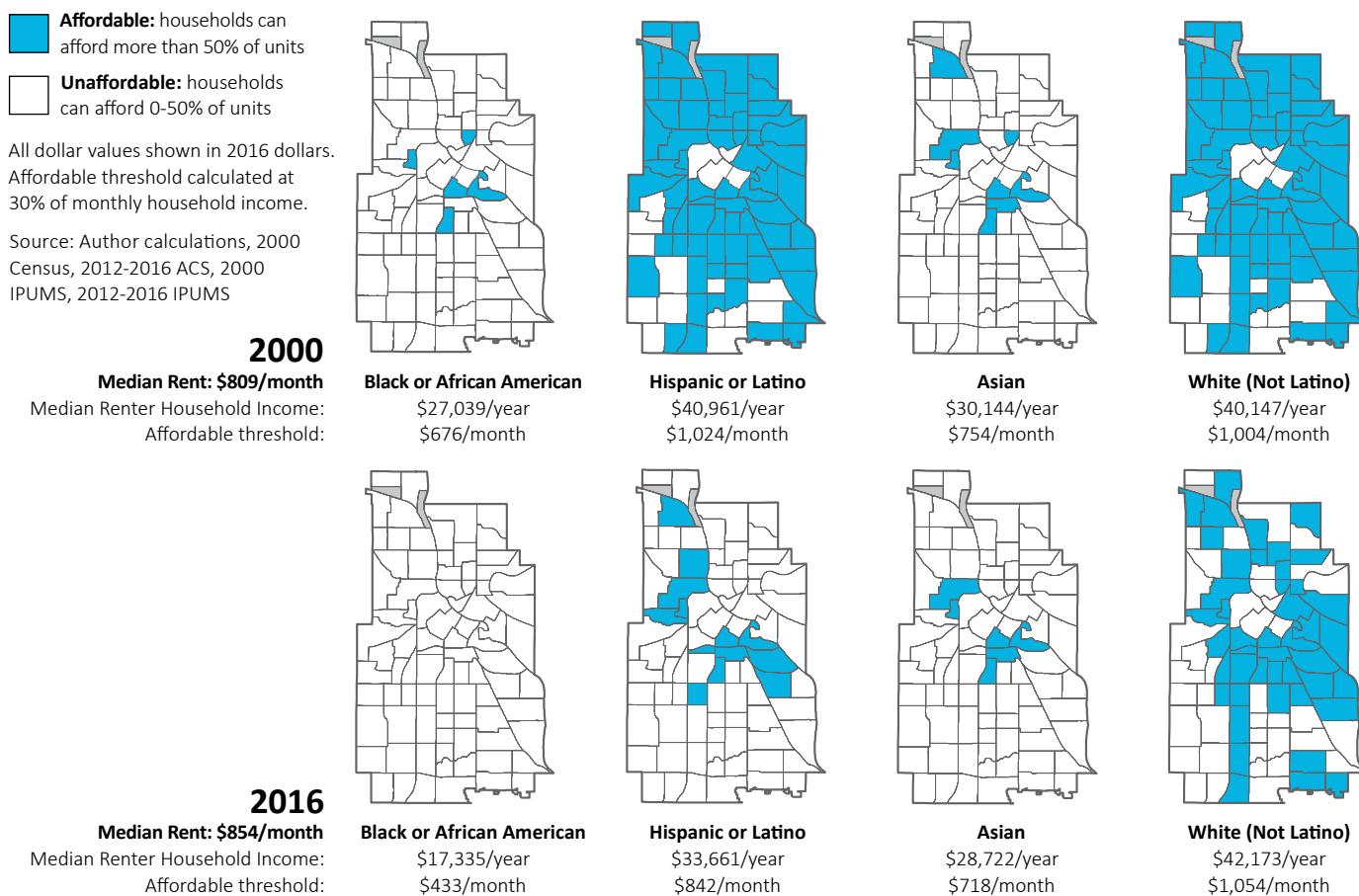
Figure 4. Housing Production in the Twin Cities, 1996–2016



Source: Metropolitan Council, 2016

The picture changed dramatically over the 15-year period studied. In 2016, there was not a single neighborhood in the city of Minneapolis where a black household with the median income for black renters could afford the median-priced rental unit. The city had also shrunk considerably for Hispanic renter households. Only a smattering of neighborhoods in the near south

Figure 5. Rental Affordability in Minneapolis, 2000–2016



and near north areas were affordable to Hispanic households with the median income for Hispanic renters. Finally, the maps show that even for white renters, with the highest median incomes of the four groups analyzed, the city was shrinking in terms of affordability.

The pattern is not so dire for homeowners. Less of the city was affordable to owners at the median income in 2000, but there was less change over the 15-year period studied (Figure 6).

This analysis, while suggestive of overall problems of affordability, does not necessarily indicate gentrification. Reduced availability of affordable housing is one of the markers of gentrification, but not the only one. As we have noted, the phenomenon of gentrification includes social transformations as well as economic upgrading. Though information on the housing market and trends in building and pricing are relevant for a study

of gentrification, by themselves they do little more than establish the larger context for a more detailed study of what is happening in the region's neighborhoods.

Previous Studies of the Twin Cities

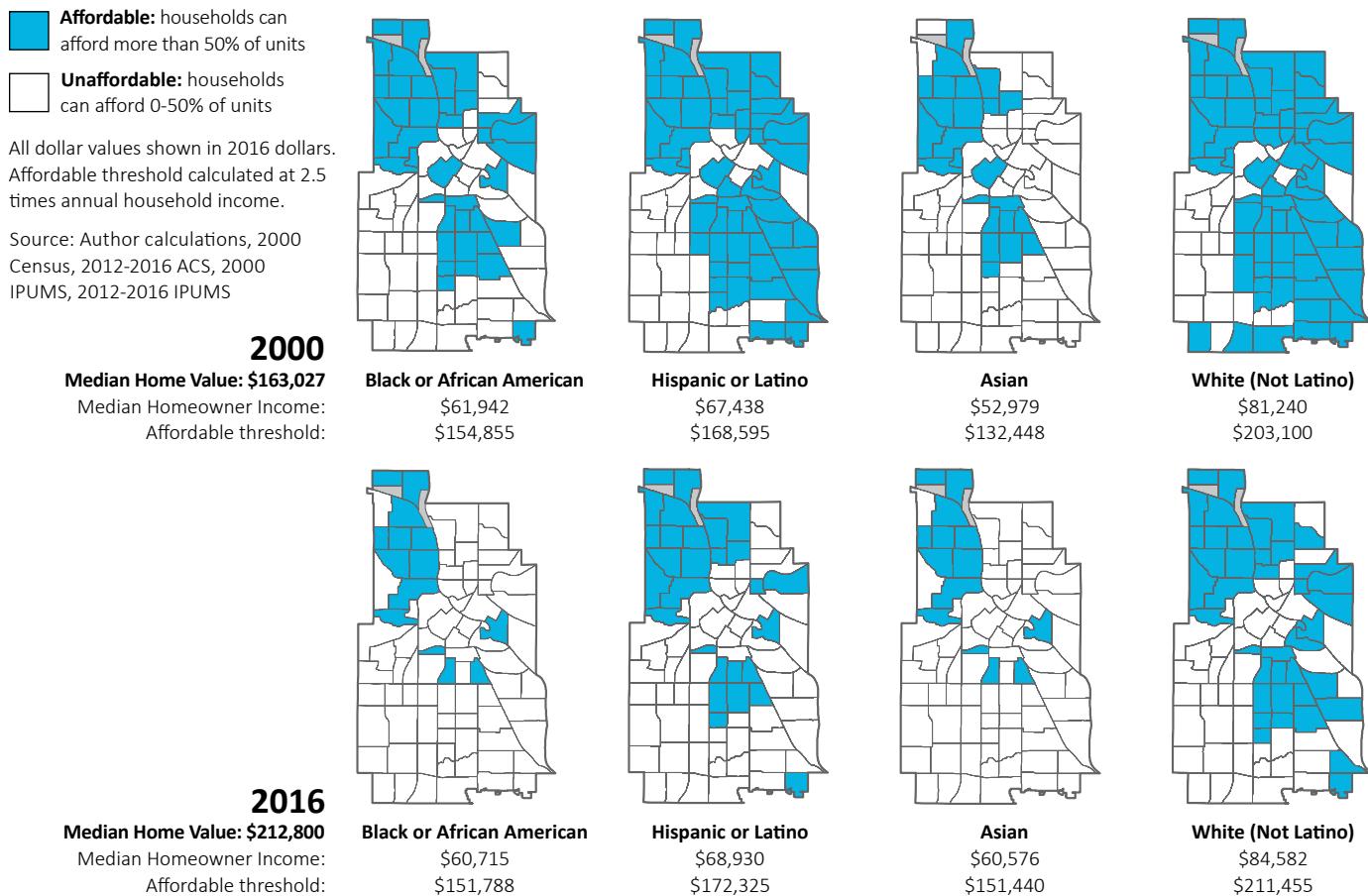
Three recent studies of gentrification in the Twin Cities provide some perspective on the potential for gentrification in the region. *Governing* magazine looked at demographic change data for the nation's 50 largest cities in population: 50.6% of eligible tracts in Minneapolis gentrified between 2000 and 2015 (Maciag, 2015). The magazine first differentiated, as most studies do, between tracts *eligible to gentrify* and those not eligible. Since gentrification is a process of change that takes place in lower-income and disinvested neighborhoods, middle-class and more affluent neighborhoods are not considered in their analysis. To be eligible for

"Governing magazine looked at demographic change data for the nation's 50 largest cities in population: 50.6% of eligible tracts in Minneapolis gentrified between 2000 and 2015."

the *Governing* study, tracts had to have a median household income and a median home value in the bottom 40th percentile metrowide. To gentrify, a tract had to record increases in home value and percent of the population with bachelor's degrees in the top one-third of all tracts in the metro area.

The 50.6% rate of gentrification in Minneapolis gave it the third highest rate among the 50 cities studied, behind only Portland, Oregon, and Washington, DC. Minneapolis was one of only four cities with a gentrification rate of over 50% (i.e., more than 50% of the eligible tracts gentrified).

Figure 6. Homeownership Affordability in Minneapolis, 2000–2016



Daniel Hartley (2013) of the Federal Reserve Bank of Cleveland released a national study of gentrification. He concluded in that report that 22% of the city's low-price census tracts gentrified between 2000 and 2007. This put Minneapolis 13th among the 55 cities studied. Hartley used a different measure of gentrification than was used in the *Governing* study, and his research covered a different time period. Nevertheless, like the *Governing* study, the Cleveland Fed study showed Minneapolis as having an above-average amount of gentrification since 2000.

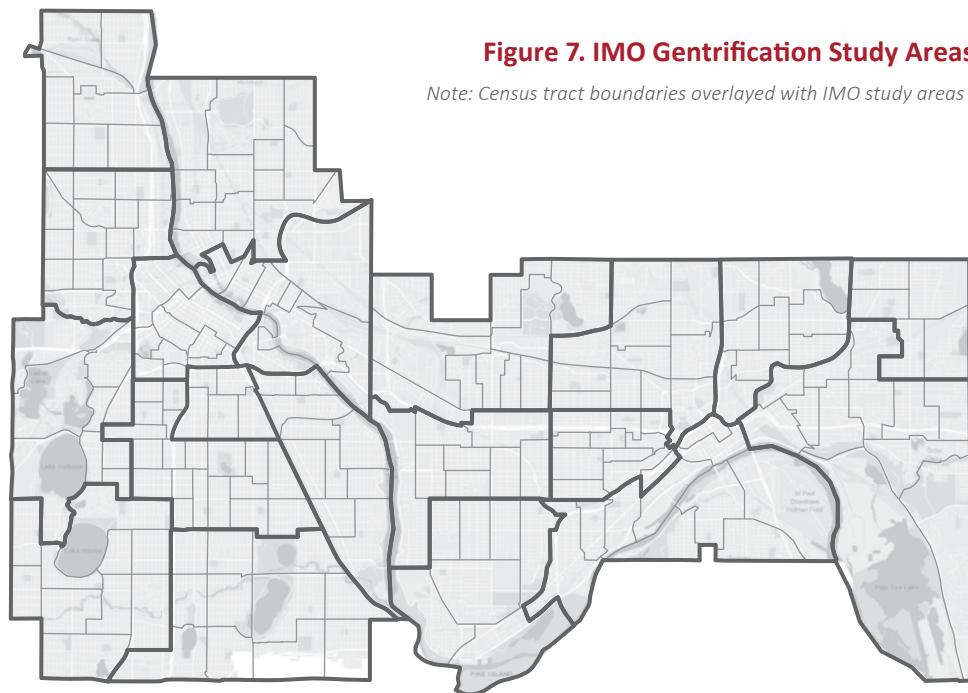
"The Cleveland Fed study showed Minneapolis as having an above-average amount of gentrification since 2000."

The third and final recent report on gentrification in the Twin Cities was conducted by the Institute on Metropolitan Opportunity (IMO) (2016, p. 1) at the University of Minnesota. In stark contrast to the previous two studies, this report found "little or no evidence of gentrification in any Minneapolis or

St. Paul neighborhood." The claim in the IMO report that gentrification is a "myth" in the Twin Cities is certainly surprising given the evidence presented by the Cleveland Federal Reserve and by *Governing* magazine. As the IMO report is at such odds with the other studies, it is worth taking a closer look at how IMO conducted its analysis. The IMO findings are more understandable when one looks closely at the method of analysis employed. Rather than using the census tract as the unit of analysis, a practice that is nearly universal outside of studies of New York City, the IMO report aggregates census tracts up to the "community" level. In Minneapolis and St. Paul, the "community" is made up of different neighborhoods. Thus, where most studies of gentrification examine the census tract, which optimally (according to the US Census) contains 4,000 people, the IMO chose to combine the 116 census tracts in Minneapolis into 11 community areas and the 82 tracts in St. Paul into 9 communities (Figure 7). The IMO notes that the city of Minneapolis identifies 87 different neighborhoods, but the researchers chose to use the 11 larger "community areas" for analysis.

St. Paul city government recognizes 17 different neighborhoods, but the IMO researchers chose to combine several of them and only study 9 different areas.

The 11 community areas in Minneapolis hold an average of 35,615 people, about nine times as many people as the optimum-sized census tract. These community areas average over 5 square miles in size. Two of the community areas contain no tracts at all that are even vulnerable to gentrification (according to the method we employ in this study, described in full in Part 3), while 4 more are made up mostly of nonvulnerable tracts. In only 1 of the 11 community areas did our analysis find gentrification that approached even half of the area contained in the larger "community area" studied by the IMO. Thus, it is clear that the use of these large-scale units kept the IMO from identifying any focused and small-scale changes that were taking place in the city. In St. Paul, the city identifies 17 districts, which average 17,480 residents. The IMO chose to combine most of these districts into even larger entities that have no status in either official processes or in the



perceptions of community members. The IMO created nine areas that average over 33,000 residents each for the analysis. Again, overlaying the map created by the IMO with our analysis, every single IMO study area in St. Paul contains census tracts that are not even vulnerable to gentrification, and not a single one of them contains gentrified areas that approach even half of the land area. As in Minneapolis, the aggregating of data into very large areas masked patterns taking place at smaller scales.

There are several problems with the IMO approach. First, aggregation to such a large scale, as noted, will most certainly obscure any small-scale phenomena taking place in either city. As gentrification can be a micro-scale process sometimes focused on a given commercial corridor and its surrounding blocks, the use of these very-large-scale communities as the unit of analysis will cause researchers to miss most of the changes that are occurring in the cities. This practice also goes against the common research approach in gentrification studies of using the census tract as the unit of analysis. Any small-scale trends are washed out by an analysis at such a high level of aggregation.

Second, by aggregating so many census tracts together, the IMO has combined gentrification-eligible areas with areas that are not vulnerable to gentrification. This is in contrast to the typical method of studying gentrification, which is to determine those parts of the study area that are eligible to gentrify in the first place. The IMO report makes no such distinction and thus combines lower-income neighborhoods that might gentrify with other areas that cannot gentrify according to accepted definitions of gentrification. The IMO report does differentiate between neighborhoods that are “most often mentioned as candidates” for gentrification from other neighborhoods that are not. This is, however, the extent of the analysis into where it is appropriate to look for gentrification and where it is not. Unfortunately, the report does not say how the authors determined which

neighborhoods are in the “most often mentioned” category, that is, most often mentioned by whom? Or over what time period? Nor does the report indicate where the IMO found these “mentions.”

Thus, any changes that might be taking place in vulnerable neighborhoods would be diluted by processes occurring in other neighborhoods. The changes taking place in those other neighborhoods might accentuate changes that are consistent with gentrification (increases in home values, increases in incomes, etc.), or they might counteract the changes seen in gentrifying neighborhoods. Regardless, they contaminate the analysis and render *any* conclusions suspect.

Third, on the report’s second page (Institute on Metropolitan Opportunity, 2016), the authors declare generally that gentrification is a “rare phenomenon.” They draw this conclusion from the fact that “of the 3,373 census tracts with non-white population shares above 80 percent in the central cities of the 50 largest U.S. metropolitan areas in 1990...only 202...had made racial transitions consistent with gentrification.” There are three problems with this statement alone. First, the authors seem to equate gentrification with racial change. Second, they suggest that neighborhoods with nonwhite population shares above 80% are the only place to look for gentrification. They are mistaken on both counts. Many authors (e.g., Bostic and Martin, 2003; Boyd, 2008a, 2008b; Hyra, 2008; Jackson, 2001; Moore, 2009; Owens, 1997; Patillo, 2007; Prince, 2002; Taylor, 2002) have, for many years now, been exploring the phenomenon of “black gentrification” in predominantly black neighborhoods that do not change racially. But, beyond that, it is additionally true that gentrification is possible in neighborhoods that are not predominantly white. The third element of the IMO statement that is problematic is the assertion itself: that gentrification is rare. On this point, most other researchers seem to disagree. For example, Hwang and Lin (2016), studying only downtown areas,

find a large increase in the number of downtown tracts gentrifying in recent years. The Cleveland Fed and *Governing* studies summarized earlier identify many gentrifying tracts across a broad range of cities in the United States. As Ellen and Ding (2016) write about gentrification, “People disagree about its definition, its causes, and, above all, its consequences. All seem to agree, however, that whatever gentrification is, it is becoming more prevalent in U.S. cities.”

This confusion of racial change with gentrification, as well as the inexplicable methodological choice to aggregate 198 census tracts into 20 mega-neighborhoods, is perhaps best explained by another odd aspect of the IMO study: an almost complete disconnect from the very large body of previous social science research on the subject. The IMO study contains only one reference to a social-science-based publication on gentrification, and this reference is not to an empirical study of gentrification at all but to an essay on its definition.

Because of its obvious shortcomings, the IMO report and its findings cannot be regarded as a reliable reflection of gentrification in the Twin Cities. The *Governing* study and the Cleveland Fed study are more methodologically sound, but they cover only Minneapolis and not St. Paul, and only then in the context of a comparative analysis of the largest cities in the nation. Thus, a reliable and more detailed analysis of Minneapolis and St. Paul is still required. It is that need that we attempt to fill with the following study.



GOOGLE STREET VIEW

PART 3: RESEARCH DESIGN AND RESULTS— GENTRIFICATION IN MINNEAPOLIS-ST. PAUL

Research Design

Previous research on gentrification has shown that the research methods used to study the phenomenon may produce different perspectives (Brown-Saracino, 2017). Quantitative analysis using large databases may not capture well the nuances of neighborhood change that are often an important part of gentrification. Qualitative analyses, though producing a deeper understanding, may nevertheless suffer from problems of generalizability and be difficult to duplicate over a large area or a large number of observations. Acknowledging that these two approaches generally produce different types of information, we have employed a mixed methods approach to our study. The overall design for the study is a convergent parallel mixed methods design (Creswell, 2014). Each component of the study has equal importance and was analyzed separately, and then integrated through the development and interpretation of the study's findings. The primary purpose of using this mixed methods design is complementarity as well as triangulation, using multiple perspectives to arrive at the findings. Each method brings strength to the study and minimizes the limitations of the other type of method, which is particularly important when aiming to explore a complex and nuanced phenomenon such as gentrification.

Quantitative Analysis

We set the period from 2000 to 2015 as the time frame for our quantitative analysis, which allowed us to take into account the potentially confounding effects of the housing bubble burst in 2007 and the subsequent recession. We focus on the two endpoints of our time frame, comparing conditions in 2000

with those that prevail currently. We do this to simplify the analysis, rather than breaking down the period into three distinct periods (pre-recession 2000–2007, recession 2007–2011, and post-recession 2011–2015). By simply examining trends over the entire time period, we are able to assess changes net of the recessionary dip.

Our approach is to look at 2000 census data to determine which neighborhoods in Minneapolis and St. Paul were vulnerable to gentrification at that time. We then document the changes that have taken place between 2000 and 2015 to determine the degree of gentrification that took place.

As noted, measures of gentrification differ across the many empirical analyses of gentrification. We have created our own measure by triangulating three different methods and looking for where they converge on their conclusions about gentrification. We use the measures proposed by Professor Lance Freeman (2005) of Columbia University, Professor Lisa Bates (2013) of Portland State University, and Lei Ding et al. (2016) of the Federal Reserve Bank of Philadelphia. These authors have published widely on gentrification, and their work is known by scholars and activists. By utilizing three different indices and only looking at where their findings converge, we have created what we feel is a conservative measure of gentrification.

While the operational definitions of gentrification vary across studies, it is nevertheless true that most measures of gentrification used in research focus on patterns of change in the housing stock, in neighborhood income, and in social characteristics. It is in the details of these dimensions that the variability in gentrification research is found. Our

three indices conform to this pattern; each is distinct from the other but they all contain information about the local housing market, neighborhood income, and neighborhood social characteristics.

MEASURING VULNERABILITY TO GENTRIFICATION

Following these three authors and many others, we first determine which neighborhoods in Minneapolis and St. Paul are vulnerable to gentrification. Table 1 provides a summary of the indicators Freeman (2005), Bates (2013), and Ding et al. (2016) used to determine which neighborhoods are vulnerable to gentrification. Vulnerability to gentrification was measured using census data from 2000, the beginning point of our study.

Ding et al. simply identifies census tracts in which the median household income is less than the citywide median income. Somewhat more complex is Freeman's method, which first restricts analysis to neighborhoods within the central city of any given metropolitan area. Second, Freeman, similar to Ding et al., isolates low-income census tracts, using the metropolitan area median housing income as the comparison rather than the citywide median. So, the second element of the Freeman method is to identify tracts in which the median household income is less than the metropolitan median. Finally, Freeman looks at the share of the housing stock built within the previous 20 years as a measure of relative disinvestment. Tracts in which the share of housing built in the previous 20 years is less than the median for all tracts throughout the metropolitan area are identified by the Freeman method. He then combines his three steps and identifies census tracts as being vulnerable to gentrification if they meet all three criteria. Note that

Table 1. Determining Neighborhood (census tracts) Vulnerability to Gentrification

AUTHOR	INDICATOR	MEASURE
Ding et al.	Low-income	Median HH income < citywide median HH income
Freeman	Urban	Census tract located in central city
	Low-income	Median HH income < metrowide median HH income
	Disinvestment	Pct. housing built in last 20 years < metrowide pct.
Bates	Low-income	Share of households at or below 80% AMI > citywide rate
	High-renter	Pct. renter > citywide rate
	High pct. POC	Pct. people of color > citywide rate
	Low-education	Pct. population with bachelor's degree < citywide rate

Source: Ding et al. (2016), Freeman (2005), Bates (2013)

Freeman's use of the metropolitan area as the comparison geography results in a more generous measure of gentrification vulnerability, because median incomes and the rate of recent home building are higher outside of the central city, and thus a greater number of census tracts are likely to have incomes and housing production rates lower than the metro area.

The Bates method is the most complex of the three we use. Census tracts vulnerable to gentrification must meet at least three of four standards under this method: (1) a higher percentage of renters than the citywide rate, (2) a higher percentage of people of color than citywide, (3) a larger share of low-income households than the citywide rate, and (4) a lower rate of residents with bachelor's degrees than the city.

To identify the census tracts vulnerable to gentrification, we applied each of these approaches described in Table 1, with two minor adjustments. First, rather than use the share of households at or below 80% of the area median income (AMI), we used the poverty rate. There is a high correlation between a tract's share of poverty and the share of the population below 80% of the AMI. This change was made due to ease of data availability. Second, where Freeman uses the metro area as the comparison geography, we use the central city as the reference. As noted before, by making this change we produce a more conservative estimate of gentrification and vulnerability.

As might be expected, these three methods identified different sets of census tracts as being vulnerable. We looked for the overlap across these methods and only accepted a census tract as vulnerable to gentrification if at least two of the three methods identified the tract. As with Bates, Ding et al., and Freeman (and many other researchers) we then restricted our study of gentrification to those tracts identified as vulnerable.

MEASURING GENTRIFICATION

Once we established which neighborhoods were vulnerable to gentrification in 2000, we went back to the three authors and utilized their indices to determine whether changes took place between 2000 and 2015 in those neighborhoods that were consistent with gentrification. Again, the approaches of our three sources differ.

For Freeman (2005), gentrifying tracts are those in which the change in the share of adults with college degrees is greater than the regional change, and the tract experienced an increase in home values (in constant dollars). For Ding et al. (2016), gentrifying tracts had to meet two thresholds: first, the tract must have experienced a change in the share of adults with college degrees greater than the city-level change, and second, related to housing market changes, the tract had to experience a change in median rents above the citywide change, or a change in median home value greater than the citywide change.

The Bates methodology is, again, more complex than the approaches used by Ding et al. and Freeman. Bates (2013) separates neighborhood change into two distinct categories: housing market changes and demographic changes. She identifies three types of housing market changes in vulnerable tracts that are consistent with gentrification: adjacent, accelerating, and appreciated (Table 2). An "adjacent" tract is a tract with low to moderate housing values at the beginning of the study period that did not appreciate significantly during the study period (bottom three quintiles of growth) but borders tracts with high housing values. An "accelerating" tract is one that was lower to moderate value at the beginning of the study period and had high rates of appreciation (top two quintiles of growth) between 2000 and 2015. Finally, "appreciated" tracts are those that had low to moderate home values in 1990 but had appreciated significantly by 2015.

Table 2. Bates Housing Market Change Typology

TYPE	OPERATIONALIZATION
Adjacent	Bottom 60% median value in 2000, low appreciation, adjacent to high value tracts
Accelerating	Bottom 60% median value in 2000, high appreciation between 2000 and 2015
Appreciated	Bottom 60% of median home value in 1990, in top 40% in 2015

Source: Bates (2013)

Bates then identifies four types of demographic changes that, if they are happening at a greater rate than the city as a whole, are consistent with gentrification: increases in the homeownership rate, increases in the white population, increases in adults with a college degree, and increases in median household income. A tract can qualify as having experienced demographic changes if at least three of these four conditions are met or if the white population and college-educated population are growing faster than the city.

Table 3. Bates Gentrification Typology

NEIGHBORHOOD TYPE	VULNERABLE POPULATION?	DEMOGRAPHIC CHANGE?	HOUSING MARKET TYPE
Susceptible	Yes	No	Adjacent
Early: Type 1	Yes	No	Accelerating
Early: Type 2	Yes	Yes	Adjacent
Dynamic	Yes	Yes	Accelerating
Late	Yes	Yes	Appreciated
Continued Loss	No	Has % white and % with BA increasing	Appreciated

Source: Bates (2013)

Instead of a simple typology of “gentrifying” and “not gentrifying,” Bates creates a more complex typology that combines the initial vulnerability of the census tract at the beginning of the study period with whether or not it experienced demographic changes and what changes the housing market experienced during the study period. The result is a matrix that classifies six stages of gentrification (Table 3).

The first three categories represent early stages. “Susceptible” tracts are those that have a vulnerable population, have not seen significant demographic changes, and where the housing market in that tract has not experienced rapid increases but is adjacent to tracts with high home values. “Early: Type 1” tracts are those that have experienced housing market changes consistent with gentrification but have not seen demographic changes at this point. “Early: Type 2” represents the opposite dynamics: tracts that have experienced demographic changes but have not undergone significant housing market appreciation.

“Dynamic” tracts are experiencing both significant demographic and housing market changes. The final two categories represent the later stages of gentrification. “Late” tracts still have a disproportionately vulnerable population present, but housing values are now in the top two quintiles in the city and these tracts are still experiencing significant demographic changes. Finally, the “Continued Loss” category includes census tracts that had a low-value housing market in 1990, but by 2010 values had appreciated and the tract no longer contained an above-average share of vulnerable populations and saw increasing shares of white residents and adults with a college degree.

For the purposes of our analysis, and for the meta-index, we considered tracts in the “Dynamic,” “Late,” and “Continued Loss” categories to be gentrifying, and those in the “Susceptible” and both “Early” categories we considered as not gentrifying during the study period because they did not experience both demographic and housing market changes.

As previously noted, an important element of gentrification measures is the scale of reference. Gentrification is typically identified as change at the neighborhood scale, but it is change

that is taking place at a comparatively high rate. That is, each of these three methods incorporates a comparison of individual census tracts with a larger geographic scale, either the city or the metropolitan area. This comparison is critical to most studies of gentrification. For our analysis, we chose to use the citywide rates of change as the comparison. We did this to be more conservative in the identification of gentrification in the two cities. Using the citywide rate produces a more conservative estimate of gentrification because for Minneapolis and St. Paul between 2000 and 2015, the demographic, economic, and housing market changes taking place exceeded the changes at the regional level. Thus, to be judged a gentrifying tract, the rate of change exhibited in the tract must have exceeded the higher rate of change that the central cities saw over this time period. Table 4 shows city-level and regional changes on a range of indicators between 2000 and 2015.

For example, the percentage of the population with college degrees increased by 20% regionally, but by 26.7% and 22.7% in Minneapolis and St. Paul, respectively. Median home value increased 6.9% across the region, but it increased more than three times that amount in Minneapolis (23.5%) and twice that amount in St. Paul (13.3%). Rents increased at higher rates in the two central cities as well. Thus, by using the central city as the comparison standard, we are isolating neighborhoods that had extreme levels of change on those three variables.

DATA

For the quantitative analysis, we utilized census tract-level data from the 2000 census that has been harmonized to match 2010 census tract boundaries from the GeoLytics Neighborhood Change Database. Data for 2015, the endpoint of our study period, came from the 2011–2015 American Community Survey (ACS), which was the most recent vintage of neighborhood-level data at the time of the analysis. This dataset was downloaded from Socialexplorer.com. City- and regional-level data in 2000 and 2015 were from the 2000 census and 2011–2015 ACS and downloaded. All dollar figures were adjusted to 2015 constant dollars using the Bureau of Labor Statistics Consumer Price Index for the Minneapolis–St. Paul, MN–WI metropolitan statistical area.

Table 4. Citywide and Regional Changes, 2000–2015

		CHANGE		
		2000	2011–2015	ABS*
Total Population	Minneapolis	382,618	399,950	17,332 4.5
	St. Paul	287,151	295,043	7,892 2.7
	Region	2,642,056	2,952,114	310,058 11.7
White	Minneapolis	62.5%	60.3%	-2.2 -3.5
	St. Paul	64%	54.2%	-9.8 -15.4
	Region	83.2%	74.8%	-8.4 -10.1
College Degree	Minneapolis	37.4%	47.4%	10.0 26.7
	St. Paul	32%	39.3%	7.3 22.7
	Region	34.8%	41.8%	7.0 20
Home-owner	Minneapolis	51.4%	48.1%	-3.3 -6.5
	St. Paul	54.8%	48.6%	-6.2 -11.4
	Region	71.4%	68.3%	-3.1 -4.3
Poverty	Minneapolis	16.9%	21.9%	5.0 29.6
	St. Paul	15.6%	22.3%	6.7 42.9
	Region	6.9%	10.8%	3.9 55.9
Median HH Income	Minneapolis	\$55,523	\$51,480	-4,043 -7.3
	St. Paul	\$56,692	\$48,757	-7,935 -14
	Region	\$79,441	\$68,464	-10,977 -13.8
Median Home Value	Minneapolis	\$166,243	\$205,300	39,057 23.5
	St. Paul	\$153,523	\$173,900	20,377 13.3
	Region	\$201,994	\$216,026	14,032 6.9
Median Rent	Minneapolis	\$841	\$869	28 3.4
	St. Paul	\$826	\$838	12 1.5
	Region	\$946	\$940	-6 -0.6

*ABS is absolute change difference between 2000 and 2015.

Source: Author calculations, 2000 Census and 2011–2015 ACS



SUMMARY

We have approached the quantitative measurement of gentrification in Minneapolis and St. Paul in such a way as to produce an estimate of the phenomenon that is conservative in several ways.

1 We looked for areas of agreement across three different measurements of gentrification and identified gentrification only where at least two of the three measures indicate so.

2 We used social and housing market changes in the two central cities as the standard against which to judge whether a neighborhood has gentrified. The two central cities saw more dramatic increases in housing prices and college-educated residents than did the region. Thus, neighborhoods had to change at even higher levels to be labeled gentrifying, and this worked to reduce the number of neighborhoods that were identified as gentrifying.

3 The source of our data for the endpoint of our study is the 2011–2015 ACS. The data for housing prices and incomes in the neighborhoods of the Twin Cities show that these were continuing to decline as a result of the recession well into the 2011–2015 time period. These data thus understate the increases in housing prices and incomes that have been experienced since the trough of the recession.

Qualitative Analysis

CURA developed a qualitative research team to demonstrate the value of shared meaning making with local community members experiencing the day-to-day realities of urban restructuring. The debate surrounding gentrification is a nuanced one, as a multitude of competing interests converge to inform how we see and experience neighborhood change. Our qualitative research approach invites community members to embrace what their situated knowledges¹ tell them about what development values are guiding the changes they are seeing around them and what impact it has had or will have on their lives. From 2016 to 2017, we conducted in-depth qualitative interviews with local public officials, nonprofit leaders, and residents to examine how they were identifying and experiencing gentrification.

¹ Situated knowledges are ways of viewing and reading the world that are specific to a certain group-based experience (Haraway, 1988). The ways that our various categories of identity (race, class, gender, etc.) influence the type of knowledge claims that we might make is important. As such, positionality is relational, which means that the context of understanding any one event or phenomenon is always shifting from our own respective realities. Our social location or how we individually experience the world, because of our various identity characteristics and how they are read on our bodies, influences how we live in and see the world.

Our qualitative analysis of gentrification has two primary objectives: (1) to assess whether or not our quantitative indices of gentrification match resident perception and (2) to analyze how local residents from a broad range of demographic realities (homeowner, business owner, renter, and long-term residents [10+ years]) are defining, experiencing, and identifying the slow processes of a gentrifying neighborhood. Our qualitative research findings highlight the values that are expressed in different views of gentrification and the nature of the debates about gentrification within particular neighborhoods of the region. After providing a review of our qualitative methods, we outline the commonalities found across the five cluster neighborhoods, which are representative of the classic discourses of gentrification. Then we provide an analysis of the narrative distinctions shared by our interview participants across neighborhood clusters to highlight the nuanced realities of gentrification that undoubtedly vary by race, class, and geography even within a larger community.

The qualitative portion of the mixed methods study employed an ethnographic framework. The purpose of ethnography is to explore the day-to-day lived experiences of individuals within a cultural group, in this case residential stakeholders of five neighborhoods in the Twin Cities metro area, to understand patterns and distinctions across the cultural group (Creswell, 2014). An ethnographic perspective is inductive, where the researcher seeks to learn about an experience from the point of view of the participant (Spradley, 2016). Additionally, the qualitative research team uses a critical lens for transformative research. Critical social theory, embedded in ethnographic approaches,

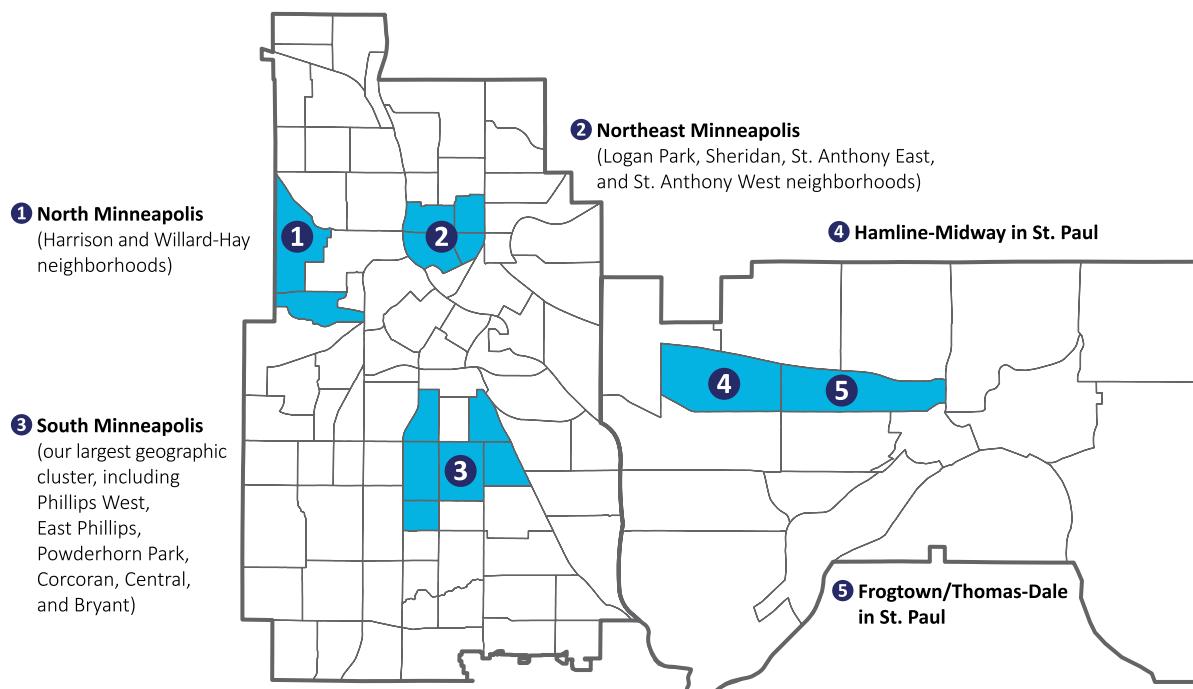
frames research through the exploration of economic and social justice perspectives. Critical ethnography values and promotes the agency, knowledge, and expertise of individuals, specifically within the context of a society that has institutionalized frameworks of marginalization and oppression. This type of ethnography also examines issues of power and control within the context of shared experiences (Creswell, 2013).

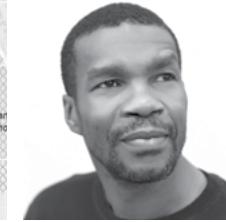
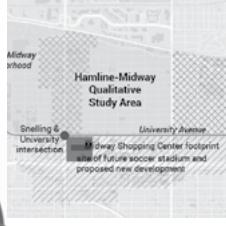
SETTING

We used a three-step process to identify neighborhoods to serve as the settings for the qualitative analysis:

- 1** We cross-referenced findings from the quantitative indices with our initial interviews with local public officials and neighborhood leaders to identify neighborhoods in the Twin Cities that were classified as having gentrified.
- 2** We narrowed our consideration to areas in which a cluster of census tracts showed gentrifying characteristics.
- 3** We examined the initial interviews with public officials and neighborhood leaders to determine if they had identified clusters of change that were not identified by the quantitative analysis. This process yielded five neighborhood clusters that served as the setting for our qualitative analysis (Figure 8).

Figure 8. Neighborhood Clusters Used in Study





MIN ENTERPRISES PHOTOGRAPHY LLC, DANIEL X. O'NEIL/Flickr

PARTICIPANTS

To set the frame for our sample, public officials, neighborhood leaders, and CURA community-based partners recommended residential stakeholders in each of the five cluster neighborhoods for initial interviews. The qualitative team then used a purposive snowball sampling strategy that included asking participants to identify key community stakeholders who it would be beneficial to interview. A benefit of snowball or chain sampling is that participants can identify other potential participants who may provide rich, deep description of the shared experience or culture (Creswell, 2013). All identified stakeholders were invited to complete an intake form to participate in the study. Out of those invited to participate, 85 individuals completed the intake form.

To obtain a diverse group of participants, the research team sampled for maximum variation across four stakeholder groups: renters, homeowners, long-term residents (10+ years), and business owners. Maximum variation sampling sets a frame to ensure that identified perspectives, in this case residential stakeholder status, are equally represented across the sample (Creswell, 2013). Additionally, relatively equal-sized groups were sampled across the five cluster neighborhoods.

A total of 58 residential stakeholders were interviewed for the qualitative portion of this study. Although the specific demographics of each neighborhood cluster will be outlined in this report, in total 43% (25) of participants self-identified as white, non-Hispanic, 38% (22) identified as black or African American, and 7% (4) identified as Latino or Hispanic with representation from those who identified as East Asian or Asian American (3%), Native Hawaiian or Other Pacific Islander (2%), Native American or Alaska Native (3%), Middle Eastern or Arab American (2%), and one who declined to identify (2%). Additionally, 45% (26) of participants identified as women. Residential stakeholders

were relatively evenly distributed across the four groups with 19% (11) renters, 28% (16) homeowners, 31% (18) business owners, and 22% (13) long-term residents.² Overall, 71% (41) of all stakeholders had resided in or been involved in the neighborhood for more than 10 years.

PROCEDURES³

Data for the qualitative portion of this study was collected through semistructured interviews with participants at a place of convenience for the interviewee. Upon recruitment for the qualitative portion, participants were asked to complete a consent form including an outline of the voluntary nature of the study, confidentiality of information, and contact information for the principal investigator. Once the interview began, after asking participants to state their name, neighborhood, and length of time in the neighborhood, each interview began with participants sharing what signs of gentrification they believe that they were seeing and/or experiencing in the neighborhood in which they live, or in the direct surrounding area. Grounded in participant description, further themes of business development, demographic changes, neighborhood and resident feedback, and other relevant information that they chose to share were probed. Interviews lasted approximately 30 to 45 minutes, and each participant was given a \$20 Visa gift card in appreciation for their time and expertise.

Each interview was audio-recorded and transcribed verbatim through TranscribeMe.com. A member of the research team then reviewed each audio recording and transcription to ensure the quality and efficiency of the transcriptions. All of the data and transcriptions were de-identified and stored in a password-restricted shared drive at the University of Minnesota. Additionally, the de-identified transcriptions were uploaded to NVivo. The use of NVivo allowed the research team to systematically code and store the data. The use of an electronic

²In an effort to ensure the inclusion of long-term residents who could speak to neighborhood change across time, we intentionally sampled for residential stakeholders who had resided in the community for a minimum of 10 years. Out of the 13 participants in this group, 12 were homeowners and 1 was a renter.

³All procedures, as well as consent protocols and measurement tools for the qualitative portion of the study, were approved by the Institutional Review Board (IRB) of the University of Minnesota.

storage and analytic tool is important for such a large amount of qualitative data and future data analysis. However, the research team was still responsible for all coding, categorizing, and memo-ing of the qualitative data (Creswell, 2013).

DATA ANALYSIS

Data analysis for qualitative data collection is a multistep process. After each interview, the interviewer wrote detailed notes and reflections regarding what was just heard. This strategy is critical to eliminate recall bias. Next, upon verbatim transcription, each member of the qualitative research team completed the first thorough reading of each transcript. Next, we used the constant comparison technique to identify similarities and differences across emerging themes (Corbin and Strauss, 2014). Emerging themes were compiled and any disagreements resolved among the qualitative team. Transcripts were reviewed multiple times and themes refined as patterns and distinct variations occurred. Finally, interviewer reflections and emergent thematic similarities and differences were integrated with the participants' actual words, to make meaning of the similarities and distinctions across neighborhood clusters.

CURA's qualitative research team based its own data saturation threshold (i.e., how many interviews is enough?) on the central research question of how a broad range of residential stakeholders (homeowner, business owner, renter, and long-term residents [10+ years]) define, experience, and identify the slow processes of a gentrifying neighborhood. This question aimed to get at the heart of whether or not residents *perceive* that gentrification is taking place based on their own definitions and to extrapolate the different ways that multiple residential demographics are engaging with, understanding, and experiencing this phenomenon. As such, we have answered the question of *how many interviews is enough?* by simply accepting that our goals are twofold. First, we aimed to identify the commonalities across residential demographics and then to draw implications of these commonalities to the larger neighborhood contexts under which they are being studied, including our quantitative analysis. Second, through the process of identifying commonalities, we paid close attention to the narrative distinctions shared by our participants within a given geographic area. In a similar fashion, we identified the frequency of those narrative distinctions across the interview sample and within the larger literature on neighborhood change and the study of gentrification to determine if the sentiments being shared are in fact an understudied critical analysis worth extrapolating on in our final analysis.

Our mixed methods approach allowed us to show a dynamic and negotiated set of realities that is often contingent on how different people experience and interpret their individual worlds and how the world engages back with them, a relational process informed by our respective identities. Our job as researchers is to place the narratives shared by our interview participants in conversations with one another and the larger literature on neighborhood change and gentrification,

with what was shared by local public officials and neighborhood leaders, and with what our quantitative indices showed. We rely on the academic literature to provide a framework for analysis while willingly identifying ways that those most affected by the phenomenon identified trends that diverged from that research. We would argue that this is one of the major strengths of our mixed methods research—engaging with the literature and expanding it to consider questions that often go underanalyzed.

Findings

Quantitative Results

The first step in our analysis is to identify neighborhoods that are vulnerable to gentrification. Each of the three methodological approaches we used include steps to identify them. We applied the three methods to all census tracts in Minneapolis and St. Paul. Where at least two of the methods indicate that a neighborhood is vulnerable, we labeled it thus.

There are 198 census tracts in Minneapolis and St. Paul. Table 5 shows the number of tracts that were identified by at least two of the three indices as being vulnerable to gentrification. Figure 9 shows the location of vulnerable census tracts.

Table 5. Vulnerable Census Tracts

CITY	TOTAL TRACTS	VULNERABLE TRACTS	PCT.
Minneapolis	116	54	46.6
St. Paul	82	30	36.6
Total	198	84	42.4

Source: Author calculations, 2000 Census and 2011-2015 ACS

Almost half of census tracts in Minneapolis met the threshold for vulnerability in 2000, the baseline date for our study. A little more than one-third of the tracts in St. Paul met the definition. One of the reasons why a larger percentage of Minneapolis census tracts met the definition of vulnerability compared to St. Paul is that the Freeman method resulted in no census tracts in St. Paul being so characterized. Figure 9 shows concentrations of neighborhoods vulnerable to gentrification in the near north and near south sides of Minneapolis, as well as a band of neighborhoods along the river in Northeast. In St. Paul, the neighborhoods that are vulnerable to gentrification are located along the midway, on the city's east side, and south of the river.

Application of the three indices to the census tracts in Minneapolis and St. Paul indicates that signs of gentrification between 2000 and 2015 occurred in 19 of the 54 vulnerable tracts in Minneapolis (38.9%) and in 6 of the 30 vulnerable tracts (20.0%) in St. Paul (Table 6). Our finding for Minneapolis is almost exactly in the middle of the estimates provided by *Governing* magazine in 2015 and by the Cleveland Fed in 2013.

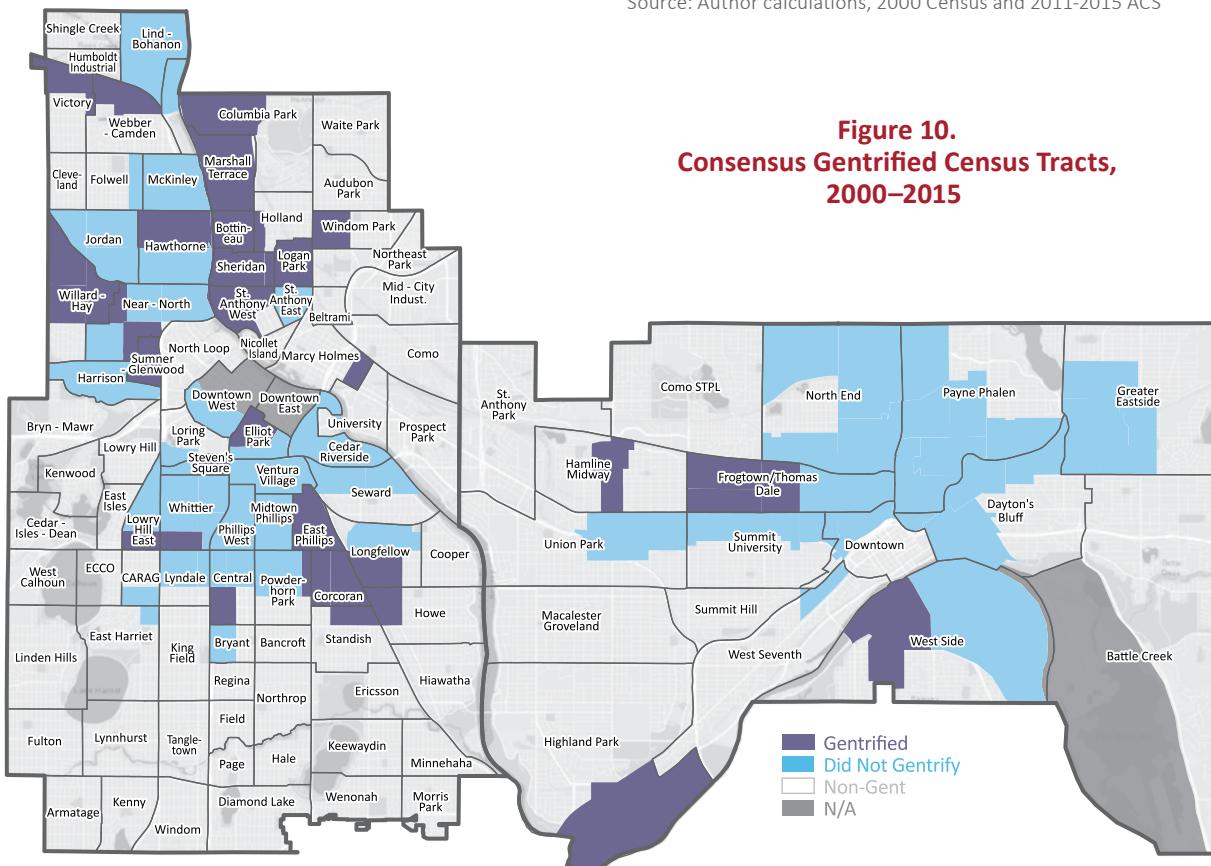
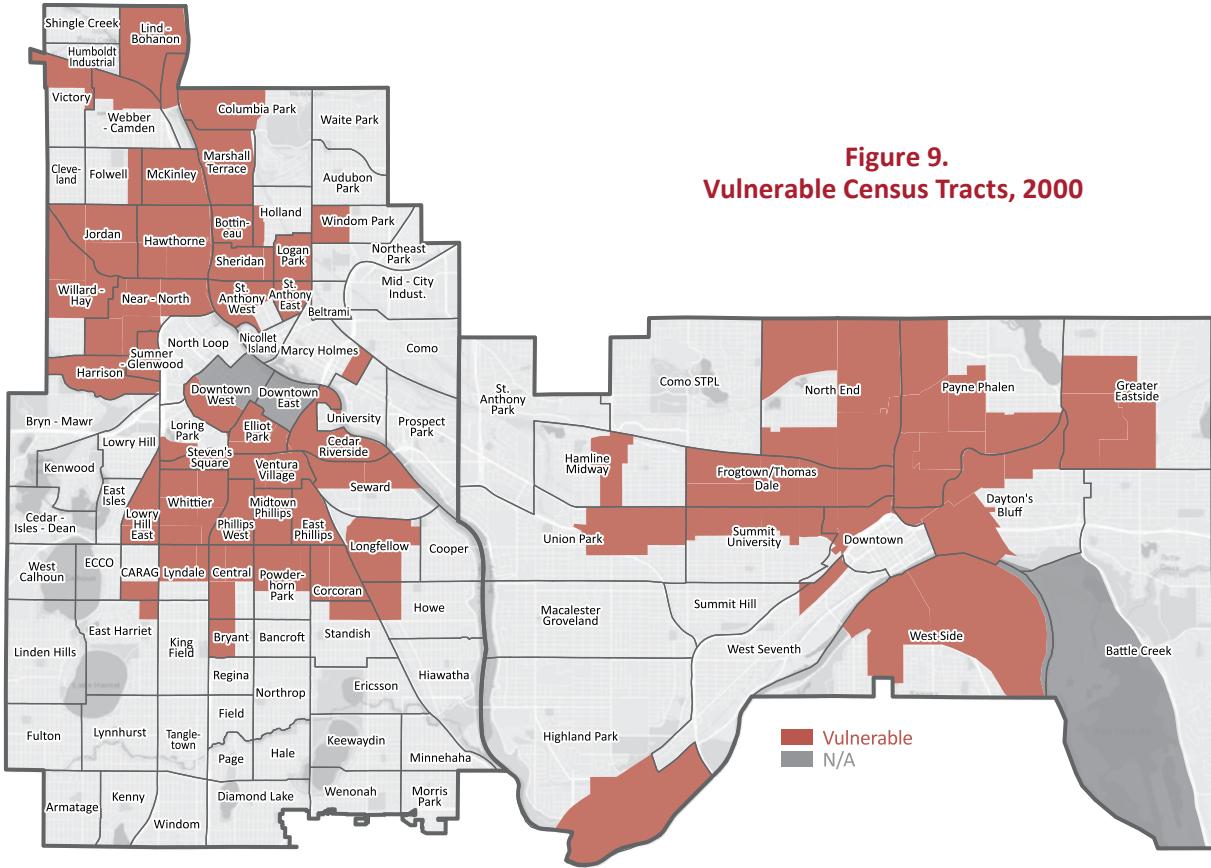


Table 6. Gentrifying Tracts in Minneapolis and St. Paul

CITY	VULNERABLE TRACTS	GENTRIFYING TRACTS	PCT.
Minneapolis	54	21	38.9
St. Paul	30	6	20
Total	84	27	32.1

Source: Author calculations, 2000 Census and 2011-2015 ACS

Figure 10 shows the location of the census tracts that gentrified between 2000 and 2015. The dark blue shading indicates gentrified tracts. The light blue indicates vulnerable tracts that did not gentrify over the time period studied. In Minneapolis, one sees clusters of neighborhoods to the northeast along the river, to the southeast along the Metro Blue Line light rail transit line, in portions of the near north, and in the far north area. There is also a smattering of tracts in the south. In St. Paul, the pattern is dispersed. Two neighborhoods along the Metro Green Line in Hamline-Midway and through Frogtown/Thomas-Dale showed signs of gentrification as did areas of West St. Paul and south of Highland Park.

Gentrifying neighborhoods, on average, saw positive growth (3.8%) compared to vulnerable neighborhoods, which, on average, saw population decline (-2.0%). Gentrifying neighborhoods grew more slowly than wealthy neighborhoods, which grew at an average rate of 8% over the study period.

PATTERNS OF CHANGE WITHIN TRACTS

In all, our method identified 27 census tracts within Minneapolis and St. Paul as exhibiting signs of gentrification between 2000 and 2015. In the following section we look at the specific changes that occurred over the study period in each of these neighborhoods.

Table 7 lists the neighborhoods, Minneapolis community areas, and St. Paul district councils that intersect census tracts our indices identified as gentrifying. Some tracts crossed into multiple neighborhoods/district councils. Six of the tracts are located in Northeast Minneapolis and four are located in the Near North community. In St. Paul, three of the tracts are located in the Frogtown/Thomas-Dale district.

Three of the gentrifying census tracts have seen unusual development circumstances over the period of our study. The first is the Sumner-Glenwood census tract, which encompasses a large portion of the Heritage Park redevelopment area. This area was in the middle of redevelopment in 2000, the starting point of our study. Fifteen years later, with redevelopment complete, the area had more homeownership opportunities and much higher property values as a result. The second area is a census tract located in the Marcy Holmes neighborhood, which has seen a large increase in new housing units for students in the neighborhood bordering the East Bank campus of the University of Minnesota. This tract has seen an increase

Table 7. Neighborhoods and District Councils Containing Gentrifying Census Tracts

NEIGHBORHOOD	COMMUNITY AREA/ DISTRICT COUNCIL	CITY
Lowry Hill East	Calhoun-Isles	Minneapolis
Near-North	Camden	Minneapolis
Victory	Camden	Minneapolis
Webber-Camden	Camden	Minneapolis
Elliot Park	Central	Minneapolis
Steven's Square	Central	Minneapolis
Sumner-Glenwood	Central	Minneapolis
Howe	Longfellow	Minneapolis
Longfellow	Longfellow	Minneapolis
Hawthorne	Near North	Minneapolis
Willard-Hay	Near North	Minneapolis
Bottineau	Northeast	Minneapolis
Columbia Park	Northeast	Minneapolis
Logan Park	Northeast	Minneapolis
Marshall Terrace	Northeast	Minneapolis
Sheridan	Northeast	Minneapolis
St. Anthony West	Northeast	Minneapolis
Windom Park	Northeast	Minneapolis
East Phillips	Phillips	Minneapolis
Central	Powderhorn	Minneapolis
Corcoran	Powderhorn	Minneapolis
Powderhorn Park	Powderhorn	Minneapolis
Standish	Powderhorn	Minneapolis
Whittier	Powderhorn	Minneapolis
Marcy Holmes	University	Minneapolis
	Frogtown/Thomas-Dale	St. Paul
	Hamline-Midway	St. Paul
	Highland Park	St. Paul
	West Side	St. Paul

Note: List contains all neighborhoods and district councils that intersect with gentrifying census tracts.

Source: Author calculations, 2000 Census and 2011-2015 ACS

in poverty from 49% to 74% over the time period of the study, reflecting the large student population in this census tract and thus represents a special case of neighborhood change. Finally, the Elliot Park census tract in downtown Minneapolis saw extreme changes in housing stock, including a decline in median value of over a half-million dollars. This change was due to the construction of a number of new housing units that drove the rate of ownership in the neighborhood up from 4% to over 25%. In our analysis we will separate the Heritage Park, Marcy Holmes, and Elliot Park tracts, where the degree of neighborhood change (e.g., in housing value and in poverty rate) is so large as to swamp the patterns seen in the rest of the neighborhoods we studied.

Race/Ethnicity

When looking at racial characteristics of neighborhoods that gentrified and those that did not, several important patterns emerge. First, on average, tracts that gentrified had larger white populations compared to those that did not. Second, while the average tract that gentrified was whiter, this masks significant variation between gentrifying tracts. And third, when we examine racial change, we find that, on average, gentrification during the study period was not accompanied by significant racial change; there was also significant variation as some tracts lost large shares of their black population while others saw large increases.

Key idea: Gentrifying tracts were whiter than tracts that did not gentrify, but many tracts that gentrified had large shares of people of color.

Table 8 shows the racial characteristics of gentrifying and vulnerable tracts that did not gentrify. On average, tracts that gentrified were whiter than tracts that did not gentrify (48% and 41%, respectively). This is so despite the fact that, as Hwang and Sampson (2014) find, white gentrifiers may be less inclined to move to neighborhoods with large black populations. At the same time, there was significant variation in the racial composition of tracts that gentrified. Tracts with black populations as high as 74.2% or as low as 2.6% experienced gentrification in the Twin Cities during the study period. Over 40% of gentrifying tracts were majority people of color and contained as few as 3.2% white residents.

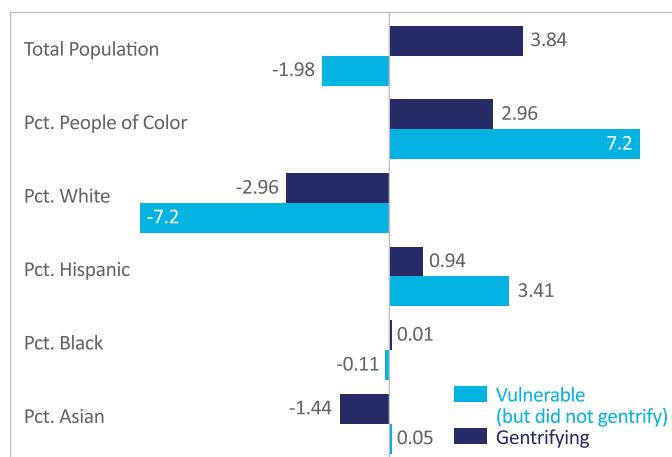
Table 8. Racial Characteristics of Gentrifying and Non-gentrifying Neighborhoods, 2000

	GENTRIFYING	VULNERABLE
Pct. Asian	average	11.0
	max	47.0
	min	0.4
Pct. Black	average	26.2
	max	74.2
	min	2.6
Pct. Hispanic	average	11.9
	max	32.5
	min	1.6
Pct. White	average	48.1
	max	78.7
	min	3.2

Source: Author calculations, 2000 Census and 2011-2015 ACS

Key Idea: On average, gentrifying tracts did not show significant racial change, but this masks extreme variation between tracts.

Figure 11. Racial Change in Gentrifying and Vulnerable Census Tracts



Source: Author calculations, 2000 Census and 2011-2015 ACS

Figure 11 reveals the degree of racial/ethnic change in the study neighborhoods. As would be expected, on average, gentrifying neighborhoods increased in population, while the average vulnerable tract that did not gentrify lost population. Across all 27 tracts, there was virtually no change in the percentage of population that is black, or in the proportion of population that is Latinx. On average, gentrifying tracts showed statistically significantly smaller increases in people of color compared to neighborhoods that did not gentrify.

These average changes mask significant variation between places. For example, a tract in the Central neighborhood saw its black population drop by 55% in absolute numbers while a tract in the Uptown area of Minneapolis saw its black population more than double. Blacks as a share of the total population saw the largest gains in Highland Park in St. Paul (25%) and in Sumner-Glenwood and Bottineau in Minneapolis (just over 10%). Some of the gains in proportion of blacks were experienced by neighborhoods that had very small black populations in 2000. An examination of individual tracts, in fact, reveals that 17 of the 27 neighborhoods that showed signs of gentrification saw an increase in the proportion of black residents.

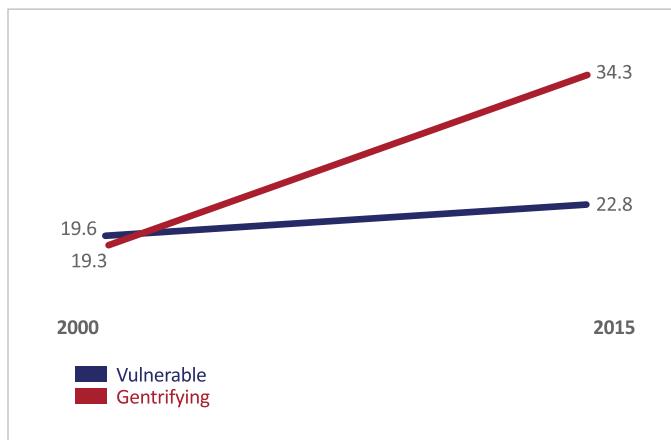
The declines in the black population that did occur were typically larger than the gains experienced by other gentrifying neighborhoods. In five of the eight census tracts that experienced a decline in percentage of residents who are black, the declines were more than 10 percentage points, with one Willard-Hay tract declining in black population by 22 percentage points, and a tract in the Central neighborhood of Minneapolis dropping by 33 percentage points. Six of the 27 gentrifying neighborhoods had a black population that accounted for more than 50% of the total residents in 2000. Five of those six saw declines in percent black between 2000 and 2015 (all of the declines were sizable—greater than 10 percentage points). By 2015, only three of the gentrifying neighborhoods were majority black.

Education

Key Idea: Gentrifying tracts saw an influx of the college-educated.

In many gentrification studies, socioeconomic status is measured by both income and education. We examined both. Education is seen as a more durable indicator, one that fluctuates less from year to year. The data shown in Figure 12 indicate that gentrifying neighborhoods in Minneapolis and St. Paul saw large increases in college-educated populations over the 15-year period of the study. Gentrifying neighborhoods saw an increase in the proportion of college-educated residents from 19.3% to 34.3%, while nongentrifying neighborhoods saw a more modest increase of 4 percentage points.

Figure 12. College-educated Population Rising Rapidly in Gentrifying Neighborhoods



Note: excludes outlier tracts in Marcy Holmes, Elliot Park, and Sumner-Glenwood.

Source: Author calculations, 2000 Census and 2011-2015 ACS

The aggregate rate of change for gentrifying neighborhoods was above the citywide rates for this time period and the changes in nongentrifying neighborhoods were below the citywide rates. All 27 gentrifying census tracts saw increases in proportion of college-educated residents. The increases ranged from 7 to 8 percentage points on the West Side of St. Paul and one of the Frogtown tracts to increases between 20 and 30 percentage points in Lowry Hill East, Columbia Park, and St. Anthony West in Northeast Minneapolis, and in Hamline-Midway of St. Paul.

As Table 9 shows, 59.3% of the gentrifying neighborhoods saw increases in the college-educated population that were significantly higher than the citywide rate, compared to only 3.5% of the nongentrifying neighborhoods.

Table 9. Changes in Education Relative to Citywide

VARIABLE	RELATIVE CHANGE	GENTRIFYING		VULNERABLE (BUT DID NOT GENTRIFY)	
		Pct. College	Relative = (Tract Change – City Change).	2	(3.5)
Pct. College	Increase	16	(59.3)	2	(3.5)
	Stable	11	(40.7)	19	(33.3)
	Decrease	0	(0)	36	(63.2)

Relative = (Tract Change – City Change).

Source: Author calculations, 2000 Census and 2011-2015 ACS

Income and Poverty

Key ideas:

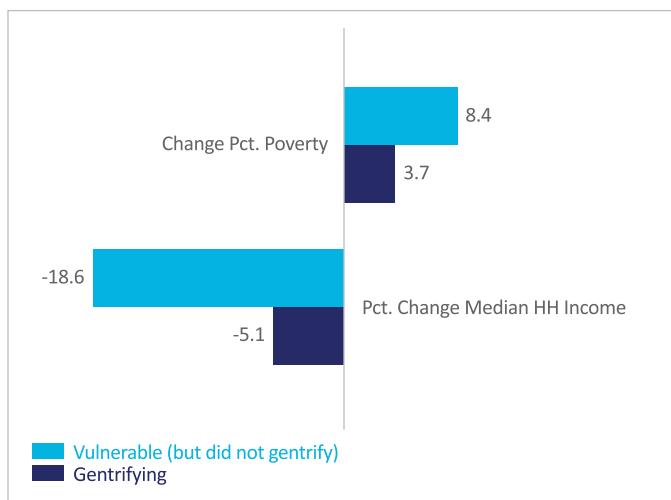
1. Median incomes dropped and poverty rates rose on average in gentrifying tracts, which is consistent with what was happening at the city level due to the Great Recession.
2. Gentrifying tracts displayed a different trajectory compared to nongentrifying tracts. The changes were statistically significantly different from changes that took place in vulnerable tracts.
3. These patterns can be explained by growing inequality in gentrifying tracts: higher incomes at the top and lower incomes at the bottom, which can explain both high poverty rates and gentrification.

The story of neighborhood changes in income is significantly different from the case with education status. Indeed, the patterns of change in income and poverty are surprising overall. Figure 13 shows that income, as measured by the median household income in constant dollars, declined in both gentrifying and nongentrifying neighborhoods from 2000 to 2015. Consistent with this, income measured as the percentage of the population below the poverty level increased in both types of neighborhoods.

These patterns are contrary to what might be expected in gentrifying neighborhoods, and they suggest a need to more closely examine the patterns of income change taking place in the gentrifying neighborhoods of Minneapolis and St. Paul. As a first step it should be noted that the decline in median income and the increase in poverty were both much lower (statistically significantly lower) in gentrifying neighborhoods than in non-gentrifying neighborhoods (Figure 13).

It is also important to note that poverty was increasing across the board in Minneapolis and St. Paul during this period, and that median incomes were declining in constant dollar terms. The poverty rate increased 5 percentage points in Minneapolis and almost 7 percentage points in St. Paul during the study period. Median household incomes declined 8 percentage points in Minneapolis and 15 percentage points in St. Paul.

Figure 13. Changes in Poverty and Median Income in Gentrifying and Vulnerable Census Tracts



Gentrifying tracts were much more likely than nongentrifying to experience changes in poverty that were less than or equal to the citywide pattern. Nineteen of the gentrifying tracts (70%) saw changes in poverty that were roughly equal to the citywide changes or significantly less (greater than 3 percentage points fewer) than the citywide change. This is compared to only 45.6% of the nongentrifying tracts (Table 10). Similarly, on the income side, 16 of the 27 (59.2%) gentrifying tracts saw median incomes rise as much as or more than the citywide change, compared to only 35.1% of the nongentrifying neighborhoods.

Still, the patterns of change related to poverty are surprising for neighborhoods that are gentrifying. Seven gentrifying census tracts experienced increases in poverty of more than 10 percentage points. Only one gentrifying tract saw a reduction in poverty of a similar magnitude (the St. Anthony tract in Northeast Minneapolis dropped 12.6 percentage points in poverty). All of the other tracts that saw a reduction in poverty

Table 10. Degree of Income Change Relative to Citywide Change, 2000–2015

VARIABLE	CHANGE RELATIVE TO CITYWIDE CHANGE	VULNERABLE (DID NOT GENTRIFY)			AVERAGE	
		GENTRIFYING	N	INCREASED	DECREASED	
Median HH Income	Increase	12	(44.4)	13	(22.8)	5.3
	Stable	4	(14.8)	7	(12.3)	
	Decrease	11	(40.7)	37	(64.9)	
Poverty Rate	Increase	8	(29.6)	31	(54.4)	0.8
	Stable	8	(29.6)	13	(22.8)	
	Decrease	11	(40.7)	13	(22.8)	

Relative = (Tract Change – City Change).

Numbers in parentheses are column percentages.

Source: Author calculations, 2000 Census and 2011-2015 ACS

saw declines of less than 10 percentage points. Nine of the gentrifying neighborhoods in Minneapolis and St. Paul had poverty rates of more than 25% in 2000. By 2015, 11 of those neighborhoods had at least a 25% poverty rate.

Table 11 looks at the nature of change in poverty by the initial level of poverty in 2000. None of the 27 gentrifying neighborhoods had poverty rates of less than 10% in 2000. Twelve of the neighborhoods had poverty rates between 10% and 20%, and of these 10 saw an increase in poverty. Of the 7 gentrifying tracts that began the study period with poverty rates between 20% and 30%, 3 increased in proportion of poverty and 4 decreased. At the high end, of the 8 neighborhoods that began the period with more than 30% poverty, 5 saw increases in the proportion of their populations in poverty.

Table 11. Changes in Poverty in Gentrifying Neighborhoods, 2000–2015

CHANGE IN THE PROPORTION IN POVERTY	N	INCREASED	DECREASED	AVERAGE CHANGE
Less than 10% poverty in 2000	0	-	-	-
10% to 20% poverty in 2000	12	10	2	5.3
20% to 30% poverty in 2000	7	3	4	0.8
30% to 40% poverty in 2000	4	3	1	5.6
40% or more poverty in 2000	4	2	2	2.7
Total	27	18	9	3.8

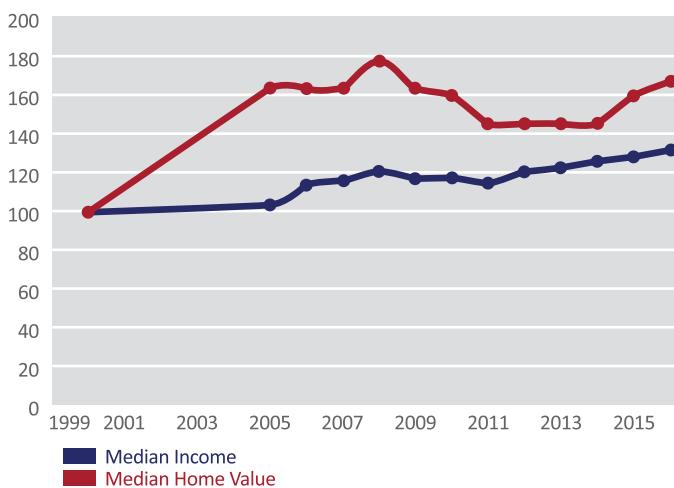
Source: Author calculations, 2000 Census and 2011-2015 ACS

Concentrated Poverty

Four gentrifying census tracts met the standard for areas of concentrated poverty (i.e., they had poverty rates of over 40%) in 2000. Three of those census tracts remained areas of concentrated poverty in 2015. In addition, 4 other gentrifying tracts became areas of concentrated poverty over the 15-year period. In 2015, then, 7 of the 27 gentrifying tracts were also areas of concentrated poverty.

What accounts for these findings? There are two not mutually exclusive explanations for these findings. First, our study period goes from 2000 to 2015. The American Community Survey (ACS) data that we use for the end of our study period covers the years from 2011 through 2015. This time period includes the tail end of the recession and thus at least for some of the data collected in the ACS survey, it reflects the fact that incomes have not kept up with the growth in housing values. As Figure 14 shows, since 2000, housing values have risen rapidly in the Twin Cities metropolitan area, while household incomes have not kept pace.

Figure 14. Twin Cities Metro Area Median Home Value and Median Income, 2000–2016



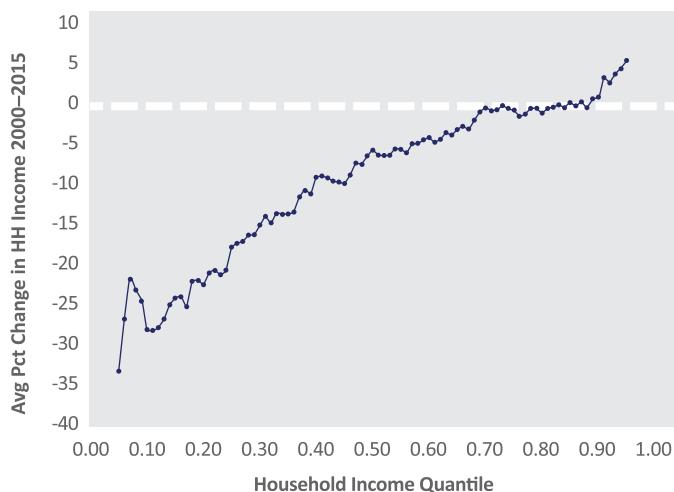
Source: IPUMS-USA University of Minnesota

The second explanation for declining median incomes and rising poverty in gentrifying neighborhoods is that these areas are experiencing greater levels of income inequality than other vulnerable but not gentrifying neighborhoods. Gentrifying neighborhoods experienced an increase in poverty at the same time that they saw an increase in very-high-income households.

Inequality

During our study period from 2000 to 2015, the Twin Cities as a whole saw a sharp increase in income inequality (see Appendix). Even though overall, the region saw increasing poverty and lower median household incomes, affluent households maintained their incomes or experienced increases during the study period despite the lingering effects of the Great Recession. On average, households below the 80th percentile saw

Figure 15. Change in Income by Percentile, 2000–2015, Twin Cities



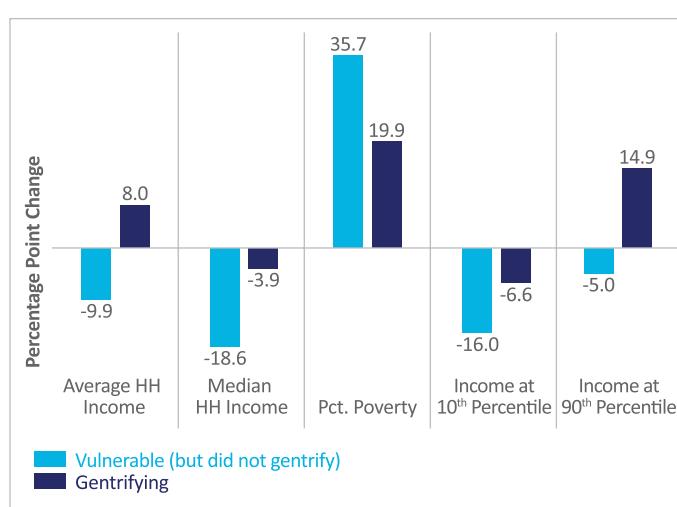
Source: Author calculations, IPUMS-USA University of Minnesota

their incomes decline while only incomes for households in the top 20% saw increases (Figure 15). The gap between incomes at the 90th and 10th percentiles grew by almost 80% during the study period. The question we address here is the degree to which such a pattern of increasing poverty and increasing affluence characterizes the gentrifying neighborhoods of Minneapolis and St. Paul. Such a pattern of income bifurcation would be masked by looking only at the median of incomes or at the poverty rate since those figures describe only small parts of a neighborhood's income distribution.

Figure 16 shows that income changes in tracts that gentrified were significantly different from the income changes in vulnerable tracts that did not gentrify. For example, median household income decreased 15 percentage points less in gentrifying tracts compared to vulnerable tracts that did not gentrify (3.9% – 18.6%). The average household income increased in gentrifying tracts by 8.0% while it decreased in nongentrifying tracts by 9.9%. Gentrifying tracts also saw smaller increases in poverty during the study period. Incomes at the lower end of the distribution (10th percentile) decreased across both vulnerable and gentrifying tracts, but less so in gentrifying tracts. Finally, and most tellingly, incomes for the top 10% of households in gentrifying neighborhoods increased by almost 15% compared to a decline of 5% for affluent households in vulnerable tracts. These findings reveal a growing inequality of incomes in gentrifying neighborhoods that is not matched in the vulnerable neighborhoods that did not gentrify, and help to explain why we saw increasing poverty and gentrification in half of the tracts we identified as gentrifying.

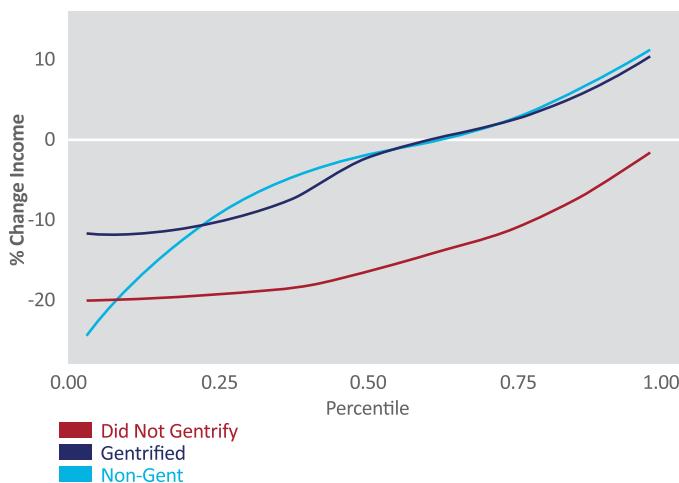
Figure 17 shows changes in the income distribution broken out by neighborhood type. Though median income declined in tracts that did gentrify and those that did not, gentrifying tracts are on a distinctly different trajectory as compared to nongentrifying

Figure 16. Average Percent Change in Income and Inequality Statistics Gentrified vs. Nongentrified Tracts



Source: Author calculations, 2000 Census and 2011–2015 ACS

Figure 17. Changes in Income by Percentile by Neighborhood Type, 2000–2015



Source: Author calculations, 2000 Census and 2011–2015 ACS

tracts. Gentrifying tracts, on average, saw decreases in income at the lower tail of the income distribution and rising incomes at the higher end of the distribution. But vulnerable neighborhoods that did not gentrify saw income decreases across the distribution. Across all types of census tracts, including high-income tracts, we see a drop in incomes at the lower tail of the distribution up to and including the 50th percentile, which is the median. Patterns of income change at the upper end of the income distribution is what distinguishes gentrifying neighborhoods from those that did not gentrify. Gentrifying tracts as well as high-income tracts saw increasing incomes for affluent households, while vulnerable tracts that did not gentrify saw declining incomes across the entire distribution.

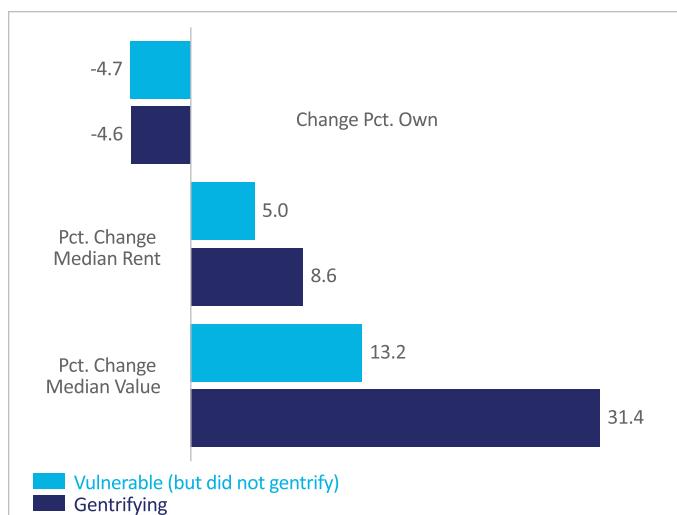
This analysis of income inequality helps to make sense of the income and poverty changes that we saw in gentrifying neighborhoods. Though poverty increased in gentrifying neighborhoods and the median income decreased, our analysis here shows that these changes were greater in vulnerable neighborhoods that did not gentrify, and that gentrifying neighborhoods saw rising incomes at the top of the income distribution that other vulnerable neighborhoods did not experience.

Housing Profile of Gentrifying Neighborhoods

Figure 18 describes characteristics of the housing market in gentrifying neighborhoods of Minneapolis and St. Paul. Specifically, we look at housing tenure, median rent, and median home value. As with the other indicators, we look at changes over a 15-year period, 2000–2015. The data on tenure do not reveal much. Census tracts in both groups increased in proportion of renters by just over 4 percentage points. Even census tracts that were not vulnerable to gentrification (data not shown) increased in percentage of renters by 4 points.

The data on housing costs, however, show a distinction between trends in gentrifying and nongentrifying neighborhoods. Rents

Figure 18. Changes in Housing Costs and Tenure



Source: Author calculations, 2000 Census and 2011–2015 ACS

(in constant dollars) in the average gentrifying tracts increased by 8.6% during the study period. Rent increases were 5.0% in nongentrifying areas over the same period. Median home values in gentrifying neighborhoods increased from an average of \$118,623 to \$155,650 between 2000 and 2015, an increase of more than \$37,000, or 31%. In nongentrifying neighborhoods, home prices increased less than \$11,000, or about 13%. Both the rental and homeowner markets were increasing in price at much higher rates in gentrifying neighborhoods between 2000 and 2015.

The citywide change in rents in Minneapolis between 2000 and 2015 was a 3.4% increase. In St. Paul, rents increased 1.5%. Fifteen of the 21 gentrifying tracts in Minneapolis saw rent increases in excess of the citywide rate, as did 4 of the 6 gentrifying tracts in St. Paul. The biggest rent increases were seen in Lowry Hill East (Uptown) and in 2 of the Willard-Hay census tracts. Each of these neighborhoods saw increases of more than 30%. In St. Paul, one of the Frogtown/Thomas-Dale tracts experienced a 21% increase in rents while another in the same neighborhood had a 13% increase, both of which are far higher than experienced elsewhere in the city. Most of the 19 tracts that saw rent increases saw rises in the single digits or below 20%. Six tracts, however, actually saw rent declines (in constant dollars) over the study period, the biggest decline among gentrifying neighborhoods was on the West Side of St. Paul (18%) and in the Hawthorne neighborhood in Minneapolis (13%).

Home values increased 23.5% in Minneapolis and 13.3% in St. Paul during the study period. Overall, 25 of the 27 gentrifying neighborhoods saw an increase (in constant dollars) in median home value between 2000 and 2015, and 19 of those tracts increased in value more than the citywide rate. In Minneapolis, most gentrifying neighborhoods increased in home value between 30% and 60%; in St. Paul the increases were between 15% and 34%. The biggest percentage increases in home value

occurred in Sumner-Glenwood, East Phillips, and Lowry Hill East. In the case of the first two of these neighborhoods, the high percentage increase was due to relatively low starting values. The Sumner-Glenwood neighborhood is the location of the Heritage Park redevelopment, and the new housing built there accounts for the dramatic home value changes (the neighborhood went from being the lowest home value tract among the gentrifying tracts to the fourth most expensive home market).

Lowry Hill East, which had the second largest percentage increase in home value, also had the second largest absolute gain, showing an increase in median value of \$122,763 during the period. There were two gentrifying tracts that experienced a constant dollar decline in home values, one in the Highland Park neighborhood of St. Paul and the other in the Elliot Park neighborhood in Minneapolis.

TYPОLOGY OF GENTRIFYING NEIGHBORHOODS IN MINNEAPOLIS AND ST. PAUL

The preceding analyses show that gentrifying neighborhoods in Minneapolis and St. Paul have seen significantly different types of change over the study period. There has been significant racial change in some of these neighborhoods and not in others. In some of the gentrifying areas we have seen increases in median incomes and reductions in poverty, while in others the opposite has occurred. Consistent across all of the gentrifying neighborhoods are rapidly increasing housing costs and socioeconomic changes.

It is clear from these data that gentrification in the Twin Cities has not manifested itself in just one type of neighborhood change. In an attempt to characterize the different paths that gentrifying neighborhoods are taking, we applied a statistical technique called principal component analysis (PCA) to see whether there are different “clusters” of neighborhoods that gentrify in the same pattern. Our results indicate there are four distinguishable types of gentrification that have occurred in Minneapolis and St. Paul between 2000 and 2015. Table 12 describes the four types of neighborhood gentrification processes that we have seen.

Two of the types we identify conform to the “classic” model of gentrification in which incomes rise, housing costs skyrocket, and also socioeconomic (SES) status (as measured by percent of the population with bachelor’s degrees) increase significantly.

Minneapolis and St. Paul have seen two versions of this classic model, one that includes large reductions in the black population and one that does not.

Another pattern of gentrification is occurring as well in the two central cities: a pattern in which at the tract level, median incomes are declining and poverty is increasing, while at the same time housing costs and SES status are also increasing. As with the classic model of gentrification, there are two racial versions of what we call the “gentrification + poverty” model: one in which the black population is increasing significantly and one in which no significant change is occurring.

Figure 19 shows the location of these four different types of gentrification. The map shows that both “plus poverty” gentrification types were prominent in St. Paul, with all but one of the gentrifying tracts qualifying as “plus poverty”—the exception being the tract in the Hamline-Midway neighborhood. The classic gentrification models, with and without changes in the black population, are prominent in Minneapolis. Parts of the Willard-Hay, Central, and Corcoran neighborhoods show increases in income and status and also a decrease in the share of black residents. Gentrifying tracts that followed the classic pattern without showing significant signs of racial change include parts of Uptown and East Phillips and large sections of Northeast Minneapolis.

Recalling the earlier findings on the connections between gentrification and income inequality, we find that the rising inequality in gentrifying census tracts is more extreme in

Table 13. Percent Change in Income and Inequality by Gentrification Typology

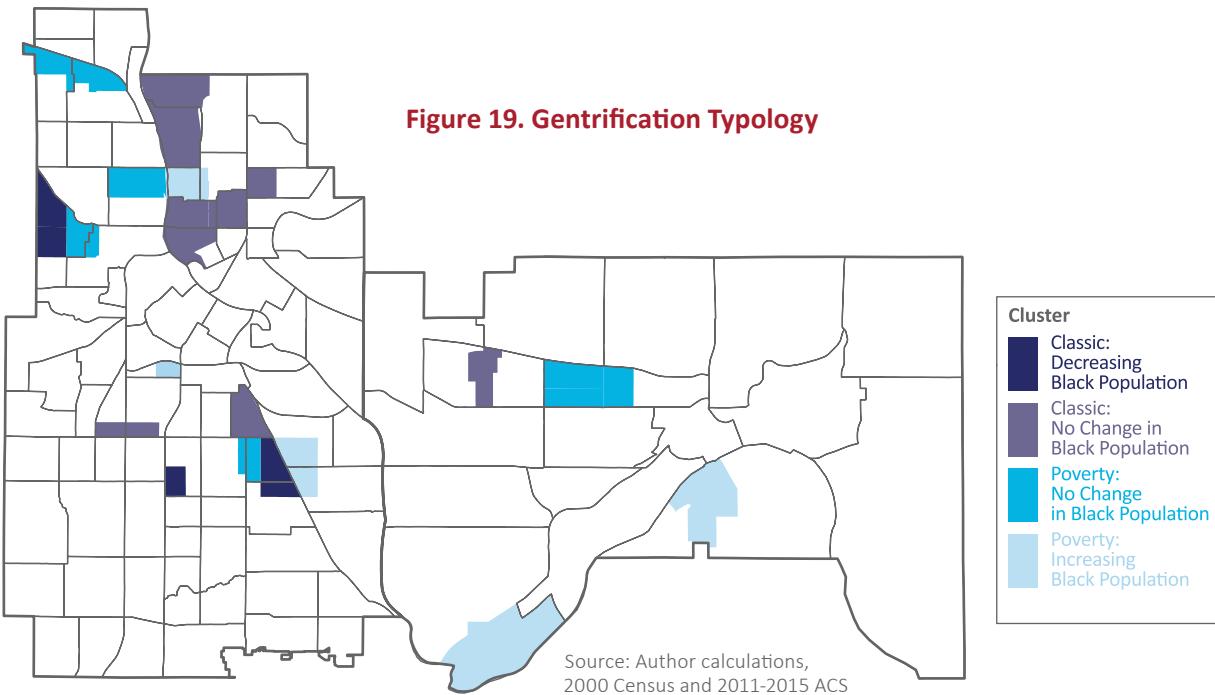
CLUSTER	MEDIAN INCOME	RATIO OF 90 TH –10 TH PERCENTILE
Classic with decline in black population	6	-2.6
Classic with no change in black population	3.3	31
Gentrification + poverty with no change in black population	-18	42
Gentrification + poverty with increase in black population	-9.6	83

Source: Author calculations, 2000 Census and 2011–2015 ACS

Table 12. Gentrification Typology, Minneapolis and St. Paul, 2000–2015

DEMOGRAPHIC CHANGE	RACIAL CHANGE	N	HOUSING COSTS	SES	INCOMES	PCT. BLACK
Classic	Decreasing Black Population	4	Rising	Rising	Rising	Declining
	No Change in Black Population	8	Rising	Rising	Rising	No change
Increasing Poverty	No Change in Black Population	7	Rising	Rising	Declining	No change
	Increasing Black Population	5	Rising	Rising	Declining	Rising

Source: Author calculations, 2000 Census and 2011–2015 ACS



tracts that exhibit the “plus poverty” typology. As Table 13 shows, tracts in both “plus poverty” typologies showed much larger increases in the ratio between incomes at the 90th and 10th percentiles.

SUMMARY OF QUANTITATIVE RESULTS

Using three different measures from leading researchers in the field, we found significant evidence of gentrification occurring between 2000 and 2015 in the cities of Minneapolis and St. Paul. A total of 21 census tracts in Minneapolis and 6 in St. Paul experienced changes over the study period that are consistent with gentrification. The specific changes related to population, economics, and housing markets, however, varied across the gentrifying neighborhoods. Statistical analysis isolated four distinct types of gentrification occurring in the two cities.

In some neighborhoods we saw classic gentrification effects of rising income, increased SES, and skyrocketing housing costs. There were two variants of this classic model: one that was accompanied by a significant reduction in the black population

within the neighborhood and one in which there was no change in relative size of the black population. Other neighborhoods in the two cities exhibited a different pattern with respect to economic changes. In these neighborhoods, median income declined and poverty increased. Our analysis indicates that the decline in median income obscured a different income dynamic in these neighborhoods, a dynamic of increased inequality. That is, in these neighborhoods that were seeing an increase in poverty, there was a simultaneous increase in incomes at the high end of the distribution. These neighborhoods saw gentrification and increases in poverty occurring during the same time period. As with the classic gentrification model, there were two variants of the gentrification+poverty model: one that was accompanied by an increase in the relative size of the black population and one in which there was no change in the black population.



Qualitative Results

PUBLIC OFFICIALS AND NEIGHBORHOOD LEADERS

Beginning in the spring of 2016, CURA's research team conducted 29 interviews (30 individuals total) with local public officials and neighborhood leaders in both Minneapolis and St. Paul for two primary reasons: (1) to gain knowledge about the occurrence and impact of community investment and development taking place across both cities and (2) to help inform CURA's decision on which neighborhoods would undergo an additional set of residential qualitative interviews. These initial interviews generally aligned with what our quantitative index maps produced in terms of identifying where gentrification is occurring. We did, however, add one additional neighborhood to our qualitative analysis that fell outside of what our quantitative index maps produced, because of what we heard in the interviews with local public officials and neighborhood leaders.



When asked *What are the signs of gentrification? And what is occurring in the neighborhoods that they serve?* the 13 public officials (inclusive of elected and appointment government personnel) we interviewed shared the following:

There is a lack of common language around the word gentrification, but common identifiers are utilized when describing what changes would indicate to officials that neighborhoods are gentrifying. These identifiers include, but are not limited to: increased housing costs, increased presence of young professionals and white families both as visitors and new residents, transit-oriented development, increased investment in the arts, increased property taxes, and an influx of businesses uncharacteristic of the neighborhood. Seven out of 13 of the public officials were sure they were seeing this in their neighborhoods while the others were uncertain.

Displacement is a concern, but local public officials were fairly split on whether displacement was actually taking place as a result of increased investment. Half argued that displacement was inevitable, while the others claimed that it was not an issue and that there were plenty of vacancies in the local housing market.

All the public officials we interviewed embraced the idea that the market is driving growth. However, a small minority talked about the importance of working with market forces to ensure inclusivity for all.

All the public officials alluded to their city's goals to increase population density and the importance of growing their tax base, which they felt necessitates growth and innovation.

All of the local public officials we interviewed actively acknowledged that gentrification is a real phenomenon in Minneapolis and St. Paul, with the potential to displace those without the economic and political power to withstand major growth and investment spurred by the market and the city. The inevitability of displacement as a result of gentrification was a contested issue. Although some of the officials we spoke with believed some displacement is unavoidable, others believed that it was not inevitable and that inclusive growth was possible if work was done to minimize displacement to ensure that all benefit from growth. Those public officials who argued that displacement was an inevitable result of increased investment emphasized the larger community benefits of growth. New investments, they argued, bring new people and new commercial opportunities, which are seen as favorable despite the potential displacement of those unable to withstand the impact of those economic enhancements. A small minority within this group expressed concern over how gentrification was affecting poor and working class people but

stated that they needed reputable data to prove it was taking place to push a new public policy agenda.



We also asked the 18 neighborhood leaders (i.e., civic and nonprofit leaders, and engaged grassroots activists) the same questions about gentrification (*What are the signs of gentrification? And what is occurring in the neighborhoods that they serve?*). They offered a range of responses.

Most community members did not use word gentrification to define what is happening, but they know the effects of this market-driven change and refer to them by noting that more white families are moving in or patronizing local businesses, families of color are moving out because of affordability, or referring to rent increases, new fancy restaurants, new trendy shops, breweries, new light rail lines, the luxury housing boom they cannot afford, neighborhoods being branded as “up and coming,” homes being flipped, overinspections, and overpolicing.

Displacement, both physical and cultural, is happening, according to neighborhood leaders, and it is disproportionately affecting people of color and people with low incomes.

They noted a visible increase of white residents and patrons in neighborhoods that whites have previously avoided.

Investment and growth are not a bad thing, say the neighborhood leaders, but if the incumbent poor and working class among us will not benefit, we are not doing our job as public or civil servants.

The community leaders we spoke to worried that the process of displacement dismantles the collective power that the poor and working class have built over time, which ensures that there is little or no resistance to forces shaping neighborhoods.

All expressed the feeling that the changes they were seeing and experiencing were taking place overnight, and that they were simply in a reactive state.

All of the neighborhood leaders we interviewed argued that their neighborhoods were seeing and experiencing gentrification pressures that were negatively affecting the families they serve. Unlike the public officials interviewed, neighborhood leaders who interfaced with local residents on a daily basis expressed little if any doubt about the realities of gentrification and how it was disproportionately impacting the most vulnerable members of the community. Neighborhood leaders found themselves in a constant state of trying to both assist local residents in a daily state of crisis while also trying to reframe the dominant narrative that gentrification is solely about housing displacement. They indicated that gentrification includes cultural and political displacement for those who are struggling to stay in areas that they feel are no longer welcoming to them. Neighborhood leaders state that this has created a lack of trust in the city and its public officials as the process of gentrification gives power to market-driven forces that displace residents who have created and maintained a strong presence in these communities and are then lost in this transition. Generally speaking, all neighborhood leaders believed that investment is a good thing, particularly because their neighborhoods have suffered from a lack of economic investment for decades. At the same time, they did not believe that economic growth and investment should be of long-term benefit only to the economically and politically privileged among them.

Our public official and neighborhood leader interviews suggest that there is some dissonance between community members most affected by the daily realities of economic growth and reinvestment and public officials about the inevitability and benefits of economic growth in Minneapolis and St. Paul.

“Neighborhood leaders found themselves in a constant state of trying to both assist local residents in a daily state of crisis while also trying to reframe the dominant narrative that gentrification is solely about housing displacement. They indicated that gentrification includes cultural and political displacement for those who are struggling to stay in areas that they feel are no longer welcoming to them. Neighborhood leaders state that this has created a lack of trust in the city and its public officials as the process of gentrification gives power to market-driven forces that displace residents who have created and maintained a strong presence in these communities and are then lost in this transition.”

NARRATIVE COMMONALITIES ACROSS CLUSTERS

We turn now to our interviews with neighborhood residents and business people in the five neighborhood clusters in Minneapolis and St. Paul. As was our practice with public officials and neighborhood leaders, we did not define gentrification in any of our cluster interviews, but we allowed our interview participants to utilize their own working definitions to frame how they would respond to the questions being asked. For the few that we interviewed who insisted that the interviewer provide a framework for understanding what gentrification is or is not, we offered only the guideline that, “in order for a geographic place to gentrify, it must have been historically disinvested in.” This was done so that interviewees shared the framework that we used in our quantitative analysis that focused on neighborhoods vulnerable to gentrification.

The most *common* narrative frameworks that people used to describe both gentrification and its characteristics could be summarized into four main categories: presence of whiteness, housing affordability, business turnover, and displacement fears (Table 14).

Table 14. Narrative Commonalities Across Clusters

PRESENCE OF WHITENESS ^a		HOUSING AFFORDABILITY ^b	
TOTAL	88% (51)	TOTAL	100% (58)
North	100% (14)	North	100% (14)
Northeast	85% (11)	Northeast	100% (13)
South	91% (10)	South	100% (11)
Hamline-Midway	80% (8)	Hamline-Midway	100% (10)
Frogtown/ Thomas-Dale	80% (8)	Frogtown/ Thomas-Dale	100% (10)

BUSINESS TURNOVER ^c		DISPLACEMENT FEARS ^d	
TOTAL	67% (39)	TOTAL	72% (42)
North	79% (11)	North	86% (12)
Northeast	77% (10)	Northeast	62% (8)
South	64% (7)	South	82% (9)
Hamline-Midway	40% (4)	Hamline-Midway	70% (7)
Frogtown/ Thomas-Dale	70% (7)	Frogtown/ Thomas-Dale	60% (6)

a. The **presence of whiteness** includes but is not limited to participant identification of associations with white, Chihuahua, strollers, joggers, hipster, trustifarian, or suburbs. All terms were examined in context and references that were not appropriate (e.g., when “White” was used as a surname) were eliminated.

b. **Housing affordability** includes but is not limited to participant identification of rent, affordable, housing, or property. All terms were examined in context.

c. **Business turnover** includes but is not limited to participant identification of commercial development, new restaurants, cool bars, investors, cater to rich, ramen, vegan, or development. All terms were examined in context.

d. **Displacement fears** include but are not limited to displace, pushed out, or priced out. All terms were examined in context.



Presence of Whiteness

Of all those interviewed, 88% described the increased presence of white residents in search of access to affordable housing and as business patrons either in places white people have historically avoided or that were once enclaves for communities of color. A much higher percentage of our interviewees made a notation of increased presence of “whiteness” in the North Minneapolis and South Minneapolis clusters. This aligns fairly well with the history of investment and disinvestment in these parts of the city, which were the two centers of the city’s black community and later became the places that new immigrant communities settled. However, the pattern is consistent across all of the cluster areas. More than 80% of interviewees in each cluster made these references in describing the types of changes they were seeing, even in Northeast, which was historically home to working class and poor white residents.



Housing Affordability

Of those interviewed, 100% described the growing lack of housing affordability in their respective neighborhoods as a clear sign or characteristic of gentrification. However, the ways the realities of affordability were described varied across clusters. In the case of North Minneapolis, our interviewees described a rise in the number of young white families buying homes and the inability for those living on a fixed income to afford increasing property taxes as major signs of gentrification. Those in Northeast Minneapolis stated that because of the high demand for rentals one must be prepared to pay a double deposit or face the fact that moving within and/or staying in the neighborhood would be impossible. In Hamline-Midway and Frogtown/Thomas-Dale in St. Paul, those interviewed indicated that even publicly subsidized housing (through the Low Income Housing Tax Credit program) being built in the neighborhood was out of reach economically for local residents. Across the clusters respondents reported having to rent rooms in their homes to others to make ends meet. The lack of housing affordability has forced many to ask whether or not they can stay in their neighborhoods of choice. Many felt as though they will be forced to leave.



Business Turnover

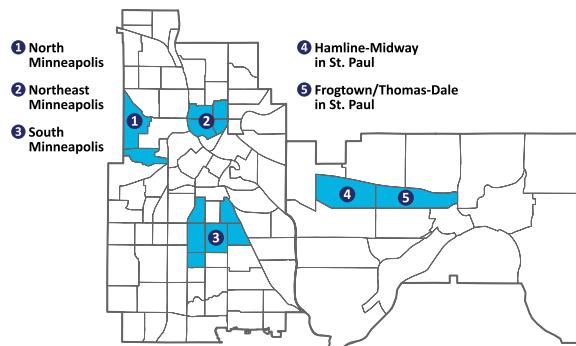
Of those interviewed, 67% described new business development or businesses entering their neighborhoods, with many mentioning development that is uncharacteristic of the neighborhood, as a major sign or characteristic of gentrification. In South Minneapolis, interviewees talked about the rise of new high-end shops, while older businesses suffering from a lack of resources report receiving calls from interested buyers on a regular basis. In Northeast Minneapolis, the brewery and digital technology boom has ushered in new patrons, while in North Minneapolis new high-end shops and a proposed artist housing development along the Glenwood corridor, which connects North to downtown,

illustrate changes taking place with the expectation of more to come. For Hamline-Midway and Frogtown/Thomas-Dale in St. Paul, a mixture of “coming soon” signs, new business development connected to the building of a professional soccer stadium, and more arts-based business development are characteristic of the business changes coinciding with shifting the demographic and economic realities of the neighborhood.



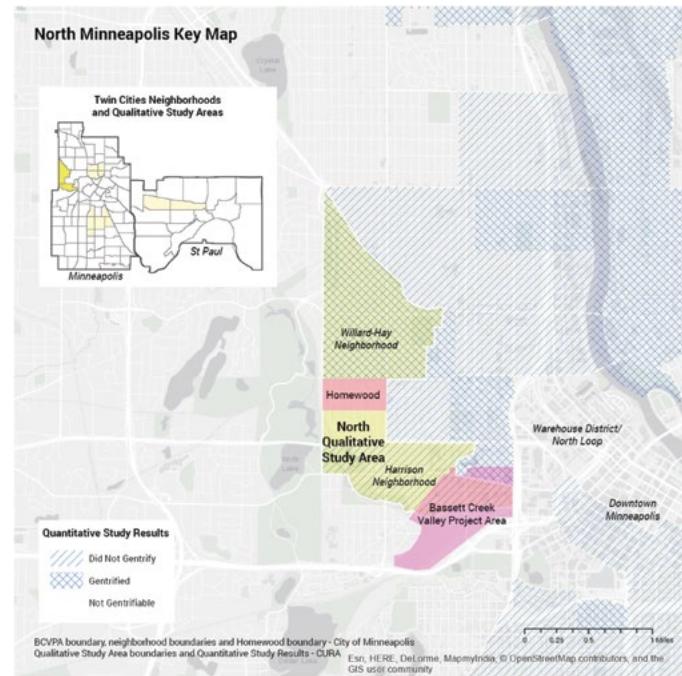
Displacement Fears

Of those interviewed, 72% described being displaced, or having close friends or family who have been displaced. They emphasized their own and others' fear of impending displacement as they recognize their lack of options related to rising housing costs in the form of rents, purchase price, and property taxes. This category of response includes remarks about cultural and political displacement fears as older businesses disappear and the neighborhood changes around them. Displacement fears were most prevalent among respondents in North Minneapolis and South Minneapolis. In those clusters, people often saw a direct correlation between the increased presence of whiteness and new development coming along with this population and the fear of being pushed out. In Hamline-Midway and Frogtown/Thomas-Dale in St. Paul, comments were fairly split between displacement fears as a result of increased white residents and patrons and as a result of transit-oriented development that came along with new high-rise condos unaffordable to low-income residents.



NARRATIVE DISTINCTIONS ACROSS CLUSTERS

Though the four themes of presence of whiteness, housing affordability, business turnover, and displacement fears were present in each of the neighborhood clusters we examined, the interviews simultaneously made it clear that the processes of change producing these outcomes were importantly different from one cluster to another. In this section we look at each cluster individually to summarize the processes of change highlighted by our respondents.



North Minneapolis

North Minneapolis⁴ has historically suffered as a result of strategic economic disinvestment based on redlining and discriminatory housing practices informed by the class, race, and ethnic profile of its residents (Lewis, 2015). In North Minneapolis, much like communities of color in cities across the nation, decades of economic decline were triggered by a shift in public and private investment that followed white, middle-class families to the suburbs (Lewis, 2015). The conditions of inequality have always been visible (mostly through news accounts of violence and crime) to the onlooker, signaling North Minneapolis as a place of violence, poverty, and dysfunction that should be avoided. Today, rapid urban restructuring throughout the Twin Cities ensures that a community once manufactured to contain undesirable low-income black residents, and later immigrant and refugee populations, is now slowly becoming attractive to a rising population of young white families and business developers. These new residents and business enthusiasts see an undervalued housing stock and a community adjacent to downtown Minneapolis that fulfills their urban living dreams against the backdrop of an increasingly unaffordable metropolis. In addition to the narrative commonalities that we identified in our interviews, we found the following narrative themes arose in our interviews with community stakeholders in North Minneapolis: lack of community-based ownership, a “new wave” of development priorities neglecting residents’ voices, and historic designation as a tool of gentrification.

⁴A total of 14 residential stakeholders were interviewed in North Minneapolis with 10 represented from Willard-Hay and 4 from Harrison; 8 identified as black, 5 as white, and 1 as Native Hawaiian or Other Pacific Islander; 9 males and 6 females; 4 homeowners, 2 renters, 4 long-term residents (10+ years), and 5 business owners.

Lack of Community-Based Ownership



"A lot of individuals that live there [North Minneapolis] really don't have the power or voice or see that their voice has power in requesting some of the things that they need in their immediate environment."
(Willard-Hay #6: black, male, renter)



"It looks like high-priced real estate and developments that are not owned by people who live in the community. I mean, look at this building that we're sitting in."
(Willard-Hay #5: white, female, business owner)



"So when we start talking about income gaps, housing gaps, unemployment gaps, all these economic gaps, that gap I think represents individuals that have been marginalized and not welcomed into the community is with a sense of ownership. So when you see individuals that own the buildings along there not being a part of this community, not living in this community in that sense, then you have this gap in ownership belief because one I don't own it, I don't belong here, those that do own it are not here, they aren't doing anything to contribute necessarily to the growth and development that could happen."
(Willard-Hay #9: black, male, homeowner)

Who is at the table, what power those at the table wield, and how specific processes of community development influence infrastructural change have become repeated signs for many interviewed that they are disposable in the current processes of neighborhood upgrading. First, many interviewed felt that their voices and perspectives did not carry any real substantial power. Second, respondents indicated that most of those who own in the community are not from the community but are those who could benefit financially from investing and extracting resources from the area. This was inclusive of, but not limited to, rental property owners, commercial business owners, and homeowners. Third, a lack of ownership in community-based assets by residents themselves has led many to feel that longer-term residents do not belong, especially as owners neglect to maintain and invest in the neighborhood's growth. The slow process of gentrification that has led to a lack of community-based ownership and feelings of belonging has led many to resent the buying power of white middle- and upper-income residents and patrons whose interests continue to dictate how low-income communities will or won't live. This exacerbates a feeling of disposability that impacts how long-term residents see themselves and how they see the city's and state's commitment to their livelihood.

A "New Wave" of Development Priorities Neglecting Residents' Voices



"Another sign is the words that I hear about big investors are looking at North Minneapolis now. And we have been crying for big investors [laughter] for 30 years to look here."
(Harrison #7: white, female, homeowner)



"Those buildings meet the self-interest of whoever that business is, not the neighborhood. To my knowledge they're not employing people in the neighborhood. They are simply placed in the neighborhood. Washburn [a center for children struggling with mental health issues] may have a different scenario where they are employing people from the neighborhood. They're more integrated into the self-interests of the neighborhood."
(Harrison #10: black, male, business owner)



"But these voices [residents] are not represented...They're not at the table, no, and I think that maybe that's one of the reasons why this brewery—I mean, it took a while for them to get in, but obviously it's close to Bryn Mawr, and there was some support for that to go in."
(Harrison #7: white, female, homeowner)

It was common for long-term residents to express feelings of devaluation; that they are continually placed in settings where they must lay claim to the neighborhood to ensure that the "new wave" of development priorities does not place their needs on the figurative chopping block. These residents see change happening to them rather than with them. The economic changes elicited feelings of powerlessness because as long-term, low-income black families stated, they did not see the direct benefits in their daily lives. As a result, this perception regarding who is moving neighborhood change became a sign to them that their perspectives were obsolete. First, many of those interviewed described outside investors coming into the community as a sign of gentrification, since they had never seen these developers show any interest in the community when it asked for residential upgrading and improvements. Second, interviewees frequently provided illustrations of how they themselves would verbally lay claim to their right to speak and advance ideas about community investments to ensure their voices were read as valid and important to the process. Third, they talked about the decision-making tables, mostly in the form of community representation or lack thereof on larger advisory councils, as places where they did not feel welcome but instead tokenized.

Historic Designation as a Tool of Gentrification



"I would say the next most pronounced sign that (re)gentrification would be the historic designation. I have termed that as the most direct kind of wage or affront on our community, to accelerate and amplify (re)gentrification." (Willard-Hay #4: black, female, homeowner)



"And see that [historic designation] as definitely a sign of gentrification, that there is a drive that wants to preserve buildings in a way that's going to really negatively affect and impact the existing community. And I can already see, in the short time I've been there, and hear stories of how it's making great hardship on people doing just basic upkeep. It's making it really hard for people to purchase homes or rehab their homes because they can't just do a good job of fixing it up."

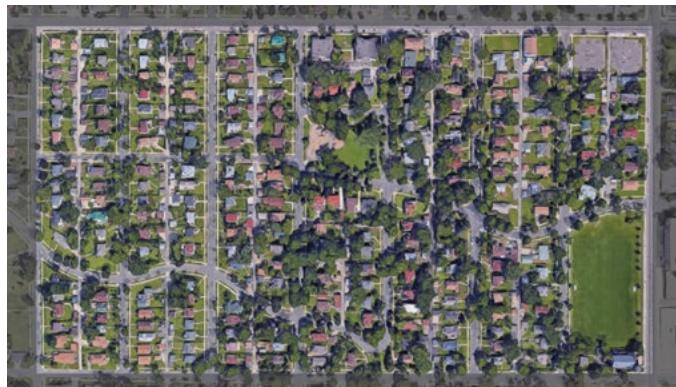
(Willard-Hay #2: white, male, homeowner)



"The historic designation is not—I'm not interested. And I really don't think it's necessary. I see that as a way of setting up a barrier, an economic barrier, a perception of who people are. You know, 'so oh, you live in that historic district.'" (Willard-Hay #3: black, male, long-term resident – 10+ years)

On March 7, 2016, a small neighborhood meeting⁵ was organized to discuss the nomination of Homewood, a small community within the Willard-Hay neighborhood of North Minneapolis, as a historically designated area (City of Minneapolis, 2017). On the one hand, residents we interviewed in support of the nomination were willing to pay more in permit fees and contractor costs to preserve the distinct architectural characteristics of their homes while also preventing outside investors from buying up properties, tearing them down, and building mini-mansions. On the other hand, other residents interviewed were deeply concerned about current homeowners' ability to finance the type of architectural standards these homes would require, limiting their ability to choose their own contractors and select bargain materials. These residents also cited increased property values and the fear that a new type of affluent homebuyer would be strategically drawn to the neighborhood, adding another layer of exclusivity to the area. Those interviewed illustrated the complexity of the issue. First, those who opposed historic designation expressed fear that their neighborhood would be turned into a gated community that

only the affluent could afford to live within. This is particularly important considering that this debate was taking place in the one portion of the North Minneapolis cluster area where the home values had increased the most. Second, those who supported historic designation understood the value of preserving the historic homes to their original architectural standards and showing a sense of pride in their homes that would dispel the popular myth that there is nothing worth preserving in urban



GOOGLE IMAGES

Homewood is a 70-acre neighborhood in North Minneapolis, bounded by Plymouth Ave. on the north, Penn Ave. on the east, Oak Park Ave. on the south, and Washburn Ave. on the west.



GOOGLE IMAGES

Stone plinths that display street names mark Homewood's edges.



GOOGLE IMAGES

Treelined streets, small parks and green spaces, and beautiful homes define some Homewood's physical characteristics.

⁵ Public meetings were held on September 14, 2015, and March 7, 2016. Per personal communication with Homewood residents, the March 7, 2016, meeting culminated in the nomination of Homewood as a historically designated area.

communities like North Minneapolis. Third, 80% of residents interviewed argued that a small number of politically empowered residents were able to push this proposal forward. They maintained that it is negligent to only see improvement and upgrading without seeing the potential for involuntary displacement because of increased housing prices, property taxes, and the rising contractor costs required to maintain original architectural standards.

North Minneapolis: Discussion

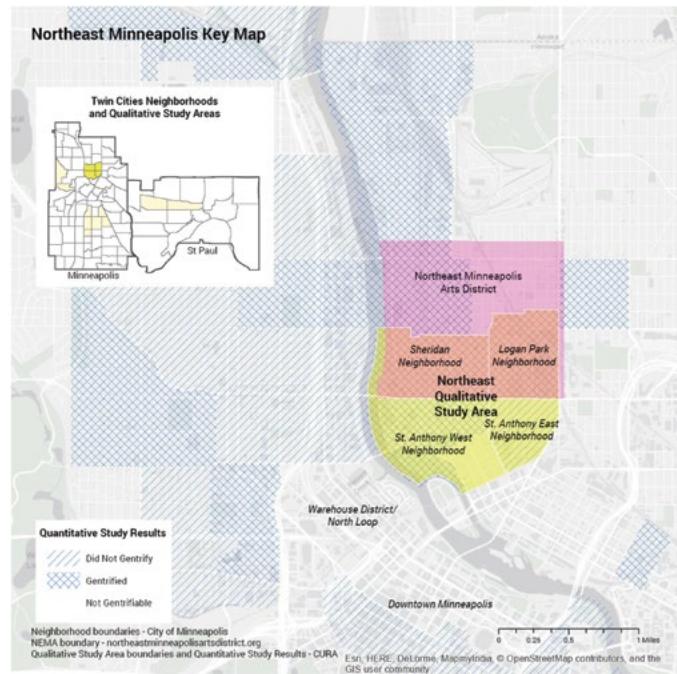


[New white residents] move here if you want to be part of the neighborhood, but don't move here if you want to make this neighborhood into where you came from. If you just want to change the neighborhood. Hopefully, you moved here for the people, not just for the housing stock. Move here to be part of the neighborhood." (Willard-Hay #2: white, male, long-term resident – 10+ years)

The story of gentrification that emerges from our interviews in North Minneapolis highlights questions about access, ownership, race, political power, and belonging. Respondents expressed fears that newer residents and outside development interests were in a place to dictate and often spur rapid residential and commercial change, in turn creating feelings of isolation, disposability, and doubt in the hearts and minds of those low-income and long-term residents who have endured decades of municipal neglect and public and private disinvestment. The signs of gentrification described by our interviewees show a clear lack of belonging that is reaffirmed materially in the lack of community-based ownership. This exacerbates a feeling of disposability, which impacts how long-term residents see themselves and the city's commitment to their livelihood. This was further exacerbated by the proposed historic designation of the Homewood neighborhood in North Minneapolis, where a small group of politically powerful people ignited a process that others felt placed their welfare in jeopardy.

Recent development efforts in the Harrison neighborhood in North Minneapolis within the most southern portion of the cluster area were not necessarily displacing people by tearing down existing housing stock, because there was little housing along the Glenwood corridor of North Minneapolis prior to development. Instead, the fear expressed by those interviewed centered on increasing rents, the rise of a new demographic class creating a culture of belonging that would not include low-income families, and a community development advisory process that left many everyday people feeling unheard. These fears are reaffirmed for these residents not only by the

proposed Blue Line light rail extension along Olson Memorial Highway and Van White Boulevard but also by the recent opening of a brewery (Utepils, 2017), a specialty eyeglass shop (Eye Bobs, 2016), high-end wine shop (Henry & Son; see Rasmussen, 2016), an advertising firm (KNOCK, Inc., 2010), and an affordable artist housing complex (Artspace, 2016).



Northeast Minneapolis

Historically, Northeast Minneapolis⁶ (known locally as Northeast) was an industrial hub that attracted immigrant labor from Eastern Europe.⁷ In the 1980s, the area now known as the North Loop in downtown Minneapolis was a place that provided unregulated live/work space accommodations in mostly underutilized or vacant industrial buildings. Former working class artists utilized these large, unregulated spaces until the spaces were razed and new developments came with stricter city regulations. Many artists flocked from the North Loop area to a fairly deserted Northeast industrial warehouse community, because their work often did not yield immediate fiscal gains and to support their work and families they needed large, cheap spaces that could serve dual live/work functions. In 2002, the Northeast Minneapolis Arts Association (NEMAA) and the Arts District Committee published the Northeast Minneapolis Arts Action Plan (2002). The Arts Action Plan acknowledged that Northeast Minneapolis was an economically desirable location, and it also had the potential to spur business development, tourism, and investment for the city. Additionally, according to the plan, Northeast was primed to receive an influx of investment and become populated with high-end retail,

⁶ A total of 13 residential stakeholders were interviewed in Northeast Minneapolis with 6 represented from Logan Park, 5 from Sheridan, and 2 from St. Anthony West; 10 identified as white, 2 as Latino/a, and 1 as black; 7 males and 6 females; 3 homeowners, 3 renters, 2 long-term residents (10+ years), and 5 business owners.

⁷ www.tasteofnortheast.org/history/.

office space, and upscale housing that could potentially increase prices and push out former artists (e.g., similar to the SOHO district in New York City). NEMAA and the Arts District Committee wanted to prevent the “inevitable” consequences of gentrification through the arts.

In 2003, the city of Minneapolis designated a portion of Northeast closest to the adjacent downtown area as an official Arts District.⁸ Illustrating in part the economic growth potential of the Northeast community as a hub for the arts, the 2013 and 2015 Minneapolis Creative Index Reports (Kayim, 2013; 2015) confirmed that the Minneapolis–St. Paul–Bloomington area was ranked the sixth most creatively vital metropolitan area in the country. The Creative Vitality Index “tracks and compares the creative economy regionally and nationally as a significant driver of economic growth and a key factor in an area’s quality of life.” NEMAA’s Arts Action Planning Committee anticipated that the city’s increased desire to support economic growth and investment in Northeast Minneapolis would in fact change the face of the commercial and residential characteristics of the neighborhood, leading toward the displacement of long-term resident-artists themselves. The following narrative themes arose in our interviews with community stakeholders in Northeast Minneapolis: commodification of the arts, creative placemaking bringing new types of artistic makers/businesses, and the “raw” artist unable to afford live/work space in the neighborhood and forced to move to inner- and outer-ring suburbs.

Commodification of the Arts (Art-A-Whirl, beer, and bands)



“I think Art-A-Whirl is probably the primary reason that Northeast has changed and, well the artist community, moving here.

Art-A-Whirl is an outgrowth of that. The artists moving here is why Northeast is gentrifying. And Art-A-Whirl came out of the artists. If Art-A-Whirl wouldn’t have happened Northeast would still be gentrifying...It might have not happened as fast.”

(Northeast #9: Latino, male, homeowner)



“We [the artists that fuel the creative economy] are larger than sports. We are larger than almost all other industries and our impact is in the billions of dollars because the breweries are selling the beer because the artists are there. So, what happens, as gentrification comes in and changes the fabric of a neighborhood, it also starts to drive up an economic powerhouse that services that changing dynamic.”

(Northeast #10: white, male, renter)



“I think that’s another sign of things growing too much to a point where it’s out of control. And it’s hard to not try to capitalize on it. We make a lot of money that weekend. And we cater to a lot of working artists and musicians and that weekend is really important to them. But at the same time, it has become this tourist attraction, beer and music festival, instead of being an art crawl.” (Northeast #7: white, male, business owner)

Each of our interviewees in Northeast Minneapolis cited the growth and commercial commodification of the annual Art-A-Whirl event as a sure sign that Northeast has gentrified. Art-A-Whirl is an open-studio artist tour that began with just 12 artists in 1996 with limited attendance. It has now grown to more than 600 artists with 30,000 people from across the state and country attending not only for the art but also for the beer and the bands. According to our interviewees, the rapid commercialization of Art-A-Whirl took an event that was organized to help a small group of artists showcase their art to high-end buyers in hopes of selling one or two pieces to sustain themselves and their families economically for a few more months and turned it into the country’s largest open-studio tour and beerfest. Many interviewees described the event now as a combination art/music/drinking event where hundreds of artists are on display to thousands of attendees, with the focus moved from the artists to the beer and bands. The event advertises Northeast as a hip neighborhood and has triggered follow-on investment in housing and commercial properties throughout the area.



Art-A-Whirl 2013

⁸ The Northeast Arts District is bordered by Broadway Avenue, 26th Avenue, Central Avenue, and the Mississippi River.

Creative Placemaking Bringing New Types of Artistic Makers/Businesses (brewers and tech companies)



"One of the things that does have to be recognized, many of the brewers, in particular, want to be part of a continuum. They want to say I'm a creative person. I make it with my own hands." (Public official from Northeast Minneapolis)



"I'm so narrowly focused only in the fine arts experience. So I'm only interested in that. And so I tune out a lot of the rest. But then, they got the new technologies coming at us. Like all the digital work and everything like that. So they got all this new set of tools...I was a big advocate of pluralism. The idea that everybody could be a part of it. Let's be inclusive. Now, I live in it...But I started it with my big mouth to the 70s because everybody was, 'Oh, yeah, man. Anybody—if you're painting the trees or painting on the trees, doesn't matter, right?' Everything goes. So now we have no rules." (Northeast #12: white, male, renter)



"A lot of, you know, it was warehouse places where people were doing their work out of because it was cheap, big, industrial space where you do welding, and your band could practice, or whatever. And now, these warehouse buildings have rules, where you can't make noise. It's an art space, but you can't weld. Your drummer can't play drums. You can't pound and, you know, make noise. And that's essential to a lot of the art-art, and so now what you get is retired suburbanites that are doing crafts. Or architecture studios, or, you know, design firms." (Northeast #7: white, male, business owner)

According to interviewees, increased economic growth and commercial investment in Northeast has opened up a space for all who are artistically inclined to benefit from the idea of an artist place and space. Our resident stakeholders described a tension between long-term resident-artists who typically self-identify as "raw" artists who produce very few products a year at higher prices versus those artists whose work can be mass-produced at a lower cost in a shorter time frame. This identified tension highlights the ways that the creative economy enables different forms of art-making to become predominant and profitable, expanding who is determined to be a maker. Those artists who live to produce a small number of original art pieces stated that they feel squeezed out by the art

"makers" who can create products in bulk at cheaper prices to meet ever-increasing demand. Additionally, according to half of the neighborhood stakeholders we spoke with, the trendiness of the Northeast artist and maker community has drawn the interest of design businesses including graphic artists, architecture firms, and the tech industry, which can afford higher rents and increased costs. For some, the commodification of the creative economy simply warrants a different approach to the work in order to survive. Brewers and the presence of breweries in Northeast Minneapolis was an example that nearly everyone interviewed referenced to illustrate how creative placemaking has ushered in a new type of artist culture. Since the "Surly Law" was signed in 2011, breweries have been able to open taprooms and sell beer out of the breweries.⁹ They, too, once started from humble beginnings in someone's basement or another's garage and aim to build a profession around working with their hands, and they have since proven to have one of the most successful business models in the area.

The "Raw" Artist Unable to Afford Live/Work Space (forcing many to inner- and outer-ring suburbs)



"When we came in, we had these spaces, and there was a lot of spaces. They were affordable. Prices are going up now. And you're starting to see in the artists' spaces that there's not as many working artists and there's not as many—how do I say this?—raw artists? I don't really know how to describe it. It's like a mental image that I can't quite place in words. But you see a lot of really nice cars pulling up to the studios as opposed to people walking." (Northeast #4: white, male, long-term resident – 10+ years)



"Like calling it the Arts District and then all the artists that were here before, a lot of them are gone now because they can't afford it or it's a different class of an artist maybe...I mean, it's the classic gentrification stuff that you see in neighborhoods in other cities where, when I moved here 20 years ago, it was on the cusp of old eastern European families, working class, which was what this neighborhood always was, Ukrainian, Polish, with churches and little bars and stuff like that. There was still some of that, and then there was like weirdo artists looking for cheap rent kind of thing, and that was the people that lived over here 20 years ago, and it's gone the full gentrification now." (Northeast #6: white, male, homeowner)

⁹ www.mnbeerlawyer.com/surly-bill.html.



"I've been gentrified out of six buildings. Not all Northeast, but still, a bunch of them. A lot of the art buildings are already gone. A lot of the professional artists are gone. Two years ago, I left. I still live in Northeast. I still live in this district. I still participate in this arts district. [A friend] has me as his artist in residence. But I no longer have a studio here. I moved my studio an hour and a half away to rural Wisconsin." (Northeast #9: Latino, male, homeowner)



"I used to say it's the beginning of the end because I saw architects move in. Architects and designers are like the canary in the coal mine. When they take over a storefront or something, I go 'whoa. Okay, we've got to start looking for the next place.'" (Northeast #9: Latino, male, homeowner)

Those we interviewed who either identified as "raw artists" or were close friends with raw artists noted that the shifting residential demographics and affordability concerns of the last decade have caused many artists to relocate and others to grow increasingly afraid of their prospects for staying in the area in the coming years. An increased presence of hipsters, suburban empty nesters, and young professionals were frequently cited amid detailed descriptions of a housing market that once had myriad vacancies but now has very few, if any. Every residential stakeholder interviewed was compelled to share a vivid story of the challenges that they or someone close to them had to face in both seeking artist workspace and/or residential housing. Some shared the exact cost differences that they and their customers have encountered. A place that was once fairly deserted at night, full of squatters in unregulated warehouses, a place of respite for the homeless, that many long-term resident-artists called home, has now, from our interviewees' perspectives, become prime real estate for a younger, trendier group of hipsters and young professionals looking to spend their money in vintage shops and craft beer bars. Not all cited this influx of gentry as a bad thing, but most were able to simultaneously acknowledge how population changes were not benefiting the preexisting artist culture.

Northeast Minneapolis: Discussion

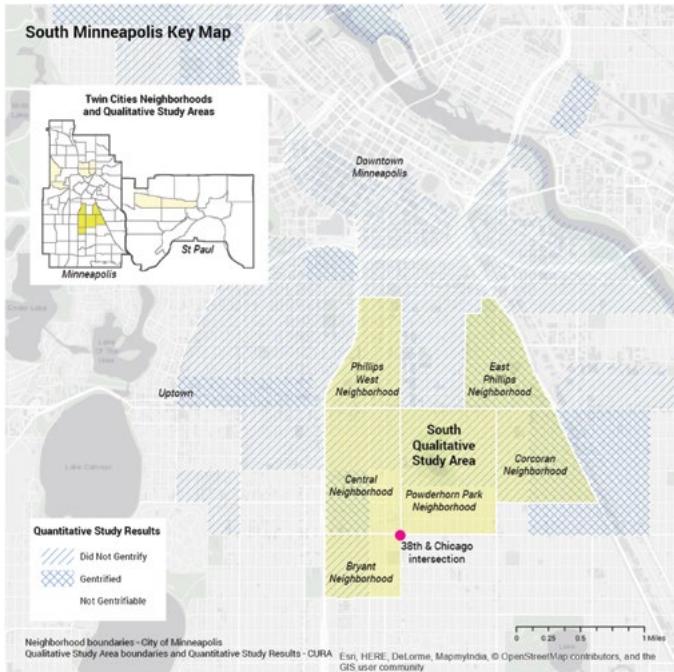


"I also work at the bookstore on the corner... And the bookstore's only been there for three years, a used bookstore is a great thing on the corner. And the landlords are making a profit off of the rent they're paying. But, the building sold, and the new landlords realized that they can get \$1,500 more a month than what my boss is paying for rent right now. So, we're getting kicked out because he wants to put a hip restaurant in that space, and now the bookstore has to move, you know? And he's making a profit on the rent that he's charging the bookstore right now. It's doing fine, but it's because they can." (Northeast #7: white, male, business owner)

The consequences of creative placemaking for Northeast Minneapolis have shown uneven effects across the new population of empty nesters, young professionals, long-term residents, business stakeholders, and artists. Our interview participants described an upsurge of the art-making class that has the ability to mass-produce their work, unlike others before them, which fulfills the consumption patterns of a new affluent class of residents, tourists, and hipsters as a defining outcome of a gentrified Northeast.

Over the last 6 years, Northeast Minneapolis has become home to the highest concentration of breweries in the state of Minnesota, an illustration that from an investment standpoint, the area now has an exchange value based on the cultural capital that the trendiness of a designated arts district brings, amplified by its close proximity to downtown. With the introduction of a new artist economy has come new residential demographics, high demand for housing, and the local and national tourist looking for a bit of culture and experience. As a result, raw artists find themselves struggling to find live/work space that they can afford. This has placed artists and art makers in a position where they are not only having to think about the authenticity of their work, the form it might take, and the best material conditions needed to produce it but also the ability to be competitive in a market that continues to expand our definition of art.

The Arts Action Planning Committee anticipated the "inevitable" consequences that creative placemaking could have on the Northeast community in 2002, and in 2017 members of the Northeast Minneapolis Arts District Board began the process of initiating a second Arts Action Plan to assess what the current data say about where the Northeast community is now. If nothing more, our qualitative data analysis shows that much of what the first Art Action Plan feared is now a reality, particularly for many artists and long-term residential and business stakeholders.



South Minneapolis

Our South Minneapolis¹⁰ cluster is home to a number of commercial corridors with distinctive neighborhood cultures. Some are known for their unique artist culture and history, particularly the Powderhorn neighborhood, and some as a place for businesses operated by people of color along popular corridors like Lake Street. Additionally, the area along East 38th Street between Nicollet and Chicago was once a thriving historic black business district, though it was later devastated by the construction of Interstate Highway 35W and the closing of Central High School, now Green Central Park Elementary. In recent years, many Latino immigrant families, in search of affordability, have repopulated this community among other migrant communities. The following narrative themes arose in our interviews with community stakeholders in South Minneapolis: fear of “Uptowning,” new businesses that do not match existing residents’ needs, and lack of resources for established community-driven businesses.

Fear of “Uptowning”



“Once there’s half a billion dollars of transit and bridge investment right next door [at the intersection of Lake Street and 35W], this property [Phillips West] will become too valuable to remain this low level of residential. But hopefully we’ve held it long enough that there is enough of a real rooted community right around here, that won’t just be pushed away and this won’t be the next Uptown.” (South Minneapolis #9: Native American, male, renter)



“Well actually, I first moved to the Twin Cities in ‘96. Uptown was this really cool eclectic mix of like small business owners and really interesting. Like ethnic and just cool little stores. And now it’s like the Apple Store and Victoria’s Secret and like just all this crap. Like even like Urban Outfitters and like faux interesting stuff that’s super cultural appropriation [laughter]. You know that larger businesses are pretending to be these smaller businesses. And I can see us going that way, just off the backs of artists. And because we’re such a vibrant artist community, it could easily end up like that. We’re just kind of ripe for the picking because, I mean, Powderhorn’s an amazing artist community.” (South Minneapolis #1: female, business owner)



“So, I think the greenway is a perfect example if you look at it from Uptown, of what the people who started the greenway wanted to see, meaning all that white high-end high-rises moving along the greenway...They wanted to develop an expensive high-rise here, and the East Phillips neighbor association fought them and bought the property from under them, and they built low-income housing. And that went up maybe two, three years ago. So that was a big push kind of like, ‘Wait, no, you’re not doing that here,’ but it was just a clear example of what the greenway—the people that were starting [the] greenway, I think, consciously or unconsciously were thinking what was going to happen was that white flow or that gentrification flow from Uptown would get here.” (South Minneapolis #2: Latino, male, long-term resident – 10+ years)

When the community stakeholders we interviewed in South Minneapolis reflected on the neighborhood changes that they have experienced, they often described their fears in terms of the impending “Uptowning” of their neighborhoods. The Uptown area of South Minneapolis at Lake Street and Hennepin Avenue once had a thriving vintage mom-and-pop character that long-term residents patronized. However, this area is now full of high-end clothing stores, big box shops, and luxury condos, uncharacteristic of the original neighborhood business composition. For interviewees, Uptowning represented an influx of young white families able to buy luxury condos in historically low-income communities, or concentrated business development in once neglected urban corridors bringing new businesses that cater to a clientele not characteristic of

¹⁰ A total of 11 residential stakeholders were interviewed from South Minneapolis; 5 identified as black, 2 as white, 1 as Latino, 1 as Native American, 1 as Middle Eastern, and 1 declined to identify; 6 males and 5 females; 3 homeowners, 2 renters, 3 long-term residents (10+ years), and 3 business owners.

long-time neighborhood residents. Uptowning is a verb that most community stakeholders also associated with developers and city officials moving away from supporting small mom-and-pop shops and building denser affordable housing units, rapidly moving toward developing market-rate housing, increasing property values, and the arrival of new high-end shops including national big box chains.

New Businesses That Do Not Match Existing Residents' Needs



"Blue Ox. When they first moved in trying to do something different in the neighborhood. And I tried to talk to the owner at the time of Blue Ox, to let them know things to draw the neighborhood in, the people that have been here forever. And they really didn't buy into that and they didn't last very long because of their product and the area and what people are used to and the price." (South Minneapolis #3: black, female, business owner)



"So like this stretch of 38th. And so, you can clearly tell...the corner of 38th and Chicago, and I say with much love for knowing some of the folks who worked really hard on doing business development, and I'm about business development but I'm also about business development for people who actually live in the neighborhood, who are people of color. So, what I've seen is new businesses pop up with white owners or owners of color who have resources." (South Minneapolis #1: female, business owner)



"Now on that corner, there is a \$20-a-candle—somebody just told me about this candle store now, right across from Pillsbury House. And so, it's an interesting kind of a hipster mix. And I'm not 100% sure how I feel about it. Like, I'm a little bit concerned we're going the way of Uptown and what that means as far the people that that's going to bring into the neighborhood that's going to shop here." (South Minneapolis #4: white, female, homeowner)

Community stakeholders in South Minneapolis are alarmed by the increased levels of business development that coincide with the closing of older businesses and the displacement of important cultural institutions. Citing the struggle of long-term businesses to stay alive, most of our community stakeholders described the new businesses coming in as not being

characteristic of the neighborhood itself and perhaps shifting with the repopulation of the area. An example of this, referenced by many we interviewed, is the Blue Ox Coffee Shop, which opened in 2011, near 38th and Chicago, by a middle-aged white woman from a nearby suburb. Once described by the *City Pages* as a place for "coffee snobs to geek out," community stakeholders stated that they believed this business was uncharacteristic of the area (Summers 2011). This business quickly closed and later reopened under new ownership.

Additionally, all stakeholders in South Minneapolis described the increase in business investment in places that have historically lacked investment as a sign of gentrification. Most of our community stakeholders focused on developments along the East 38th Street and Chicago Avenue corridors, which brought not only new businesses but increased interest from investors, increased leasing costs, and higher-priced goods and housing. Secondarily, some interviewees discussed the impact taking place in Midtown and along the Lake Street corridor. One interviewee spoke about the rebranding of East Lake and Chicago Avenue into Midtown, which this person felt has driven up housing costs for residents but brought necessary improvements to the neighborhood. Additionally, the impending Interstate Highway 35W and Lake Street redevelopment project, in one interviewee's determination, will make a place where people were once afraid to walk at night simply unaffordable.

Lack of Resources for Established Community-Driven Businesses



"But sometimes in the process of gentrification, funding from the city, it seems like almost next to impossible for individuals that have been in the community, it's harder for them to get than somebody just moving in. So then that also helps with the process of keeping people out." (South Minneapolis #3: black, female, business owner)



"So we opened up extremely underfunded and scrambled even to just be able to get a small business loan...Now the saving grace is that we went with the Metropolitan Consortium of Community Developers, which is right down the street. MCCD. They might actually be an interesting conversation as part of this too because they do fund small business—so if—had we not gotten our loan through them, we would not still be opening because they have been wonderful about being flexible." (South Minneapolis #1: female, business owner)



"Well then I know they got the 2% loans down there and all of that, but the red tape that you have to go through to get the loan. You got to give up just about everything you own. They want your house, they want your car, they want your piggy bank, they want everything to put it on...Just like the banks, the banks the same way, you know? Just because these people got bad credit back down the road, that don't mean that their credit is going to stay bad. Give these people a chance to do right and show the person that you care for them, to give them a chance. That'd be better for us to get things done, because if the bank don't give us nothing, who's going to give it to them? Because black folks weren't born with money and a lot of white folks weren't born with money either, but the ones that want to make something out of themselves, them the ones that the bank turn down. They'll give it to the Africans, they'll give it to the Hmong, they'll give it to the white folk but the black man walk up in there, they're going to judge him. His shoes better be shining, he's got a tie on and a briefcase with just paper in it because if he don't, they ain't going to give him nothing. And that's real." (South Minneapolis #7: black, male, business owner)

Local businesses are deeply ingrained in their communities, and when neighborhoods undergo meaningful changes in the economic landscape, one would expect that local businesses will feel the effects. The community business owners that we interviewed had not been displaced (at the time of the interview) but report either fear of being displaced or pressure from outside investors that makes them fear what changes might come with an increased level of interest in the area. One business owner we spoke with described his tireless fight during the last decade to stay in his building, as he had to work with a landlord who refused to make certain repairs and upgrades, because he did not see it in his best interest to do so. This left the business owner fearing the day that he would get evicted once the building owner sold the building to make a substantial profit. This business owner, despite his fears, took it upon himself to invest a large sum of his own money into a building that he did not own to make repairs and upgrades. He is admittedly one of the lucky few black business owners to still be in business and is now the owner of the building. Yet, through his experience, this business owner cited a struggle as he found few financial institutions willing to support his business, a situation that he says is a major challenge for business owners of color in South Minneapolis.

A few short blocks away we encountered two business owners who were able to get financial support from the Metropolitan Consortium of Community Developers (MCCD) but not from private financial institutions. This business was a family owned coffee shop created as a safe space within the arts and culture of the Powderhorn community for queer and non-gender-conforming youth, many of whom suffer from homelessness. This community-based small business intentionally hired underemployed queer youth and at the time of our interview, the owners had placed their own livelihood at stake by going months without paying themselves to keep their business alive. Additionally, these business owners had to run a GoFundMe campaign to not only keep their doors open but also save their home as they took out a second mortgage to help finance their business. Unfortunately, within the timespan of this study, the coffee shop was forced to shut its doors. Both of these community-based businesses struggled to find financial support and as the price of commercial leasing spaces continues to rise, it became clearer to one business that they were not going to be able to keep their doors open and serve the interests of the underserved communities that they were committed to supporting.

South Minneapolis: Discussion



"I get called a lot of time, from individuals, trying to find space to rent in this neighborhood. Because I was also the chair of the 38th & Chicago Business Association, so I get calls. I still get some things on my email about that, people wanting to move in the area because they're really interested in getting into the space because the city is really ramping up." (South Minneapolis #3: black, female, business owner)



"The other [sign of gentrification] is even in my business I see a lot of other—we've had that space on 38th Street for, goodness, over 25 years. I get calls just about every month somebody wanting—'oh, you ready to sell your building? Da, da, da, da, da?' Because they want the space." (South Minneapolis #3: black, female, business owner)

"Established"¹¹ residential business owners we interviewed in South Minneapolis felt as though they are in for the fight of their lives as they aim to maintain their commitment to those community members who have supported their businesses throughout the years. This does not mean that these business owners do not want growth. All of the community stakeholders

¹¹ "Established" does not assume that these residential business owners are economically sound but rather emphasizes that they are businesses created by people who live in the neighborhood serving specific populations historic to the community itself.

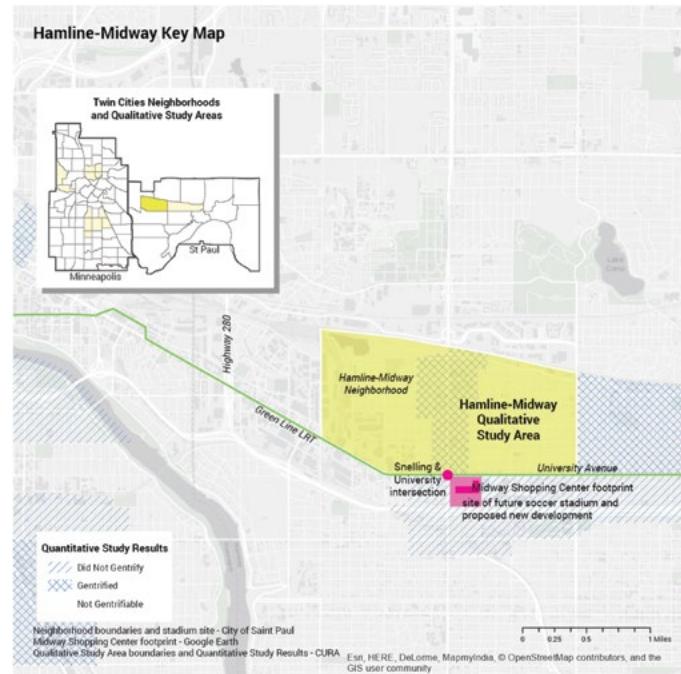
we spoke with wanted growth in their neighborhood, but they also wanted to remain present to directly benefit from that growth. Additionally, the mobility patterns of white residents, whether it is where they are concentrated and/or where they choose to move, have become an indication for many city officials and planning practitioners locally and nationally of the growth and safety potential of any given neighborhood. These mobility patterns and subsequent changes in neighborhood demographics make it challenging for any business owner of color to thrive in neighborhoods becoming increasingly more populated with new, affluent white residents who potentially bring different consumption patterns and preferences. High concentrations of people of color within underresourced inner-city neighborhoods have been characterized as a deterrent to growth, whereas the actual problem is not that people of color are living in close proximity to one another, but rather when redevelopment funds are invested in local neighborhoods they do not typically follow long-term business owners and those historic residents that they have been serving, in the ways that they do affluent white residents and outside investors.



U-Meet-Us, Black Senior Citizens Lounge, and Minneapolis Urban League, East 38th St. and 4th Ave., Minneapolis, 1975.



Spanish immersion daycare in the building formerly owned by the Minneapolis Urban League, East 38th St. and 4th Ave., Minneapolis, 2017.



Hamline-Midway in St. Paul

Located directly between the metropolitan area's two downtowns, the Hamline-Midway¹² neighborhood in St. Paul has historically been a desirable area for those looking for access to affordable housing and low-cost amenities. The western border of the neighborhood houses light industrial warehouses, one of which is now home to Can Can Wonderland, the first arts-based public benefit corporation in Minnesota, whose opening prompted True Stone Coffee Roasters and then the Black Stack Brewing Company to move in next door. Visible shifts in commercial business development have been further supported by the opening of a number of new affordable housing complexes near Highway 280. Moving further east, one finds what many of our community stakeholders argued is one of the busiest intersections in the state, University and Snelling Avenues. North of this busy intersection is Hamline University, which is surrounded by apartment buildings, student housing, single-family homes, and those businesses fortunate enough to have survived the light rail construction along University Avenue. Recently, much of Midway Shopping Center, which was home to a number of bargain shops such as Payless and Home Choice, was demolished to build a new stadium for the city's professional soccer team. Residential stakeholders reported that this development has caused an uproar among many residents, especially renters of color. We found the following narrative themes in our interviews with community stakeholders in Hamline-Midway in St. Paul: fear of youth crime increasing; stadium development spurring growth, fear, and lack of engagement; and a housing cost gradient that increases from east to west in the neighborhood.

¹² A total of 10 residential stakeholders were interviewed in Hamline-Midway; 7 identified as white and 3 as black; 4 males and 6 females; 2 homeowners, 3 renters, 1 long-term resident (10+ years), and 4 business owners.

Fear of Youth Crime Increasing (overcriminalization?)



"This is kind of cyclical in our neighborhood, but there always seems to be this uptick in concern around crime that happens in the conversations. And that has happened in the recent couple of years. There's been a lot of concern about youth congregating in our neighborhood or quality of life issues along University Avenue. And I feel like it kind of—as the neighborhood becomes more attractive to certain people that conversation has started." (Hamline-Midway #5: black, female, renter)



"I've been part of some of these police meetings because I feel like you have to be at the table, right, and a lot of the young people that were involved in crime or drugs don't live here. So in the last year or two they were seeing when there would be fights and there would be like 50 people, the stuff that ends up on the internet, that they were finding, and I think it is probably mostly true because we saw lots of people we just didn't recognize, were people that weren't from the neighborhood. I don't know if they were necessarily from Minneapolis or different parts of St. Paul, but they weren't, they didn't appear to be people living in Hamline-Midway. So that changed the discussions, too. It's like it's one thing if it's our kids and we can try to focus on them and their families and creating a more welcoming environment. It's another thing if you're coming into our neighborhood and it feels like we can't stop them." (Hamline-Midway #6: white, male, homeowner)



"Yeah, there's going to be more attention to those crimes and more people gathering because they're seeing all the good going on and they're like, 'We want to continue to keep cleaning this up and—let's start calling the police more. Let's get rid of this group of kids,' rather than raise them and try to get them to doing something positive. 'Let's try to continue to push them out or push them away,' because I'll say it again, this new stadium's coming in. There's new stores over here. The demographic of people that were already here that have been doing the same thing are now being pushed to certain specific areas that limit them, you know?" (Hamline-Midway #2: black, male, business owner)

On May 24, 2017, Ward 4 Council Member Russ Stark hosted a Hamline-Midway Public Safety and Youth Outreach meeting that included St. Paul Police Department Western District staff and almost 50 local community members.¹³ The meeting focused on trends in crimes and disturbances from the previous summer and on what improvements could be made for the summer of 2017. In 2016, the Hamline-Midway community had experienced increased rates of reported crime and violence in some areas. For example, between 2015 and 2016, the community experienced a 12% increase in police calls for service over the previous year. Drug calls increased 15% and weapons discharge calls rose by 102%. Across the city, police calls rose only 2% over this period of time, and the increases for drug calls and for weapons discharge calls were 2% and 14%.¹⁴ The purpose of the May meeting was to involve the community in conversations regarding safety and the importance of creating a safe environment that is welcoming to young people. The data cited showed an increase in police calls in certain areas in Hamline-Midway, while overall, all crimes in Ward 4 were actually down. The increase in crime calls occurred within the gentrified zone that our quantitative maps distinctly highlight.

Among the community stakeholders who we interviewed there was considerable disagreement between low-income renters of color and racial/ethnic minorities, on the one hand, and on the other, a growing population of young educated interviewees, a majority of whom were white, about the realities of crime and surveillance in the area. These community stakeholders engaged in a fairly heated debate about the presence and realities of youth crime in the neighborhood, especially as many acknowledge that with increased economic investment has come a heightened demand for order and policing from other stakeholders. A relatively new white homeowner discussed a number of violent occurrences that took place along Snelling Avenue, all of which are legitimate concerns for any community. A long-term renter of color expressed a bit of irony as she argued that crime has always been an issue in the area that all families, irrespective of race or class, have expressed concern about over the years. However, this community stakeholder argued that a new level of attention has been given to the conversation in the last few years, signifying to this long-term resident that a new residential demographic has arrived and is using its power to influence the direction of the neighborhood's attention and resources.

¹³ www.stpaul.gov/departments/city-council/ward-4-council-president-stark/hamline-midway-youth-engagement-public.

¹⁴ www.stpaul.gov/sites/default/files/Media%20Root/Police/2016CrimeReport.pdf.

Stadium Development Spurring Growth, Fear, and Lack of Engagement (from those most affected by redevelopment)



"I think that's what it will attract—hopefully, that's what the soccer stadium will attract. The kind of restaurants, bars, retail that brings in people that haven't been used to coming to Midway. Like other areas of St. Paul don't offer them... Probably it won't benefit the people that currently shop here. I think it will attract other people." (Hamline-Midway #7: white, female, business owner)



"I feel like people who have been utilizing that area [former Midway Shopping Center], who have been shopping in that area, who have been going to the businesses in that area, are now seen in some ways as undesirable to be in the neighborhood even though they've been...the ones to work, kind of economically driving the neighborhood. So that's some of the things that I'm seeing now." (Hamline-Midway #5: black, female, renter)



"I was on the Snelling University council planning for the new stadium, the community advisory council, and a lot of people were talking, bringing up gentrification and different things, and was this going to raise the cost of different areas. And some neighbors, of course, are—great, raise the cost of things. We'd like the value of our home to increase. We want to see more development. We want to see different things. Other ones are, yeah, concerned that with this development, of course it's going to raise—not raise all ships, but raise all yachts, so the people who are in the situation already are going to get more money, but it's not going to benefit anyone else. It's just going to make it harder for people to get around. So you get both sides of things, a lot of people who are concerned about the changing neighborhood demographics, but then there's the ones who want to keep the status quo of things and aren't really open." (Hamline-Midway #3: black, male, homeowner)

As community stakeholders spoke about the impending changes coming to the University and Snelling Avenues corridor, many questioned whether or not those residents who originally sought the area for its housing affordability and low-cost amenities, which were easily accessible at the Midway Shopping



STPAUL.GOV

A rendering from the Stadium Site Plan and Master Plan approved by Saint Paul City Council on August 17, 2016, showing a conceptual study for the soccer stadium and surrounding development on the southeast side of University Ave. and Snelling Ave.

Center, will be tomorrow's desired customer after it is redeveloped. For Hamline-Midway stakeholders, the light rail construction was just the beginning of major redevelopment for the area. At the time of this study, adjacent to the neighborhood cluster, on the southeast corner of University and Snelling Avenues, sat the remnants of the former Midway Shopping Center followed by an expansive dirt-filled lot that is home to bulldozers and cranes—the signs of new construction. The former Midway Shopping Center used to house businesses such as Rainbow Foods, Big Top Wine & Spirits, Payless, and a Chinese buffet—all of which were demolished for the construction of a new soccer stadium that is now near completion.

Residential stakeholders reported that the stadium has reignited anxiety over a potential impact similar to when the light rail was under construction, during which 121 businesses closed or moved away from the Green Line corridor.¹⁵ Yet, the increased anxiety is not only based on small businesses' ability to thrive when impacted by major construction but also the displacement of amenities for residents who depend on the services or bargain amenities available and have been for some time now the main commercial patrons of the area. Although residents of color and small business owners are bracing for the impact of the new soccer stadium development, some business owners wait in anticipation of the investment opportunities that will likely come with redevelopment. One community stakeholder who works in the former Midway Shopping Center stated that he desires more vibrancy with a much-needed change in demographics. He specifically referred to the overpopulation of homeless persons in the area. He reported that many customers have expressed feeling uncomfortable because of the presence of the homeless nearby.

Generally, community stakeholders acknowledged that new investment is creating significant economic change and forcing this neighborhood in transition to come face to face with the challenges of the increased accessibility that the Green Line light rail has provided.

¹⁵ There has been a net gain of 13 businesses since the construction of the light rail with 134 new businesses joining the community. www.funderscollaborative.org/wp-content/uploads/2016/03/BRC_0315-1_Final_Report_10.pdf.

A Housing Cost Gradient That Increases from East to West in the Neighborhood



"But then anytime I move beyond that [near the Northwest corner of University & Snelling] or into the neighborhood it gets more expensive. And those apartments, I mean, those used to be all kind of the same. And then anything kind of in this area, near Fairview, there used to be a lot of affordability. And I don't see those apartments—I was looking at one listing that said the apartment was like \$1,100 and I was like, 'What [laughter]? Where did that come from?' And what I'm seeing is, some of the apartments they're doing some significant renovation, but even with that, to jump from where certain apartments used to be, like I said, in the 600s to 700s, now you're talking about 800, 900, 1,100, that's significant, so." (Hamline-Midway #5: black, female, renter)



"I'm in a small church that started basically on this corner, of mostly 20-something, white people. And many of them now have moved, have bought homes in Frogtown, because it's not as affordable to live in the neighborhood." (Hamline-Midway #4: white, female, renter)



"The further east you go, you're going to see similar. Like the Hmong community. They still have a lot of businesses and then have a lot of family. African American communities still around Rondo and around the Victoria area even down into the Frogtown area. I do still have family that lives down there. So I see that being kind of similar to what I grew up around. It hasn't changed a lot. But when you start pushing up this way, now, you're starting to see a little change. You start to see bigger businesses, bigger chains start coming in. You see Target and Verizon and all these other places coming in. You start to see a little shift. You start to see a mixed culture more than probably what you've seen 10 years ago just based on what's around there for people to have access to." (Hamline-Midway #2: black, male, business owner)

Local community stakeholders reported seeing the impending impacts of major redevelopment trends connected to transit or stadium investment, and they indicated that their ability to maintain residency, build community, and see a future in this neighborhood for themselves is being placed into

question as a result. Almost all of the renters interviewed cited the ways that the increasing housing costs continue to push them further and further east, away from Highway 280 toward the east side of St. Paul. The community stakeholders we spoke with positioned themselves on either side of the change occurring in the neighborhood. Some mentioned actively seeking out "up-and-coming" urban corridors like Hamline-Midway, because they are certain that the neighborhood was going to "pop" and they wanted to directly benefit, while others reported being forced to move further east because new upscale developments are driving up housing costs.

Hamline-Midway: Discussion



"From a political standpoint, there's not enough being done. When we're seeing all the fun stuff happening. Everybody's speaking about all the fun stuff and the good stuff that's happening. But they're not speaking enough about the inclusiveness that still needs to remain for folks to stay around that aren't looking and living the same way these folks that are excited about living and looking are." (Hamline-Midway #2: black, male, business owner)

From descriptions of a visibly younger, whiter, hipster, and "crunchy" crowd that is more environmentally friendly and also desires alternative food choices, to a housing market that has become so unaffordable that many (mostly renters) are being forced to move further east away from Highway 280, our community stakeholders make note of trends that are leaving many to question who will benefit from these changes undoubtedly spurred by transit-oriented development followed by the new stadium construction. Similar to many residents across the five cluster neighborhoods, Hamline-Midway community stakeholders are noticing a visible change in their neighborhood's residential demographics and commercial business development, as well as increased housing prices, that some (not all) fear will displace those families that once sought out the area for its affordability. Unlike any of our other interviews across the cluster neighborhoods in the Twin Cities, residents in Hamline-Midway have a competing perception of the realities of crime and safety.

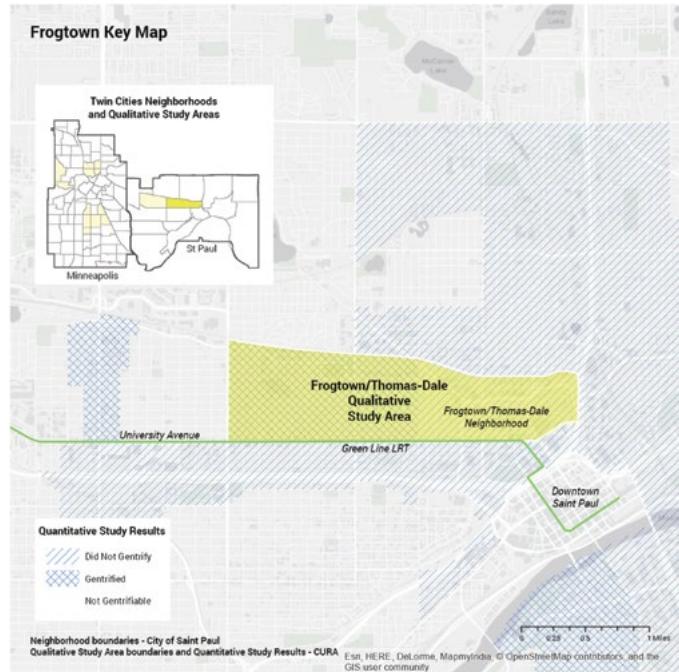


Snelling Ave. and Van Buren St. in the Hamline-Midway neighborhood.

A question at hand among the stakeholders we spoke with was whether the increase in police calls in this neighborhood reflects a true increase in criminal activity or was the result of demographic change in the neighborhood and the potential of overpolicing. There are at least two reasons why demographic changes that are consistent with gentrification might lead to an increase in police calls irrespective of changes in actual criminal activity. The first is that people of higher socioeconomic status (SES) are simply more likely to enlist the police in attempts to assert social control than are lower-income people and people of color (Sampson et al., 1997). The second is that higher-SES residents may see as problematic behaviors that are more accepted by longer-term residents. These behaviors, as Chaskin and Joseph (2013, p. 490) argue, reflect “not crime *per se* but a broad range of ‘incivilities’ that center around public space” and typically involve “unsupervised youth.”¹⁶

Gentrification’s impact goes far beyond the built environment and rising costs. It also creates a new cultural way of being and living in some neighborhoods that can produce conflict over what types of behaviors are acceptable. As younger white residents return to the central city in search of an urban living experience, they may bring with them a set of values and frames about urban living that certainly influence how they understand what community actually looks like, yet may be in contrast to the values and frames of the existing community residents.

Although some feel Hamline-Midway is on the cusp of greatness, others watch with hesitancy and concern over the precariousness of the neighborhood’s future. Since the opening of the light rail in 2014, \$4.2 billion has been invested along the Green Line (Metropolitan Council, 2016), and major financial investment is predicted in the development of the new soccer stadium as well. The site surrounding the new \$200-million stadium is expected to receive over \$18 million in infrastructure investment to just begin to make the stadium project possible (Melo, 2017). Improving access through transportation increases the desirability of a neighborhood, which has been shown in studies across the nation to increase residential property values/taxes and subsequently increase commercial property land values and housing development (for research on the Twin Cities see Goetz et al., 2009; Ko and Cao, 2013). Businesses with significant capital will be poised to benefit from these investment opportunities as well as from the increased emphasis on creating a more “vibrant” community, oriented to a higher-end clientele. Yet long-term residents will have to contend with the rising costs that accompany transit-oriented development and the resulting emphasis on community redevelopment.



Frogtown/Thomas-Dale

The Frogtown/Thomas-Dale¹⁷ neighborhood is a community adjacent to downtown St. Paul with Rice Street as its eastern border and Lexington Parkway as its western border, where it meets the Hamline-Midway neighborhood. Sharing the University Avenue corridor with the Hamline-Midway neighborhood to the west, the Frogtown/Thomas-Dale neighborhood has been similarly impacted by transit-oriented development. Since this neighborhood is further east along the Green Line light rail and development has been slow in reaching this corridor, this community has not yet seen the full impact of new business development that those living further west along University Avenue (in Hamline-Midway) have reported.

The Frogtown/Thomas-Dale neighborhood is one of the poorest neighborhoods in the city, with the most racial diversity and a majority (over 60%) of its households renting. In addition, this area of St. Paul has experienced the largest decline in population in the city between 2000 and 2010 as a result of the foreclosure crisis. Yet, the after-inflation median rent rose 3.5% from 2000 to 2014 in the city of St. Paul, while in Frogtown/Thomas-Dale it rose 31% (\$414 per month, after adjusting for inflation) during the same period. We found the following narrative themes in our interviews with community stakeholders in the Frogtown/Thomas-Dale neighborhood: new tax credit housing is not affordable for local residents, housing market changes forcing families to double up or turn homeowners into

¹⁶ “The theory goes that as demographics shift, activity that was previously considered normal becomes suspicious, and newcomers—many of whom are white—are more inclined to get law enforcement involved. Loitering, people hanging out in the street, and noise violations often get reported, especially in racially diverse neighborhoods.” www.theatlantic.com/politics/archive/2017/12/the-criminalization-of-gentrifying-neighborhoods/548837/.

¹⁷ A total of 11 residential stakeholders were interviewed in Frogtown/Thomas-Dale; 6 identified as black, 2 white, 2 Asian, and 1 Latina; 5 males and 6 females; 4 homeowners, 2 renters, 3 long-term resident (10+ years), and 2 business owners.

landlords, and the more frequent “coming soon” signs creating a high level of anticipation of commercial change.

New Tax Credit Housing Is Not Affordable for Local Residents



“I mean, on one hand there’s a lot more development, and it’s of a type it’s tax credits, affordable housing, retail on the bottom, two or three stories of what’s termed affordable housing, up. The oddity of that is that—with the affordable housing is [laughter] the qualifiers are often for people who make more money than people who actually live here.” (Frogtown/Thomas-Dale #2: white, male, long-term resident – 10+ years)



“It’s not affordable. It’s not affordable. It’s not affordable at all. And now people—I know now because I actually did a housing survey and stuff. So I know now, a lot of landlords are not even taking Section 8 anymore. So that’s stopping them. And the affordability of Frogtown is getting up because I know my friend, now, his Section 8 vouchers are for like maybe \$1,200, and that’s a two bedroom that he’s in. And he has a daughter and a son. So that’s pretty up there, especially when it’s not even kept up.” (Frogtown/Thomas-Dale #5: black, female, homeowner)



“I’m just seeing a lot of—and a lot of condo buildings coming up on University that can’t nobody afford to live in. My son actually wanted to stay in Frogtown, but because he wasn’t able to find anything affordable for him and his girlfriend, they ended up moving to Minneapolis. But he works over here.” (Frogtown/Thomas-Dale #7: black, female, long-term resident – 10+ years)

Many of the residential stakeholders we spoke to in the Frogtown/Thomas-Dale neighborhood in St. Paul noted that even the new housing that is designated as “affordable” is being offered at rents that are beyond their ability to pay. These residents do not see these new affordable housing developments as a benefit to them but as a tactic to actually increase the neighborhood median income and price them out. Interviewees referenced the disparity between the regional area median income and the local area median income as drastically different economic realities that then create housing more suitable for new, young professionals than for the low-income residents struggling to stay in the neighborhood. Interviewees felt that those residents living in the area cannot afford those tax credit units, even at the lowest rate of 30% Area Median Income (AMI), because the inclusion of wealthier communities into the calculation for metrowide median

income skews the numbers, resulting in “affordable” units that are unattainable for those residents most in need.

New affordable housing apartments built with state and federal housing tax credits are based on the AMI of the region, which according to the US Department of Housing and Urban Development (HUD) was set at \$90,400 in 2017. Yet the local median income for Frogtown/Thomas-Dale according to American Community Survey (ACS) is \$35,126. Additionally, affordable housing units often come with the requirement of higher credit scores, caps on the number of tenants per bedroom, and background checks for all potential tenants, all of which make the new affordable housing developments not only unaffordable but also sometimes inaccessible.

Our community stakeholders shared stories from their own lives or close family and friends that indicate that many are struggling to maintain housing in the Frogtown/Thomas-Dale area even with increased “affordable” housing. As they acknowledged their experiences with rising rents amid the persistence of subpar living conditions, the inaccessibility of the new affordable housing complexes and an increasing shortage of landlords willing to accept Section 8 vouchers, this discussion led to describing how many people are finding ways to maintain residency in a place they cannot afford by doubling up.

Housing Market Changes Forcing Families to Double up or Turn Homeowners into Landlords



“Double up means that it is that—so my cousin lives with my other cousin...and you’re only supposed to have only one person or one family living there. He has to live there.” (Frogtown/Thomas-Dale #11: black, female, renter)



“I would be very curious to know what the houses are being rented out for. Because I never see a single family living in any of them. This white house, I’ve seen a group of five college students, or right now I think there are like two or three single women with their kids. So it’s always cost sharing, in the houses, because there are multiple bedrooms, so it’s obviously rental situations where people are sharing the cost.” (Frogtown/Thomas-Dale #10: white, female, homeowner)



“My goddaughter actually lives with me. Her and her little girl because they weren’t able to find a place.” (Frogtown/Thomas-Dale #7: black, female, long-term resident – 10+ years)

The primary goal for most of our interviewees was to retain or regain residency in Frogtown/Thomas-Dale, maintain close

proximity to public transportation as a means of mobility, and stay close to the social and economic networks of support that help them raise their children and to their desired ethnic or racial communities. To do this, many have been forced to take on additional roommates, in many cases without the knowledge of their landlords. It appears that there is a growing population of residents living in the Frogtown/Thomas-Dale area who can no longer afford to maintain residency by themselves. Based on what our community stakeholders shared with us, many families and/or friends are illegally housed in homes or apartments. This is undoubtedly placing pressure on an already subpar housing stock, but it is out of necessity that those low-income residents resort to such arrangements. In addition, a number of residential stakeholders spoke of neighboring homeowners who have become landlords out of necessity, renting to local college students and couples to makes ends meet. One interviewee has seen so many new tenants that she stated that she had no clue who was living there anymore.

"Coming Soon" Signs Creating a High Level of Anticipation of Commercial Change



"So I see the rush of development coming in again in the last four years. There is some strong community driven development. Like the BROWNstone building, which I think went through a community process. But then there's all these other buildings that are just coming in to make dollars off of the proximity to the light rail. Now, in actual Frogtown, we haven't seen the huge developments coming yet, but now every time I go home I see new signs saying, 'Coming soon. Coming Soon. Coming soon' down University, and so we know it's coming soon [laughter]. But when you get to west of Lexington it's already happened." (Frogtown/Thomas-Dale #6: black, male, homeowner)



"And you know, one of the things we always knew is that with light rail coming in, that around the station areas in particular, that the property values would start to rise. Now we're starting to see that. Years ago when I was involved in the station area planning even before light rail came, years before light rail came in, there was a real estate guru that predicted just kind of what we're seeing. And he said that the development—there'd be a lot of development. High intensity. Developments closer to the University [of Minnesota]. And it would just slowly begin to creep down here. And unfortunately our neighborhood would be one of the last ones to see it. And so it's given folks even more time to invest in these properties and to hold onto them. So we're starting to see the increase in these costs now." (Frogtown/Thomas-Dale #3: black, male, long-term resident – 10+ years)



"It could be a good thing. But I don't think it's a good thing because now it's not affordable for people of color to live here and not just black people, people of color, period. It's just not affordable and I feel that with all these condos that's coming up, they're pushing people out on purpose because they want Minnesota to be a certain little thing or whatever." (Frogtown/Thomas-Dale #7: black, female, long-term resident – 10+ years)

National images of gentrified neighborhoods often reflect a Starbucks Coffee, trendy café, tech center, or Whole Foods in place of what was once a low-income community with dilapidated buildings that housed local mom-and-pop restaurants or community service centers. Along University Avenue in Frogtown/Thomas-Dale, residential stakeholders told a different story. As one community stakeholder noted, some businesses were able to survive through the construction of the light rail and they have become the pillars of success for the city. Other community stakeholders discussed those businesses that had to close their doors in the process, a claim substantiated by the fact that they used to frequent establishments that no longer exist. Another showed visual remorse for the businesses that have survived, yet have gone well into debt and whose futures are troubled. This stakeholder believed that the only way these struggling businesses could survive is if they were able to appeal to the tastes of new business patrons. Although some Frogtown/Thomas-Dale residents hold their breath as the more frequent "coming soon" signs appear, they acknowledge the great work that many local community members have done to ensure that there are some successful community-driven developments. Regardless, the anticipation of what's to come left our community stakeholders reporting anxious feelings as they wait to see what new developments will soon happen around them. Although no chain restaurants or big box stores have opened their doors in the Frogtown/Thomas-Dale neighborhood as of yet, the rise of the new trendy café has begun. One such business owner desired to bring something different to the area and as a result they have advertised their pastries as pieces of "edible art." This is a business that prides itself on not being a typical bakery but one instead filled with "global fusion food" perfect for the patron jumping on and off the light rail. Since our interview we learned that this business will be closing its bakery doors to focus solely on catering.

Frogtown/Thomas-Dale: Discussion

Changes in the Frogtown/Thomas-Dale neighborhood have forced some residents to struggle to maintain residency and retain their connections to their distinct cultural and ethnic communities. For those who manage to stay, they face an increasingly expensive housing market by doubling up or going from homeowners to landlords. If they are successful, they face a local business environment that is also rapidly changing in front of them.



"I work in Frogtown, and I wanted to stay close to my mom and my family. All of my family lives in Frogtown [originally from the Rondo community]. When I had to move back to Frogtown, after moving to the Eastside, it was an emergency. And I had to hurry up and get out of this space I was in...I found something in Rosemount [suburban community] for \$759. It was affordable... I was not able to live in Rosemount [lack of reliable transportation]. Thank God, I work with organizers who knew of another organizer who owned a property [in Frogtown]. And I moved into that space even before he had even turned it over yet. I helped him clean it. I had to hurry up and get out. Once I got there, my rent does not reflect the property [subpar conditions]. The landlord's a good guy, but it does not reflect the property." (Frogtown/Thomas-Dale #4: black, female, renter)

Several groups in the Twin Cities have worked to create an “Equitable Development Principles & Scorecard” as a tool for communities and planners.¹⁸ The tool aims to assist community, government, and developers, particularly when public subsidies are provided, to move beyond the good intentions of equitable development language toward the utilization of actual process tools that ensure that the needs and goals of existing residents are heard, understood, and incorporated into the final development project for the benefit of everyone. Equitable housing is one of the principles of equitable development laid out in such toolkits. “Equitable housing practices require evidence that families at all income levels have access to housing that costs no more than 30% of the household income.” Such an approach is important in an environment in which affordability requirements for subsidized housing have the potential to price out many residents of low-income communities. The challenges cited by residential stakeholders in Frogtown/Thomas-Dale, arguing that the AMI utilized by HUD to assess the income eligibility of residents for tax credit housing disproportionately denies access to those living in low wealth areas like Frogtown/Thomas-Dale. In short, the disparity between the incomes in the suburbs and incomes in the city that are utilized to develop the regional AMI has severely inflated the affordability index, making it nearly impossible for anyone living in low wealth areas to “afford” the new publicly subsidized affordable housing units based on this regional metric.

For a majority of the residents (60%) who are renters, the future is looking increasingly bleak as median rent averages increase with more affluent residents moving in, rehabbing, and investing in an area where a majority of its residents live in impoverished conditions. Frogtown/Thomas-Dale residents are precariously placed in an ongoing fight to remain housed in a community that is beginning to experience the pressure of redevelopment.

¹⁸ www.metrotransit.org/Data/Sites/1/media/equity/equitable-development-scorecard.pdf. See the discussion in Part 4 on the West Side Community Organization. The Alliance for Metropolitan Stability and the Harrison Neighborhood Association have also produced a similar tool.

SUMMARY OF QUALITATIVE FINDINGS

Our examination of five neighborhood clusters in Minneapolis and St. Paul demonstrated both commonalities of experience and perception across the clusters and significant variation from one to the next. Common across the clusters was a sense of racial change (i.e., an increased presence of white residents), the ubiquitous concern about the growing lack of housing affordability, significant changes in the local business community, and widespread fears of displacement. At the same time, our interviews made clear that the details of the gentrification process were importantly different across each neighborhood cluster.

- **In North Minneapolis,** respondents talked about the lack of community-based ownership, a “new wave” of development priorities that neglect residents’ voices, and the use of historic designation as a tool of gentrification.
- **In Northeast Minneapolis** gentrification, according to our interviewees, is about the commodification of the arts, creative placemaking that has brought new types of artistic makers/businesses, and the displacement of the first wave of independent artists who had occupied the neighborhood’s live/work space prior to the current period of gentrification.
- **In South Minneapolis,** respondents mentioned the fear of “Uptowning,” an influx of new businesses that do not serve the needs or tastes of existing residents, and concern over a lack of resources for established community-driven businesses in the face of these commercial changes.
- **In the Hamline-Midway area of St. Paul,** respondents were concerned about the overcriminalization of youth in the neighborhood, the development spurred by the new soccer stadium built to the south of the neighborhood, and a gradient of affordability reflecting lower housing costs in the eastern part of the neighborhood and declining affordability to the west.
- **Finally, in Frogtown/Thomas-Dale,** interviewees talked about how new tax credit housing was not affordable for local residents, how families were being forced to double up or even rent out their homes because of rising costs, and the more frequent “coming soon” signs creating a high level of anticipation of commercial change.

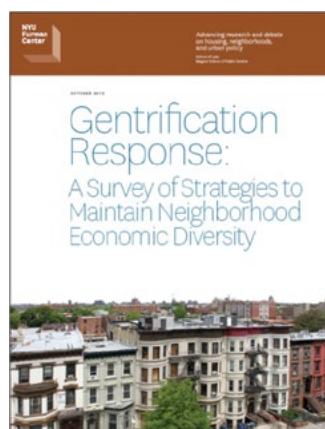
Although there are similarities across communities in the Twin Cities that are vulnerable to gentrification, the ways in which the phenomenon manifests is also unique across geographic spaces based on history, residency, and the increased market value of space.

PART 4: POLICY APPROACHES

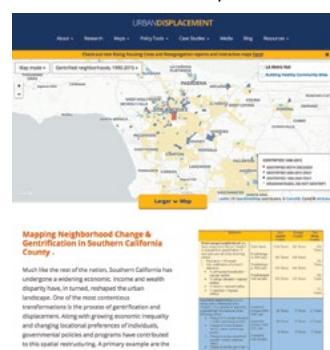
Community-Based Approaches

A number of groups across the country have created policy toolkits for addressing gentrification. Among the first of these was a “Primer on Gentrification and Policy Choices” created by a partnership between the Brookings Institution and PolicyLink (Kennedy and Leonard, 2001). The Brookings/PolicyLink primer sets out a 10-step approach to producing a comprehensive response to the potential of gentrification. The 80-page document can be found at www.policylink.org/resources-tools/dealing-with-neighborhood-change-a-primer-on-gentrification-and-policy-choices.

More recently, the Furman Center for Real Estate Studies at New York University published a policy tool for addressing gentrification (Herrine et al., 2016). The Furman Center organizes its strategies in two broad categories—those aimed at “creating and preserving affordable housing” in gentrifying neighborhoods and a second group of initiatives focused on “assisting tenants at risk of displacement.” This compendium can be accessed at furmancenter.org/research/publication/gentrification-responses-a-survey-of-strategies-to-maintain-neighborhood-ec.



An alternative approach can be seen on the website of the Urban Displacement Project (UDP) located at the University of California, Berkeley. UDP focuses on antidisplacement efforts in the Los Angeles and San Francisco metropolitan areas, but the list of policy approaches is easily transferable to other settings. For both metropolitan areas UDP presents an interactive map that highlights 14 different approaches and where they are being implemented by communities within the region. The UDP website is located at www.urbandisplacement.org.



Finally, the Housing Justice Center (HJC) located in St. Paul recently released a report on antidisplacement strategies (Housing Justice Center 2018). The HJC organizes its report

into six main strategies with a number of substrategies within each representing specific policy approaches. The report provides information on how such policies work, with examples from around the country. www.curajc.umn.edu/sites/cura.advantagelabs.com/files/content-docs/FHIC-anti-displ-final-report.pdf.

Each of these four efforts provides a wealth of information and a range of policy alternatives for groups and communities interested in addressing gentrification. As such, they stand as authoritative sources on potential policy responses to gentrification. In this section of our report, however, we will not attempt to reproduce a “compendium” of policy approaches. We make this decision under the assumption that the work already done in this vein provides a sufficient store of ideas and approaches from which local policymakers and community organizations can choose.

Instead, this section of our report focuses on highlighting grassroots, community-based efforts that aim to build power among those directly affected by the realities of gentrification and its pressures. We do this in the hope of expanding the set of approaches that can be regarded as gentrification resistance and to place these efforts within and alongside other strategies for mitigating the negative realities of gentrification pressures and the public policies that support this work. First, we identified 10 organizations that we argue have been critical to the local grassroots effort in the Twin Cities to mitigate the negative impacts of gentrification. Second, we got support from each organization to be featured in our report in this manner. Third, we collected information from each organizational leader on the group’s mission, goals, day-to-day operations, successful initiatives, and public policy imperatives. Fourth, we utilized that information to develop and then conduct follow-up interviews.

These 10 organizations are, of course, not an exhaustive list of groups working on issues related to gentrification, nor are they necessarily representative of all the groups doing such work in the Twin Cities region. Each organization, however, considers gentrification, on balance, to be problematic primarily due to its impacts on lower-income people, people of color, renters, and the communities in which these groups live. Thus, they are engaged in a range of efforts to prevent, mitigate, or otherwise minimize the various forms of displacement that they see threatening these groups. They approach this work in a number of different ways. Describing their approaches allows us to present a conceptual model for community-centered gentrification actions, a model that we present below, after briefly profiling each of the groups.

Organization Profiles



African Career, Education, and Resource (ACER)

ACER sees its central mission as education on two fronts: educating and training community leaders to build power, and reeducating suburban city councils, bureaucrats, and other government personnel to achieve greater inclusion in development and equity in outcomes. The organization works in the first-ring suburbs of Hennepin County (Minneapolis). Its advocacy and organizing efforts emphasize tenants' rights, affordable housing development, elimination of housing discrimination, and planning for long-term sustainability of affordable housing.



Asamblea de Derechos Civiles

Asamblea organizes owners of manufactured homes, immigrant, undocumented, and Latinx communities statewide. Its work is focused on the prevention of displacement. The group has advocated for securing and strengthening tenant protections, preserving manufactured home parks, and organizing tenants. Much of the current work is with residents of manufactured homes and efforts to prevent park closings and to strengthen the state law providing for right of first refusal on park closings. Asamblea also conducts "Know Your Rights" organizing sessions for tenants and immigrants.



City of Lakes Community Land Trust (CLCLT)

CLCLT works to build the wealth of low-income families through homeownership and to secure permanently affordable housing through the land trust model. The trust aims to serve those with incomes between 10% and 30% of the area median income, with the hope of addressing disparities in economic and racial equity by reframing affordable housing as a right instead of a commodity and as a necessary part of a city's infrastructure. The organization has been working since 2002 and to date has 265 homes in the land trust model. The goal is to bring at least 400 units into the land trust in the city.



Equity in Place (EIP)

EIP is a coalition of more than 30 member organizations working on fair and affordable housing across the metropolitan region. The coalition is managed by the Alliance for Metropolitan Stability, and member organizations meet monthly. EIP has been focused on advocacy and organizing to preserve affordable housing, protect and increase tenants' rights, and increase the inclusiveness of regional decision making. The organization has also been active in attempting to redirect the public discourse locally on

questions of neighborhood vitality, segregation, affordable and fair housing, opportunity, and gentrification. The organization was involved in the development of the region's Fair Housing and Equity Assessment in 2012 and the Assessment of Fair Housing in 2017.



Frogtown Neighborhood Association (FNA)

The FNA is the official citizen participation organization for the Thomas-Dale, District 7 area of St. Paul. Its territory includes the Frogtown, Mt. Airy, Capitol Heights, and East Midway neighborhoods. The organization has addressed issues of gentrification through its role in developing the district's long-term "small area plan" and through working with residents to preserve an affordable housing cooperative in the neighborhood. The organization's innovative small area plan, in the form of a graphic novel, was the occasion for extended resident discussion of questions of gentrification and displacement being seen in the neighborhood. The FNA focuses on building grassroots power to counter what its members see as the dominance of "top-down" planning and development models affecting communities of color and low-wealth neighborhoods.



Inquilinxs Unidxs por Justicia

Inquilinxs Unidxs is a tenants' rights organization in Minneapolis that works to enact policies that increase the rights of tenants against displacement. The group works on a case-by-case basis to provide support to tenants living in buildings threatened by displacement. On a policy level, it is working to expand housing cooperatives and land trusts and to enact rent control and just-cause eviction protections. At the building level, it has organized tenants to mount legal challenges against property owners attempting to implement precipitous rent hikes.



Pangea World Theater

The Pangea World Theater mentors artists and encourages the practice of doing theater and community building in non-traditional ways. Located on West Lake Street in South Minneapolis, Pangea is working to build the capacity of each artist to organize community through art and story. The theater's strategies include storytelling (through theater and digital arts), community education, neighborhood and community planning, and creative placemaking. The organization runs a Lake Street Arts! Program that helps artists develop in using theater, visual art, and digital storytelling in community organizing. In 2018, the theater hosted a performance called HOME that explored concepts of

displacement and belonging. Community Learning Gatherings are another tool the theater uses, working with neighborhood organizations to invite residents to discuss issues and challenges of community development, emphasizing the voices of people of color, immigrants, and indigenous people.



Parks and Power

Parks and Power is a program operated by Hope Community Inc. in South Minneapolis. The program was born out of a listening session with youth at Peavey

Park in Minneapolis and engages issues of racial and economic equity by organizing around the public space of parks in Minneapolis. The organization is concerned both with shaping park plans and policies and on training people who wish to become active on these issues. The program includes a "Politics Is Local" leadership training component, which focuses on what Lefebvre (1968) called a "Right to the City" narrative that asserts the rights of people of color and low-income people to live and thrive in the city. The organizers see themselves as helping to build and widen the network of engaged, trained, and organized grassroots racial justice leaders in Minneapolis and being a catalyst in creating effective antidisplacement policy initiatives including tenant protections, rent regulations, investment in affordable housing, and community organizing.



VILLAGE Village Trust

Village Trust is an emerging, cooperative, black-led financial institution working to address the existing gap in wealth and financial services being offered to North Minneapolis residents. The objective is to build wealth among black residents of the North Side. The organization aims to establish a community credit union as well as a community development financial institution. It has developed a loan fund to provide micro loans, startup capital, and flexible consumer loans, and it addresses gentrification by attempting to build wealth within a vulnerable community that would allow residents to withstand displacement pressures.



West Side Community Organization (WSCO)

WSCO is the official community planning council for District 3 in St. Paul; thus, it serves as the primary point of influence for residents in the planning and development of their neighborhood. The organization pursues long-term planning objectives for the district, community organizing goals, and influence over specific development proposals affecting the neighborhood. WSCO is currently generating an *Equitable Development Scorecard* to guide development proposals in the neighborhood and ensure racial and economic equity across multiple metrics being collaboratively developed by community members.

The group seeks to guide development that will maximize community benefits and stability for current residents. WSCO is addressing gentrification through the scorecard by organizing and their work with neighborhood property owners.

Positioning Antigentrification Efforts

Each of the groups we highlight in this section is operating from a fundamental theory of how gentrification takes place and/or in what ways community-based groups can best prevent or mitigate its negative effects on lower-income residents. Some of these foundational elements were shared across multiple groups. Most common was the belief that expertise and knowledge about neighborhood conditions exist within the community, and thus, any assessment of neighborhood changes or any effort to influence those changes should incorporate the self-reported lived experiences of the residents themselves. Almost every one of the organization leaders we spoke to remarked upon this. At one level this is a call for the legitimacy of community voices at the table when policy is being decided. The Equity in Place (EIP) organizer, for example, felt that the organization worked to "get communities equipped to impact decisions made about them" (Owen Duckworth, July 2, 2018). That meant getting people to recognize their expertise and advocating for that expertise to be present when decisions are being made. At another level, however, this theme was about what information is most important for effective action. Caty Royce, director of the Frogtown Neighborhood Association, and organizer Tia Williams, for example, made a plea for the importance of community-based knowledge: "We know we're in the middle of a gentrification tsunami. We all know this...We know we have to use policy, we don't need any more goddamn research about that" (June 29, 2018).

These claims for the legitimacy of community knowledge are advanced in response to a perception among the activists that policy solutions from outside the community do not often reflect the interests of neighborhood residents. A prominent example of this concern is the rejection of the policy prescription for introducing higher-wealth households into the neighborhood to achieve a greater income mix. A couple of informants noted that the dominant model of development for low-wealth communities focuses on bringing in "people with higher incomes to solve this problem" (Nelima Sitati Munene, executive director of ACER, July 16, 2018; and previously cited Duckworth interview). These activists challenged the assumptions of this policy approach and argue instead for a development strategy that directly benefits existing residents of low-wealth communities and supports investment while ensuring residential stability. This was a perspective we also heard in the in-depth qualitative interviews, detailed in Part 3 of this report. Interviewees from the North and South Minneapolis clusters, and the Frogtown/Thomas-Dale cluster in St. Paul, offered similar thoughts about the appropriateness of this policy approach. Among

the community-based groups we are highlighting in this section, EIP is working to shift the frame toward an understanding that gentrification is a threat to fair housing, “getting sort of the idea that gentrification displacement threats are equally if not more so a Fair Housing issue than the ‘concentration of poverty’” (Owen Duckworth, July 2, 2018).

“These claims for the legitimacy of community knowledge are advanced in response to a perception among the activists that policy solutions from outside the community do not often reflect the interests of neighborhood residents.”

Another commonality across the groups was a conception of gentrification as a long-term process. Our informants maintained that the period of time predating reinvestment is a critical period for understanding the phenomenon of gentrification, and for intervening. This period is one of sustained disinvestment from the community as landowners take profit out in the form of rents without reinvesting to maintain infrastructure. As Jennifer Arnold, co-director of *Inquilinxs Unidxs* put it (June 25, 2018), underinvestment should be seen “as a business model” in such neighborhoods. The business model works through the milking of properties for profits without accompanying investments that would keep the housing livable and up to code. This, too, was something that residents from our neighborhood clusters related, especially in the North and South Minneapolis clusters. These properties are what some refer to as “naturally occurring affordable housing.” But as Jennifer Arnold argued, “NOAH (naturally occurring affordable housing) is a misnomer, because it could also be...it’s like a cash cow, it’s naturally occurring *profitable* housing for the landlord, and it’s destined for a flip at some point.” In these situations, the issues of poor housing, slumlords, and gentrification are complementary problems in communities.

“Our informants maintained that the period of time predating reinvestment is a critical period for understanding the phenomenon of gentrification, and for intervening. This period is one of sustained disinvestment from the community as landowners take profit out in the form of rents without reinvesting to maintain infrastructure.”

Representatives of the groups we spoke with argue for linking gentrification and the resistance to gentrification with larger forces. For some, it was the connection between the arts, public parks, and culture with the economics of a neighborhood. Pangea, for example, is working to maintain a cultural corridor in Minneapolis because of how it supports existing residents. “The cultural corridor is so interlinked with the economic corridor...the economic health is directly connected with the cultural health, [and] is directly connected with the policies of

rent” (Meena Natarajan, director, and Diparik Mukherjee, artistic director of Pangea World Theater, July 25, 2018).

In its work, *Asamblea* has stressed the connections between housing disinvestment and public policy decisions being made by all levels of government. For example, in its campaign to save the affordable housing in the Lowry Grove manufactured home park in St. Anthony Village, the organization “took people to visit the Elk River Prison where they’re expanding the number of beds they have, expanding capacity. And then the next stop was Lowry Grove, where the neighborhood was torn up and no one lives there anymore. People made the connection. It was as though their housing strategy for our community is more prison beds” (Sebastien Rivera and Ned Moore, organizers for *Asamblea de Derechos Civiles*, July 18, 2018).

The very question of whether gentrification is preventable, however, is one area of difference. The director of ACER, for example, felt that gentrification, once begun in a neighborhood, will run its course and produce predictable changes for low-income households. Indeed, she felt that “you can only prevent gentrification, you cannot mitigate its effects” (see previously cited Munene interview). This has led ACER to focus its activities in low-wealth communities that are vulnerable to gentrification, and on activities aimed to prevent gentrification from occurring. In a diametrically opposite manner, however, Jeff Washburne, the director of the City of Lakes Community Land Trust (CLCLT), said, “I used to trick myself into thinking that our organization could somehow influence the market. The market is such a powerful beast, all we can try and do is nudge it on the edges a little bit and get a win here or there. But if the economics and the upward potential for making money in any part of any town is there, investment is going to happen, development is going to happen. So that change is going to happen. It’s just for me, what can we do to help create space for folks who already live in the community, or create space for folks to move into a community once that change happens” (June 27, 2018). Thus, this organization is focused on helping households cope with market changes that, for some neighborhoods, they regard as essentially unstoppable.

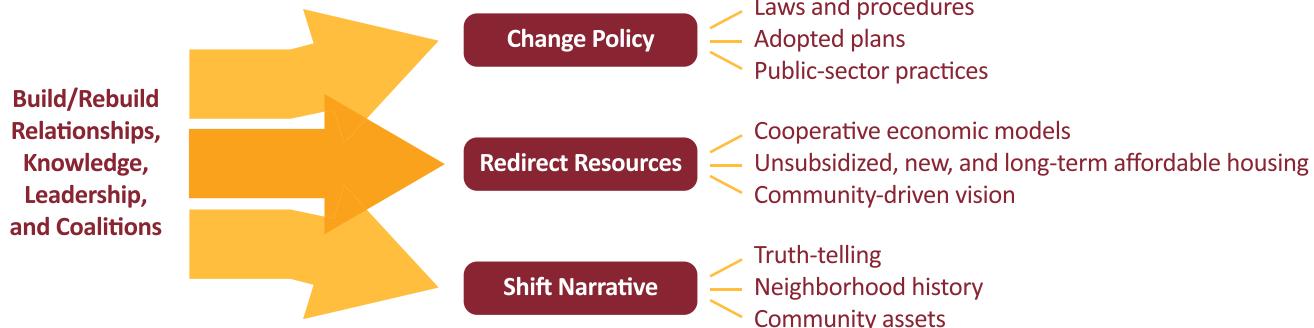
The approaches of the 10 organizations we highlight can be understood both in terms of their strategic objectives and of when in the process they occur. Figure 20 presents our framework. The process of gentrification is pictured as taking place in four important stages beginning with a period of *disinvestment*, in which resources and investment are drained from a neighborhood and channeled into other areas. This is followed by a period of *devaluation*, in which the neighborhood becomes subject to a “deficit narrative” that portrays the area in problematic terms and undervalues assets that do exist. This narrative functions both as an explanation for disinvestment and a rationale for further disinvestment. These first two stages produce vulnerability in the community and make them susceptible to gentrification-like neighborhood change. As we have indicated, not all communities that are vulnerable to gentrification

Figure 20. Framework for Gentrification

Staging of Gentrification



Fighting Against Gentrification



actually experience it. However, those that do, experience a renewed round of investment and physical upgrading. This third stage (*reinvestment*) is the point at which renewed attention from either public or private sources, or both, begins to produce change. Finally, the renewed investments lead to follow-on market and land-use changes that produce various forms of *displacement*, which can make continued residence in the neighborhood impossible for some and significantly change the terms of continued residence for others.

The Aims of Antigentrification Efforts

The organizations profiled in this section approach the issue of gentrification in different ways. Each is involved in building relationships, knowledge, and leadership in one way or another. They engage in this activity to achieve three types of outcomes, either a *change in policy*, a *redirection of resources*, or a *shift in the dominant narrative* about the people and communities with whom they work. In some cases, these aims are not mutually exclusive; indeed they are frequently complementary. But we use this classification to identify the essential element of each intervention as it relates to the overall common objective of achieving social change.

Foundational to the work of all of these organizations is a set of activities aimed at building community. Some are building or working in coalition with other groups, some are training new leaders, and others are organizing tenants, neighborhood

residents, and businesses. Some are involved in creating venues for discussion and a collaborative and community-based consideration of the issues related to neighborhood change.

Some of the community-building efforts are made in the hope of *changing policy*. These efforts are aimed at influencing regulations, public plans, and programs that impact the development process and landlord/tenant relations. Examples are the work of groups like *Asamblea*, ACER, and *Inquilinx* in getting a series of laws passed that constitute what they call a Tenants' Bill of Rights. FNA's work on the small area plan is another example.

Other initiatives are attempts to *redirect resources* to change market outcomes. For example, Village Trust's work in creating cooperative economic models for the North Side of Minneapolis is an effort to direct more resources to a population that has not been well served by existing financial institutions. CLCLT's efforts to shift housing into the land trust model is another example, by removing land value from housing costs to keep housing affordable even when property values begin to escalate due to gentrification. WSCO's scorecard is an attempt to shift development to projects that produce more equitable outcomes by specifying the impacts that development should produce within the community and for community members. Efforts to support affordable housing development and preservation are also about redirecting or supplementing current resources in attempts to reduce or minimize displacement.

Finally, some of the community-building work done by these groups is aimed at *shifting the discourse* about low-wealth communities and their residents. Most of the organizations we highlight, in fact, pursue this strategy. EIP and ACER are focused on generating new understandings and new narratives about neighborhoods vulnerable to gentrification. FNA and WSCO organize residents on a neighborhood basis, while *Asamblea* and *Inquilinx*s focus on building power among tenants. The Parks and Power program works to build new leadership on racial equity issues, and Pangea explores new ways of storytelling to communicate the value and importance of the communities (and the residents and businesses within) that are threatened by gentrification.

The Staging of Antigentrification Efforts

We characterize the efforts of the 10 organizations along a second dimension as well, which describes the process of gentrification over time, beginning with a period of disinvestment that eventually produces a devaluation of the community both in terms of land value and public perception. For some neighborhoods this is followed by reinvestment and the exploitation of low land values and low rents. This stage leads in the end to various forms of displacement for long-term residents and businesses. Each of these stages suggests its own set of policy interventions, or form of resource redirection, or organizing strategy.



STAGE 1: DISINVESTMENT

The organizations highlighted in this section tend to conceptualize the gentrification process, and therefore their own work, along an extended timeline. For most of the groups we feature, the period of time predating reinvestment is a critical period for understanding the phenomenon of gentrification and for intervening. This is the stage of *disinvestment*, in which certain neighborhoods in a given metropolitan area are targeted for decline, either through conscious public or private decisions that undermine community health, such as redlining or the placement of disruptive public infrastructure, or through mechanisms of decline that are structurally built into urban land markets such as underinvestment in communities of color. This process of decline can simply be a cessation of investment, which deprives neighborhoods of the critical capital necessary to maintain physical and social infrastructure, or it can be a more active shift of investment and resources out of the neighborhood, as in white or middle-class flight and the relocation of jobs and businesses. During our in-depth qualitative interviews those from the North, South, and Frogtown/Thomas-Dale clusters shared memories of strategic disinvestment in the form of interstate highway construction,

predatory lending, and the creation of concentrated poverty in their neighborhoods. Our organizational informants spoke about the various conditions that are produced in neighborhoods experiencing disinvestment, including, but not limited to, a lack of sufficient capital to maintain the community's physical and social infrastructure. In addition, low-wealth communities are often characterized by absentee ownership of land, housing, and businesses. Importantly, such communities can come to be characterized by a deficit narrative in which social, cultural, and economic assets are ignored or deemphasized in favor of an understanding of the community that stresses defects, problems, and challenges. Interviewees from the North Minneapolis and the Hamline-Midway clusters were acutely aware of the imbalanced public narrative that has marked their own neighborhoods as places to escape from or fear. This deficit narrative can begin to take on a formative importance of its own to the extent that it begins to rationalize even greater levels of disinvestment or policy interventions that replace existing assets rather than support them. When these conditions exist within communities, communities become vulnerable to gentrification.

As Me'Lea Connelly, the director of Village Trust argued, action at the prestage is important. "This [gentrification] is a much longer process. We talk about gentrification at the tail end of when it's too late to do anything about it. When the first brewery or coffee shop shows up in your neighborhood, then people want to have community meetings about gentrification when it should happen years and years before" (July 17, 2018, interview that also included Joe Reimann, director of finance).

ACER, for example, does work in suburban communities such as Brooklyn Park and Brooklyn Center, places where gentrification and gentrification-related displacement have not yet surfaced. But the organization argues that it is imperative that these communities have "an intentional plan" for development and revitalization in place that can help to head off gentrification rather than try to react to it.

Other groups are also working on interventions in attempts to "get ahead of" gentrification. For example, CLCLT attempts to get as many households into homeownership using the land trust model as possible, to insulate the families and the homes from the upward cost pressures seen in gentrifying neighborhoods. It addresses the potential direct displacement of the existing residents and also limits "exclusionary displacement" by keeping units affordable for new residents.¹⁹ As one respondent noted, this is the stage where you have to do that work, when the NOAH is still affordable and it is still possible to move the housing into more permanent affordability (see previous reference to June 25, 2018, interview with Jennifer Arnold).

¹⁹ *Inquilinx*s also works to gain housing outside of the market for tenants and to take units off of the speculative market using cooperative housing and land trust models.

The Village Trust works in a different way to build the economic capacity of low-wealth communities to withstand gentrification pressures. The financial institution has focused on establishing a black-led credit union to build wealth. The organization sees the provision of affordable financial products to unbanked or underbanked consumers as a critical means of building wealth so that residents can remain in neighborhoods should the area experience gentrification. This is another theme that surfaced from the in-depth qualitative interviews. Respondents from the North Minneapolis neighborhood cluster shared this perspective as they drew connections between a lack of ownership within the neighborhood and the distressed economic profile of a majority of its residents. Village Trust's goal is to create "a cooperative economy." To that end, it has created a community development financial institution and developed a loan fund to offer consumer loans, micro loans, and start-up capital for emerging cooperatively owned businesses. The organization sees this cooperative economy as key to preventing gentrification and displacement (see previous reference to Connelly and Reitmann interview).

Several of the organizations focus on community organizing in neighborhoods that are experiencing disinvestment and decline. The FNA used the "small area plan" process to generate a conversation about displacement and gentrification, utilizing art and grassroots community organizing with those most impacted. Pangea uses theater, visual arts and digital storytelling, and community organizing to explore the concepts of displacement. It, too, points to the process of developing a small area plan as an opportunity to organize on the issue of gentrification. Hope Community, Inc., has an initiative called "Parks and Power" that includes an organizing series called "Politics Is Local," a set of workshops on racial equity and how development patterns can threaten racial equity in the city's most diverse neighborhoods (interview with Jake Verdin and Emmanuel Ortiz, organizers with Parks and Power, July 20, 2018).

STAGE 2: DEVALUATION

One of the most important dynamics to take place during the period of disinvestment, according to the activists we interviewed, is the emergence of what they call a "deficit narrative" about certain communities. At some point during the decline of a neighborhood, elected officials, policy elites, and analysts begin to talk about the neighborhood in terms of what it lacks. Neighborhoods in decline are seen as lacking opportunity, good schools, jobs, capital, or even "role models." More insidious, however, according to our interviewees, is how this narrative problematizes groups of people in the process. The argument goes as follows: "It is difficult to talk about neighborhoods suffering from a 'concentration of poverty' without positioning the low-income residents themselves as problematic. When we look at communities of color and call them 'segregated' what is being said is that the neighborhood would be better off with more white people and fewer people of color." The devaluating

of current residents is the moment that can act as a justification for gentrification at a later stage. As one of our informants said, "Gentrification doesn't start when a coffee shop comes. It starts when the 9:00 news starts talking only about negative things that happen in our community and starts devaluing our community to the rest of the broader metro area" (see previous reference to Connelly and Reitmann interview). During our in-depth qualitative interviews those from our North clusters shared this sentiment quite explicitly, with even long-term white residents calling out new younger white families who had recently moved into the area for only seeing their black neighbors from a deficits-based frame.

A number of the organizations we examined are attempting to address the deficit narrative. EIP is working at a regional level to shift frames to see people of color, tenants, and low-income communities as assets and not as problems to be solved. The coalition has worked for years to build a shared analysis—a shared narrative about low-wealth communities that sees communities of color as legitimate communities and not necessarily in need of integration with higher-income, white residents; it sees the solution for low-wealth communities in the generation of greater economic power by existing residents, rather than through the in-migration of more heavily resourced households. This is how they conclude that displacement from gentrification is a fair housing issue (see previous reference to Duckworth interview). EIP has brought this counternarrative to a number of regional planning efforts over the past 6 years, including the regional Fair Housing Equity Analysis, the deliberations related to the Metropolitan Council's Housing Plan, and the regional Assessment of Fair Housing.

STAGE 3: REINVESTMENT

As our research has demonstrated, not all communities vulnerable to gentrification subsequently experience it. Any number of other conditions must be present and/or processes must take place for gentrification to be triggered. As our research has also shown, neighborhoods can continue to be characterized by poverty while simultaneously experiencing gentrification. Some even increase in poverty while gentrifying. Some of the groups we interviewed noted this dual reality in the work they do.

Gentrification becomes most noticeable when it is at a more advanced stage, when public and/or private actors begin to reinvest in the neighborhood in earnest and when residents and outside observers can see changes in the commercial and demographic makeup of the community. This could begin with an almost unnoticeable uptick in property sales or in rents that begin to spread as new landowners or renters move in. It can begin much more obviously with the introduction of sizable public infrastructure such as a light rail line or stadium. When triggered, the reinvestment taking place in gentrifying neighborhoods produces land use changes and land value increases.

In housing, these changes are likely to affect both the home-ownership market (through rising costs and higher taxes) and the rental market (through rent increases and increased tenant turnover). Some of the groups that we profile pursue interventions at this stage of the process, when private- and public-sector investment interest has emerged in ways that threaten the affordability and continued habitation of residents in the neighborhood. Inserting themselves into the development decision-making process, some organizations attempt to control the development process to ensure more equitable outcomes. This feeling that change was happening to them and that they were not present when important decisions were being made about their neighborhoods was a common theme in our neighborhood cluster interviews.

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The “active” phase of gentrification is when a neighborhood has become the object of interest among investors, commercial enterprises, and households that had not previously considered the neighborhood as a desirable location. The first wave of investment may be from households not particularly affluent and from businesses with thin margins, both looking for affordable rents. The market reaction, however, can be quick thereafter, with rents rising more precipitously and business turnover accelerating. Many of the groups we spoke to worked at this stage of the process. One of the more notable interventions is that of the West Side Community Organization (WSCO), which created a West Side Equitable Development Scorecard, representing six pillars of what the organization feels “upholds a healthy, vibrant, and joyful community.” Developments are assessed for the degree to which they achieve equity through (1) community engagement, (2) housing, (3) environment, (4) economic development, (5) land use, and (6) transportation.²⁰ The organization grades each development on what it deems is necessary to ensure true equity. As Monica Bravo, the director of WSCO, says, “When developers come in, it’s like this idea that we have a collective self-interest and we have a vision for our community, and we don’t want to stop you from coming, but work with us so that we can build a community that we are all deserving of” (June 22, 2018, interview that also included Bahieh Hartshorn, organizer). The existence of the scorecard has allowed WSCO to have a greater say at early stages of a given development project, rather than the organization being put in the position of responding to a deal largely decided upon.

Playing an important participatory role early in the development process is also an objective of ACER. The organization advocates for greater community engagement during the development process in the suburbs in which it works, moving beyond a process of simply notifying the community of a developer’s plans and asking for a response. As with WSCO, it looks for engagement about how to build an equitable community prior to the phase of responding to a particular development proposal.

A number of policy tools have been used around the country at this stage of the gentrification process. Community Benefits Agreements (CBAs), for example, allow for the identification of specific benefits to the community and to residents that would be provided by a given development, including employment targets, housing affordability, and other tangible benefits.

Some type of inclusionary housing or affordability set aside is another common idea for the reinvestment stage of gentrification—an objective for most of the groups we highlight. Ironically, and as pointed out in Part 3, the affordability of new units can even be an issue in developments that are subsidized and meant to serve people with below-market rents. The Frogtown Neighborhood Association, for example, is pointing to new “tax credit” projects being built in the neighborhood along the light rail line in which the “affordable” units are still well above the prevailing incomes in the neighborhood. The in-depth qualitative interviews of those from the Frogtown/Thomas-Dale cluster named this disparity in explicit terms. As the community organizer for the FNA said, this “false affordability” is not much help in terms of keeping the neighborhood affordable for current residents (see previous reference to Royce and Williams interview).

A third policy intervention is called a Tenants’ Right of First Refusal (ROFR) or Opportunity to Purchase (OTP), an option for existing tenants to purchase a property from an owner who wishes to sell it. In Minnesota such an option exists for residents of manufactured home parks. The existing law, however, is flawed, and *Asamblea* is working to strengthen it after a high-profile case in which the law failed to protect 100 low-income families at the Lowry Grove Park in St. Anthony Village in 2016–17. *Inquilinxs* is advocating for an expansion of that concept to a wider range of rental properties, arguing that if the tenants can match the sales price, they ought to be allowed to gain ownership of the building in question. Many of the organizations have been working with the Housing Justice Center on model ordinances to establish stronger rights of tenants related to ROFR and OTP.

²⁰ https://d3n8a8pro7vhmx.cloudfront.net/wSCO/pages/171/attachments/original/1531845821/WSCO_Equitable_Development_Scorecard_DRAFT_June_25_2018.pdf?1531845821.



STAGE 4: DISPLACEMENT

Reinvestment that brings significant changes to land and housing markets is likely to result in multiple forms of displacement, from physical and cultural displacement to the type of exclusionary displacement described in Part 1. This, in fact, is the major concern of community residents about gentrification, as demonstrated in our neighborhood cluster interviews. Several of the organizations we highlight operate at this stage of the process.

Preventing displacement when gentrification is occurring within a neighborhood is a focus of *Asamblea*, *Inquilinxs*, and ACER—the organizations most specifically working with tenants. Each of the groups is working on different forms of tenant protection against eviction (in addition to the ROFR and OTP previously mentioned). Most common is “Just Cause Eviction” laws that protect tenants from eviction for improper reasons. These laws typically spell out the conditions under which evictions can occur. Again, the Housing Justice Center is working with these groups on model ordinances.

Inquilinxs, Parks and Power, EIP, and other groups look at a range of laws that together are regarded as a “tenant bill of rights.” ROFR, OTP, and Just Cause Evictions are elements of this, but so are limits to security deposits and stronger regulations on “pay or quit notices.”

If such laws are not in place, and currently they are somewhat rare in the Twin Cities, organizations find themselves working with tenants to fight emergency battles to preserve their housing. *Inquilinxs* feels they “have been most effective at highlighting problems through organizing tenants for lawsuits against landlords and for community consciousness-raising.” They have found themselves in a number of specific instances fighting rent increases: “A year ago in May we stopped a rent increase of \$700 in a building that was going to affect 17 tenants. In August last year we won a negotiation over rent increase and we have been supporting tenants to go on rent strike this year” (see previous reference to Arnold interview).

The FNA also recently found itself working on an emergency preservation case. As described by the organization’s director, it is working with residents of the only “black and brown-owned housing cooperative in Minnesota” to stop an alleged attempt to dissolve the cooperative to facilitate the sale of the property to a real estate investment firm (see previous reference to Royce and Williams interview). *Asamblea*, too, organizes around tenants’ rights and conducts workshops for tenants. The group conducts “know your rights” training for immigrant tenants two to three times per year so that when faced with rent hikes and possible displacement, tenants react quickly.

While most of these efforts are focused on minimizing direct, physical displacement, some of the organizations are also focused on the issue of cultural displacement. Pangea and the FNA

are working with artists to help establish a more visible, enduring, and shared cultural identity for their neighborhoods. These groups work with local businesses as well as with residents doing placemaking work. Community learning gatherings allow residents and businesses to voice concerns about the preservation of the community, and “to counter the sense of displacement and disenfranchisement felt by community members” (see previous reference to Natarajan and Mukherjee interview).



Summary

In this final section of the report we examined the work of 10 Twin Cities community-based organizations. While not an exhaustive or even representative sample of groups working on gentrification issues in the region, the variety and extent of their activities allow for a broad understanding of how community activists are attempting to forestall and/or manage the neighborhood changes that lead to displacement. The work of these organizations expands the scope of what can be considered antigentrification work. The policy toolkits that are frequently offered focus primarily on a set of public policies related to affordable housing preservation and development and/or on tenants’ rights. These 10 organizations and their strategies suggest that antigentrification work can take on many additional forms. Also, these groups borrow from the policy toolkits that have characterized antigentrification work, but they also engage in a range of efforts from community organizing and storytelling to community planning and leadership training that they argue are critical in creating the level of empowerment and access to decision making necessary for gentrification-vulnerable communities to exercise community control.

PART 5: REFERENCES AND APPENDIX

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Appendix

Table A. Gentrification/RCAP Status in 2000 Cross-Tabulation

RCAP 2000	VULNERABLE BUT DID NOT GENTRIFY	GENTRIFYING	TOTAL
No	22	16	38
	57.9	42.1	100.0
Yes	35	11	46
	76.1	23.9	100.0
Total	57	27	84
	67.9	32.1	100.0

Source: Author calculations, 2000 Census and 2011-2015 ACS

Table B. T-Test for Differences in Initial Conditions in 2000 Between Gentrifying and Nongentrifying Low-Income Tracts

	VULNERABLE BUT DID NOT GENTRIFY	GENTRIFYING	P
Median HH Income	\$40,599	\$44,280	0.03
Median Rent	\$752	\$793	0.14
Median Value	\$137,876	\$118,623	0.04
Pct. Own	29.0	25.8	0.50
Pct. College	19.6	18.2	0.54
Pct. Poverty	36.0	46.5	0.02
Pct. POC	59.2	51.6	0.18
Pct. Black	26.8	22.3	0.04
N	57	24	

Does not include outlier tracts.

Source: Author calculations, 2000 Census and 2011-2015 ACS

Table C. T-Tests for Differences in the Demographic Changes Between Low-Income Tracts That Gentrified Compared to Those That Did Not

	VULNERABLE BUT DID NOT GENTRIFY	GENTRI- FYING	P
Pct. Chg Total Pop.	-2.0	3.8	0.24
Pct. Chg Median HH Income	-18.6	-5.1	0.00
Pct. Chg Median Value	13.2	31.4	0.00
Pct. Chg Median Rent	5.0	8.6	0.32
Chg Pct. College	3.3	14.6	0.00
Chg Pct. Poverty	8.4	3.7	0.01
Chg Pct. Own	-4.7	-4.6	0.95
Chg Pct. POC	7.2	3.0	0.02
Chg Pct. Black	-0.1	0.0	0.97
N	57	24	

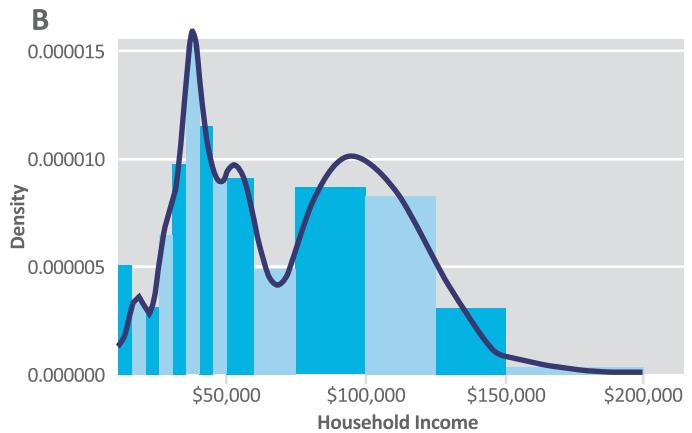
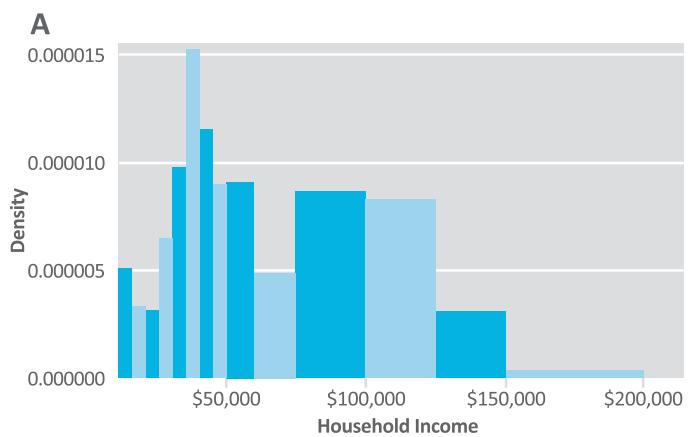
Does not include outlier tracts.

Source: Author calculations, 2000 Census and 2011-2015 ACS

Methods for Inequality Analysis

To explore this question in greater depth, we analyzed income information from the 2000 census and 2015 ACS. This type of analysis poses challenges because income data from the census is “binned,” meaning we only observe income in the form of a count within particular ranges (e.g., \$0–\$10,000, \$10,000–\$20,000...). Figure A is a sample census tract showing a histogram of household income. The binned nature of the data makes it difficult to measure change in income for two reasons: (1) changes year over year may be misleading because a household can jump up or down a bin without having a meaningful change in income, and (2) income bins are not adjusted for inflation, so, for instance, the 2000 census and 2015 ACS both use the same bin cutoffs even though \$100,000 in 2000 is not the same as \$100,000 in 2015.

Figure A. Example Census Tract Income Distributions



(A) shows the income distribution of a typical census tract. (B) shows the same distribution with a smoothed estimate using the “Binsmooth” R Package.

Source: Author calculations, 2011-2015 ACS

To better understand what is happening across the income distribution in gentrifying census tracts, we used the R Package “Binsmooth” to estimate a smoothed income distribution for each census tract for each year of our sample. Binsmooth interpolates a probability density function (PDF) using a semi-parametric smoothing method that preserves the areas of the bins. Since the top bin is right-censored, Binsmooth estimates the distribution of the top two bins using a Pareto distribution. This method is quite accurate. Using published estimates from the 2015 ACS we find Binsmooth has an average error of less than 1% when estimating the median and gini coefficients.

Table D. Percent Change in Income and Inequality by Gentrification Typology

CLUSTER		MEDIAN				
		INCOME	P10	P90	R90_10	GINI
Classic with decline in black population	Avg	6	15	4.2	-2.6	2.8
	Max	22	43	21	36	9.9
	Min	-17	-11	-8.9	-34	-5.4
Classic with no change in black population	Avg	3.3	-3.2	13	31	13
	Max	21	50	41	105	46
	Min	-18	-48	-5.3	-32	0.51
Gentrification + poverty with no change in black population	Avg	-18	-20	-8.6	42	4.3
	Max	17	29	4.2	198	11
	Min	-34	-69	-32	-29	-12
Gentrification + poverty with increase in black population	Avg	-9.6	-32	11	83	19
	Max	11	0.57	19	224	33
	Min	-30	-65	-3.6	15	4.7

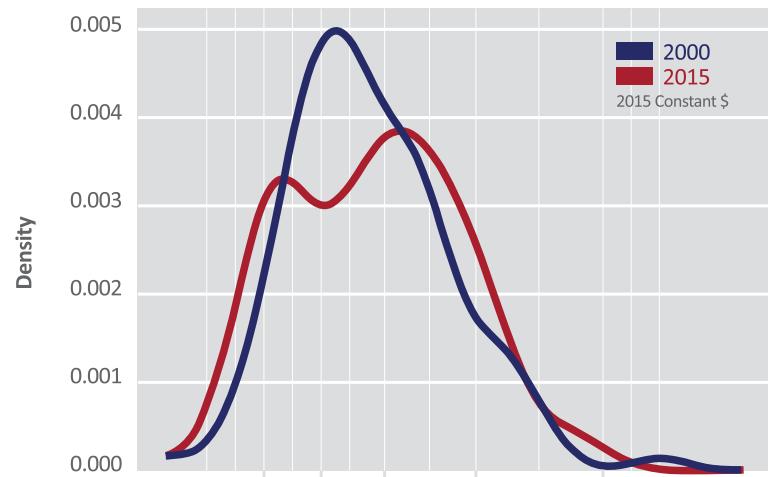
Source: Author calculations, 2000 Census and 2011-2015 ACS

We illustrate this trend with two examples of typical income distributions from gentrifying tracts: one from the “classic” pattern and one from the “high poverty” pattern (Figure B). The left panel depicts the income distribution for the gentrifying tract in Frogtown/Thomas-Dale in 2000 and 2015 (smoothed estimate from Binsmooth). When we observe the entire income distribution since 2000, we see a bifurcation in the income distribution. The median went down. In contrast, the lower panel represents a classic gentrification pattern as observed in the Corcoran neighborhood in Minneapolis. In this instance, almost the entire income distribution has shifted to the right, indicating a more uniform pattern of upgrading across the distribution that results in both a drop in poverty and a higher median household income.

Figure B. Typical Income Distributions from Gentrifying Tracks

High Poverty Gentrification

Frogtown/Thomas-Dale - 27123032400



Classic Gentrification

Corcoran - 27053108700

