

## THE BLOG

# Who Are The Real Gentrifiers Of New York City?

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TERRAXPLORER VIA GETTY IMAGES

[“The End of Black Harlem”](#), as argued by Michael Henry Adams in *The New York Times*, is rapidly approaching. The trend is evident in the analysis of Census data from 2000 to 2010 by City University of New York’s, Center for Urban Research. Data shows that the Black population in Harlem has fallen precipitously (“The largest loss of Blacks in Manhattan occurred in Central Harlem North (-5,453) and Central Harlem South (-4,091). The Black population also declined in Hamilton Heights (-5,366).”), and shows no signs of abating. The most historic black neighborhood in America is on the verge of becoming majority white.

While Mayor Bill de Blasio rebutted Adams’ argument, expressing that the work of preserving Harlem is just beginning. The reality is, the process of gentrification began decades ago in Harlem. And the same developers we are turning to — to preserve Harlem’s historic character — began that gentrification in the first place.

The process of gentrification is usually associated with a fancy coffee shop popping up on the corner or maybe the shutdown of the neighborhood deli. But in reality, it is a process controlled by specific individuals — usually wealthy white men — seeking out new business ventures, with the community as a casualty in their push for inordinate profit.

The change we are witnessing is not a natural process caused by the ebbs and flows of individuals moving in and out of neighborhoods. It is driven primarily by developers and financiers. Throughout the past 50 years, displacement has taken many names: redlining, white flight, subprime lending, gentrification,

hipsterization, among many others. Each time neighborhoods of color are turned into commodities by speculators, bankers, for-profit developers and real estate brokers. Neighborhoods that were once forgotten and neglected are now lured into change with words like “revitalization”, “job creation” and “affordable housing”. Often, none of the changes are meant for the current residents.

The current iteration of gentrification in Harlem, and frankly many urban neighborhoods across America, follows a familiar pattern. Rich, mostly white men, see opportunity in low-income communities — that have traditionally had lower property values — where they can gobble up property quickly, influence the neighborhood development, inhale public subsidies, market housing to outsiders and then walk away with millions after selling off to a private equity firm. Rinse, recycle, and repeat.

In New York, the main driver of gentrification is the New York State Association for Affordable Housing (NYSAAH). Aptly named, this group of developers does their business under the presumption of ‘affordable housing.’

With the promise of desperately needed affordable housing, NYSAFAH developers are able to infiltrate neighborhoods of color across the city.

But behind the promise of “affordable housing”, lies a model that has perfected gentrifying communities of color. By buying land in low-income communities, taking advantage of city subsidies, using non-union, low paid construction workers, and last but not least building massive amounts of housing that is unaffordable to the neighborhoods.

Case in point is Ron Moelis, co-founder of NYSAFAH and L+M Development. Soon after NYSAFAH was established, Moelis began to greatly expand his portfolio by using public subsidies to take on projects in Harlem. His developments such as the Aspen, the Kalahari and Madison Park were built at levels unaffordable to the residents with the median incomes of Harlem. The developments were marketed to well-to-do residents who wanted the proximity to the rest of Manhattan and paved the path for gentrification of the most historic black community in the country.

Market-rate units at the Kalahari sold for more than \$1 million. The “affordable” units in the building are sold for much more than the median income in Harlem, as they were for purchasers earning 80-175 percent of the area median income.

The changing character of the neighborhood happened while Moelis built his empire in what was historically the African-American mecca of the United States.

As Harlem has shifted over the past 15 years, higher-income, mostly white families have become a much greater share of the population, and Moelis’ L+M is now selling off its developments to private equity groups and making obscene profits, bolstered in part from favorable terms acquired from the City. The Aspen and Savoy Park — an enormous rent-stabilized development that L+M purchased five years ago — [were both recently sold off](#) to private equity firms for tens of millions in profit. The land and developments they first pursued



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the immense beneficiaries of a gentrification process that they helped start.

L+M took its model of gentrification to Williamsburg and the Lower East Side with massive developments. And it is now pushing outward to neighborhoods on the verge of flipping, like the South Bronx and East New York.

It has helped fund Moelis' kingly lifestyle, with palatial homes in Greenwich, Connecticut, and on the Long Island Sound in Westchester, as well as an opulent 5th Avenue apartment overlooking Central Park. Moelis has managed to pay for stately apartments for his children, secure a position for his son in the governor's administration. In addition, Moelis has been able to create L+M's own investment vehicles worth hundreds of millions of dollars and partnerships that allow the developer to expand all over the country. Meanwhile, homeless mothers and their children ride the trains all night because they have been turned away from another shelter.

NYSFAFH and Ron Moelis are displacing communities across New York City, following a pathology that we have seen many times before. Real estate interests have consistently used this model, preying on communities of color to drive up, or drive down, the price of land, to the developer's benefit, while black and Latino families lose their wealth, incomes and neighborhoods.

With the help of the city, the destiny of our neighborhoods has been tipped heavily towards powerful private interests. And the people of New York City continue to lose control of their neighborhoods.

Disguised under the promise of "affordable housing", developer kings like Moelis and members of NYSFAFH have managed to transform neighborhoods historically inhabited by people of color, all while using city subsidies to build units that are not affordable to the people of these neighborhoods. For-profit developers like Ronald Moelis and members of NYSFAFH do not need government assistance at the cost of communities of color.


Alternative methods exist through non-profit developers to build truly affordable housing for the most vulnerable New Yorkers.

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**Keri Sahil Bano** : Teacher at New York City Department of Education



## Who Are The Real Gentrifiers Of New York City?



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**Joey Fish** · Technical Project Manager at Sony Music Entertainment

Like it or not, that's a culture of it's own. A bland stale oatmeal culture.

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**Dawn Benjamin-O'Bryan** · Observer at Taking Life Notes

In essence, gentrification would impose the same social divide that Trump's offensively obscene wall would create.

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**Joey Fish** · Technical Project Manager at Sony Music Entertainment

Disagree there, Trumps obscene ideations are much much MUCH more detrimental to society than the ebb and flow of businesses and the greed of landowners. If anything gentrification SHOULD allow for MORE diversity, how the people handle it well, its up to them.

Like · Reply · Aug 4, 2016 10:50am



**Susan Smith**

Joey, it's hardly possible for those whose roots run deep in these communities to "handle it well" when it becomes financially unattainable as a result of the interloper. Sadly, these neighborhoods are becoming void of their once great character and culture; bland to say the least.

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**Frank A. Swint Jr.** · City College of New York

The New York Times just did a great article about the influence of private equity firms: <http://nyti.ms/28UIOXE>

In my opinion they are vultures.

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**Cheramie Mondesire**

Let's not forget about Columbia squeezing people out on the west side of Harlem and other communities north of there.

Like · Reply · 2 · Aug 5, 2016 10:37am



**Dawn Benjamin-O'Bryan** · Observer at Taking Life Notes

At first, I too, thought gentrification sounded like a good thing that would generate commerce within failing and underserved communities. But there's more to it than that. People who live in these communities are already struggling to provide for their families, pay rent & utilities, and to hold onto homes and businesses. Then along comes gentrification.... wealthy individuals leave their \$5,000. per month residence and move to Brooklyn to pay, what they consider a mere \$2,000. per month rent. Not that they are bad people for wanting to save a "buck". But people who have been living in Bro... [See More](#)

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**Marie Smith** · Ewha Womans University

The flip side of that coin is that the people moving in aren't just those who can afford to pay \$5K but want to pay \$2K (ignoring the fact that this is just smart fiscal sense for anybody); they are those who could never afford \$5K but can afford \$2K. That segment often gets left out of these debates: people whose salaries used to be enough to live in more affluent areas but not anymore. Many of them are young, upwardly mobile college grads who are themselves being pushed out of Manhattan due to increasing housing costs. They've got to live somewhere too.

Whatever the solution to gentrification is (if there can be one), needs to account for all segments of the population. Maybe more mixed-income housing is the key. Maybe some sort of "protected zone" where developers cannot build would help. I'm not sure.

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**Dawn Benjamin-O'Bryan** · Observer at Taking Life Notes

I appreciate your response. The bottom line is that everyone deserves to have safe and affordable housing. I have a friend who is 50 pulse years old, living on a fixed income and disabled, not by choice. This person is being forced out of their apartment after renting for over 15 years with the only possible option of renting a room for \$1,000 in house with 9 other adults. This would be okay if we were talking about a college campus with students who would be lodging there on a temporary basis.


The changes in the housing market is more of a by-product that comes from greed.

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**Dominique Francon**


Ron Moelis is Jew. Jews aren't white. the premises of this article remain unsubstantiated. Jonathan Westin. you are clearly ignorant when it comes to knowing how to distinguish different ethnicities.



**Gary Keenan** · Cornell University

Who appointed you arbiter of whiteness?

Like · Reply ·  3 · Aug 7, 2016 1:36pm



**Peter Petino** · Works at Active Transport Messenger Svce. Inc.

All this is troubling over and over people are displaced. We need affordable period - that means the City and State should help to give goodies away to thoughts who give real affordable choices. It is a must. Let us get started here what is the wait.

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