Urbanities, Vol. 4 · No 2 · November 2014

After the 125th Street Rezoning: The Gentrification of Harlem's Main Street in the Bloomberg Years

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This article investigates the impact of the 2008 rezoning plan for 125th Street in Harlem on long-time residents and independent local businesses. It starts with a brief history of development at 125th Street from its beginnings as a popular commercial corridor in the 1910s and 1920s through the decay of the neighbourhood during the Great Depression and in the post-WWII years, to its renaissance in the late 1990s and 2000s. The paper then focuses on the Bloomberg years, and on the contentious decision-making process that led to the approval of a rezoning plan for 125th Street corridor in 2008. The plan is analysed in detail, followed by an assessment of its impact on neighbourhood character, on local retail and on housing affordability. I use data from the 2000-2010 Census, along with figures on rental values, business openings and closings, to illustrate the process of residential and commercial gentrification of the area during the years of Bloomberg. I demonstrate how, although the sweeping gentrification of the areas surrounding 125th Street had begun in the late 1990s, the pace of these transformations has accelerated tremendously after the 2008 rezoning.
Keywords: Rezoning, New York City, Gentrification, Displacement, Harlem, Michael Bloomberg, Amanda Burden, Harlem Renaissance.

Introduction

In April 2013, the Real Estate Board of New York launched a 'Harlem Open House Expo' in partnership with CHASE Manhattan, an event geared at 'potential buyers looking to get a peek at the hot Harlem real estate' (Real Estate Board of New York 2013; from now on, REBNY). Brokers from major real estate firms operating in Harlem hosted exclusive viewings of co-ops, condos and townhouses for sale. The listings included a brownstone at West 126th Street selling for 2.5 million US dollars and a 2-bedroom apartment at East 126th Street for 805 thousand US dollars. 'Harlem is Booming' was the title of an 8-page advertising supplement which appeared in the New York Times in 2010; it depicted Harlem as a hip and sophisticated neighbourhood for well-off newcomers, and enlisted the numerous luxury development projects taking place in the neighbourhood. These included a luxury condominium building with prices ranging from 509 thousand to 1.889 million US dollars, and luxury condos with panoramic rooftop terraces, bars and fitness centres. Sponsored by the largest realtors with ventures in the district, the NYT supplement celebrated the new wave of luxury development in Harlem, asking the readers, 'Are we witnessing a second Harlem Renaissance?' The answer was of course a sound yes, although the supplement gave the rather clear impression that what drove this renaissance, rather than a cultural and artistic awakening, was a wave of luxury real estate.

The neighbourhood that middle-class residents were fleeing in the 1960s and 1970s has emerged by the mid-2000s as one of New York City's real estate hotspots. Over the last decade, the swift pace of development has changed the face of the area around 125th Street, where luxury condos now dot a renewed landscape, while small businesses that had been around for decades have gradually surrendered to large corporate retailers. Although the commercial and residential gentrification of the areas surrounding 125th Street had been set in motion since the late 1990s, it gained enormous momentum during the years of Bloomberg's mayoralty.

A Brief History of Harlem's *Main Street*

Laid out in the 1811 Commissioner's Plan for Manhattan (the 'grid plan'), 125th Street runs from the Hudson to the East River, crossing West, Central and East Harlem. After the completion of a subway stop at the corner with Broadway in 1904, 125th Street established itself as Harlem's central commercial corridor. In the 1920s and 1930s, it became the bustling focal point of the famous 'Harlem Renaissance', a moment of remarkable artistic and literary accomplishments for Black Americans. The Great Depression ended this moment of extraordinary cultural ferment and circumstances worsened after WWII, when 125th Street and the surrounding areas entered a phase of steep decline as middle-class Blacks started moving to outer boroughs, leaving only the poor and the unemployed in the neighbourhood. Meanwhile, discriminatory policies of most banks resulted in the rejection of mortgages for new constructions in Harlem as well as other African American communities in the city. During the 1960s and 1970s, the flight of middle-class residents to the suburbs was paralleled by the concentration of pockets of poverty in Harlem. The lack of habitable housing, soaring crime rates, racial tensions and a falling population contributed to make the neighbourhood more uninviting to investment; 125th street's fortune as a premiere commercial street declined dramatically. The famous Apollo Theatre shut down in 1976. Few bars and clubs remained open along the thoroughfare, while most storefronts were boarded-up or left vacant. In the early 1980s, the street saw modest signs of revival as Mayor Koch commissioned a 'Redevelopment Strategy for Central Harlem', which called for public-private investments in selected anchor areas around Harlem, especially along the 125th Street corridor. In the same years, the city began auctioning the City's in-rem properties back to private investors and non-profit organizations, in an attempt to foster private investment and opportunities for homeownership in the area. The auctions attracted mostly middle-income residents from other neighbourhoods who had the opportunity to purchase homes in the area for a relative bargain. Around the mid-1980s, Schaffer and Smith (1986) noted that certain activities in the housing markets of specific areas of Harlem, notably its western corridor, were enough pronounced to signal the onset of initial mild forms of gentrification. During the Giuliani years, the establishment in 1993 of a 125th Street Business Improvement District (BID) to promote local shopping along the strip paved the way for a gradual revitalization of Harlem's Main Street. However, the main catalyst for a new wave of commercial development at 125th street was the Upper Manhattan Empowerment Zone (UMEZ) legislation introduced in 1994 in Congress by Harlem Representative Charles Rangel, and backed by US President Clinton. Most of the UMEZ funds were used to encourage large corporate retailers to open activities along the strip (Maurrasse 2006). Among these, huge retail and entertainment complexes like Harlem USA, opened in 2000, and mixed-use office and retail developments like Harlem Centre and Gotham Plaza, both opened in 2002. Private investment followed suit. By the late 1990s, tenement-style dwellings and row houses around 125th Street and in Central and West Harlem started catalysing increasing numbers of affluent in-movers, mostly black and white professionals from other parts of Manhattan, who could profit from the relatively low prices and the excellent transportation options of the area.

Rezoning 125th Street

In December 2003, the Department of City Planning (from now on, DCP) partnered with several city organizations, including the New York City Economic Development Corporation (NYCEDC) and the Department of Housing Preservation and Development (HPD) to create a development framework to 'sustain the ongoing revitalization of 125th Street as a unique Manhattan Main Street, enhance its regional business district character and reinforce the street's premier arts, culture, and entertainment destination identity' (DCP 2007a).

The plan was crafted in a moment where the city was recovering from 9/11, Wall Street profits were rebounding, and the Manhattan property market was reaching record highs, creating momentum to push development to other parts of the island and the outer Boroughs.

An advisory committee of local stakeholders was included in the planning process, comprised of local businesses, civic groups, cultural institutions, and Community Boards (CBs) 9, 10 and 11. Key roles in crafting the proposal were also played by several business-oriented Harlem organizations, most of which would come to benefit directly from the rezoning of the area (Feltz 2008).

The 125th Study was based on zoning amendments to accommodate increasing pressures for commercial and residential development in the area by increasing allowable densities and encouraging mixed-use development along the entire length of the street, from the Harlem to the Hudson River. Like many other rezoning plans implemented by the DCP across the city in the years of Bloomberg,[1] it was based on the physical restructuring of a low-income but rapidly gentrifying community to encourage property investment and the influx of new, more affluent residents (Angotti 2008; Busà 2012, 2013). By the time the rezoning was on the drawing board, the neighbourhood around 125th Street was a predominantly low-income, predominantly black community, whose area median income equalled to less than one-third of the average median income of the city as a whole, and which was already under pressure from escalating housing prices, large development schemes by neighbouring Columbia University and extensive waves of foreclosures and bankruptcies of small businesses.

The proposal envisioned the rezoning of all blocks between 124th Street and 126th Street, from Second Avenue to Broadway. By increasing residential densities and fostering mixed-use development, the plan would allow for approximately 3,900 new apartments and 600,000 square feet of new office and retail space. At the same time, the proposal introduced height restrictions for all new developments at 290 feet in order to discourage out-of scale development in the area.

[1] Under Michael Bloomberg, the DCP has adopted123 rezoning plans covering more than 11,500 blocks, or almost one third of the total urban land, in the decade 2002-2013.

The Process Behind the Plan

The DCP completed the Draft Environmental Impact Statement (DEIS) in September 2007, stating that the immediate displacement of 71 small businesses and their 975 employees resulting from the rezoning would not constitute a significant adverse economic impact (DCP 2007c). Likewise, the indirect displacement of 500 residents in 190 units and the threat of demolition of some of the street's century-old buildings were not regarded as worth of particular consideration (Ibid.). The DCP certified its proposal as complete on October 1, 2007, thereby starting the seven-month Uniform Land Use Review Procedure (ULURP) mandated by the City Charter. On December 5, 2007, Community Boards 9 and 11 (East and West Harlem) voted for conditional approval of the rezoning (that is, they approved the plan, provided certain modifications were made), while CB 10 (Central Harlem) issued a conditional disapproval, objecting to the projected indirect displacement of low-income residents from the rezoned area and expressing concern about the impacts of a forecasted overproduction of market-rate housing units (80 per cent market-rate against 20 per cent reserved as 'affordable' to low- and middle-income households) in a predominantly very low-income area. All three Community Boards agreed that the plan did not guarantee a sufficient amount of housing affordable to local residents, nor any provision to protect existing tenants from eviction. They also favoured the establishment of provisions aimed at retaining existing small businesses in the area.

But the role of Community Boards in New York City is merely advisory, and the City Planning Commission (CPC) approved the plan on March 10, 2008, giving the City Council 50 days to approve or reject the Commission's decision. On January 30, 2008, the Commission held a public hearing at the City College of New York at West 135th Street, in which residents, business owners and local community organizers attended to testify their overwhelming opposition to the rezoning (Morais 2008).

Before final approval was due on April 30, 2008, Councilwoman Inez Dickens, who represents the portion of 125th Street where the largest up-zoning was proposed, was holding the balance of power. Dickens is strongly tied to the Greater Harlem Chamber of Commerce and to its development arm, the Greater Harlem Housing Development Corporation, and is also active in the Harlem real estate business with her own firm (Buettner 2010). Dickens had promised that she would not approve the plan until she could extract some benefits for the local community. After negotiations with the board of the DCP, she came to an undisclosed agreement, and a modified version of the plan was presented to City Council for approval. The modified plan granted inclusionary zoning bonuses to encourage developers to set aside 46 percent of the newly produced housing units as 'affordable'. Broadly defined, inclusionary zoning is the provision of incentives to private developers in exchange for the commitment to include the construction of a percentage of affordable units as part of their development. New York has a voluntary program, which subsidizes development in the form of density bonuses or financial grants like the New York State's 421 — a tax abatement program. Before 2005, the density bonus was provided only in the highest-density residential areas of the City. The city expanded the program in 2005 for areas being rezoned to medium- and high-density residential uses and included the tool in the rezoning plan for Greenpoint-Williamsburg.

However, the standard of affordability of the units created is measured with respect to the Area Median Income (AMI) of New York City as a whole, which is invariably much higher than the median income of many working-class neighbourhoods like Harlem (see later, the sub-section on *Affordability of new housing and threats of displacement*).

On April 30, 2008, City Council gathered to decide whether to approve or reject the plan. One of the official arguments in support of the rezoning was that, if nothing was done, the lack of height restrictions and of affordable housing provisions within the existing 1961 zoning code would threaten the area's physical and social character. The modified version of the rezoning plan was eventually approved by an overwhelming majority of City Council members (47-2), in what became a tensed and emotionally charged session. The public, mostly comprised of black Harlem residents opposing the plan, shouted and booed Dickens from the public gallery. After Dickens' remarks were repeatedly disrupted, the police cleared the Council chamber of all spectators. As the session ended, she was escorted out of City Hall through a rear door (Rudish and Lombardi 2008). Council members Tony Avella and Charles Barron, the only two who voted against the rezoning, called it 'top down', and 'a sellout'. Barron protested: 'Ten to 12 years from now, they will see that the housing will not be affordable. This will be the wholesale sell-out of Harlem from river to river' (quoted in Chung 2008).

On the same day, benevolent press accounts listed the concessions that Dickens had managed to extract from the DCP, and boasted the large amount of affordable housing the rezoning would create. The *New York Post* wrote of an 'unprecedented 46 percent' of new housing units that would be reserved for low- and moderate-income families (Topousis 2008). Dickens claimed 'It's an inclusionary program never before done in the history of this great city […] With this rezoning, Harlem's historically indigenous cultural institutions will be protected' (quoted in Durkin 2008). Such enthusiasm was echoed by Mayor Bloomberg, who argued: 'Not only does the plan lay the foundation for economic growth on Harlem's Main Street, but also it preserves its noted brownstones and reinforces its arts and culture heritage' (quoted in Williams 2008a). According to the modified plan, 1,785 of 3,858 of the apartments planned for Harlem (46 per cent) would be indeed 'income-targeted', with 900 set aside for those earning 46 thousand US dollars or less a year for a family of four, and 200 for families earning a maximum of 30,750 dollars a year (Williams 2008a). Other revisions included height restrictions capping buildings at 195 feet, a 750 thousand dollars forgivable-loan program for businesses adversely affected by the plan, the creation of a local arts advisory board, and a 5.8 million dollars fund for capital improvements at Marcus Garvey Park (Durkin 2008).

The 125th Street Rezoning Plan in Detail

125th Street contains a variety of cultural, commercial and residential uses, and some of the most important cultural institutions of Harlem. The urban form varies broadly across the corridor, exhibiting several building types from small single-story retail stores, to large suburban-like megastores concentrated especially in its East end, to traditional four- to five-story tenement houses, to high-rise public housing projects at either end of the street, to rows of brownstones along portions of 124th and 126th Streets (also comprised in the rezoning area). The rezoning establishes a new contextual 'Special District' for 125th Street that will affect 24 blocks between 124th and 126th Streets, from Broadway to Second Avenue, crossing through West, Central and East Harlem. It allows for denser and taller buildings in the area and introduces mixed-use developments in lots that were once zoned for commercial activity, but also imposes height restrictions that were not mentioned in the existing zoning regulations dating to 1961. To create new commercial space, much of which is unsuitable to large-scale retail because of the street's generally small lots, the rezoning increases the allowable commercial and residential densities. In all, the plan allows for approximately 3,900 new apartments and over 600,000 square feet of new office and retail space development that is expected to fill in the vacant lots and replace the one-story retail shops that line 125th street. In an effort to create a pleasant pedestrian experience, the rezoning aims to enhance 'ground floor retail continuity', and regulates uses located at the ground floor level in all new developments with frontage on 125th Street. These have to be 'active' uses that contribute to a vibrant pedestrian experience (retail, galleries, cafes, restaurants, movie theatres). 'Dead' uses (including bank and hotel lobbies, offices and residential uses) are prevented from fully occupying the ground floor of new developments along the strip; such uses are allowed only on the upper floors and can have only limited space for lobbies on the ground floor.

The plan also outlines a 'special arts and entertainment district' between Frederick Douglas Boulevard (8th Avenue) and Malcolm X Boulevard (Lenox Avenue), the area where major landmarks such as the Apollo and Victoria Theatres, the Blumstein Department Store and the Hotel Theresa are located. Here, new developments with a floor area of 60,000 square feet or more are required to dedicate five percent of their total floor area to arts- and entertainment-related uses such as museums, performance venues and restaurants. The proposal also includes regulations to enhance the streetscape by preventing shop owners from coating their storefronts with roll-down metal grates, and by allowing theatres to build distinctive marquee signs reminiscent of the old days of the Harlem Renaissance. An 'arts bonus', usually in the form of additional floor area, is available to developers in exchange for the provision of non-profit visual or performing arts spaces in their developments.

Criticism of the Plan

The 125th street rezoning plan has received vocal criticism from local residents, community advocacy groups, tenant organizations and local urban planning think-tanks. According to the DCP, the rezoning plan was the result of a substantial participatory process consisting of over 150 meetings held from 2003 to 2007 with 'stakeholders, property owners, residents and elected officials to discuss and refine the plan' (DCP 2007b). According to some commentators, however, the meetings repeatedly avoided to discuss topics that were crucial to local residents — particularly their fears that new zoning actions could result in the displacement of low-income households and small businesses, and their concerns that the projected housing units would be unaffordable to Harlem residents (Feltz 2008). Although criticism has targeted almost every aspect of the plan, most concerns have addressed the plan's lack of effective affordable housing provisions, its potential for displacement of existing residents and businesses, and its potential impact on the physical character of the neighbourhood.

Affordability of New Housing and Threats of Displacement

The strongest opposition from residents and civic groups has addressed the lack of guarantees that new residential development will be within the reach of average Harlem residents.

The median incomes for the zip codes to be affected by the proposal were at approximately 22 thousand dollars in 2007 (Onboard 2007). Since the affordability standard of new developments at 125th Street is measured with respect to the AMI of New York City as a whole (71,300 dollars in 2007, Onboard 2007), most of the units that are described as 'affordable' will be way beyond the reach of existing residents. Despite the misleading assertion that 46 per cent of the produced units would be 'income targeted', by these measures only 5.18 per cent, or 200 units, out of a proposed 3,858, will be available to households whose annual incomes are of 30,750 dollars or less — the average Harlem resident. As mentioned earlier (see the sub-section, *The Process Behind the Plan*), these 'affordable units' should be produced thanks to inclusionary zoning bonuses. However, since New York's inclusionary zoning program is not mandatory, it is questionable how many of these 'affordable' units will ever be built. In booming times and in heated property markets, the majority of developers have generally chosen to opt out of these subsidies, in search of higher profits from market-rate units (see Pratt 2004).

In addition to worries around the affordability of new developments, concern has addressed the potential for displacement of existing residents as a result of new housing developments in the area. The Environmental Impact Statement (EIS) underestimated the displacement of Harlem's existing residents in its conclusion that only '500 residents in 190 units […] could be vulnerable to secondary displacement if rents rise as a result of the proposed action' (City of New York DCP 2008a: 1.0-6). According to calculations by CB 10, at least 2,077 currently occupied units will be directly impacted by the rezoning, in addition to the indirect impacts caused by the development.

The plan also allows for high-density mixed-use developments on lots that were once restricted to low-density commercial uses, encouraging the building of residential high-rises of a size never before seen along 125th Street. The expansion of luxury development of this scale threatens existing tenants because of the upward pressures in rental prices. Bailey (2008), a human rights activist and co-founder of the Harlem Tenants Council,[2] pointed to the increasing number of residents' complaints about landlords illegally doubling or tripling rents, harassing tenants and evicting people to make way for higher-income residents (Tucker 2008); she also referred to reports on family homelessness in New York City showing that Central Harlem ranked among the top 10 neighbourhoods in the city with the highest displacement rate (Henry 2005). She described the proposal as 'a plan that seeks to replace a

[2] This is a tenant rights advocacy organization that is active in fighting the displacement of residents and businesses in the neighbourhood

working class community of color with an affluent white community' (quoted in Chaban 2008).

DCP director Amanda Burden played down the notion of widespread displacement, stating that 'over 90 percent' of the housing in the area was 'rent protected', including the neighbourhood's several large public housing complexes (quoted in Williams 2008b). However, the effectiveness of rent protection programs in the long run is questionable, as the heated housing market encourages landlords to opt out of subsidy programs and speed up the process of conversion of rent-protected units into market-rate apartments.

Impact on Independent Local Businesses

Local mom-and-pop stores owners expressed concern that the rezoning would force them to close, or to relocate out of the neighbourhood due to heightened competition from large national retailers or escalating rental prices.

In 2008, CB 11 (East Harlem) made several recommendations aimed at preserving small businesses in the neighbourhood. The board suggested the introduction of provisions that would require developers to reserve a space to host existing local businesses in their developments, and recommended measures to promote local hiring through bonuses in exchange for the commitment of new establishments to hire locals. Acknowledging the area's high rates of unemployment and underemployment, in 2007 the Municipal Art Society (MAS) recommended the introduction of job training programs for Harlem residents to ensure that locals may benefit directly from the new jobs created through the rezoning, and included other recommendations to preserve locally-owned retail in the strip.

In 2008, Central Harlem's CB 10 calculated that at least 71 small businesses would be directly forced to close as a result of the rezoning, leaving 975 workers without jobs. The Final Environmental Impact Statement issued in 2008 however considered these businesses of little economic and cultural value, as they did not 'contribute substantially to neighborhood character' (DCP 2008a: 1.0-13 and 1.0-11). The plan did not include provisions to protect small merchants other than the establishment of a 750 thousand dollars loan program for businesses that were adversely affected by the rezoning (10 thousand dollars per storeowner to help them relocate).[3] Other programs were launched in 2009 to lure new businesses to the area; in 2009, the UMEZ's '125th Street Pilot Retail Incentive Program' was launched to grant loans to established, non-franchise businesses seeking to expand along 125th Street, in order to offset the homologation of businesses along the corridor. The 1 million dollars 'Harlem Business Assistance Fund' was launched the same year to offset part of the expenses small businesses may incur in locating to 125th Street and its vicinity, reimbursing broker commissions paid in connection with new leases.

Despite these efforts, innumerable locally-owned businesses have left their locations along 125th Street since 2007. According to the Greater Harlem Chamber of Commerce,

[3] Meanwhile, a staggering 5.8 million dollars were allocated for the beautification of Marcus Garvey Park, an initiative that no community group had ever requested or supported, but which was most probably intended to benefit the developers of several new luxury residential condominium buildings facing the park.

approximately one-third of businesses in Harlem closed between July 2008 and June 2009. This was not a merit of the national recession alone. As it will be demonstrated later in the sub-section on *Commercial Gentrification*, dozens small businesses were directly evicted by their landlords in order to take advantage of the higher building densities allowed under the new zoning and to make room for more profitable developments (Irwin 2009).

Impact on Neighbourhood Character

The plan was presented by the press as one of the most meticulously crafted initiatives to come out of the DCP under Chairwoman Amanda Burden. Burden herself argued in several occasions that she had spent more time working on the 125th Street proposal than she had on any other prior rezoning plan (Williams 2008b).

The plan promotes the development of 'building forms that are compatible with existing neighborhood character' (DCP 2008b). Under the previous 1961 zoning, there were no requirements for developments to respect the street line, allowing developments set back from the street that interrupted the fluidity of the pedestrian experience. Under the new zoning, bulk controls require all new development to provide street walls and setbacks for the upper portion of the buildings to reduce their visual impact from the street level. As already examined in the sub-section, *The 125th Street Rezoning Plan in Detail*, the plan incorporates other tools specifically intended to promote a vibrant and aesthetically pleasing pedestrian experience.

Despite these efforts, the community's reaction has been suspicious, as the increased allowable building densities (measured in FAR, or floor-to-area ratio, the maximum ratio of permitted floor area based on the area of a zoning lot) encourage the demolition of low-scale buildings in order to build taller ones. The modified plan set height restrictions of 190 feet, or about 20 stories, on the north side of 125th Street and of 160 feet, or about 15 stories, on the south side. City officials claimed this was necessary, as the old zoning regulations dating to 1961 did not incorporate any height limits. However, the old zoning contained implicit height restrictions that kept too tall buildings from being built, as it incorporated narrower limits to the allowable FAR. This is why most buildings along the corridor have remained predominantly low-scale for decades. The new zoning instead encourages the demolition of low-scale structures in order to build taller and more profitable ones — even with the new height limit (Angotti 2009).

The rezoning has also missed opportunities to incorporate measures to preserve buildings of historical significance in the area. Besides for two public libraries built in 1904 and 1914, no other historically significant buildings have been reviewed for landmark status designation during the planning process. The FEIS admitted that the rezoning 'could result in significant adverse impacts due to potential demolition of four Register-eligible resources on potential development sites, including: the former Harlem Savings Bank, the Marion Building, the Bishop Building and the Amsterdam News Building' (DCP 2008a: 3.23-2). The list of buildings of historic significance located at 125th Street that are not protected by local landmark laws however should also include the late Art Nouveau Blumstein's Department Store (completed in 1923), which was the site of Adam Clayton Powell's legendary 'Buy

Where You Can Work' campaign, and the glorious Victoria Theatre, which was hailed by the time of its opening in 1917 as one of the most beautiful theatres in the city.

The Real Estate Boom in Harlem during the Bloomberg Years

Since the early 2000s, the influx of new in-movers and the rising average incomes have consistently driven up prices in Harlem. It was the relative affordability of housing in Harlem in the early 2000s that hastened the gentrification of the neighbourhood in the years to follow. By 2006, the average sale price in Harlem had soared to 458 dollars per square foot (an almost 250 per cent jump compared to 1996). In 2007, Harlem average sale prices had already peaked to 713 thousand dollars (Corcoran Group 2007). At the zenith of the housing boom, prices of new residential condo units in Harlem had become comparable to those of other luxury developments in Manhattan, with prices ranging from 450 thousand to 650 thousand dollars for a one-bedroom, and from 675 thousand to 2.2 million dollars for a two-bedroom condo unit (Barnes 2007). The staggering costs of living in the neighbourhood made headlines:

> 'It is increasingly difficult to find a one-bedroom apartment rental for less than $1000 even on the outskirts of Harlem. On any given day you will find at least a dozen condominiums for sale in the New York Times for about $5 million' (Dessus et al. 2007)

The 2008-2010 recession brought a dramatic drop in real estate values in the neighbourhood. Foreclosures and bank takeovers increased steadily in Harlem, while stalled developments and fenced-off construction sites dominated 125th Street. However, the slump was short-lived, and median sale prices in Harlem rose again swiftly in 2010-2011. By 2011, the most luxurious condominium developments in Harlem commanded prices of over 715 dollars per square foot (Fusfeld 2011). Among these were developments like 5th on the Park, the Langston, the Lenox, the Lenox Grand, and the Dwyer — all of them offering luxury amenities like 24-hour concierges, gyms and landscaped roof gardens. By 2012, in the highly gentrified tract around 110th Street, home values had jumped 39 per cent compared to 2007 levels — the highest increase in all of Manhattan. Currently, the price per square foot for an apartment in the best areas of Harlem is nearly the same as in Chelsea and the upper West Side.

Residential Gentrification and Displacement in Harlem

Escalating housing prices are putting a severe strain on long time low- and middle-income Harlem residents. By 2008, the Harlem Tenants Council reported complaints by hundreds of Harlem tenants being displaced or threatened with eviction because of escalating rental prices, landlord harassment or expiring rent regulations (Bailey 2008).

As I have mentioned in the sub-section on *Affordability of New Housing and Threats of Displacement*, DCP Chair Burden mentioned the 'over 90 per cent' of existing rent-protected housing units in the neighbourhood (quoted in Williams 2008b) to reassure residents that their fears of displacement were unsubstantiated. It is true that subsidized housing still makes a large share of the housing stock in Harlem.[4] However, with subsidy restrictions phasing out throughout the city, it is questionable whether a substantial number of low- and moderate-income families in Harlem will manage to remain in their gentrifying community in the coming years. Only in 2005, New York lost a record 5,518 rent-protected apartments whose landlords opted out of subsidy programs; nearly 80 percent of the units lost were in the South Bronx and especially in Harlem, where the landlords of three large housing complexes (Riverside Park Community, Schomburg Towers, and Metro North Houses) decided to opt out of the Mitchell-Lama program (Jones 2006). Most of the renters living in those units were low-income families of colour. In many cases, the weakening of rent regulation laws, combined with the overheated Harlem property market, has encouraged the proliferation of 'predatory equity' schemes, a form of real estate speculation whereby private equity firms purchase apartment buildings with rent-regulated units in gentrifying neighbourhoods and promise their investors very high returns that can only be achieved by aggressively driving out existing tenants — primarily through harassment or lack of maintenance.[5] Accounts of tenants displaced because of abusive landlords' tactics have increased as the Harlem real estate market boomed in the mid-2000s (Del Signore 2008, Lowery 2011). Another threat to subsidized housing is caused by landlord mismanagement or neglect. Sometimes landlords can keep their apartments in such bad conditions that tenants are forced out by city authorities because of structural damages or health hazards (see Chiaramonte 2007, Suh 2012). In the Bloomberg years, there have been innumerable outrageous cases of landlords' violations, including violations for not providing heat, hot water, maintenance and repairs to tenants in Harlem (Trymaine 2011).

Obviously, homeownership can be an effective antidote against displacement. In fact, in gentrifying neighbourhoods, homeowners generally may stand to benefit from the increase in home values. This is not the case of the majority of existing Harlem residents, however. According to the 2000 Census, 93.4 percent of Central Harlem (District 10) residents were renters, with a paltry 6.6 of homeowners. West Harlem (CD 9) had a 90.3 percent of renters and a 9.7 of homeowners. East Harlem (CD 11) had a 93.6 percent of renters and a 6.4 percent of homeowners (US Census 2000).[6] The reasons for the overall limited share of homeownership in Harlem can be attributed to a long history of redlining, which for decades has made it impossible for residents of black neighbourhoods to receive loans and mortgages by private banks.

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[4] In 2006, the districts of East, West and Central Harlem had a total of 145,368 housing units, of which 51,216 were designated as 'affordable' and reserved for people of moderate and low income. A further 24,207 were public housing projects for low-income households (Trotta 2006).

[5] Many landlords employ illegal tactics in an effort to drive rent-regulated tenants out. Often, they neglect maintenance works or intimidate tenants with unsubstantiated legal proceedings; over the last years, there have been innumerable cases of tenants being baselessly sued by their landlords for unpaid rent or for alleged illegal sublets (Morgenson 2008).

[6] Things did change, although not remarkably, by 2010, presumably as a result of the increase of recent purchases by new in-movers (US Census 2010).

The construction of new housing in the areas surrounding 125th Street so far has not even remotely made up for the amount of affordable units that are being lost because of recent development pressures. By the end of 2013, phase 1 of the East Harlem Media Entertainment and Cultural Center, a mixed-use megaproject at the corner of 3rd Avenue and East 125th Street unveiled in 2008, has produced 49 'affordable' units. These and the future units that will be produced as part of the project will be affordable to families earning between 35,450 and 106,350 dollars — an income that is beyond the reach of most Harlem residents. So far, these are the only 'affordable' units produced 'on site' at 125th Street since the rezoning was adopted in 2008.

Commercial Gentrification

The process of commercial gentrification of 125th Street, boosted by the new developments brought about by UMEZ funds in the late 1990s, has been steady since then, and only escalated during the Bloomberg years. In the early 2000s, as the rezoning plan was in the making, cases were reported of commercial rents along the thoroughfare soaring almost 500 per cent in the time of only one year (Boyd 2003). By 2005, average commercial rents along the corridor had become comparable to those of the rest of Manhattan — the average asking rent for retail space at 125th Street amounted to 90 dollars per square foot, compared to103 dollars per square foot for an average rent in Manhattan (REBNY 2005). After commercial rents peaked in 2007, however, an abrupt drop marked the onset of the national recession, which hit Harlem and other predominantly low-income neighbourhoods in the city particularly hard. In 2008 and 2009, Harlem's independent businesses experienced record bankruptcies and foreclosures, which by 2009 resulted in a 37 per cent store vacancy rate in some of Harlem's main shopping strips (Neighbourhood Retail Alliance 2009), and in a 16 per cent vacancy rate along certain sections of 125th Street (see Ryley 2009). In 2009, the Greater Harlem Chamber of Commerce documented over 638 ground floor businesses that had shut down in Harlem (Spitz 2009). Most of the boarded-up storefronts belonged to small businesses that had been in the neighbourhood for decades. Many of these businesses were forced to close because of the recession; others, unable to compete with large corporate retail, or confronted with a changing customer base in the gentrifying neighbourhood, had no other choice but to shut down (Hyra 2008: 104). At 125th Street, many were directly evicted by their landlords who took advantage of zoning changes and rushed to vacate lots to build taller, denser and more profitable buildings. The casualties include a number of stores that had become cultural fixtures and that had served the community for decades. In 2007, Sigfeld Group and Kimco Realty purchased a 50 million dollars 110-year-old building at 125th Street and Frederick Douglass Boulevard with the intent of replacing it with a new mixed-use retail and office complex. The 16 tenants forced to move included soul food restaurant Manna's and the Bobby's Happy House music store (among the first African American-owned businesses in Harlem). Business owners were told they had six months to vacate their premises and were offered a paltry 5 thousand dollars for relocation costs (Mazor 2007). Several store owners left immediately, while Manna's and others filed a lawsuit against the developers and eventually managed to settle for a restitution of over 1 million dollars (Pruitt 2010) before leaving the building by September 2008. In 2009, Manna's was eventually allowed to move back to its location and reopened its restaurant. As of 2013, Manna's was still there, while the rest of the building sits vacant, with most of the storefronts boarded up.

At East 125th Street, between 3rd and 2nd Avenues, the building of the East Harlem Media, Entertainment and Cultural Center also collided with the interests of existing long-time small businesses. In 2008, the city approved the huge mixed-use development and moved in court to condemn six acres of properties in preparation for the project. In 2009, half a dozen small businesses filed a lawsuit against the DCP's determination to make use of eminent domain for the benefit of private developers. Their lawsuit was dismissed on October 12, 2010.

Other casualties of rezoning-led development are to be seen all along 125th Street. The Boro Hotel, at 125th and 5th, has been slated for demolition in April 2008. Its first floor once hosted a small locally owned restaurant and jazz club called La Famille, opened in 1958 by two sisters who were among the first African American women to work at 125th Street (Moss 2008). Also the M&G Diner at West 125th Street, known in the neighbourhood for its extravagant marquee sign and its southern food, was sold in 2008 and now sits vacant and boarded up. The famous Record Shack across from the Apollo Theatre was shut down in 2007 after 35 years of activity after his lease was literally tripled by the landlord. After 73 years in Harlem, the world-famous Lenox Lounge at Lenox Avenue and 125th Street closed its doors on December 31, 2013 after the rent was doubled from 10 thousand to 20 thousand dollars per month (Moss 2013). The same year, more stores that had been around for decades, like Harlem Lanes, Hue-man Bookstore and MoBay Restaurant were forced to close due to escalating rents.

If in just a few years a large number of small businesses at 125th Street went out of business, the crisis was instead a golden opportunity for large corporate retailers. During the recession, chain stores heavily increased their presence along the strip (CUF 2008, 2010; Irwin 2009). These included Starbucks, which in 2008 opened its second 125th Street branch, and Applebee's, which in 2009 opened a new store at 125th Street between 5th and Lenox Avenues.

As the recession ended, average commercial rents along the 125th Street corridor climbed again. By the fall of 2011, they soared to 129 dollars per square foot (REBNY 2011). To put these numbers in perspective, average asking rents in Manhattan were at 112 dollars per square foot. Such prices are enabling only corporate retailers to settle in at 125th Street and the surrounding areas. Only in 2012, there was an 11.2 per cent rise in corporate retail in Harlem compared to 2011 — the biggest growth in new chain retail openings recorded in New York City that year (CUF 2012).

The effects of these transformations are striking. Today, 125th Street looks and feels just very much like other major commercial cross-town corridor in Manhattan and it is almost indistinguishable from 14th or 23rd Streets Downtown; Subway, McDonald's, Dunkin Donuts, H&M, CVS and CVS dominate the landscape. The homologating force of corporate retail's aesthetics is compromising the community's uniqueness and, according to some observers, even jeopardizing its potential as a tourist destination. In 2012, the executive director of the

Harlem Business Alliance told the *New York Daily News*: 'The risk of a homogenized, cookie-cutter landscape filled with chains is that we become less interesting: We're not there yet, but we're near the tipping point.' (Smith, quoted in Feiden 2012).

Conclusions

Under the administration of Bloomberg, the use of site-specific re-zoning plans has expanded the geographical scopes of property investment and development to neighbourhoods that were once disadvantaged or underserved, creating the material conditions (providing the legal and administrative framework) to make high-end development feasible and profitable.

In this article, we have explained how the 125th Street rezoning plan has acted as the catalyst of a massive wave of property development and as a blueprint for the gentrification of the neighbourhood around Harlem's 'Main Street'. The rezoning has unlocked development potential by encouraging the production of market-rate housing, prime retail and office space in a neighbourhood whose initial land values were relatively low, and where the expectations of returns from redevelopment were therefore particularly high.

While this rezoning has greatly benefited the development community, however, it has negatively affected the most vulnerable Harlemites. These are mostly low- to middle-income households and small independent businesses who are being priced out of their neighbourhood as a result of the new zoning regulations, or whose survival in the area is under threat. This article has shown how the rezoning action has coincided with the disappearance of small independent businesses and their substitution with large corporate retailers, and has reported evidence of luxury residential developments which includes very little or no housing units affordable to local residents.

Contrary to institutional narratives of a broad involvement of the affected communities in the planning processes, our account has shown how local residents felt they had any say in the making of the plan. Also the City's official narrative of a fine-grained, preservation-oriented approach to the 125th Street plan is disputable, as the increased allowable densities encourage the demolition of some of the street's historical landmarks and jeopardize the low-scale character of the historical corridor. Similarly, official narratives around the plan were centred on the promise that the rezoning would provide much needed affordable housing. Our calculations, however, have shown that only 200 out of a proposed 3,858 housing units will actually be within reach of the average Harlem residents, if they ever get built.

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