Tom Ashforth*
08/25/16

Urban Transformation and Gentrification's Impact

For the past few decades, major urban centers and increasingly wealthy suburbia have been undergoing significant transformations in a time of unprecedented affluence and technological developments. This process has only sped up in the course of the twenty-first century, with rising urban regeneration and property owners taking advantage of the insatiable demand for housing from the beneficiaries of the technological boom. As a result of this newly emerging urban model, the negative impacts upon local communities, particularly those from lower socio-economic backgrounds and ethnic minorities, have been substantial. Much as in recent years global communities across the world have been involved with campaigns pertaining to the protection of the environment or the avoidance of war, Silicon Valley and capital cities are now fiercely involved with their own local battles to preserve their local communities and avoid inter-community schisms.

This report will first substantiate the current shifts in housing prices and population movements in London and Tokyo, as core examples of today's large urban centers. This will enable an understanding of how population displacement is occurring and what segment of society is suffering as a result. With this background in mind, the focus will shift to the US, in which the area facing the most challenges as a result of gentrification is arguably San Francisco and the surrounding Silicon Valley area. In addition to recognizing the undoubted positive benefits of gentrification, this report will outline the way in which certain residents are increasingly suffering and notably how their political voices and sense of worth in a democratic environment are becoming diminished. Specifically, the schism among populations of local communities and the creation of conflicts between local residents and the government and/or private companies remain some of the most challenging obstacles for the future.

The crux of the report will also outline the democratic processes in place as tools to combat the crisis, including the roles of non-profit organizations, upcoming election votes and the impact of changes to zoning laws. Ultimately, it is important to recognize that the issues currently existing, particularly in Silicon Valley, are very deep-rooted and vast. As a result, this report's aim is not to attempt to propose a conclusive solution but rather to consider the options available and to potentially identify the most effective tools to be put to use to achieve a forward-looking and cohesive society.

Gentrification according to Housing Prices: London

According to a recent forecast by Savills (FTSE 250-listed real estate company), the growth of house prices in inner London is now slowing considerably, whereas outer

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London is experiencing a boom. For instance, the house prices within outer boroughs such as Waltham Forest, Lewisham and Havering are predicted to soar as Londoners search for more affordable prices and better value for money. In addition, the rate at which house prices are growing is considerably outpacing the wage growth of average workers. As a result, the migration of these workers from the untenable rents of inner London is in turn gentrifying and regenerating the outer boroughs, as a more comparatively wealthy population takes residence.

According to Savills (see figure 1 below), nearly every single London borough predicted to be in the top 50% of boroughs with the highest house price growth by 2020 is an outer London borough. This data suggests a significant migration of workers' residences, particularly of the middle class, to outer London in the coming years and points to the ever-rising unaffordability of inner London housing prices.

House price growth by London borough
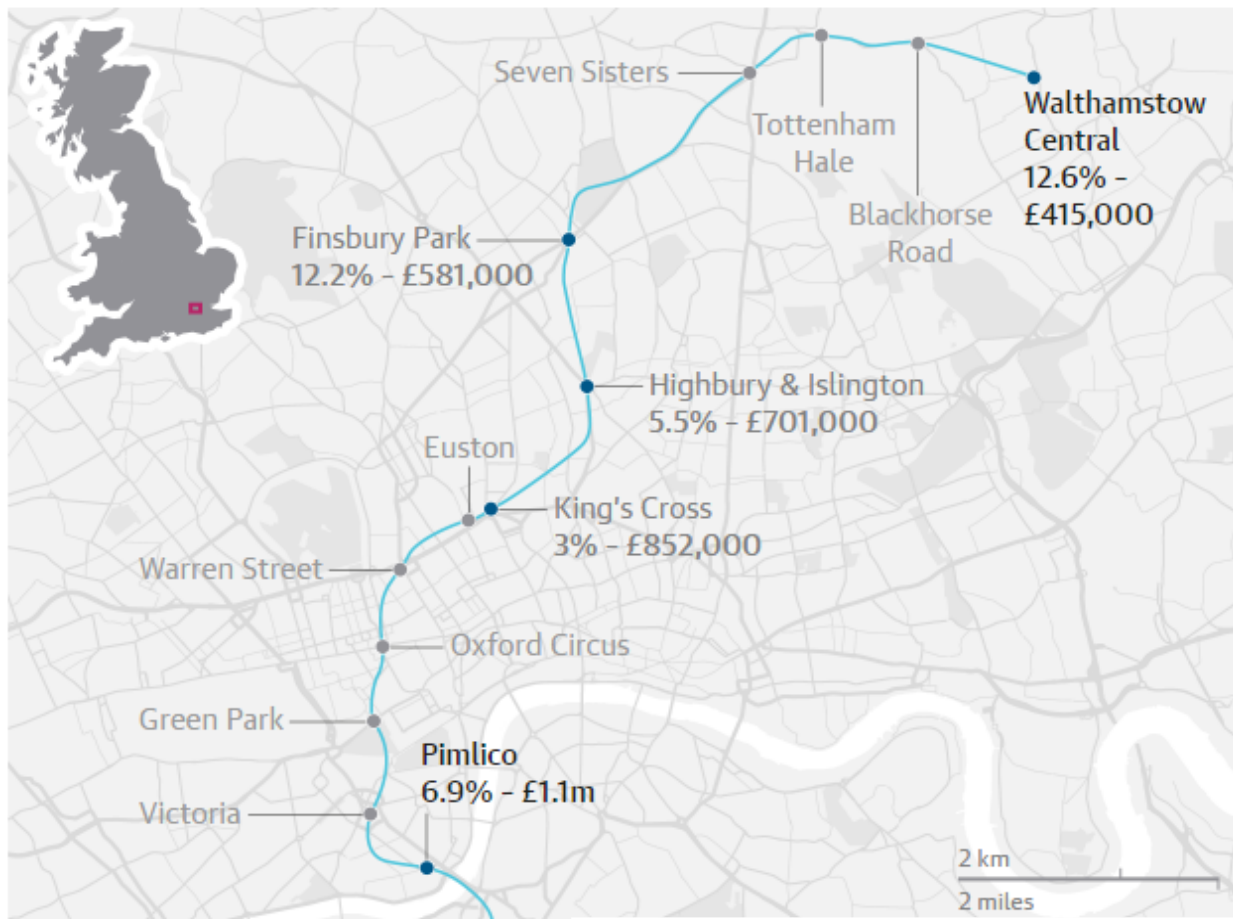
Figure 1

Data: Savills
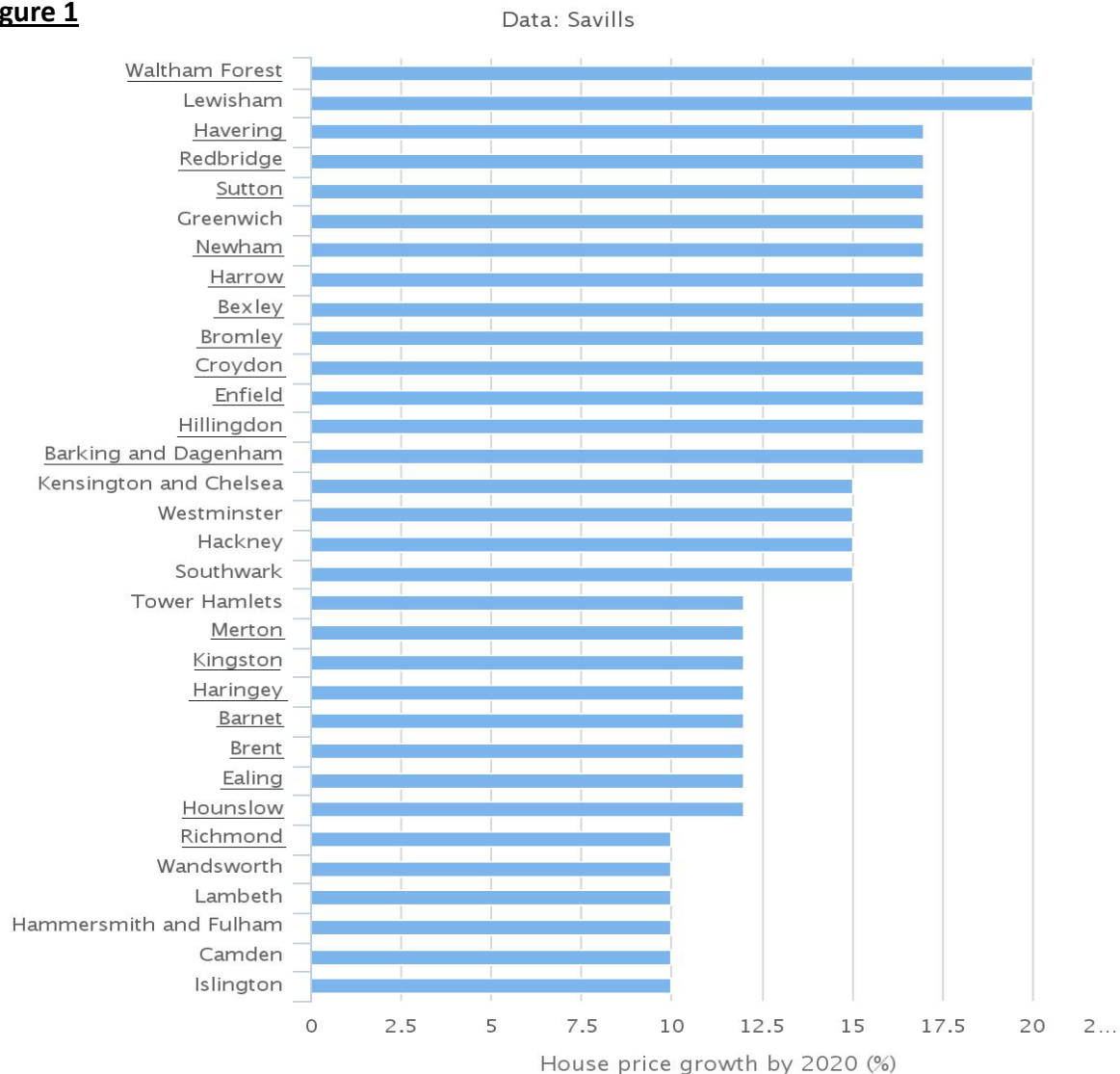
Note: The underlined boroughs are those of outer London.
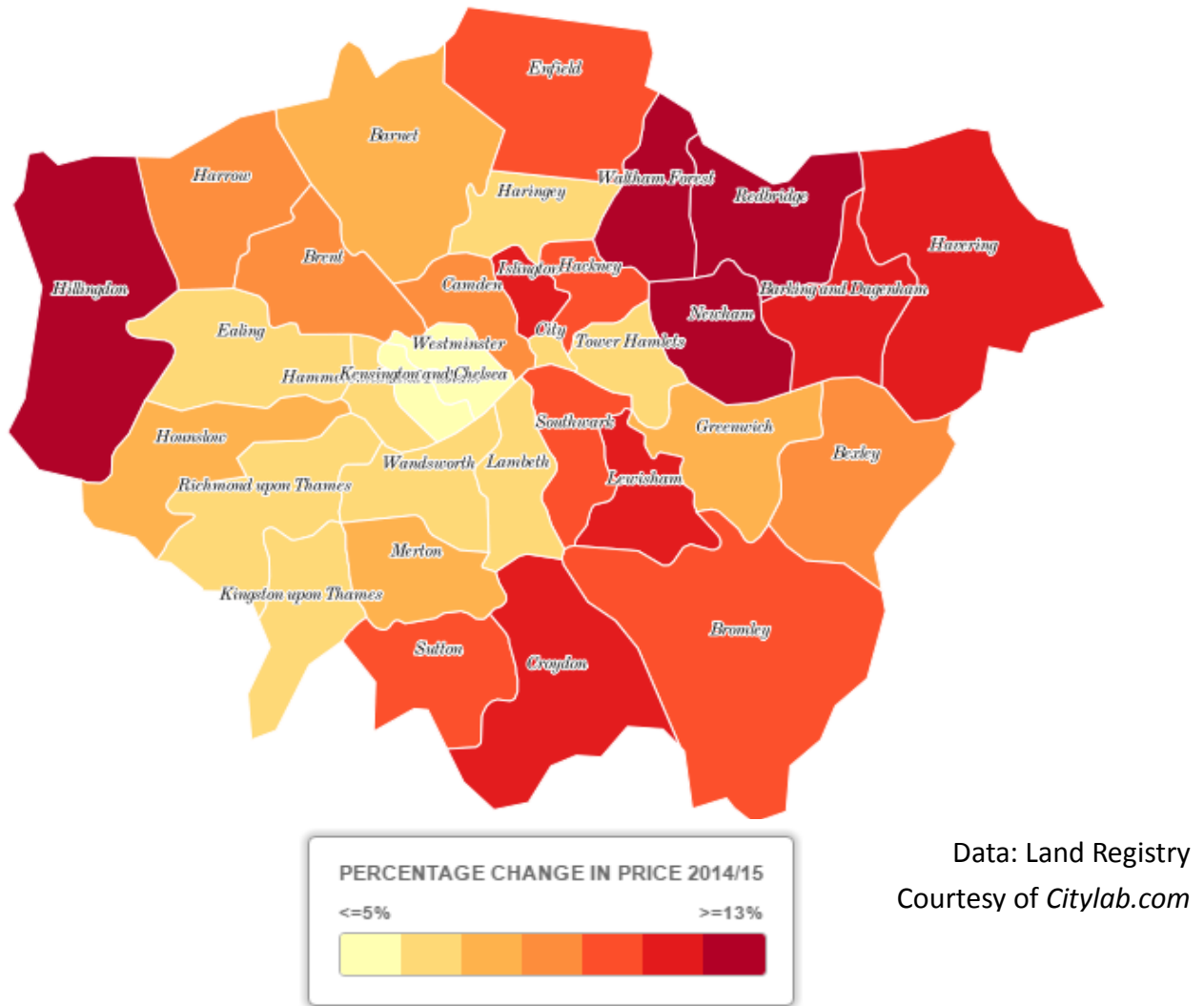
Courtesy of *The Telegraph*

To reinforce this prediction, another major London-based real estate company, Foxtons, has announced plans to expand outwards from its central London base. This stems from evidence of current rising house prices as one moves further out from central London (see figures 2 and 3 below). This indicates that there is almost an industry-wide belief that outer London boroughs will continue to attract inner London residents migrating outwards as inner London boroughs become more and more unaffordable. In this way, these outer localities will undergo a higher level of urban regeneration and, in turn, it is likely that the long-term residents will find it more challenging to stay in these areas. This displacement of residents in London raises concerns about whole communities losing their political representation as a result of gentrification. There has recently been considerable media coverage in London about the plight of local residents, particularly those in council flats, who are being uprooted in the face of spiraling wealthy in-migration.[1]

Annual % house price rise & average house price by station/borough, January 2016 **Figure 2**


Data: Land Registry

Courtesy of *The Guardian*

[1] https://www.theguardian.com/cities/2016/jan/12/gentrification-argument-protest-backlash-urban-generation-displacement

Figure 3

PERCENTAGE CHANGE IN PRICE 2014/15

<=5%   >=13%

Data: Land Registry
Courtesy of *Citylab.com*

As part of their investigation into the ongoing process of gentrification within London, Savills leveraged data from the 2001 and 2011 Census in order to create a map showing the changing demographics around the city.[2] As shown by figure 4 overleaf, in this ten year period, significant portions of inner London moved upmarket in socio-economic status which led to urban regeneration, particularly in areas like Stratford and Canary Wharf. However, I would take Savills' research one step further and predict that the next urban regeneration effect will take part in the outer London areas, marked in blue, as shown by the research above. The now stratospheric unaffordability of inner London housing is causing even residents considered comparatively wealthy to be displaced outwards. In the coming years, therefore, it is fair to say that the areas shaded blue will likely gradually move upmarket as the expected price rise in outer London boroughs comes into effect. The next census in 2021 will be able to shed light on this theory.

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[2] http://www.savills.co.uk/research_articles/186866/171784-0

Figure 4

Change in Socio-Economic Status, 2001-2011

Increased

No change

Decreased
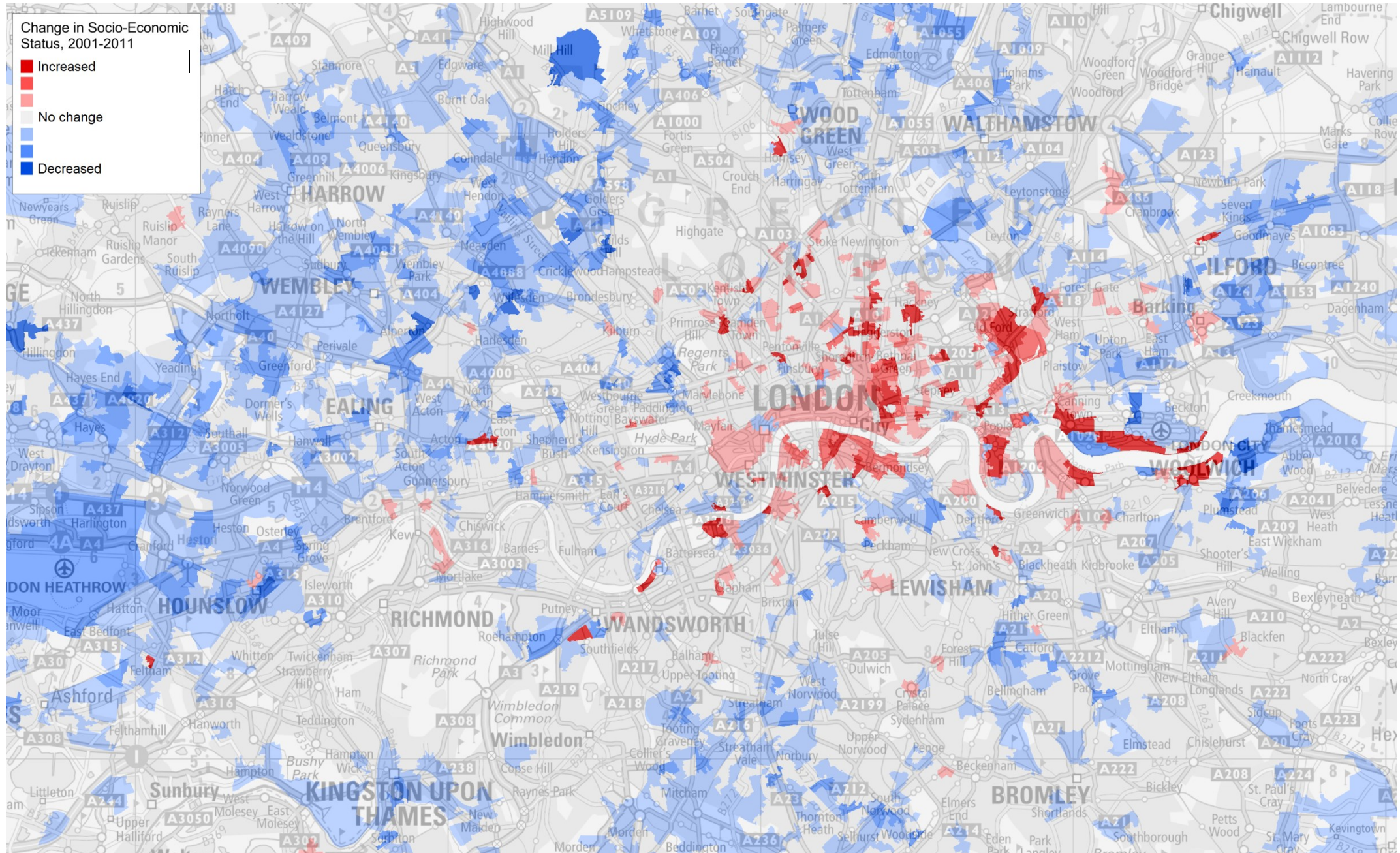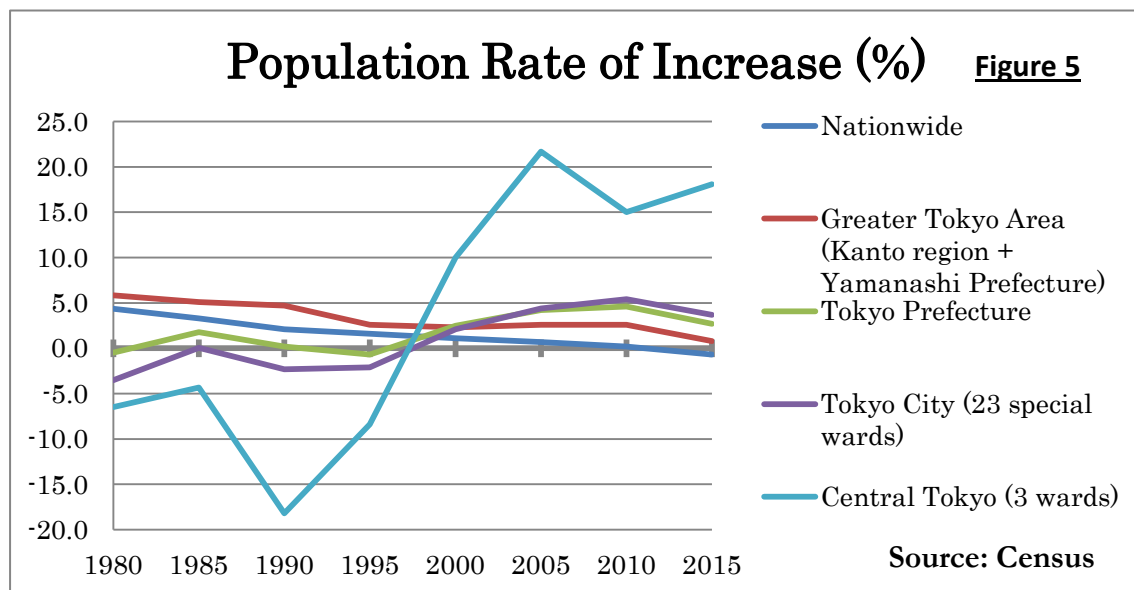
Courtesy of Neal Hudson, *Savills plc*

Gentrification according to Population Change: <u>Tokyo</u>

As with London, there is evidence of a gentrification effect occurring in Tokyo in recent years according to the rate of increase in the population. As shown in figure 5 below, compared to the nationwide and overall Tokyo population rates of change, the Central Tokyo population rate of increase experienced a dramatic increase during the 1990s and beyond. The Central Tokyo statistic includes the three central wards of Tokyo, namely Minato-ku, Chiyoda-ku and Chuo-ku. It can be argued that this drastically different pattern is as a result of gentrification, in the form of the reverse of the current process occurring in London. Shimizu argues that the high in-migration into central Tokyo in recent years is due to the massive construction of large-scale apartment houses in the core of Tokyo, functioning as a magnet to attract outside residents.[3] Conversely, the negative trend of the population rate of increase in the late 1980s in the three central Tokyo wards can be explained by the displacement of housing by an influx of office space and factories.

The timely occurrence of the trough in the graph cannot be coincidental; it is likely that the burst of Japan's economic bubble and the country's subsequent recession resulted in this sudden reversal as businesses began to cease expansion and cut back. This is backed up by analyses put forth by Mizuho and the Japanese Cabinet, who state that the drop-off of land and rental prices after the collapse of the bubble economy, in addition to the construction boom, contributed to this influx.[4] Additionally, other contributing factors could be that the increasingly aging population prefers to live in urban centers or that the younger segment of society increasingly only needs a small, centrally-located urban house due to the decreasing birth rate and the rise of the average marriage age.

Population Rate of Increase (%) **Figure 5**

Legend: Nationwide; Greater Tokyo Area (Kanto region + Yamanashi Prefecture); Tokyo Prefecture; Tokyo City (23 special wards); Central Tokyo (3 wards)

Source: Census

[3] http://www.ipss.go.jp/webj-ad/webjournal.files/population/2004_3/shimizu2004mar.pdf
[4] http://www5.cao.go.jp/j-j/cr/cr11/chr11040201.html;
https://www.mizuho-ri.co.jp/publication/research/pdf/insight/pl140331.pdf

Gentrification: <u>Silicon Valley</u>

In recent years, the negative effects caused by gentrification are becoming increasingly problematic in Silicon Valley and significant efforts to fight back continue to take place in both the private and public sector. Arguably the most debilitating issue caused by gentrification for the local community in affluent areas is the inexorable price rise of rent and housing costs, although other issues include problems with diversity, health, education and general political disenfranchisement.

- **San Francisco and Housing**

The meteoric rise of house prices and rent throughout much of San Francisco since the dotcom and tech boom has resulted in the inevitable displacement of many long-term local residents. Over the years, as Silicon Valley has become the home of tech giants such as Facebook, Google and Salesforce, it has increasingly attracted more and more highly-paid engineers to take up positions in these companies. As a result, these incoming engineers have a much higher income, being far beyond the average income in the local communities, and landlords and developers have adapted accordingly to this sudden burst in demand and affordability of high rents. Furthermore, the construction of new houses and apartments in San Francisco is a long and drawn-out process, with a significant amount of bureaucracy to overcome. Once all the red tape has been surpassed successfully, developers are then heavily incentivized to build luxury properties in order to recoup the lost income and costs involved in this lengthy process. They are well aware that the demand for high rent housing will always outstrip supply and experts state that the housing prices are indeed mostly determined by high-end demand.[5] Thus, this fact results in a vicious cycle of spiraling housing prices unless the status quo is altered.

In addition to the difficulty of constructing affordable housing, local low-income residents face the ever-present risk of eviction. In the seven year period from 2009/2010 to 2015/2016, the rough increase in evictions was 87.2% according to the San Francisco Rent Board.[6] This drastic increase takes an extra perspective when the San Francisco population change is also taken into account: in the same period, the population increased by just under 8% according to US Census Bureau figures. Hence, it is clear that the percentage increase in the total number of reported evictions has vastly outpaced the growth of the population, indicating an ever-increasing problem for tenants in San Francisco. Additionally,

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[5]http://www.truth-out.org/news/item/26656-developers-aren-t-going-to-solve-the-housing-crisis-in-san-francisco-the-definitive-response-to-supply-side-solutionists
[6]http://sfrb.org/sites/default/files/FileCenter/Documents/2378-09-10%20AnnualEvctRpt.pdf; http://sfrb.org/sites/default/files/Document/Statistics/2016%20AnnualEvctRpt.pdf

these statistics only allow for official eviction notices that have been reported by landlords. It is probably that the actual number of unreported eviction attempts and threats to tenants by landlords are many times greater than those reported to the Rent Board.

The reason behind an eviction, although of course a certain proportion occurs for good reason, has often attracted suspicion of ulterior motives; there is a high incentive for a landlord to vacate his or her residences and find new tenants at a much higher rent. This is due to the fact that there are a significant number of low income residents in San Francisco who live in apartments protected by rent control, restricting rent increases each year by a capped percentage. In this way, it has been alleged by activists that landlords are increasingly looking for fabricated or exaggerated reasons to evict rent-protected tenants, shown in an increase in the rise in evictions due to breach of rental agreements. As a result, tenants are becoming increasingly intimidated by oft profit-driven landlords and thus find themselves societally disenfranchised with minimal legal basis from which to seek help.[7]
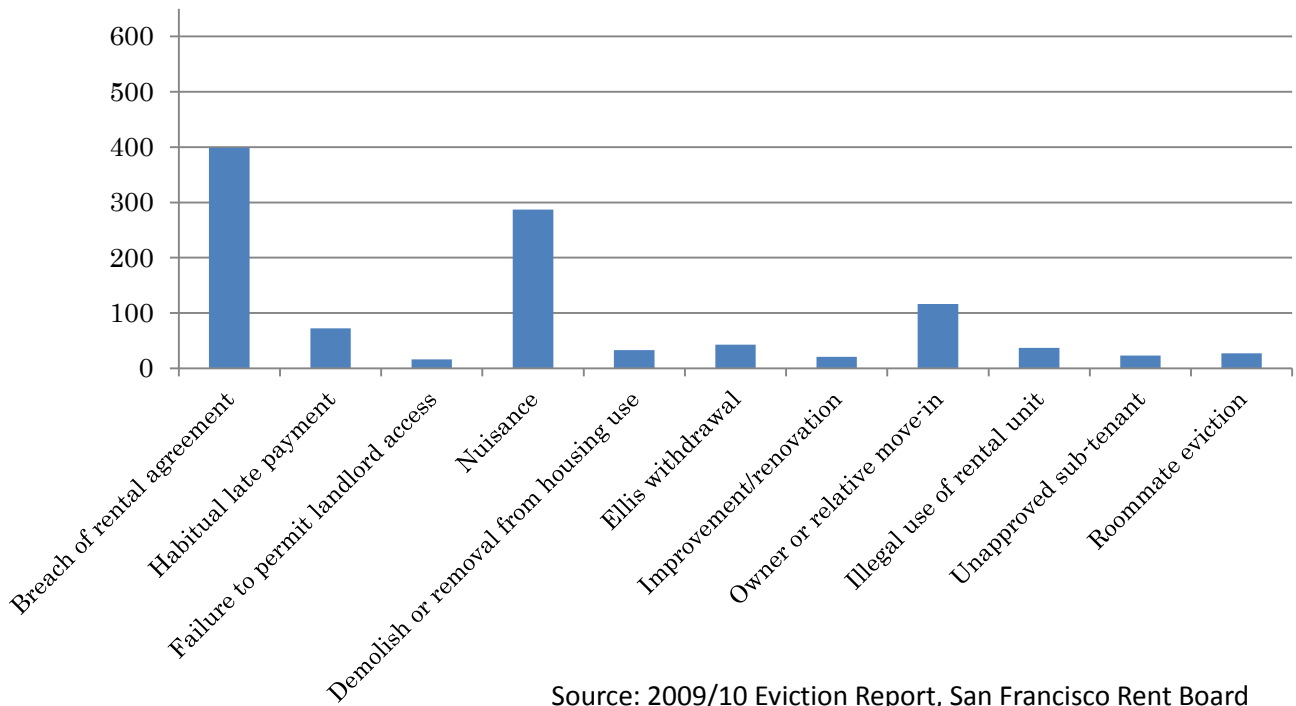
Another significant problem shown by the data is the large rise in evictions on account of the Ellis Act (see figures 6 and 7). The Ellis Act was originally written into Californian law decades ago to protect landlords by enabling them to evict tenants in order to "go out of business". For those who wish to do so, landlords can forcibly evict their tenants as long as they evict each and every tenant from a certain building. However, in recent years, there have been increasing accusations from beleaguered tenants that this law has provided a loophole for landlords in San Francisco. They claim that landlords are evicting rent-controlled tenants in order to allow new tenants to enter at much higher prices, all according to the law. Also, there is no limit to the number of times a certain landlord can "go out of business", which leaves the law open to be exploited. Lastly, the significant rise in "owner or relative move-in" could also be an excuse to evict current tenants before eventually inviting in new tenants.

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[7] http://www.truth-out.org/news/item/32301-tenants-in-san-francisco-fight-back-against-nuisance-evictions

Evictions in San Francisco for the year 2009/10 (March - February)

Figure 6

Source: 2009/10 Eviction Report, San Francisco Rent Board

Evictions in San Francisco for the year 2015/16 (March - February)

Figure 7

Source: 2015/16 Eviction Report, San Francisco Rent Board
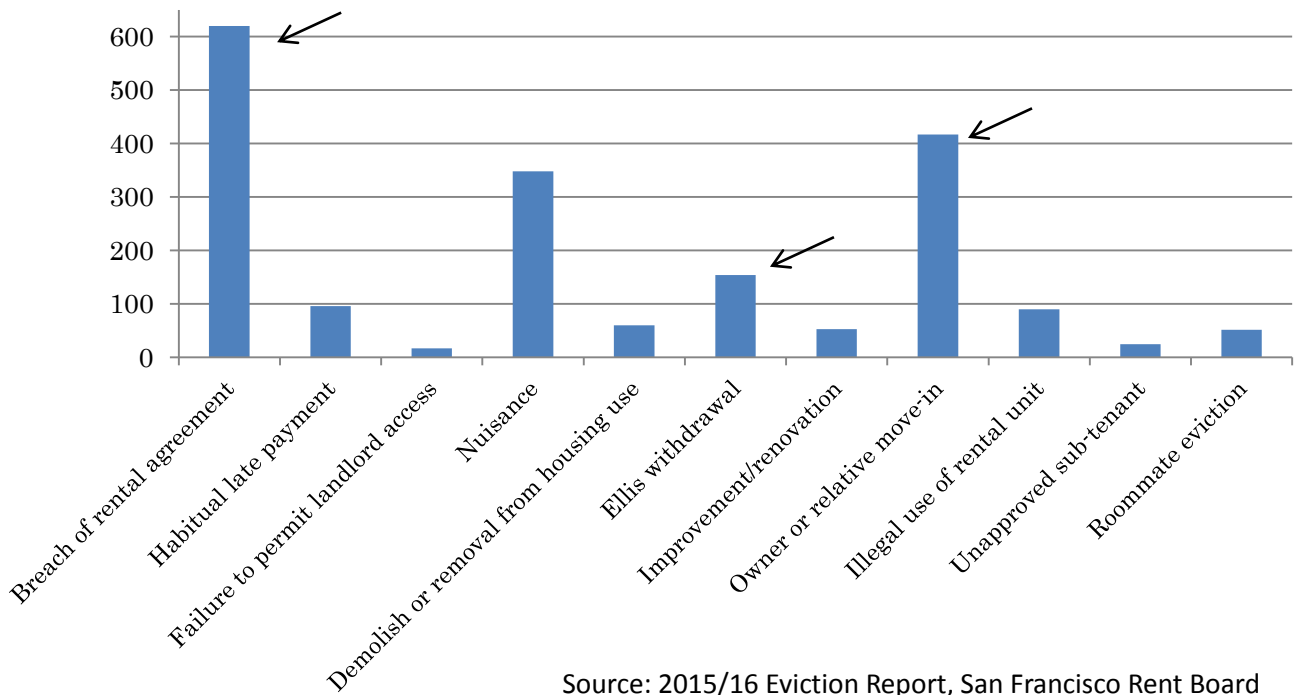
● **Silicon Valley and Crime**

Along with a transformation of housing opportunities, it can be argued that gentrification has also brought about a significant transformation in regional crime statistics. Even though the process of gentrification has served to create socio-economic divisions and has played a part in marginalizing those from disadvantaged backgrounds, its impact on criminal activity can be positive.

Historically, East Palo Alto (henceforth EPA) has experienced considerable crime and poverty. In 1992, it had the highest homicide rate in the country, with 172.7 homicides per 100,000 residents. Although the surrounding area, such as Palo Alto proper and Stanford, gradually became prosperous and benefited from the original dotcom boom in the twentieth century, EPA largely missed out on these benefits. As a tell-tale sign of marginalization, the town did not even have its own supermarket for 23 years until 2009, which created inter-community tensions as a result of residents having to commute to other supermarkets. However, in the past decade or so, EPA has become more and more gentrified due to the out-of-control rent prices in Silicon Valley causing tech engineers to look within more run-down areas. Concurrently, crime has dramatically decreased since its height in the 1980s and 1990s: from just 2013 to 2014, EPA's violent crime rate plunged by 64%.[8] Local officials attribute this to more awareness campaigns run by the police and increased transparency and police-community collaboration.

As another strong example of gentrification's influence on crime rates, Oakland has shown significant improvement since its criminal peak. In 2006, the city had a murder rate of nearly five times the national average and suffered from a serious crime problem. In recent years it has experienced a very gradual decrease of crime, thought to be due to intelligent police deployment and increased intelligence gathering (see figure 8).[9] However, compared to the national average, a high crime rate still persists which may be due to the diminishment of police resources and distinct lack of police officers. As evidence of this, Oakland has one of the lowest police officer per resident rate for a US city, despite a recent push to employ more. Nevertheless, it could be that its fortunes are now changing as shown by the sudden drop in homicides and other crimes in the first part of this year.

[8]http://www.paloaltoonline.com/news/2015/10/12/report-violent-crime-rate-in-east-palo-alto-plunges
[9]http://www.sfchronicle.com/bayarea/johnson/article/Oakland-s-unspoken-good-news-homicide-rate-6913876.php

Violent crimes dip in Oakland

Each year's data are for Jan. 1 to March 13. The data do not include homicides that occurred in Oakland on Monday and Thursday, which brings the total number of homicides to 7 for 2016.

Figure 8

Homicides

23	17	18	18	5
2012	2013	2014	2015	2016

Aggravated assult   Robbery   Burglary
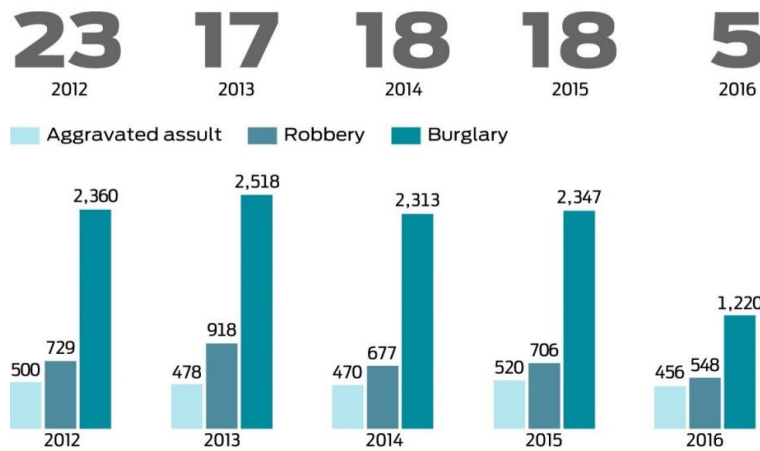
Data: City of Oakland.
Courtesy of Carolyn Seng, The *San Francisco Chronicle*

Although crime remains an unresolved issue for various parts of Silicon Valley, democratic organizations are few and far between. "Silicon Valley Crime Stoppers", a non-profit organization formed in 1982, is one of the only examples of a democratic solution, which involves the local community working with law enforcement and the media to make local communities safer. However, its online presence seems to be rarely updated and limited and so it is difficult to determine whether it is successful.
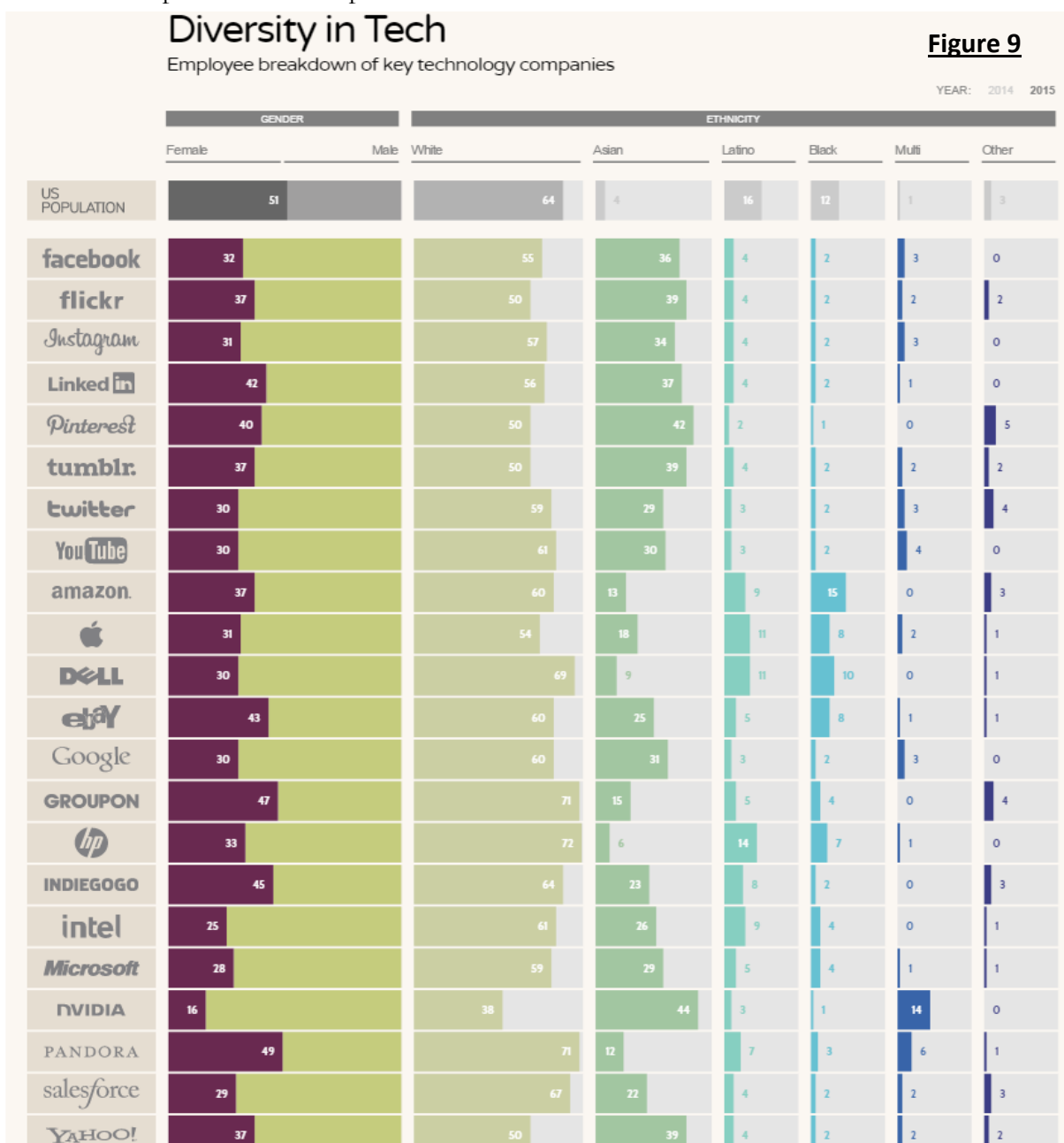
- **Silicon Valley and Diversity**

A debate of much contention throughout the US, diversity remains to be a thorn in the side of Silicon Valley and its prized tech employers. In the last few years, there have increasingly been protests in many parts of the country concerning racial discrimination by the police. In response, large tech companies such as Google and Facebook have publicly expressed their support for the "Black Lives Matter" movement, yet critics have lambasted them for their own hypocrisy and sole desire to self-advertise a positive image. This hypocrisy refers to the distinct lack of workforce diversity within the vast majority of Silicon Valley's tech companies. For instance, in 2015 reports showed that out of 41,000 Twitter, Facebook, and Google employees, only 758 were black. This amounts to 1.8% of the workforce, which is much lower than the approximate 13% of black Americans across the whole of the US workforce.[10] Furthermore, as seen in figure 9 overleaf, there was only one major tech company listed in 2015 that had a majority workforce that is not white: NVidia.

Despite attempts to improve the situation, with Apple actively looking to increase

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[10] http://www.motherjones.com/mojo/2015/07/black-workers-google-facebook-twitter-silicon-valley-diversity

employment of other social groups outside of white men, there remains much to be done.[11] There are a number of ventures that were set up to assist in solving the diversity problem. For instance, "Project Include" was a non-profit established by eight high-profile business women in Silicon Valley to promote and campaign for increased diversity and accountability in tech firms. There are efforts to urge tech companies to make certain commitments towards diversifying their workforce. In addition, "CODE2040" is another organization which helps create pathways for black and Latino computer science students and enables them to connect with both smaller startups and larger tech companies. As well as providing internships, the organization offers speaker series, mentorships for students and entrepreneur workshops.

Diversity in Tech
Employee breakdown of key technology companies

Figure 9

YEAR: 2014 **2015**

	GENDER		ETHNICITY					
	Female	Male	White	Asian	Latino	Black	Multi	Other
US POPULATION	51		64	4	16	12	1	3
facebook	32		55	36	4	2	3	0
flickr	37		50	39	4	2	2	2
Instagram	31		57	34	4	2	3	0
LinkedIn	42		56	37	4	2	1	0
Pinterest	40		50	42	2	1	0	5
tumblr	37		50	39	4	2	2	2
twitter	30		59	29	3	2	3	4
YouTube	30		61	30	3	2	4	0
amazon	37		60	13	9	15	0	3
Apple	31		54	18	11	8	2	1
DELL	30		69	9	11	10	0	1
eBay	43		60	25	5	8	1	1
Google	30		60	31	3	2	3	0
GROUPON	47		71	15	5	4	0	4
hp	33		72	6	14	7	1	0
INDIEGOGO	45		64	23	8	2	0	3
intel	25		61	26	9	4	0	1
Microsoft	28		59	29	5	4	1	1
NVIDIA	16		38	44	3	1	14	0
PANDORA	49		71	12	7	3	6	1
salesforce	29		67	22	4	2	2	3
YAHOO!	37		50	39	4	2	2	2

[11] http://www.wired.com/2015/08/apple-diversity-update-2015/

Source: David McCandless, InformationIsBeautiful.net

● **Democratic Processes: The Housing Crisis and its Solution**

The Role of Community Organizations

In Silicon Valley, non-profit organizations and similarly arranged community groups have played a key role in recent years in fighting back against the negative impacts of gentrification. These NPOs tend to have been established and run by a board of community leaders, be they members of large corporations, members of housing boards or in some role within the local government. Especially concerned with the housing crisis, there are a plethora of organizations involved in supporting the local communities by subsidizing and campaigning for affordable housing.

One of the more prominent NPOs focusing on the housing crisis is "Housing Trust Silicon Valley", a trust fund set up in 1998 and supported by voluntary contributions. To date, the fund has invested nearly $100 million in the Silicon Valley community to support housing opportunities for people in need. Its tools have proven quite effective by way of providing significant assistance to many families whilst not bringing about an unsustainable level of dependence on this very aid. For instance, one tool as its disposal is to offer low interest loans or grants to individuals or organizations to assist homeownership, such as for the purpose of paying a security deposit on a house or assisting with the initial fees and bureaucracy. In this way, the role of the trust fund is simply one of temporary assistance to open doors for disadvantaged residents, not of overly destabilizing aid. These residents, therefore, are still able to maintain their sense of place, both physically and psychologically in a community.

As further evidence of the success story of these democratic solutions, there is a vast array of similarly successful housing trust funds and non-profit organizations in the area, including locality specific organizations (e.g. East Bay Housing Organizations, Housing Leadership Council, etc.) and alike-minded ventures in a coalition. This coalition takes form in the "San Francisco Anti Displacement Coalition" which involves twenty seven community-based organizations, focusing on solving soaring housing issues in San Francisco and the maintenance of an inclusive society.[12] This idea of placing emphasis on the community and an individual person or family's place in that community holds a powerful message in Silicon Valley, where the disenfranchised population is losing its sense of worth through displacement. Indeed John Powell, Director of Berkeley's Haas Institute for a Fair and Inclusive Society, has written extensively about this subject of disenfranchisement and community disruption.[13] When a community is disrupted due to

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[12] https://antidisplacementcoalitionsf.com/about/

[13] Powell, J.A., "Opportunity-Based Housing", *Journal of Affordable Housing & Community*

forced relocation (such as through eviction or unaffordable rent), the cost for the long-term residents is not only physical but also psychological. The individual or family feels a loss of their sense of place and self-identity as they become powerless to decide their own residence and it becomes unclear as to where they truly belong. Additionally, there can be an innate loss of political power as they do not feel able to democratically influence their future, which would lead to further aggravations to the community divide between the privileged and the marginalized.

The Political Voice

The political voice of a community remains an important tool to combat this crisis and the importance of joint societal action and improved awareness is championed as such by various experts on the subject.[14] In this way, in addition to the involvement of NPOs and trust funds, local communities have also become involved with the local government in pushing for ballot measures at the upcoming election in November. Of particular importance are the affordable housing measures for Santa Clara County and for Alameda County, which if passed would provide over $1.5 billion in government bonds to help alleviate the housing crisis in the above counties of Silicon Valley. As there is a required two-thirds majority in order for the measure to pass, this is where the community organizations and trust funds come into play by drumming up support and proactively increasing awareness among the local areas. Therefore this interplay of democratic processes, both at individual voter and joint action levels, represents a strong tool to ameliorate the contemporary issues in Silicon Valley caused by gentrification.

However, it is necessary to bring attention to the also-present inter-community fractures amidst this push for change. In relation to the proposed San Mateo Country sales tax extension measure, which is to be put to a vote in November, there is a considerable voice in the community strongly denouncing this proposal. Some residents have complained that taxpayers should not be funding a solution to a problem which is predominantly caused by the arrival and expansion of private tech companies, such as Facebook and Google.[15] Much as with the criticism of tech companies piggybacking onto

Development Law 12:2 (Winter 2003), pp. 188-228

[14] Public Community Development Project, "Community Development: Getting There Together: Tools to Advocate for Inclusive Development near Transit", *Journal of Affordable Housing & Community Development Law* 21:4 (2012), pp. 101-140; http://www.reimaginerpe.org/node/919; Larson, C., "Keeping People In Their Homes: Boston's Anti-Foreclosure Movement", *Humboldt Journal of Social Relations* 34 (2012), pp. 45-60; et al.

[15] http://sfpublicpress.org/news/2014-05/private-buses-public-costs; https://www.theguardian.com/technology/2016/jul/20/facebook-headquarters-expansion-menlo-

campaigns of diversity, there is a certain belief among some local residents that private companies are not taking full responsibility and should be taking more comprehensive action. In this way, in addition to a conflict existing between the disenfranchised and the privileged, there also exists a conflict between the public (residents) and the private sector. Furthermore, there have been marked tensions between local residents of Mountain View and the city council in response to the local government's actions. Due to the atmospheric rise in average rent in Mountain View (by more than 52% between 2011 and 2015),[16] the local community successfully advocated for a rent control ordinance to be put to the vote in the November election. However, the city council subsequently designed and approved a separate, less stringent measure that will compete with this, leading to criticisms of attempting to confuse and mislead the community when Election Day arrives. As such, there is clear evidence of yet another dichotomous struggle, this time between the local residents and the local government.

However, there is again a sense of powerlessness that radiates from these very struggles as local residents desperately query: why are they fighting their own government, their own employers and their own neighbors to ensure a better lifestyle? It is probable that this response may be more keenly felt by the frustrated middle-class locals, but what of the long-term poorer residents whose very existence is threatened by an unfavorable result? These are the very people whose voices become lost as a result of the negative impact of gentrification and are the prime target of NPOs. Kate Vershov Downing, former member of the Palo Alto Planning and Transportation Commission, sums up the crisis for the marginalized segment of society succinctly in a post-resignation interview: '*in large part, it's a problem of political participation. The people who are most affected by the housing crisis are the most disenfranchised. They're not paying attention to local politics… People look around and think, "Boy, things are expensive". They don't realize that they're expensive because of decisions that the local government makes*'.[17] This power of Downing's resignation and her statement is even more striking given the context. The reason for the resignation stemmed from the fact that she and her husband, a lawyer and software engineer respectively, were being priced out of Palo Alto. Ultimately, this occurrence raises a worrisome question about the use of political voice in Silicon Valley: if a high-earning lawyer on the very board involved with policy decisions relating to housing issues is unable to maintain control of her place and political vote in society, how can we expect the disenfranchised low-earning residents to fare any better?

park-california-housing
[16]https://ww2.kqed.org/news/2016/07/27/mountain-view-rent-control-makes-its-way-to-november-ballot/
[17]http://www.theatlantic.com/business/archive/2016/08/former-palo-alto-planner-on-silicon-valley-housing/496274/?utm_source=atlfb

<u>Policies: A Difficult Decision</u>

Faced with the seemingly insurmountable problem at hand, it is important to look at potential concrete solutions, namely governmental policies, which would provide the necessary catalyst for positive change. One of the more comprehensive, publicly-released documents with recommendations for government policy comes from SV@Home, an offshoot of the aforementioned Housing Trust Silicon Valley, in their May 2016 'Policy Roadmap'.[18] Although there are a plethora of well-considered recommendations, this report will focus on the three main suggestions in its first solution: zoning laws, density and other similar programs, and transit-oriented development.

In terms of current policies in place in the state of California, the heavily restricted nature of zoning laws remains a controversial topic. Despite San Francisco and the surrounding area being arguably one of the most innovative parts of the United States, it is one of the slowest growing urban areas in terms of housing development when compared to cities such as Chicago or New York. According to some critics, the root cause can be traced to the strict government regulation: high-density development is illegal.[19] Indeed, in San Jose for example there are tight controls on minimum lot sizes, maximum building heights, minimum building requirements and the particular purpose of the building. It is still possible for determined landlords to apply for an exception to a particular specification, but the application is likely to be swamped with local residents filing complaints leading to a very lengthy procedural delay due to bureaucracy. Hence, once again the problem revolves back to the issue of inter-community tensions, which in this case involve the more privileged (and indeed possibly some misinformed underprivileged) residents actively fight against the prospect of new construction. In addition, there has recently been a push by some residents for an expansion of rent control throughout more areas in Silicon Valley, which has been criticized as a step in the wrong direction as it addresses the symptom and not the cause.[20] Nevertheless, as explained in the Policy Roadmap, the zoning laws currently in place are outdated and prevent the supply of housing construction to keep up with the demand of the rising population. It would indeed be beneficial for the local government to address these zoning laws currently in place with new policies, yet the importance of promoting greater awareness in the community regarding this area of policy also holds considerable value.

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[18]http://siliconvalleyathome.org/wp-content/uploads/2016/05/How-Do-We-Tackle-the-Affordable-Housing-Crisis-A-Policy-Roadmap.pdfhttp://siliconvalleyathome.org/wp-content/uploads/2016/05/How-Do-We-Tackle-the-Affordable-Housing-Crisis-A-Policy-Roadmap.pdf
[19]http://www.forbes.com/sites/timothylee/2011/09/19/zoning-laws-are-strangling-silicon-valley/#9d938ec568b3;
http://www.wsj.com/news/articles/SB10001424052702303330204579250142741126468
[20]http://www.the-american-interest.com/2016/06/14/backward-thinking-in-silicon-valley/

Much in the same way that restrictive zoning laws are having a negative effect on marginalized residents, the lack of construction density in Silicon Valley is a continuing problem. The inefficient use of land in particularly San Francisco has been causing a domino effect for this segment of society in recent years: with less and less space available for development due to inefficient land use, land price and rent rise astronomically which results in displacement and the whole process repeats.[21] One idea that has been put to some use is the joint use of 'inclusionary housing and density bonuses', which incentivizes developers to build smartly. Partly through the use of a zoning ordinance, developers are required to devote a certain percentage of housing developments as affordable homes, i.e. under market value apartments. In conjunction with this, developers are also offered assistance to reduce construction costs or windfalls if they build more densely. For instance, in some areas, local authorities allow developers to build taller or larger buildings than standard regulation for a certain incentive, as long as a proportion of units are provided as affordable homes. This strategy has a strong following of supporters, who believe that its success rate speaks for itself and should be employed more widely.[22] In addition, the use of 'Limited-Equity Housing Cooperatives', whereby the residents all jointly hold a share and part ownership in the building, have proven successful in London in recent years and there have been efforts lately to facilitate their use all across California.[23] Not only does this particular tool have the positive financial benefits of tenants controlling their own rent and repairs, but it also enables them to crucially maintain control of their livelihood without being disenfranchised.

Lastly, the promotion and enactment of smart transit-oriented development would have a distinctly positive impact for disenfranchised local residents, particularly in San Francisco. Numerous studies have shown that the construction or continued development of public transit links is a major contributor to resident displacement as a result of rising house prices.[24] This has proven to be a particularly problematic dilemma in the Silicon Valley area with the arrival of Google Buses, which have suddenly and drastically caused localized rent increases to the strong criticism of long-term residents. With gentrification process taking control and the displacement of low income earners, a

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[21] https://www.spur.org/sites/default/files/publications_pdfs/Strengthening_Regional_Governance.pdf;
http://siliconvalleyathome.org/wp-content/uploads/2016/05/How-Do-We-Tackle-the-Affordable-Housing-Crisis-A-Policy-Roadmap.pdfhttp://siliconvalleyathome.org/wp-content/uploads/2016/05/How-Do-We-Tackle-the-Affordable-Housing-Crisis-A-Policy-Roadmap.pdf; et al.
[22] Powell, J.A., "Opportunity-Based Housing", *Journal of Affordable Housing & Community Development Law* 12:2 (Winter 2003), pp. 188-228;
[23] http://www.reimaginerpe.org/node/919
[24] Public Community Development Project, "Community Development: Getting There Together: Tools to Advocate for Inclusive Development near Transit", *Journal of Affordable Housing & Community Development Law* 21:4 (2012), pp. 101-140

further problem arises: with the exception of privatized services such as the Google Buses, low-income residents tend to be the predominant users of public transport. One solution which has been utilized to some degree is the employment of 'Transit-Oriented Development Overlay Zones'. Given that it may take considerable time, or difficult, to change existing zoning laws, with this tool the local government can instead overlay a second zone on top of that which already exists, which enables more straightforward affordable housing development. However, on its own, this tool is not able to sufficiently solve the dilemma. NPOs and advisory groups should more strongly advocate for smart transit-oriented development with planned investments and carefully considered growth strategies. Therefore, with sufficient cooperation between local authorities, transit agencies and other public entities, it should become a priority for local governments to ensure that an attainable target of affordable housing in proximity to public transport is achieved.

Final Thoughts

In Silicon Valley and major global cities, such as Tokyo and London, the relentless march of gentrification continues its grip on the population, particularly the marginalized and disadvantaged residents. As shown in this report, there does not seem to be any deceleration of gentrification nor an easy fix for its impacts. Over the years, the influence of rent increases and of the transformation of the very makeup of society has had adverse consequences on the cohesion of communities and the resulting disenfranchisement of those from lower socio-economic backgrounds and ethnic minorities.

Democratic and community-driven solutions to the current crisis ongoing in Silicon Valley may well serve as a promising example to other localities wishing to combat the negative effects of gentrification. Non-profit organizations and community groups, established by community leaders and private entities, have proven to be an effective patchwork for the symptoms of the problem, by providing funds and support to those in need. However, it is fair to say that more needs to be done in order to treat the root causes of the subsequent consequences and this could be achieved by more strongly advocating change. Even though potential changes will be put to the vote in November's election, the majority of these ordinances and measures will be barely more than another stop-gap of funds. A more dynamic breakaway from the policymaking status quo may have a more significant effect on the crisis, as previously mentioned, such as updates to the zoning laws in order to allow residences to be constructed more densely as well as the increased incentive of inclusionary housing and cooperative ownership models.

Ultimately, although there is a need to increase the housing supply which only the government can enact, the renewed focus on awareness campaigns and a democratic push for community integration is key to achieving a positive outcome for society.