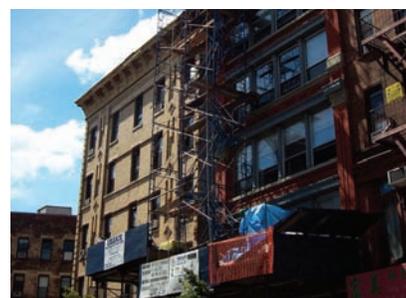


CONVERTING CHINATOWN:

A snapshot of a neighborhood becoming unaffordable and unlivable

— December 2008 —



A report of CAAAV Organizing Asian Communities and the Community Development Project of the Urban Justice Center



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Photos by CAAAV.

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ABOUT THE ORGANIZATIONS

CAAAV ORGANIZING ASIAN COMMUNITIES and the CHINATOWN TENANTS UNION

CAAAV Organizing Asian Communities (CAAAV) was founded in 1986 as one of the first organizations in the United States to mobilize against racially motivated violence against Asian communities. Over time, CAAAV has broadened its work to focus on a wide range of issues affecting our communities, including concentrated urban poverty, displacement and gentrification, detention and deportation, worker exploitation, police violence, and criminalization of youth and workers. Our strategy is guided by a global analysis of migration, labor, and poverty, and how these experiences are shaped in the U.S. by nationality, immigration status, gender, race, and class. CAAAV builds the capacity of poor and working-class Asian communities through advocacy, community organizing, leadership development, service provision, and the creation of alternative models of sustainability.

In 1999, CAAAV began to develop the skills and confidence of young people to organize and educate the Chinatown community about gentrification. In 2005, CAAAV formed the Chinatown Tenants Union (CTU) to organize community residents to fight gentrification and displacement. Currently, the CTU has more than 150 members and 1,400 supporters.

COMMUNITY DEVELOPMENT PROJECT OF THE URBAN JUSTICE CENTER

Founded in 2001, the Community Development Project of the Urban Justice Center (UJC) provides legal, technical, and policy assistance to grassroots community groups working for positive social change in low-income communities in New York City. We strive to help such groups in the following areas: grassroots community organizing, affordable housing and tenant organizing, sustainable economic development, technical assistance for not-for-profits, workers' rights, environmental justice, access to healthcare, consumer rights, and immigrant rights.

ACKNOWLEDGEMENTS

This report is dedicated to the residents, workers, and small business owners in New York's Chinatown, whose hard work, diligence, and passions serve as the foundation of a thriving multi-cultural, historic community.

This report was produced in partnership by the Community Development Project of the Urban Justice Center and CAAAV. It was authored by Chris Fernandez, Laine Romero-Alston and Stefanie Garry of the Community Development Project of UJC, and Helena Wong of CAAAV. Additional research, writing, and editing support was provided by Vivian Lu, Deanna Georges, Harvey Epstein, Alexa Kasdan and Betty Chou from UJC, as well as Esther Wang, Laurel Mei Turbin, and ManSee Kong from CAAAV.

Many thanks to the Chinatown Tenants Union youth members and tenant leaders Bin Liang and Zhi Qin Zheng, who implemented the community surveys and informed the analysis of this report. Additional thanks to UJC and CAAAV volunteers, interns, and staff who conducted surveys and documented the changes happening in Chinatown through extensive canvassing efforts. We also appreciate the guidance and advice provided by many experts in the field, including Alison Lack from Good Jobs NY and the Furman Center for Real Estate and Urban Policy. Additional thanks to Vivian Lu and Stefanie Garry for their research and GIS work in producing the maps included in this report.

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I. FOREWARD

Across the United States, from Oakland to New Orleans, Miami, Boston, and New York City, working-class communities and communities of color are being displaced from cities on a scale not seen since the federally sponsored programs of urban renewal in the 1960s. In today's market-driven economy, with increasing luxury development and gentrification, vibrant historic communities are being eroded by skyrocketing rents, mass evictions, and the creation of low-wage jobs, only to be replaced with luxury condominiums, shopping centers, and tourist attractions.

In New York City, one of the world's major centers of capital, the buying and selling of land for the benefit of wealthy private interests has become central to the City's economic development plan. The City's government and corporate developers have been joining forces to push development projects in the name of spurring "economic opportunities." These public-private partnerships have used processes like rezoning and the use of eminent domain to remove low-income communities and communities of color.

In the last few years, the City, in partnership with corporate developers, has focused its efforts on Chinatown. Right now, Chinatown's historical and cultural significance is at stake. New development projects seek to convert Chinatown into a playground meant to attract new, wealthy residents as well as tourists. Such projects have been implemented to the exclusion of long-term Chinatown residents and new immigrants and have facilitated an increasing number of luxury condominiums and upscale shops and services in the community. As a result, Chinatown has seen its affordable housing stock diminish, has lost services and small businesses, and its low-income residents have experienced increased harassment and displacement.

But gentrification isn't inevitable, and grassroots organizations such as CAAAV along with dozens of groups across the country, are at the forefront of grassroots organizing to build power and strategize in individual cities, as well as nationally, through the Right to the City Alliance (RTTC), a national alliance of 38 grassroots and advocacy organizations and academics. Groups are organizing for the right to stay and participate in the decisions that impact their communities. Through RTTC, CAAAV has shared experiences and strategies with Chinatown groups in Boston and San Francisco, and discussed leadership development strategies and community-led, accountable development models.

Grounded in the experiences of residents as well as extensive primary research, *Converting Chinatown: A Snapshot of a Neighborhood Becoming Unaffordable and Unlivable* provides a current snapshot of the impact of gentrification on New York City's Chinatown. This report tells a story of how City-led development projects have proved detrimental to the community's cultural fabric and have resulted in the mass displacement of long-time residents. It also tells a story of hope, as residents continue to organize and assert their right to community and the right to participate in planning decisions by offering alternative forms of development that put community needs before profit.

Chinatown residents are sending a clear message: Chinatown is not for sale!

Valerie Taing
National Coordinator
Right to the City National Alliance

II. EXECUTIVE SUMMARY

Chinatown is the undisputed center of New York City's Chinese immigrant community. Chinatown is a home, a workplace, and a marketplace for generations of immigrants who through the decades have built the thriving community it is today, and who continue to build it today.

But it is changing dramatically—over the past 10 years, Chinatown has experienced a flood of new development and construction, which has greatly accelerated in the wake of 9/11 and has been facilitated by pro-real estate City policies under Mayor Bloomberg.

While some believe that Chinatown is immune to gentrification and neighborhood change, research shows that unregulated private development facilitated by City policies is targeting and threatening the fabric of the community. City policies have led to forced displacement and the deregulation of rent regulated housing stock. Substantial new construction, including luxury condominiums, boutique hotels, trendy restaurants, and expensive stores, is altering the urban character of Chinatown and leading to the displacement of low-income residents as well as small businesses.

Research on and surveys of small business owners and Chinatown residents conducted by CAAAV and UJC illustrate how current development practices in Chinatown are affecting this vibrant community. Chinatown residents are facing the following threats to their quality of life:

1. Chinatown is experiencing the massive destabilizing effects of gentrification which are fundamentally changing this historic neighborhood.

- Chinatown is seeing increased luxury development; commercial and residential.
- Lower Manhattan Development Corporation and City Planner have encouraged luxury development over affordable development in Chinatown.
- Marketing of Chinatown has encouraged gentrification in the neighborhood.
- The city has been developing new land-use policies which benefit luxury development.

• The number of new building permits in Chinatown and the Lower East Side increased dramatically over the past 15 years, from only 40 in 1990 to 970 in 2006.

2. Chinatown residents have seen increased harassment and displacement due to gentrification.

- Low-income housing has seen increased housing violations in recent years.
- Residents of low income housing have encountered increasing harassment.

• The number of subsidized housing units decreased from 17,696 to 16,236 between 2003 and 2006.
• Nearly 75 percent of Chinatown residents surveyed in 2005 lived with one or more serious housing violations in the past year.

3. Chinatown small businesses are having a difficulty staying in business due to gentrification.

- Chinatown business are vulnerable to displacement because they have no control over the space in which they are located.
- Despite the growth of new outside business the vast majority of business comes from Chinatown residents.
- With increasing rents and the flight of their customer base from the neighborhood, many small business owners in Chinatown are forced to consider abandoning their business and community.

• Only seven percent of business owners surveyed in 2006 owned their property.



The findings in the report are significant and more important than ever as we brace ourselves for the economic recession. In this time, as more attention is paid on what services should be prioritized with limited resources, this is the time to ensure that the investments made in Chinatown are for the people who have built it and sustained it.

III. INTRODUCTION

*“Chinatown is changing, but low-income residents like me are fighting back!
We’re determined to save our homes and stop gentrification and displacement.”*

– Zhi Qin Zheng, resident of 61 Delancey

“Converting Chinatown” illustrates the rapid changes that are occurring in Manhattan’s Chinatown and charts the effects of these changes on its long-term residents, low-income residents, workers, and small businesses during a particular moment in Chinatown’s transformation. The consequences of the unbridled development in Chinatown reflect the broader challenges facing residents in Manhattan’s Lower East Side as well as other neighborhoods such as Harlem and El Barrio, as pro-development City policies, luxury real estate developers, and City-facilitated land-use plans encroach on the historic and cultural vibrancy of the local community.

What do we mean by gentrification?

Gentrification is a physical, economic, and cultural process in which private developers, aided by City policies, invest in low-income and underserved neighborhoods, causing high-income people to displace low-income people, often people of color, from their homes and businesses.

Chinatown is home to the densest population of Chinese people in the Western Hemisphere, with more than 150,000 residents living within a two square-mile area of downtown Manhattan.¹ Since the 1800s, the area has been home to the largest number of immigrants in New York, representing a variety of ethnic groups. Today, the majority of Chinatown’s inhabitants are from Hong Kong and the Guangdong, Toisan, and Fujian provinces of China.²

While some believe that Chinatown is immune to gentrification and neighborhood change, our research shows that unregulated private development facilitated by City policies as well as larger City land-use decisions are threatening the community, in particular its low-income residents and small businesses. The physical proximity of Chinatown to luxury neighborhoods SoHo and the Financial District and a gentrifying Lower East Side makes it attractive for the development of luxury housing and high-end commercial space, thus jeopardizing the existence of Chinatown as an economically, culturally, and socially diverse neighborhood.

Nearly eight years of pro-development policies under Mayor Michael Bloomberg have only accelerated the pressures of gentrification in Chinatown, in a city where few protections and support mechanisms exist for residents. Inadequate laws that protect tenants’ rights, weakness of rent laws, and unenforced housing codes leave residents vulnerable to rising rents, landlord harassment, unsafe building conditions, and displacement.

The current economic crisis continues to affect all of New York City. While Wall Street has been the focal point of the declining economy, local communities like Chinatown are where the recession is most apparent. Now more than ever we must continue to work to strengthen Chinatown’s local economy and help to create an independent and thriving community. By choosing development which empowers low-income local businesses and residents, Chinatown will be better equipped to survive these tough economic times.

Communities Rising to Shape their Future: Methodology

CAA AV formed the Chinatown Tenants Union (CTU) in 2005 to organize low-income residents, youth, and street vendors to fight against community-wide displacement and gentrification and to ensure that the community needs drive the future development of the neighborhood. CTU aims to protect Chinatown tenants from harassment and displacement, while proactively influencing development decisions in an effort to preserve the dynamic community character of Chinatown for generations to come. In partnership with UJC, the CTU

has carried out on-going community-based research to document the ways that current development projects impact the quality of life of residents, workers, vendors, and small business owners in Chinatown.

Research for this report was conducted through several primary and secondary sources:

- A survey of 147 Chinatown residents was conducted through door-to door outreach in zip codes 10002, 10012, and 10013. These surveys were collected on the street and at community meetings between July and December 2005.
- A survey of 88 small business owners in Chinatown was conducted in July and August 2006.
- A canvassing survey of more than 100 Chinatown blocks was conducted between April 2006 and January 2008. Each block within the Chinatown border (refer to map on page 8) was surveyed for hotels, luxury housing, trendy boutiques and cafes, and new buildings, which were determined visually by the amount of construction outside and confirmed by records from the Department of Buildings. Our researchers were able to capture the physical changes taking place in Chinatown, as signaled by labels, signs, and materials used for storefronts and housing developments. We were also able to capture changes in retail outlets and services offered in Chinatown, including the types of goods and services provided, and to whom these services are directed.

Together these three surveys were able to provide a comprehensive look into the changing nature of Chinatown. When gentrification takes hold in a neighborhood it completely transforms all aspects of that neighborhood. What is unique about gentrification in Chinatown is the unprecedented pace at which the City and Developers are working to transform Chinatown in their “vision”. By interviewing and surveying residents and shopkeepers we are more able to see the full effect of gentrification.

IV. CONVERTING CHINATOWN: A SNAPSHOT OF DEVELOPMENT

1. Widespread Luxury development has rapidly changed the neighborhood.

Substantial new construction, including luxury condominiums and boutique hotels, trendy restaurants, and expensive stores, are altering the urban character of Chinatown. The face of luxury development is a particularly aesthetic one, where new developments or renovations are noticeable mostly through qualitative observations of facades and fancy lobbies.

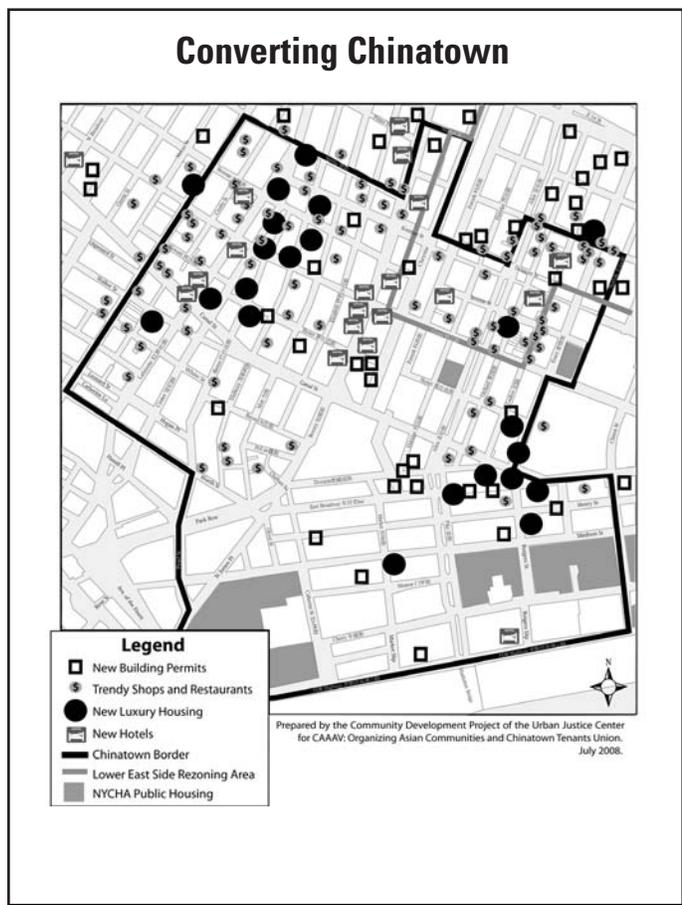
What on appearance seems like a cosmetic benefit to the community has hidden costs. While government officials, the Lower Manhattan Development Corporation and private developers insist that new development will benefit Chinatown as a whole, the quality of life for longtime and low-income residents has been steadily decreasing.

As surveyors and volunteers from the UJC and CAAAV observed during the 2008 Community Canvassing Survey, dramatic changes are taking place on the streets in Chinatown. The map “Converting Chinatown” illustrates the following indicators of gentrification in Chinatown:

Key Definitions

Trendy: For this report there were several criteria that met the definition of “trendy”. Among these were:

- Restaurants with menus exclusively in English
- Restaurants and stores with above average prices.
- Restaurants and stores with non-bilingual staff.
- Restaurants and stores that target wealthier clients..



New Luxury Development in Chinatown:

- 25 new hotels
- 118 new high-end priced boutiques and cafes
- 26 luxury residential buildings

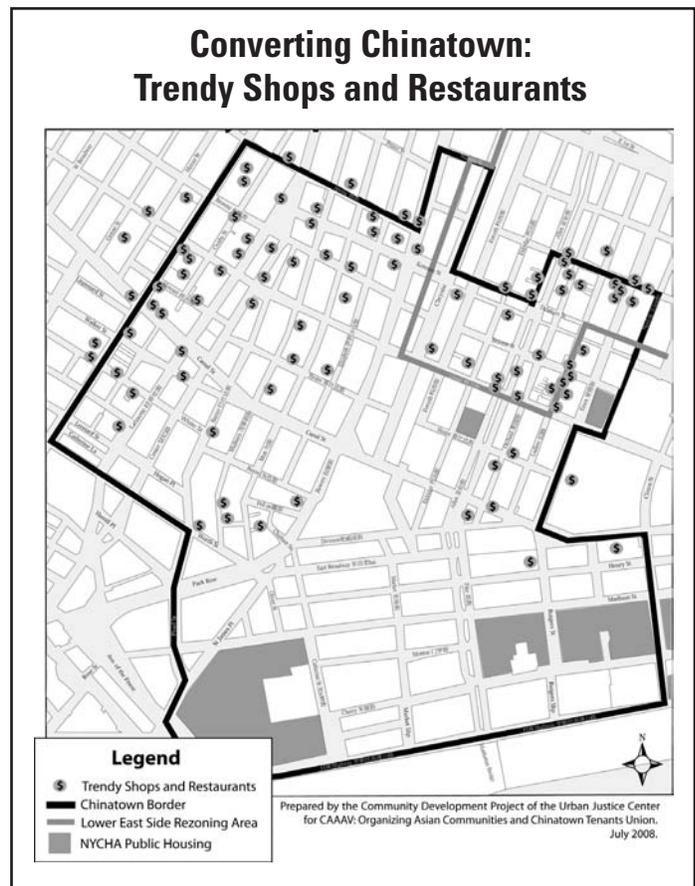
The expansion of spaces targeted for the wealthy is strikingly conveyed in this map showing the rise of luxury housing, hotels, new buildings, trendy shops, cafés, and bars. The high-end goods and services provided by these new businesses do not serve the existing community, as Chinatown residents have an area median annual income of \$36,899, with 27% of residents making below \$16,556.³

Gentrification in Chinatown is most apparent by the recent influx of “hip” and luxury businesses. High-end bars and cafés that were once a rarity in Chinatown are beginning to become more widespread. Bars such as Apotheke which recently opened on Doyer Street and White Star which opened on Essex are targeted only to the wealthy and provide little to negative impact on the community.⁴ As observed in other neighborhoods which have experienced gentrification, bars are often the standard bearers of gentrification. A rowdy and noisy nightlife is the gateway by which wealthy individuals enter into working class neighborhoods.

- As evidence to Chinatown’s newfound “nightlife destination” status Community Board 3 (which encompasses Chinatown) reviewed nearly 400 liquor licenses this past year.⁵
- From January 1st till November 13th 2008 there have been 195 commercial construction permits filed with the Department of Buildings in Chinatown.⁶

Many of these new construction permits are for new shops and stores which do not cater to the average Chinatown resident. Over saturating the area with unaffordable shops and stores provides young and wealthy individuals an irresistible opportunity to claim the neighborhood as their own by moving into Chinatown.

The number of new construction sites and development permits issued in Chinatown has increased dramatically, while the price for newly constructed condos and apartments continues to rise, effectively pricing out current residents from their own community. Research conducted for this report finds that:



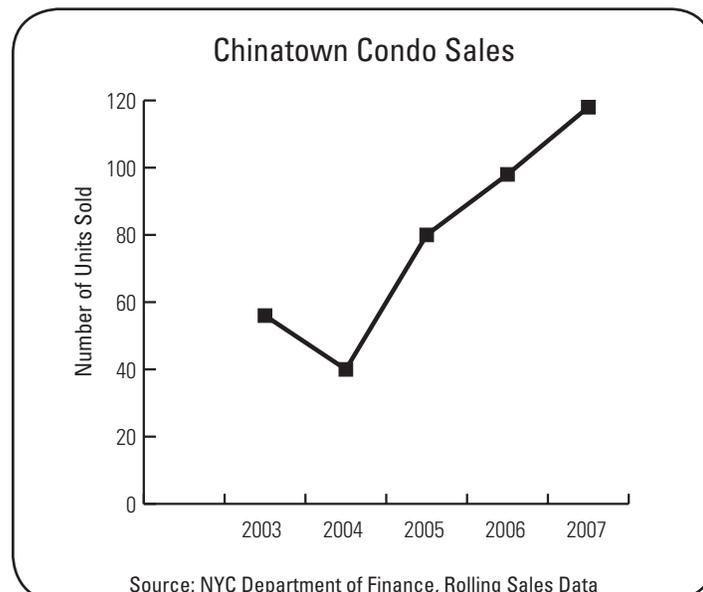
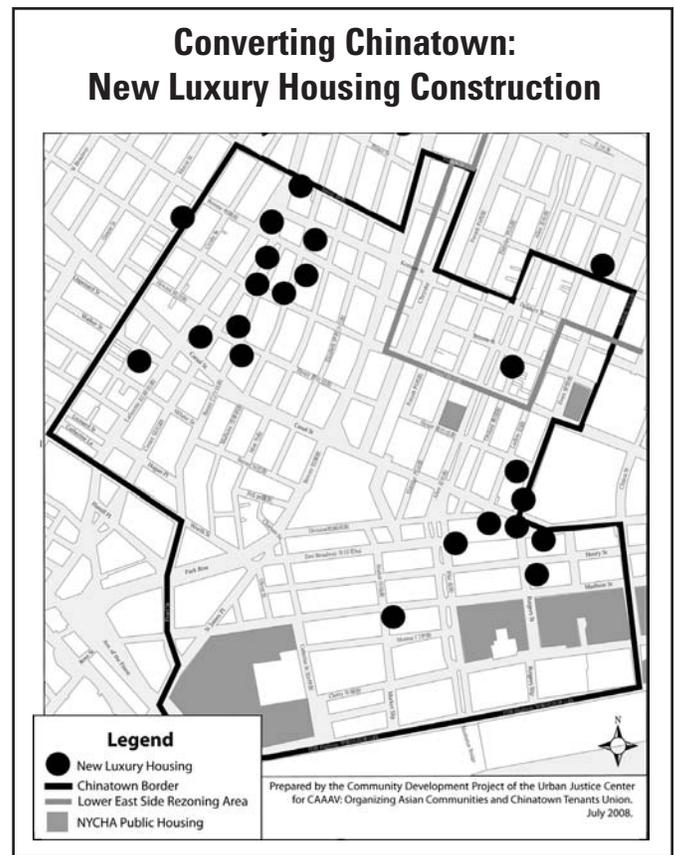
- The number of new building permits in Chinatown and the Lower East Side increased dramatically over the past 15 years, from only 40 in 1990 to 970 in 2006.⁷
- Condominium prices in Chinatown and the Lower East Side have soared more than 19 percent between 2005 and 2006.⁸
- Between 2005 and 2006, prices for multifamily buildings rose by 42 percent in Chinatown and the Lower East Side.⁹

Privatization is also an increasing trend in Chinatown, as affordable and public rental units give way to high-end condominiums and luxury developments. These high rise and high end development are more likely to increase if the City's new Lower East Side/Chinatown zoning planned is passed. With developers excluded from much of the East Village and parts of the Lower East Side they will be forced to develop in Chinatown.

As data from the NYC Department of Finance shows, condominium sales have been steadily increasing in Chinatown since 2003, with sales more than doubling in just a four-year period.

The average price of a condominium in the area has also shot up, with two-bedroom apartments selling for more than \$700,000 to \$900,000, according to market data from the Corcoran Group real estate company.¹⁰ The trends indicate the housing market in Chinatown is only strengthening, thus threatening the future affordability for long-term residents and those living in public and affordable housing.

The combined forces of residential and commercial gentrification have begun to rapidly change the character and composition of Chinatown.



3. Marketing of a “New” Chinatown has encouraged gentrification.

The media and real estate industries have added to the hype about Chinatown as an exotic yet chic neighborhood on the cusp of a major transformation.

“It doesn’t sound like the perfect place for rich yuppies to root down, but that hasn’t stopped development. Eight new condos, like Hester Gardens, have gone up in the past two years, or will, catering to outsiders and Chinese folks with cash. It’s unclear how much someone who can afford a \$2 million pad will enjoy the one-of-a-kind bodegas-cum-mini-groceries that stock frozen squid snacks, ‘car cologne,’ ‘grass jelly’ soft drinks and ceviche in a can, or the Internet cafés and salons. It’s as gritty as it is full of tradition.”

– Time Out New York

“Chinatown is a sensory experience. People pushing past stalls of fresh produce on crowded streets. Exotic looking vegetables and fruits accompany Florida oranges.”

– Metropolis Real Estate of Manhattan Broker Service

“At 123 Baxter Street, you will find yourself at the nexus of culture, fashion, shopping, entertainment and fine cuisine. Located at the crossroads of three great neighborhoods, Baxter Street offers the unique opportunity to ‘be in the middle of it all... The energy and opportunity’ of Chinatown.”

– JC Deniro Properties

“New York’s Chinatown represents a thick slice of foreign culture dropped directly into the socio-ethnic stew that is Manhattan... Chinatown’s Blade Runner ambience and still-exotic charm reinforced its appeal.”

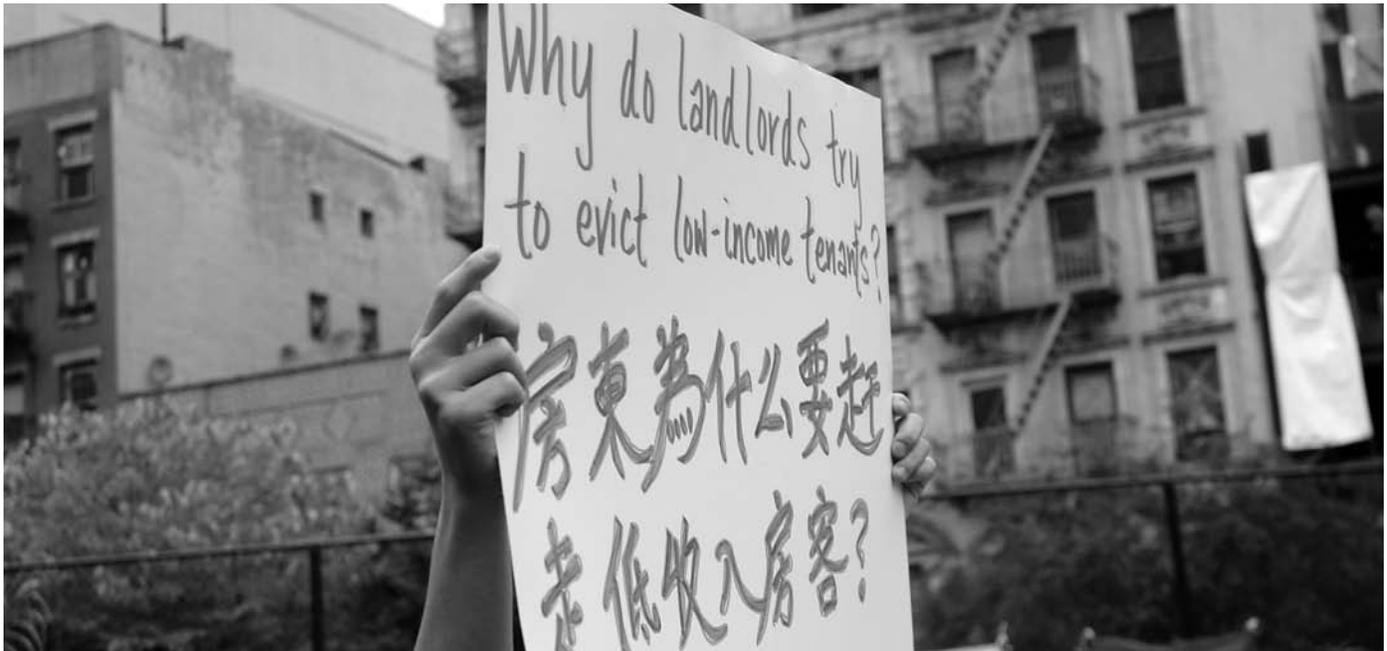
– The Cooperator: The Co-op & Condo Monthly

Developers have marketed Chinatown apartments as “pieds-à-terre,” or homes close to work for suburban businessmen who just need a place to sleep during the week. Real estate brokers appeal to the exoticism of Chinatown’s culture in reference the safety and style of neighboring SoHo and Tribeca.

The uniqueness of Chinatown is unparalleled in New York City. It has been this collision of cultures that has made Chinatown a top tourist destination throughout its history. Chinatown is place where people can come to taste and see something that cannot be found anywhere else. Chinatown, however, is more than just a tourist destination, it is also a home. Its people, tenements, and shops are not merely eccentricities to be enjoyed. It is a living, breathing neighborhood. By marketing Chinatown as a place only to be enjoyed in passing, ignores a vast majority of people who call Chinatown home. In order to maintain the authenticity and integrity of Chinatown there must be a focus on assisting residents who are in need of affordable housing as well as providing more opportunities for growth of small business.



V. THE COST OF GENTRIFICATION: ATTACKS ON LOW-INCOME TENANTS AND SMALL BUSINESSES



The conversion of Chinatown into a playground for tourists and the wealthy requires that space is developed for high rent apartments, luxury co-ops and the businesses and services that cater to the new population. This transformation has not come without a cost. The pressures of development have brought along serious negative practices. Tenant harassment and displacement have increased significantly during the past several years. Furthermore, Chinatown is increasingly losing its small businesses that cater to Chinatown's traditional low-income immigrant tenants.

1. Residents have been subject to increased neglect, harassment, and displacement as gentrification has increased.

Because space is so limited in Chinatown and its population density is already among the highest of neighborhoods in New York, there is a real threat of displacement for low-income immigrant residents from their homes and businesses. And as the neighborhood gentrifies, more and more landlords see they can benefit financially from evicting low-income residents in order to bring in higher-income tenants.

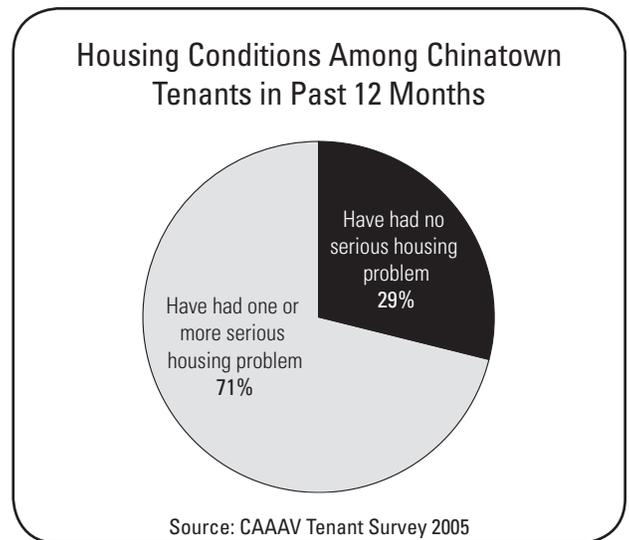
While landlords are increasingly evicting tenants, housing laws offer few protections for low-income tenants. Rising rents and harassment by landlords are even more prevalent in immigrant communities, due to lack of language access to the City's Department of Housing Preservation and Development (HPD). These tenants also are more likely to lack knowledge of their housing rights, and some are more vulnerable to landlord harassment because landlords often exploit their tenants' immigration status to intimidate those who are undocumented. A 2005 CAAAV community survey found that landlords increasingly resort to illegal tenant harassment.

Low income tenants are encountering poor living conditions as landlords are chronically ignoring serious problems.

The "quality of life" has also decreased for many Chinatown residents, as their residential buildings fall into disrepair and threaten their safety and security. Increasingly, landlords are purposefully withholding services and repairs as a harassment tactic, forcing residents to choose between unsafe and unhealthy living conditions and vacating their apartment.

- **Nearly 75 percent of Chinatown residents surveyed lived with one or more serious violation in the past 12 months.**

Serious violations include those which are considered “emergency problems” by HPD. Emergency problems consist because of problems that put at risk the immediate health and safety of the tenant. These violations include little or no heat, little or no hot water, lack of running water, leaking pipes, collapsing ceilings, exposed wires and leaking gas.¹⁵ All people have the right to working and clean living conditions. It is the duty of HPD and other city agencies to aggressively force landlords to provide acceptable living conditions to their tenants. Whether these violations take place in large multi-room apartments or small SRO’s all people are entitled with fundamental housing rights.



Unsanitary and unsafe living conditions also pose a serious health concerns for tenants of such properties. Lack of heat or ventilation can aggravate pre-existing health conditions, faulty pipes and bad wiring is a safety hazard and pest infestations can spread disease. Unfortunately in many of these situations landlords are too enticed by the possibility of renting to expensive market rate tenants that they decline to make even the most basic of repairs.

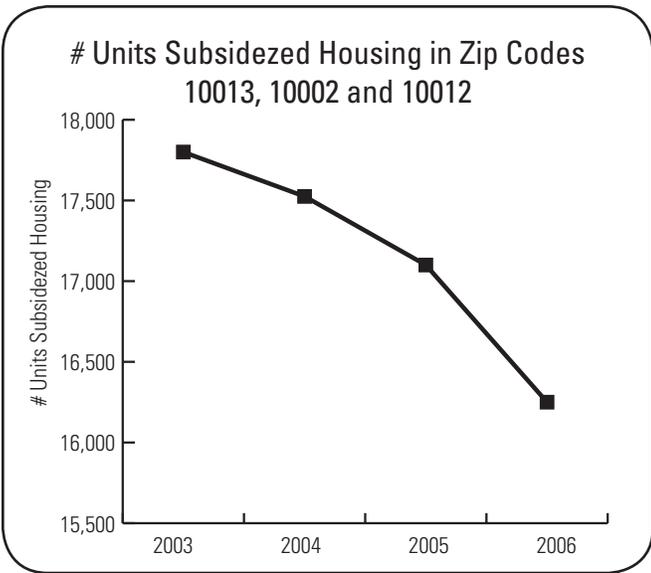
Low income tenants are increasing encountering various forms of harassment that severely degrade their quality of life.

In addition to the terrible living conditions tenants are subjected to, landlords have also increased their illegal harassment tenants. Tenant harassment has been increasingly used by landlords looking to pressure long-term especially low-income and rent-stabilized, tenants to move out of their homes. After long-term tenants vacate, landlords can drastically increase rents to market rates. While withholding services and repairs is a form of harassment, respondents to the 2005 CAAAV Tenant Survey reported other harassment tactics, such as:

- *Landlords not providing leases to tenants*
- *Failure to collect rent or sending rent back after payment*
- *Taking tenants to court without a basis for eviction*
- *Offering bribes and buyouts for tenants to vacate the apartment*
- *Collecting names and identifications of all those living in the apartment.*



- **73 percent of tenants surveyed reported experiencing harassment from their landlords.**



These tactics are widespread in Chinatown. Once the affordable and rent-stabilized apartments are vacated, landlords then make often substantial repairs and renovations in order to increase the rent significantly, pricing out low-income tenants and even pricing out some moderate-income tenants.

- **Almost half of the residents surveyed know someone that has been involuntarily displaced or have been displaced themselves.**

If nothing is done to protect these low income families and individuals Chinatown will lose a significant and essential portion of its population. Not only are Chinatown's low-income residents a part of its history, but they are part of its present, and deserve to be part of its future. To converting Chinatown from a working class

low income neighborhood will only displace more people and add to the growing lack of affordable housing in New York City. Chinatown residents must be protected from wealthy developers and complacent landlords.

Mott Street Tenant, Yuet Wah Wong

Yuet Wah Wong is a Chinese (Toisanese) tenant who has lived at 219 Mott Street for 16 years. While her apartment remains in its original condition, the rest of her building – as well as the surrounding neighborhood – have changed dramatically. "There are a lot more white people, and more rich people, living here now," Mrs. Wong said.

Walking down her street and throughout Chinatown, she's heard more stories about how landlords are evicting tenants. Her own landlord often harasses her and her husband by taking a long time to make repairs and by not sending out renewal leases (which they have often had to fight for). Over the summer, a portion of the ceiling in her apartment fell, and the landlord only came to make repairs after Ms. Wong called 311 and reported her landlord to the City.

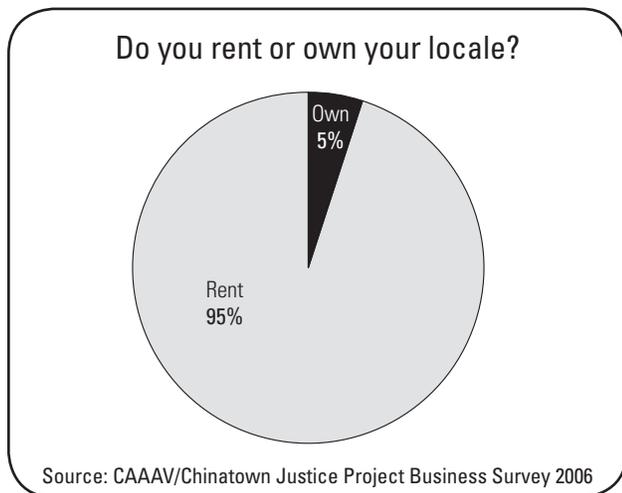
"Landlords use various tactics to evict Chinese tenants, and landlords don't like to rent to Chinese folks because they tend to be too poor to afford high rents," Mrs. Wong said. "The elders in Chinatown have lived here for a long time, and we hope to see more affordable services, products, and most importantly, affordable food. As a resident of Chinatown, I feel that the culture of the neighborhood should reflect and relate to Chinese immigrants."

2. Small businesses are struggling to survive in Chinatown.

Residents are not the only ones feeling the pressures of upscale development in Chinatown. A 2006 survey of 88 small business owners in the community found that small businesses are also at risk. They face displacement as a result of development, an influx of international banks and large chain stores, increasing real estate values, and changing demographics of the community.

Chinatown businesses are vulnerable to displacement because they have no control over the space in which they are located.

Small businesses that help to create the economic foundation and cultural fabric of the Chinatown are increasingly at risk due to rising commercial rents, pressure from property owners, and a shifting customer base. Anyone walking down the street in Chinatown can see that trendy cafés and upscale boutiques catering to higher-income clientele are on the rise as is shown on the Converting Chinatown Map on page 12 and 13. Small businesses in Chinatown overwhelmingly work out of rented commercial spaces and are subject to regular rent increases.



Only seven percent of business owners own their property.

- 75 percent of business owners' rents have risen annually for the past five years by about 5 percent each year.

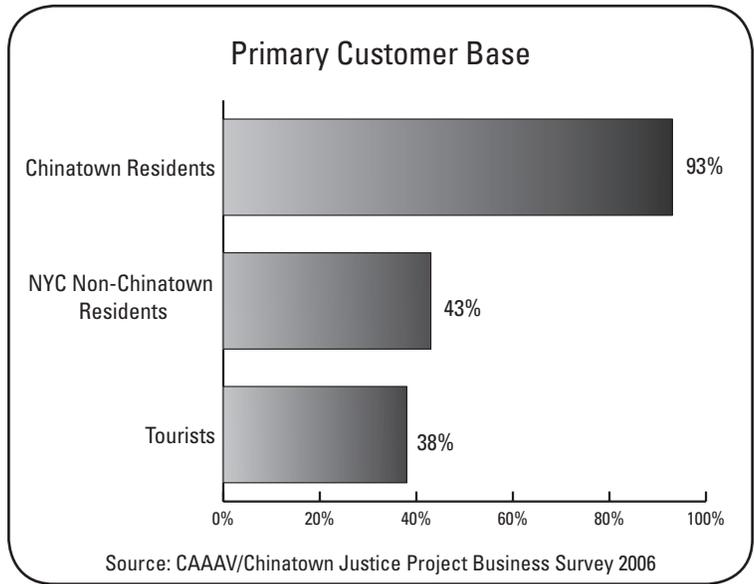
As low-income residents are forced to move out of their community, small businesses are faced with a major shift in their primary clientele. As new, more affluent populations move into Chinatown, these changing demographics are threatening the stability of the local customer base for small business owners.



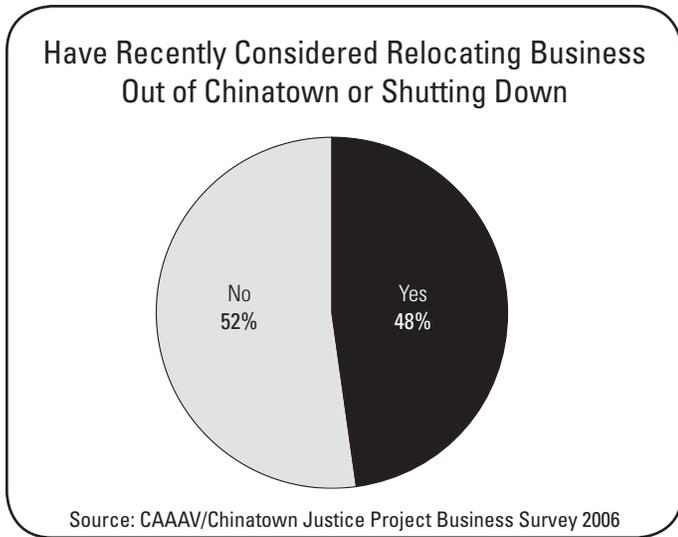
Despite the increase of high end businesses there is still a significant need for local small businesses that cater to Chinatown residents.

- 93 percent of small business customers live in Chinatown.
- 43 percent of Chinatown businesses report other NYC residents as their primary customers.
- 38 percent of Chinatown businesses characterize tourists as their primary customer base.

While new businesses do indeed give a short term boost to the local economy in the long run they are not as stable as small resident oriented businesses. Along with shorter turnover times, bars, restaurants, and boutiques are not targeted to the neighborhood's residents. Therefore these new businesses are more vulnerable to quickly changing habits of their wealthy patrons. Small businesses that provide essential goods and services need to be prioritized over businesses which are by definition luxuries.



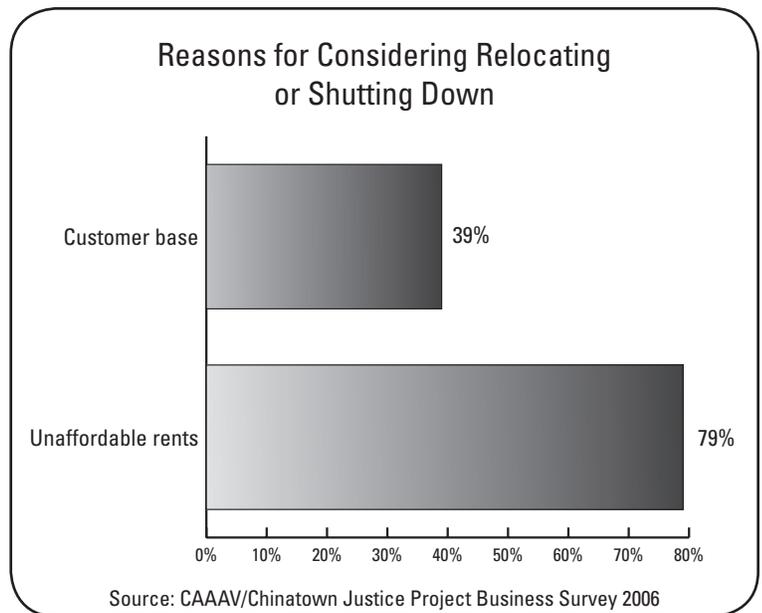
With increasing rents and the flight of their customer base from the neighborhood, many small business owners in Chinatown are forced to consider abandoning their business and community.



- Almost half of small business owners are considering leaving the Chinatown area.

- 39 percent of survey respondents are considering relocating or shutting down their business because of a change in their customer base.
- 79 percent cited unaffordable rents as a reason for considering relocation or closure.

If development is not carefully implemented and addressed in conjunction with strategies to protect residents, vendors, and other small businesses, the neighborhood will continue to become unaffordable and inhospitable to its current community. Tenants will continue to experience harassment, threats of eviction and ultimately, displacement, and small businesses will continue to move out of the neighborhood.



Bowery Street Tenant, Pui Tak Wong – 81 Bowery

Two years ago, the owner of 81 Bowery attempted to evict all of the SRO tenants, in all likelihood in order to convert them to hotel rooms. In the summer of 2008, CAAAV and the 81 Bowery tenants, working with MFY Legal Services, won an important legal victory when a state judge ruled that all the tenants had a right to stay in their apartments.

But on November 13th, over 50 residents living at 81 Bowery, a Single-room Occupancy SRO located in the heart of Chinatown, were evicted by the City due to safety violations the landlord failed to correct.

One tenant, 82 year-old Pui Tak Wong, has lived at 81 Bowery for 20 years.

Their displacement is not lost on Mr. Wong. His landlord had illegally converted long-time SRO rooms on his floor into hotel rooms, and the two floors below are also operated as hotels. He has noticed big changes on Bowery in the time he's lived in Chinatown. A movie theater which stood a few doors down from his apartment building is now a bank, and another movie theater—the last existing theater in Chinatown—will soon become yet another hotel for tourists.

"I think there are some benefits in attracting tourists, but I don't like that cultural spaces have to be replaced as a result," said Mr. Wong. "I really hope Chinatown won't change anymore. I don't want to see any more luxury condo buildings, and I feel that Bowery is fine the way it is."

He and other tenants are in temporary housing in the Bronx while they fight for their right to return.

VI. CLAIMING THE RIGHT TO THE COMMUNITY AND BUILDING AN ALTERNATIVE

Chinatown is rapidly losing not only its traditional character, but also losing the people who have built and maintained the community for decades. Long-time residents and businesses are under attack and, as is clear, cannot survive without one another. But the gentrification of Chinatown is not inevitable: there is an alternative to real estate speculation and the development of Chinatown into a high-end luxury neighborhood. Because of steady organizing efforts by many community-based organizations and tenants associations, gentrification in Chinatown is not unstoppable. Through the resilience and power of low-income community members, the development of alternative forms of leadership, and challenges to current decision-making processes, efforts are already happening to combat gentrification in Chinatown. This report illustrates how current development practices and the changes they bring impact various stakeholders in the Chinatown community and presents a framework for reclaiming the City, including recommendations for the equitable and just development of Chinatown.

Recommendations:

There is much that can be done in New York City on a local level to ensure that tenants' rights are protected as well as expanded. In addition, it is clear that small businesses must be taken into account as well when remedies to address gentrification and displacement in Chinatown are discussed.

Based on our findings as presented in this report, our recommendations on how to protect low-income tenants and protect and encourage vibrant small businesses in Chinatown are:

1. More tenant protections and an expansion of tenants' rights:

State:

- The DHCR definition of "family" that is used to determine succession rights to rent-stabilized apartments should be expanded beyond simply immediate family members.
- The DHCR should mandate that all new buildings that include more than six apartment units should be subject to rent regulation.

City

- The City and HPD should mandate that all illegally converted SRO rooms should be converted back from hotel rooms to SRO rooms.
- The City should provide tenants who are taken to Housing Court with the right to counsel, as well as improved translation services. The City Council should pass Introduction 648 (2007), a bill that would establish a right to counsel for low-income seniors who are facing eviction.

2. The City must ensure that new developments include more housing that is truly affordable for low-income tenants:

- Rezoning plans must consider the number of affordable housing units mandated by the plan.
- Instead of using Inclusionary Zoning and other market-based incentives to induce developers to build affordable housing, the City should mandate all developers to provide a minimum of 50 percent affordable housing in all new developments.
- The DHCR definition of "affordable" should be shifted to preference lower percentages of Area Median Income (AMI). Affordable housing should be relative in price to that of the surrounding neighborhood, rather than broad areas like census tracts or congressional districts. In addition, "affordable" units should be provided for families or individuals who are low-income or very low-income, i.e., tenants who have an annual income of \$20,000 or less.

3. Land-use policies (such as rezonings) and development plans should be accountable to the community and based on community needs and input, particularly the needs and input of low-income residents.

- The City should undertake a rezoning process for Chinatown that creates a Special District encompassing all of Chinatown that includes strong anti-demolition, anti-harassment, and anti-eviction provisions.
- Public processes for land-use decisions should be improved upon. There needs to be substantial outreach in local newspapers and community institutions for all Community Board meetings. In addition, public meetings and hearings should be held at times when residents can attend, with adequate interpretation provided in languages which represent 5% or more of the members of the community.
- Large development plans, such as those by the Economic Development Corporation, should adequately and thoroughly assess the impact that the development will have on the community, including rents, small businesses, and secondary displacement.

4. The Department of Buildings (DOB) should enact stricter guidelines regarding private development:

- The DOB should limit the number of building permits issued in Chinatown.
- The DOB should also prevent landlords and owners with records of tenant harassment and high turnover rates from being given building permits.

5. The City through its agencies should encourage small business growth and provide more effective and efficient tools and policies for small business success:

- The City should enact the Small Business Preservation Act (Jackson Bill) which helps small business owners negotiate terms of their lease with property owners. The bill helps to ensure that locally owned small businesses can remain in gentrifying communities.
- Small businesses should have easier access to City special economic development funds and programs such as NYC Business Solutions' Small Business Incentive Program, and all materials should be fully translated.

While these recommendations are not exhaustive, their implementation would go a long way towards keeping Chinatown a vibrant community made up of low-income tenants, small businesses, and immigrants.

APPENDIX

Primary data was collected through a joint effort between staff, volunteers, and members of UJC and CAAAV. Most tenant surveys were conducted by 12 Chinatown youth during CJP's Summer Youth Programs in 2006 and 2007, with two additional surveyors completing the process throughout Fall 2007. The canvassing survey was carried out primarily by UJC staff and volunteers from 2006 to 2008, and data collection was finalized in January 2008.

Compilation of secondary data was conducted through web research from the following sites: PropertyShark, New York City Department of Finance, and the New York City Department of Buildings. Analysis of secondary data related to the housing rental stock was obtained from the New York State Department of Housing and Community Revitalization (DHCR) and the New York City Housing and Vacancy Survey (HVS). Finally, this report utilized analysis of relevant housing and neighborhood data from the Furman Center for Real Estate and Urban Policy at New York University, obtained through the New York City Housing and Neighborhood Information System (NYCHANIS) database.

Small Business Survey

1. How long has this establishment been in business? _____ years
2. Do you own any other businesses in Chinatown? Yes No If yes, how many? _____
- 3a. Who makes up the majority of your customer base in this establishment?
(Check all that apply)
- 3b. In the recent years (the past five years, unless you have not been in business that long), has this customer base.....?
 Chinatown residents
 Increased Decreased Stayed the same
 NYC residents not from Chinatown Increased Decreased Stayed the same
 Tourists
 Increased Decreased Stayed the same
 Other- please specify _____
 Increased Decreased Stayed the same
4. Is this location: Rented Owned
- 5a. If rented, has your rent increased in the past five years? Yes No
- 5b. If yes, by how much? \$ _____ 5c. How many times has it increased in the past five years? _____ times
6. In recent years has your business gotten ... better worse stayed the same?
7. In recent years, is it ... easier harder about the same ... for your business to survive in Chinatown?
Please explain: _____
- 7a. Do you receive any small business assistance? Yes No
8. If your rent increases (or continues to increase) and you do not receive government assistance (i.e. special loans, tax breaks, rental assistance, etc.), do you think your business will be able to remain in Chinatown? Yes No
- 9a. Have you recently considered relocating your business out of Chinatown or shutting down? Yes No
- 9b. If yes, is this related to:
 unaffordable rents
 pressure from landlord to vacate space
 customer base
 personal reasons
 other- please explain: _____
10. Have you noticed changes happening in the Chinatown community in recent years?
 Yes No
If yes, please explain: _____
11. What are your most pressing needs as a business owner in Chinatown? _____
12. What do you think are the most pressing needs in general in the Chinatown community?

Demographics

13. Are you a Chinatown Resident? Yes No
If no, where do you reside? _____

14. Do you own any residential property in Chinatown? Yes No

15. Nationality of origin:

Chinese- (Fuzhou, GuanDong, HongKong, ShangHai,

Other _____)

Korean

Vietnamese

Malaysian

Other- please specify _____

16. Were you born in the U.S. or abroad?

U.S.

Abroad

17. If you were born abroad, what year did you come to reside in the U.S.?

18. Sex Female Male

19. Education

Less than high school

High school degree or GED

Some college or technical degree

College Degree and higher

To be filled out by surveyor: Name of Interviewers: _____

Type of business:

Retail

Restaurant- full service

Limited service food establishment (café, tea shop, take out)

Food store (grocery, bakery, etc.)

Other- please specify _____

Location of business

Address: _____

Name of the Business: _____

Name of employee/employers: _____

Business Card: Yes No

Language Access Survey

PLEASE TAKE THIS SURVEY ONLY IF YOU HAVE LIVED IN A NEW YORK CITY RENTAL APARTMENT IN THE PAST 12 MONTHS. Circle your answers. You may leave blank any questions you do not feel comfortable answering.

1) Do you know that the city has an agency (called the Department of Housing Preservation and Development-HDP) dedicated to respond to housing needs of NYC tenants?

a. Yes b. No

2) Have you ever seen or received written information or material from HPD (EXCLUDING correspondence regarding a personal complaint you filed)?

a. Yes b. No (If no, skip to question 4)

3) If you have seen or received written information or material from HPD, was it in your primary language?

a. Yes b. No

4) Have you ever used the HPD website?

a. Yes b. No

5) Would you be more likely to use HPD's website as a resource if it were in your primary language?

a. Yes b. No c. Not applicable (English is my primary language)

6) Have you ever visited an HPD borough office?

a. Yes b. No (If no, skip to question 8)

7) If you have visited an HPD borough office, which of the following statements apply?

a. I could not communicate with the staff and no interpreter was available in my primary language.

b. I could communicate with the staff in English or there was an interpreter available in my primary language.

8) Where do you go for help or information when you have housing problems?

a. Community group

b. Religious group

c. HPD

d. Other (please specify) _____

9) In the past 12 months, have you ever experienced any of the following: (Circle all that apply.)

a. Little/no heat

e. Collapsing ceiling

b. Little/no hot water

f. Leaking pipes

c. Little/no running water

g. Leaking gas

d. Exposed wires

h. Other (please specify) _____

10) Have you ever tried to report a problem to the Housing Preservation Department (HPD)?

Yes b. No (If no, skip to question 15) c. Don't know

11) If you have tried to report a problem to HPD, when you tried to file the last complaint, what happened?

a. I tried to file the complaint, but I couldn't communicate with the operator.

b. I filed the complaint with the assistance of an interpreter provided by the hotline.

c. I filed the complaint in English myself or with the help of someone I know who interpreted (i.e. I, not the hotline, supplied an interpreter).

12) If you filed a complaint, did the HPD send an inspector to your apartment to inspect the problem?

- a. Yes b. No c. Don't know

13) Have you ever had any of the following happen to you when you tried reporting a problem to HPD (not just in your last attempt)? (Circle all that apply.)

- a. I tried to file the complaint, but I couldn't communicate with the operator.
 b. I filed the complaint with the assistance of an interpreter provided by the hotline.
 c. I filed the complaint myself in English or with the help of someone I know who interpreted (i.e. I, not the hotline, supplied an interpreter.)

14) If you filed a complaint with HPD and received written correspondence from HPD on your case, was it in your primary language?

- a. Yes b. No

15) If you have had a problem but never tried to report it to HPD, why not? (Circle all that apply.)

- a. Because the landlord fixed the problem.
 b. Because I fixed the problem myself.

Because I did not know what HPD is or that they are responsible for handling complaints related to housing .

- d. Because I did not know how to reach HPD.
 e. Because I did not speak English well enough, and either did not feel comfortable asking for someone to interpret or was unable to find an interpreter.
 g. Other (please specify) _____

16) Have you ever had an HPD inspector come to your apartment to look at conditions or problems?

- a. Yes b. No c. Don't know

17) If yes, the last time an inspector came, what happened:

- a. I was able to communicate in English with the inspector, or someone I know helped me communicate.
 b. I was not able to communicate with the inspector due to language barriers.
 c. The inspector spoke my language.

18) If an inspector has come to your apartment more than once, has any of the following ever happened: (Circle all that apply.)

- a. I was able to communicate in English with the inspector, or someone I know helped me communicate.
 b. I was not able to communicate with the inspector due to language barriers.
 c. The inspector spoke my language.

19) If an inspector has come to your apartment, did he/she present a language card to you that asked what language you spoke?

- a. Yes b. No c. Not applicable (I speak English or had someone who spoke English with me)

20) If an inspector came to your apartment and reported violations, approximately how long did it take for repairs to be made from the time of inspection? _____ weeks

21) If the HPD offered inspection or hotline services in your primary language, would you be more willing to complain about housing problems?

- a. Yes b. No c. Don't know

22) How old are you? _____

23) Sex: a. Male b. Female c. Other _____

24) Where you born in the United States? _____

25) What is your/your family's county of origin (e.g. China, Mexico, Haiti etc):

26) If you were born outside of the United States, what year did you come to reside in the US?

27) What is your race?

- a. Asian d. Caucasian
 b. Black e. Other _____
 c. Hispanic

28) What borough do you live in?

- a. Bronx e. Queens
 b. Brooklyn f. Staten Island
 c. Manhattan

29) What is your zip code? _____

30) What is your primary language?

- a. English f. Polish
 b. Chinese (specify dialect) _____ g. Arabic
 c. Spanish h. Urdu
 d. Korean i. Other _____
 e. Russian

31) Do you feel comfortable speaking and reading English (i.e. Are you fluent in English)?

- a. Yes b. No

Thank you for completing this survey. Please use this space for additional comments about your experiences as a tenant

ENDNOTES

- ¹ The Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods 2007.
- ² "East Meets Best: Chinatown, Manhattan." Next Stop NYC. New York Department of Small Business Services. http://home2.nyc.gov/html/nextstopnyc/html/neighborhoods/chinatown_main.shtml.
- ³ The Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods 2007.
- ⁴ "Point of Gentry"; Rebecca Flint Marx; Time Out Magazine <<http://www.timeout.com/newyork/articles/restaurants-bars/59231/point-of-gentry>>
- ⁵ Community Board 3 Manhattan District Needs Statement for Fiscal Year 2010
- ⁶ Everyblock NYC: <http://nyc.everyblock.com/building-permits>; accessed 11-13-08
- ⁷ The Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods 2007.
- ⁸ The Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods 2007.
- ⁹ The Furman Center for Real Estate and Urban Policy. State of New York City's Housing and Neighborhoods 2007.
- ¹⁰ Yilu Zhao "Chinatown Gentrifies, and Evicts; Complaints of Safety Violations Now Coming From Landlords." New York Times 23 August, 2002
- ¹¹ Lower Manhattan Development Corporation. <http://www.renewnyc.com/>.
- ¹² Lack, Alison. "Who Gets Priority in Times of Crisis? DMI Blog: Politics, Policy and the American Dream. 1 September, 2007. http://www.dmiblog.com/archives/2007/09/who_gets_priority_in_times_of_1.html. Despite a lack of community-based action in Chinatown in the past, the LMDC is now taking steps to revitalize and fund more local community initiatives. In November 2007, the LMDC, in partnership with then-Governor Elliott Spitzer and Mayor Michael Bloomberg, announced the allocation of 33 community enhancement grants, totaling \$37 million. The grants, which were first promised nearly three years ago, will fund a variety of projects. However, little of the money is earmarked to build housing or provide assistance to small businesses, and given the scope of Chinatown residents' needs – for housing, health care, employment, etc. – \$37 million, out of a budget that is in the billions, is grossly inadequate.
- ¹³ PlaNYC: East River Waterfront. Planning Information Portal. <http://www.plannyc.org/project-42-East-River-Waterfront>.
- ¹⁴ PlaNYC: East River Waterfront. Planning Information Portal. <http://www.plannyc.org/project-42-East-River-Waterfront>.
- ¹⁵ New York City Department of Housing Preservation and Development. "Residential Tenants-Frequently Asked Questions for Tenants." <<http://home2.nyc.gov/html/hpd/html/tenants/faqs-for-tenants.shtml>>.

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