

# TERRANCE ROBERTS



## DENVER MAYOR APRIL 4TH, 2023



## The Path To Housing For All

*Gentrification, deregulation, and the need for a public bank.*

Homelessness, gentrification and the high cost of housing are the paramount issues of the Save Our City Campaign. It is our belief that the solution to these problems will stem from decommodifying banking and housing to serve the public good instead of wealthy investors and corporations.

The National Community Reinvestment Coalition released a study chronicling the link between deregulated “Opportunity Zones” and gentrification through examining the rate of change in the cost of housing and average median income census tracts, NCRC determined Denver to be the second most gentrified city in the nation behind the San Francisco - Oakland area. The study examined the effect of “Opportunity Zones” created by the 2017 Tax Cuts and Jobs Act that made special tax havens for businesses and developers to invest in economically distressed communities. The study found that this caused property values to increase but this didn’t necessarily benefit the people living there. The primary problem of the newly designated Opportunity Zones was not so much how they were selected, but whether or not they would benefit their residents and not just wealthy investors seeking to reduce their tax liability. The findings of the study linked 69% of all gentrification in the United States to proximity to Opportunity Zones<sup>1</sup>.

Relating to Denver, the study found two important points. First, the gentrifying neighborhoods had a much lower than average proportion of white non-hispanic residents than neighborhoods without gentrification. Second, the rate of gentrification was highest in the census tracts in or adjacent to those designated

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<sup>1</sup> Gentrification and Disinvestment 2020: Do Opportunity Zones benefit or gentrify low-income neighborhoods?

<https://ncrc.org/gentrification20/?fbclid=IwAR3olOi5SXXyElsCi2cgrXUaPxUjBYhndmLoCljT4KywEtHd205kdsomHFE>

as Opportunity Zones. Overlaying the gentrified tracts from the report with Denver's DURA developments, our campaign team found that the census tracts with the most gentrification were similarly aligned to all but two of the DURA projects listed on their website<sup>2</sup>. We know that those most vulnerable to the harms of gentrification are working families and minority groups who are more likely to rent and less likely to be able to remain in their homes in the face of skyrocketing rent. This is proof that the policies of the previous administration have served the desires of developers and real estate moguls, while pushing longtime Denver residents out of their homes - and in some cases onto the streets. We believe this is because the priority of DURA, like Opportunity Zones, is to encourage outside sources to invest with the purpose of maximizing private profit. We believe that the money collected through Tax Increment Financing (TIF) should not be used to line the pockets of the wealthy, but instead to finance public projects through the creation of a public bank.

We believe the solution to the problems created from this business oriented approach, is a people-oriented approach. Housing For All - a series of measures that includes reinvestment in public housing, implementing rent control and creating a "right to shelter" for all Denver residents. This will be funded by the third public bank in the United States. The Demos case study Banking For The Public Good: *Public Bank NYC*<sup>3</sup> demonstrates how public banking is a proven approach to community investment that allows local residents more control over their financial investments. Instead of begging developers to build and allot a small percentage of their project to "affordable housing" we can build our own public housing for everyone, regardless of income, financed by our own public bank. Due to rising income inequality, many residents are unable to overcome barriers to housing such as high requirements for proof of income (often 3X monthly rent), extortionate down payments and discriminatory credit ratings. A public bank could alleviate these problems by providing securities and guarantors to allow Denver residents of all incomes access to the finances they need to attain safe and affordable housing. Beyond housing and personal accounts, the public bank would provide infrastructure and small business loans without fees and profits going to big banks; instead being reinvested in our own Denver communities.

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<sup>2</sup> DURA Projects <https://renewdenver.org/projects/>

<sup>3</sup> Banking For The Public Good: Public Bank NYC  
<https://www.demos.org/research/banking-public-good-public-bank-nyc>