

## What is gentrification and displacement?

*Excerpt from the Portland Plan (pages 70-71)*

As cities grow and develop, they often experience a rise in property values and a change in demographic and economic conditions in neighborhoods. The term gentrification applies when these changes are part of a shift from lower-income to higher-income households and often when there is a change in racial and ethnic make up of a neighborhood's residents and businesses.

Gentrification can be spurred by public or private investments that increase a neighborhood's attractiveness. At the same time, improving neighborhoods is often a public goal held by current residents.

Gentrification often means that the change has resulted in involuntary displacement of residents and businesses. It can occur as the result of rising property values, redevelopment or land clearance. Most often, lower income populations, renters and the businesses that serve them are displaced and/or separated from community and social support systems.

Gentrification is often preceded by a pattern of segregation and/or disinvestment. The latter drives down property values and affects the wealth and assets of community members. It can also create disparities in livability and opportunities for prosperity and healthy living for residents and businesses. This disinvestment can be the result of public policy or past lending practices such as redlining.

The harm of gentrification is tangible and measurable. This includes loss of access to desirable locations; displacement of individuals and businesses to less desirable locations; a loss of wealth when homeowners leave without realizing the increased property values; and, more generally, the loss of the ability for current residents to enjoy the benefits of revitalization. It is difficult to calculate the real costs and benefits to current residents from gentrification, but clearly, there are losses.

### **Portland's experience?**

Portland's experience of gentrification and displacement has racial dimensions. In the past, in Northeast Portland, African-Americans were segregated and the neighborhood was redlined, or denied access to housing loans. Large public investments, such as the construction of the I-5 freeway and Legacy Emanuel Hospital, including demolitions of housing and commercial buildings, caused displacement and physically split predominantly African-American communities.

More recently, public policies were adopted to improve inner North and Northeast Portland. As these areas became more desirable to higher income buyers and property values increased, many African American residents and businesses were displaced. While some community institutions remain in North and Northeast Portland, many long time residents or people who grew up in the neighborhood can no longer afford to live there.

The critique of our past policies indicates that actions for neighborhood improvement were not paired with actions to address the likelihood of economic and racial displacement.

Gentrification and displacement, whether the result of large infrastructure investments or the cumulative effect of smaller investments, have disrupted communities and resulted in serious questions about the motivations behind government investments in Portland.

Today's challenge is to figure out how to provide all Portlanders with quality of life and other improvements and programs without the negative consequences of gentrification and displacement, all while improving trust and confidence in local government.

### **How is gentrification addressed in the Portland Plan?**

The Portland Plan strives to make government explicitly consider how projects and spending reduce disparities and improve equity. The Portland Plan takes a three-part approach to understanding and minimizing the effects of gentrification:

#### **1. Housing**

Affordable housing actions are the heart of effective displacement mitigation strategies. The Portland Plan includes the following guiding policies and actions:

- Help keep families in their homes by preventing avoidable, involuntary evictions and foreclosures.
- Increase the ability of low-income, minority households to access homeownership opportunities.
- Remove discriminatory barriers to Portlanders trying to access housing.
- Develop policies and actions to address the impacts of gentrification. Existing approaches include the Neighborhood Economic Development Strategy and affordable housing set-aside and community-benefit agreements.

#### **2. Business Development Toolkit**

- Build on the City's Neighborhood Prosperity Initiative to develop approaches to assist neighborhood businesses facing gentrification.
- Continue support for development of minority entrepreneurs and local hiring through community workforce agreements.

#### **3. Tracking and Program Evaluation**

- Develop approaches to track neighborhood change including race, ethnicity, age, disability, ownership and other factors.
- Develop analysis methods to help anticipate potential gentrification impacts of new policies and programs.
- Evaluate City investments and actions using the Framework for Equity.

Over time, Portland Plan partners and the community will refine these tools and work to reduce community disparities and displacement.

## Where is gentrification addressed in the Portland Plan?

The Framework for Equity and the Integrated Strategies each include actions that address gentrification. Ten actions that respond to the challenges posed by gentrification are listed below.

**Action 1:** Enforce Title VI - Implement the City of Portland Civil Rights Title VI Program Plan to remove barriers and conditions that prevent minority, low-income, limited English proficiency and other disadvantaged groups and persons from receiving access, participation and benefits from City programs, services and activities.

**Action 3:** Evaluate equity impacts- Build regular assessment of equity impacts into budget, program and project list development for public services and community development programs provided by the City of Portland and the Portland Plan. Consider the impacts on the disparities that communities of color and other marginalized populations face. Report how budget expenditures, levels of service and infrastructure conditions vary by district and communities. Use best practices of racial and social justice impact assessment.

**Action 4:** Improve evaluation methods - Develop and share new approaches to evaluation of equity impacts of policies, programs, investments and infrastructure. Build the capacity of city bureaus and Portland Partners to use these approaches:

- Building knowledgeable evaluation teams
- Defining measurable social impacts
- Identifying relevant levels of service and geographies for evaluation
- Developing relevant evaluation criteria specific to a service
- Incorporating the results into budget process
- Ongoing improvement to this process and capacity

**Action 12:** Community dialogue- Hold public forums about race and the importance of equity

**Action 34:** Housing stability- Target rental assistance programs to low-income households with students, particularly where schools are experiencing high student mobility rates.

**Action 72:** Neighborhood business development - Strengthen business activity in neighborhood centers by implementing the City's Neighborhood Economic Development Strategy including its main street and the Neighborhood Prosperity Initiative.

**Action 76:** Housing strategy- Develop and implement a Citywide Housing Strategy for all levels of housing. This should include an estimate of housing needs, strategies to create new rental and homeownership opportunities in "high opportunity" areas – those that already have infrastructure to support household success, such as quality active transportation, high-performing schools, commercial centers and recreation facilities. Address resource development, equity initiatives such as increased use of minority contractors, and alignment with other community services for low- and moderate-income residents.

**Action 79:** Equity in neighborhood change - Use neighborhood planning and development programs to help minority and low-income people stay in their homes and

neighborhoods. Raise community awareness of existing programs to prevent eviction and foreclosure.

**Action 87:** Hiring agreements- As part of public assistance to business, use agreements such as “first source hiring” agreements to promote hiring of qualified local residents who have completed skills training or become unemployed.

**Action 97:** Mitigate negative social impacts- Develop policy and strategies that anticipate and address the displacement impacts of gentrification, focusing on approaches that address housing, business development and program evaluation.