



Bureau of Planning and Sustainability
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Gentrification and Displacement Study Overview

Neighborhood improvements are often accomplished through public and private investments that increase a neighborhood's livability. This neighborhood revitalization can create many benefits for residents including increased access to services and improved neighborhood walkability. In turn, these community investments may enhance a neighborhood's attractiveness to new residents, leading to a greater demand for housing that can increase both property values and housing costs. For many people, the neighborhood revitalization is a positive change.

The term "gentrification" is used to describe the negative consequences of these changes that result in the displacement of lower income households, and often accompanied by a change in racial and ethnic make up of a neighborhood's residents and businesses.

Gentrification and displacement have been long-standing concerns in Portland. In response, the community, through the Portland Plan, set a goal for increased equity. The expectation is that an equitable city needs to be proactive about the inequitable impacts that neighborhood change and gentrification can have on vulnerable households. Specifically, the Portland Plan called for approaches to help evaluate and better manage potential gentrification impacts of new policies and programs.

Gentrification: An under-valued neighborhood that becomes desirable, which results in lower income households being displaced due to the loss of affordable housing, often with a change in racial and ethnic make-up of a neighborhood's residents and businesses.

As part of efforts to evaluate potential gentrification impacts, the Bureau of Planning and Sustainability (BPS) contracted with Dr. Lisa Bates to prepare a paper on how to assess vulnerability of different neighborhoods to increased gentrification pressure. Although gentrification also can involve businesses or commercial space, the focus of this research is on the risks for residential displacement. This paper also includes a review of national best practices, including policy tools and programs that Portland could use to mitigate gentrification.

This paper is the starting point for raising questions and a community discussion about what the City of Portland can do about gentrification.

- How would a gentrification strategy fit in relation to Portland's broader set of goals and needs?
- Could an anti-displacement goal mean an entirely different set of City priorities?
- Which policy tools should Portland implement?
- With limited resources, which changing neighborhoods should be addressed first?



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Responding to the risk of gentrification

Setting policies regarding gentrification is difficult. It is essential that the City make investments in neighborhood revitalization to meet basic needs for parks, schools, transportation safety and access. However, the City's ability to mitigate the negative effects of any resulting gentrification is somewhat limited.

The City has a number of programs and policies that are relevant to these issues and can help preserve neighborhood stability and affordability. For example, housing policy and programs can help preserve affordable housing and create mixed income communities. Neighborhood economic development programs can help build the strength of local businesses, markets and workforce in a community-directed way.

The City also may pursue options to incorporate risk assessments of displacement into decision-making and to develop programs to mitigate gentrification. There is a range of actions from education to technical assistance and incentives to regulatory approaches. The City's strategy could include:

On-going Monitoring

Being able to assess the risk of gentrification is a first step. BPS developed a risk assessment map and will maintain and update the map as a resource for City bureaus and other interested parties. There also is a need to develop other assessment tools to evaluate overall vulnerability and the business displacement risk.

Project Evaluation

The gentrification risk map calls attention to locations where the City should more closely evaluate the potential impact of major investments on neighborhood stability. Projects in higher risk areas should be accompanied by a thorough analysis to allow potential impacts to be more explicitly considered in the assessment of costs and benefits of the projects. Evaluation also creates the opportunity for earlier community engagement that could better equip a neighborhood to navigate potential change with more equitable results.

Program Alignment

On-going City programs such as the Housing Bureau's Growth and Opportunity Analysis and PDC's Neighborhood Prosperity Initiative are key components that may help to mitigate gentrification.

Investigate New Initiatives

The study identifies several policies and programs that could be used in different situations or stages of gentrification including:

1. **Community impact reports** for major projects, especially for projects with public funding, to define the potential costs and benefits and to identify possible mitigation.
2. **Community benefits agreements**, primarily for private projects, which create a negotiated agreement between the developer and the surrounding community to create a less adversarial review process and provide specific benefits related to the development.
3. **Zoning or new incentives** through which developers provide affordable units or pay in-lieu fees voluntarily with density/height bonuses or other incentives.
4. **Education and technical assistance** provided by the City to promote best development practices for mixed-income and affordable/workforce housing.

Risk Assessment

Through the Portland Plan, the City made a commitment to better monitor and evaluate where gentrification is occurring or is likely to occur in Portland. Dr. Bates identified a two-step approach to identifying and understanding the risk of gentrification and displacement. The first step is a set of indicators that encompass the different components of gentrification risk; these indicators were selected based on easily accessible and regularly updated data sources. The second step is a more focused analysis to understand the specific change dynamics of a particular neighborhood in the context of a specific public decision-making process about a policy or project.

This risk assessment is a simple first step in identifying risk citywide.

Risk Indicators

Vulnerable Populations	Changing Demographics	Housing Market Appreciation
Concentrations of: <ul style="list-style-type: none"> • Renters • Low education attainment • Household income • People of color 	Increasing rates of: <ul style="list-style-type: none"> • Homeownership • College-educated • Household income • White population 	Areas of: <ul style="list-style-type: none"> • Low or moderate value • High rates of appreciation • Adjacent to high value areas

The risk analysis is based on census tracts and comparisons to citywide averages and identifies three major stages of gentrification:

Early Stage: Places where there are conditions that could make a neighborhood subject to gentrification but where the market pressure is not fully present.

Mid Stage or “Dynamic”: Neighborhoods where the process of gentrification is already present.

Late Stage: Areas that have already largely gentrified.

The result is a map of neighborhoods showing where they fall on a spectrum of gentrification risk. A closer look into an at-risk area is necessary for a deeper understanding of neighborhood dynamics and for better insight into policy or program approaches that could make a difference. The study illustrates how this second step – the “drilldown” analysis – could be used to provide that better understanding.

Portland Plan

Portland Plan 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.

Portland Plan 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.

Draft Comprehensive Plan Policy

Policy 2.7 Gentrification/displacement. Minimize the involuntary displacement of vulnerable populations, such as low-income households, the elderly, and people with disabilities from their communities as neighborhoods grow.

2.7.a. Strive to maintain the socioeconomic diversity and cultural stability of established communities.

2.7.b. Consider the potential to cause gentrification/displacement when planning significant new public investments in areas with concentrations of low- and moderate income housing to protect against involuntary displacement of existing residents.

2.7.c. Utilize public investments, incentives, and policy tools to mitigate the impacts of market pressures that cause involuntary displacement.

2.7.d. Encourage early and meaningful involvement of community members in prioritizing needs and redevelopment plans, especially communities of color and others historically left out of critical participation forums.

Best Practices Toolkit

Other policies and programs presented in the paper are listed below.

		Early	Mid	Late
1	Code enforcement	X	X	X
2	Commercial linkage program		X	X
3	Commercial stabilization	X	X	
4	Community Benefits Agreement		X	X
5	Community Impact Report	X	X	X
6	Developer exactions	X	X	X
7	Document recording fee	X	X	X
8	Eviction protection laws	X	X	X
9	Health/Environmental Impact Assessment	X	X	X
10	Homeownership programs	X	X	
11	Housing levy	X	X	
12	Housing Trust Fund	X	X	
13	Inclusionary zoning		X	X
14	Individual Development Accounts	X		
15	Neighborhood planning process	X	X	
16	Preserve cultural facilities	X	X	
17	Property tax relief		X	X
18	Real estate transfer taxes	X	X	
19	Rent control		X	X
20	Replacement ordinance and “right to return” policy			X
21	Resident ownership	X	X	
22	Resident stakeholders	X	X	
23	Retain expiring-subsidy units	X	X	X
24	Revise zoning	X	X	X
25	Support community building initiatives	X	X	
26	Targeted economic development	X		
27	Tax Increment Financing	X	X	
28	Vacant/underutilized land	X		