

Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification

Link to the online report <https://www.portlandoregon.gov/bps/article/454027>

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Executive Summary

Background

Gentrification and displacement have changed the character of urban neighborhoods in cities across America. Portland, with its growing acclaim for livability, has not escaped the challenges that growth and change bring forth. Among the challenging issues has been the gentrification of closer-in neighborhoods. In the last two decades, Portland's North and Northeast neighborhoods have seen significant public and private investments, steep increases in housing prices, and changes in demographic and economic profile of residents that have resulted in displacement (voluntary and involuntary) of low-income residents and community serving small businesses. Making investments to improve a neighborhood, which can have many positive outcomes for current residents, can make the neighborhood more attractive and create upward pressure on rents and property values. The key distinction between revitalization and gentrification is the negative consequence of involuntary residential displacement.

As a strategic response, the Portland Plan made a commitment to better understand and minimize the effects of gentrification. This study can serve as the basis for understanding and developing a policy strategy to address gentrification. It provides strategic guidance for the City of Portland to better understand gentrification and its effects; to assess the susceptibility or risk of gentrification for different neighborhoods; and to identify best practices for addressing gentrification and displacement that may be appropriate for Portland.

Key Findings

This study focuses on the effects on the housing market, particularly the loss of affordable housing. It builds upon earlier studies to consider a broader interpretation of displacement that encompasses not just when a household is forced to move by conditions that affect the dwelling, but also to take into account changes in the neighborhood as a whole. These neighborhood changes can result in a neighborhood's inability to provide basic services that make it impossible to continue residency as a "voluntary" response.

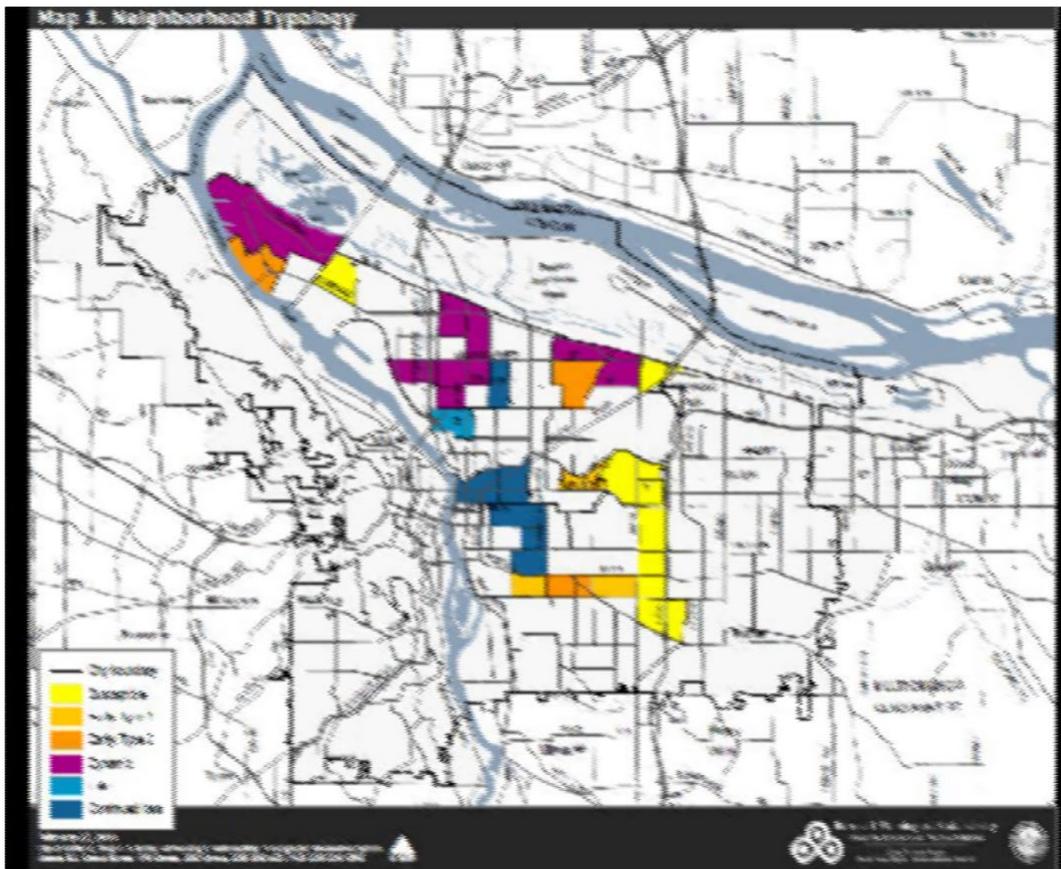
Housing in Portland is almost exclusively produced by the private sector, with a limited public sector role through regulation, incentives, and some direct construction. The study recommends a market-conscious approach to gentrification embracing new principles that allow for:

- An inclusive development paradigm with a racial/ethnic equity lens.
- A recognition of how public investments affect the private market.

- Ways to anticipate housing demand and market changes.
- Options for utilizing the public sector to regulate and engage a range of private development and community actors to minimize the effects.

Risk Assessment

The approach to assessing the susceptibility or risk of gentrification for different neighborhoods has two levels of analysis. The first level is to anticipate the potential market changes by focusing on a relatively small set of indicators based on resident’s vulnerability to displacement, recent demographic changes, and housing market conditions. These indicators are used to identify and classify neighborhoods into a typology that represents different stages of gentrification. The second level is a focused equity analysis to understand the specific change dynamics of a particular neighborhood that can help focus a public response. Public agencies can use this assessment approach to better understand the risk of gentrification in the communities in which they are working. It also implies a commitment to ongoing monitoring and tracking to understand changing conditions and emerging at-risk neighborhoods.



Policy Strategy

The concept of inclusive, equitable development is to improve neighborhood livability, while working to ensure that new development and neighborhood change does not disproportionately impact current residents. The approach is to match the tool(s) to specific stages of gentrification and the type of public investment that is being made.

The report summarizes a “toolbox” of policies and programs that could be used in these different situations. The toolbox is based on a review of best practices from across the nation. Five key elements of the toolkit are:

1. A broad community impacts policy that sets clear expectations about promoting positive community impacts and mitigating harms.
2. Community Impact Reports for major projects, especially for projects with public funding, to define the potential impacts, costs and benefits and identify possible mitigation programs.
3. Community Benefits Agreements, primarily for private projects, that create a negotiated agreement between developer and the surrounding community to create a less adversarial review process and provide specific benefits related to the development.
4. Inclusionary Zoning through which developers provide affordable units or pay in lieu fees to ensure affordable housing is part of new development.
5. Education and Technical Assistance through which the City could do more to promote best development practices for mixed income and affordable/workforce housing, similar to Portland’s effort to promote green building .

Given the pursuit of multiple important goals and limited resources, the study concludes with the following set of strategic questions for Portland:

1. *Which changing neighborhoods should be addressed first and/or with the most resources?*
2. *Could an anti-displacement goal mean an entirely different set of priorities for the City?*
3. *Which policy tools or activities should be implemented, and how should they be prioritized?*
4. *How does gentrification policy fit into the broader set of goals, policies and identified needs for Portland’s neighborhoods?*