Uprooted: Residential Displacement in Austin’s Gentrifying Neighborhoods and What Can Be Done About It

Presentation to the Austin City Council
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sites.utexas.edu/gentrificationproject/

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Scope of Study:

August 17, 2017 council resolution: “[A] study of gentrification, displacement and mapping of vulnerable neighborhoods” and “a foundation for policy decisions…”
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- Identify neighborhoods and groups of residents most vulnerable to displacement as housing costs rise
- Identify strategies and polices for preventing their displacement
- Provide framework for selecting particular anti-displacement polices
Part 1: Gentrification
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• Higher-income residents move into a neighborhood with historically low property values and many vulnerable residents
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• Higher-income residents move into a neighborhood with historically low property values and many vulnerable residents

• Housing costs rise
Part 1: Gentrification

- Higher-income residents move into a neighborhood with historically low property values and many vulnerable residents
- Housing costs rise
- Vulnerable residents displaced
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• Higher-income residents move into a neighborhood with historically low property values and many vulnerable residents
• Housing costs rise

• Vulnerable residents displaced
• Cultural character of neighborhood transformed
Part 2: Identifying and Mapping Gentrifying Neighborhoods in Austin
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*Snapshot: 3-Part Gentrification Analysis*
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**Snapshot: 3-Part Gentrification Analysis**

1. **Vulnerability**
   What percent of the population in a neighborhood is vulnerable to displacement?
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**Snapshot: 3-Part Gentrification Analysis**

1. **Vulnerability**
   What percent of the population in a neighborhood is vulnerable to displacement?

2. **Demographic Change**
   What levels of demographic changes, if any, have been occurring in the neighborhood?
Part 2: Identifying and Mapping Gentrifying Neighborhoods in Austin

**Snapshot: 3-Part Gentrification Analysis**

1. **Vulnerability**
   What percent of the population in a neighborhood is vulnerable to displacement?

2. **Demographic Change**
   What levels of demographic changes, if any, have been occurring in the neighborhood?

3. **Housing Market Change**
   How much housing market appreciation, if any, has taken place in the neighborhood?
Who is most vulnerable to displacement?
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- Communities of Color
- People 25 and older without a Bachelor's Degree
Who is most vulnerable to displacement?

Communities of Color
People 25 and older without a Bachelor’s Degree
Renters

Sources: Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification (Lisa Bates), American Community Survey, 2016, US Decennial Census 2000
Who is most vulnerable to displacement?

- Communities of Color
- People 25 and older without a Bachelor's Degree
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- People making at or below 80% Median Family Income

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Who is most vulnerable to displacement?

Communities of Color
People 25 and older without a Bachelor’s Degree
Renters
People making at or below 80% Median Family Income
Households with children in poverty

Sources: Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification (Lisa Bates), American Community Survey, 2016, US Decennial Census 2000
Of 200 Austin neighborhoods . . .

**Susceptible** Near high value/high appreciation areas. Not yet experiencing demographic change.

**Early Type 1** Experiencing appreciation, still with low/moderate home values.

**Dynamic** Exhibit demographic change indicative of gentrification.

**Late** Newly high value areas, still with vulnerable populations

**Continued Loss** High value areas that have experienced demographic change

Interactive maps available at: sites.utexas.edu/gentrificationproject/
Montopolis Neighborhood

A gentrification drilldown

A vulnerable community with homeownership in decline:

- **Homeownership**: 43%
- **Median Home Value**: $257,800
- **Citywide Median Home Value**: $287,001

*Declining homeownership, increasing rental stock

Comparing Montopolis to Austin:

- **Homeownership**: 91% to 51%
- **57% renters to 55% renters**
- **12% with bachelor’s degree to 48% with bachelor’s degree**
- **81% households earning less than 80% MFI to 39% households earning less than 80% MFI**

**2015**: $160 average price per square foot

**2017**: $196 average price per square foot

**2015**: 45 home sales

**2017**: 87 home sales

**Construction**:

- **2015**: 406 construction permits issued
- **2017**: 805 construction permits issued

Part 3: Case Studies of Local Efforts to Mitigate Displacement in Gentrifying Neighborhoods

Portland, OR
Inner North/Northeast neighborhoods

Washington, DC
Columbia Heights neighborhood

Austin
Guadalupe neighborhood
Themes emerging from case studies
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A meaningful role for residents is critical.
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Match strategies to local conditions.
Parts 4 and 5: A Framework for Action

→ Start with vision and goals from public discussions
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→ Identify solutions that serve each goal
Parts 4 and 5: A Framework for Action

- Start with vision and goals from public discussions
- Identify solutions that serve each goal
- Use criteria to evaluate solutions, match to neighborhood conditions
Vision Statement
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Low-income residents and persons of color—and their children—in historically disadvantaged communities have the opportunity to stay and return to their neighborhoods in the face of rising property values and an influx of more affluent residents.
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Vision Statement

Low-income residents and persons of color—and their children—in historically disadvantaged communities have the opportunity to stay and return to their neighborhoods in the face of rising property values and an influx of more affluent residents. Over time, opportunities remain for new low-income residents to live in the community. Residents have a meaningful role in shaping the future of their neighborhood.
Six Goals — and Choices Between Them
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1. Prevent displacement of renters
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2. Prevent displacement of homeowners
Six Goals — and Choices Between Them

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3. Retain existing affordable housing
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4. Plan inclusively to prevent displacement
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Six Goals — and Choices Between Them

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4. Plan inclusively to prevent displacement
5. Enable the return of those displaced
6. Create new housing for current and future residents
## Goals, Strategies, and Policies for Addressing the Displacement of Vulnerable Residents in Gentrifying Neighborhoods

<table>
<thead>
<tr>
<th>Goal #1: Vulnerable renters in gentrifying neighborhoods are not displaced from their current homes and neighborhoods</th>
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</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
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<tr>
<td>Strategy 1a. Provide direct financial relief to vulnerable renters who are at risk of being displaced from their homes in gentrifying neighborhoods.</td>
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<tr>
<td>Strategy 1b. Increase city legal protections for renters to reduce evictions and other forms of displacement in gentrifying neighborhoods.</td>
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Funding $ $ $ $ $ $ $ $ $ $
Funding $$ $$ $$ $$ $$ $$ $$ $$ $$ $$ $$

- General Revenue
Funding $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ 

• General Revenue

• Tax Increment Financing
Funding $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ 

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- Density Bonus In-Lieu Fees
Criteria — Understanding Costs and Tradeoffs
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How will the voices of vulnerable residents be represented?
What level of funding is required?
Do we have the current capacity to do this?
<table>
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<tr>
<th>Policy</th>
<th>Vulnerable populations targeted</th>
<th>Stage of gentrification targeted</th>
<th>Place-based</th>
<th>Sustainability</th>
<th>Inclusivity</th>
<th>Financial resources required</th>
<th>Capacity required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Housing Voucher Programs</td>
<td>Low-income renter households</td>
<td>Middle to late</td>
<td>No</td>
<td>Poor to fair</td>
<td>Poor to fair</td>
<td>Medium to high</td>
<td>Fair</td>
</tr>
<tr>
<td>Homestead Preservation Center</td>
<td>Low-income homeowners, including seniors and persons of color</td>
<td>All</td>
<td>Yes</td>
<td>Poor</td>
<td>Good</td>
<td>Medium</td>
<td>Fair</td>
</tr>
<tr>
<td>Neighborhood Stabilization Overlays</td>
<td>Current homeowners and renters</td>
<td>Early and mid-stage</td>
<td>Yes</td>
<td>Poor to fair</td>
<td>Fair</td>
<td>Low</td>
<td>Fair</td>
</tr>
<tr>
<td>Affordable Housing Preservation Network and Inventory</td>
<td>Current and future low-income renters of apartments</td>
<td>Early and mid-stage</td>
<td>No</td>
<td>Good</td>
<td>Good</td>
<td>Low to medium</td>
<td>Fair</td>
</tr>
<tr>
<td>Neighborhood-Jobs Pipeline Program</td>
<td>Working-age low-income residents</td>
<td>Early and mid-stage</td>
<td>Yes</td>
<td>Poor to fair</td>
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Policy Highlights

• Homestead Preservation Center

• Preservation network and database

• Affordable housing preservation officer

• Tenant opportunity to purchase program with tenant capacity building

• Early and strategic land banking

• Public-private below market debt fund

• Community-driven, neighborhood-scale displacement mitigation plans
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