

# Responding to Gentrification and Displacement in Urban Communities

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*Organized by the Federal Reserve Bank of Philadelphia*

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# Welcome

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- Call-in number: 888-625-5230
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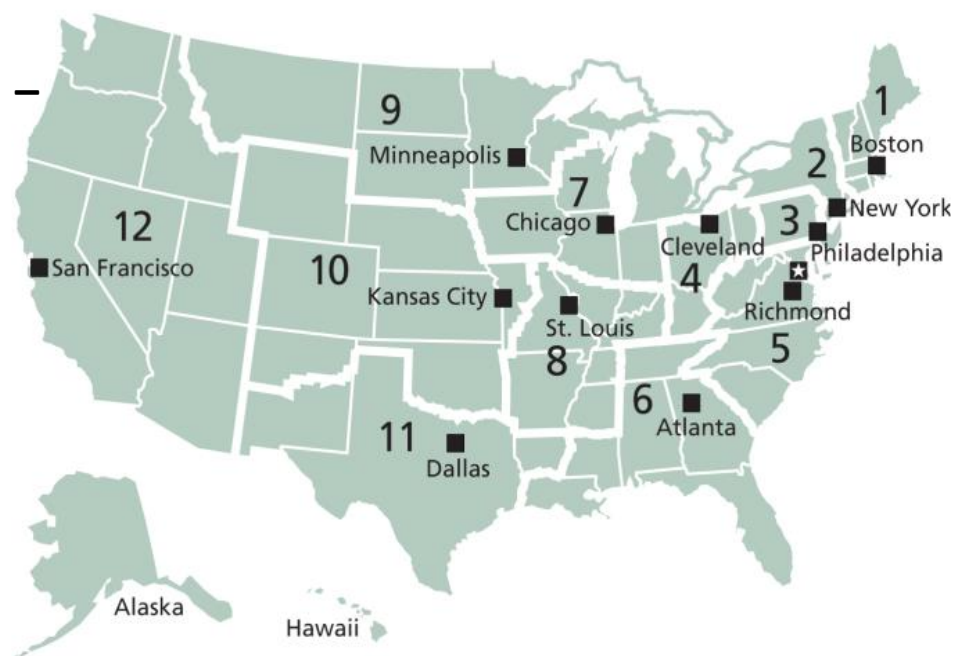
In connection with this session, you can find a variety of additional resources on this topic, available at [www.fedcommunities.org](http://www.fedcommunities.org). We encourage you to browse through this site and to contact your regional office if you would like additional information on any of these items.

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# Community Development

- The Community Development (CD) function within the Federal Reserve System—consisting of individual departments at each of the 12 Federal Reserve Banks as well as at the Board of Governors—promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:
  - **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors
  - **Conducting and sharing research** to examine economic challenges facing low- and moderate-income communities and attendant policy implications
  - **Identifying emerging issues**



# Today's Presenters and Agenda

- **Ingrid Gould Ellen**, *Paulette Goddard Professor of Urban Policy and Planning and Faculty Director, Wagner School and Furman Center for Real Estate and Urban Policy, New York University, New York, New York*
- **John Chin**, *Executive Director, Philadelphia Chinatown Development Corporation, Philadelphia, Pennsylvania*
- **Harry Smith**, *Director of Sustainable Economic Development, Dudley Neighbors, Inc., Roxbury, Massachusetts*
- The following will be discussed:
  - Gentrification in the 21<sup>st</sup> century: emerging lessons from research
  - Development without displacement: the community land trust strategy

# Gentrification in the 21<sup>st</sup> Century

## Emerging Lessons from Research

### Ingrid Gould Ellen

Paulette Goddard Professor of Urban Policy and Planning  
and Faculty Director, Wagner School and Furman Center for  
Real Estate and Urban Policy, New York University  
New York, NY  
[ingrid.ellen@nyu.edu](mailto:ingrid.ellen@nyu.edu)



# Growing Concern About Gentrification

“Transformation has always been part of city living, and part of life. But in neighborhoods like East Boston and South Boston, rents are rising so fast that they’re dramatically speeding up the natural order of things.”

—*Boston Globe, March 25, 2016*

“The transformation of Pittsburgh echoes the challenges of cities across the country where gentrification is changing neighborhoods after a generation of economic decline.”

—*Michel Martin, NPR, March 7, 2016*

“With hyper-gentrification has come hyper-anxiety.”

—*The New York Times, October 23, 2015*

## Even in Detroit

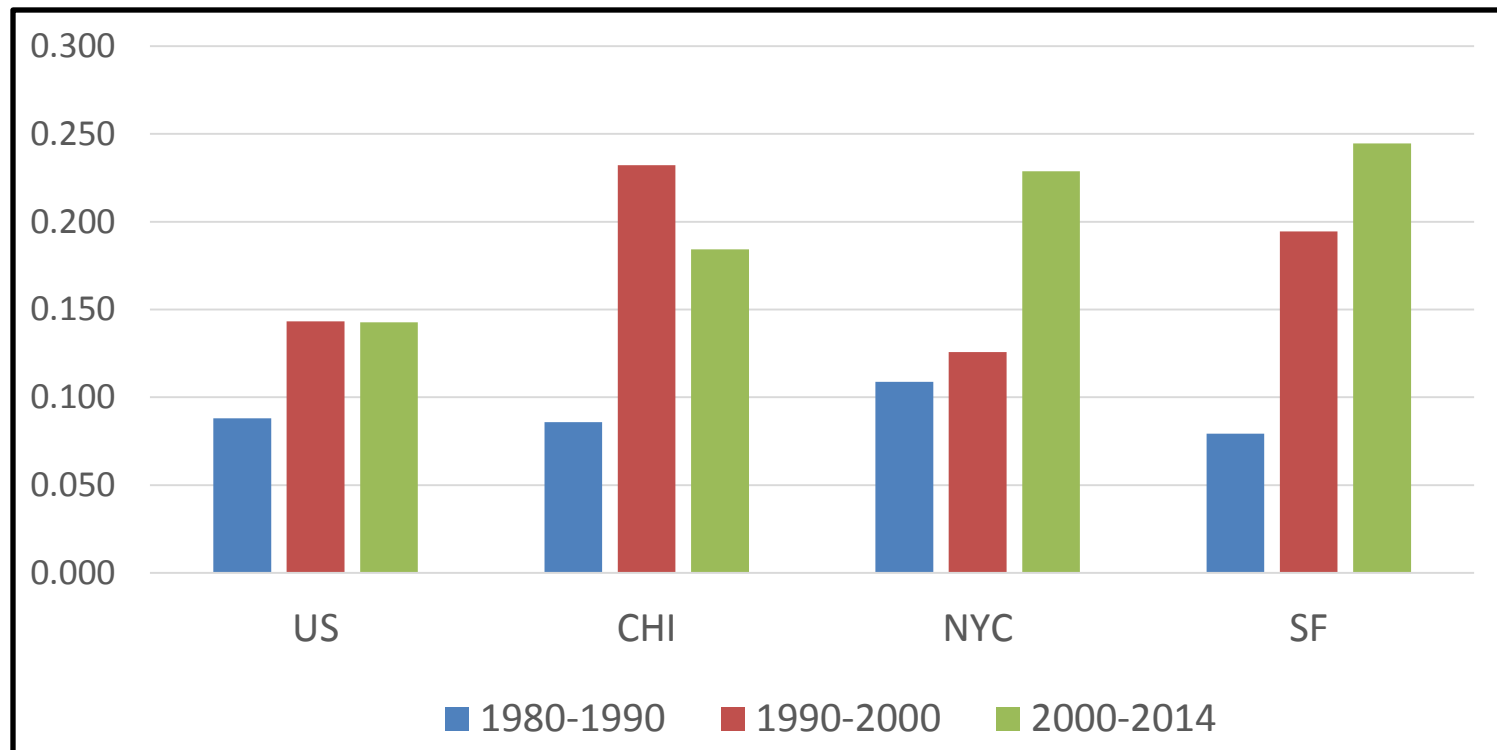




# What Is Gentrification?

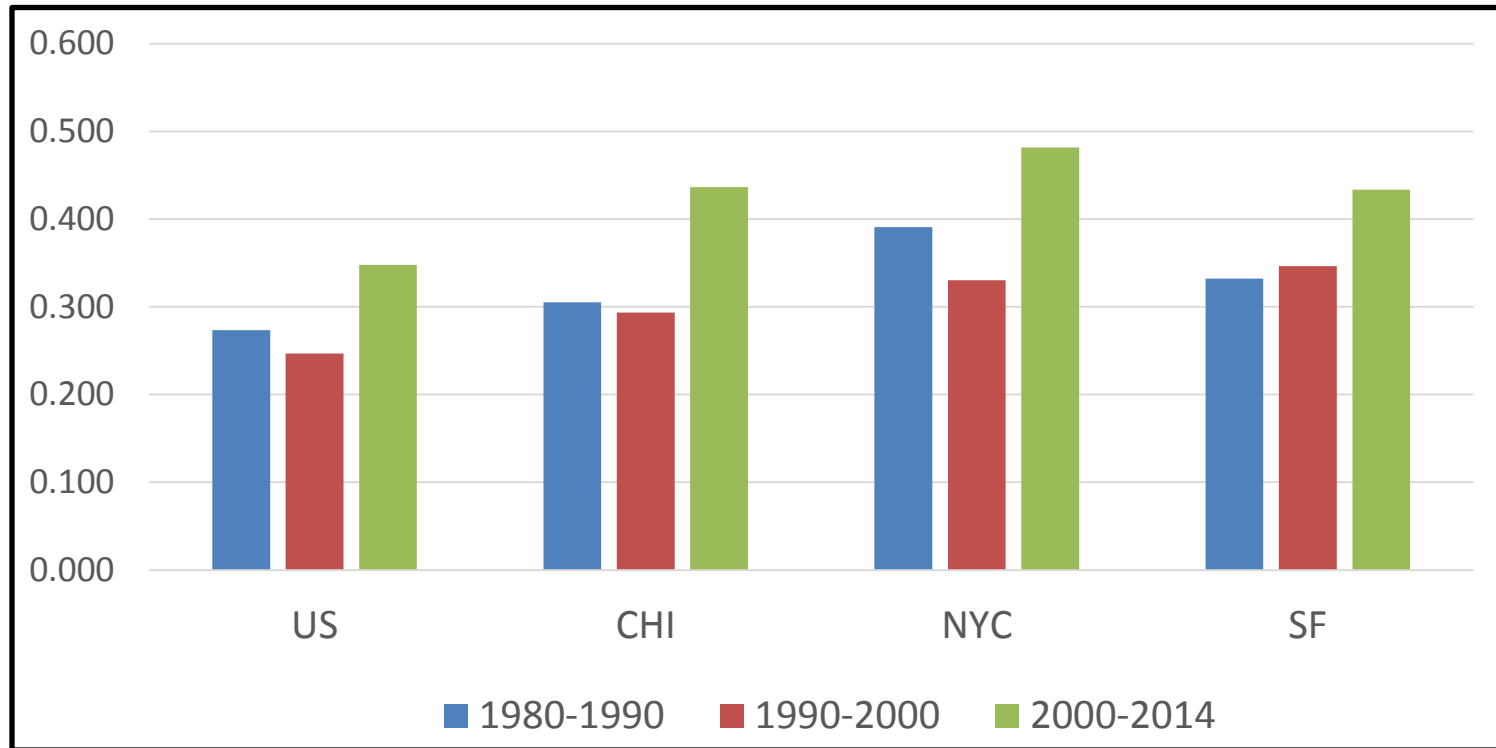
- Operational definition:
  - Significant increase in relative income, education, or rents in initially low-income, central city neighborhoods (census tracts with incomes in bottom 40<sup>th</sup> percentile of the metropolitan statistical area tract income distribution)

# Share of Low-Income City Tracts in United States Seeing Large Gain in Income Relative to Metro Area



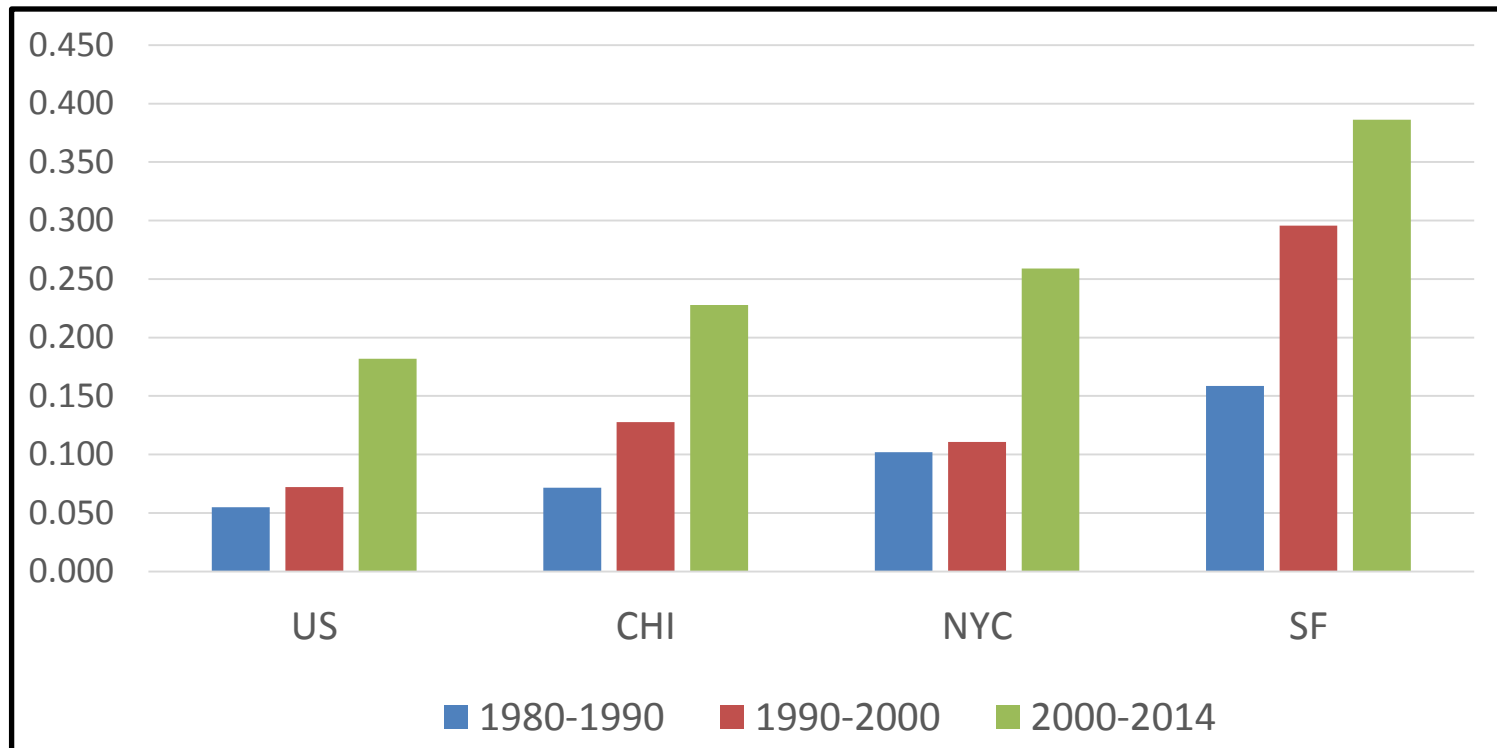
Source: NYU Furman Center

# Share of Low-Income City Tracts in United States Seeing Large Gain in Percent College Educated Relative to Metro Area



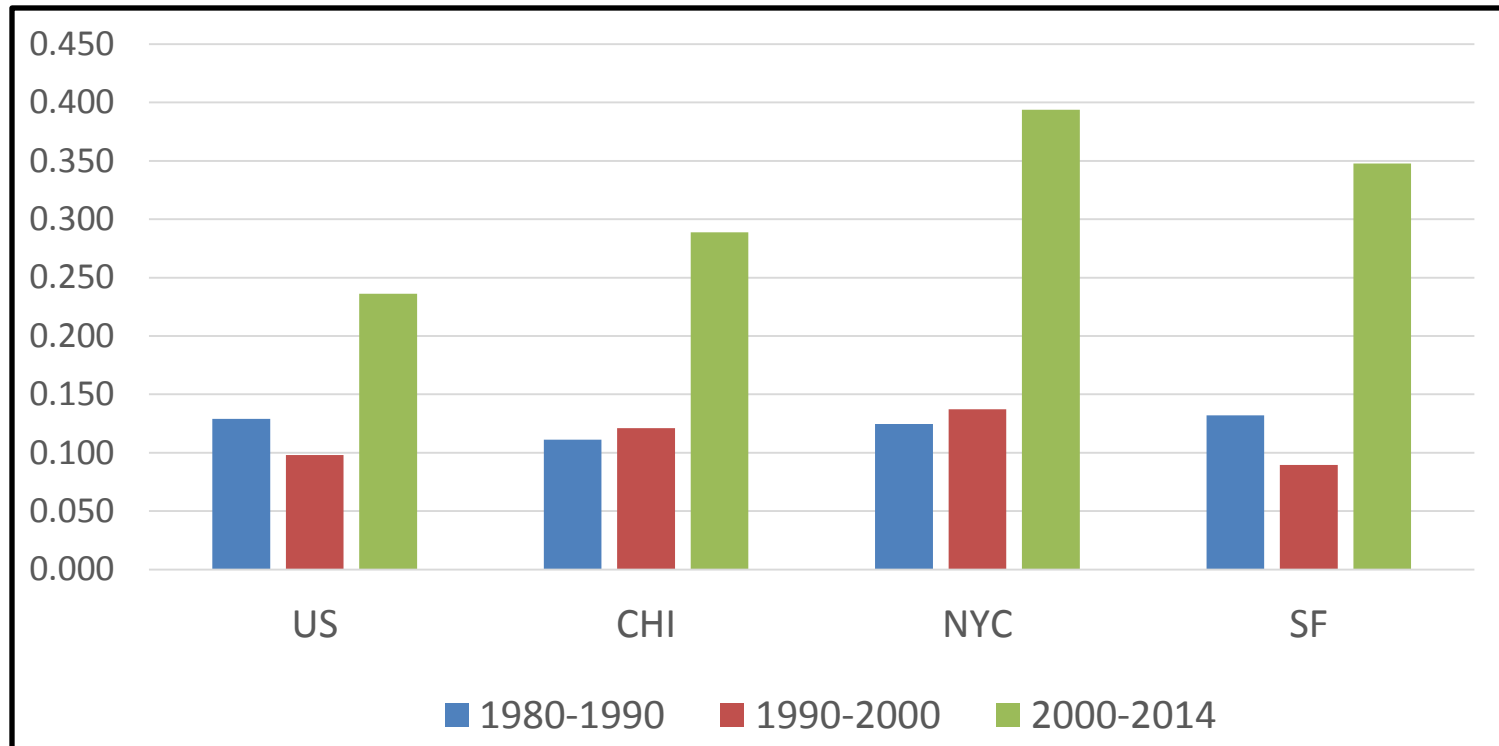
Source: NYU Furman Center

# Share of Low-Income City Tracts in United States Seeing Large Gain in Percent White Relative to Metro Area



Source: NYU Furman Center

# Share of Low-Income City Tracts in United States Seeing Large Gain in Rents Relative to Metro Area



Source: NYU Furman Center

# Why Now?

- Changing industry mix in cities
  - Increasing demand for high-skilled workers
- Changing demographics
  - Delayed marriage and child-bearing
- Changing tastes
  - Growing demand for urban consumption amenities
  - Growing demand for central locations among time-starved, high-income workers
- Changing environments and amenities
  - Reduction in crime

# Consequences of Gentrification: Displacement?

- Research to date finds little evidence of direct displacement
  - Gentrification driven by selective entry, not exit
  - No evidence of elevated exit rates among poor in gentrifying areas
- BUT most research focused on the 1990s
  - New evidence that low-income households who left gentrifying areas in Philadelphia tended to go to lower-income areas
  - Displacement may be real threat in some markets
  - Rising rents make it difficult for new lower-income households to move in.

# Consequences of Gentrification: Implications for Those Who Remain

- Threats:
  - Rising rents and rent burdens
  - Increased crowding
  - Anxiety about displacement
- Opportunities:
  - Reductions in violent crime
  - Increase in business activity
  - Potential for longer-run, economic integration?



# Policy Responses

- Develop early warning system
- Protect against displacement
  - Monitor landlord behavior
  - But also focus on rehousing and stabilizing tenants in place
- Help link residents to new opportunities
- Encourage long-run economic integration
  - Leverage hot market to develop/preserve affordable housing
  - Use federal housing subsidies strategically
  - Incentivize private owners to keep rents affordable

# Philadelphia Chinatown: At a Crossroads

## John Chin

Executive Director, Philadelphia Chinatown  
Development Corporation  
Philadelphia, PA  
[jchin@chinatown-pcdc.org](mailto:jchin@chinatown-pcdc.org)



# A Short History of Chinatown



Source: Philadelphia Chinatown Development Corporation

# Environmental Injustice



# Battle for Preservation



# Aftermath of Urban Renewal



# 2000s: Economic Development and Physical Transformation

- 2004 neighborhood plan
- Physical interventions such as bridging Vine Street
- Economic development

# Lemon into Lemonade





# Community Development at Its Best

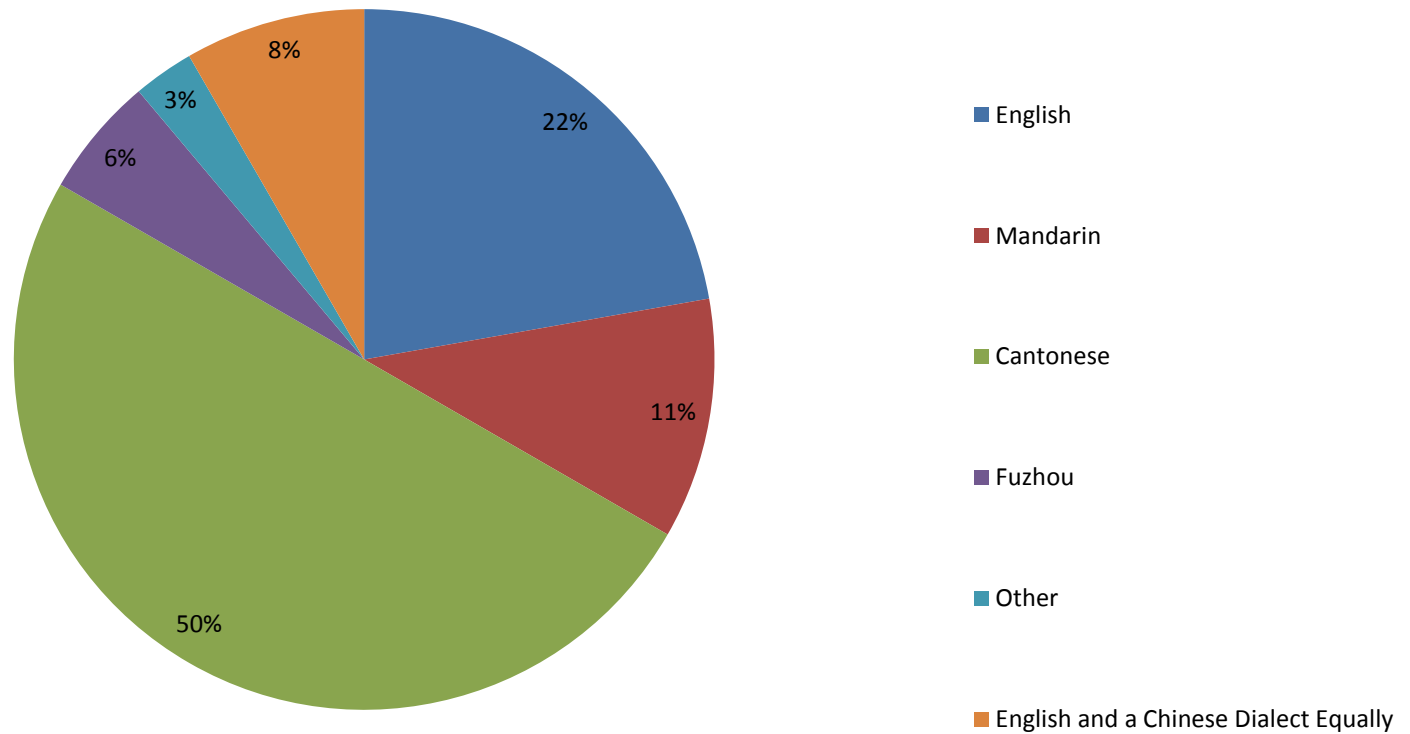


# Today: How Has Chinatown Changed?

- Low-income community in Center City
- Growth
- Socioeconomic and racial diversity
- Regional hub
- Stable and invested core residents

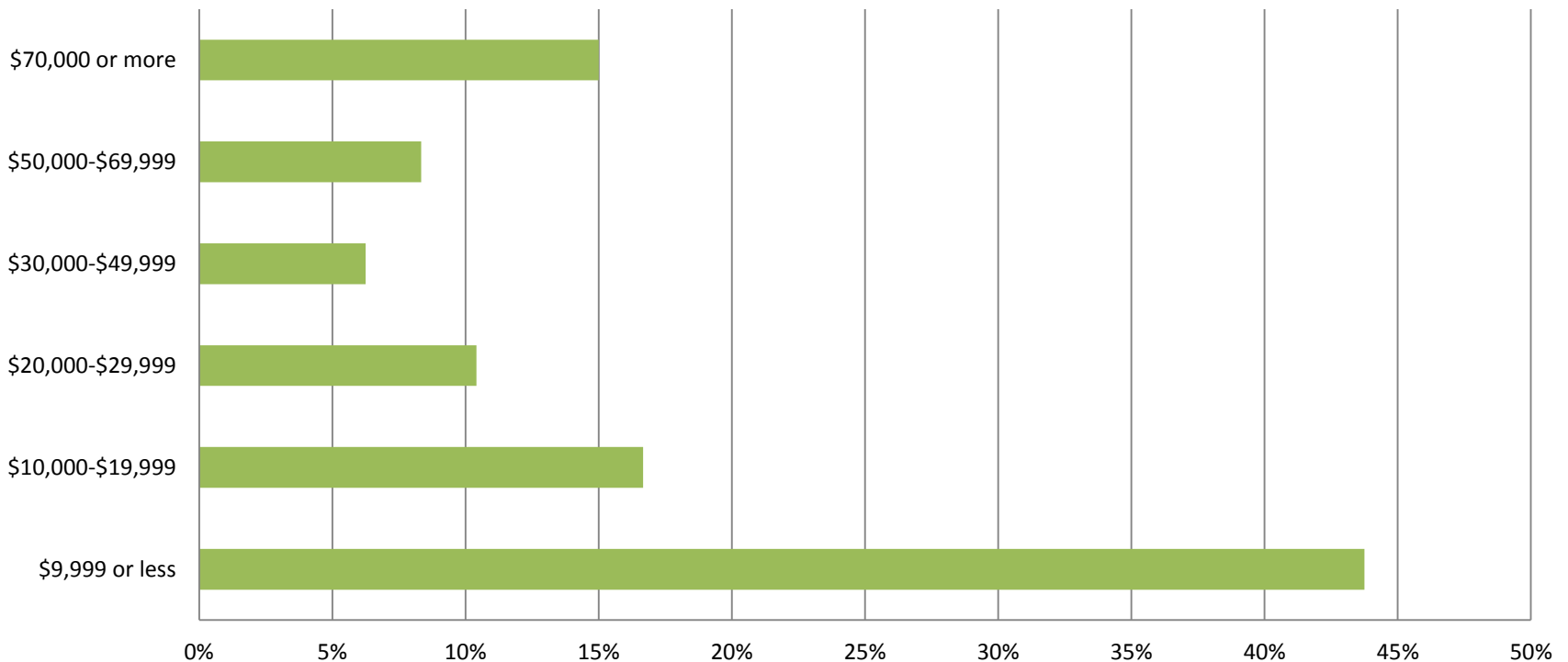
# Philadelphia Chinatown Statistics

## Count of Primary Language



# Philadelphia Chinatown Statistics (Continued)

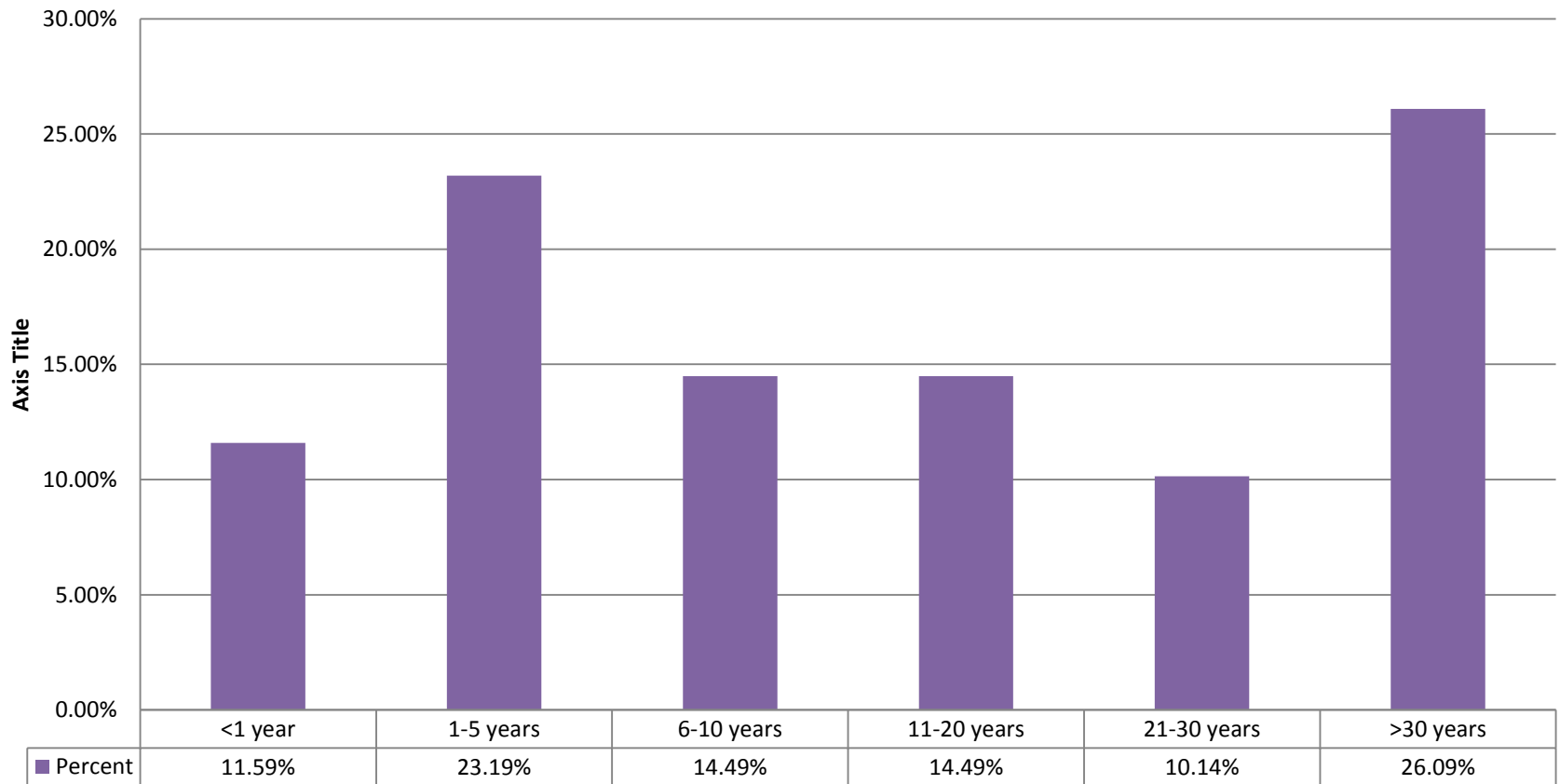
## Income



	\$9,999 or less	\$10,000-\$19,999	\$20,000-\$29,999	\$30,000-\$49,999	\$50,000-\$69,999	\$70,000 or more
Income	44%	17%	10%	6%	8%	15%

# Philadelphia Chinatown Statistics (Continued)

Length of Residence



# Present Day

- Challenges
  - Affordability
  - Physical challenges
  - Mixed-income population
  - Continued engagement on developments which impact Chinatown
  - Leadership development
  - Poverty and attending challenges
  - Political participation
- Strengths:
  - Strong community organizations
  - History and tradition of activism
  - Existing affordable housing
  - Time
  - Opportunities for growth and development

# Opportunities

- Leadership development
- Political participation
- Coalition building
- Advocacy – local and national
- Community benefit agreements
- Philadelphia Association of Community Development Corporation’s “Strategic Housing Plan”
- National Coalition for Asian Pacific American Community Development’s “Asian American and Pacific Islander Anti-Displacement Strategy”

# Closing

- What is Chinatown? What is (a) Chinatown? Is it fragile or strong?
- What does success look like for Chinatown and Chinatown North?
- Rich history of struggle and culture
- Context of change and reinvention



# Development without Displacement: The Community Land Trust Strategy

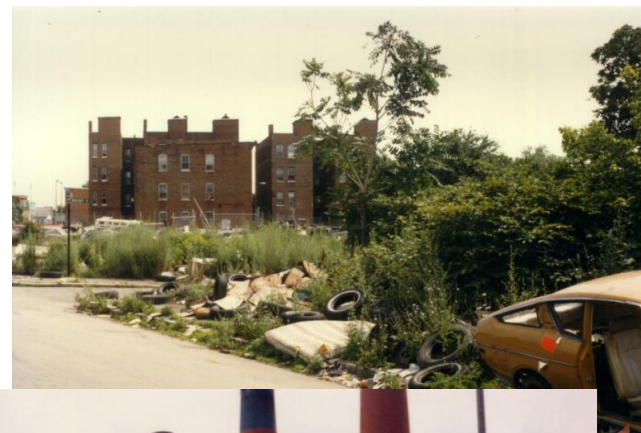
**Harry Smith**

Director of Sustainable Economic Development  
Roxbury, MA  
hsmith@dsni.org



# Dudley Street in the Mid-80's

- The Dudley neighborhood is located in the Roxbury/North Dorchester section of Boston
  - 1,300 vacant lots (20 percent of Dudley land)
  - Abandoned commercial sites
  - A disproportionate number of brownfields



# Dudley Street in the Mid-80's (Continued)



“Don’t Dump on Us”  
“Take a Stand, Own the Land”

# What Is a Community Land Trust (CLT)?

- A CLT owns and stewards land permanently for the common good by providing:
  - Affordable housing
  - Commercial spaces
  - Community services
  - Farming or open space



# Building Family and Community Wealth



## Family owns the house

- Family purchases home at an affordable price.
- Homeowner secures mortgage and builds equity.
- Family sells home at affordable price.

## Community owns the land

- Future low- and moderate-income homeowners can still afford the home due to deed restrictions.
- CLT can intervene to prevent foreclosure.
- CLT provides support around home repair and other issues.

# Perpetual Affordability

Lower price initially



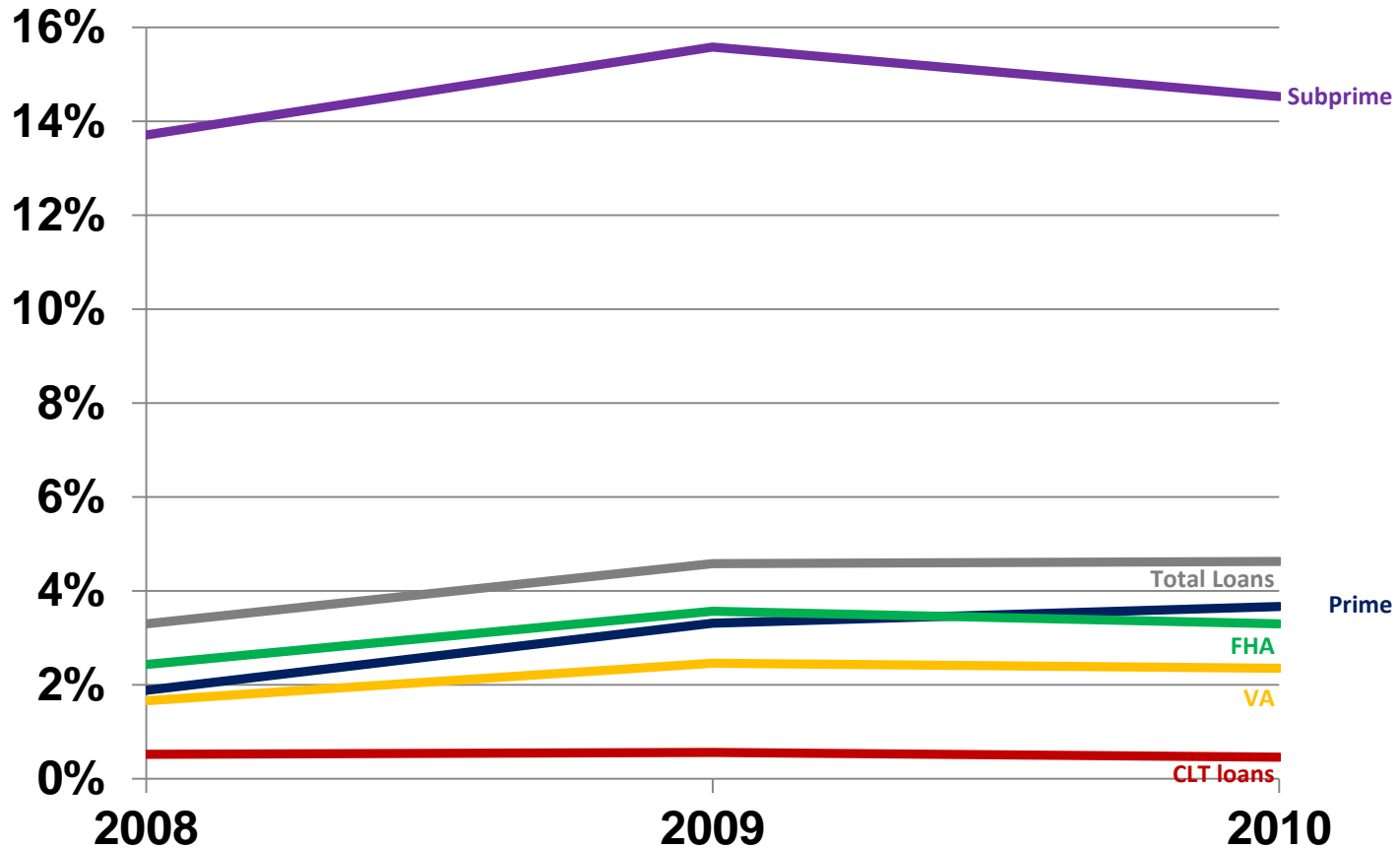
Lower price at resale



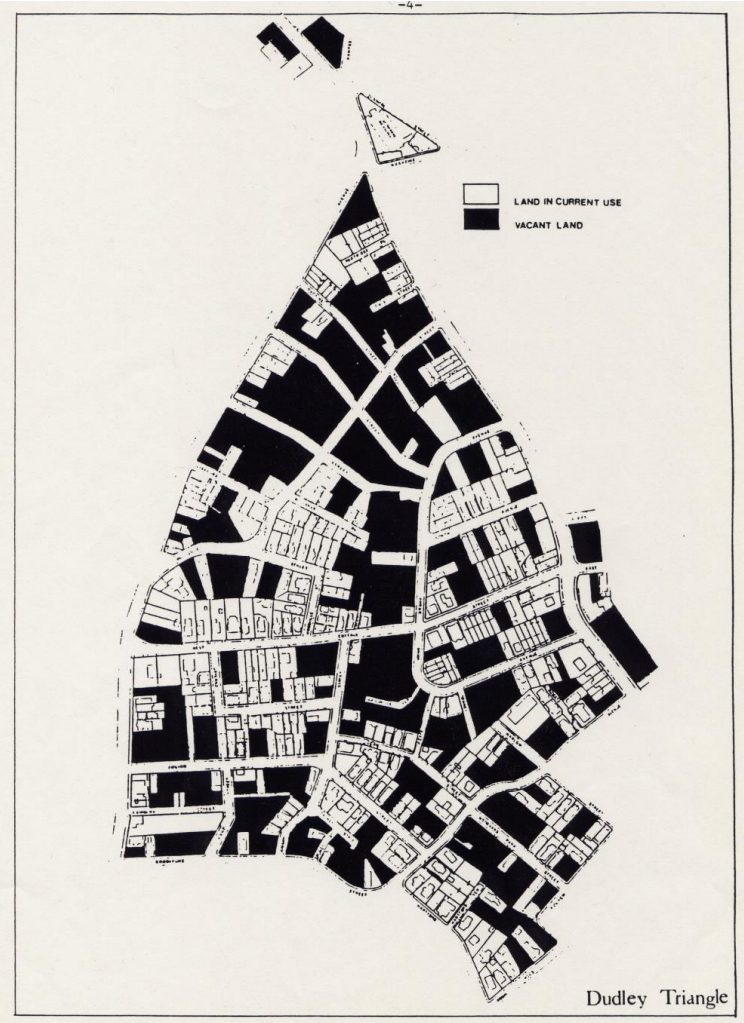
Again, again, and  
again



# End of 2008-2010 Percentage of Foreclosure Proceedings by Loan Type



# Dudley Triangle 1989 Versus 2016





# What's on Dudley Neighbors' Land in 2016?



Winthrop Estates 36 units

- 96 units of permanently affordable homeownership
- 77 cooperative housing units
- 53 rental units
- Playground
- Community gardens and orchard
- 2 acres of community farms
- 10,000 square feet of community greenhouse
- Community nonprofit office space
- Commercial space



Julian Judson Playground

# Dudley Before



# Dudley After



## Questions?

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1. Email us at: [communities@stls.frb.org](mailto:communities@stls.frb.org).
2. Type your question into the chat box of the webinar.

# Wrap-Up/Closing

Thank you to today's presenters and to all participants for joining this session.

## Next steps:

- All session materials are available on our website, and in the next few days we will post an audio file of today's session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at [communities@stls.frb.org](mailto:communities@stls.frb.org)
- Information about future sessions will be posted on our website along with archived materials from past sessions:  
[www.stlouisfed.org/connectingcommunities](http://www.stlouisfed.org/connectingcommunities)

# Related Resources



In connection with this session, you can find a variety of additional resources on this topic, available at **[www.fedcommunities.org](http://www.fedcommunities.org)**.

It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the practice of community development, or small business development.