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

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Portland's previous study of displacement in 1981 adopted the definition first presented by George and Eunice Grier in their 1978 displacement reconnaissance report prepared for HUD. It is:

> "Displacement occurs when any household is forced to move from its residence by conditions which affect the dwelling or its immediate surroundings, and which:
>
> 1. are beyond the household's reasonable ability to control or prevent;
> 2. occur despite the household's having met all previously imposed conditions of occupancy; and
> 3. make continued occupancy by that household impossible, hazardous or unaffordable."

In some ways the present understanding of displacement is a broader interpretation—including changes in the neighborhood as a whole as an impetus for moving ("its immediate surroundings") and considering a range of reasons for "impossible" continued occupancy—not only forced moves but "voluntary" responses to a change in a neighborhood's ability to serve basic needs.

The costs of displacement to a household or family are more than a loss of a sense of community or social supports. They are tangible and measurable: loss of access to 'high opportunity' locations and displacement to less accessible neighborhoods; and the loss of assets/wealth when home-owning families exit without realizing increased values, or when long time renter families cannot buy into increasing neighborhood value. Residential displacement also costs the entire community. The effects of concentrated poverty on schools, spatial mismatch between low-wage workers' homes and their jobs, and the social and economic costs of the health, educational, and employment impacts of housing instability all affect the city. When individuals have inadequate housing, limiting their opportunities and the development of human capital, there is an overall economic impact (Belfield, in Turner et al 2008).

Portland Plan: 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 dearly, there are losses (70).

2.3 Vignettes of gentrification

Gentrification is a complex process with multiple causes and effects—some positive, some negative. The following vignettes, drawn from qualitative research on gentrifying neighborhoods, illustrate the range of experiences and reactions to these neighborhood changes. Many of these captured moments will resonate for Portlanders.

Who are gentrifiers and what are they seeking? Portland is a top destination city for the young and college educated (Jurjevich and Schrock 2012), a demographic group likely to contribute to gentrification pressures due to their taste for urban lifestyles. Portland also attracts a significant number of “empty-nester” households, also moving to central city neighborhoods. Portland’s much-celebrated planning for livability, neighborhood amenities, and culture attracts more affluent and/or educated households to “20-minute neighborhoods.”

> *New York City*: “Young American Midwesterners responding to what the real estate editor of New York Magazine dubs the “Friends effect”, thanks to NBC’s decade-long primetime “infomercial for New York” (Pi Roma, 2003). (Now brokers speak of the “Sex in the City effect”, for the HBO series that lives on through reruns.)”
> Newman and Wyly, 2006, 30

Portland now has a national reputation not only for sustainability and livability, but for coolness, a food scene, indie music, and the “hipster” sensibilities of *Portlandia* (Portland’s ‘Sex in the City’ for promoting a lifestyle).The UK paper *The Guardian* even named the Boise-Eliot and Overlook neighborhoods among the five best places to live in the world, writing in 2011 in a perfect encapsulation of how gentrification starts and intensifies:

> *Portland*: “Do you like letterpress? Do you like vintage clothes? Do you play in a nu-folk band? Then get ye to Boise, Eliot and Overlook in Portland. The city has been the capital of liberal, hipster USA for decades…. Shockingly, it still remains relatively good value. … When I first visited in the early 90s, Boise, Eliot and Overlook were the kind of spots you sped through: always the first sign of a neighbourhood [sic] you should buy in.” Dyckhoff, 2012.

While new in-migrants to urban neighborhoods are often appreciative of, and even seeking, cultural diversity, their arrival can have the unintended consequence of eliminating that diversity.

> *San Francisco:* “Twenty-something workers at Silicon Valley firms are much more inclined to live in a dynamic city such as San Francisco than quiet and expensive suburbs near their jobs. Many young newcomers in the Mission District are attracted to the cultural diversity there…[but] Under great pressure are the same Latino groceries and religious stores that give the neighborhood character and attract twenty-something newcomers. The owners of El Herradero Restaurant face a 63 percent increase in rent after 12 years in business, while the Los Jarritos Restaurant and Mi Rancho Market were displaced as the buildings’ owner put them up for sale.”
> Kennedy and Leonard, 2001, 21

The change in the business district not only decreases diversity as a cultural asset, but makes it harder for long-time Latino residents to meet their daily needs.

Neighborhood residents can gain a sense of place, community, and empowerment through cultural expression. Through festivals and celebrations, neighborhoods can attract new consumers of culturally-specific foods and goods, and cities may promote cultural diversity as a means of economic development. However, the use of these events as tourism promotions can lead to conflict.

> *Chicago:* The Pilsen neighborhood's Fiesta Del Sol brings residents together for cultural preservation and also to deliver a State of the Neighborhood Address that includes a report card of City policies regarding the neighborhood. The city's tourism office, however, describes Fiesta as only a fair. Furthermore, it provides services for tourists to Fiesta that are not otherwise available. "The city has engaged in an intense process of promotion of Pilsen's unique Mexican culture including the neighborhood in its downtown tourist route [on the free trolley]... Alejandra Ibáñez, Executive Director of The Pilsen Alliance, a local activist organization, views these free trolley rides and overt attempts to boost tourism as a bit of a slap in the face to residents, in light of the fact that night and weekend public transportation service for the community was discontinued in 1997."
> Betancur, 2005, 26

Neighborhood change can be a mixed blessing for long-time residents, who enjoy public service upgrades and new commercial venues—for as long as they can afford to.

> *New York City: "*A Harlem resident describes the changes on 125th Street in Central Harlem. "People love Starbucks. People who would buy 50-cent coffee now go in there and buy one for $3.00". But residents fear that their new shopping venues come with a high price tag and may help to spur the revitalization that will ultimately displace them. One resident explained that he liked the new stores but feared displacement: "I don't want to have to take a train to go to the Magic Johnson theatre. I live on 126th. I should be able to walk to there and when I'm done, walk back."
> Newman and Wyly, 2006, 45

When services remain in the neighborhoods, displaced community members may go to extraordinary lengths to access the institutions to which they belong.

> *Portland: "*Every Sunday morning, the Lord's work for Bradford involves driving to the farthest reaches of Portland to pick up congregants who lack the means to get to the small, century-old building, with its rectangular steeple and fresh coat of cream paint, whether because of age, disability, or finances. He is part of a small fleet of van drivers dispatched from inner North and Northeast's predominantly African American churches to round up their scattered flocks....Four stops, one and a half hours, and 50 miles later, Bradford drives back up Alberta." Scott, Portland Monthly, February 2012

The return of residents to historical community gathering spaces can create conflict with new residents. In some cities, the reverse commute of African-Americans to attend their historic church homes leads to fights for parking space. These conflicts lead to questions about whose neighborhood it is—those with long historical roots, or those who own property today?

> *Washington, DC: "*In Shaw, neighbors frustrated with the influx of cars every Sunday requested new, resident-only parking restrictions that effectively ban churchgoers without permits. Lincoln Congregational Temple is fighting back with a letter-writing campaign to local leaders. 'Quite frankly, I'm angry,' the Rev. Rubin Tendai, Lincoln's interim pastor, said. 'Some of [our members] have been in this church for 30, 40, 50 years, and we are an elderly congregation. We're not going to take this sitting down.'"
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> Essley, Washington Examiner, October 2012

Conflicts can arise when new improvements are viewed skeptically—are public agencies responding only to new, higher status residents? These conflicts can erupt in public processes when long-time residents address improvements that appear to be for "them."

> *Portland: "*The racial demographics have almost completely flipped....For the city to publicly turn its eye toward helping the neighborhood now is insulting to some longtime residents. Safety—from guns, drugs, and, sure, cars—was as much an issue in 1990 as it is now. 'There's this sense that it's been a long time coming for funding in the neighborhood,' says Paige Coleman, director of the Northeast Coalition of Neighborhoods. 'The question we're hearing now is 'Why now?' and 'Where were you then?'" Mirk, 2012

Residents whose demands for improvements were not met view changes with cynicism, decreasing trust in local government. The often racialized nature of gentrification means this sense of disenfranchisement is most often felt by communities of color, who are already underrepresented in local process and government.

> *Washington, DC: "*My homeboy's dad, who lived on the corner of 5th and L St. N.E., used to rant about how there needed to be a four way stop sign at the intersection. Oh, how he would wax about how someone was going to get hit by a car and how the city didn't care about the black folks that lived there. The city turned over and the first thing that showed up on the corner of 5th and L was a four way stop sign. I guess this is to say I am grateful for the stop signs but sad that it took us leaving to have it happen. That it didn't feel important to build until we were gone. "
> Crockett, Washington Post, August 2012

Schools are a particular concern for residents who have observed how new facilities and programs appear when neighborhood incomes rise—particularly when the new programs do not accept all residents, but require qualification to enter.

> *Chicago:* A resident decries of a newly renovated public school with an exclusive admissions policy, "Who were they developing King for? When four years ago you stopped accepting students and flushed them out, that's no success…All that's being

> done is not being done with the intent to serve the existing community. That's urban planning." Patillo, 2007, 99

Neighborhood conflict can also emerge when new residents seek remedies for what they view as problematic or nuisance properties in the planning/regulatory system. As new standards for the neighborhood's physical appearance evolve, existing lower-income owners may struggle to keep pace, or even face penalties or lose their property. More educated and affluent neighbors are more knowledgeable and better equipped to utilize the regulatory system to prevent uses they find incompatible, including economic and community activity.

> *Columbus, Ohio*: The documentary Flag Wars, depicting conflict in Columbus Ohio, includes scenes in code enforcement hearings that depict long-time residents fighting complaints for problems they cannot afford to repair. One resident even faces arrest for failing to address code violations. The founder of a neighborhood art gallery, which pre-dated the gentrification, spent three years fighting to keep the gallery's sign that did not meet new Historic District standards because of its African style. The historic designation was based on Victorian history—the time before it was a Black community.
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> *Chicago*: Instead of a space for forging consensus, the block club had conflict over residential and commercial activity compatibility. A newer resident explained "*…*in the block club "it's probably 50-50, new residents versus residents who have been here prior to the 'gentrification.' …one of the residents wanted to get the block club behind him to allow him to run his own car wash down the street here. …I'm like, I would have moved next to a car wash if that's what I was wanting to do. You know, we have zoning laws for a reason. And all of the older residents were on his bandwagon…" Pattillo, 2007, 91

Finally, the racial tension at the heart of many gentrifying neighborhoods is summarized, along with the reaction of an African-American resident to the implied de-valuing of communities of color:

> *Washington, DC: "*This demographic reality creates a crude, ethically charged math, and everyone who owns a stake in Washington calculates with it. The presence of white faces is the most reliable sign of the quality of a school. The more white people move in, the higher the property values go. The city's population is growing, but each black family that leaves a school or neighborhood makes it richer. It was *Donna* who was in the way. "When you hear people say, 'the good news is the neighborhood is being gentrified,' it just makes you feel worthless," Donna told me." Hopkinson, New York Times, June 2012

3. New strategic approach to gentrification

Fundamentally, the question about addressing gentrification is "what can the City of Portland do differently?" A new approach does not mean being resigned to changes that have already happened in Portland neighborhoods, nor to be mired in past decisions and consequences. It does include understanding how those changes have happened and how to make future decisions to mitigate costs—to move forward with a new approach. A new approach to gentrification should mean embracing new principles:

1. An inclusive development paradigm with a racial/ethnic equity lens.
2. A recognition of how public investments affect the market.
3. Ways to utilize the opportunities of the role of the public sector in the housing market by anticipating change, regulating appropriately, and engaging networks of development and community actors.

3.1 Inclusive, equitable development

Portland Plan: All Portlanders have access to a high-quality education, living wage jobs, safe neighborhoods, basic services, a healthy natural environment, efficient public transit, parks and greens paces, decent housing and healthy food….

The benefits of growth and change are equitably shared across our communities. No one community is overly burdened by the region's growth (18).

The Portland Plan, among other guiding documents, sets forth a vision for the city of livability and equity. The vision of "complete neighborhoods" includes not only economic prosperity and a healthy built environment, but access to opportunity through affordable housing.

This vision should be an overarching guide for policy-making across planning, housing, economic development, and infrastructure. A paradigm of inclusive, equitable development is a critical concept for moving forward this vision while addressing how neighborhood change can negatively impact some communities. The definition developed by Kennedy and Leonard (2001) is useful:

> We define equitable development as the creation and maintenance of economically and socially diverse communities that are stable over the long term, through means that generate a minimum of transition costs that fall unfairly on lower income residents

This vision recognizes that the city is healthier with mixed-income and racially/ethnically diverse neighborhoods than neighborhoods with growing status gaps, with concentrated poverty and racial segregation in some parts of the city. Economic development aims to revitalize neighborhoods that need more activity, but with a vision of a prosperous neighborhood economy that includes diversity in businesses, owners, and customers.

In order to realize this vision, neighborhood change needs to be addressed to ensure that benefits are shared and burdens are not disproportionate, particularly for disadvantaged and underrepresented groups. The vision asks that private development provide positive and equitable community impacts, especially when occurs in neighborhoods susceptible to gentrification, and/or it uses public resources, requires infrastructure services, or seeks special permissions in the land use regulatory system.

3.1.1 Racial/ethnic equity lens supports the approach

The Portland Plan also activates a racial/ethnic justice initiative for the City that is relevant to the gentrification and displacement policy strategy. A racial/ethnic justice lens helps analysis both at the strategic scale and in program development.

The racial/ethnic equity lens justifies a focus on gentrification and displacement as critical to achieving equity, including the goals of fair housing, because of the historic and current impact of neighborhood change for communities of color. Housing and commercial displacement can affect lower-income residents of any race, but there are particular concerns in addressing gentrification with respect to communities of color.

Historically, racial segregation and disinvestment have been coupled, leaving neighborhoods of communities of color more vulnerable to market pressures. When residents of color are displaced, they have fewer choices in the housing market due to lower incomes, more limited access to mortgage credit, and discrimination. Similar barriers to minority business ownership and development –limited access to credit to start and expand businesses, lack of intergenerational history of business ownership—affect the ability to avoid commercial displacement. Recognizing these specific challenges can help to craft policies that improve racial equity.

Portland Plan: We will….

- Initiate a racial and ethnic focus, using well-documented disparities.
- Build the skills, capacity, and technical expertise to address institutionalized racism and practice and intercultural competencies.
- Engage diverse constituencies to discuss race, disparities and public services.
- Actively work to eliminate racial and ethnic disparities in public agency hiring, retention and contracting (22).

The racial/ethnic equity lens also helps to develop anti-displacement policy and programs that reduce disparities. It is important to use a racial/ethnic lens with policies and programs for revitalization, even those attempting to be equitable in terms of benefits and burdens. It is important to utilize data disaggregated by race/ethnicity to target programs: for example, if communities of color have lower incomes than whites, housing affordability at a “workforce” income level may not assist families of color. There would need to be additional set-asides for very and extremely low income families.

Even well-intentioned policies can exacerbate inequities without a racial/ethnic justice lens. For example, ending mortgage redlining in a predominantly black neighborhood can result in new homebuyers, but without specific supports for African-Americans, the residents who experienced deprivation of access may not benefit. Given the racial wealth and credit gap, the infusion of capital goes to those immediately prepared to purchase a home –predominantly white households—and has the effect of substantially increasing white homeownership and increasing the racial homeownership gap.

3.2 The public sector role in gentrification

3.2.1 Public sector planners as market actors

Housing is almost exclusively produced by the private sector, with only limited direct production/management by the public sector. The monetary resources available to the public sector for subsidizing housing for low-income households are very limited. However, planners and policy-makers are part of the housing market. Although the public sector has only limited direct contribution to the housing stock, it does affect the housing market through the creation of general and specialized plans; through regulation of development; and with incentives.[2] In order to understand how gentrification relates to public policy and investments, it is important to understand the market ramifications of public sector actions. Neighborhood change and community displacement aren’t due to “just the market” acting on its own, but occur within a context set in part by plans and policies—especially within areas designated for special public investment, such as urban renewal areas.

Understanding the role in the market also opens new opportunities for actively engaging with the problem of gentrification by anticipating and mitigating its effects. When planners and policymakers use this role, they can make plans and regulations that work towards the goal of inclusive, equitable development. Incentives and subsidies can be aligned to meet anti-displacement goals. Planners can also work to build the capacity of other market actors—namely, developers and community members—to participate together in creating places that meet the vision of inclusive, equitable development.

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[2] Tiesdell and Allmendinger (2005,63) describe four functions of planning in the housing market: market shaping, through plans that communicate information about future development; regulating with land use and environmental controls; stimulating some kinds of development activity with subsidies and incentives; and building capacity by developing public-private partnerships or creating networks among actors.

3.2.2 Gentrification and displacement as a consequence of public sector activity

Understanding how public investments can cause or deepen gentrification pressures is important. Public investments are often made in order to improve living conditions for residents through housing rehab/restoration, economic development, and improvements to infrastructure services—but there can be unintended effects for vulnerable groups. The intention of policies and investments is as important as understanding the potential consequences; these consequences include losing the trust of communities negatively affected by housing market changes.

Public investments—sometimes even just the announcement of a planned investment—increase the investment potential of a neighborhood. When a City signals its commitment to place-making in a particular neighborhood through improvements to the built environment and development incentives, it decreases the risk of investment. The private market will respond by making capital available and increasing development activities. Additionally, as the public sector improves neighborhood access, infrastructure, and amenities, the neighborhood becomes more desirable and demand to live there by higher-income households increases. When public investments are made in neighborhoods where markets are already heating up, it can increase the intensity of the change and exacerbate displacement.

Some public investments are not large-scale enough to "tip" a neighborhood into gentrification or reduce affordable housing, but nonetheless create conflicts and potentially inequitable outcomes. In these cases, decision processes and public input are made more complicated by the context of gentrification. If public investment decisions respond to new residents' needs, but not long-time residents' needs, it can reinforce inequities. For instance, as new bicycle lane infrastructure was considered on the North Williams corridor in the historic Albina District, long-time residents argued that their requests for safer pedestrian crossings had been ignored. With choices to be made about promoting active transportation, given the racial demographics of walkers and cyclists, a bicycle-only improvement would disproportionately benefit white residents. The scenario was described in the Partnership for Racial Equity (PRE) Racial Equity Strategy Guide[3] as a missed opportunity for understanding the differential racial impact of a planned upgrade to infrastructure.

As neighborhoods change, different priorities may emerge from new residents—and in typical public input processes, higher-income, home owning residents are more likely to make their voices heard. This may be particularly the case when new demands align with other agency goals and/or with dominant culture lifestyles familiar to staff and voiced by new residents, while long-term residents' demands have been unheard or do not easily align with existing programs and goals. Conflicts can arise among neighbors.

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[3] The Partnership for Racial Equity, convened by the Urban League of Portland, worked with City staff to develop a strategy guide for implementing a racial equity lens on policymaking. This guide describes how to develop an equity lens for policymaking, provides examples of model equity work, and refers to available technical assistance within the City of Portland.

Furthermore, as neighborhoods become more attractive to higher-income households' lifestyles (due to amenities, economic activities, cultural shifts), there may be further population turnover. Considering gentrification pressures by using neighborhood change analysis tools (i.e. the typology in section 3) along with using equity analysis tools such as the PRE Racial Equity Strategy Guide can help to avoid conflict in public processes. This strategy can actively work to identify and prioritize the needs of historically underserved communities, promote the participation in decision-making by vulnerable residents of a neighborhood, and to mitigate unintended consequences for those people who may be vulnerable to displacement.

Finally, the revitalization and investment activities that change one neighborhood have broader impacts throughout the housing market. When planners act in one area, they are not only affecting that neighborhood, but other nearby and similar areas as well. Watkins (2008,168) writes, "clearly, it is difficult to effectively and strategically target resources at neighborhood or sub-regional levels without a sound understanding of spatial linkages between localities and likely spillover effects." In the case of understanding the history of gentrification in Portland, we could point to the concomitant increase in housing prices and exodus of lower-income African-Americans from inner Northeast Portland and the more concentrated poverty and racial isolation in outer East Portland. Failing to mitigate displacement from the Albina District has created a range of issues in mid-County neighborhoods, including crowding in schools and overburdened infrastructure. Understanding how neighborhoods might be linked in conditions of market change is useful for considering a broader strategy for neighborhood stabilization.

By actively taking on board a sense of itself as a market actor, the City of Portland does take some responsibility for the changes that have negatively affected communities. It says that a lack of planning for gentrification and limited responsiveness to market changes have been part of how displacement happened. In the Portland Plan, it is acknowledged that neighborhood changes have multiple negative impacts:

> *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.* Portland Plan,70

But, embracing the role of a market actor also means the City of Portland can develop strategies that allow it to shape and guide change for more equitable outcomes. This approach helps to meet Portland Plan action item.

Portland Plan action:
Equity in neighborhood change: Use neighborhood planning and development programs to help minority and low-income people stay in their homes and neighborhoods (63).

3.3 A market-conscious approach to gentrification

Gentrification and displacement can come about as unintended consequences. It requires intentional action to avoid these kinds of changes and implement a strategy for equitable development of livable, complete neighborhoods. This strategy includes:

1. Careful planning including anticipating market change, setting goals, and monitoring.
2. The creation of incentives that leverage public subsidy to achieve goals.
3. Capacity building among partners for participation in anti-displacement work.

This section provides an overview of these functions. Subsequent sections of this report detail the analysis that could be used for planning and monitoring and lay out a set of policies, including incentives and capacity-building programs, that could be employed in a gentrification strategy.

3.3.1. Anticipating housing demand and market change

The state of housing in the city is easy to assess and map relative to other activities. The housing stock is mostly durable, with only a fraction of housing provided by new construction. Data are available on the kinds of households served by the current housing stock and monitor housing across different types, tenures, sizes, and prices. The City has taken these analyses further to employ an opportunity mapping concept that considers the location of housing (especially affordable housing) with respect to economic opportunities, accessibility, healthy environment, and other public services.

The basic housing demand that arises from shelter needs is fairly predictable. Planners can provide demographic projections of household growth, which predict future needs for housing, especially if combined with preference studies as in Myers and Gearin (2001) and Myers and Ryu (2007), who anticipate changes over twenty years. Projections are useful indicators of how current trends may play out in the future. Portland Metroscope provides market segments analysis (although not analyzed for racial/ethnic population differences) that can help with considering needs for housing at different income levels, tenures, and unit types/sizes. These kinds of analyses are found in the City of Portland's background report Housing: Updates on Key Housing Supply and Affordability Trends.

Neighborhood housing markets change. When neighborhoods are targeted for revitalization, upgrading, and investments, it is not surprising that the private market responds. The changes to neighborhood housing markets that lead to the displacement of lower-income residents are not and should not be unpredictable (particularly not when increased market activity by higher-income households and consumers is an express goal of the development/redevelopment). Public sector actors must anticipate the speed and intensity with which the private market can turn—private market actors can act quickly to acquire and develop, to buy and sell properties, and to respond to new demand. Failing to anticipate these changes means missing opportunities to prevent the harms of displacement. It is far easier to avoid the harmful effects of these changes than to mitigate them once they are underway; and far easier to mitigate them at an early stage than to shoehorn in solutions later in the process.

Understanding change and dynamics can help to match appropriate tools with neighborhood conditions—whether gentrification is anticipated, or whether population and market changes show it is already well underway. When neighborhoods are understood to be potential areas of revitalization or new investment, there should be analysis of the potential impacts on the housing market. The City could include areas experiencing gentrification as a variable in growth scenarios models. If population growth and development are focused on areas already experiencing housing market pressures, planners could consider how these might create further displacement and population shifts in order to develop responses.

Portland Plan
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 home ownership 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 (63).

3.3.2 Plan: Set goals and monitor continuously

Demographic projections can tell what population changes are likely to occur given current trends. However, projections do not and should not set policy. The continuation of a trend may result in further inequity, shortages of some types of housing, jobs-housing spatial mismatch, or other undesirable outcomes. Planners and other decision-makers need to consider goals for providing housing of different types, prices, and in different locations in response to projected demand and likely unmet needs. For this reason, planners need to think strategically about how current changes will accumulate along with the current housing stock to reach the goals for housing availability.

Housing strategies can recognize market and population changes by monitoring and continuously updating analysis on the status of neighborhoods, the need to deploy different policy tools and practices, and to build new partnerships with community-based organizations or development sector actors. If a neighborhood begins to experience accelerated housing displacement, additional programs could be directed that match with the new stage of gentrification. For instance, the priorities for development proposals in an RFP for public funds or land could be updated to match with housing needs for particular unit types, sizes, affordable level, and tenure. In order to make these strategic shifts, it is necessary to assess housing market activity fairly frequently by analyzing patterns of sales, development permits, and commercial activity.

Portland Plan:
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 (19).

3.3.3 Regulate and incentivize

Regulation is the traditional tool of planning to intervene in the housing market. Strategic use of regulations and incentives can help to leverage limited housing resources. In many cities, a lack of affordable housing is related to land use regulation; but many of the most common regulatory barriers to lower cost housing development have already been eliminated in Portland. Oregon is also nearly unique in prohibiting the use of mandatory inclusionary zoning, a common best practice for requiring the construction of new affordable units. However, the City could explore ways to more effectively incentivize not only affordable housing development, but a broader set of anti-displacement tools like workforce agreements. Rather than being stymied by the loss of one tool (IZ), the broader approach of community benefits in development policy can include many practices linked to the regulatory system.

The kinds of planning and policy tools that are available and most effective depend on the neighborhood market context and the stage of gentrification, as well as the focus of the effort. Therefore, the best practices toolkit is organized into the key stages identified here as well as to specific policy areas. Anti-displacement practices can be implemented alongside of public investments in all areas—from comprehensive neighborhood economic development programs to infrastructure upgrades to planting trees. Development that includes public subsidy should be linked to community benefits appropriate to the neighborhood.

3.3.4 Capacity building among partners

As the City works to develop appropriate strategies and policies for addressing gentrification, it must recognize its fellow actors in the market: community residents and private sector development entities. Public agencies may need to develop the capacity of both residents and developers to participate in the inclusive, equitable development framework.

Community member capacity. Residents of changing neighborhoods—particularly those from traditionally underserved and underrepresented groups—may find it very difficult to participate in planning processes. Part of an anti-displacement strategy is to empower residents and enables them to stay in place if they so choose. The principles espoused in the City's Public Involvement Advisory Committee's work include "increasing public understanding of and support for public policies and programs" and a focus on engaging the diversity of the community. There may need to be additional programming for residents to learn about the development and planning process and how to participate to put forth community priorities. The City already has a number of community leadership capacity programs that could attend to these issues. As the City asks communities to participate in equity discussions about planning and infrastructure investment, as well as community and economic development, there may be a need for additional technical assistance.

Portland Plan:

- Build capacity for people to participate. Ensure broad inclusion in decision-making and service level negotiations.
- Leadership training. Expand community-based leadership training programs to build community organizing capacity and the capacity for people to engage in shared governance, focusing on under-represented and underserved communities (20).

Development sector capacity. In discussing how gentrification happens, this analysis focuses on market activity and quantitative data showing trends. However, the development sector is not only driven by pure economics—developing land and property is also a social and political process. Private sector actors—developers, financers, agents, and builders, among others—produce a culture with norms, and standard operating procedures; they share information and consider ideas within a network of relationships.[4] The development industry sometimes moves slowly to work with new models and requires "proof of concept" before adopting a new practice. An example with immediate local resonance is the construction of apartment buildings without providing parking, which was difficult to finance (even when allowed by-right in zoning code) until a project was successful.

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[4] Patsy Healey's work (Healey 1991, Healey and Barrett 1990) tries to describe these cultures, detailing the interactions, reactions, and relationships in the redevelopment industry, and how the public sector could influence their thinking. Guy and Henneberry conclude that we can come to understand a housing market that is "dynamic, deeply contextual and contingent on the particular aims and objectives of development actors" (2000, 2413).

As planners try to influence private market actors, it is important to understand these cultures: What prompts developers to adopt new models or technologies? What incentives might be meaningful for getting developers to serve particular public aims? Some development actors are interested in moving into new niches, such as green building or mixed-use development, both of which are now relatively common in Portland; are there also developers who are ready to take on mixed-income or affordable housing? The networking and capacity building function of planners could incorporate activities like design fairs, demonstration projects, and competitions to provoke interest in affordable and mixed-income housing. It may also be that local development actors need technical assistance with programs like the Low-Income Housing Tax Credit and layered financing for affordable housing, which could be supported through partnerships and education. As the City attempts to influence the development sector towards meeting public goals, it needs to understand how private market actors are making decisions and how best to build new practices through a mix of regulation, incentive, and cultural shift.

3.4 Conclusion: a coordinated approach for roles across institutions

Extending upon the definition of gentrification as a process of neighborhood housing market change, this section suggests an approach that is market-conscious. With a vision for inclusive, equitable development, and the use of a racial/ethnic equity lens, the City can better plan, regulate, and engage with community members and development actors to mitigate gentrification. Specific functions might be distributed in different ways as determined by bureaus to best match their spheres of activity. In order to address the range of factors related to gentrification and the policies and investments that respond to it, it would be most effective to:

- Coordinate bureau roles,
- Analyze how land use and growth relate in a housing strategy,
- Monitor neighborhood change, and
- Create subsidy and incentive programs that maximize public resources.

The PDC’s work on the Neighborhood Prosperity Initiative could connect to neighborhood change and resident economic empowerment; the agency also could contribute to monitoring neighborhoods for shifts in the market. Infrastructure bureaus need also be aware of the potential for projects and investments to cause or react to neighborhood demographic change.