

CITY OF SAN ANTONIO
DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

Gentrification Briefing, by John Dugan AICP Director of Planning
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Summary

This briefing will discuss the definition of gentrification, its causes and indicators, the gentrification process and its consequences. San Antonio examples will be discussed. The briefing and discussion will also begin to identify community issues and best practice strategies to reduce its negative impacts.

Background

There is widespread concern that some neighborhood revitalization efforts are destabilizing communities that have strong traditional and cultural significance for low-income people. People living in areas of concentrated poverty hope that the renewed interest in their neighborhoods will provide an improvement in the quality of their lives. However, as they watch property values and rents rise, they worry that without knowledge, strategies and allies, the physical improvements that they have long sought will not be theirs to enjoy. As a result, there is a need for reliable facts and useful policies that will enable community renewal and economic development while allowing many residents to maintain their homes. San Antonio has not yet experienced the magnitude of gentrification seen in east and west coast cities further along in the community renewal process, but several recent instances of serious community impact from new development proposals has lead to an concern that San Antonio needs to be ready to mitigate unwanted community impacts from realization of the City's community renewal objectives. The following outline of the gentrification process is derived from a Brookings Institution Policy Paper published in 2001, entitled DEALING WITH NEIGHBORHOOD CHANGE: A PRIMER ON GENTRIFICATION AND POLICY CHOICES by Maureen Kennedy and Paul Leonard.

Issues

- I. Definitions of Gentrification
 - A. The process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of that neighborhood.
 - B. Revitalization: the process of enhancing the physical, commercial and social components of neighborhoods and the future prospects of its residents through private sector and/or public sector efforts. Physical components include upgrading of housing stock and streetscapes.

Commercial components include the creation of viable businesses and services in the community. Social components include increasing employment and reductions in crime.

Gentrification sometimes occurs in the midst of the revitalization process.

- C. Reinvestment: the flow of capital into a neighborhood primarily to upgrade physical components of the neighborhood, although reinvestment can also be made in human capacity.
- D. Gentrification has three specific conditions which all must be met:
 - 1. displacement of original residents,
 - 2. physical upgrading of the neighborhood, particularly of housing stock;
 - 3. change in neighborhood character.
- E. Gentrification does not automatically occur when higher income residents move into a lower income neighborhood, for example, at a scale too small to displace existing residents, or in the context of vacant land or buildings. Nor does economic development activity – revitalization – necessarily imply gentrification. Tenants can leave their units for a range of reasons, so departures in a revitalizing neighborhood do not necessarily mean gentrification is occurring.

II. Causes of Gentrification

- A. Rapid Growth in Metro Area
- B. Tight Housing Market
- C. Preferences for City Amenities
- D. Increased Traffic Congestion and Length of Commutes
- E. Targeted Public Sector Policy to Revitalize Neighborhoods

III. Indicators of Gentrification

- A. Because gentrification occurs at such a localized level, it is often hard to detect by relying on city-level data sources.
- B. Gentrification is likely when there is a :
 - 1. High rate of renters
 - 2. Ease of access to job centers from nearby neighborhoods

3. High and increasing levels of traffic congestion
4. Comparatively low housing values

C. Gentrification is likely underway when:

1. There is a shift in housing tenure from renter to owner
2. There is a decline in FHA financing and increase in down payment ratios
3. There is an influx of urbane type households: young professionals, gay/lesbian, artists.
4. Increase in local amenities that serve higher income households: music clubs, art galleries, valet parking, new Starbucks.

IV. Gentrification Process

- A. Newcomers buy and rehab vacant units, causing little displacement and resentment.
- B. In the second stage, knowledge of the neighborhood and the rent gap spreads, displacement begins to occur, and conflict erupts.
- C. As the effects of rehabilitation are more apparent, prices escalate and displacement occurs in force,
- D. New residents have lower tolerance for social services facilities and other amenities that they view as undesirable,
- E. Original residents are displaced at a larger scale, along with their institutions and traditions

V. Consequences of Gentrification

“Gentrification is a double-edged sword. It is often a productive byproduct of revitalizing city neighborhoods, but it can impose great costs on certain individual families and businesses, often those least able to afford them. In some cases, these consequences are clearly positive or negative; in other cases, there can be both positive and negative impacts, depending on the perspective of the stakeholder. In some cases, a single constituency may be divided on a given issue. For example, some “original” residents, those living in the neighborhood before gentrification pressures unfold, may miss the corner restaurant driven out by rising rents, yet welcome the arrival of a major chain drug store to replace yet another liquor store. Or some original homeowners may fear rising home prices because of the corresponding tax increases, while others may welcome price appreciation and the increased financial equity it brings.” (Kennedy and Leonard)

VII Response Strategies

Responses to gentrification could be constructed in the context of “equitable development.”

- A. Is the process of gentrification producing a kind of development that is inequitable in terms of economic and social diversity or long term stability?
- B. How can the strategies to manage change increase the likelihood of equitable development outcomes in the future?
- C. There are several action strategies that can be undertaken to improve, if not optimize, the end result of Gentrification in the context of a Gentrification Policy or Action Plan for SA.

- 1. Insure neighborhood residents of impacted communities understand gentrification concepts, issues and opportunities, through a strong outreach educational and engagement program.
 2. Understand rental and home ownership housing issues and opportunities, founded on a good understanding of the SA inner city housing market.
 3. Understanding of the local employment and commercial retail Services sector of the economy
 3. Enhance social services support for neighborhood residents
 4. Enhance community amenities in impacted neighborhoods
 5. Adopt transition strategies for residents and business that leave neighborhoods
 6. Foster strong old and new resident relationships
 7. Adjust SA housing policies, incentive programs and land use regulations to mitigate negative gentrification impacts
 8. Plan for financial and budget support
 9. Creatively use COSA tax policy to mitigate tax impacts on residents in areas of rising property values.