

## Community-level Effects of Displacement

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Though the housing market boom that began in the late 1990s has shown some signs of slowing down, prices of for-sale and rental properties remain at record high levels in many communities across the country. While the strong market translates into increased tax revenues for cities, wealth for homeowners, and profits for developers, it also presents challenges for people who need affordable housing. Nonprofit organizations and affordable housing advocates are looking for effective ways to retain existing affordable housing and to produce new units in the face of high costs.

Challenges stem not only from rising land and housing costs and the loss of affordable private-market housing; they also arise from the loss of public housing units, due to HOPE VI, and project-based voucher developments, as market enticements lead some owners of subsidized housing to opt out of subsidy programs. In addition, analyses of the federal budget proposal and other regulatory changes indicate that the number and the value of housing vouchers is declining, further reducing assistance to poor households.

During the summer of 2003, researchers at the Urban Institute visited six communities across the U.S. to meet with neighborhood leaders, community development professionals, city officials, and others confronting affordable housing needs in revitalizing neighborhoods. We visited a range of places, from those with soft but strengthening housing markets to those that by nearly any measure would be considered gentrified. We were especially interested in how the strength of the local housing market affects efforts to provide affordable housing and reduce resident displacement. (See our reports, *In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement* and *Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas*.)

In addition to what we learned about specific approaches to addressing housing needs in gentrifying neighborhoods, we were reminded in each community of the importance of city government in managing housing market change. As we wrote in the report:

Local government plays a key role in creating regulatory supports and removing barriers to housing development, providing project financing or technical support, and sending a message that affordable housing is an important component of the broader community.... If a city does not proactively support the provision of affordable housing and become involved in efforts to manage gentrification forces, it will be that much more difficult for community organizations and developers to do so.

Though there is some agreement within governmental, advocacy, and policy circles on the need to minimize gentrification-related displacement—that renters and homeowners who live in revitalizing areas, and people with relatively lower incomes in search of housing, should not be left wholly to market forces—there is not a consensus in the public discourse. Public discussions of neighborhood change highlight considerable differences in how people view revitalization and displacement and what, if anything, should be done to affect it. An online discussion by Washington, DC, residents on gentrification, displacement, and the roles of government and the market provides an illustration: <sup>1</sup>

People complaining about "gentrification" need to wake up to reality. Like it or not...we live in a free market and nobody is guaranteed a right to cheap housing. Urban neighborhoods rise and fall in quality/value. It's a big cycle. I think most of the people who complain about being 'forced out' are clueless to the normality of such urban processes. Want cheap housing that is going to stay cheap? Move to West Virginia!

...Free market or not, you have to acknowledge that the rate of increase in housing costs in DC over the past decade is not normal, as you say. It's actually rather exceptional. It's perfectly sensible for people to expect the city to take measures to ensure that housing is available at a variety of costs. It's a matter of stability, with growth happening so fast as to have the potential to uproot entire communities if nothing is done to preserve some housing at rates normal people

can afford....I don't think that anybody in DC expects a "right to cheap housing." People just want some protection against extreme trends in housing costs that have had a disruptive impact on long-time residents that have lived & worked here during the days when affluent [sic] professionals wouldn't.

What is wrong with uprooting crime-filled neighborhoods?...You and your bleeding heart need to stop longing for the days of ghettos and start appreciating the changes in this city.

We doubt this exchange is unique to Washington.

While we don't expect consensus on the issue, we do think that city officials should help frame the terms of the discussion around displacement, affordable housing, and community revitalization. In addition to affirming the need for affordable housing and making clear that people with lesser means are not criminals by definition, city leaders need to assert *why* affordable housing is important for both individuals and the broader community. Harmful community-level effects are rarely identified in public discussions of displacement.

Displacement can lead to a geographic shift in households, which may preserve or increase economic and racial segregation throughout an area. Ensuring the availability of affordable housing in revitalizing neighborhoods can increase neighborhood diversity, rather than merely change the nature of segregation in one locale. Diversity is more than just a feel-good concept for the liberals among us. As higher-income residents move into revitalizing neighborhoods, public services such as trash removal, infrastructure maintenance, and police services often improve, and the increase in buying power can lure a broader array of businesses to areas with retail corridors. These types of investments can benefit the community as a whole, whereas displacing lower-income households to other poor areas does not. As a couple of participants in the online discussion noted, we need a regional perspective: "We just want to see poverty, crime & blight reduced rather than shifted around the region."

Studies show that segregation and uneven development tend to affect not just the immediate area but the larger community.<sup>2</sup> Regions with large income disparities between city and suburbs grow more slowly than those with lower levels of inequality. Likewise, high levels of racial segregation in metropolitan areas tend to decrease regional economic prosperity. Communities also lose the full potential of their children—youth in poor neighborhoods have higher rates of teen pregnancy and delinquency and lower rates of school graduation than youth in higher-income communities. These effects can translate into higher costs for social services, public assistance, and policing. Pushing out the poor, even by the "free market," will not eliminate the effects of poverty on the middle class, and certainly won't help the poor themselves.

Displacement isn't limited to households with very low incomes, of course. Many public servants, teachers, healthcare workers, and other such professionals are affected by high housing costs; in some places they cannot afford to live in the communities in which they work. The impact goes beyond individuals to entire communities: commute times increase and roads and public transportation systems are more heavily used, resulting in reductions in air quality and other environmental concerns.

By helping to set a vision for diverse communities, by speaking in support of private investment *and* affordable housing, leaders can send the message that the city supports those who have hung in there during leaner times, and that the city is, or should be, for all residents, not just the well-heeled. Leaders can acknowledge the harm that displacement causes a community while at the same time working to support revitalization, making it clear that we do not want reinvestment merely to shift poor residents from one area to another. If the public hears these messages from elected officials and government staff, as well as advocates and researchers, it just might help strengthen support for affordable housing efforts.

## Notes

1 Messages can be found at [http://www.dcist.com/archives/2005/02/09/columbia\\_heights\\_gentrification\\_vol\\_ii.php](http://www.dcist.com/archives/2005/02/09/columbia_heights_gentrification_vol_ii.php).

2 Squires, Gregory D., and Charis E. Kubrin, "Privileged Places: Race, Uneven Development and the Geography of Opportunity in Urban America," *Urban Studies* 42(1): 47-68.

## Other Publications by the Authors

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- [Diane K. Levy](#)

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