

## Introduction

---

Since the late 1990s, Austin has seen a dramatic rise in housing costs, shifting the city from among the most affordable in the country to one where a growing share of residents can no longer afford to live. As in many cities around the nation, there has been an inversion of previous demographic trends, as affluent residents increasingly move into central neighborhoods and low-income residents move out of the city. There has been both a surge in the production of high-end rental housing and—in certain central neighborhoods—an increase in demolitions as rising land values have spurred demolition of aging rental housing and the replacement of older single-family homes with new, more expensive homes.

The impacts of the city's rising housing costs have been particularly dramatic in the city's "eastern crescent," where historically low housing costs, produced in part through the city's history of publicly-supported racial and ethnic segregation, now combine with broader social and economic trends to make these neighborhoods more desirable to higher-income households. Over the past two decades, numerous city and citizen task forces have formed to study and address the impacts of these changes on Austin's communities of color and vulnerable households. (See Appendix 2.) In August 2017, the Austin City Council passed a resolution expressing concern with the on-going displacement of the city's low- and moderate-income residents, the destabilization of existing communities, and loss of diversity and sense of place for Austin communities. (See Appendix 1.) To respond to these concerns, the same resolution authorized the city manager to execute an agreement with the University of Texas to carry out a study of gentrification and displacement in Austin. As discussed in more detail in the next section, a key element of gentrification is the rise in property values and housing costs, often resulting in displacement of vulnerable residents. While there is disagreement about the potential benefits of rising property values and who receives these benefits, there is consensus that displacement is an undesirable side effect.

The focus of this study has been two-fold: to identify neighborhoods and groups of residents that are especially vulnerable to displacement as housing costs rise, and to identify potential strategies and policies for preventing their displacement. The first phase of the study focused on categorizing and mapping areas of the city by their displacement vulnerability levels. While rising housing costs are affecting a broad swath of Austinites, our purposes here are to: (1) help city officials understand how rising costs impact certain groups and areas of the City more than others; (2) facilitate early interventions in areas at the highest risk of displacement; and (3) help the city target particular displacement mitigation policies strategically.

In the first phase of the study, we began by identifying demographic groups who are the most vulnerable to displacement when confronted with rising housing costs and who face limited housing choices once displaced. We then identified neighborhoods where large concentrations of vulnerable groups live. While residents vulnerable to displacement also live in other areas, mapping and tracking changes in areas with the largest concentrations of vulnerable groups is useful for several reasons. First, this focus highlights the extreme vulnerability of neighborhoods strongly shaped by the city's history of discriminatory planning and real estate practices (discussed further below). Second, this spatial focus allows for consideration of how future city investments in particular locations may spur—or prevent—further large-scale displacement. After identifying and mapping these areas, we next assessed the areas for evidence of whether demographic and housing market changes were already occurring and categorized them on a continuum of neighborhood change based on this evidence.

We also selected two gentrifying areas—St. John's-Coronado Hills and Montopolis—for a more intensive "drilldown" analysis. The drilldowns use a wider variety of data sources beyond U.S. Census data, and allow for a more nuanced quantification of the various vulnerable subpopulations

living within a particular area. We intend for these to be both a useful starting point for further analysis of these two particular vulnerable areas, as well as a replicable template for similar analyses that could later be conducted in other vulnerable or gentrifying areas.

The second phase of the study involved analyzing a broad range of policy tools that the City of Austin might adopt to help prevent displacement of vulnerable residents. This work included in-depth research on three case study neighborhoods that have used a range of strategies to prevent or mitigate displacement; development and review of a list of policy tools that are legal in Texas; and development of a set of criteria to use in assessing which tools to adopt. We describe our methodology for each phase of the study in more detail in subsequent sections and in the appendices.

Given the complexity of gentrification, it is important to clarify what is not included in this study. First, while local businesses and the cultural character of a community are also affected by rising land and property values, our focus here is limited to residential displacement. Second, while creating equitable housing opportunities for displaced, low-income residents will necessarily involve opening up neighborhoods that have been historically inaccessible to these residents, our focus here is on geographically targeted policies for ensuring that vulnerable residents can stay in their homes and neighborhoods or return to them if they wish to. We spend relatively little time in the report on land use solutions associated with increasing housing types and choices in other neighborhoods or across the city.

## **Report Overview**

The first part of the report lays the groundwork for understanding the problems faced by vulnerable residents and neighborhoods in Austin and assessing potential solutions. We begin by discussing the range of definitions of gentrification put forth in past studies and what elements are most pertinent to our study. In particular, we emphasize the issue of displacement of vulnerable residents and discuss the various forms that displacement can take.

In Part 2, we discuss our approach to identifying vulnerable populations and neighborhoods and our framework for identifying where gentrification is taking place in Austin. We then present the results of our analysis. These results include a map of the neighborhoods we identified as most vulnerable to displacement and another showing the stage of gentrification for each of these vulnerable neighborhoods. We also present more detailed analyses of two gentrifying neighborhoods to illustrate how further study might inform discussion of targeted solutions.

Part 3 presents summaries of the three case studies we developed to examine local efforts to mitigate displacement. We also present ten cross-cutting lessons derived from these studies for the City of Austin to consider as it seeks to improve its anti-displacement strategies. These case studies allowed us to better understand how strategies for mitigating displacement have worked on the ground—including the challenges that cities and communities faced in implementing particular strategies. We also hope to raise awareness of innovative approaches being taken by cities around the country in this policy arena. The full case studies are provided in Appendix 4.

In Part 4, we review specific solutions for addressing displacement of vulnerable residents in gentrifying neighborhoods. We ground this review in the following vision statement, developed based on our review of and participation in previous public discussions on gentrification and displacement in Austin.

## Guiding Vision Statement for Anti-Displacement Solutions

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 the 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.

The vision statement is followed by an overview of many possible strategies and policies, organized under six major goals. Each policy contains a short summary, pros and cons, and cities where the policy has been implemented. We only include here tools that are legal in Texas. After this policy overview, we include a summary of key displacement-mitigation tools that are illegal in Texas. In the final part of the report, we present a set of criteria to help policymakers conduct a closer evaluation of particular anti-displacement strategies and policies and better match them to the needs of particular vulnerable populations and different stages of neighborhood change. The criteria also provide a framework for assessing policies based on a set of criteria aligned with past public discussions and adopted resolutions, and on factors related to implementation. To illustrate how these criteria can be used to generate more nuanced evaluations of tools and strategies, matched to particular contexts, we apply them to a review of several of the displacement mitigation tools discussed in Part 4.

We welcome your feedback regarding this report. For electronic access to the report, interactive displacement maps, and other information related to the gentrification and displacement study, visit <https://sites.utexas.edu/gentrificationproject>.