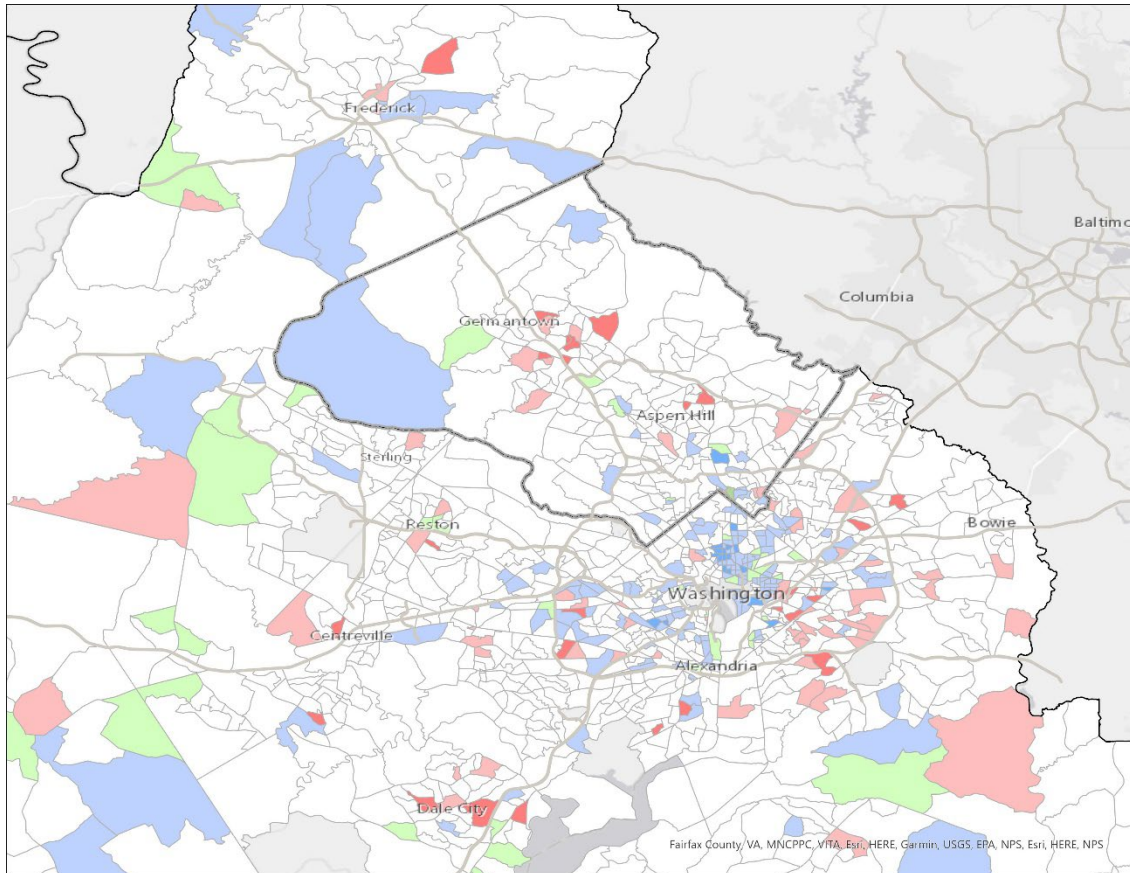


BRIEFING ON NEIGHBORHOOD CHANGE IN THE METROPOLITAN WASHINGTON AREA



Description

Staff from the Research and Strategic Projects Division will provide a briefing on neighborhood change in the Washington Metropolitan Area.

Planning Board Information

MCPB

Item No. 8

05-19-2022

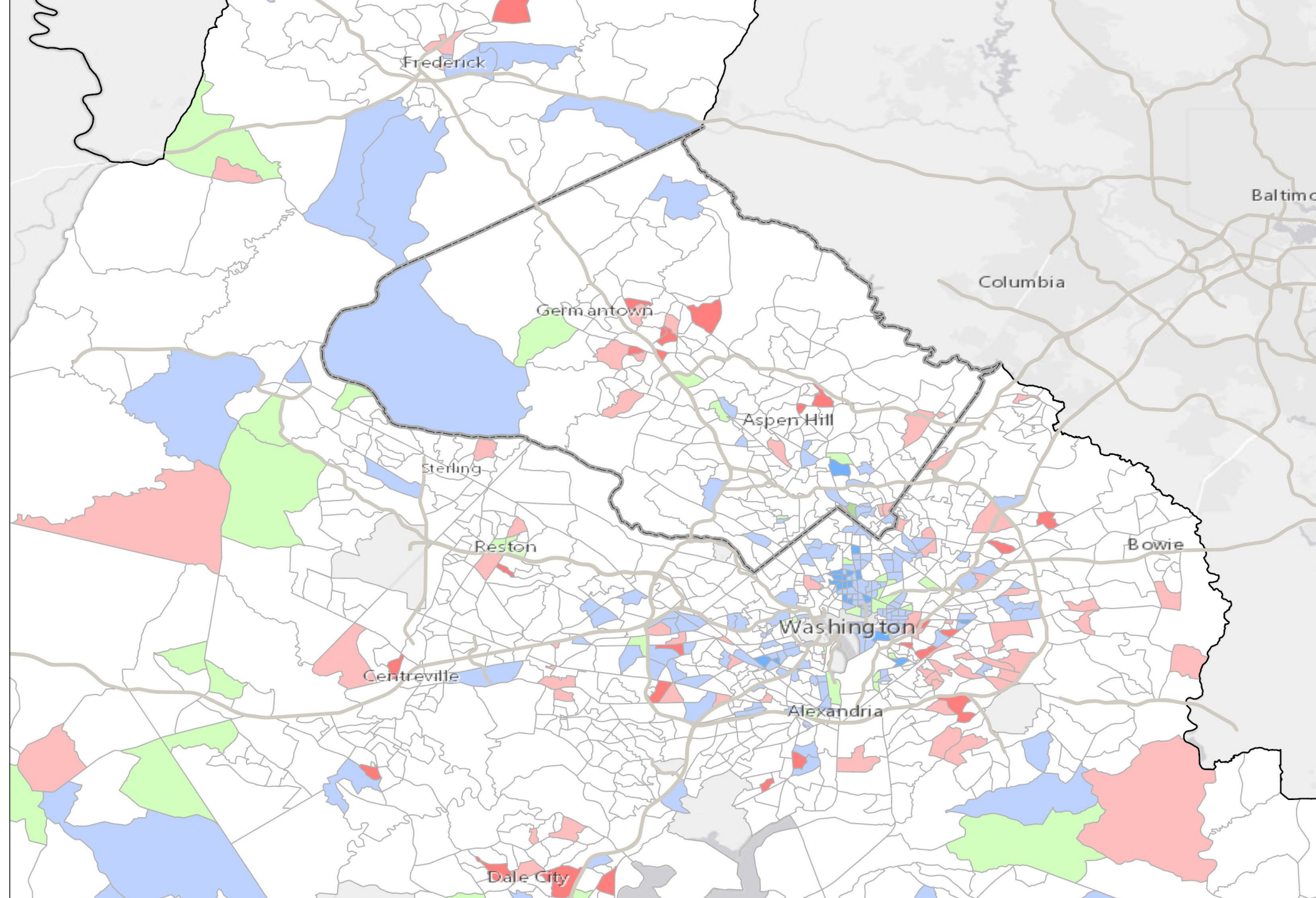


Benjamin Kraft, Planning Research Coordinator, Research and Strategic Projects,
Benjamin.Kraft@montgomeryplanning.org, 301-495-4536

Carrie McCarthy, Division Chief, Research and Strategic Projects,
Caroline.McCarthy@montgomeryplanning.org, 301-495-4506

SUMMARY

- This research project is based on a methodology developed by the Institute on Metropolitan Opportunity at the University of Minnesota for its 2019 report, [American Neighborhood Change in the 21st Century: Gentrification and Decline](#). Planning staff updated the data, added additional variables for analysis, and focused on the Washington, DC region and Montgomery County.
- The main findings are that a) the concentration of low-income residents in Montgomery County's neighborhoods is the County's most pressing challenge related to neighborhood change, b) people of color are more affected by low-income concentration than by displacement in Montgomery County, and c) new housing construction is strongly associated with inclusive economic growth in neighborhoods.
- This project is part of a suite of tools Research and Strategic Projects Division staff are developing to better understand equity issues and neighborhood conditions in the county.
- The purpose of this briefing is to share the findings from the research with the Planning Board and get feedback.



Montgomery Planning

Research and Strategic Projects

5/12/2022



Neighborhood Change in Montgomery County and the Washington, DC Region

Growth, concentration, and displacement from 2000-2019



Neighborhood Change in the 21st Century

- Displacement and gentrification have been significant neighborhood change concerns in the 21st Century, and instances of gentrification are commonly highlighted by national media.
- In Arlington, Alexandria, and Washington, DC especially, displacement and gentrification have been severe.
- Research has also shown that the suburbanization of poverty is a significant issue. Our research finds that in suburban counties—mainly Montgomery and Prince George’s—increasing **poverty concentration** is a much more serious problem and affects many more people of color than gentrification.



Local Pushed out

She'd lived on this historically black D.C. block for 40 years. Now the city she knew was vanishing, and so was her place in it.



<https://www.washingtonpost.com/dc-md-va/2019/09/21/shed-lived-this-historically-black-dc-block-years-now-she-was-being-pushed-out/>



Riots Long Ago, Luxury Living Today

High-end development has transformed some Black neighborhoods decades after they were scarred by unrest. And not by coincidence.

<https://www.nytimes.com/2020/07/10/upshot/riots-redevelopment-gentrification.html>

Development and Gentrification

- It is often assumed that all new housing development contributes to gentrification and displacement.
- We find that in the DC region, and especially Montgomery County, this is not true. **The neighborhoods where the most new housing was built both increased their neighborhood-wide incomes *AND* increased their populations of low-income and minority residents.**
- Neighborhoods where the **least new housing was built** saw the poverty concentrate most severely.

CONSTRUCTIONDIVE Deep Dive Opinion Data Library Events Topics ▾

DEEP DIVE

The gentrification effect: What new development means for communities

Published June 22, 2017

By Kim Slowey
Contributing Editor

in f t p e



When developers begin planning for a luxury development, a massive mixed-use complex or even a renovation of a warehouse into upscale lofts, they sometimes leave one thing out of the equation — working-class residents and mom-and-pop

<https://www.constructiondive.com/news/the-gentrification-effect-what-new-development-means-for-communities/445529/>

Quantifying Neighborhood Change

- In 2019, the University of Minnesota published a report called [American Neighborhood Change in the 21st Century](#), which create four categories of neighborhood change based on the change in the number of people above and below 200% of the Federal poverty level.
- It found that in Washington, DC low-income residents were experiencing the most severe displacement of any city in the nation.
- But it also found that **such severe levels of displacement are rare**.
- **Across the nation, poverty concentration is the bigger problem.** This is true for Montgomery County.



Project Origins

- This study is based on the methodology developed by the University of Minnesota's study, with a few adjustments.
- Montgomery Planning updated this study in the following ways:
 - Used more recent data (comparing 2000 Census to 2015-2019 ACS*) and limited the study to the Washington, DC metropolitan statistical area,
 - Added a housing variable to examine the relationship between housing and neighborhood change, and
 - Used a different method to account for 2010 boundary changes to Census tracts.
- Both studies track cross-sectional changes in tracts over time. They do not track movement of individuals.

*American Community Survey

Main Findings of UMN American Neighborhood Change Report

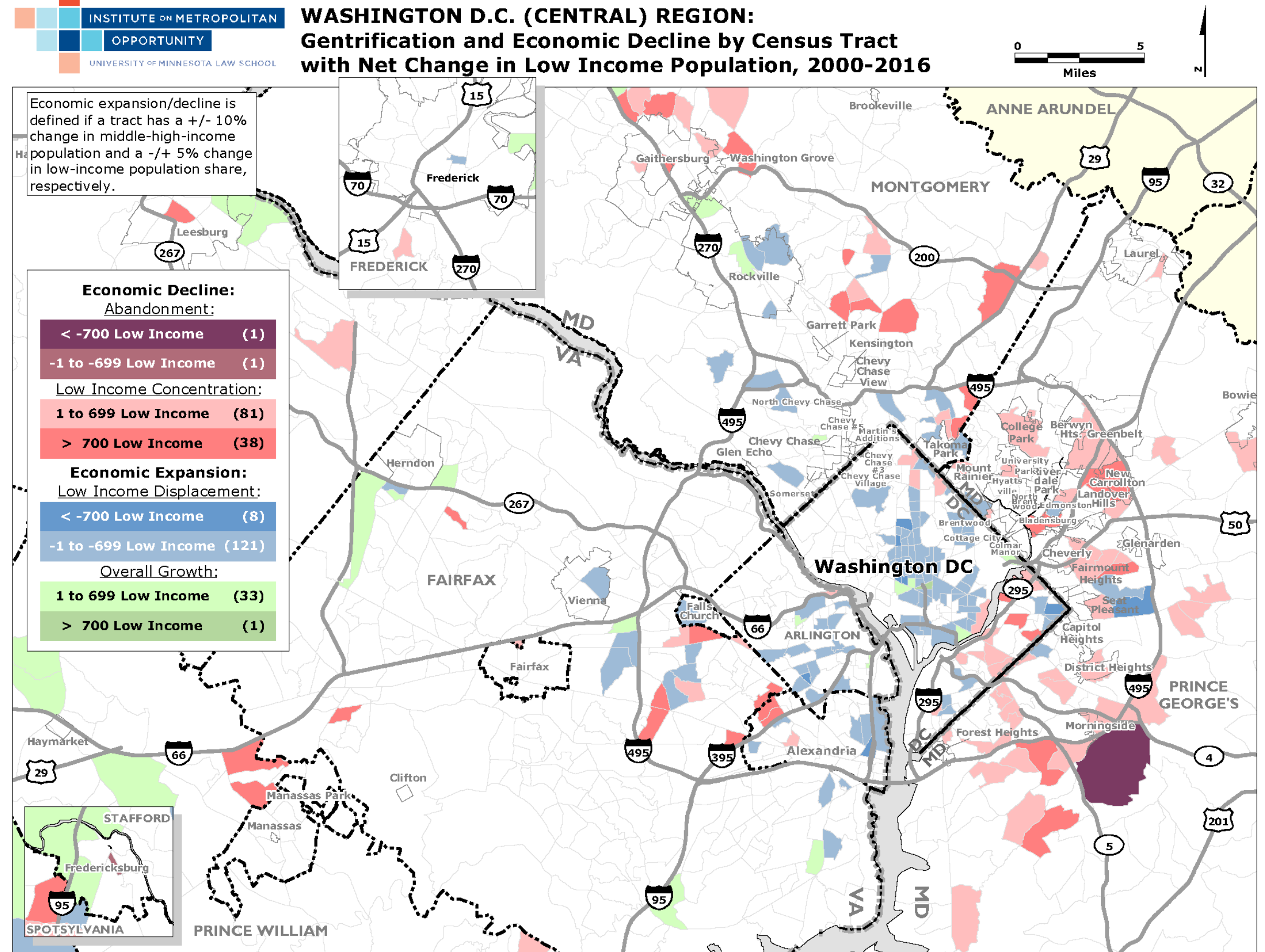
- In the United States, increasing low-income concentration is by far the most common form of neighborhood change.
- Low-income residents are much more likely to be exposed to neighborhood decline than to displacement.
- Low-income concentration is the dominant neighborhood change trend across most metro areas.
- Displacement is the predominant trend in limited set of coastal cities, including San Francisco, Los Angeles, New York, and Washington D.C. However, it is generally confined to the central city and not its surrounding suburbs.

University of
Minnesota's Original
Neighborhood Change
map for the DC region,
(Data from 2000-2016)

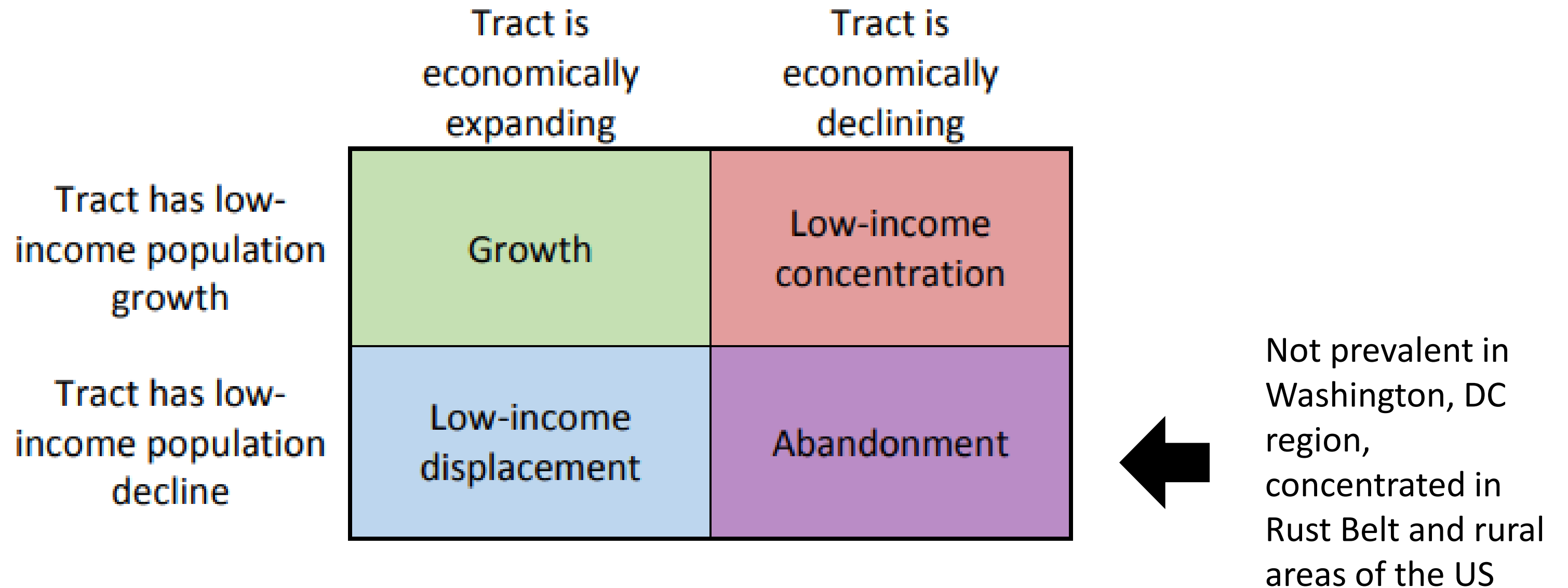
Neighborhood Change Categories:

- Economic Decline with Abandonment
- Economic Decline with Low-Income Concentration
- Economic Expansion with Displacement
- Economic Expansion with Overall Growth

UMN's snapshot for Washington DC is found at
https://law.umn.edu/sites/law.umn.edu/files/metro-files/washingtondc_incomechange_report.pdf



Neighborhood Change Categories Visualized



Graphic from Page 9 of American Neighborhood Change, Full Report 4-1-2019:
https://www.law.umn.edu/sites/law.umn.edu/files/metro-files/american_neighborhood_change_in_the_21st_century_-_full_report_-_4-1-2019.pdf

Neighborhood Change Criteria

| Neighborhood Change Main Category | Percentage Change in Number of Middle-High Income* People | Percentage Change in Tract Share of Low-Income** People | Neighborhood Change Subcategory | Absolute Change in Number of Low-Income People | Map color |
|--------------------------------------|--|--|---------------------------------------|--|-----------|
| ECONOMIC DECLINE | -10% or more | +5% or more | With Abandonment | -1 to -699 (moderate***) | |
| | | | | < -700 (strong***) | |
| | | | With Low-income concentration | 1 to 699 (moderate) | |
| | | | | > 700 (strong) | |
| ECONOMIC EXPANSION | +10% or more | -5% or more | With Displacement | -1 to -699 (moderate) | |
| | | | | < -700 (strong) | |
| | | | With Overall Growth | 1 to 699 (moderate) | |
| | | | | > 700 (strong) | |

*Middle-High Income = at or above 200% of the federal poverty level

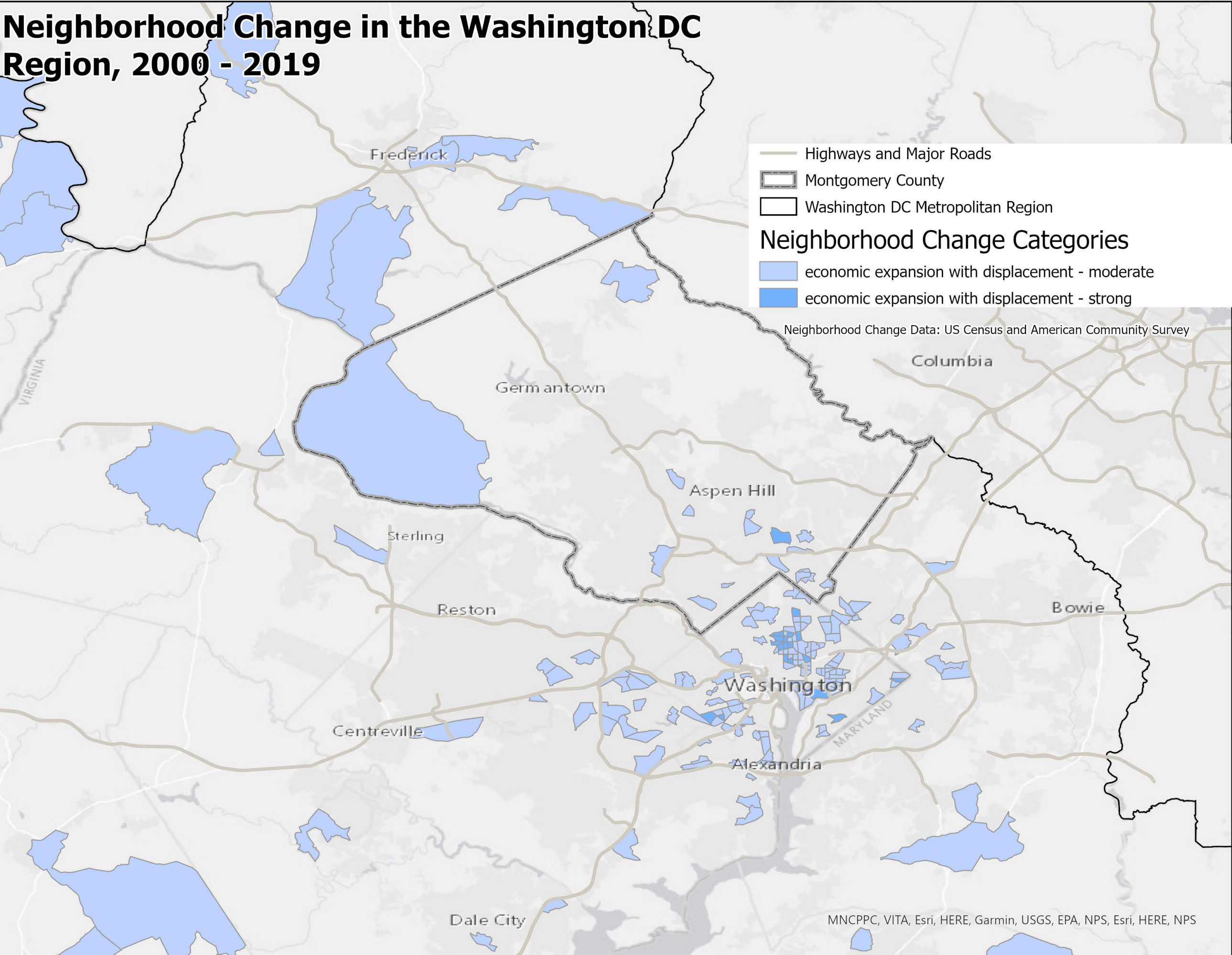
** Low-Income = below 200% of the federal poverty level

In 2019, 200% of the poverty level for a family of four was \$51,500;
equivalent to about 40% of AMI for family of four in 2021

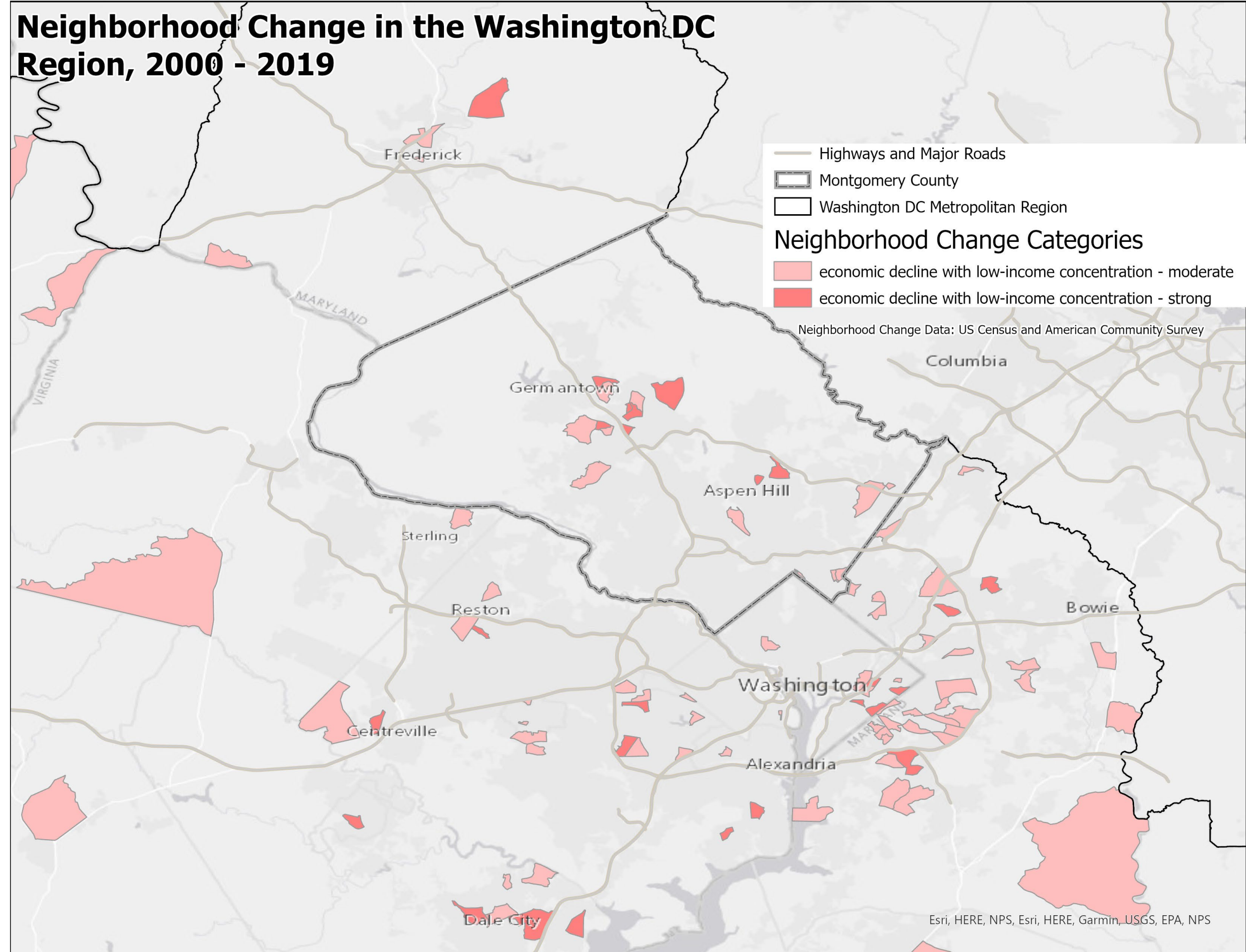
*** The terms “strong” and “moderate” for these categories were not used in the Univ. of Minnesota’s American Neighborhood Change Study. They should not be confused with Minnesota’s “strong” and “weak” models (see p. 5 of the full UMN report).

Neighborhood Change in the Washington DC Region, 2000 - 2019

Neighborhood Change –
**Economic Expansion
with Displacement**

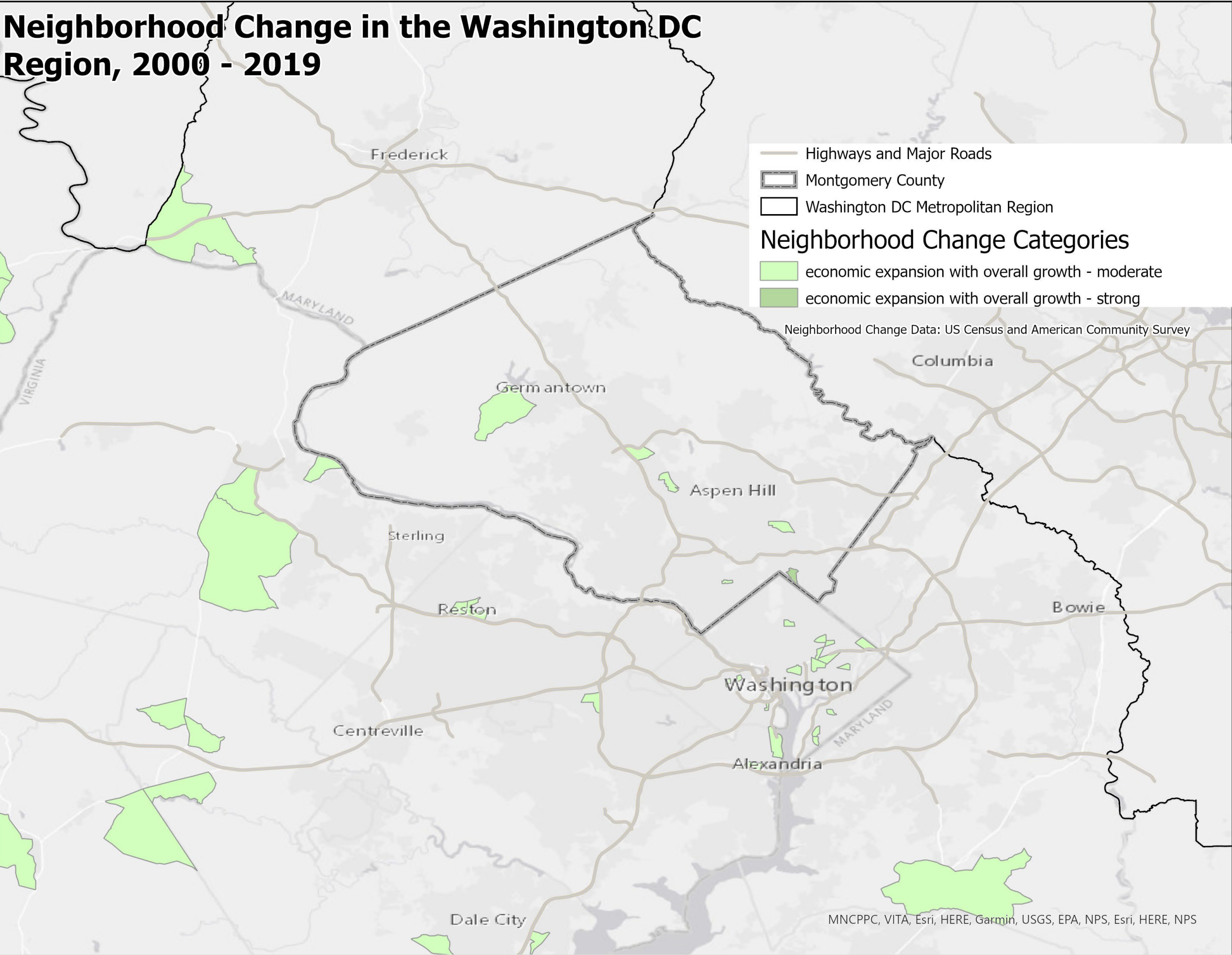


Neighborhood Change – Economic Decline with Low-Income Concentration



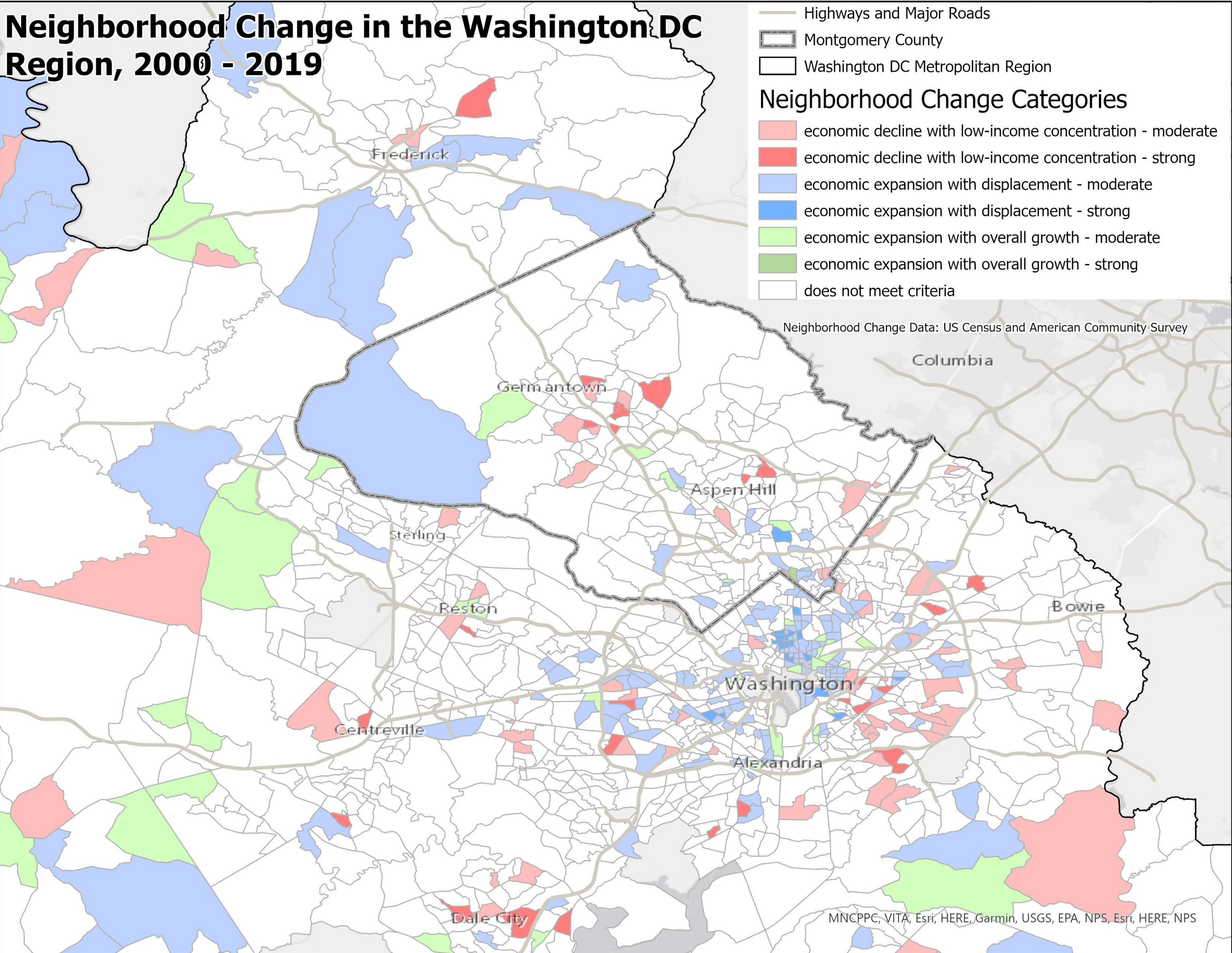
Neighborhood Change in the Washington DC Region, 2000 - 2019

Neighborhood Change –
**Economic Expansion
with Overall Growth**

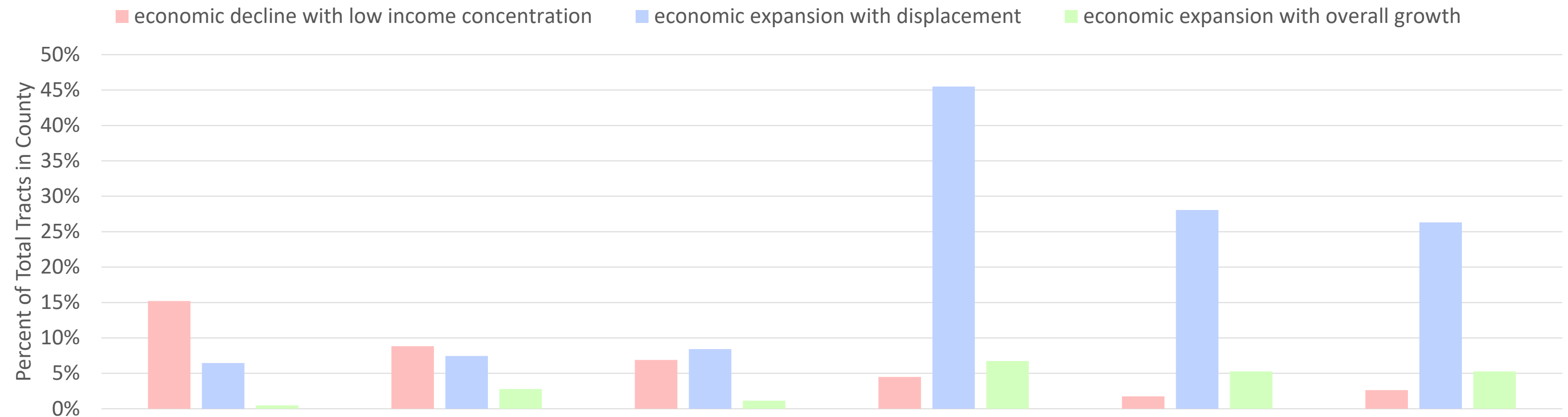


Neighborhood Change in the Washington DC Region, 2000 - 2019

The Washington DC Region is defined as the Washington DC Metropolitan Statistical Area



Distribution of Categories of Tracts by Jurisdiction

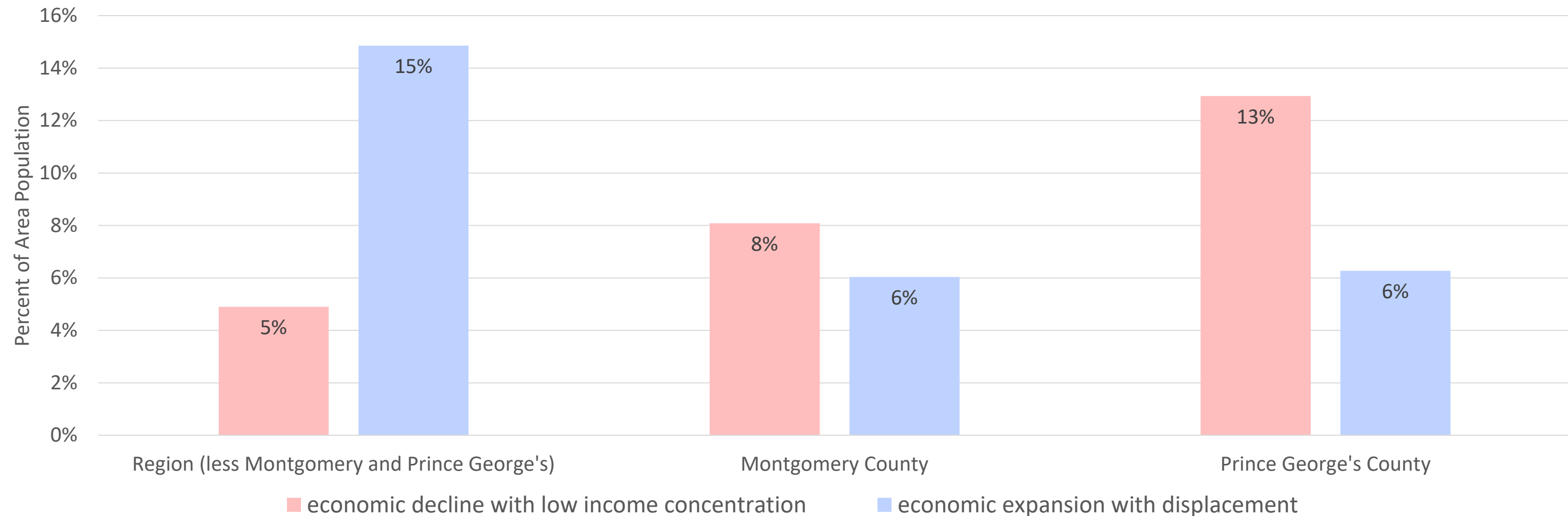


| | Prince George's County | | | Montgomery County | | | Fairfax County* | | | Washington DC | | | Arlington County | | | Alexandria City | | |
|--------------------|------------------------|----|---|-------------------|----|---|-----------------|----|---|---------------|----|----|------------------|----|---|-----------------|----|---|
| Tracts by Category | 33 | 14 | 1 | 19 | 16 | 6 | 18 | 22 | 3 | 8 | 81 | 12 | 1 | 16 | 3 | 1 | 10 | 2 |
| Total Tracts | 217 | | | 215 | | | 261 | | | 178 | | | 57 | | | 38 | | |

- Tracts with low-income concentrations are more common in the Maryland Counties than tracts with displacement. In Washington, DC and adjacent Virginia jurisdictions, displacement is more common.
- Prince George's County has the most tracts with low-income concentration out of Washington DC and its adjacent jurisdictions; Montgomery County has the second most.

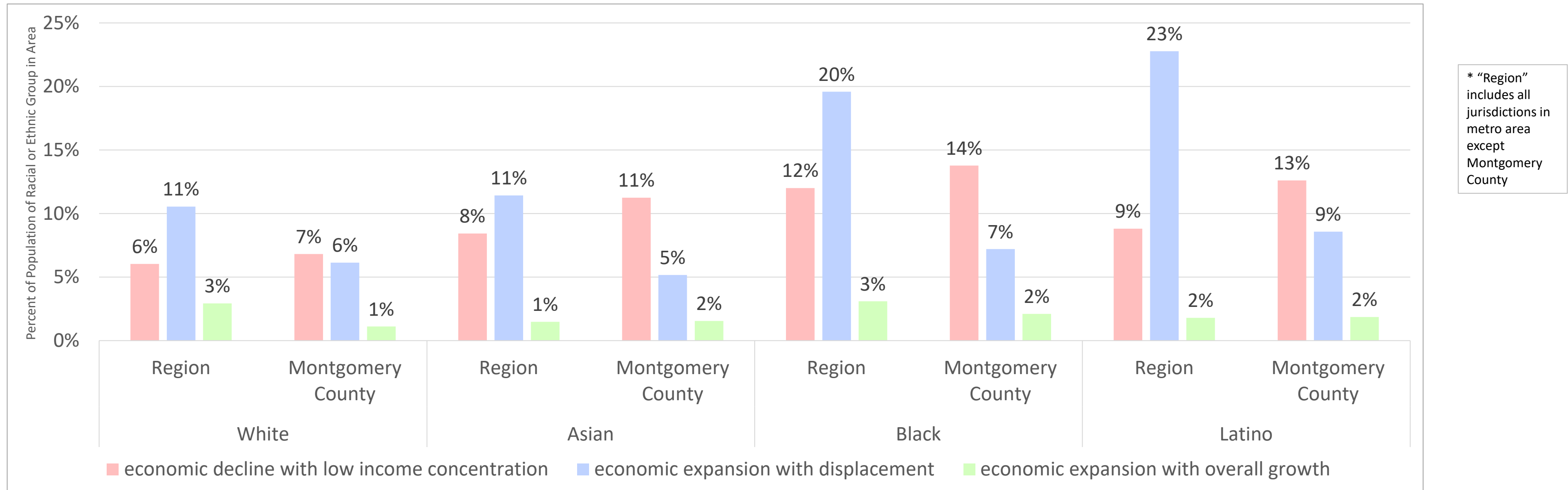
* Includes Fairfax City and Falls Church City

Percent of Population Living in Tracts with Low-Income Concentration vs. Low-Income Displacement



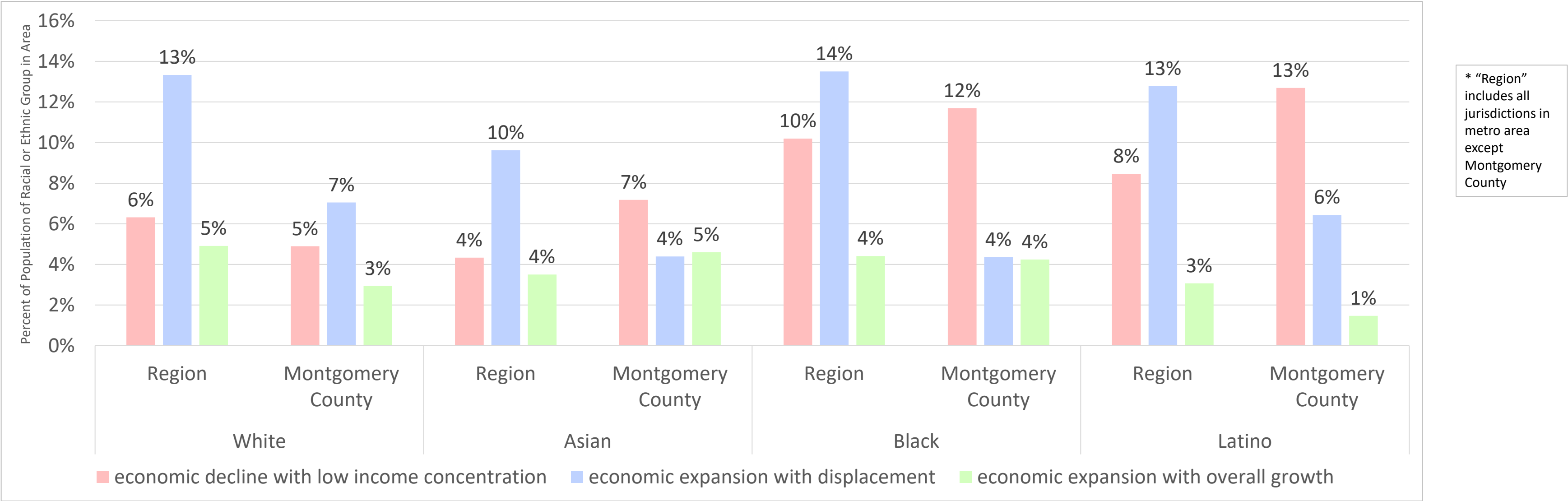
- Outside of Montgomery and Prince George's County, three times as many people live in tracts that saw displacement than low-income concentration in the region.
- In the two largest Maryland Counties, the relationship is reversed. More people live in tracts that saw low-income concentration than displacement.

Percentage of Each Racial and Ethnic Group Living in Tracts with Neighborhood Change, 2000



- In 2000, larger proportions of Montgomery County's Asian, Black, and Latino communities were living in tracts that would eventually see low-income concentration over the next 19 years than in tracts that would eventually see displacement.
- In the Washington DC region, larger proportions of each of these groups were living in tracts that would eventually see displacement than low-income concentration.

Percentage of Each Racial and Ethnic Group Living in Tracts with Neighborhood Change, 2019

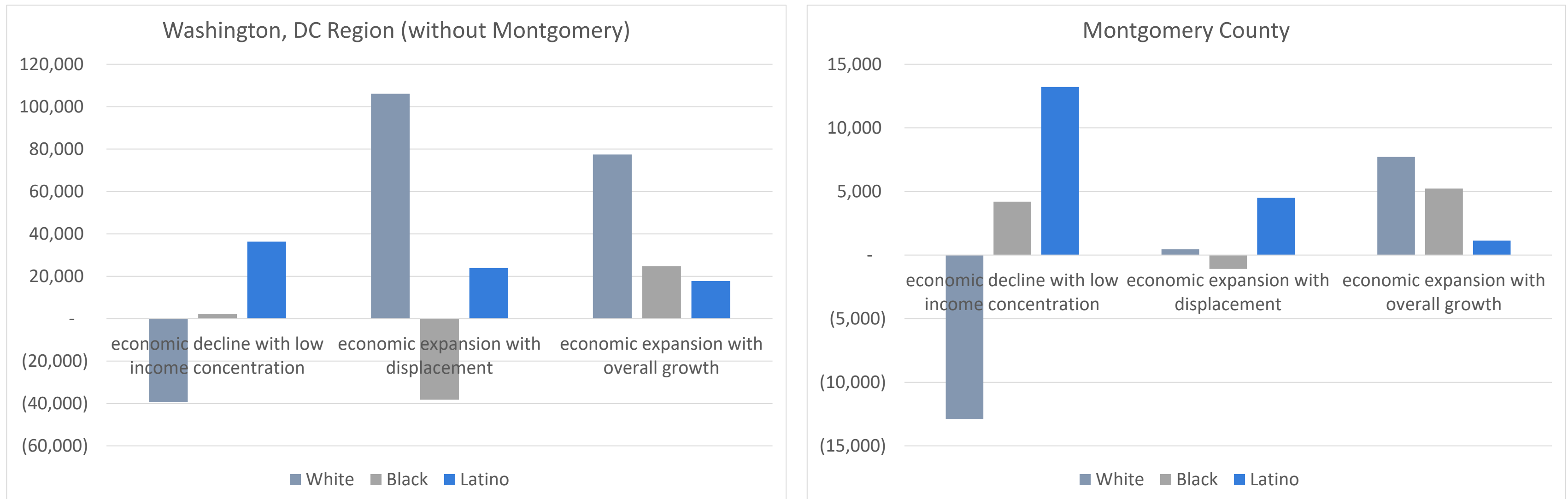


By 2019, a large portion of the Washington DC region's Black and Latino communities had left tracts experiencing displacement. In 2000, 20% of the region's Black residents and 23% of the region's Latino residents were living in tracts would see displacement (see previous slide), and by 2019, 14% and 13% of these communities, respectively, remained in these tracts. Montgomery County saw less severe proportional declines in these categories for both groups.

Percentage of Each Racial and Ethnic Group Living in Tracts with Neighborhood Change, 2000 and 2019: Key Takeaways

1. **The relative exposure to neighborhood change categories for the Montgomery County's racial and ethnic groups changed only slightly over the 19-year period.** In 2000, 14% of Black residents in Montgomery County lived in tracts that would eventually see low-income concentration. By 2019, 12% of the County's Black residents remained living in the tracts that saw low-income concentration over the period. The proportion of Latino residents remained the same (13%) over the time span. The portion of the County's Asian, Black, and Latino residents all declined over the time period in tracts that saw displacement, while the portion of white residents slightly increased.
2. Declining proportions of the County's population in these tracts don't necessarily coincide with absolute declines. For example, **while the portion of the County's Black residents living in tracts with low-income concentration fell by 2 percentage points, the absolute number of Black residents in these tracts increased by over 4,000 over the period from 2000 to 2019.**
3. Compared to the Washington, DC region, Montgomery County has:
 - a higher proportion of Asian (7% to 4%), Black (12% to 10%), and Latino (13% to 8%) populations living in tracts defined as economic decline with low-income concentrations.
 - a lower proportion of Asian (4% to 10%), Black (4% to 14%), and Latino (6% to 13%) populations exposed to economic expansion with displacement.
 - similar proportions exposed to economic expansion with overall growth for all races and ethnicities.
4. **Nonwhite residents in Montgomery County have been and continue to be more severely burdened by low-income concentration than by displacement.**

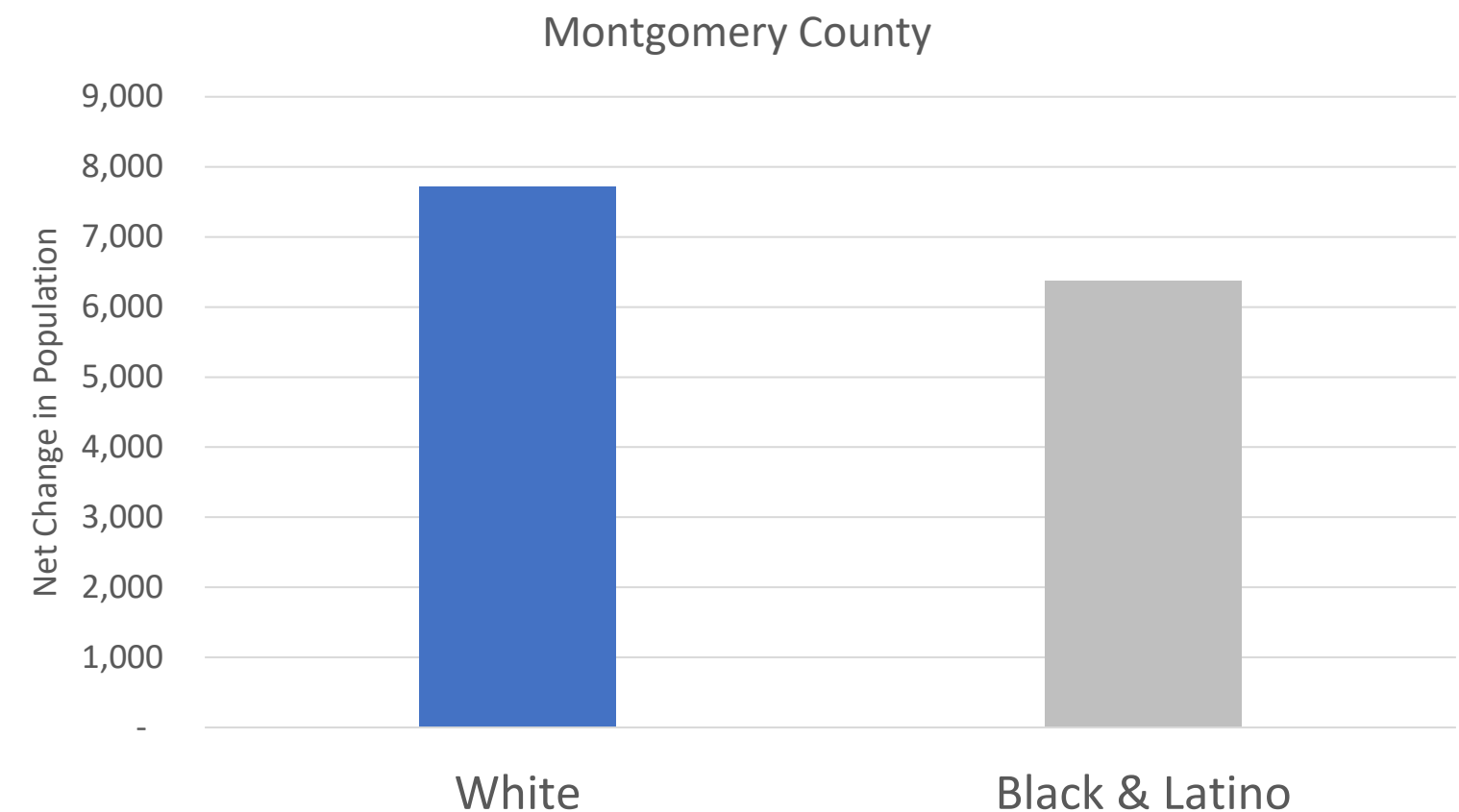
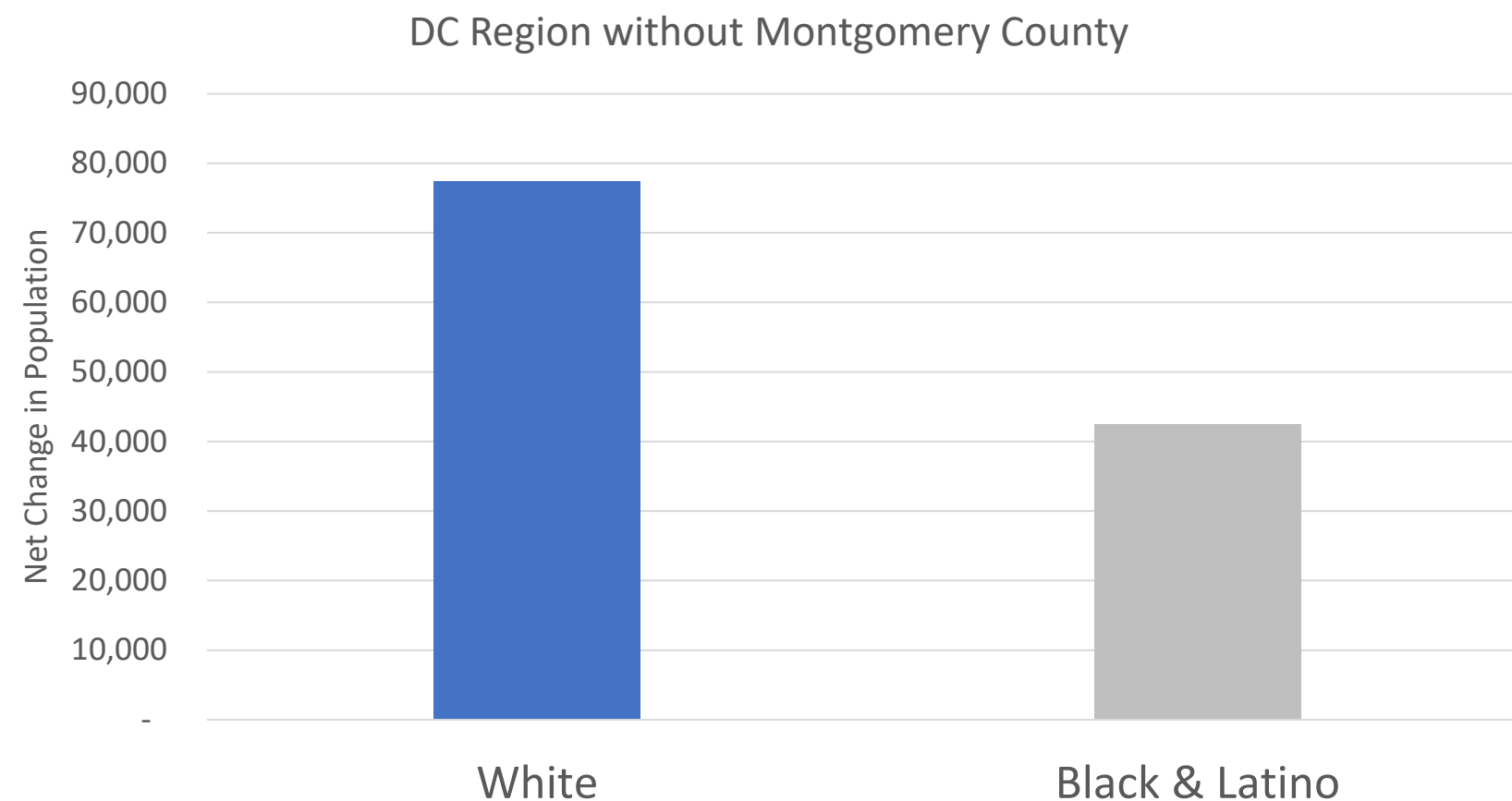
Net Change in White, Black, and Latino populations by Neighborhood Change Category



- In Montgomery County, Black people have borne the brunt of displacement, but this displacement has been less severe in Montgomery County than in the Washington DC Region.
- The Black and Latino communities saw larger proportional net flows *into* tracts experiencing low-income concentration that *away* from tracts experiencing displacement. The proportional net flows into low-income tracts were larger in Montgomery County for Blacks and Latinos than they were in the region.
- These data points reinforce that **poverty concentration along racial and ethnic lines is the main challenge facing Montgomery County's changing neighborhoods.**

Net Change by Race and Ethnicity in Economically Expanding with Overall Growth Tracts

Net changes in White, Black, and Latino populations in Economic Expansion with Overall Growth Tracts



Net changes in tracts that are economically expanding with overall growth are *more even* in Montgomery County than in the rest of the region. In Montgomery County, these tracts added **83** Black or Latino people for every 100 White people, compared to only **55** Black or Latino people for every 100 White people in the region.

Housing Construction and Neighborhood Change Categories

DC Region (Including Montgomery County)

| Category | Net New Housing Units* | Number of Tracts | Net New Housing Units Per Tract |
|---|------------------------|------------------|---------------------------------|
| economic expansion with overall growth | 65,096 | 52 | 1,252 |
| does not meet criteria | 335,104 | 998 | 336 |
| economic expansion with displacement | 50,502 | 190 | 266 |
| economic decline with low-income concentration | 725 | 103 | 7 |

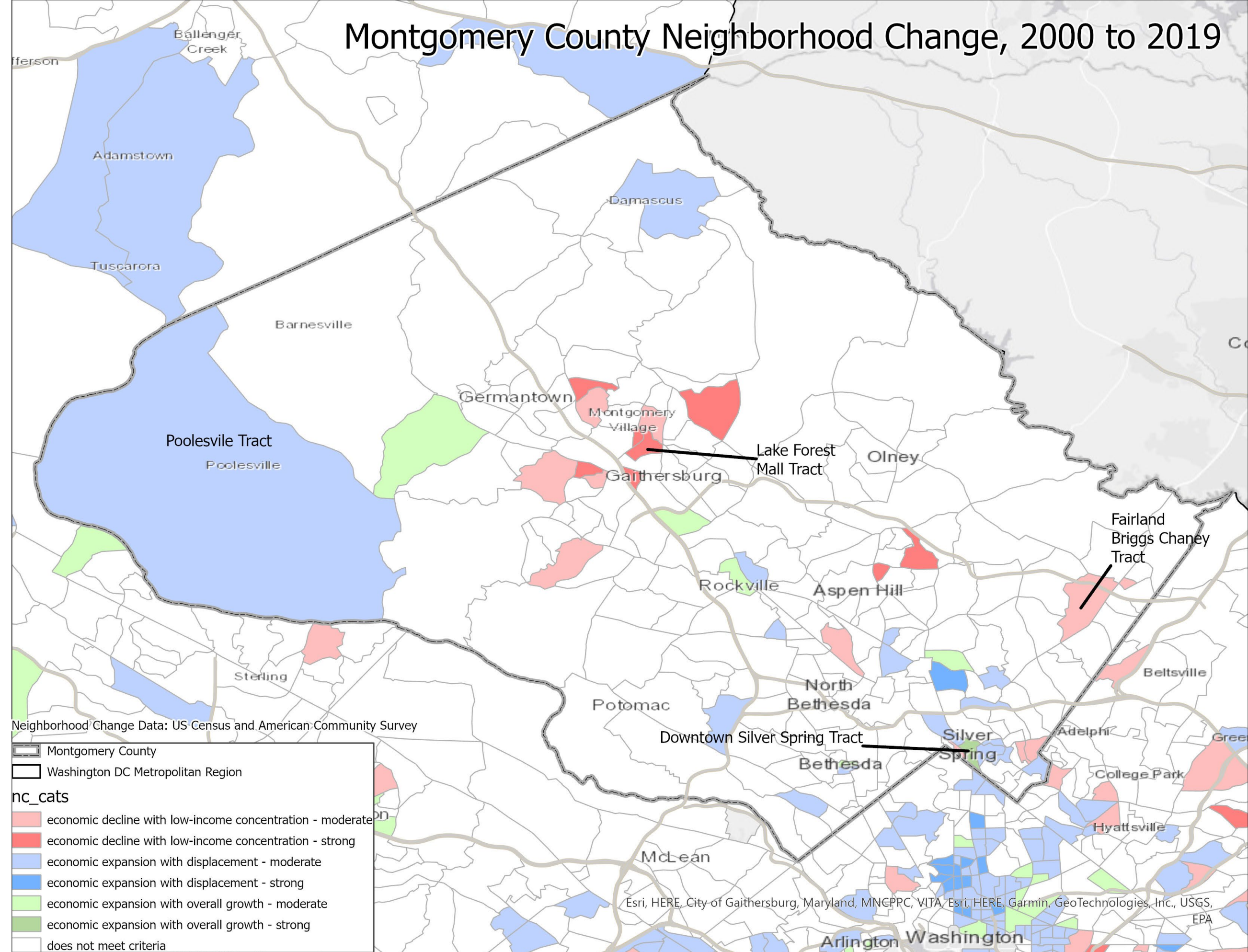
Montgomery County

| Category | Net New Housing Units* | Number of Tracts | Net New Housing Units Per Tract |
|---|------------------------|------------------|---------------------------------|
| economic expansion with overall growth | 10,658 | 6 | 1,776 |
| does not meet criteria | 41,799 | 174 | 240 |
| economic expansion with displacement | 1,603 | 16 | 100 |
| economic decline with low-income concentration | 494 | 19 | 26 |

- In both the Region and Montgomery County, **tracts that experienced economic expansion with overall growth added the most housing by far.**
- In Montgomery County, the tracts that are economically expanding with overall growth added 1,676 more housing units per tract than those tracts experiencing displacement, and 1,750 more housing units per tract than those tracts categorized as low-income concentration. Put another way, economically expanding tracts, though few, added 18 times as many housing units per tract as tracts experiencing displacement and 68 times more housing units per tract as tracts experiencing low-income concentration from 2000 to 2019.
- However, there are relatively few tracts that are expanding with overall growth (6 in Montgomery County).

*Housing units data come from the 2000 Census count of housing units and the 2016-2019 American Community Survey estimate of housing units.

A Closer Look at Montgomery County: Four selected tracts



Note: The Lake Forest Mall Tract is named for its major landmark, which is the mall. The portion of the tract that includes the mall is within the City of Gaithersburg’s boundaries, but the residential portion of the tract, represented in the neighborhood change data, is outside of the City of Gaithersburg.

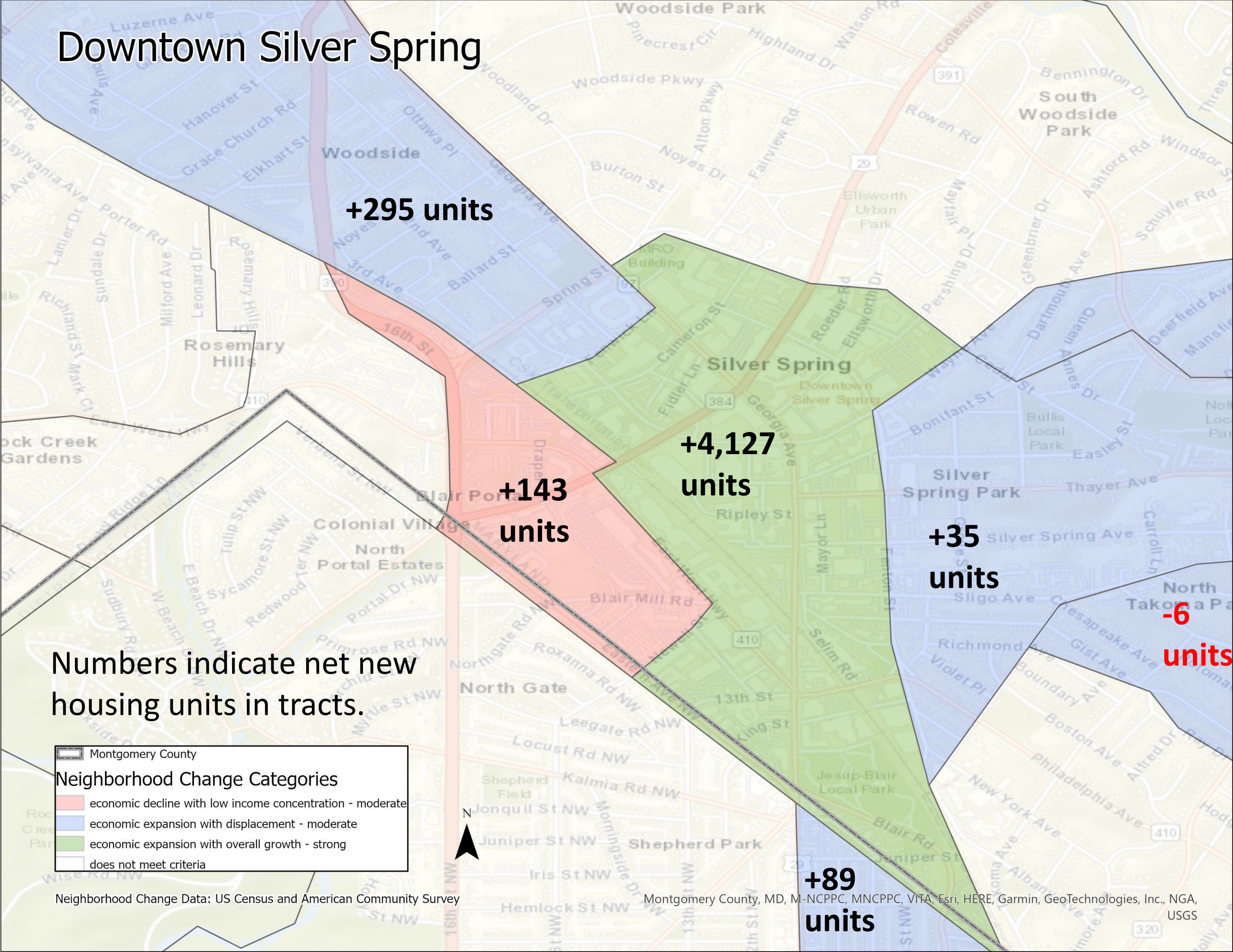
Overview of Selected Tracts

| Census Tract | Percent Change in Middle-High Income Population | Change in Tract Share of Low-Income People | Absolute Change in Number of Low-Income People | Category |
|------------------------------|---|--|--|---|
| Fairland-Briggs Chaney tract | -9.7% | +9.2% | +683 | Economic Decline with Low-Income Concentration (moderate) |
| Lake Forest Mall tract | -22.5% | +26.8% | +1,871 | Economic Decline with Low-Income Concentration (strong) |
| Poolesville tract | +11.2% | -5.5% | -341 | Economic Expansion with displacement (moderate) |
| Downtown Silver Spring tract | +240% | -7.4% | +937 | Economic Expansion with Overall Growth (strong) |

Neighborhood Change and Housing Growth in Downtown Silver Spring

The Downtown Silver Spring tract is the only tract in the entire region classified as “economic expansion with overall growth – strong.”

This tract added 4,127 housing units between 2000 and 2019, while neighboring tracts in the displacement and low-income concentration categories added a total of only 556 housing units.



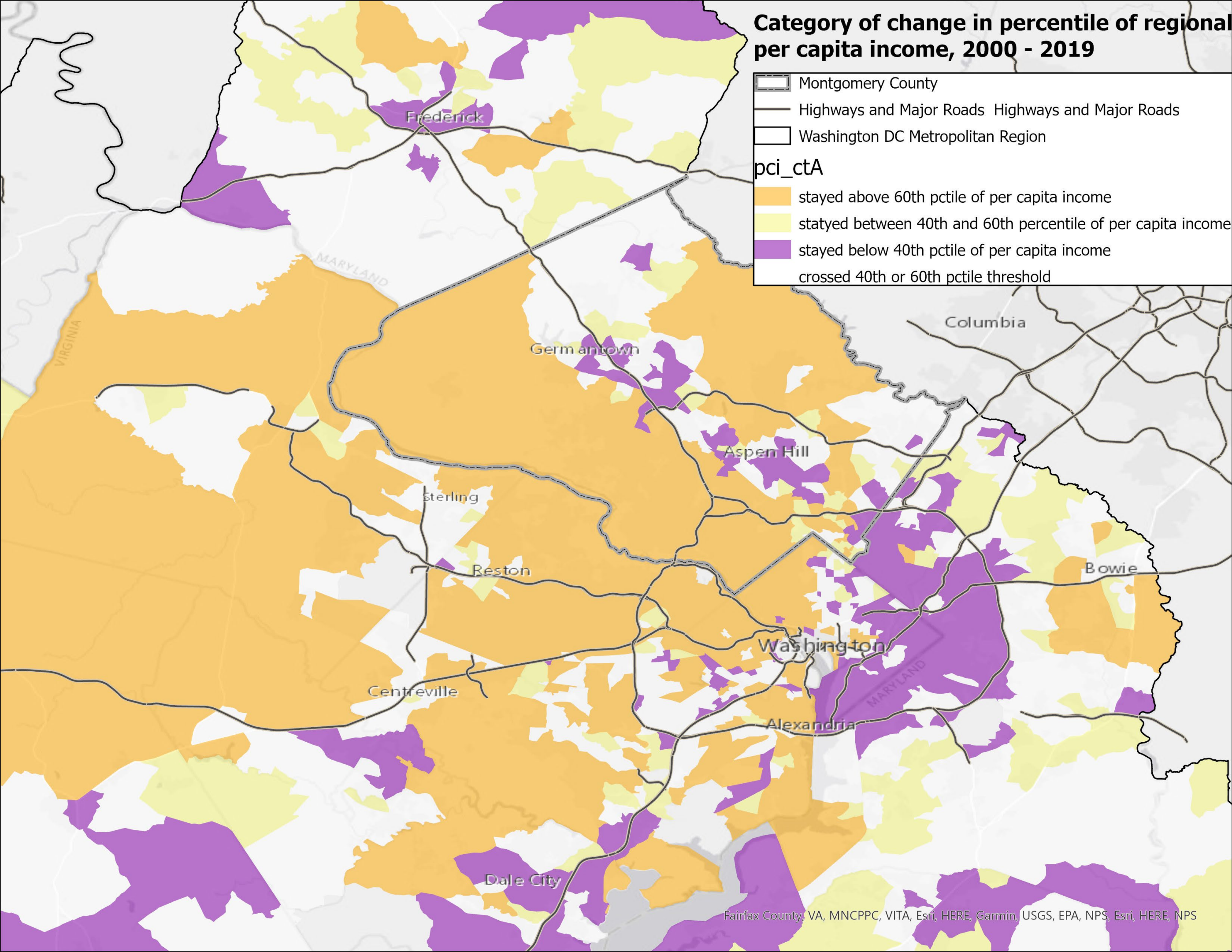
Most tracts did not see significant change.

81% of tracts in Montgomery County did not change enough to meet the any of the neighborhood change criteria (see slide 13).

98 out of 215 tracts (45%), mostly in the West-County, stayed above the 60th percentile of regional per capita income.

48 out of 215 tracts (22%), mostly in the far East-County and along the I-270/MD-355 corridor, stayed below the 40th percentile of regional per capita income.

Neighborhood exclusivity and pockets of poverty have been largely entrenched.



Montgomery County Neighborhood Change: Key Takeaways

- **Displacement and low-income concentration are both problems in the Washington, DC region, but low-income concentration affects more people than displacement in Montgomery and Prince George's Counties.** In Washington DC, Arlington, Alexandria, and Fairfax County, the relationship is reversed and displacement affects more people.
- **More people in Montgomery County live in neighborhoods that have a concentrated low-income population than neighborhoods that have experienced displacement of the low-income population.** Approximately 84,000 people live in neighborhoods experiencing low-income concentration, while about 63,000 people live in neighborhoods experiencing displacement.
- **Black and Latino people in Montgomery County have been more affected by low-income concentration than by displacement.** In 2000, 12% of Montgomery County's Black population lived in tracts that would eventually see low-income concentration, while 4% lived in tracts that would eventually see displacement. For the Latino population, it was 13% and 6%, respectively. The proportion of Black and Latino residents living in these tracts at the end of the analysis period in 2019 are similar to the proportion at the beginning of the analysis period.

Montgomery County Neighborhood Change: Key Takeaways

- **Housing construction is strongly associated with economic expansion accompanied by overall growth** (*overall growth means the percentage share of middle-high income people living in a tract increased by more than 10%, but the number of low-income people living in the tract did not decline*).
- From 2000 to 2019, **six Census tracts** that are **economically expanding with overall growth added**:
 - 1,676 more units per tract (**18 times more housing units**) than the 16 tracts experiencing displacement
 - 1,750 more units per tract (**68 times more housing units**) than those 19 tracts experiencing low-income concentration
- **Economic expansion with overall growth has mainly occurred in Montgomery County's transit-oriented centers, including Rockville, Bethesda, and Silver Spring.**
- **Most neighborhoods in the region have *not* experienced significant economic changes over the past 20 years.** 81% of tracts in Montgomery County do not meet neighborhood change criteria. This means that wealthy neighborhoods have generally stayed wealthy while poor neighborhoods have generally stayed poor.

Montgomery County Neighborhood Change: Key Policy and Planning Implications

1. Preventing further neighborhood-level concentration of poverty and reducing existing levels of poverty concentration should be planning priorities.
2. Building more housing—with appropriate affordability requirements and especially near transit—can promote inclusive, mixed-income growth.
3. Slow rates of housing construction are associated with displacement and low-income concentration.

More information and Project Data

- More information on the project can be found at:
<https://montgomeryplanning.org/tools/research/special-studies/neighborhood-change-in-the-washington-metropolitan-area/>
- Data and processing script can be found at:
https://github.com/Bkraft70/Neighborhood_Change_DC_Area
- Project Contact:
Ben Kraft
Planning Research Coordinator
Montgomery County Planning
Benjamin.Kraft@montgomeryplanning.org
301-495-4536