Neighborhood Change in Montgomery County and the Washington, DC Region

Growth, concentration, and displacement from 2000-2019

Two (bad) flavors of neighborhood change: displacement and poverty concentration

- 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.

The Washington Post
Democracy Dies in Darkness

D.C., Md. & Va. The District Maryland Virginia Local Crime & Public Safety Local Education Obituaries Local Transportation Weather

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

Housing development can help prevent poverty concentration and displacement.

- 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.

CONSTRUCTION**DIVE**   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

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.

https://www.washingtonpost.com/local/in-the-district-gentrification-means-widespread-displacement-report-says/2019/04/26/950a0c00-6775-11e9-8985-4cf30147bdca_story.html

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.
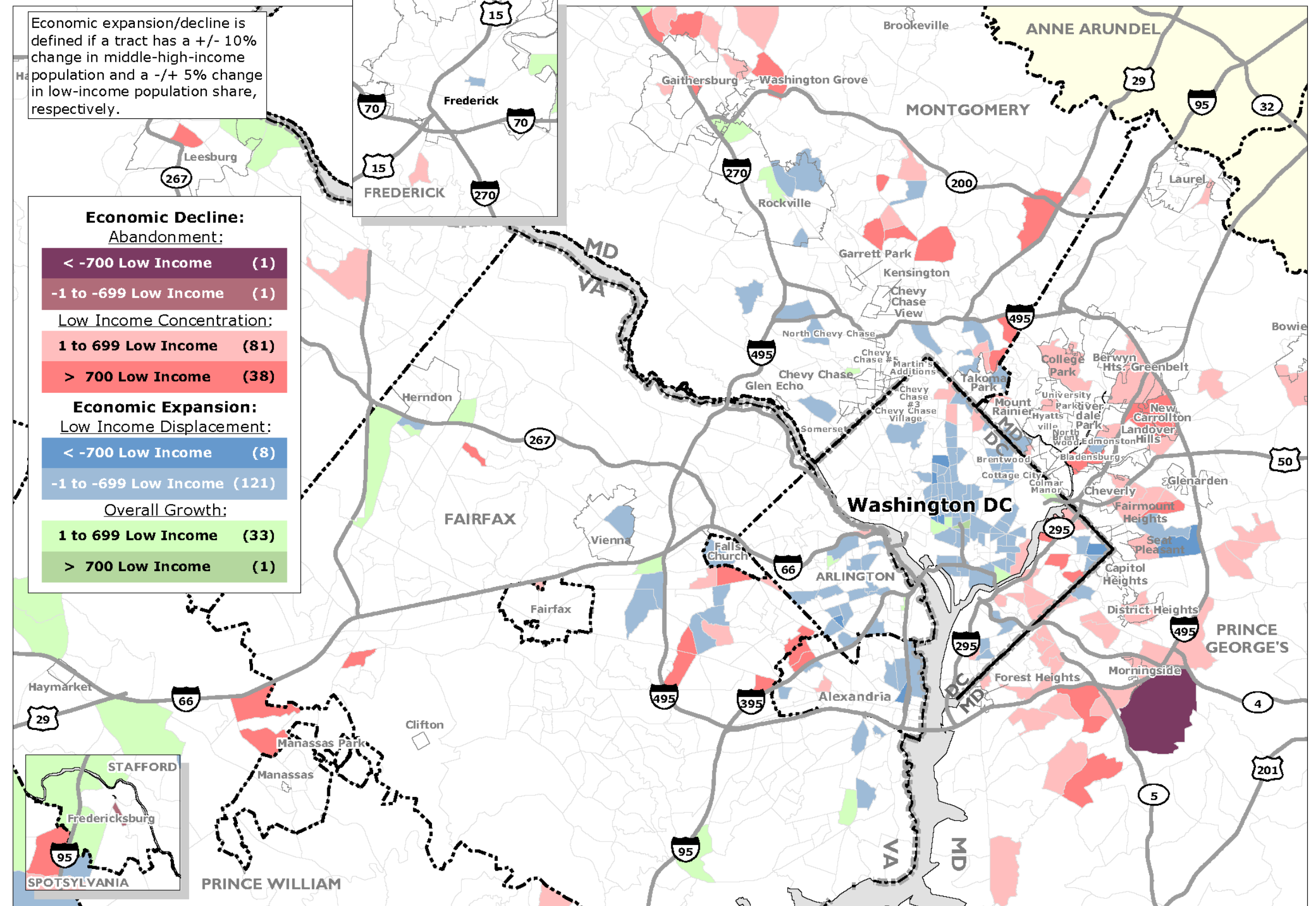
*American Community Survey

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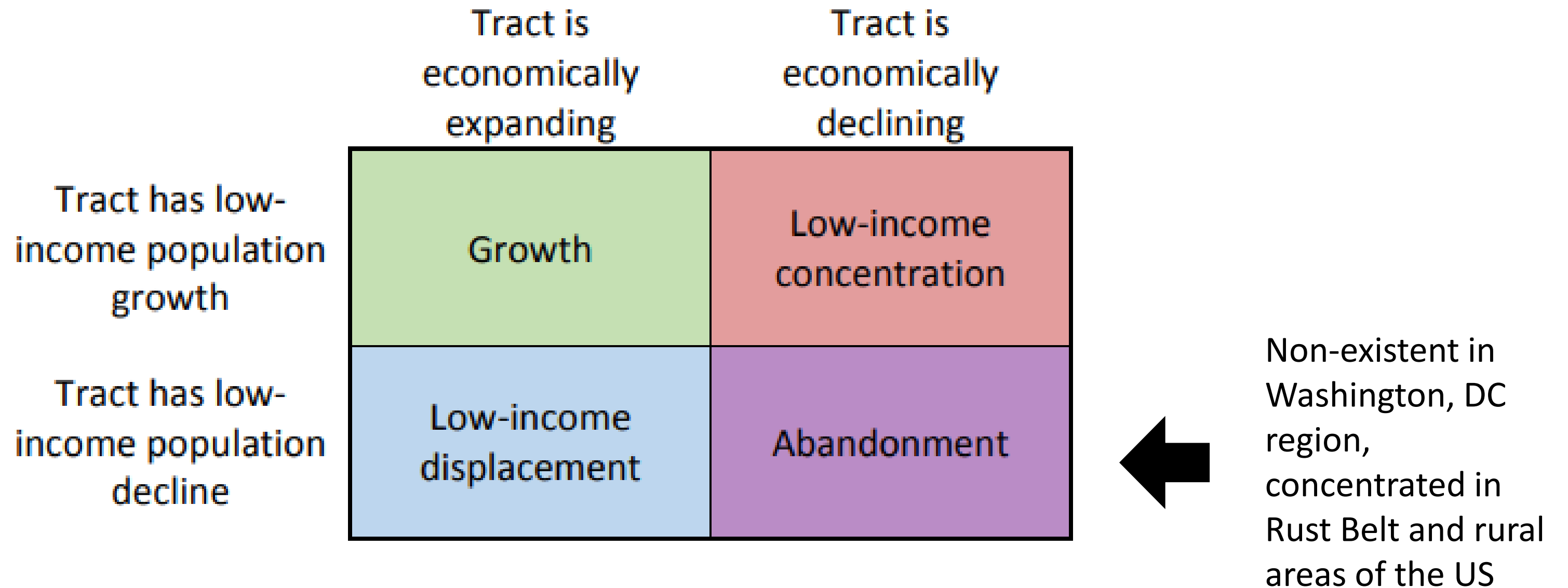
University of Minnesota's Original Neighborhood Change map for the DC region, (Data from 2000-2016)

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

INSTITUTE ON METROPOLITAN OPPORTUNITY
UNIVERSITY OF MINNESOTA LAW SCHOOL

WASHINGTON D.C. (CENTRAL) REGION:
Gentrification and Economic Decline by Census Tract
with Net Change in Low Income Population, 2000-2016

0   5 Miles   N

Economic expansion/decline is defined if a tract has a +/- 10% change in middle-high-income population and a -/+ 5% change in low-income population share, respectively.

Economic Decline:
Abandonment:
| < -700 Low Income | (1) |
| -1 to -699 Low Income | (1) |

Low Income Concentration:
| 1 to 699 Low Income | (81) |
| > 700 Low Income | (38) |

Economic Expansion:
Low Income Displacement:
| < -700 Low Income | (8) |
| -1 to -699 Low Income | (121) |

Overall Growth:
| 1 to 699 Low Income | (33) |
| > 700 Low Income | (1) |

Neighborhood Change in Montgomery County

Neighborhood Change Categories Visualized

	Tract is economically expanding	Tract is economically declining
Tract has low-income population growth	Growth	Low-income concentration
Tract has low-income population decline	Low-income displacement	Abandonment

Non-existent in Washington, DC region, concentrated in Rust Belt and rural areas of the US

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
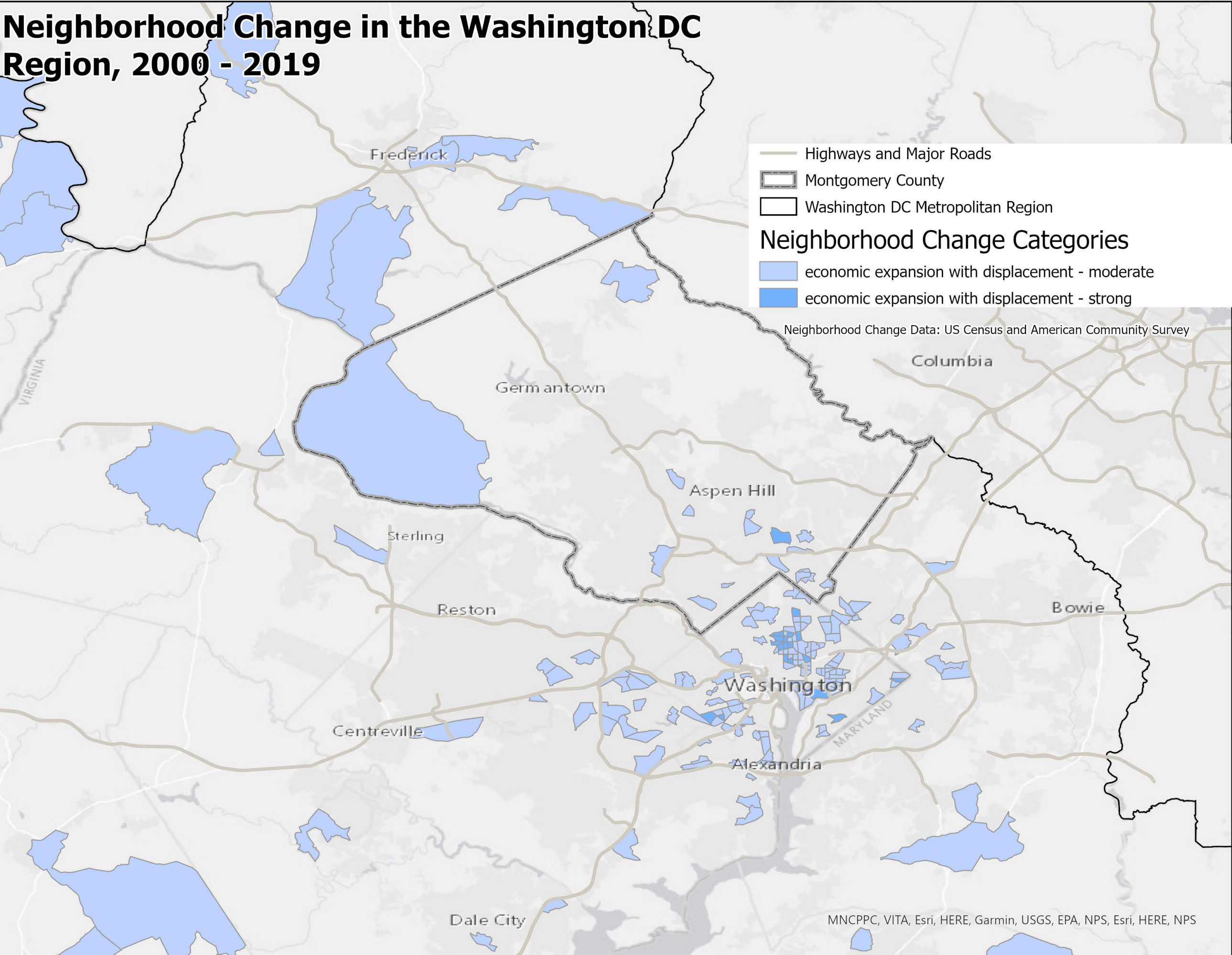** Low-Income = below 200% of the federal poverty level
In 2019, 200% of the poverty level for a family of four was $51,500; equivalent to about 40% of AMI for family of four in 2021

*** 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).
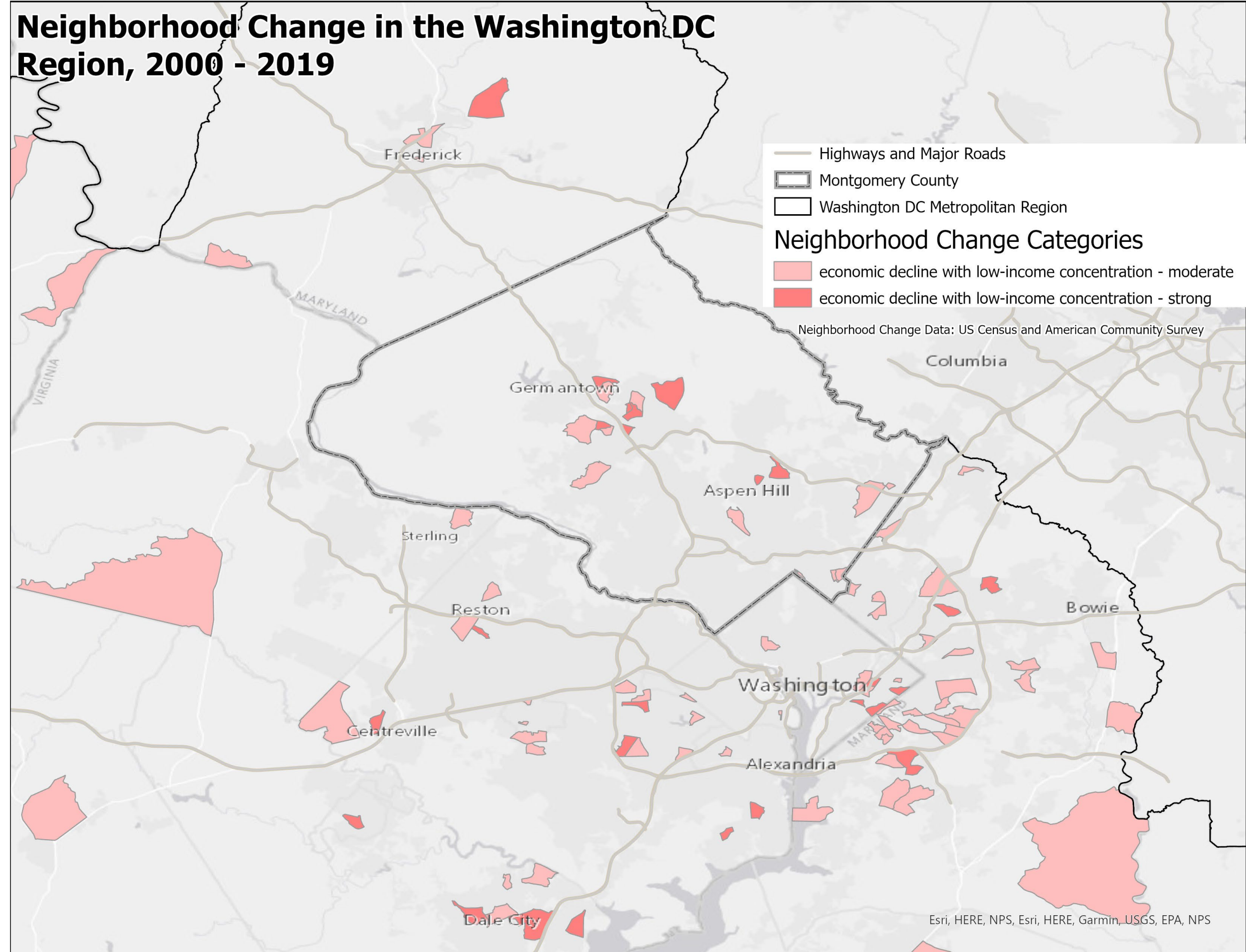
Neighborhood Change –
**Economic Expansion
with Displacement**

Neighborhood Change in the Washington DC
Region, 2000 - 2019

Highways and Major Roads
Montgomery County
Washington DC Metropolitan Region

Neighborhood Change Categories
economic expansion with displacement - moderate
economic expansion with displacement - strong

Neighborhood Change Data: US Census and American Community Survey

MNCPPC, VITA, Esri, HERE, Garmin, USGS, EPA, NPS, Esri, HERE, NPS
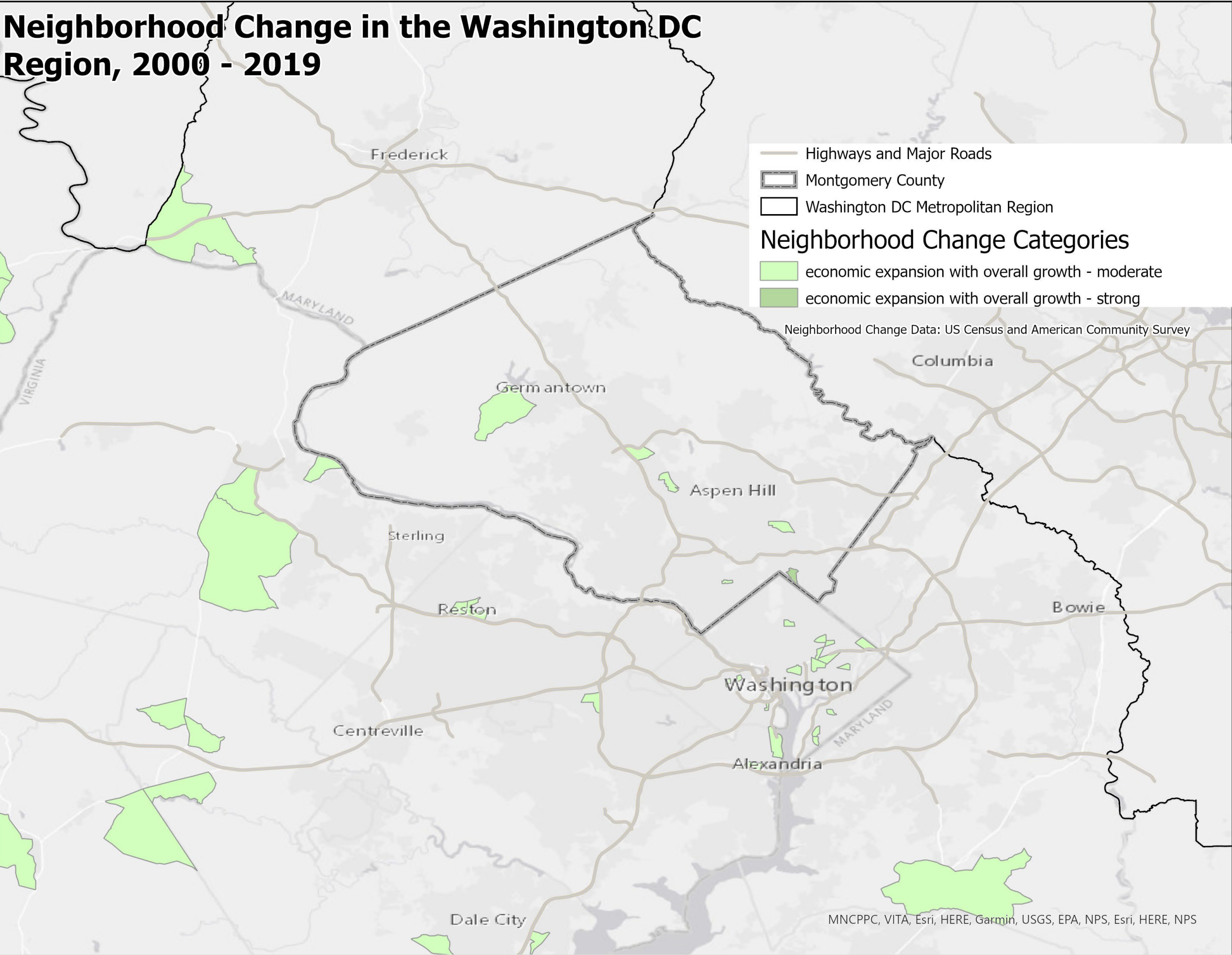
Neighborhood Change in Montgomery County

Neighborhood Change –
**Economic Decline with
Low-Income
Concentration**

Neighborhood Change in the Washington DC
Region, 2000 - 2019

Highways and Major Roads
Montgomery County
Washington DC Metropolitan Region

Neighborhood Change Categories

economic decline with low-income concentration - moderate
economic decline with low-income concentration - strong
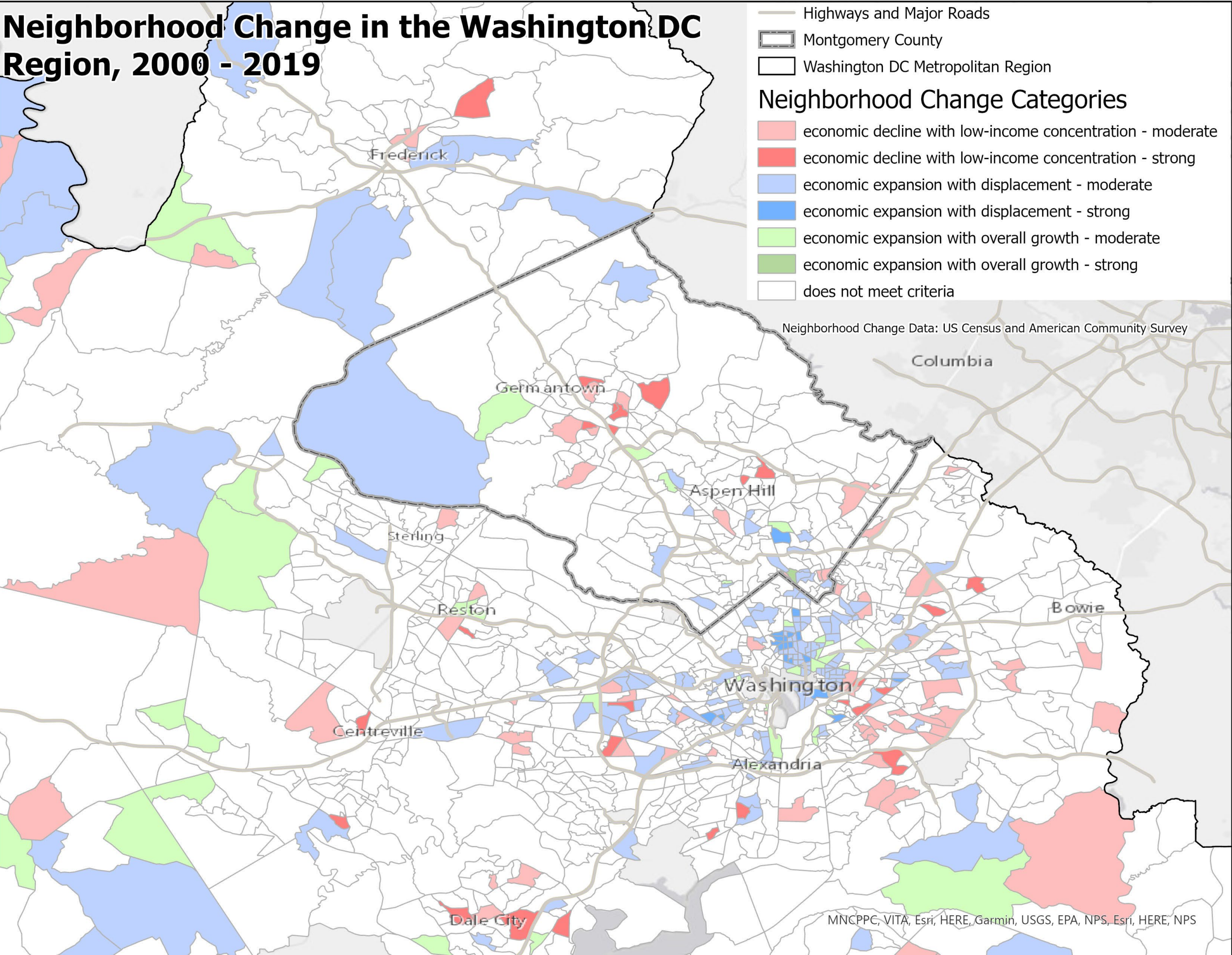
Neighborhood Change Data: US Census and American Community Survey

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

Neighborhood Change in the Washington DC
Region, 2000 - 2019

Highways and Major Roads
Montgomery County
Washington DC Metropolitan Region

Neighborhood Change Categories
economic expansion with overall growth - moderate
economic expansion with overall growth - strong

Neighborhood Change Data: US Census and American Community Survey

MNCPPC, VITA, Esri, HERE, Garmin, USGS, EPA, NPS, Esri, HERE, NPS

Neighborhood Change in Montgomery County

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

Neighborhood Change in the Washington DC Region, 2000 - 2019

Highways and Major Roads
Montgomery County
Washington DC Metropolitan Region

Neighborhood Change Categories
economic decline with low-income concentration - moderate
economic decline with low-income concentration - strong
economic expansion with displacement - moderate
economic expansion with displacement - strong
economic expansion with overall growth - moderate
economic expansion with overall growth - strong
does not meet criteria

Neighborhood Change Data: US Census and American Community Survey

MNCPPC, VITA, Esri, HERE, Garmin, USGS, EPA, NPS, Esri, HERE, NPS

Neighborhood Change in Montgomery County

Montgomery and Prince George's Counties have more tracts with low-income concentration while DC and other nearby Virginia jurisdictions have more tract where displacement is occurring.

Legend:
- ■ economic decline with low income concentration
- ■ economic expansion with displacement
- ■ economic expansion with overall growth

Tracts by Category	Prince George's County			Montgomery County			Fairfax County*			Washington DC			Arlington County			Alexandria City		
	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		
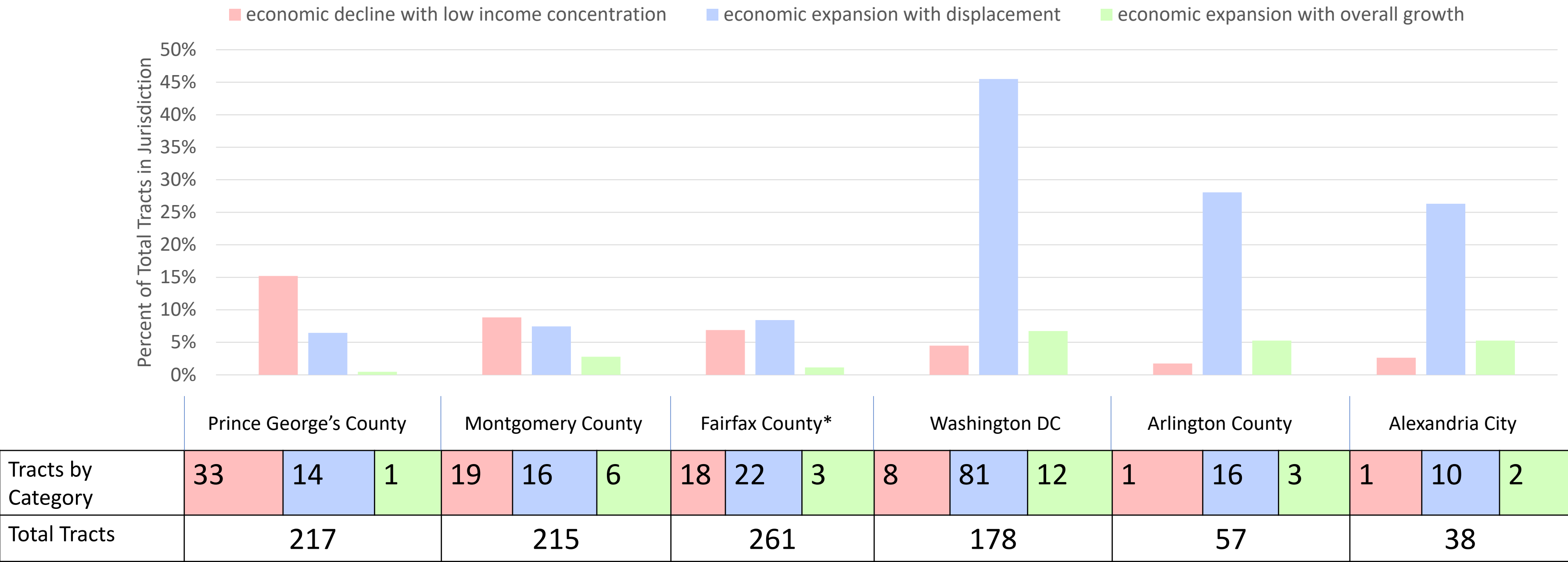
- Tracts with low-income concentrations are more common in the Maryland Counties than tracts with displacement. In Washington, DC and adjacent Virginia jurisdictions, displacement is more common.

* Includes Fairfax City and Falls Church City

- 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.

Neighborhood Change in Montgomery County

Montgomery and Prince George's Counties have more people living in tracts experiencing low-income concentration than displacement, while the rest of the region has more people living in tracts experiencing displacement.
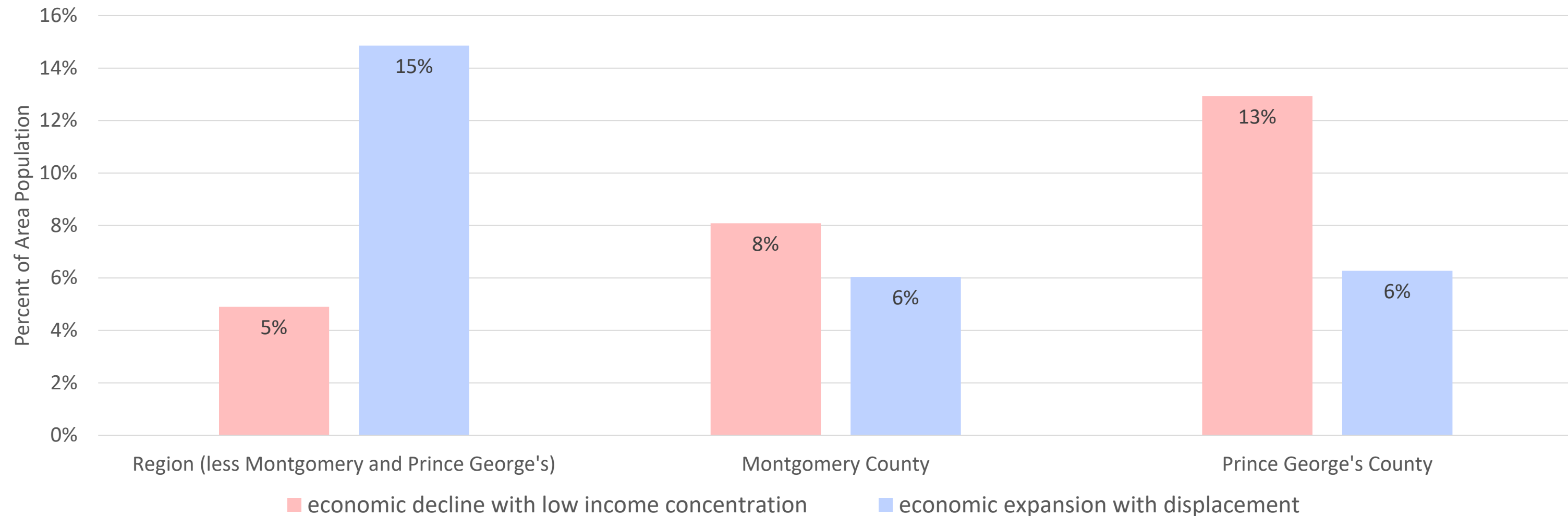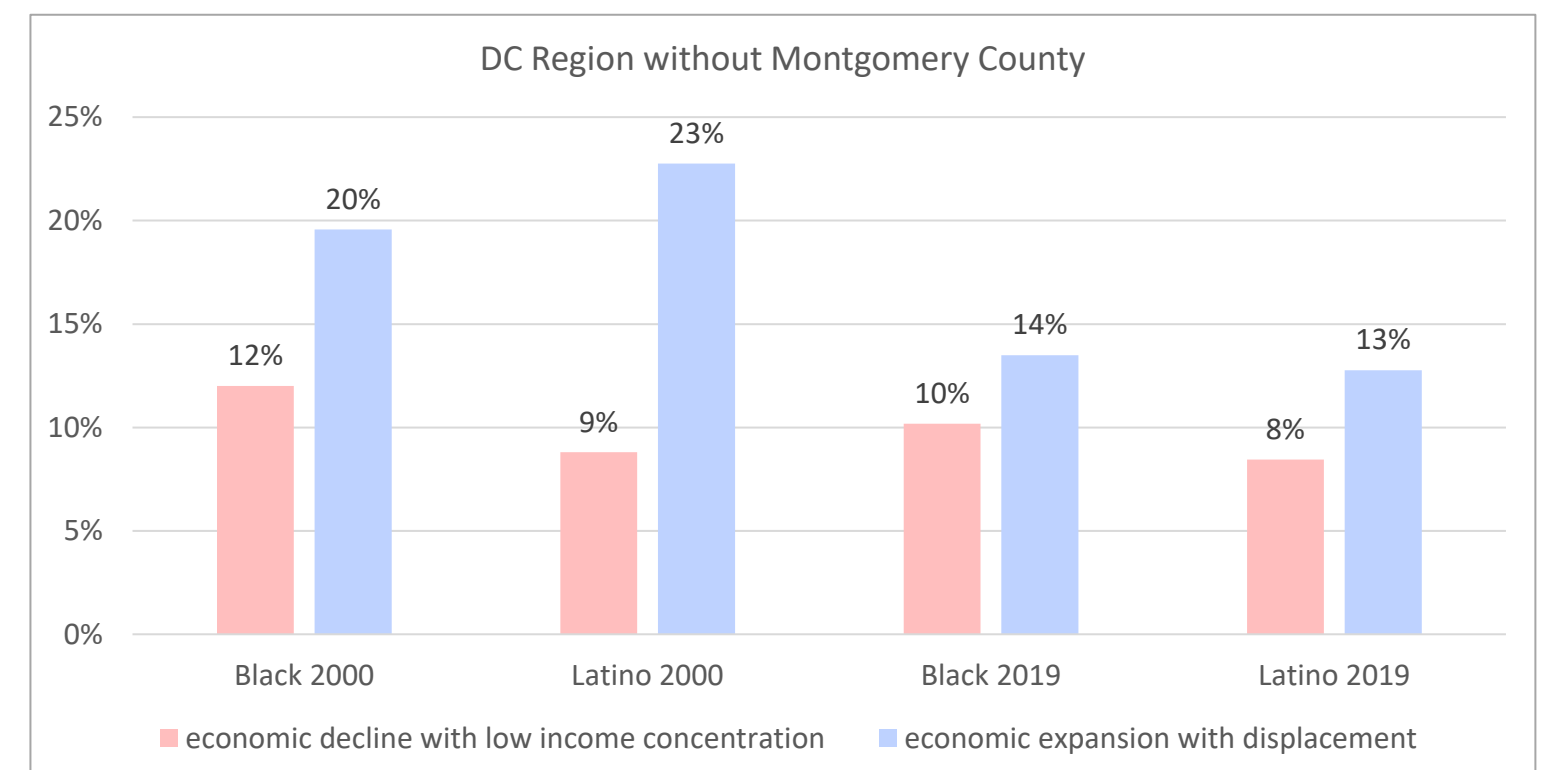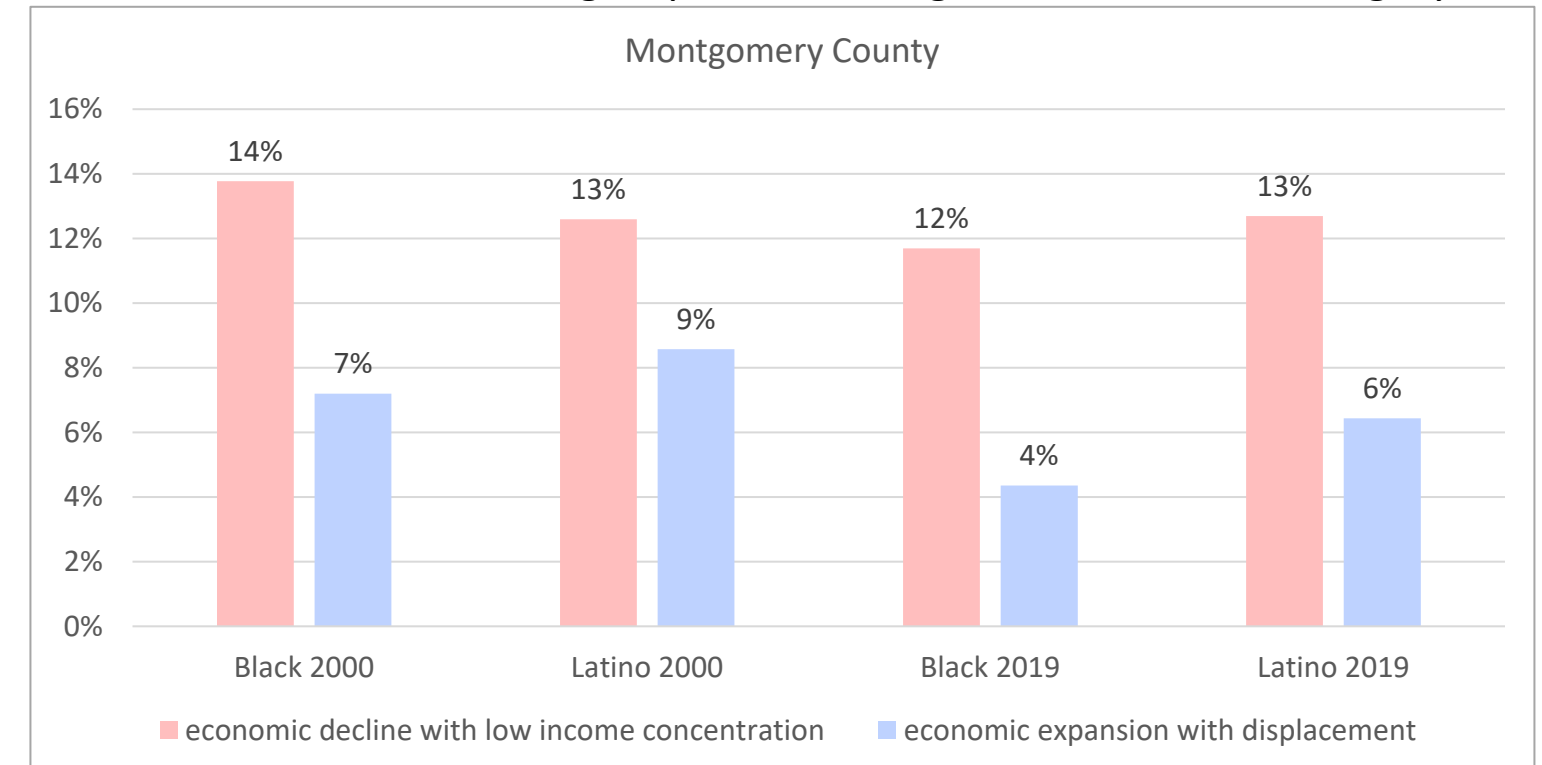

- Outside of Montgomery and Prince George's County, three times as many people live in tracts that saw displacement than low-income concentration in the region.

- In the two largest Maryland Counties, the relationship is reversed. More people live in tracts that saw low-income concentration than displacement.

People of color in Montgomery County are more affected by poverty concentration than by displacement.

- More Black, Latino, and Asian residents live in tracts that experienced poverty concentration than in tracts that experienced displacement in Montgomery County.

- It's the other way around in the rest of the region.

- Tracts experiencing displacement are losing Black and Latino residents much more rapidly in the rest of the region than they are in Montgomery County.

Percent of racial or ethnic group in area living in tracts of each category

Montgomery County

- economic decline with low income concentration
- economic expansion with displacement

DC Region without Montgomery County

- economic decline with low income concentration
- economic expansion with displacement

"Displacement" tracts in Montgomery County have seen larger net growth in Latino population than white population and a smaller net decline in Black population than those tracts in the rest of the region.

Washington, DC Region (not including Montgomery County)
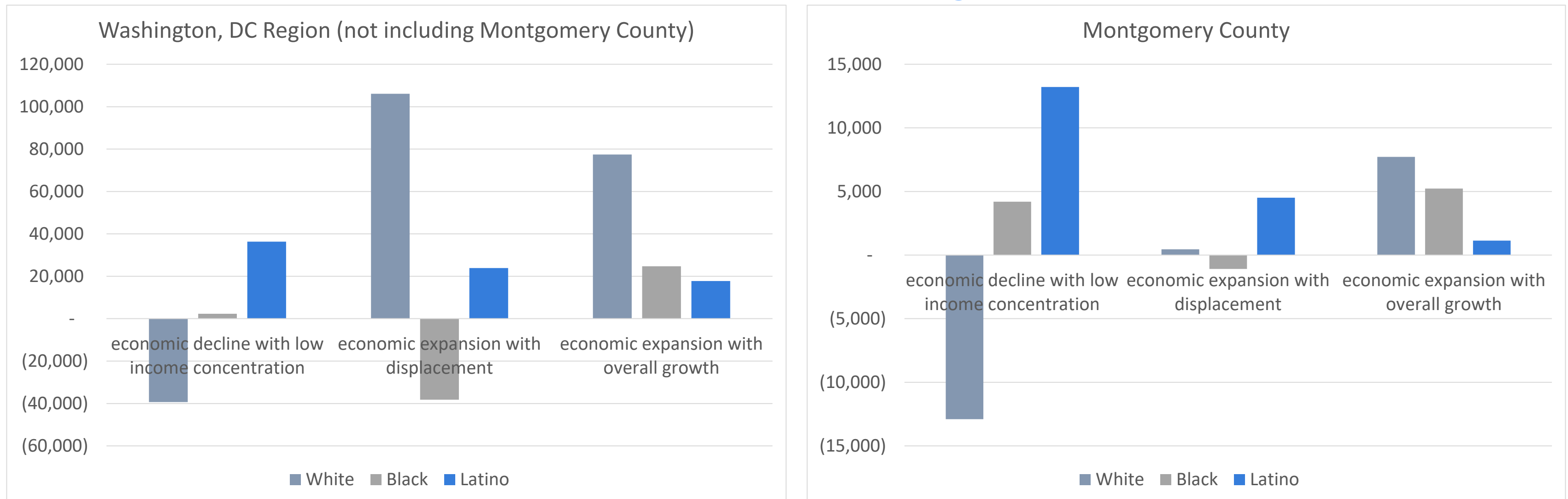
Montgomery County

- **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 than *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.**

"Economic Expansion with Overall Growth" tracts in Montgomery County have grown more equitably in Montgomery County than in the rest of the region.

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.

"Economic Expansion with Overall Growth" tracts added the most housing, by far, of all other types of tracts.

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

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

- 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).

A Closer Look at Montgomery County: Four selected tracts
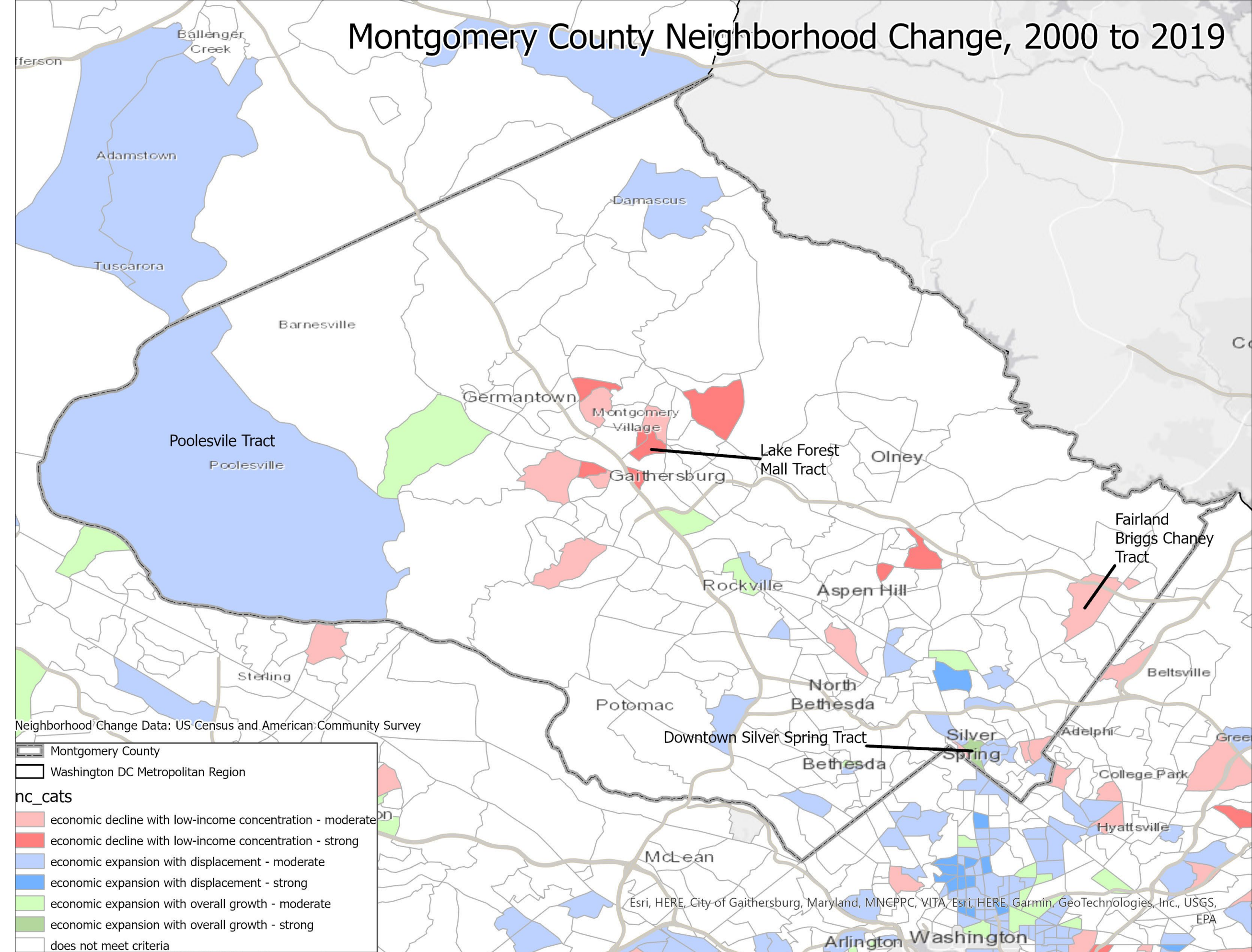
Note: The Lake Forest Mall Tract is named for its major landmark, which is the mall. The portion of the tract that includes the mall is within the City of Gaithersburg's boundaries, but the residential portion of the tract, represented in the neighborhood change data, is outside of the City of Gaithersburg.

Montgomery County Neighborhood Change, 2000 to 2019

Poolesvile Tract

Lake Forest Mall Tract

Fairland Briggs Chaney Tract

Downtown Silver Spring Tract

Neighborhood Change Data: US Census and American Community Survey

- ⬚ Montgomery County
- ▭ Washington DC Metropolitan Region

nc_cats
- economic decline with low-income concentration - moderate
- economic decline with low-income concentration - strong
- economic expansion with displacement - moderate
- economic expansion with displacement - strong
- economic expansion with overall growth - moderate
- economic expansion with overall growth - strong
- does not meet criteria

Esri, HERE, City of Gaithersburg, Maryland, MNCPPC, VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA

Neighborhood Change in Montgomery County
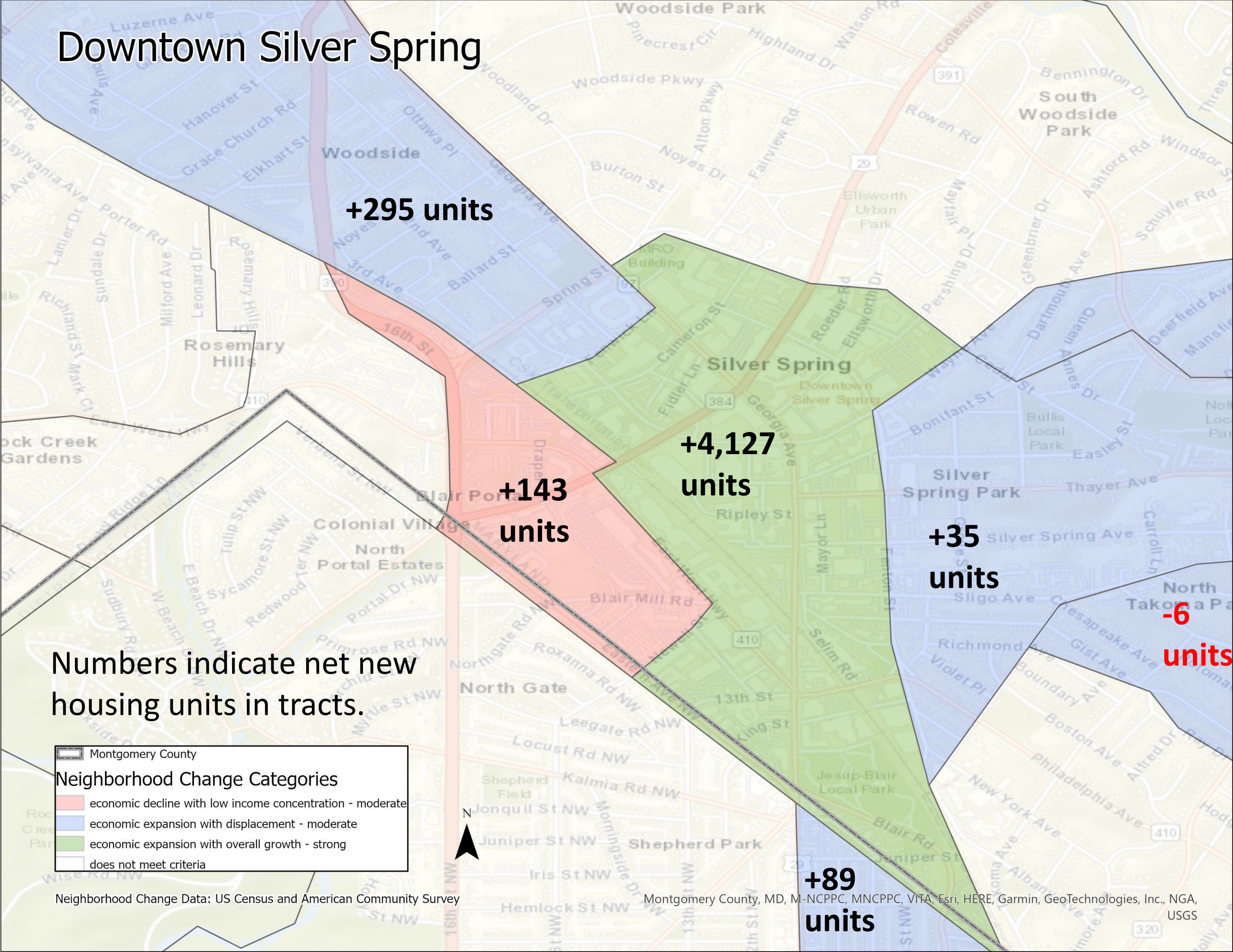
Overview of Selected Tracts

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	Change in Number of Housing Units	Category
Fairland-Briggs Chaney tract	-9.7%	+9.2%	+683	61	Economic Decline with Low-Income Concentration (moderate)
Lake Forest Mall tract	-22.5%	+26.8%	+1,871	36	Economic Decline with Low-Income Concentration (strong)
Poolesville tract	+11.2%	-5.5%	-341	111	Economic Expansion with displacement (moderate)
Downtown Silver Spring tract	+240%	-7.4%	+937	4,127	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.

Downtown Silver Spring

+295 units

+4,127 units

+143 units

+35 units

-6 units

+89 units

Numbers indicate net new housing units in tracts.

Montgomery County
Neighborhood Change Categories
economic decline with low income concentration - moderate
economic expansion with displacement - moderate
economic expansion with overall growth - strong
does not meet criteria

Neighborhood Change Data: US Census and American Community Survey

Montgomery County, MD, M-NCPPC, MNCPPC, VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS
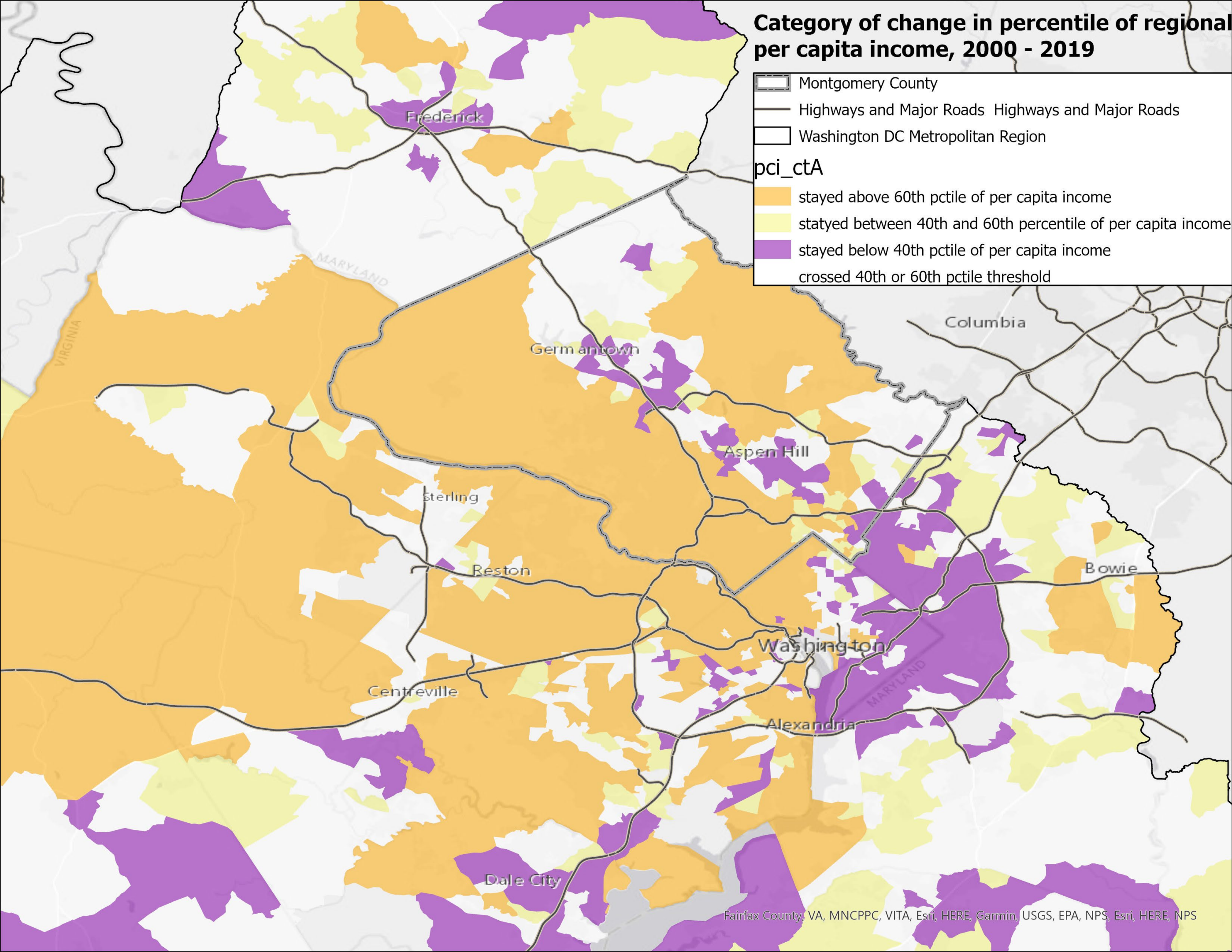
Most tracts did not see significant change.

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.

Category of change in percentile of regional per capita income, 2000 - 2019

Montgomery County
Highways and Major Roads Highways and Major Roads
Washington DC Metropolitan Region

pci_ctA

stayed above 60th pctile of per capita income
statyed between 40th and 60th percentile of per capita income
stayed below 40th pctile of per capita income
crossed 40th or 60th pctile threshold

Neighborhood

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** <u>added</u>:

  - 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.** <u>81% of tracts in Montgomery County do not meet neighborhood change criteria</u>. 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

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