



Communities and Change: An approach to identify neighborhoods at risk of displacement in Philadelphia

Presented at the Equitable Economic Development Conference sponsored by The Federal Reserve Bank of Philadelphia, Community Development Studies and Education Department and the Community First Fund

Lancaster, PA
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30 YEARS

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The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.

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- Grants, loans and equity investments

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- Information and policy analysis; PolicyMap & Policy Solutions

Innovation

- Products, markets and strategic partnerships

Identifying the Actionable Concern

The concern driving this inquiry is the *involuntary* aspect of displacement:

Households that are forced to leave their homes and neighborhoods due to circumstances beyond their control (e.g., rapidly rising taxes / insurance, rent increases [or conversion of rental property into owner occupied stock]).

The approach:

Identify places where households with a similar economic profile as those that could afford to live in the area in years past can now no longer afford to do so.

- 1) Select a “start year” – 2000***
- 2) Establish income levels in the start year based on Census data***
- 3) Inflate income, annually, by CPI***
- 4) Create two-year moving averages (median) of home sale prices***
- 5) Create a ratio of price-to-income***
- 6) Calculate the difference between the citywide average rate and the observed rate in each block group (removes the influence of the balloon in the property market)***

In areas where prices rise at a rate similar to income, there is no concern about involuntary displacement; if prices rise faster than income, displacement – or the inability of households of similar economic circumstances (in 2000) to live in the neighborhood – is a potential concern worthy of further inquiry.

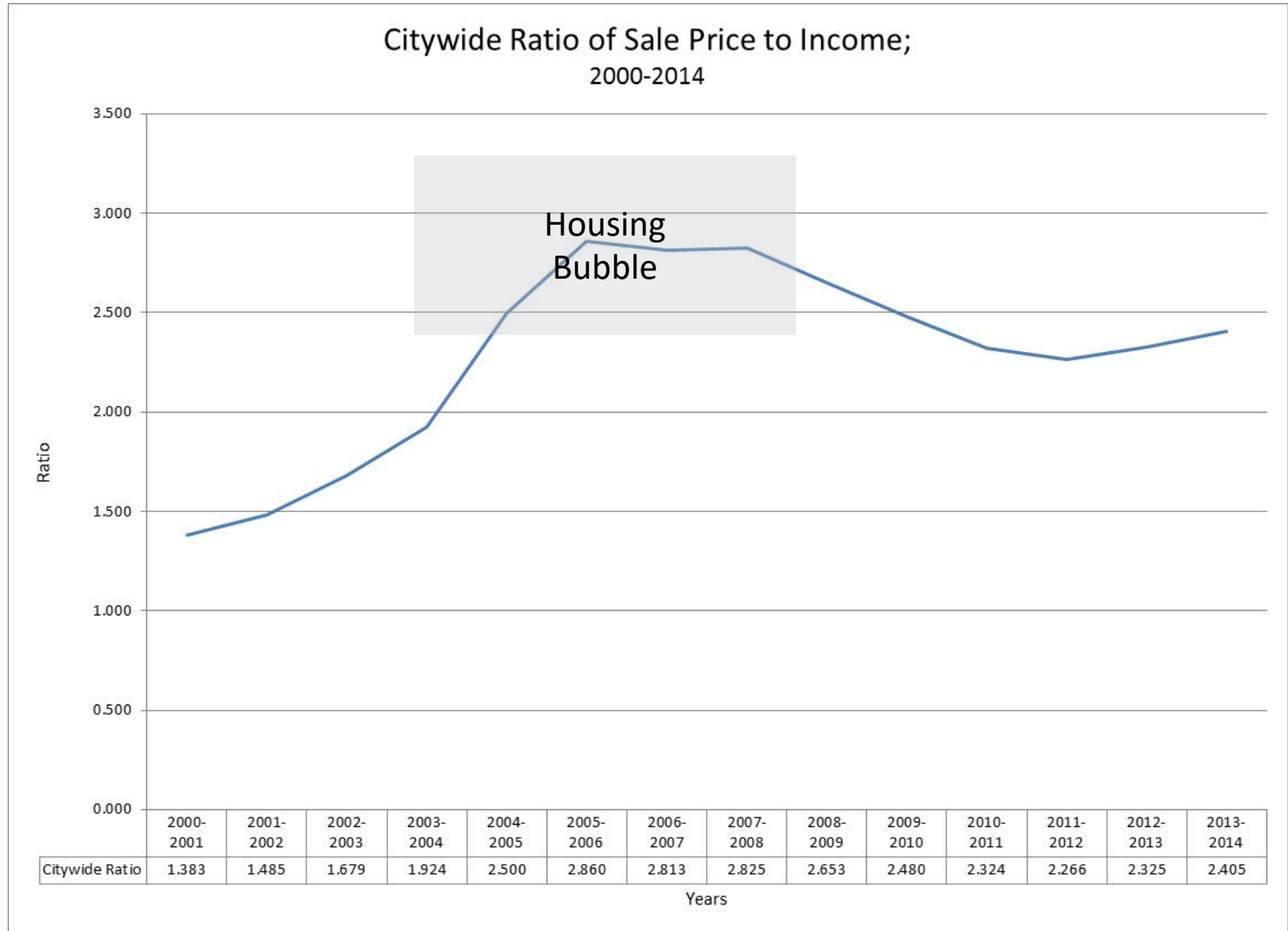
Displacement Risk Ratio (DRR)

*Displacement
Risk Ratio
(DRR) =*

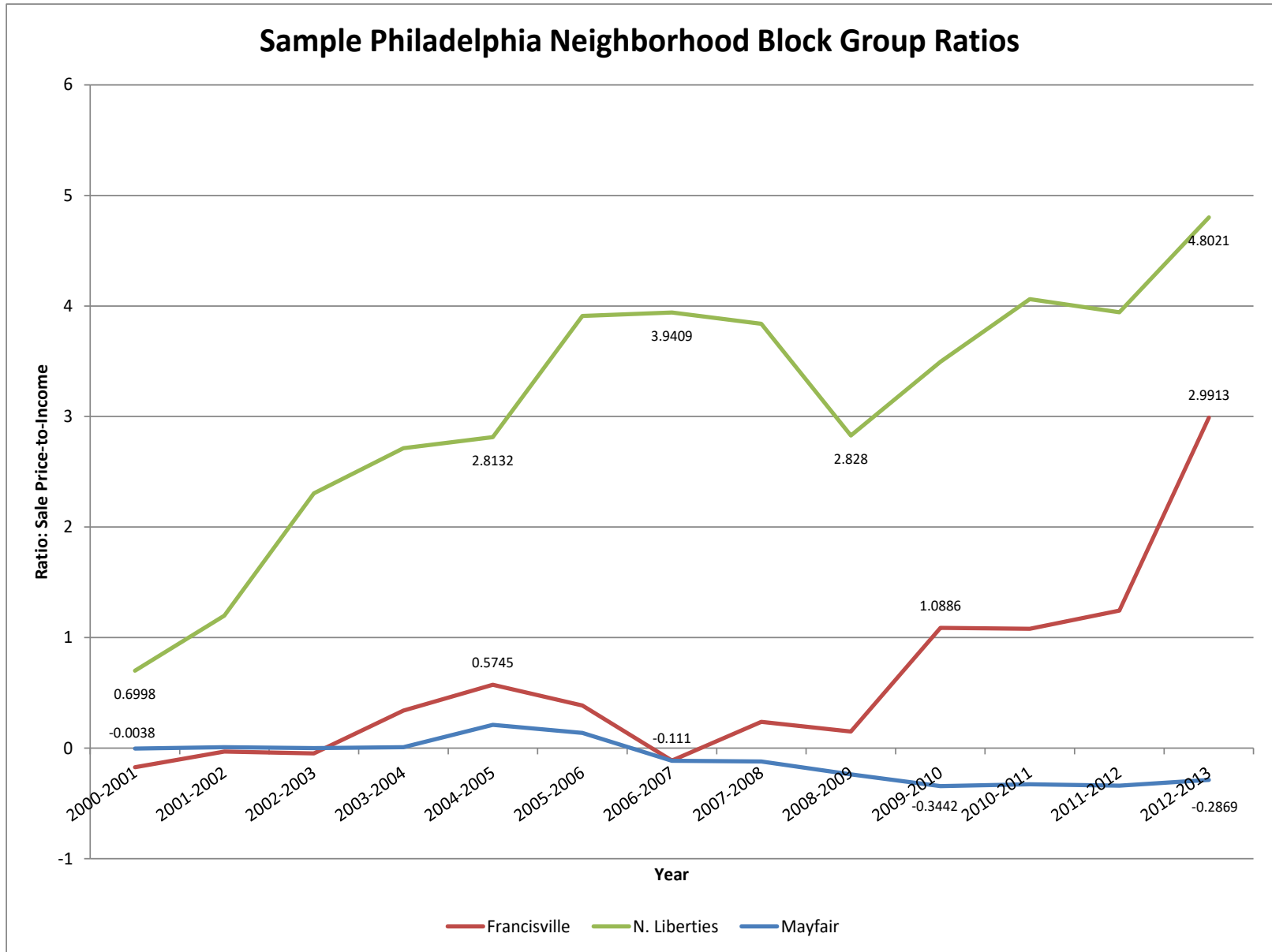
Average Sale Price (Year 1 & Year 2)

Median Family Income (inflation adjusted to appropriate year)

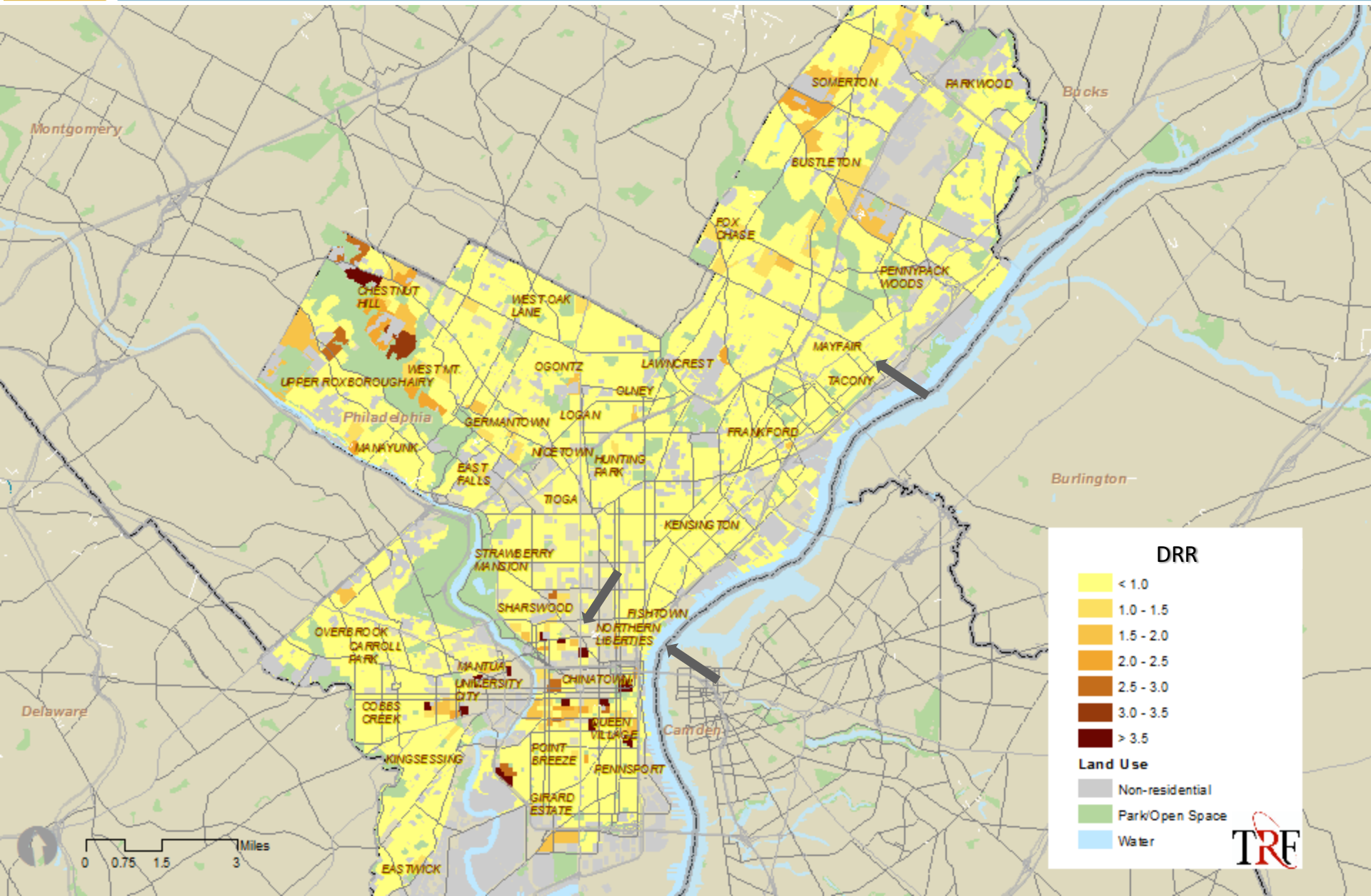
Citywide Ratio of Sale Price to Income



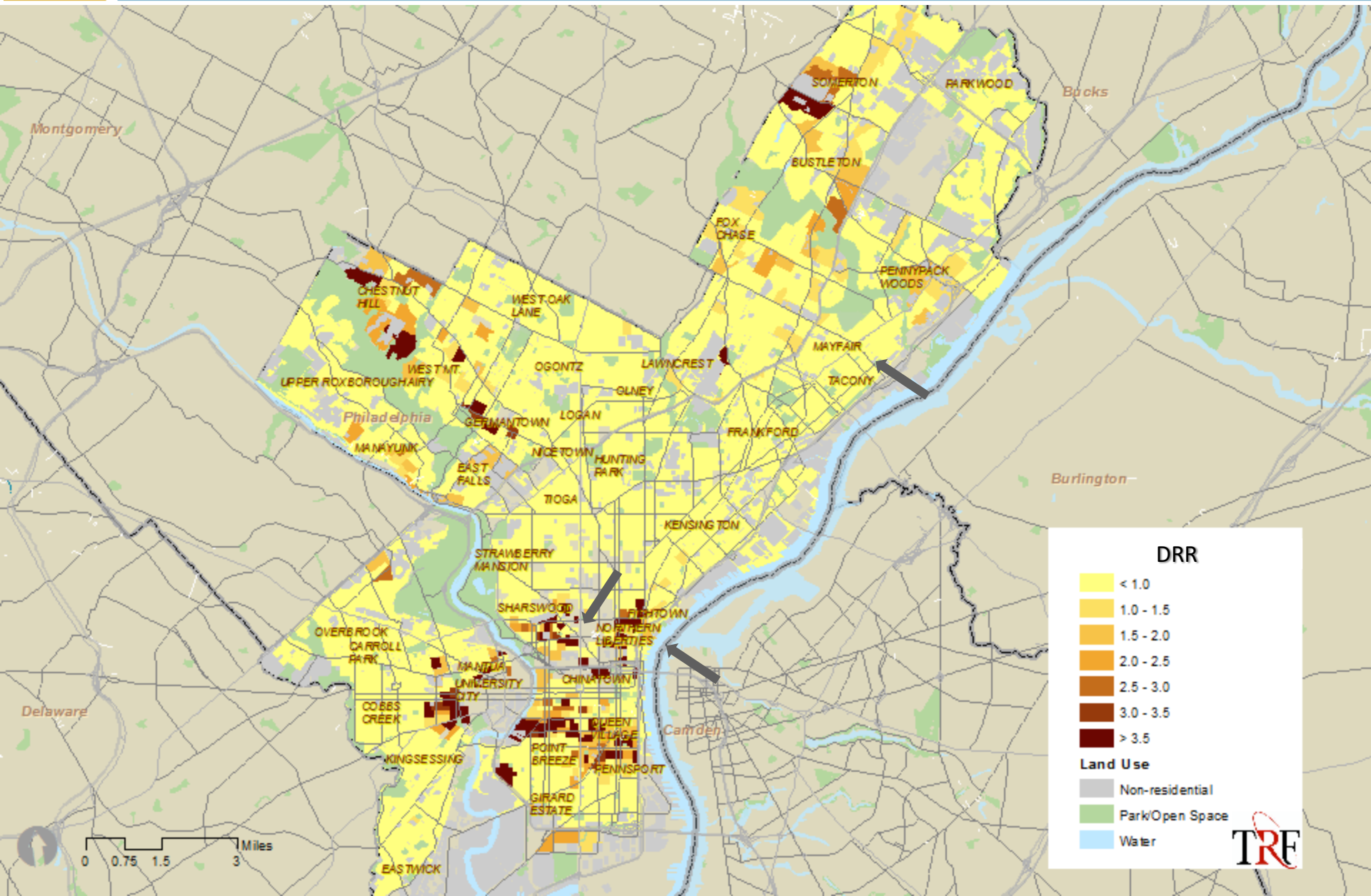
DRR Ratios for Select Block Groups, 2000 to 2013



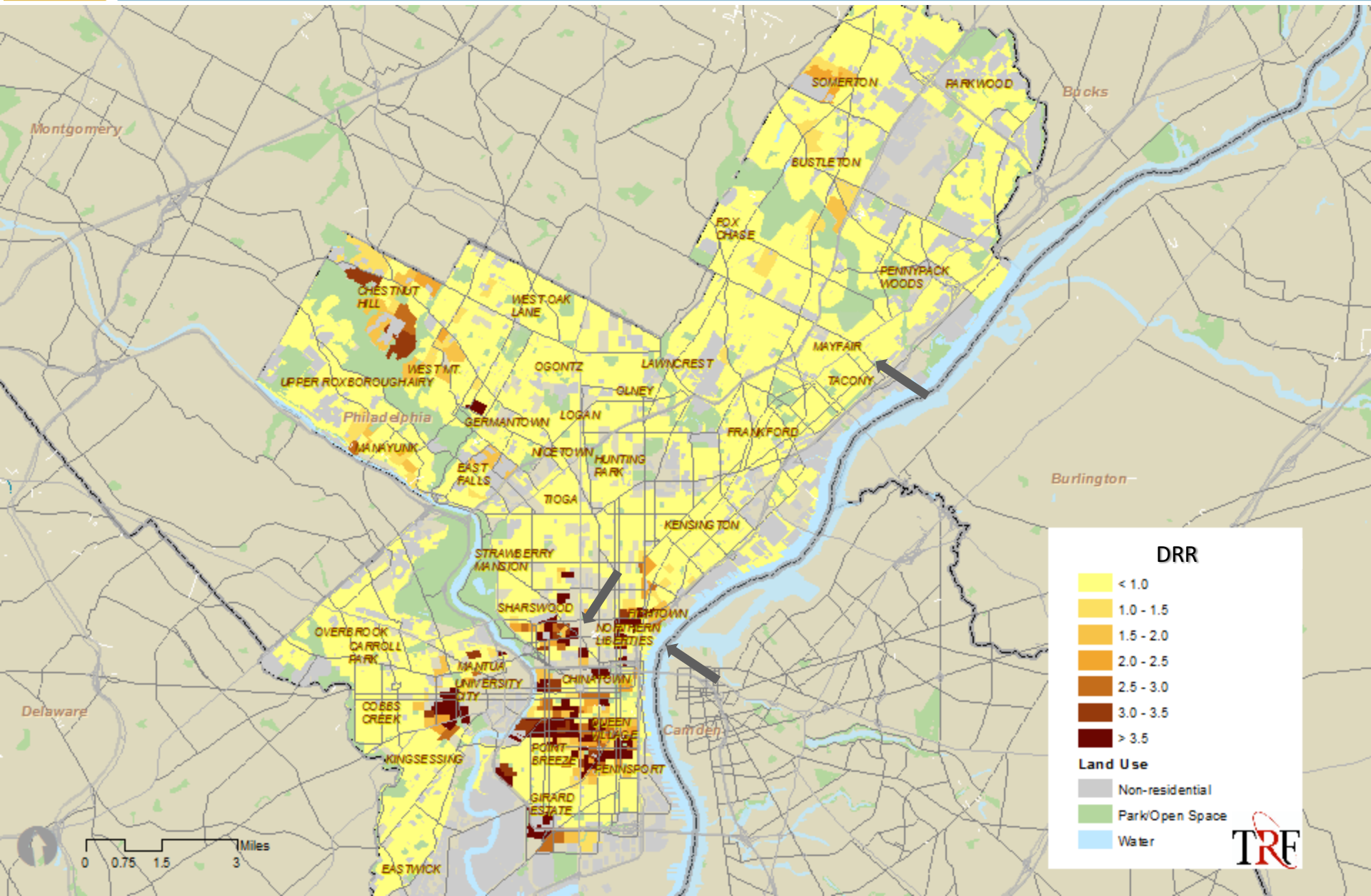
DRR: 2000 – 2001 Sales



DRR: 2005 – 2006 Sales



DRR: 2012 – 2013 Sales





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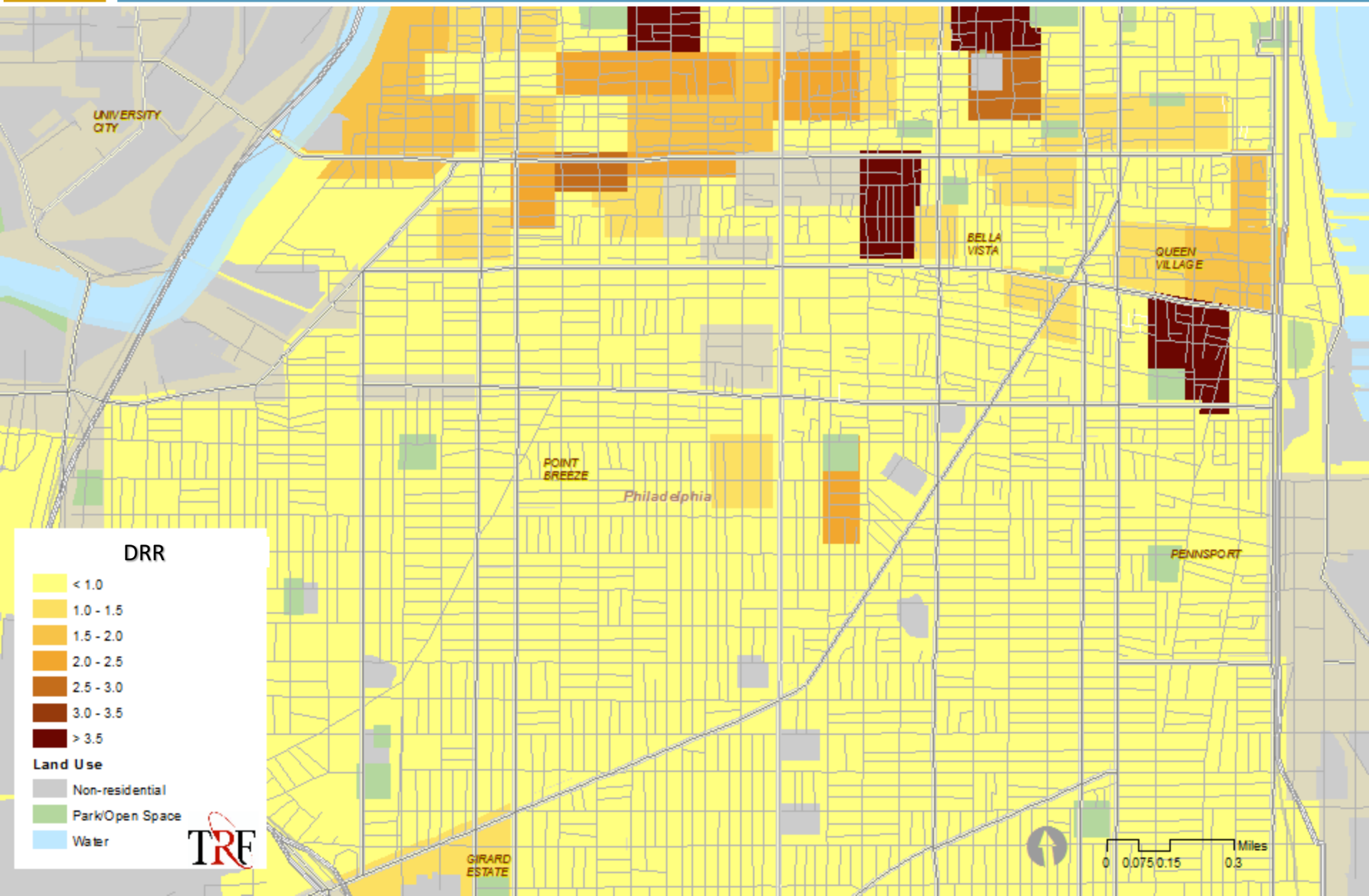
Philadelphia – South of Market St.



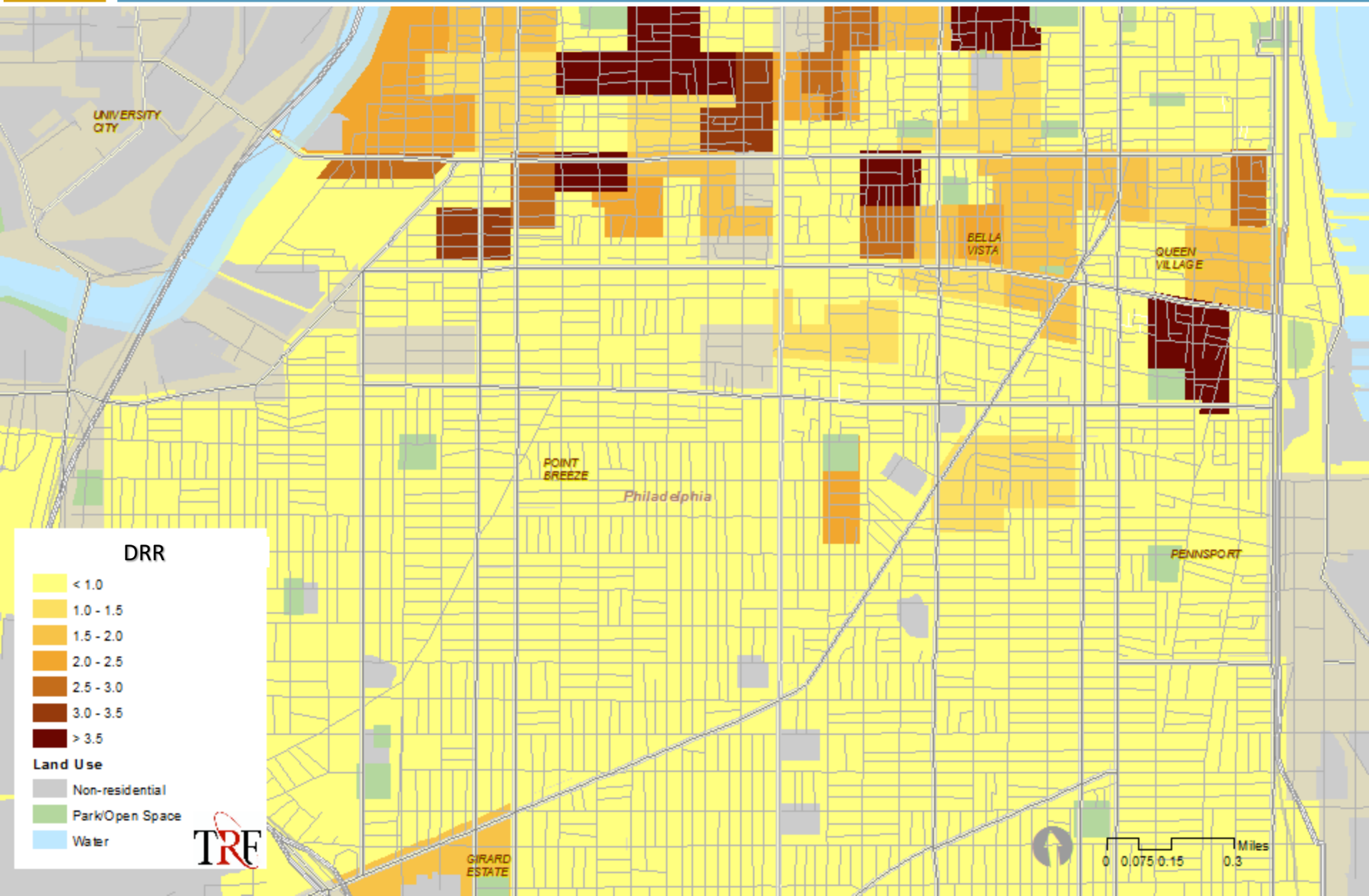
30
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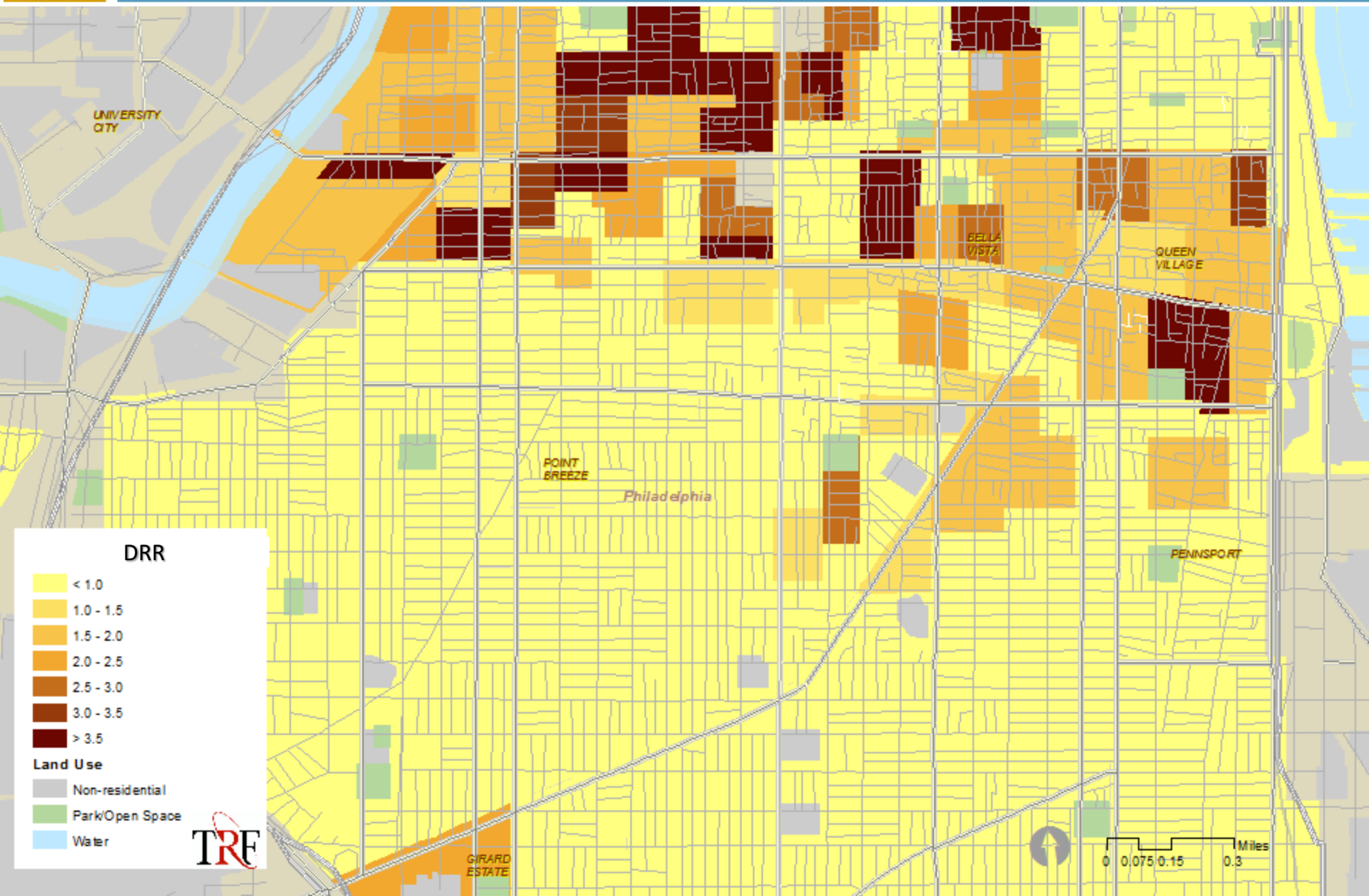
DRR: 2000 – 2001 Sales: South Philadelphia



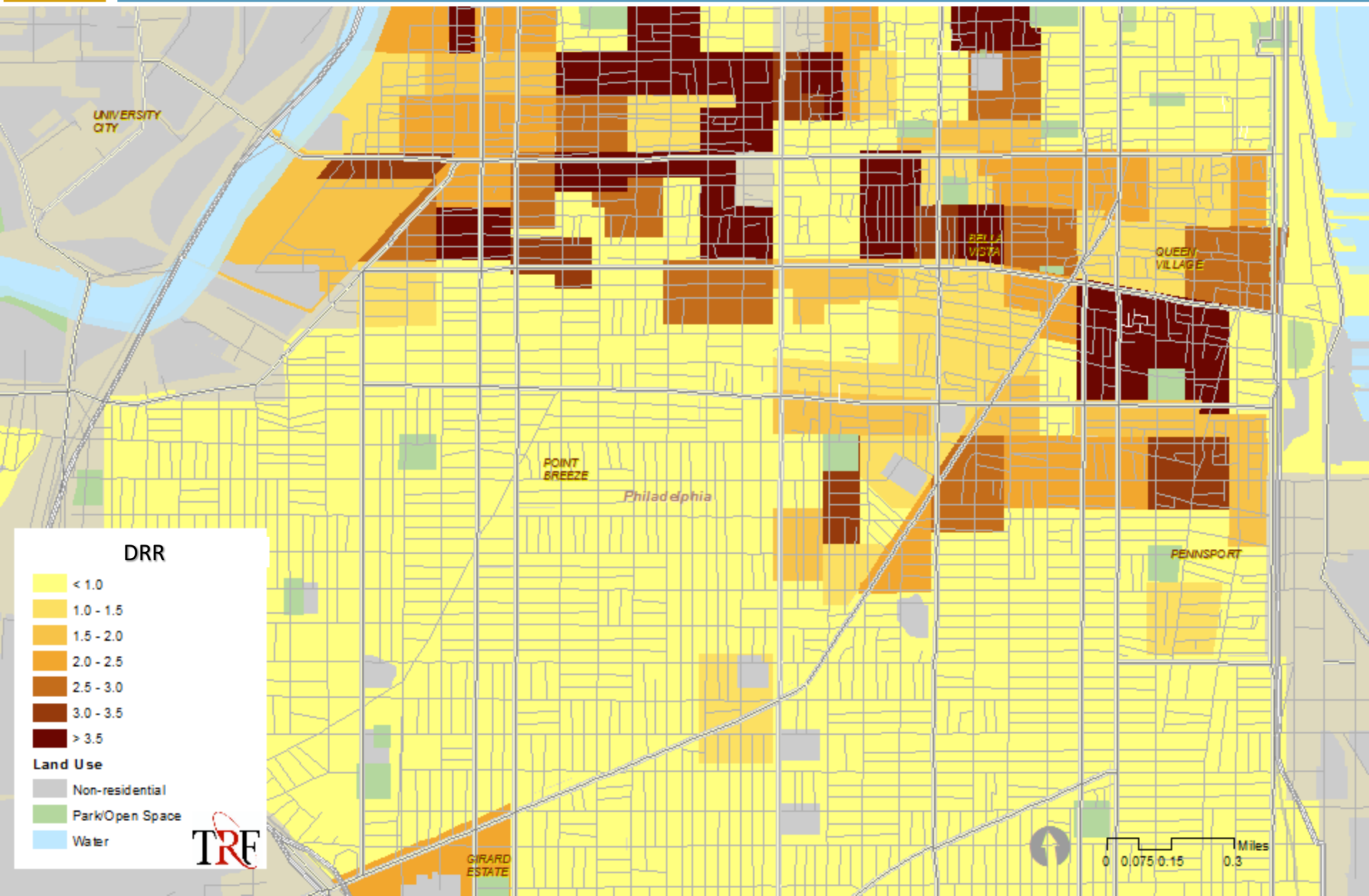
DRR: 2001 – 2002 Sales: South Philadelphia



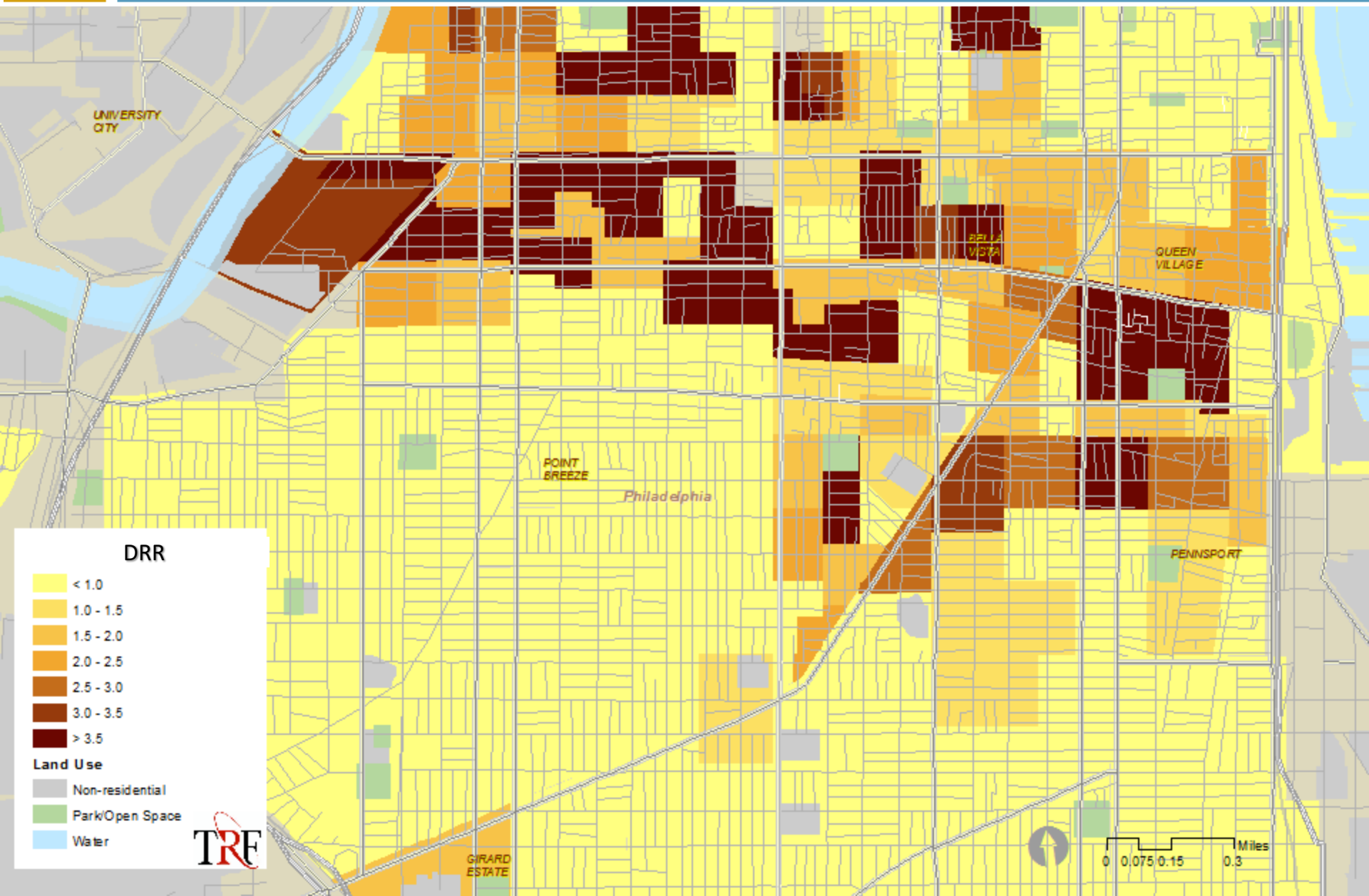
DRR: 2002 – 2003 Sales: South Philadelphia



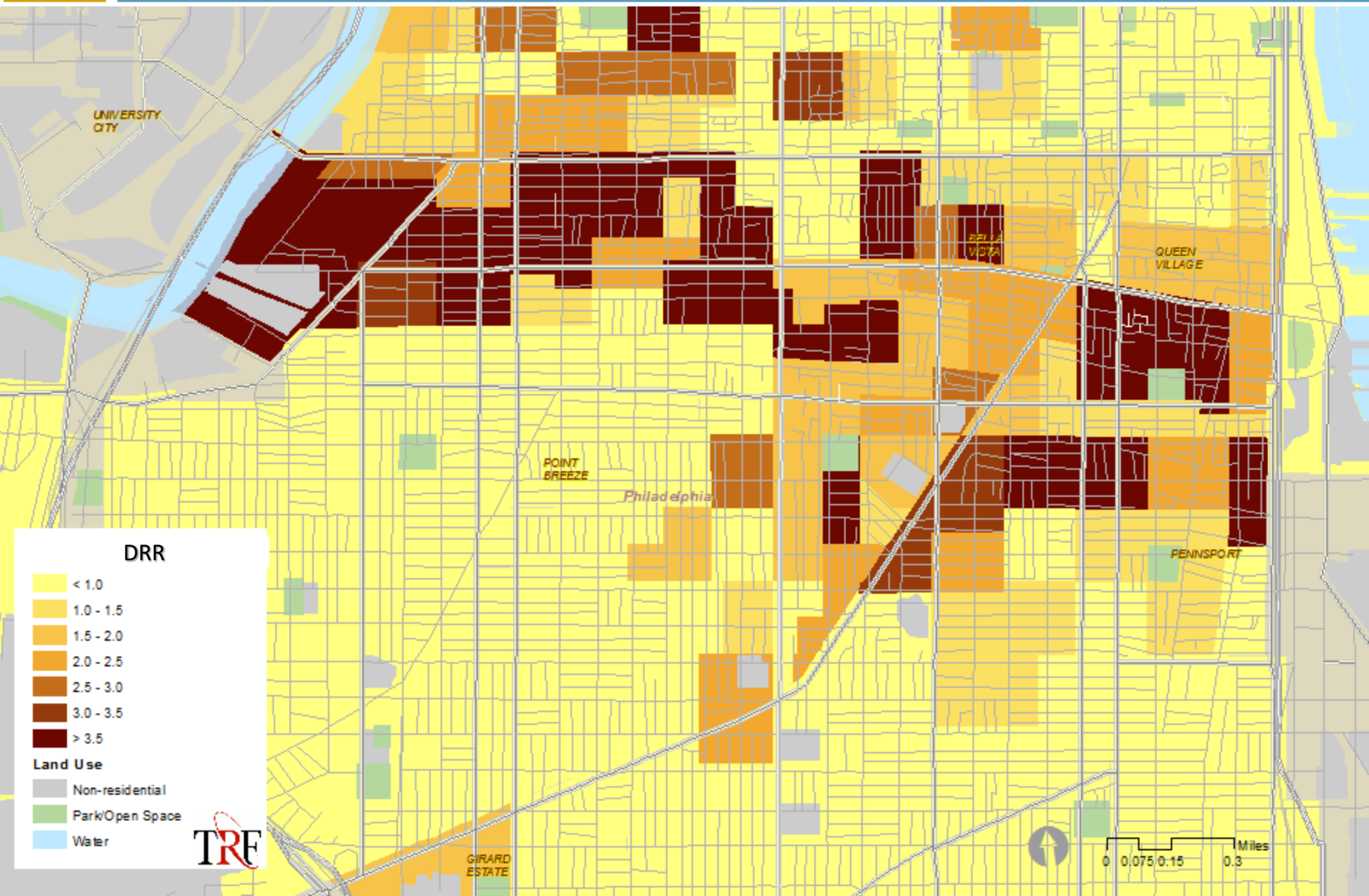
DRR: 2003 – 2004 Sales: South Philadelphia



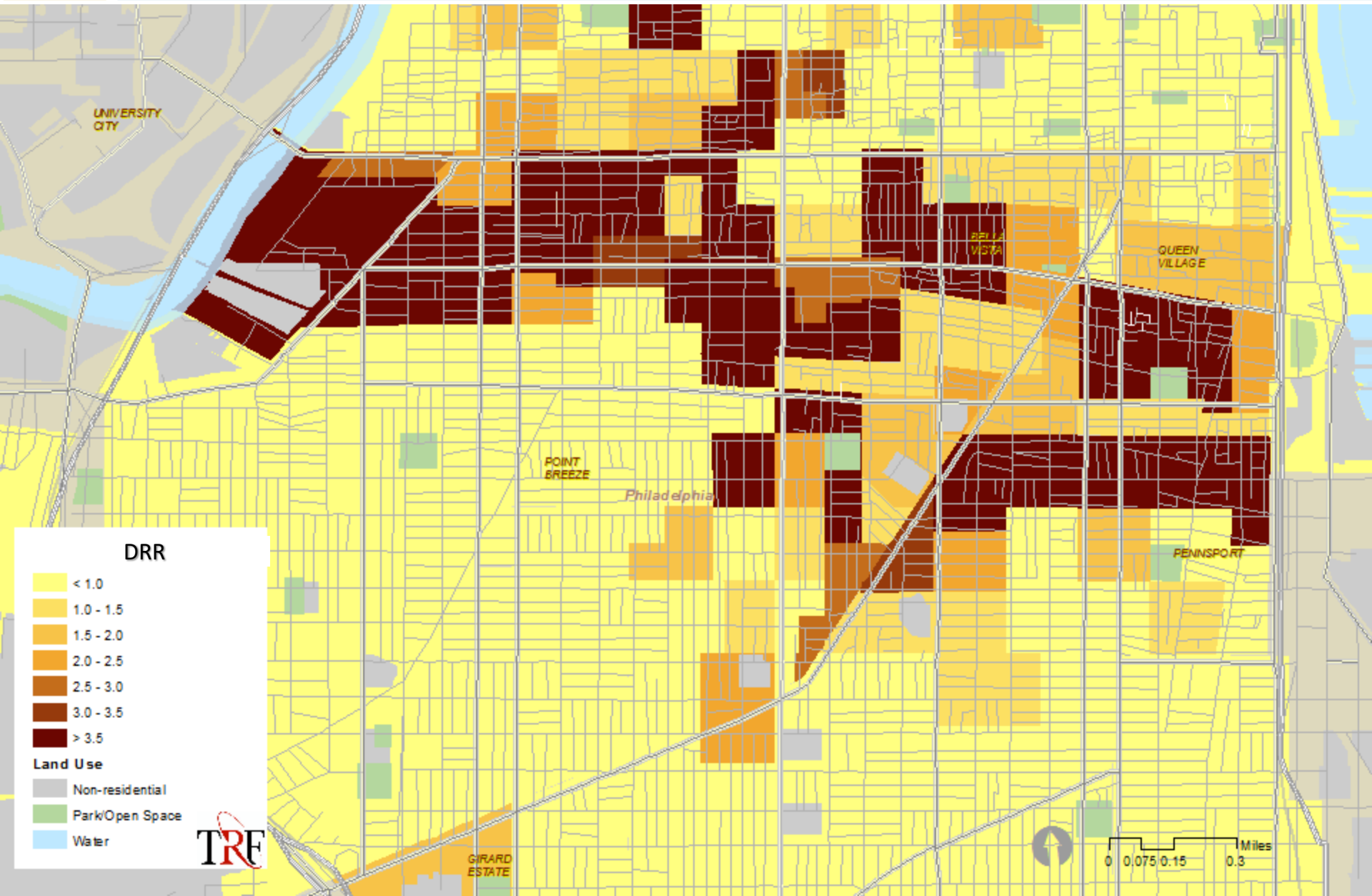
DRR: 2004 – 2005 Sales: South Philadelphia



DRR: 2005 – 2006 Sales: South Philadelphia

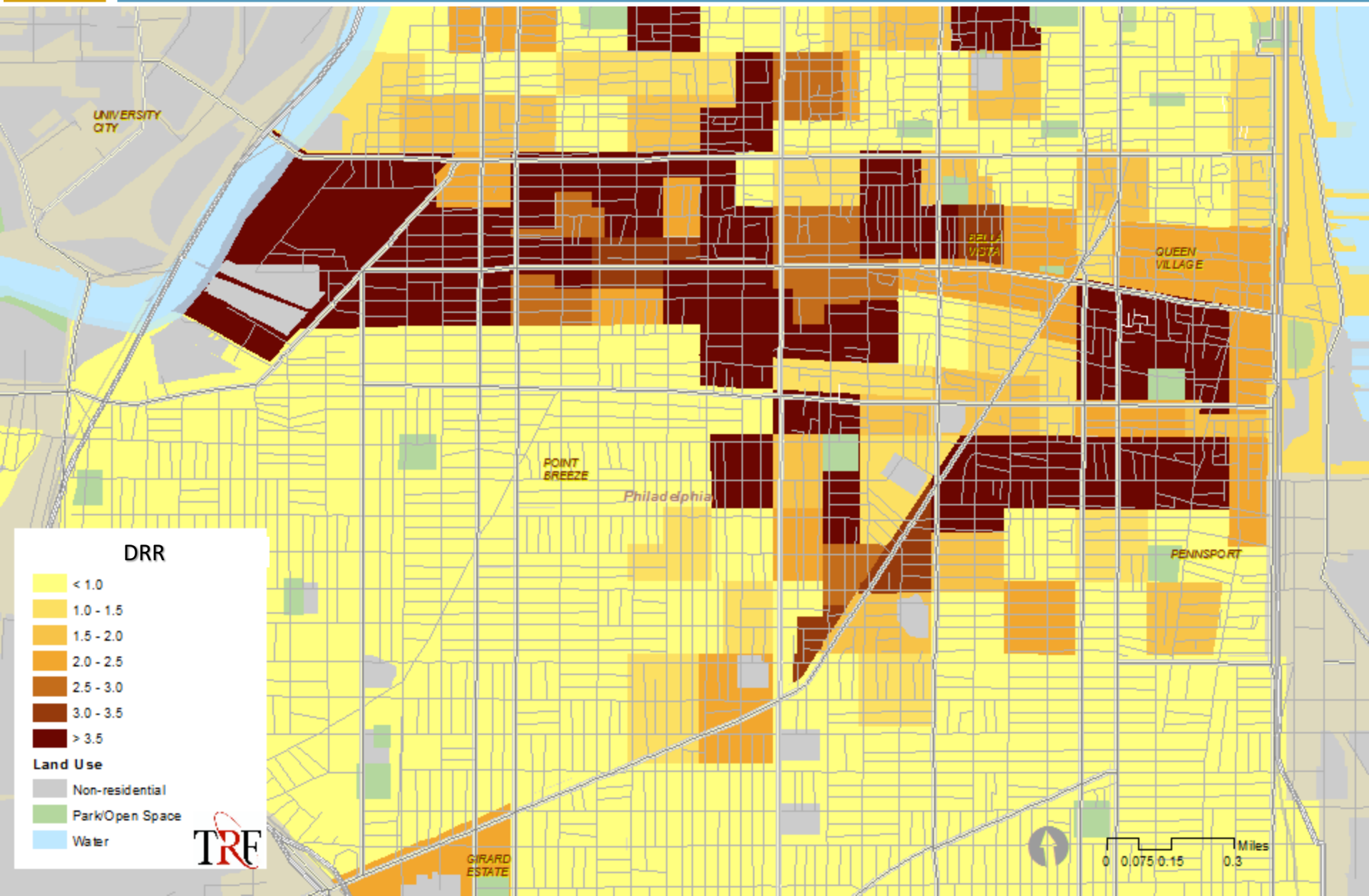


DRR: 2006 – 2007 Sales: South Philadelphia

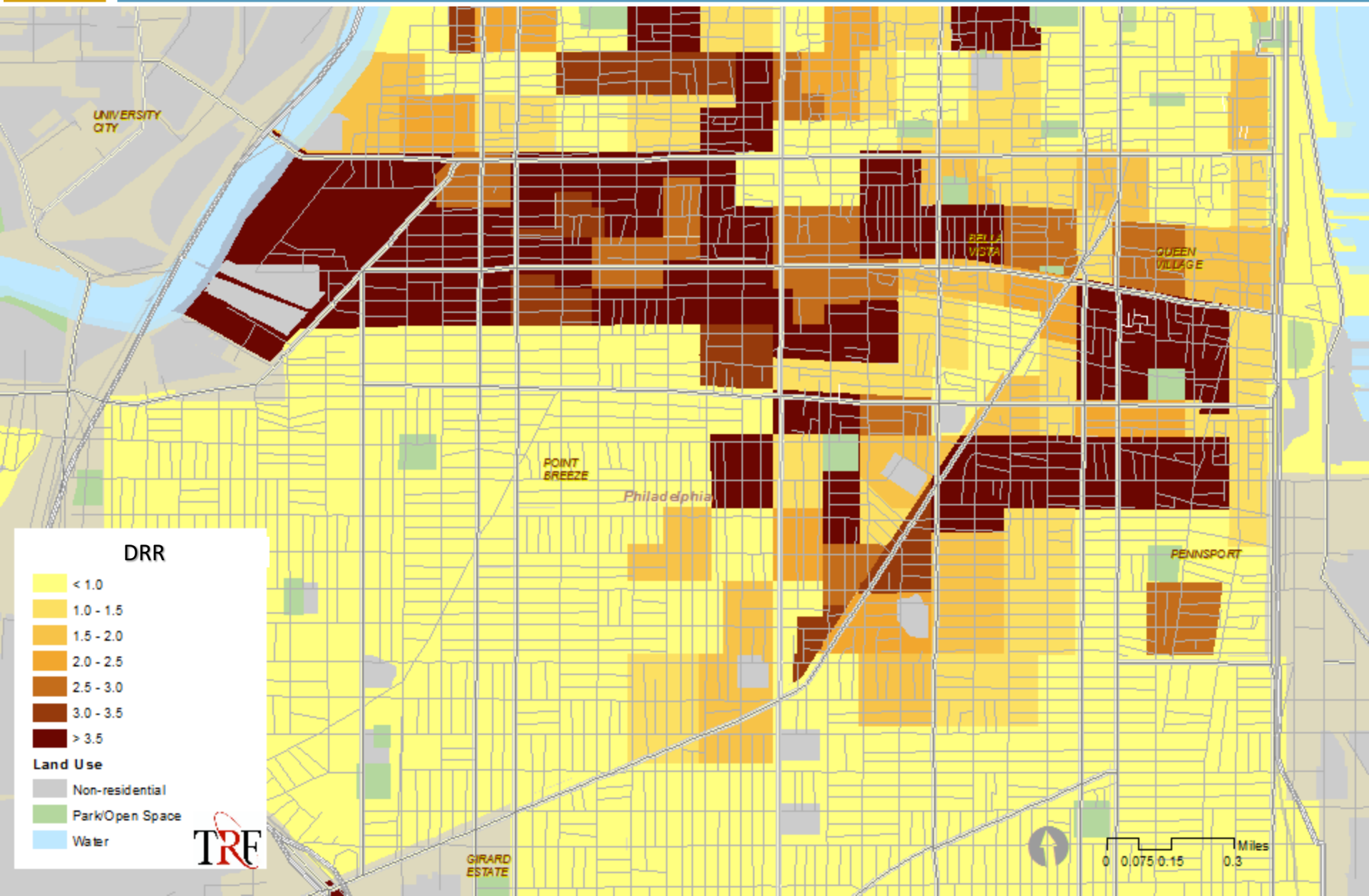


0 0.075 0.15 0.3 Miles

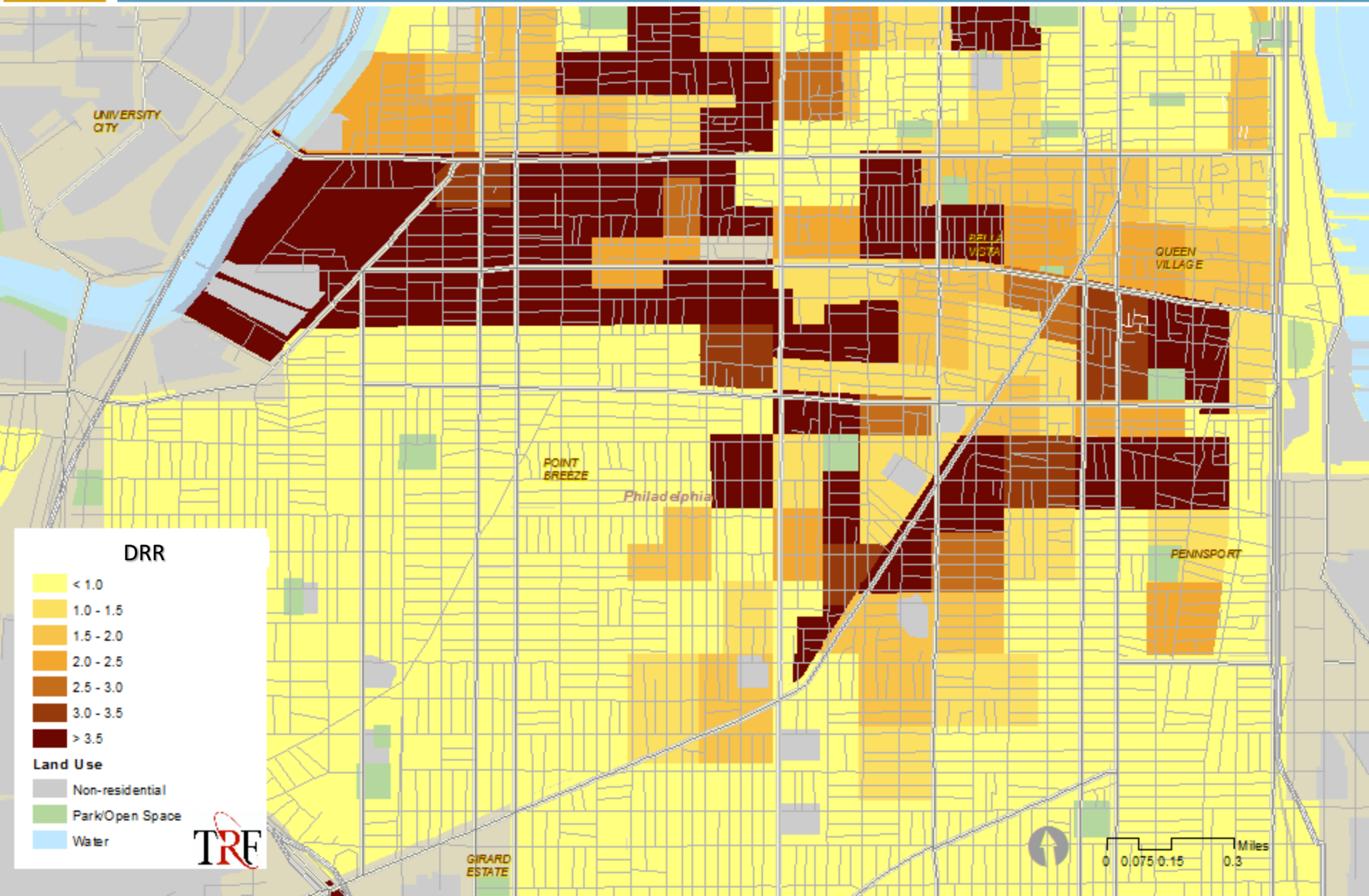
DRR: 2007 – 2008 Sales: South Philadelphia



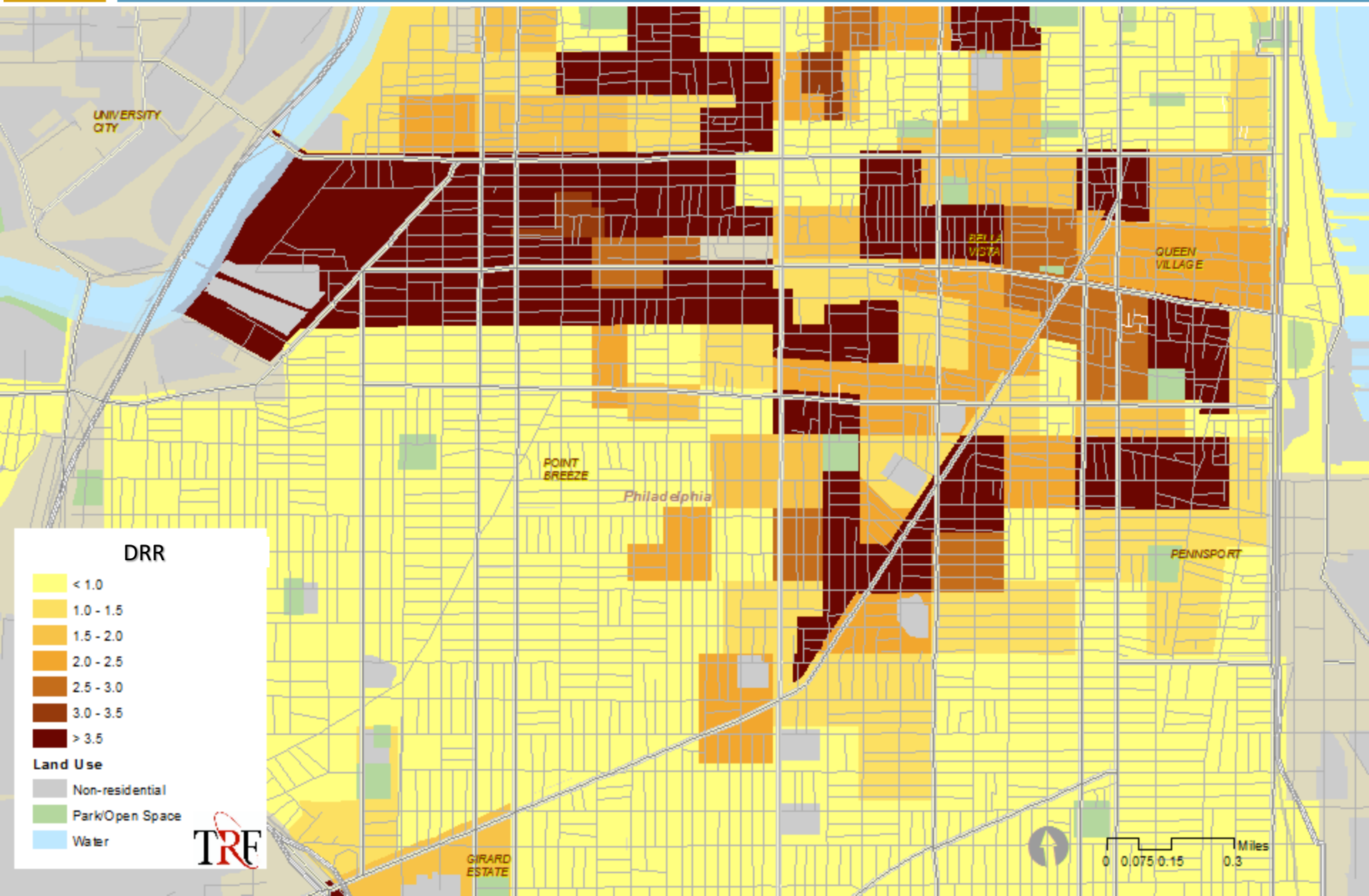
DRR: 2008 – 2009 Sales: South Philadelphia



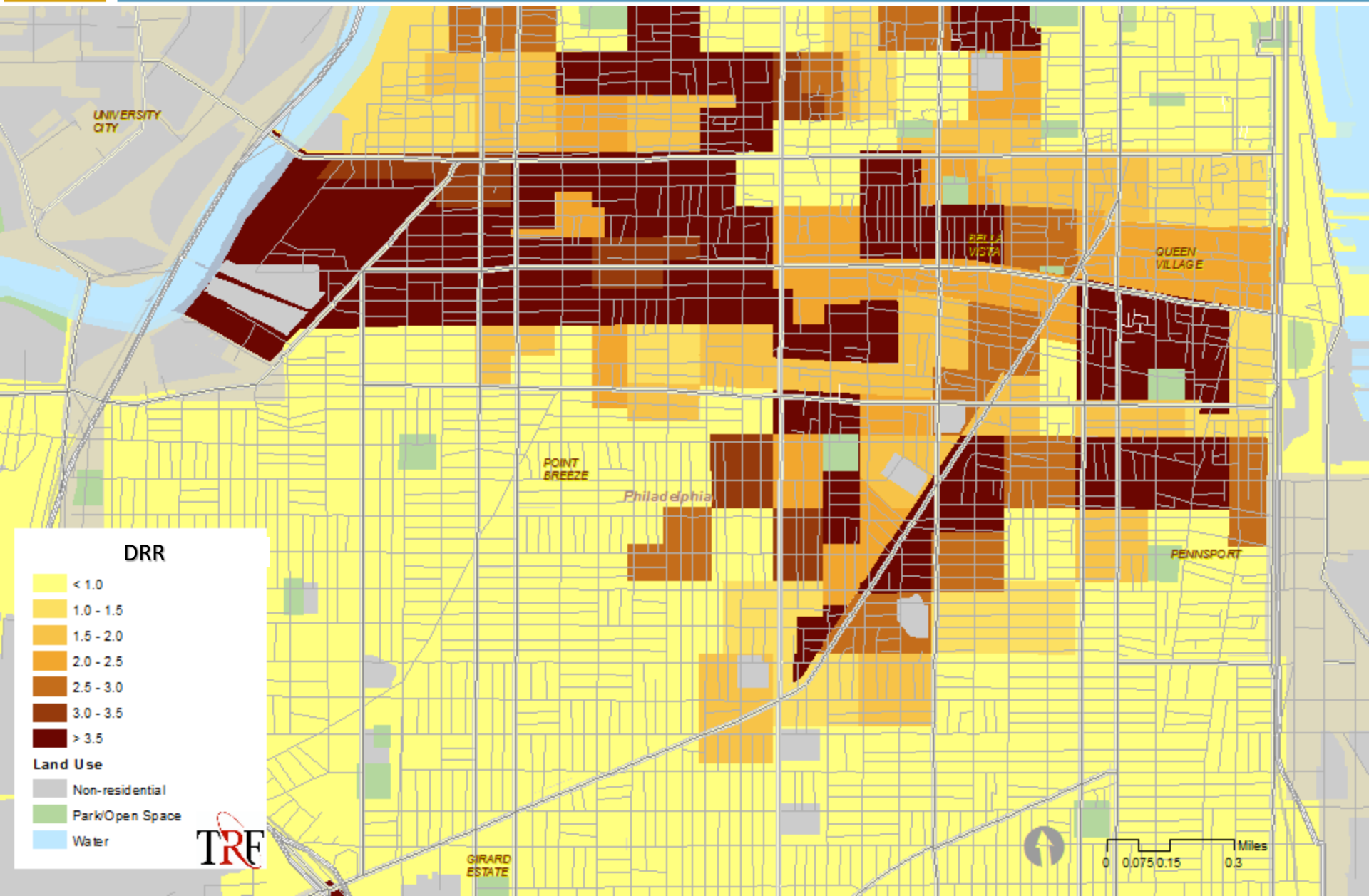
DRR: 2009 – 2010 Sales: South Philadelphia



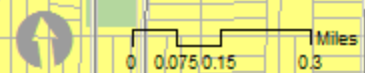
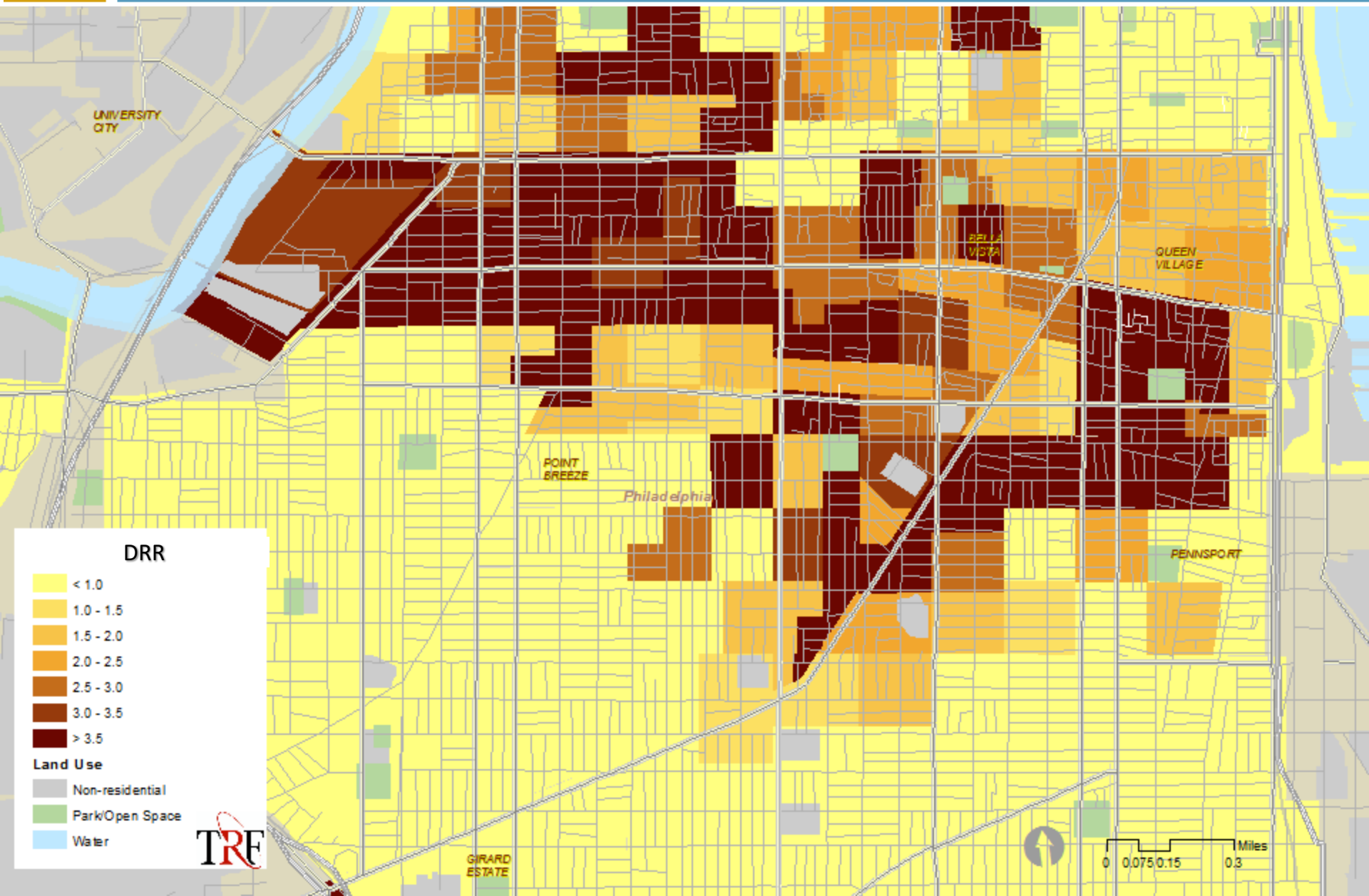
DRR: 2010 – 2011 Sales: South Philadelphia




DRR: 2011 – 2012 Sales: South Philadelphia



DRR: 2012 – 2013 Sales: South Philadelphia





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