

GENTRIFICATION REPORT



City of Winooski
August 2017

Gentrification: Report Methodology

This report has been generated using the following methodology.

- All data has been derived from a consistent source, using only U.S. census data (with the exception of affordable units data derived from VHFA's "Housing Data VT" website)
- Gentrification is defined at a census tract level following urban planning standards.
- Criteria for defining tracts as "at-risk" or gentrifying were defined prior to data analysis and consistently applied, based on most-cited planning study standards.
- Indicators of gentrification were drawn from the Winooski Housing Needs Assessment in addition to an urban planning literature review.
- No anecdotal evidence or interviews have been utilized.

Gentrification: Defining Terms

Brookings Institution Definition

Gentrification: the process by which higher income households displace significant numbers of lower income residents of a neighborhood, thus changing the essential character and flavor of the neighborhood.



Origin of the term:

Sociologist Ruth Glass, 1964

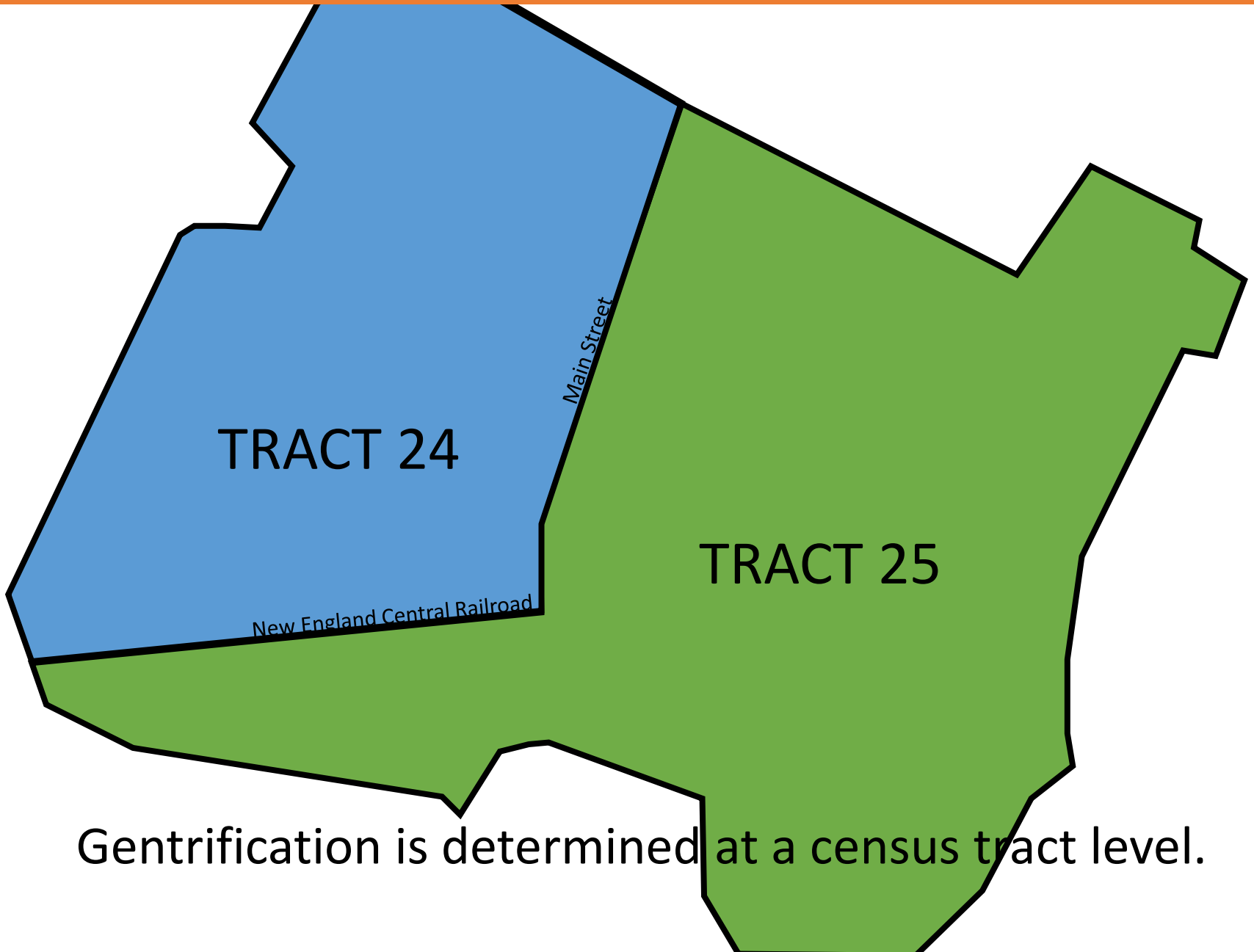
Glass observed; *"One by one, many of the working class quarters have been invaded by the middle class - upper and lower ... Once this process of 'gentrification' starts in a district it goes on rapidly until all or most of the working class occupiers are displaced and the whole social character of the district is changed"*

Gentrification: Defining Terms

Kirwan Institute for the Study of Race and Ethnicity:

Gentrification	Revitalization
Widespread displacement of traditional low income residents by affluent households.	Mixed income housing development, displacement avoided.
Residents unable to accrue wealth, remain highly susceptible to displacement.	Wealth building strategies for existing residents implemented, residents stabilized from displacement pressure.
Existing social networks, neighborhood services and local businesses disrupted in the community.	Social networks, neighborhood services and businesses reinforced in the community. Additional new business and services expand options for all residents.
Community transitions to an exclusive community, inaccessible to low incomes.	Community transitions to a mixed income, mixed wealth and diverse community.

City of Winooski – Census Tracts



Gentrification is determined at a census tract level.

City of Winooski – Gentrification Eligibility/Risk Criteria

Census tracts are considered eligible/at-risk for gentrification when:

1. Median household income is in the bottom 40th percentile for the surrounding tracts

AND

2. Median home values for the tract are in the 40th percentile or below.

City of Winooski – Gentrification Metrics

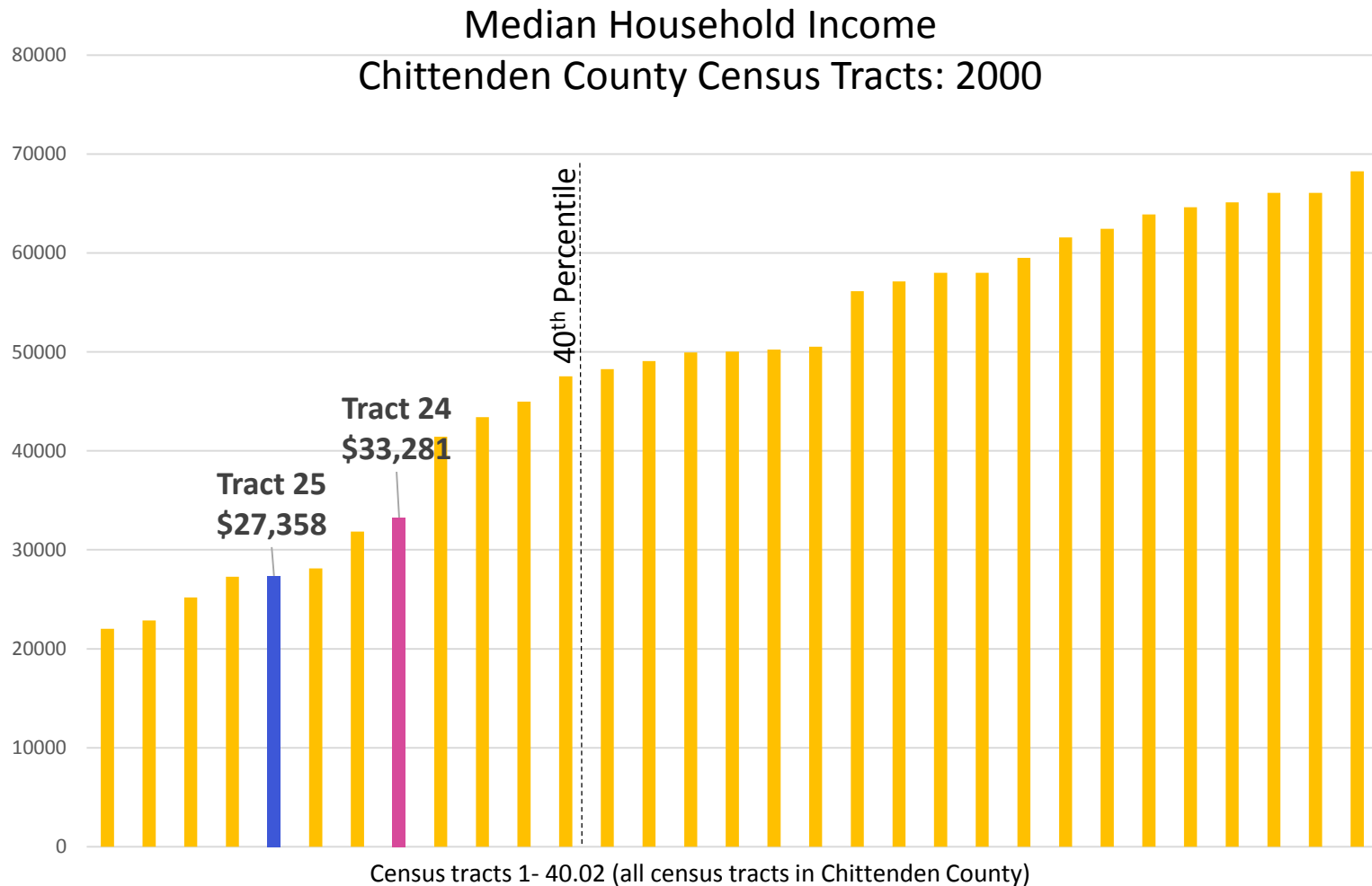
Eligible census tracts are considered to be gentrifying when:

1. Median household income is increasing at a rate in the top third of surrounding tracts

AND

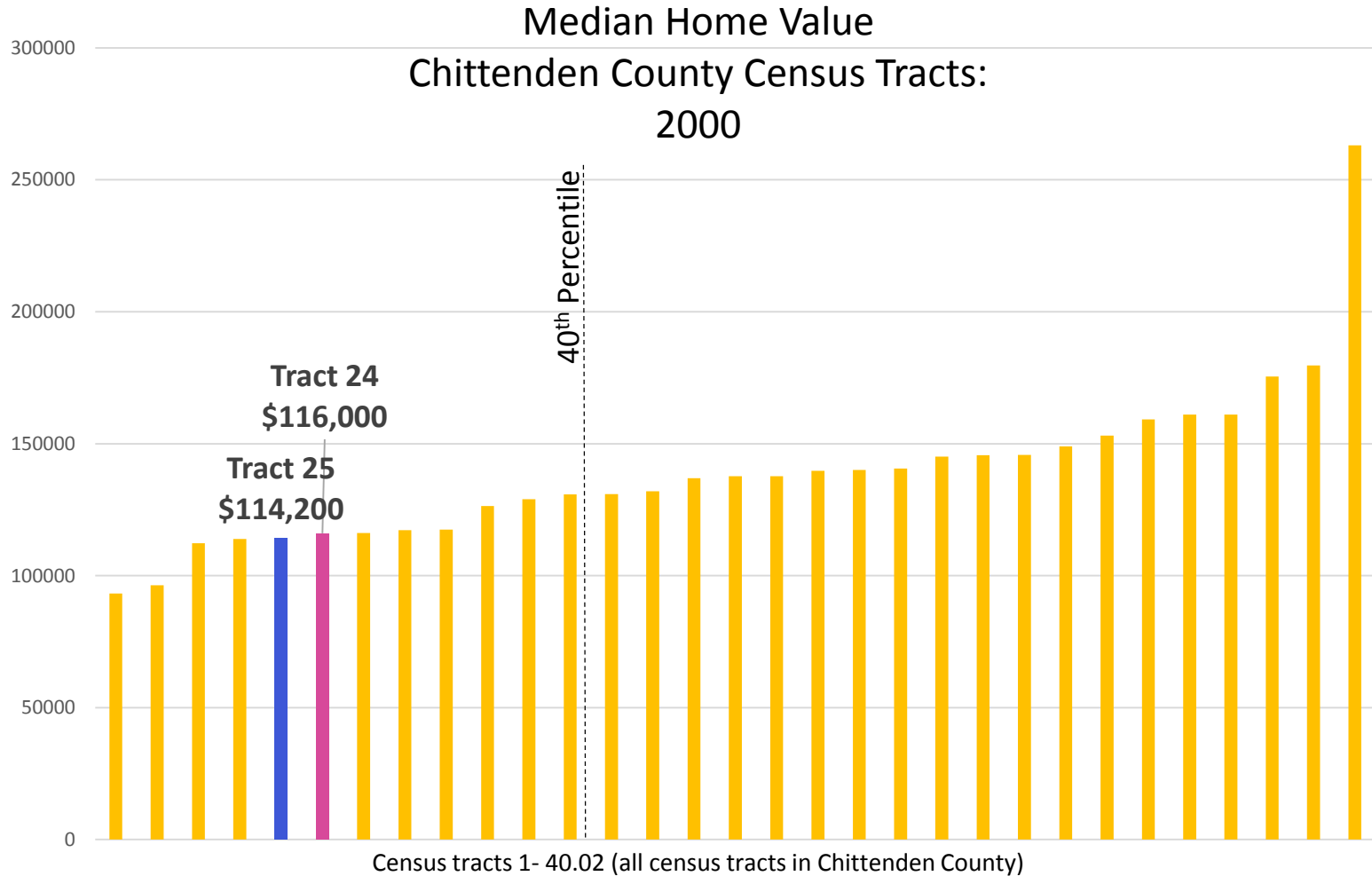
2. Median home values for the tract are increasing at a rate in the top third of surrounding tracts

Gentrification Eligibility/Risk Criteria 2000

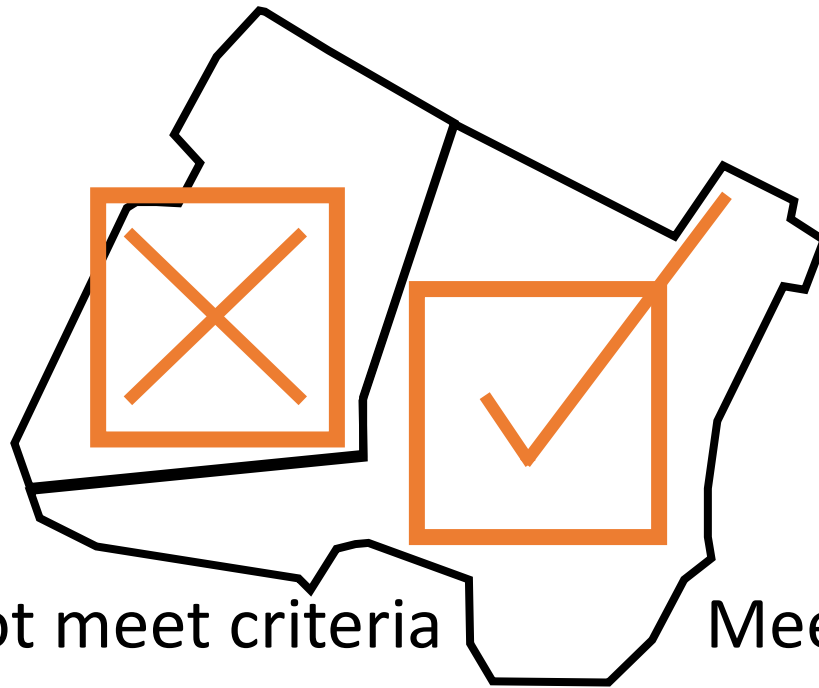


Both tracts in Winooski qualified as **“at-risk”** for gentrification based on median household income in the year 2000.

Gentrification Eligibility/Risk Criteria 2000



Both tracts qualified as **“at-risk”** for gentrification based on median home value in the year 2000.



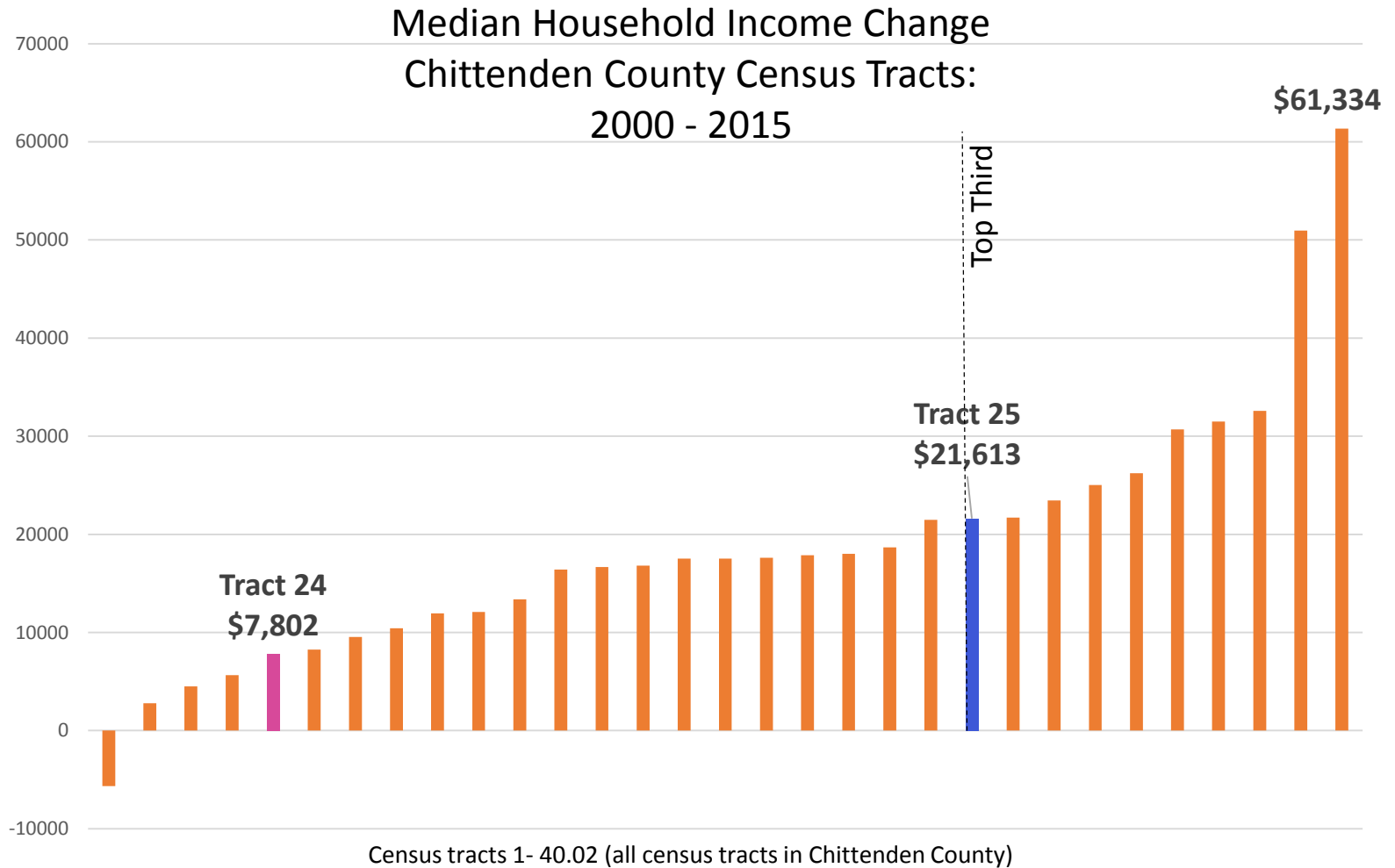
Does not meet criteria

Meets criteria

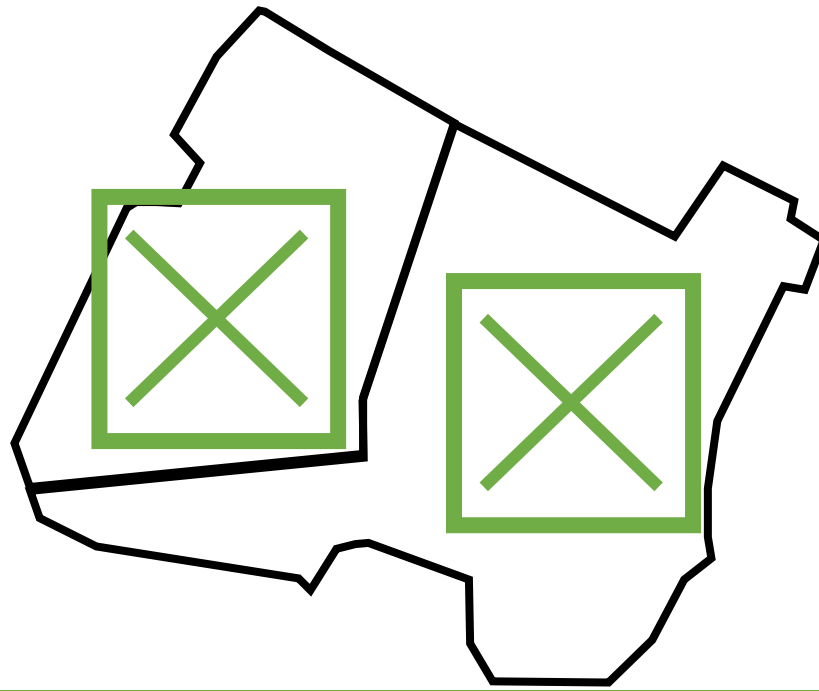


RISING MEDIAN INCOME

Gentrification Metrics

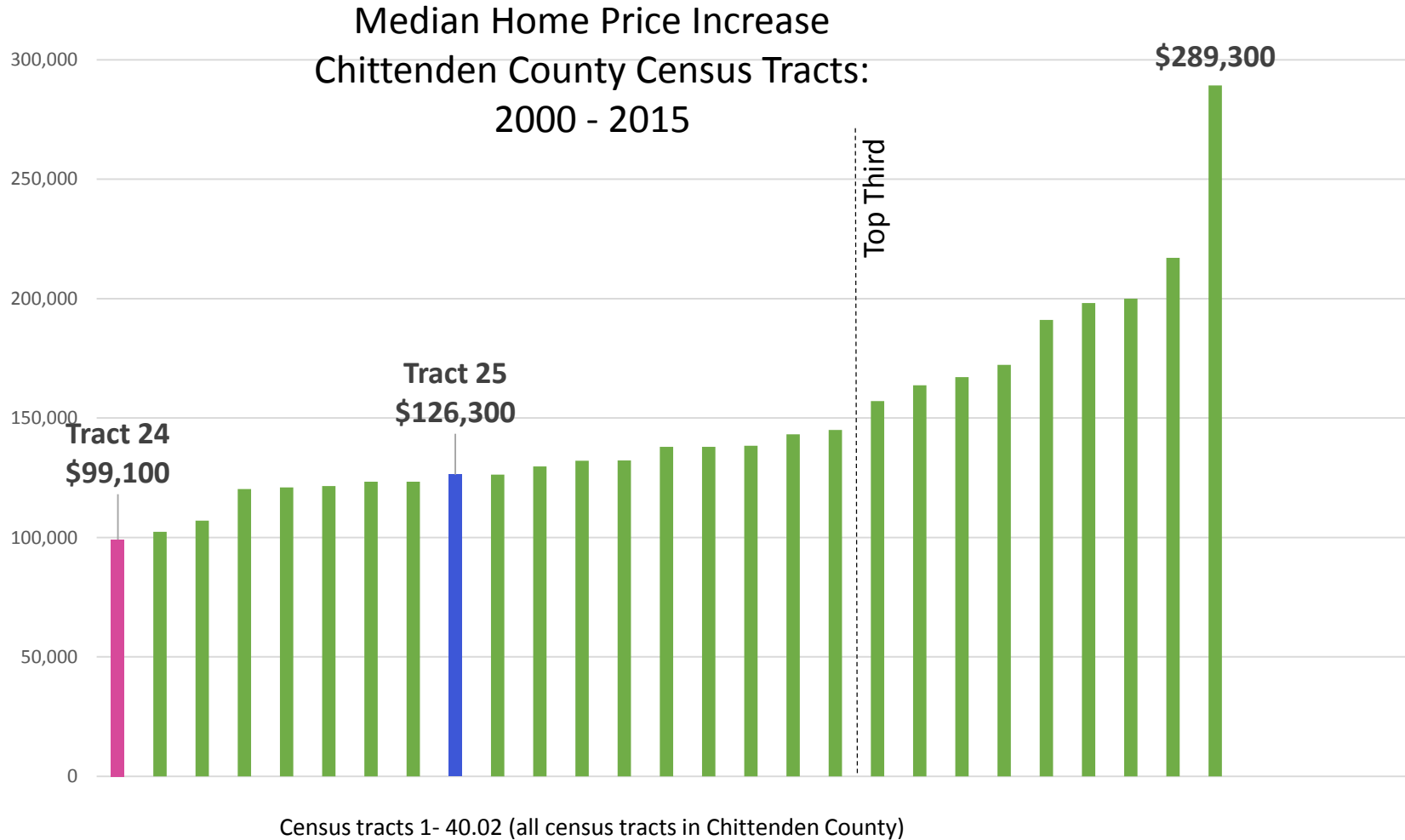


Tract 25 met the median income change criteria for gentrification between 2000-2015.



RISING HOME VALUES

Gentrification Metrics



City tracts did not qualify as gentrifying based on median home value increases between 2000 - 2015

GENTRIFICATION SCORECARD

Tract 24

Tract 25



Median income
AND
Home value

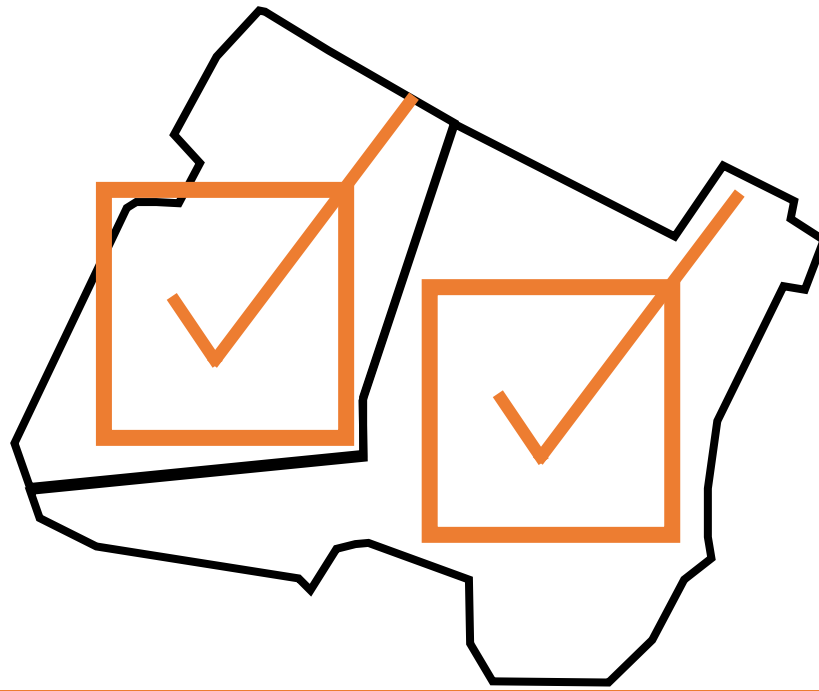


Based on standard metrics, the City of Winooski does not meet the criteria for gentrification.



GENTRIFICATION INDICATORS

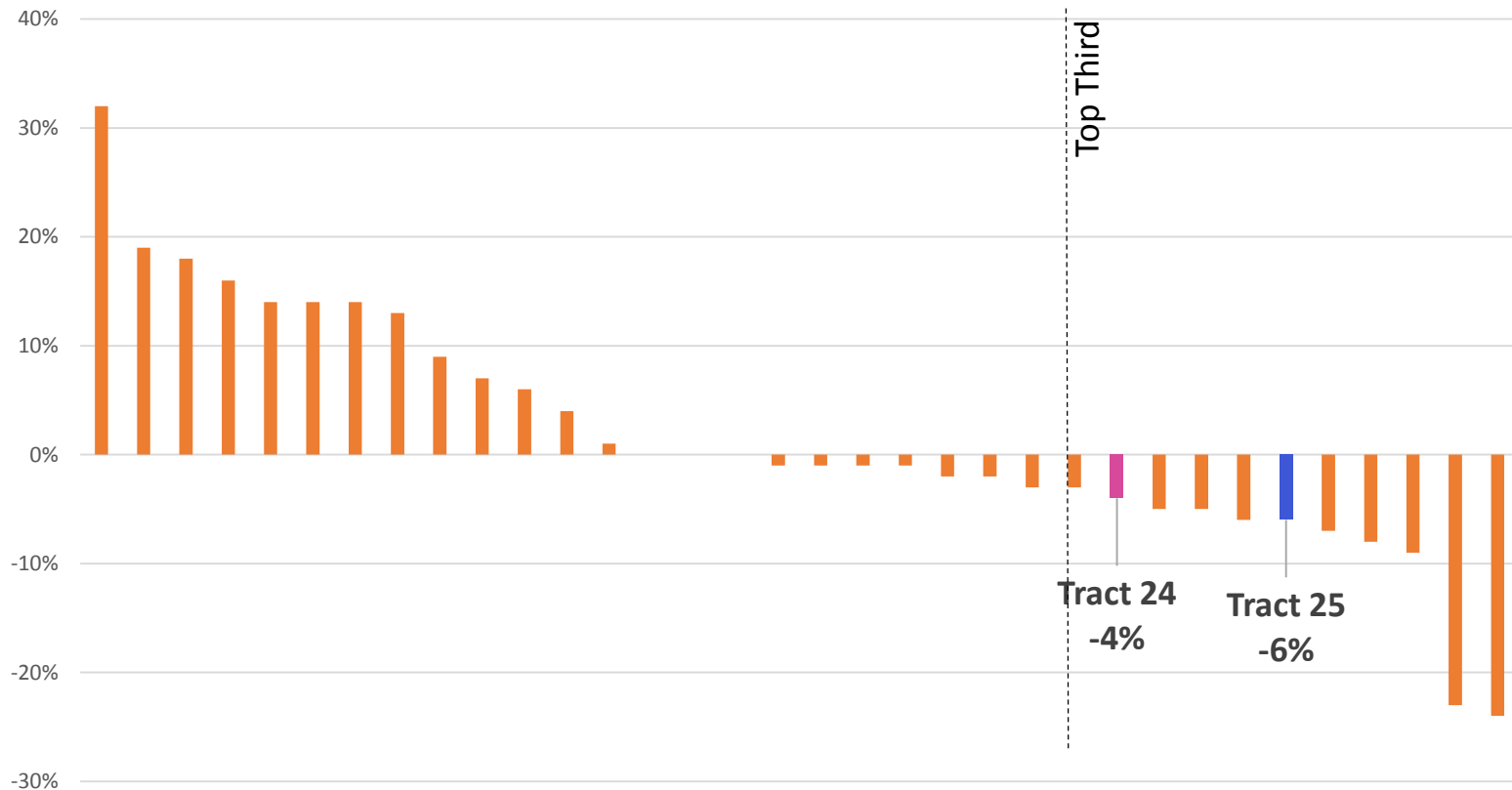
- Growing disparity between renter and homeowner median income
- Rapidly rising educational attainment
- Decreasing poverty rate (potential displacement indicator)
- Disproportionate balance favoring luxury apartments over affordable apartments
- Rising number of residents working in high-wage vs. low-wage industries
- Increase in white, non-Hispanic population



GROWING INCOME DISPARITY

Gentrification Indicators: Income Disparity Renter vs. Homeowner

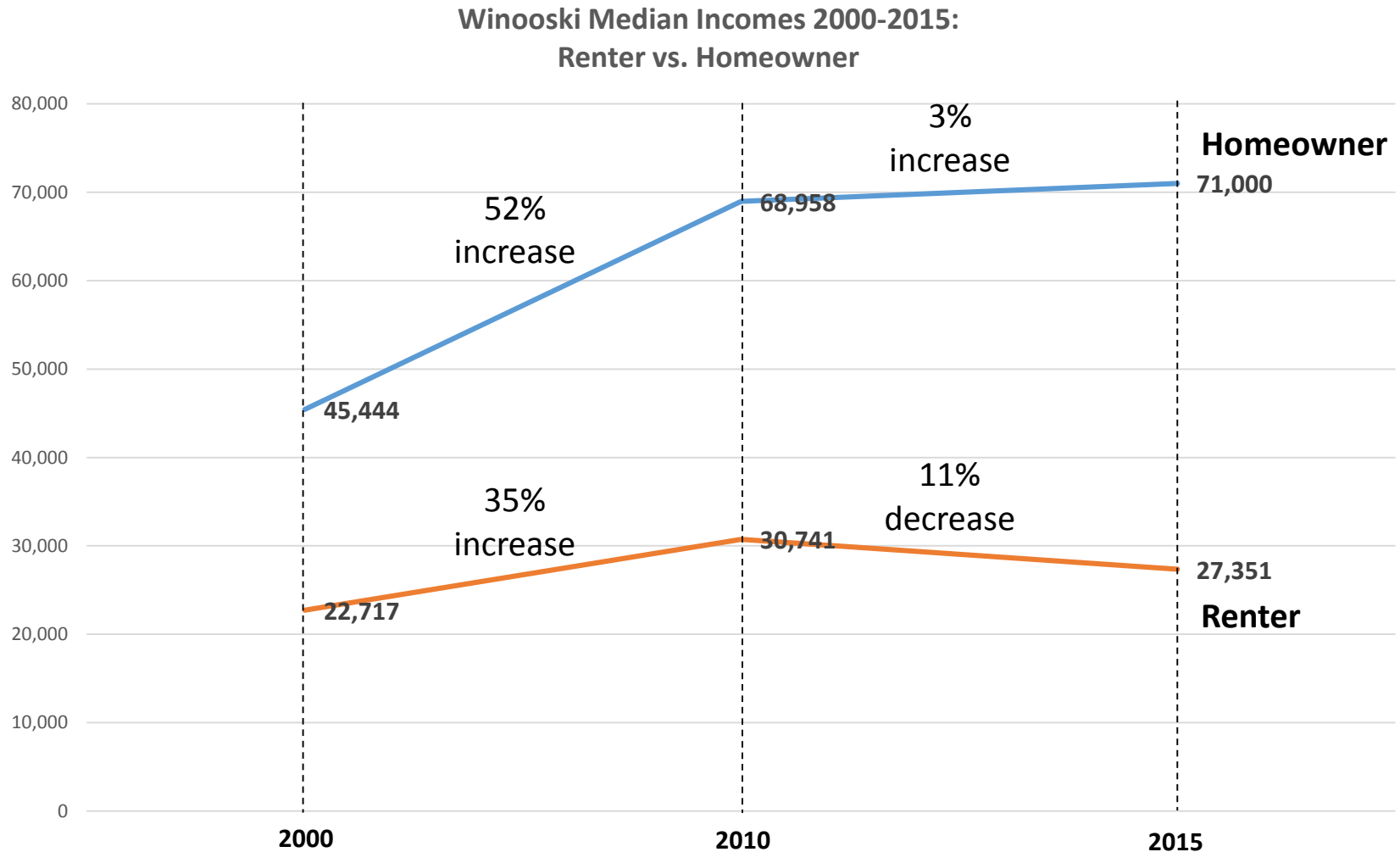
Change in Renter Income as a Percentage of Homeowner Income: 2010-2015
by Chittenden County Census Tracts



Census tracts 1- 40.02 (all census tracts in Chittenden County)

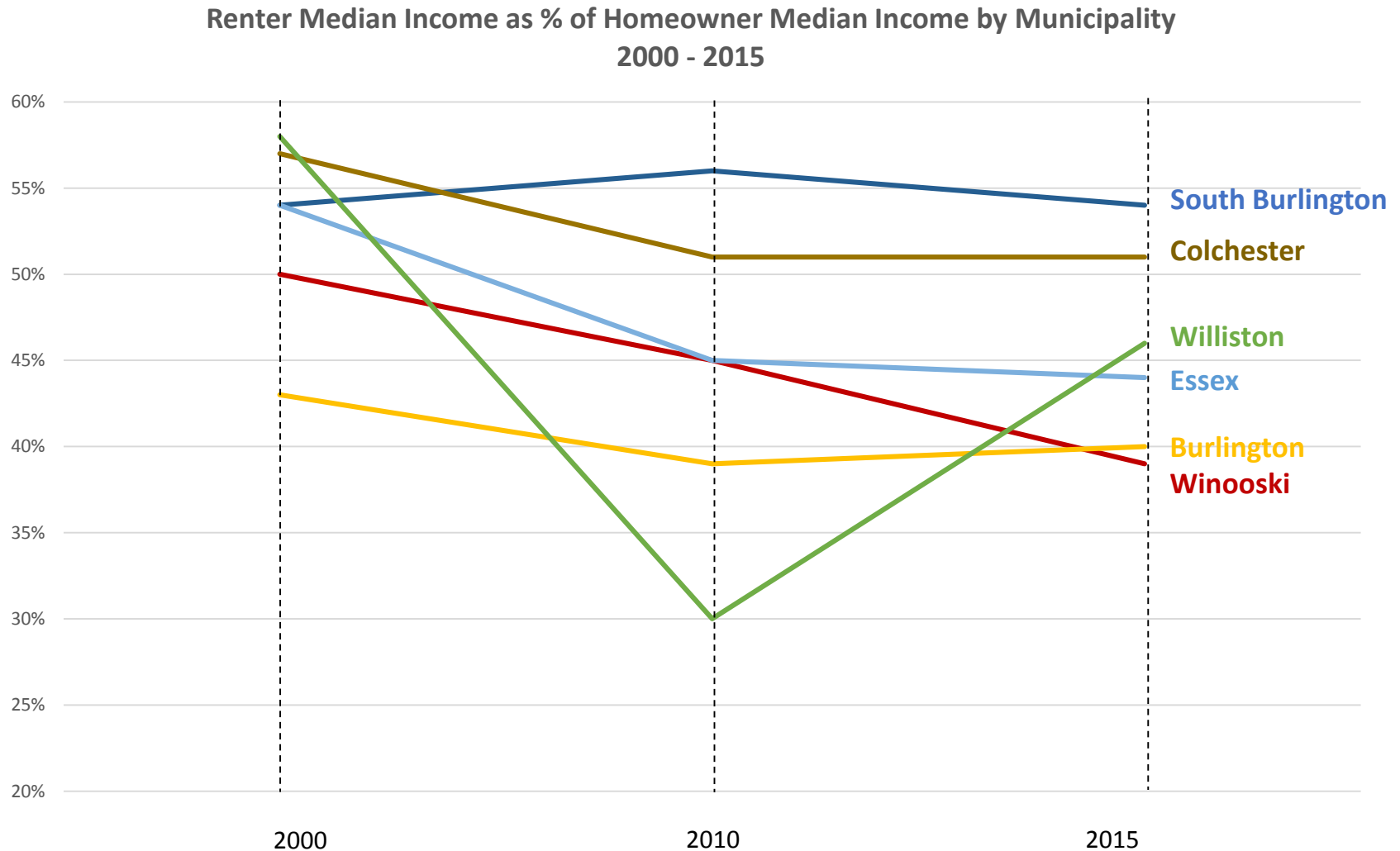
In the year 2015, renter income in Tract 25 was 40% of homeowner income. Tract 24 renters earned only 39% of homeowner median income. Tract 25 renter income as a percentage of homeowner income dropped 2% more than Tract 24.

Gentrification Indicators: Income Disparity Renter vs. Homeowner

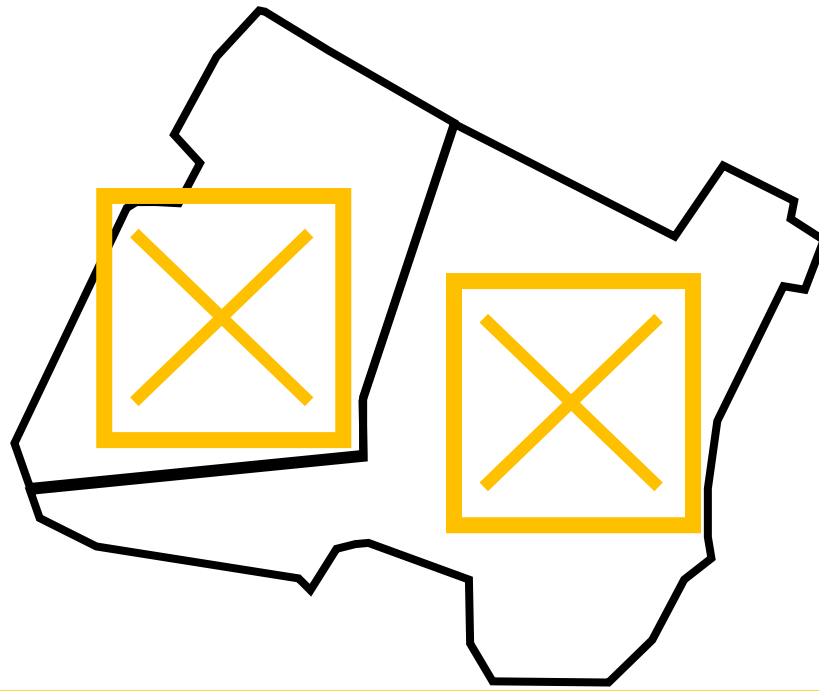


Large increases in median income between 2000 and 2010 have leveled off to a moderate increase for homeowners, but a concerning income decrease for renters.

Gentrification Indicators: Income Disparity Renter vs. Homeowner



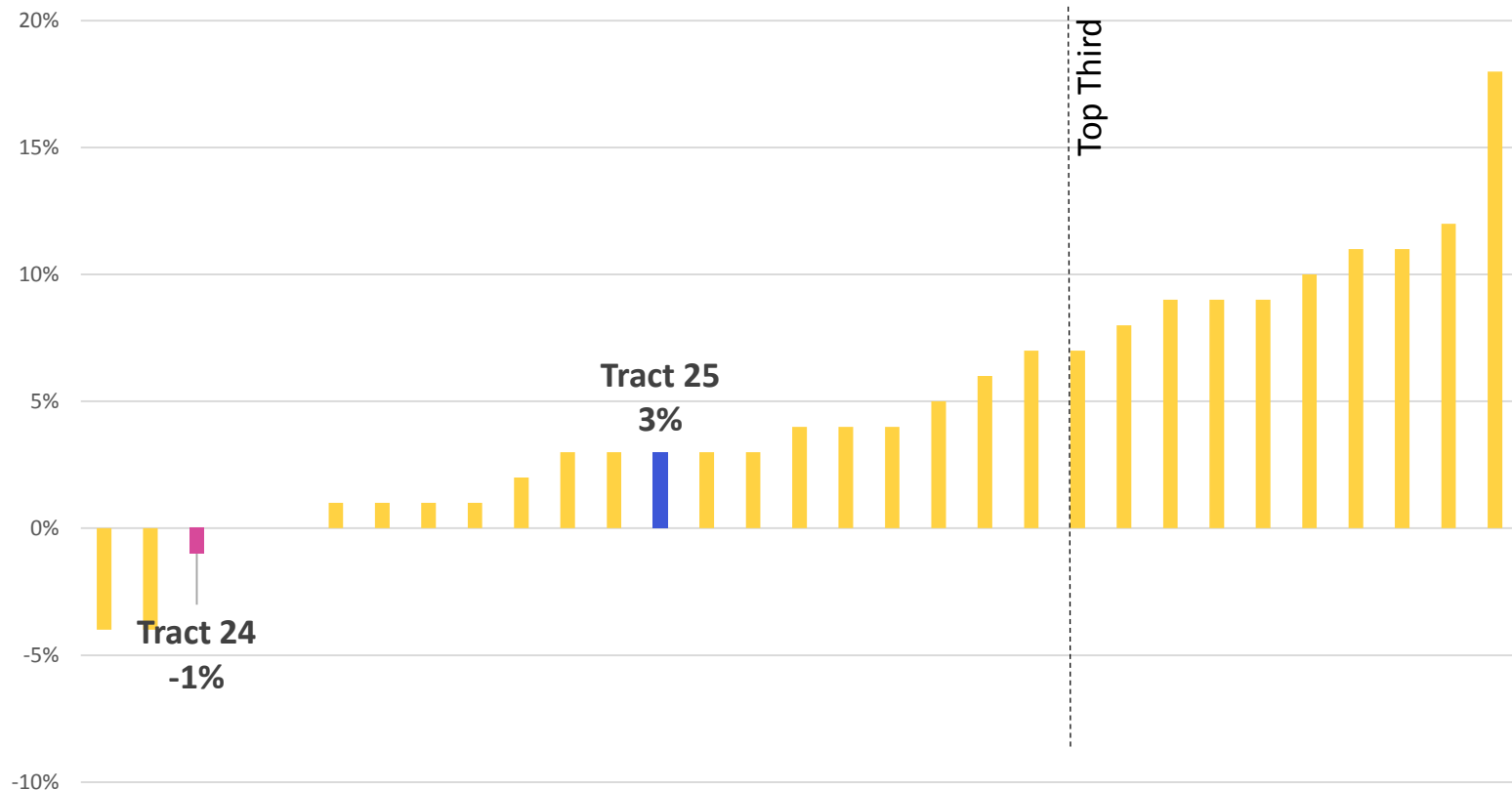
Winooski renter median income dropped from 50% of homeowner median income to 39% of homeowner median income over the last 15 years.



EDUCATIONAL ATTAINMENT

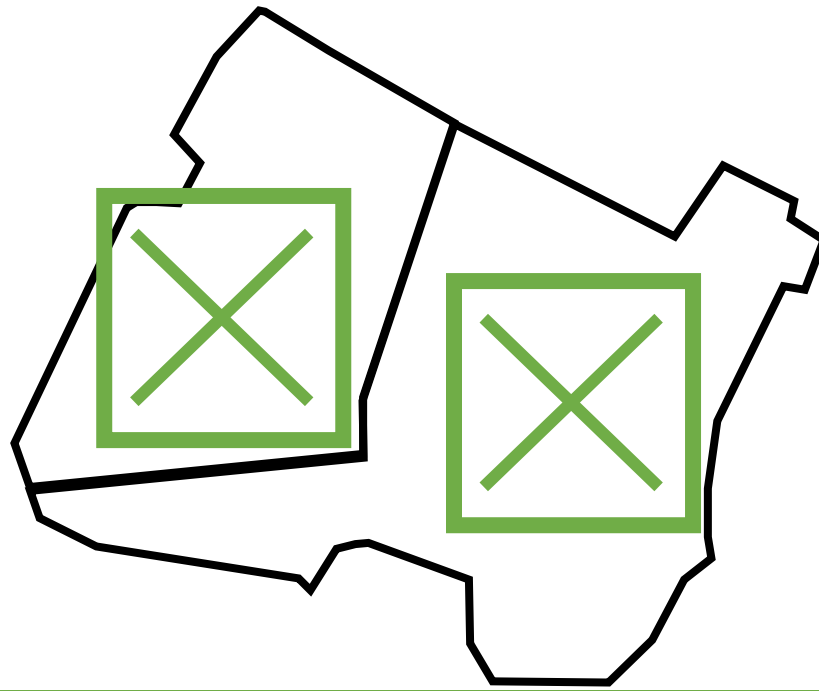
Gentrification Indicators: Educational Attainment

Change in % of Population with Bachelor's Degree or Higher: 2010-2015
by Chittenden County Census Tract



Census tracts 1- 40.02 (all census tracts in Chittenden County)

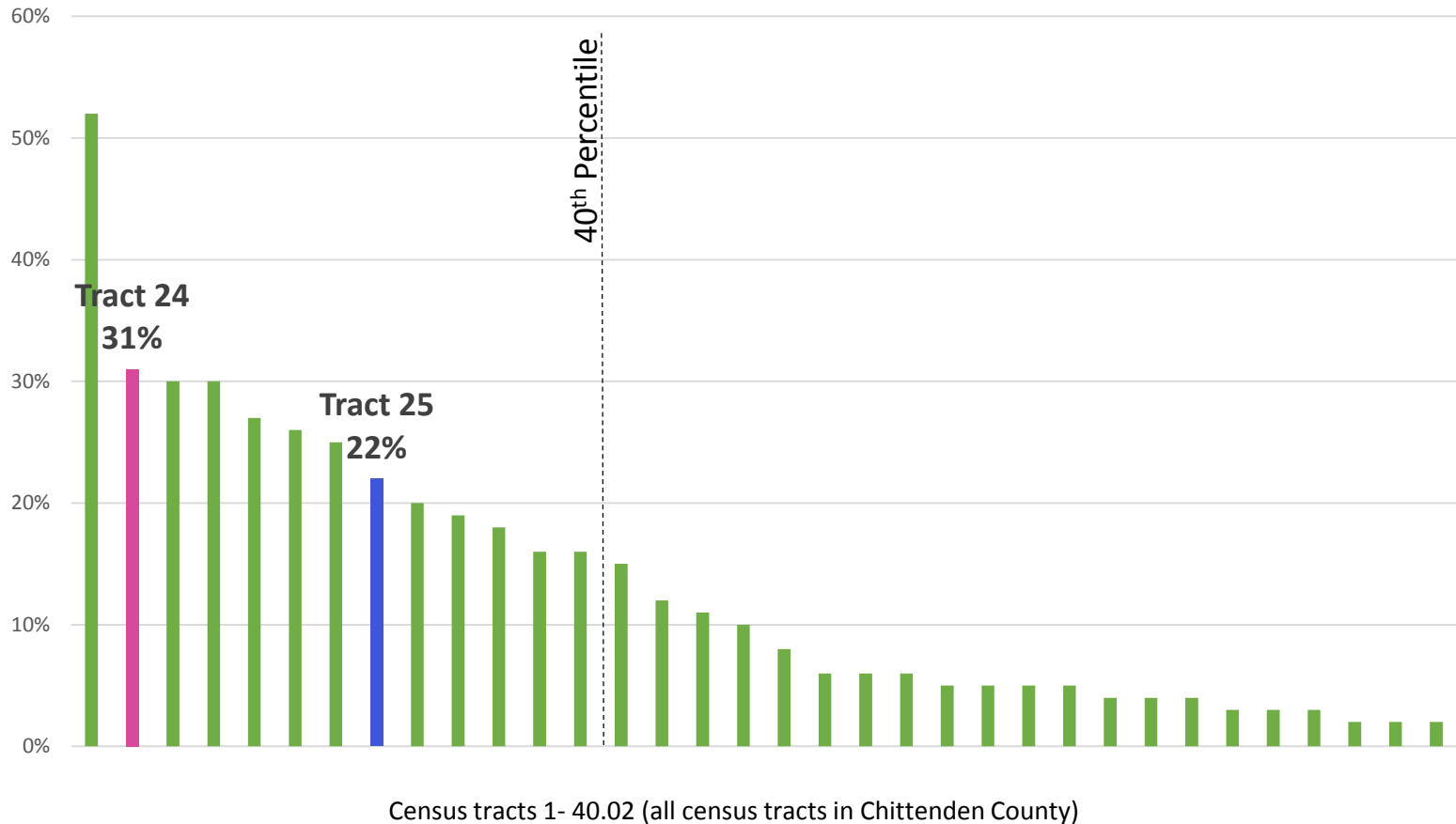
Winooski educational attainment decreased by 1% in tract 24, while increasing by 3% in tract 25 between 2010 and 2015.



DECREASING POVERTY
(DISPLACEMENT)

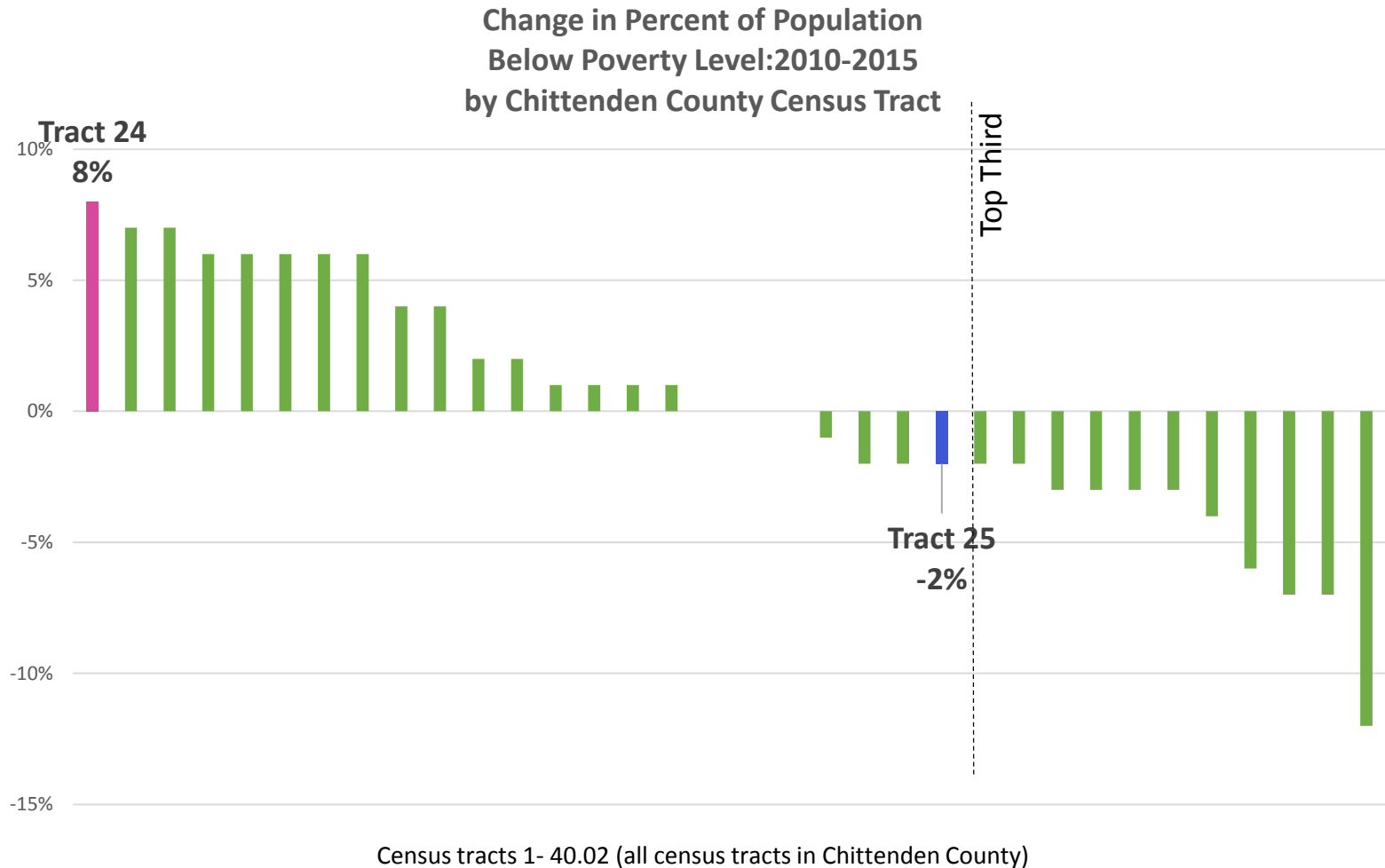
Gentrification Indicators: Decreasing Poverty/Displacement

Percent of Population Below Poverty Line: 2015
by Chittenden County Census Tract



The City of Winooski is home to tract 24, the census tract with the second highest poverty rate in Chittenden County. In 2010, tract 24 represented the 9th highest poverty rate

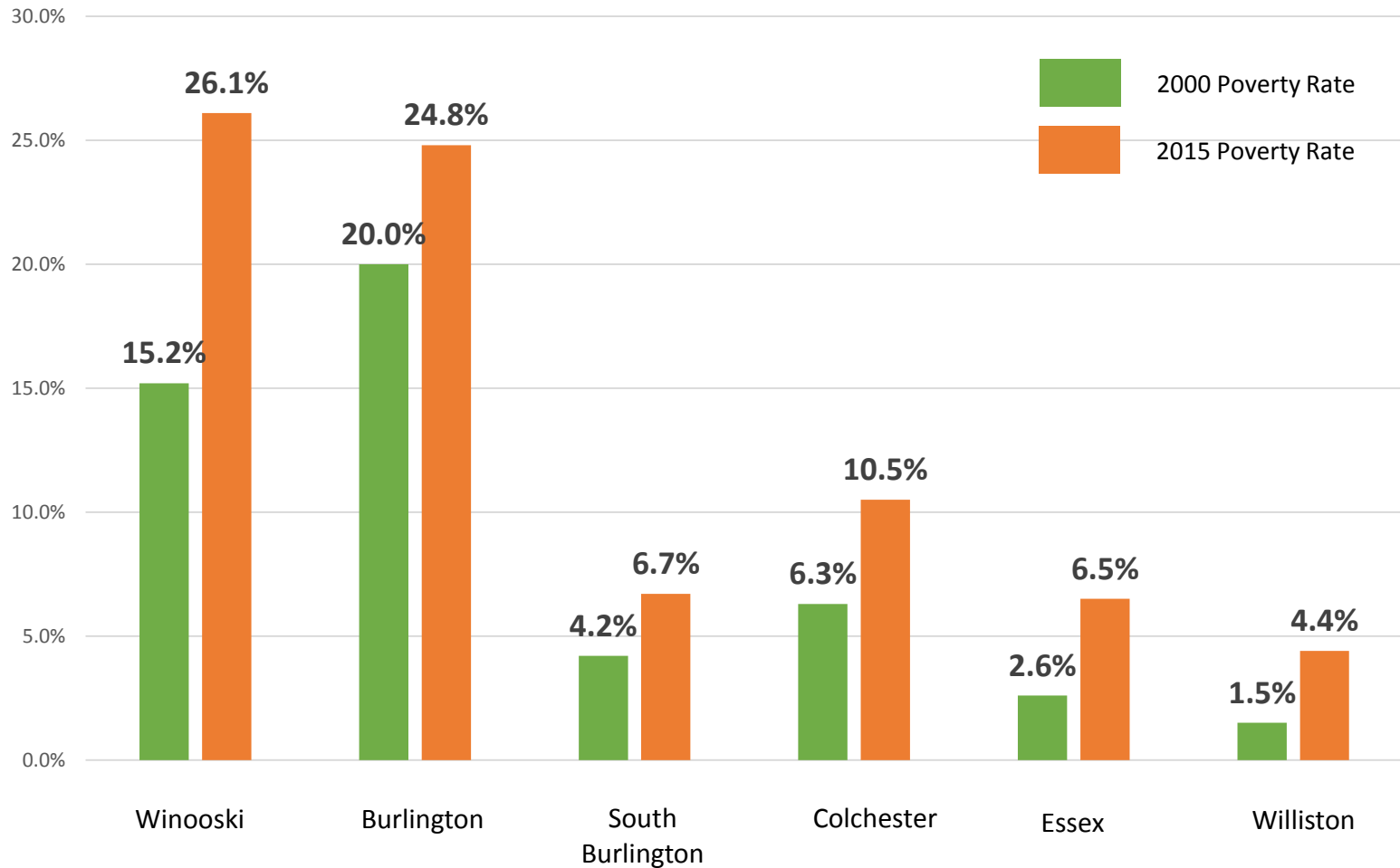
Gentrification Indicators: Decreasing Poverty/Displacement



The City of Winooski is home to the census tract with the single fastest growing poverty rate in Chittenden County. Tract 24 is the only tract in the 2010 top 10 highest poverty tracts to see an increase in poverty in 2015.

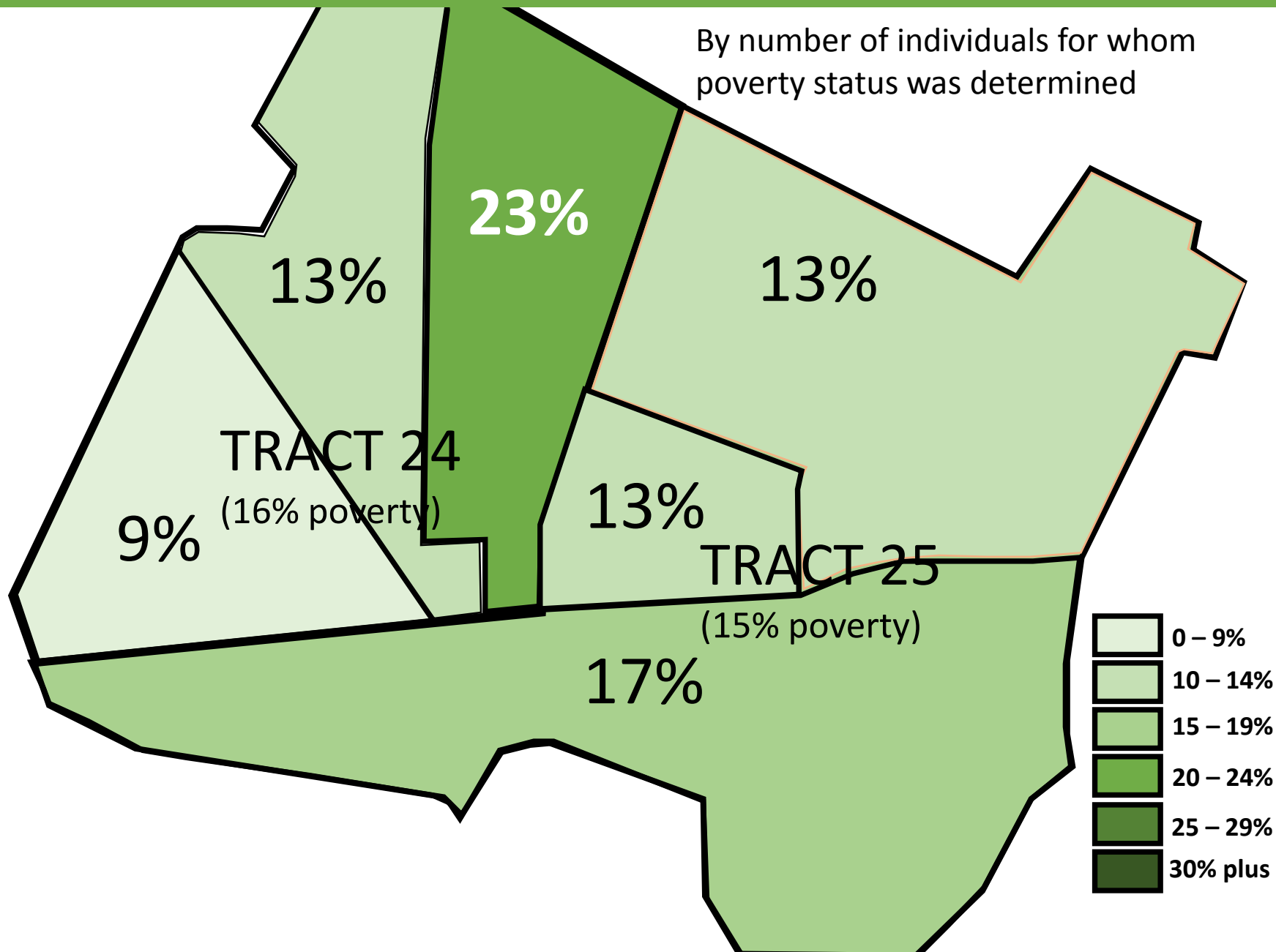
Gentrification Indicators: Decreasing Poverty/Displacement

Change in Poverty Rates for Surrounding Municipalities: 2000-2015



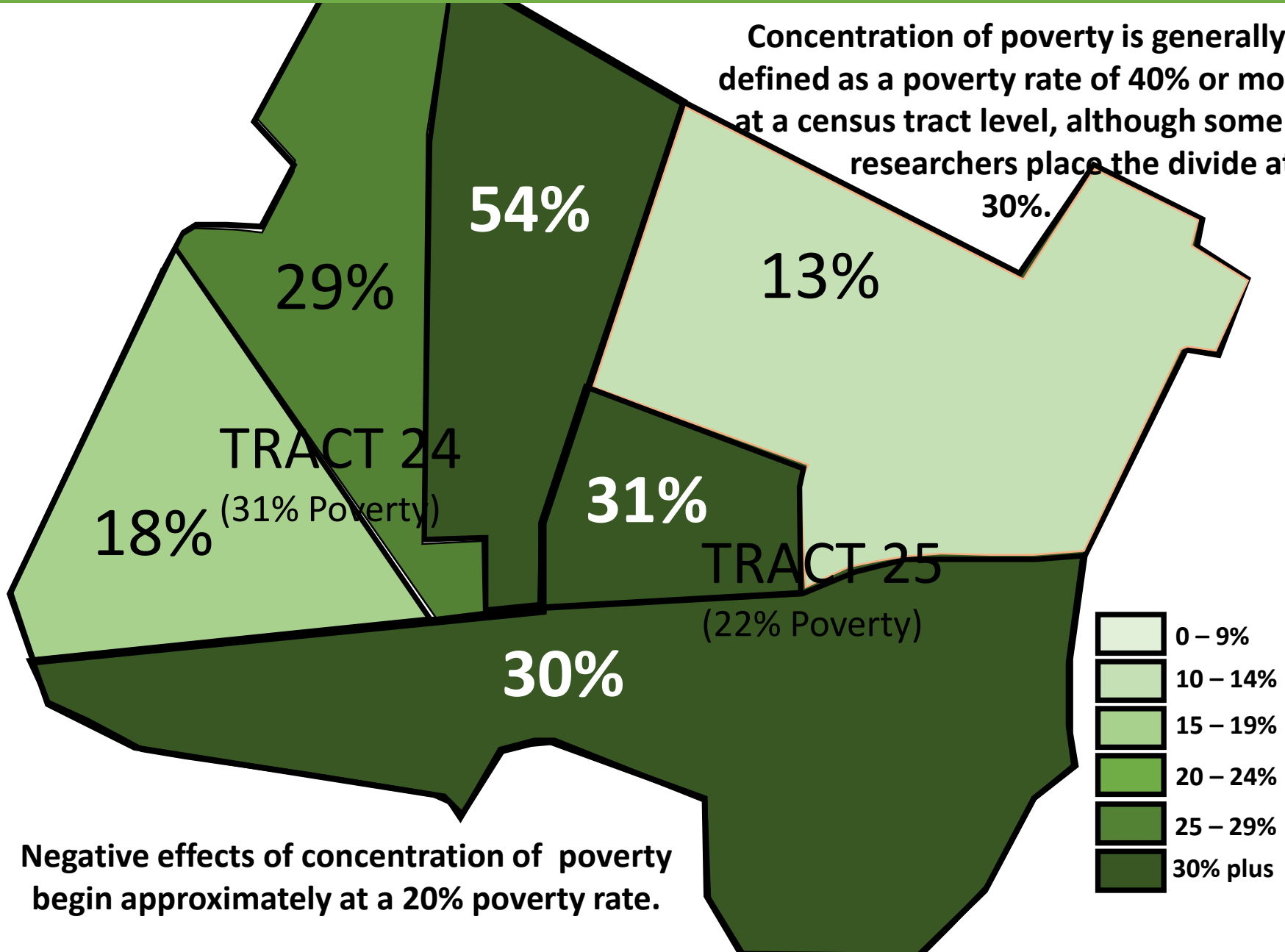
Winooski's poverty rate grew 72% between 2000-2015.

Gentrification Indicators: 2000 Winooski Poverty Rates: Individuals

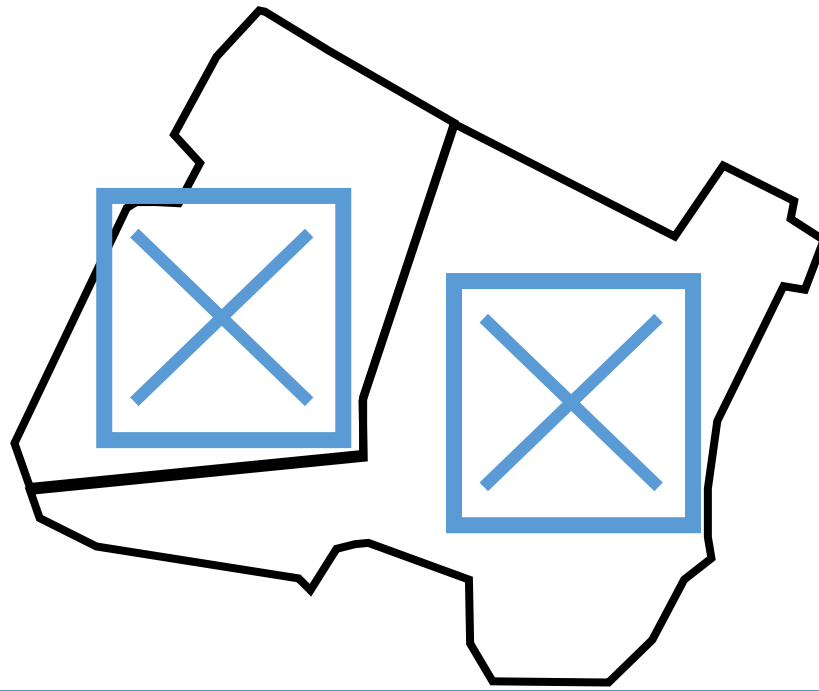


Gentrification Indicators: 2015 Winooski Poverty Rates: Individuals

Concentration of poverty is generally defined as a poverty rate of 40% or more at a census tract level, although some researchers place the divide at 30%.



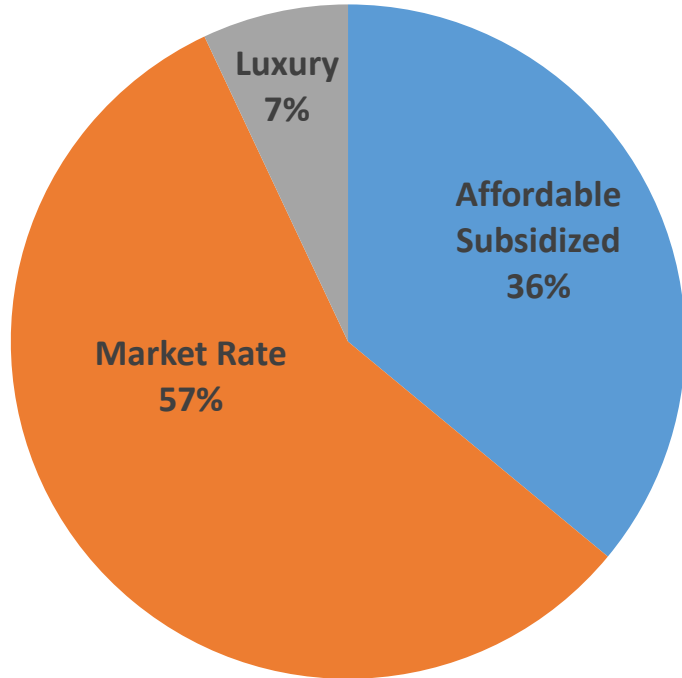
Negative effects of concentration of poverty begin approximately at a 20% poverty rate.



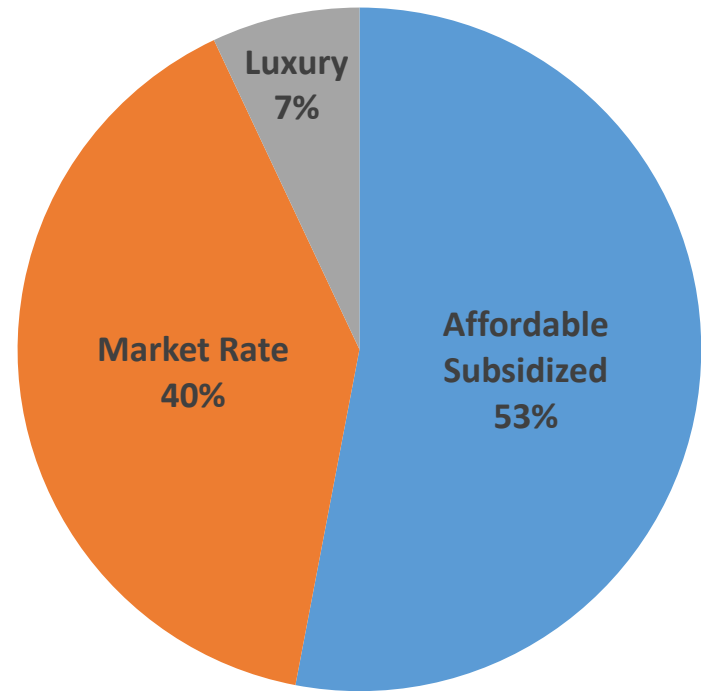
LUXURY VS. AFFORDABLE UNITS

Gentrification Indicators: Luxury vs. Affordable Units

Winooski Rental Rate Distribution: 2015



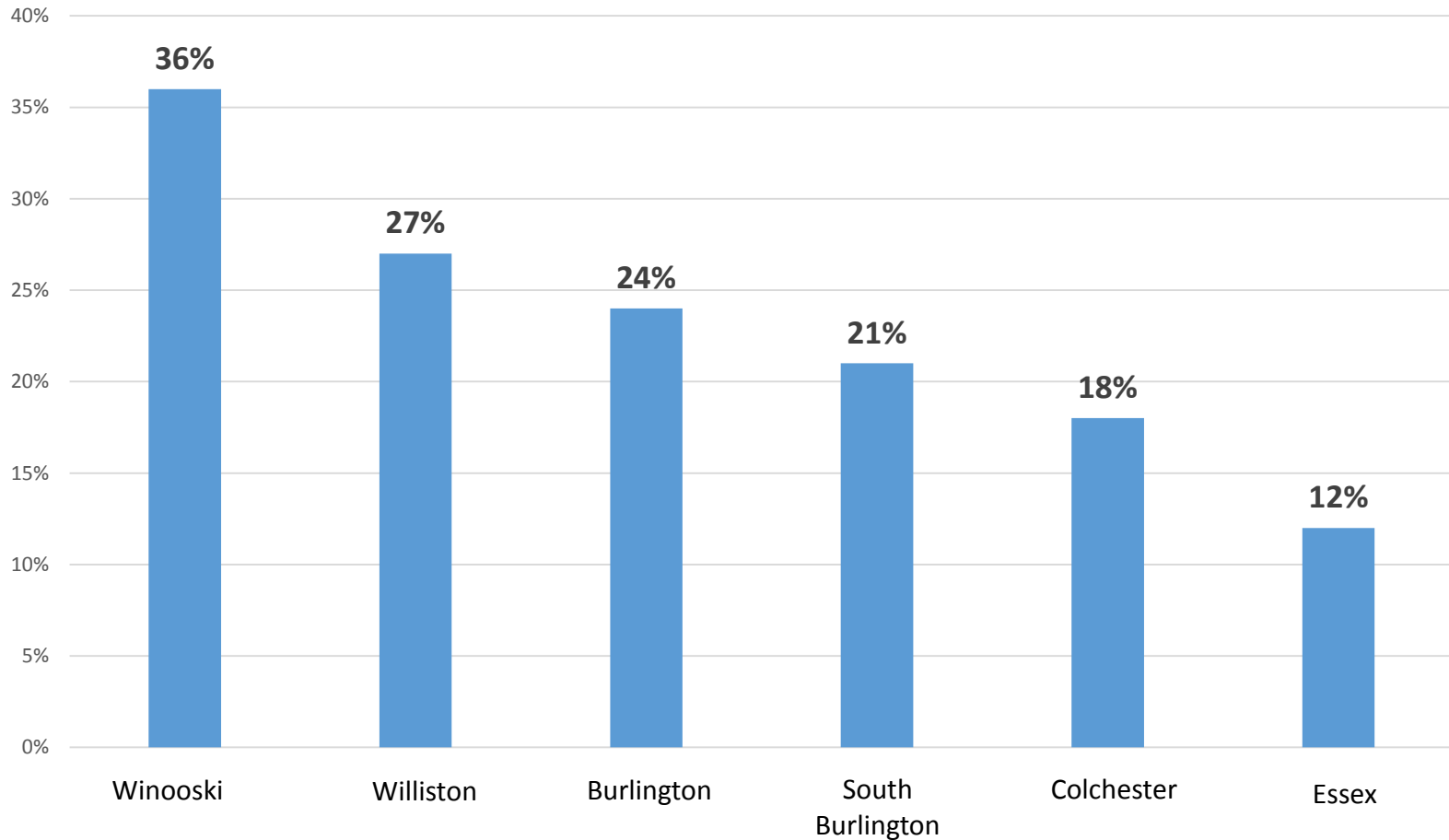
Winooski Rental Rate Distribution: 2015
(With Affordable Vouchers Included)



Households with an income of \$75,000 or above would spend less than 30% of income on renting the existing luxury units in Winooski. As of 2015, 27% of Winooski households had an income of over \$75,000.

Gentrification Indicators: Luxury vs. Affordable Units

Percent Affordable Rental Units (Project-based)
by Municipality: 2015

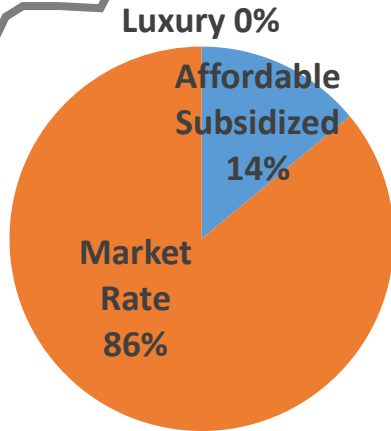


Winooski provides the highest percentage of project-based subsidized affordable housing units of all the surrounding municipalities. When voucher-based affordable units are included, 53% of the City's rental units are subsidized affordable units.

Gentrification Indicators: Luxury vs. Affordable Units

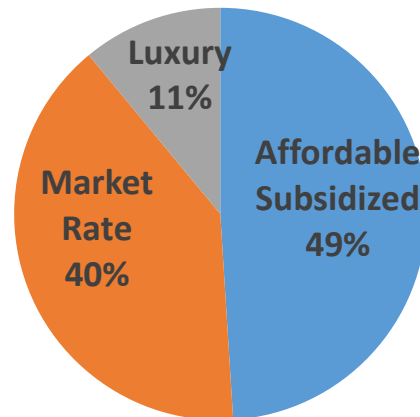
Percent of Tract 24 with Household Income of \$75,000 or above: 26%

Tract 24 Rental Rate Distribution: 2015



Households with an income of \$75,000 or above would spend less than 30% of income on existing luxury rentals.

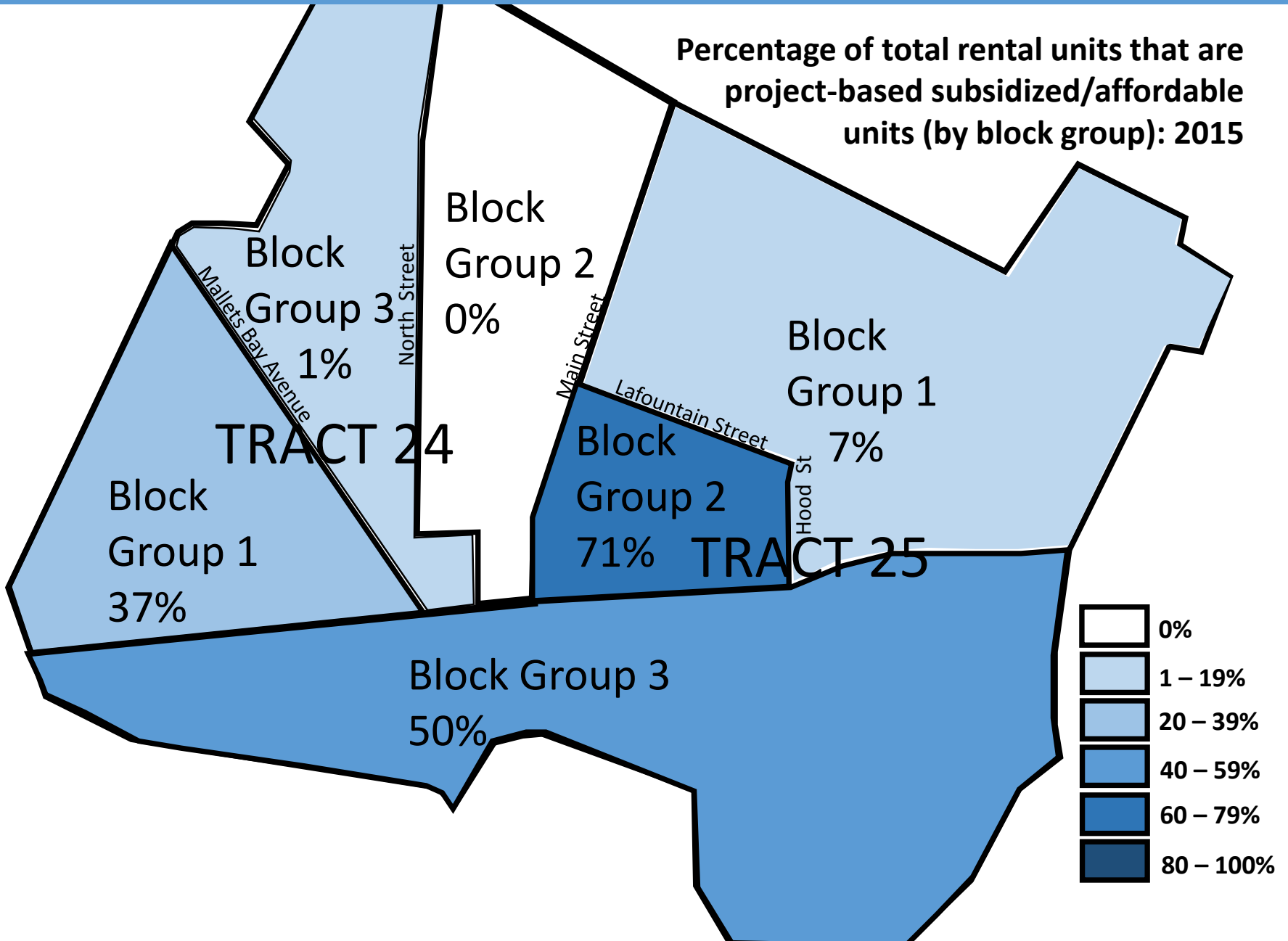
Tract 25 Rental Rate Distribution: 2015



Percent of Tract 25 with Household Income of \$75,000 or above: 27%

Gentrification Indicators: Luxury vs. Affordable Units

Percentage of total rental units that are project-based subsidized/affordable units (by block group): 2015



Gentrification Indicators: Luxury vs. Affordable Units

Form-Based Code Affordable Housing for Bonus Provision requires:

- Housing costs affordable to household income falling within 80-120% of the Area Median Income
- Housing costs no greater than 30% of AMI
- Housing must remain affordable for at least 20 years

RANGE = \$1,265 - \$1,898

$$\begin{aligned} \text{AMI} &= \$63,255 \\ \times .8 &= \$50,604 \\ \times .3 &= \$15,181 \\ /12 \text{ mos.} &= \mathbf{\$1,265} \end{aligned}$$

$$\begin{aligned} \text{AMI} &= \$63,255 \\ \times 1.2 &= \$75,906 \\ \times .3 &= \$22,772 \\ /12 \text{ mos.} &= \mathbf{\$1,898} \end{aligned}$$

Current Construction:

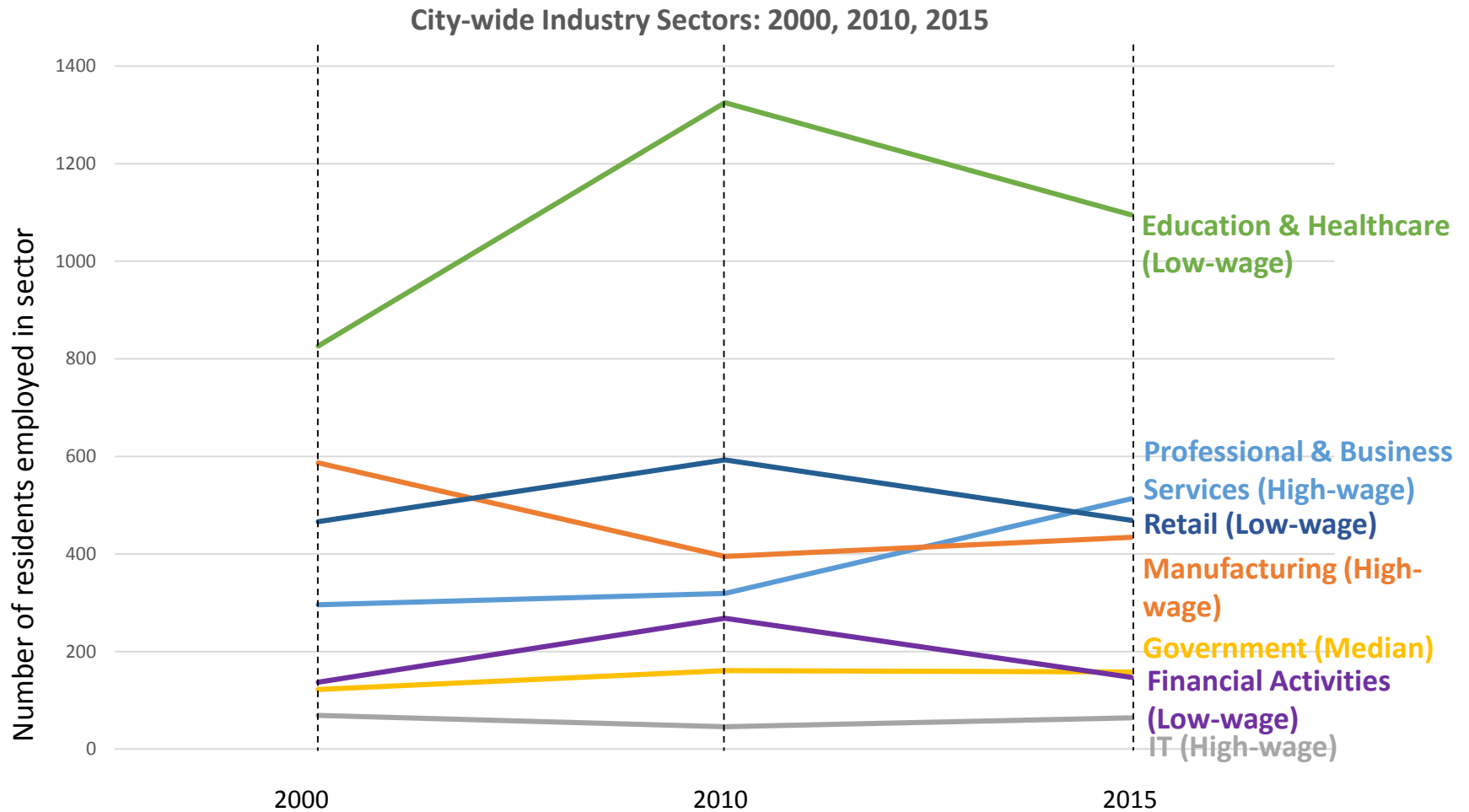
Units currently under construction are priced **BELOW** the affordable household threshold required by form-based code.

Average 1 bedroom
\$1,180
Average 2 bedroom
\$1,682



EMPLOYMENT SECTORS

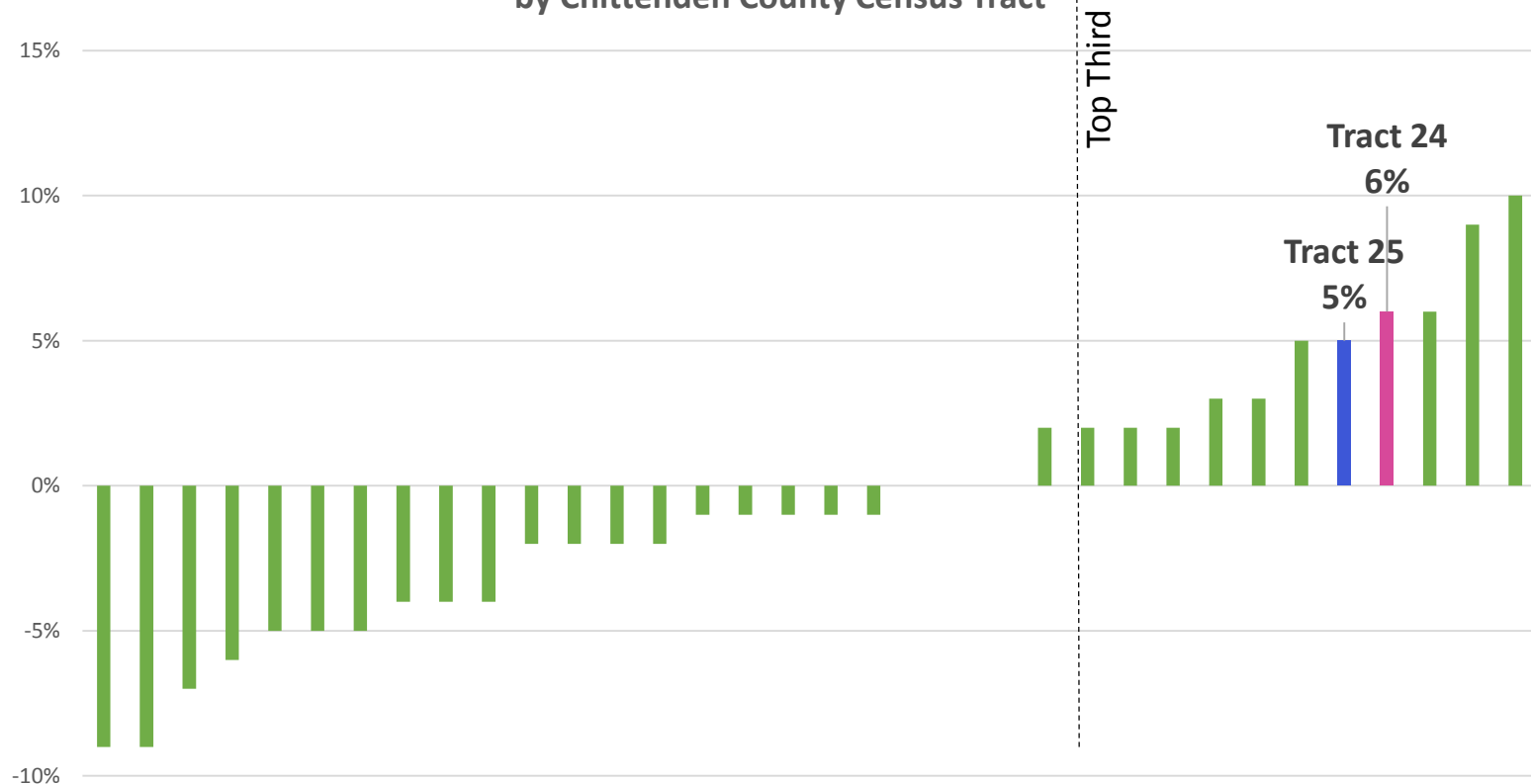
Gentrification Indicators: High-wage vs. Low-wage jobs



Winooski residents remain predominantly employed in jobs that are considered low-wage jobs. However, low-wage employment is falling while high-wage employment is increasing.

Gentrification Indicators: High-wage vs. Low-wage jobs

Percent Change in High-Wage Job Category Professional & Business Services
Employment: 2010 - 2015
by Chittenden County Census Tract

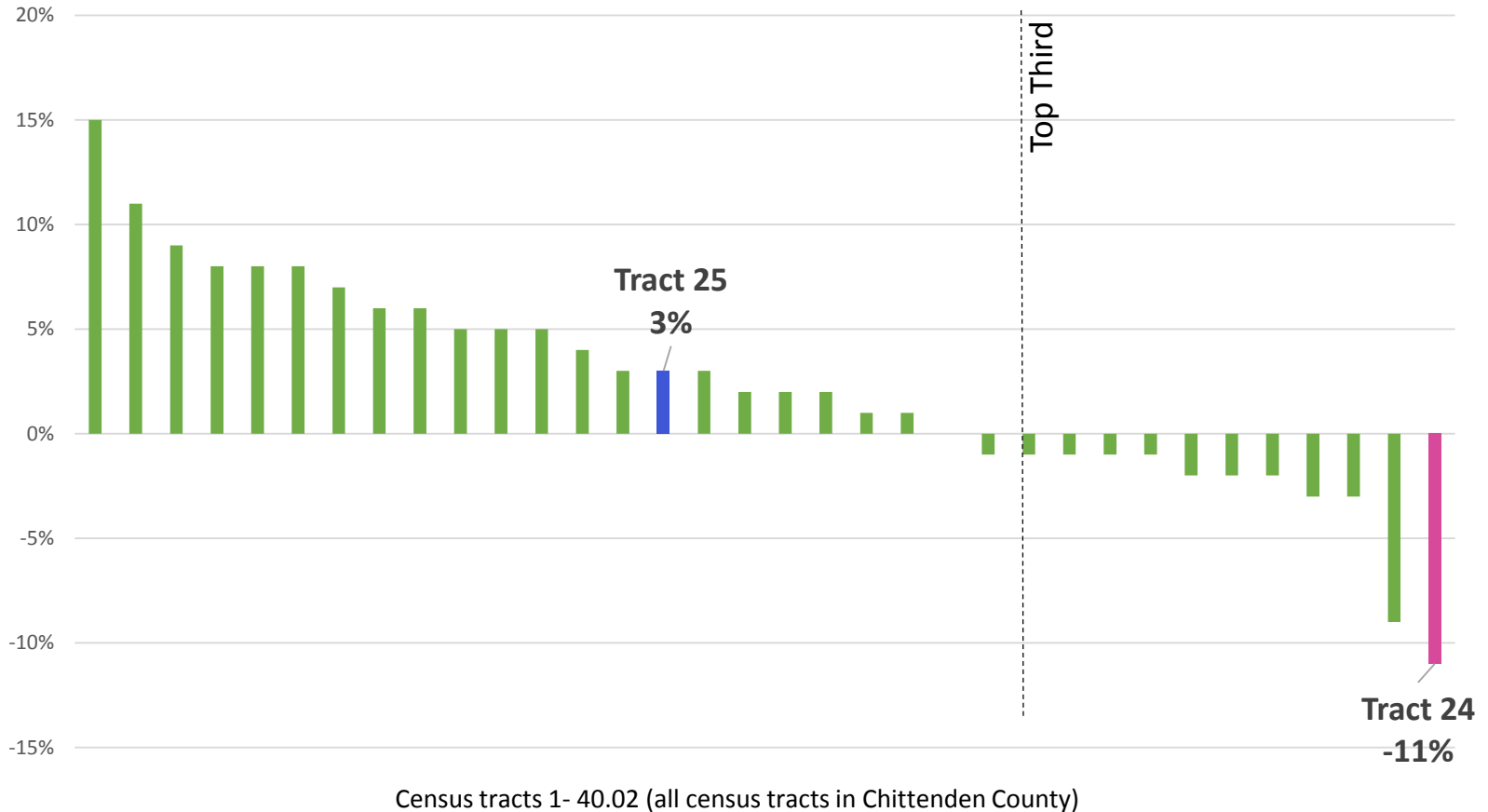


Census tracts 1- 40.02 (all census tracts in Chittenden County)

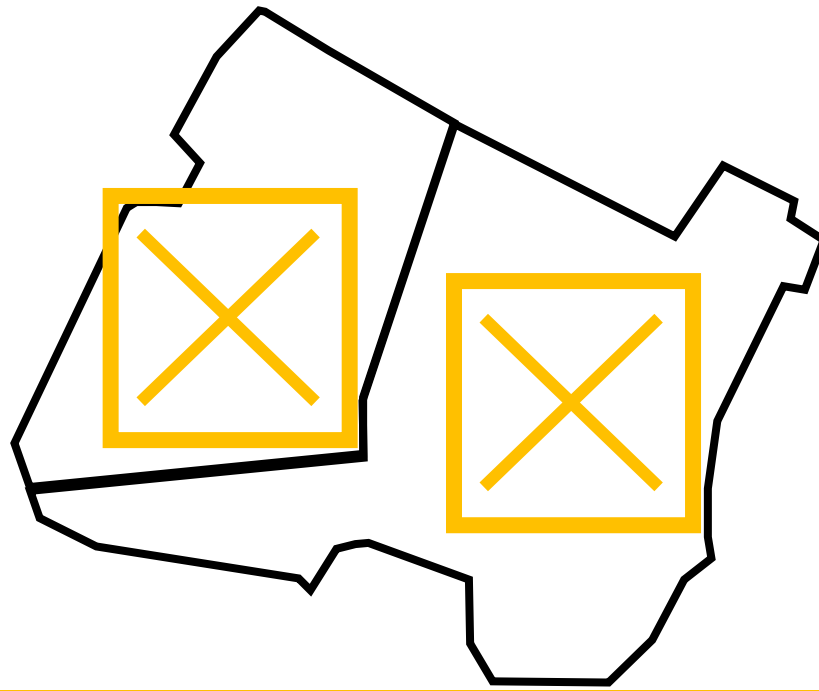
High-wage industry sector employment is increasing among the top third of Chittenden County for both tracts.

Gentrification Indicators: High-wage vs. Low-wage jobs

Percent Change in Low-Wage Job Category Education & Healthcare: 2010-2015
by Chittenden County Census Tracts

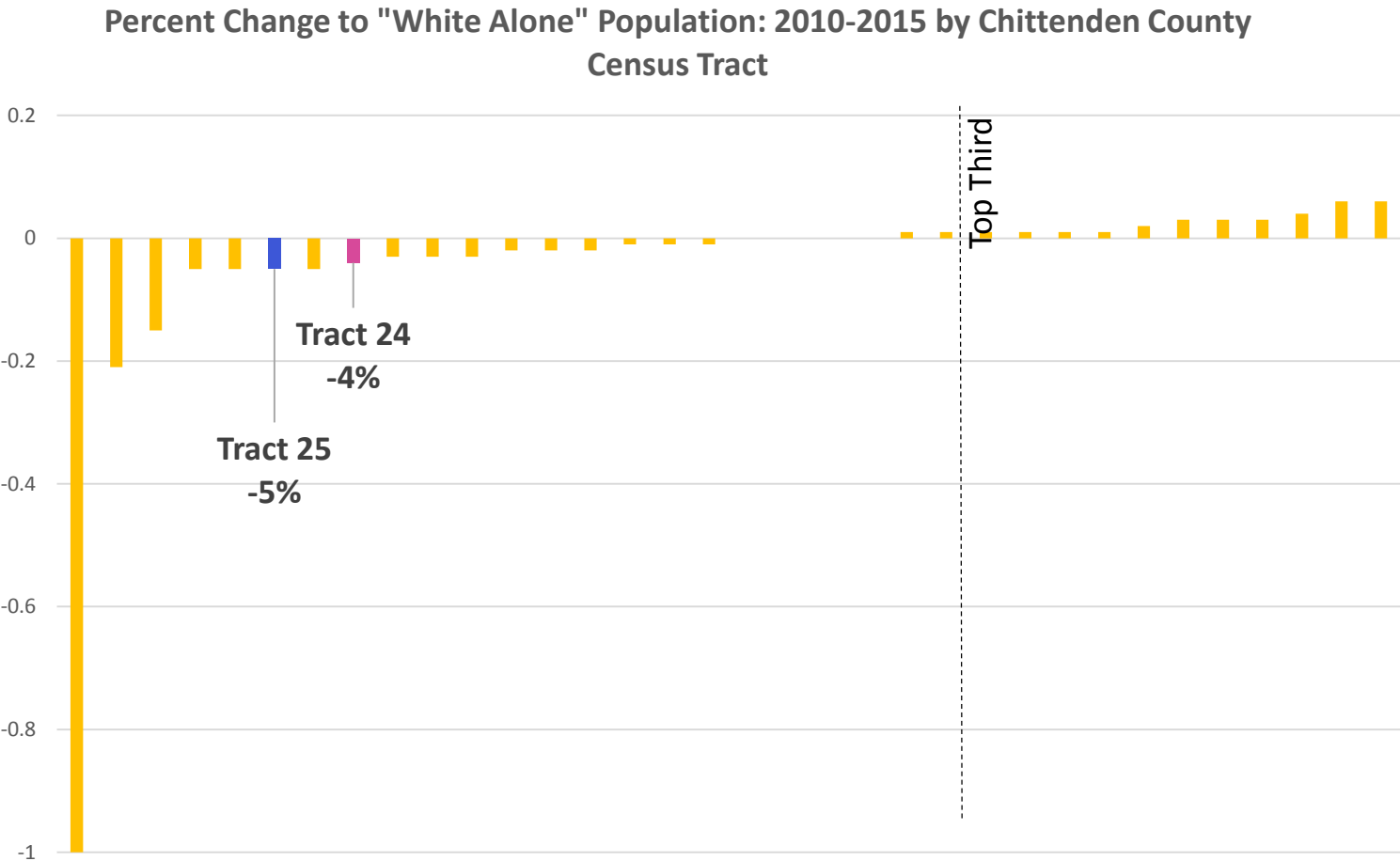


Low-wage industry sector employment is decreasing among the top third of Chittenden County for only Tract 24.



INCREASE IN WHITE NON-
HISPANIC POPULATION

Gentrification Indicators: Increase in White, Non-Hispanic Population



Census tracts 1- 40.02 (all census tracts in Chittenden County)

GENTRIFICATION INDICATOR SCORECARD

Tract 24

Tract 25



Median income



Home value



Renter/Homeowner Disparity



Educational attainment



Decreasing Poverty/Displacement



Luxury vs. affordable apartments



High-wage vs. low-wage industries



Increase in white population



RECOMMENDATIONS



- **Continue to monitor gentrification indicators utilizing criteria and format established in this report**
- **Continue to compile and analyze data to drive decision-making**
- **Engage the community in the master planning process to set housing targets, identify community needs and prioritize goals**
- **Participate in a regional dialogue regarding affordable housing**
- **Develop regional strategies for de-concentrating poverty**
- **Create programs and policies to mitigate growing income disparity between renters and homeowners**