



Combating Housing Displacement

FHCCI Policy Brief

The Fair Housing Center of Central Indiana (FHCCI) believes that when neighborhoods finally obtain the investment they have long sought, the long-time residents who resided in these neighborhoods, when there was insufficient investment, should not be pushed out. What can we do to ensure that each neighborhood gets the investment it needs so issues around gentrification and displacement are no longer the headlines? A neighborhood is more than the strength of its property values and tax receipts. A neighborhood is also protective of those who resided there when there were crumbling sidewalks and lack of businesses. A neighborhood cherishes its history and culture. It values new residents and long-term residents equally. It ensures that all who reside in it have access to safe, affordable housing in a mix of housing stock.

According to a [2020 report by the National Community Reinvestment Coalition \(NCRC\)](#), Indianapolis was 9th highest of large cities in number of gentrifying neighborhoods/census tracts and 12th highest in intensity of gentrifying metro areas. The report analyzed the five-year American Community Survey (ACS) data collected during the periods 2008-2012 and 2013-2017 for its comparison. The report found a stark racial divide in the highest ranking communities with gentrifying neighborhoods overwhelmingly populated by people of color. The report noted that the people who lived in gentrifying neighborhoods, overwhelmingly people of color, were not benefiting from the new investment that now flowed.

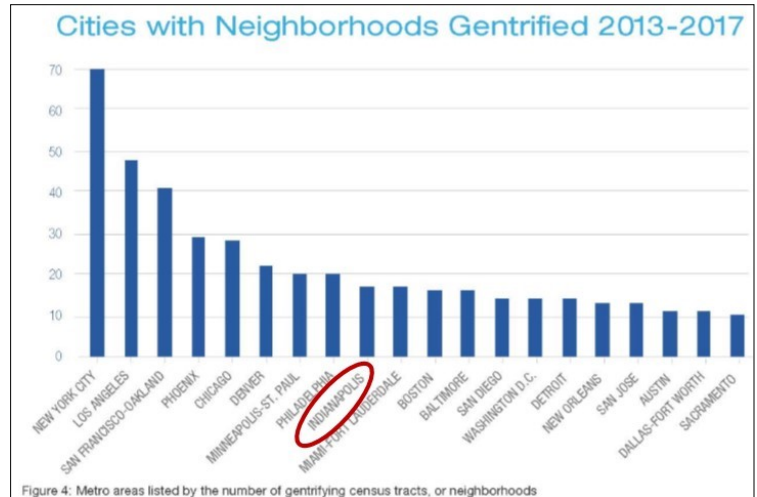


Figure 4: Metro areas listed by the number of gentrifying census tracts, or neighborhoods

Very often we think of gentrifying neighborhoods as mostly pushing out long-term homeowners when they can no longer afford to continue living in the neighborhoods they may have resided in for some long. However, the [Philadelphia Federal Reserve](#) found that renters are more vulnerable to displacement as their communities gentrify, and unlike owners, they reap none of the so-called “rewards” that rising home prices and rents can bestow.

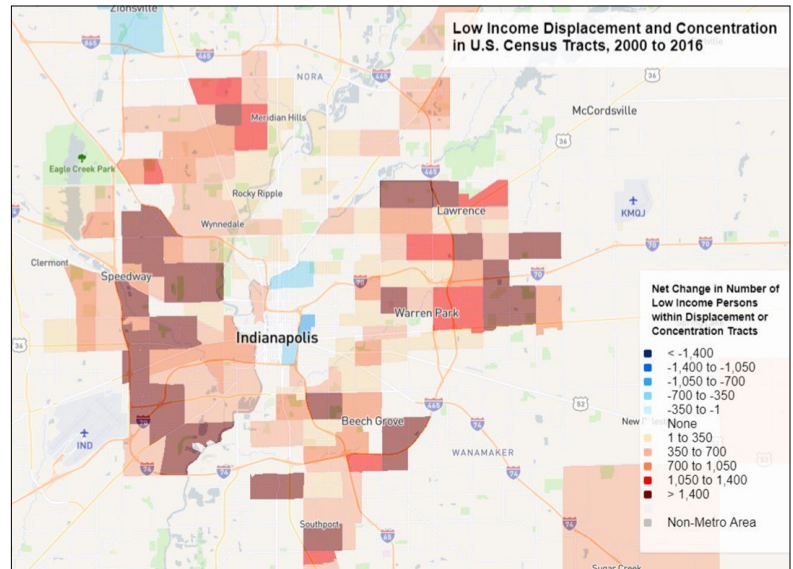
The NCRC report also shared that indications of economic prosperity – household income, home value, and college education – quickly increased in gentrifying areas. Rents rose fastest in gentrifying and middle- to upper-income urban neighborhoods, creating housing affordability pressures. A survey by the [National Association of Home Builders](#) in September 2019 reported that 4 in 5 respondents believed that the lack of affordable housing had reached crisis levels. To further explain this, the [2019 Out of Reach Report](#) by the National Low Income Housing Coalition, indicated that the needed average wage to afford a typical two bedroom apartment was \$17.65 for an Indianapolis resident. Note: Indianapolis neighborhoods ranged from \$15.58 to \$26.54. In another worrisome report impacting housing stability, the State of Indiana was most recently ranked 51st, last, in [AARP’s Long-Term Services & Support Report](#). This report analyzes the community based care services in place to allow people to age in place in the housing of their choice. Something of

City	Total Tracts	Eligible Tracts	Gentrifying Tracts	Gentrifying %
San Francisco-Oakland	975	131	41	31.3%
Denver	619	80	22	27.5%
Boston	1003	75	16	21.3%
Miami-Ft. Lauderdale	1215	81	17	21.0%
New Orleans	392	64	13	20.3%
Austin	350	56	11	19.6%
New York City	4515	362	70	19.3%
San Jose	383	72	13	18.1%
Phoenix	991	162	29	17.9%
Sacramento	484	56	10	17.9%
Minneapolis	771	115	20	17.4%
Indianapolis	360	100	17	17.0%
Washington D.C.	1346	86	14	16.3%
San Diego	627	88	14	15.9%
Los Angeles	2921	404	48	11.9%
Baltimore	679	150	16	10.7%
Chicago	2210	324	28	8.6%
Philadelphia	1473	280	20	7.1%
Detroit	1294	293	14	4.8%
Dallas	1314	238	11	4.6%

Table 5: Twenty most intensely gentrifying metro areas 2013-2017. (Source: Author’s calculations based on 2008-2012 and 2013-2017 Census ACS 5-year data)

particular interest to older homeowners or renters who are aging or encountering health concerns - high risk for displacement.

A [2019 report by the University of Minnesota](#) mapped major cities for displacement. The map at the right shows the City of Indianapolis and the impact of displacement from 2000 to 2016. Displacement tracts are those showing strong economic expansion and a net decline in low-income population (gentrification). The white areas represent no significant neighborhood change over the time period. The brown/pink patches reveal poverty concentration levels, where the numbers and shares of non-low-income residents declined and the population of low-income residents grew. Blue represents low-income displacement, where the numbers and shares of non-low-income residents increased, but low-income residents declined. This is another way of showing the problem in Indianapolis.



How to address this issue? Although we focus on Indianapolis in this report, other Indiana cities are undergoing similar changes. Relevant legislation to this topic has been introduced in Indiana previously but not advanced positively. Some federal action can also be taken. Some recent examples and recommendations by the FHCCI:

- **Property Tax Relief for Long-Term Homeowners/Residents:** As property values rise from investment, those long term homeowners risk the loss of their housing due to increasing property taxes since, most often, their homes are otherwise paid off. We must also address the disproportionate property tax burdens too often faced by homeowners of color, as outlined in this brief, when this occurs. [HB 1177](#) (2020) and [SB 292](#) (2020) were recent bills which would have provided property tax relief for long-term homeowners, meeting certain conditions, when assessed values escalated. Note SB 292 began as a property tax bill but was later drastically amended.
- **Homeowner Repair Programs:** Too many long-term homeowners cannot afford high cost repairs to their home. Often these programs assist with expensive repairs like roofs, furnaces, or accessible features. The homeowner may have lived in an area where disinvestment previously impacted their ability to secure or benefit from loan programs to better their housing. Offering grants, low-interest loans, or forgivable loans which turn into grants to assist these homeowners in being able to maintain their property and not be forced out due to code violations or issues around health or safety is critical. Although most communities offer these programs, they are not adequately funded to address need. Sometimes they are overly burdensome for the homeowner to navigate or come with too many conditions attached. An example of a recent bill to address this need was [SB 485](#) (2017).
- **Affordable Rental Housing:** A healthy neighborhood is one rich in a mix of housing stock. A repeal of [SB 558](#) (2017) would give Indiana cities the ability to ensure affordable housing development in areas where it is needed. SB 558 currently restricts forms of rent control or affordable housing mandates outside of incentives (bans inclusionary zoning). See the FHCCI's [2017 Public Policy Page](#) for additional background on SB 558.
- **Community Reinvestment Act:** The NCRG study reinforced the need for a healthy and robust Community Reinvestment Act (CRA), [and its modernization and expansion](#), to adapt to the realities of chronic disinvestment and poverty in too many neighborhoods. The CRA is important for driving investment to lower-income communities and families. Currently, there are federal attempts to weaken the CRA which the FHCCI does not support.
- **Community Based Care:** Access to sufficient funds and resources to ensure effective community based care options are essential to those with disabilities or persons aging in place. These are individuals who want to stay in their community and/or neighborhoods but do not want to transfer to a nursing home or other institution-like setting due to health related needs. With support services, they can remain in their homes - often at a fraction of the cost of nursing home care. These individuals have been valuable parts of their neighborhoods and need to be supported in remaining in the homes of their choice - whether as homeowners or renters. They should have that option.

