

Gentrification: A Recent History in Metro Denver

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OVERVIEW

This report examines the relationship between metro Denver's history of redlining and recent gentrification trends in the region's most vulnerable neighborhoods. It explores how gentrification has evolved from an urban issue into a regional phenomena and considers the question, "How is gentrification impacting communities today?"

Definitions & Methodology

Redlining

A discriminatory practice where banks refuse or limit loans within specific neighborhoods based on the race or ethnicity of its residents.

Vulnerable to Gentrification

Shift defines a Census tract as vulnerable to gentrification if the majority of households within it earn less than 60 percent of the median income.

Gentrifying

Shift defines a Census tract as gentrifying if the population within it demonstrates an increase in the educational attainment greater than the overall region's educational attainment, as well as either an increase in median rent or median housing value that is greater than that of the region's.

Plurality

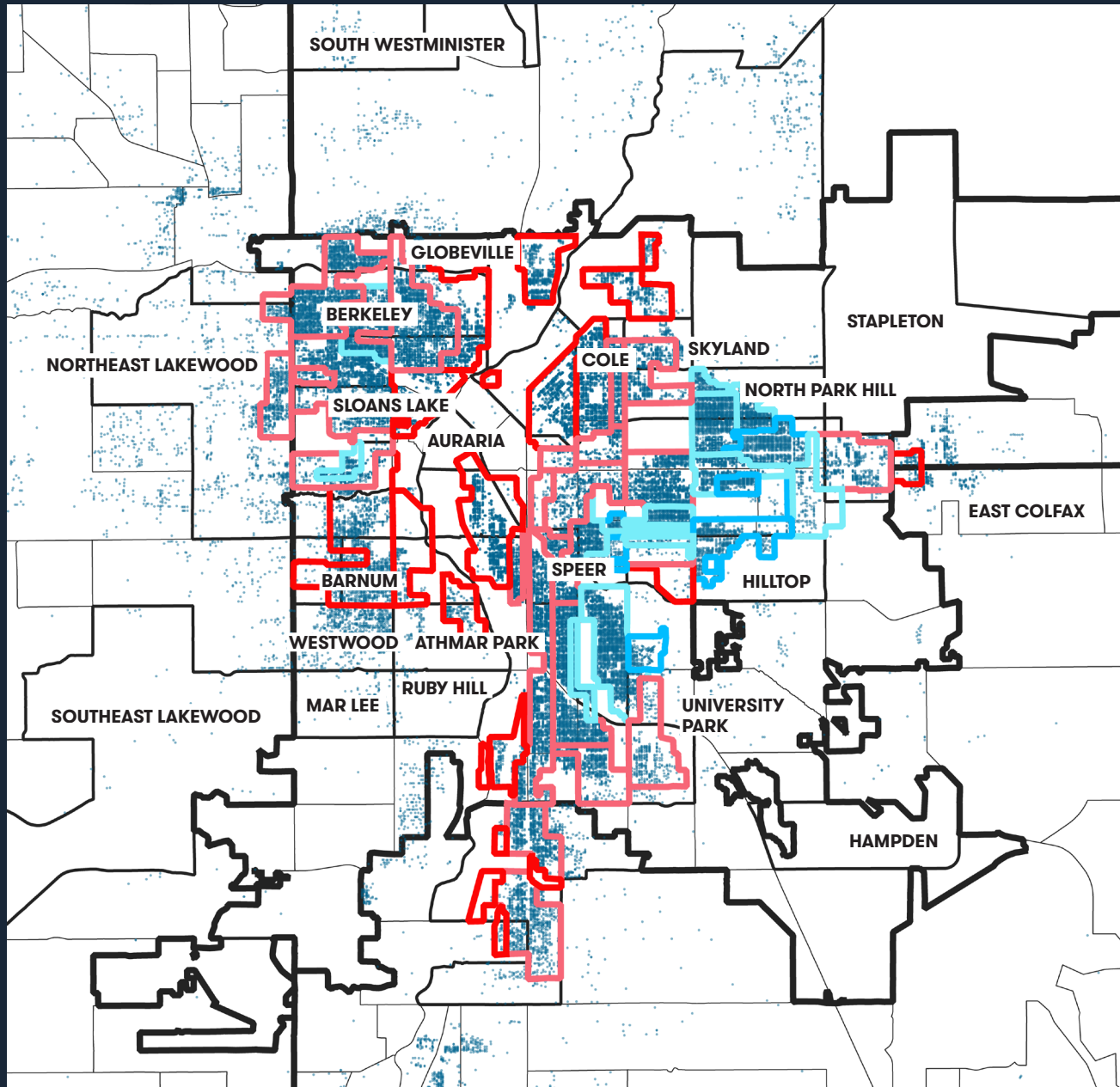
Plurality depicts the racial or ethnic group with the highest concentration of population in a Census tract.

Housing Cost-Burdened

A family is defined as housing cost-burdened if it spends more than 30 percent of its income on housing.

The methodology for this report is drawn from the Federal Reserve Bank of Philadelphia's Working Paper: Gentrification and Residential Mobility in Philadelphia. Visit philadelphiafed.org to learn more.

1938 Redlines in the Metro Region



The map to the left shows the Denver region's documented redlining from 1938.

The blue lines demarcate the neighborhoods perceived by the White population as the "best" or "still desirable" areas to live. The red and pink lines demarcate the neighborhoods perceived by the White population as "declining" or "hazardous" areas to live.

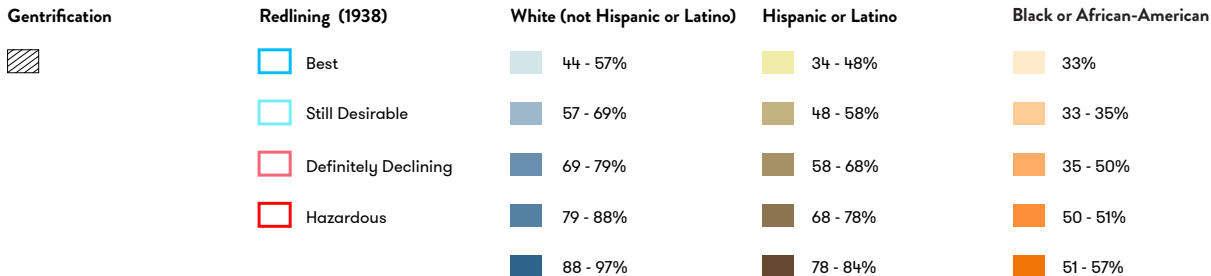
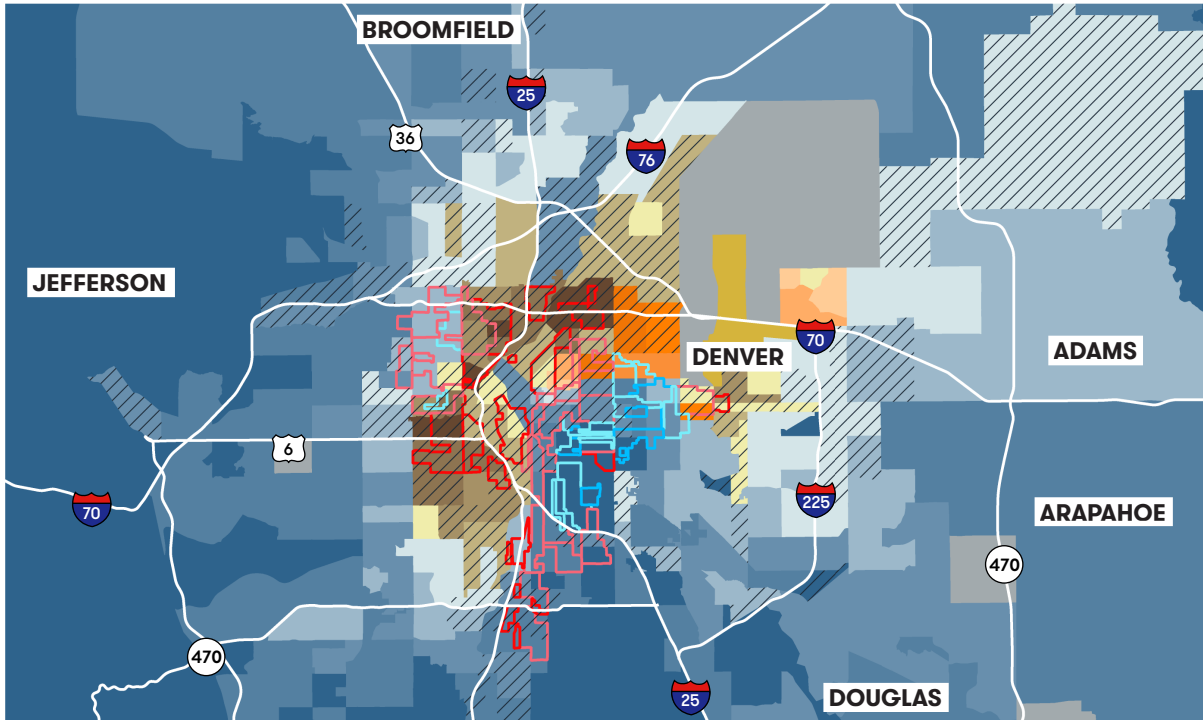
The following maps will explore how the discriminatory practice of redlining has impacted recent gentrification trends in the region. It will also explore the relationship between gentrification and the suburbanization of poverty, as well as the state of gentrified communities today.

Redlining (1938)

- Best
- Still Desirable
- Definitely Declining
- Hazardous
- Residential builings pre 1940

Gentrification Trends in 2000

The map below from 2000 shows the areas in metro Denver that were vulnerable to gentrification, as well as the racial and ethnic plurality of those areas. 1938 redlining is included to provide historical context. Notably, most of the redlined areas from 1938 were vulnerable to gentrification in 2000. These same areas also contain the greatest density of Hispanic or Latino and African-American populations.



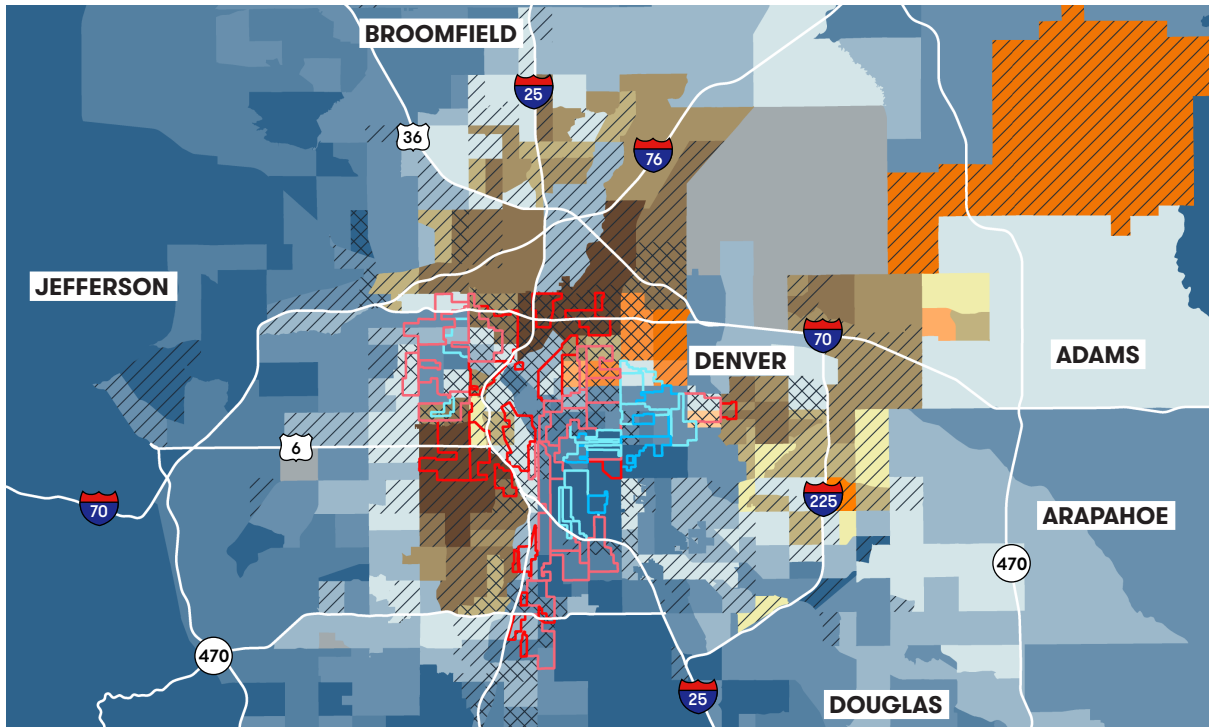
KEY FINDINGS

- In 2000, 1 in 4 households in metro Denver were vulnerable to gentrification and approximately 77,000 of those households were housing cost-burdened.
- Although the African-American population comprised only 6 percent of metro Denver's total population in 2000, 4 in 10 of its population were vulnerable to gentrification.
- Hispanics or Latinos comprised approximately 1 in 5 of metro Denver's total population in 2000, but 6 in 10 of its population were vulnerable to gentrification.
- White non-Hispanics comprised almost 7 in 10 of metro Denver's total population in 2000, while 1 in 4 were vulnerable to gentrification.

PROMPTING QUESTION

What relationship do you see between the redline footprint, the vulnerability to gentrification, and the composition of who was living in those communities in 2000?

Gentrification Trends in 2011



Gentrification	Redlining (1938)	White (not Hispanic or Latino)	Hispanic or Latino	Black or African-American
Gentrifiable	Best	38 - 57%	31 - 37%	33%
Gentrifying	Still Desirable	57 - 69%	37 - 50%	33 - 35%
	Definitely Declining	69 - 79%	50 - 60%	35 - 50%
	Hazardous	79 - 87%	60 - 71%	50 - 51%
		87 - 98%	71 - 82%	51 - 57%

The map to the left shows the areas in 2011 that were either gentrifying or vulnerable to gentrification, as well as the racial and ethnic plurality of those areas. Again, the 1938 redlining is shown. In 2011, gentrification was concentrated in urban areas with dense Hispanic or Latino and African-American populations. Notably, most of the redlined areas from 1938 were vulnerable to gentrification in 2011. A spatial correlation exists between contemporary gentrification and historical discriminatory practices.

The map also shows the beginning trend of vulnerability to gentrification spreading to suburban areas. This is reflective of the suburbanization of poverty trend that metro Denver has been experiencing.

KEY FINDINGS

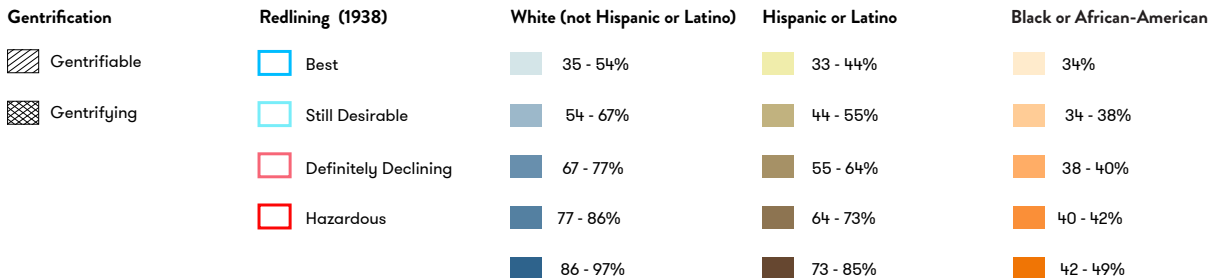
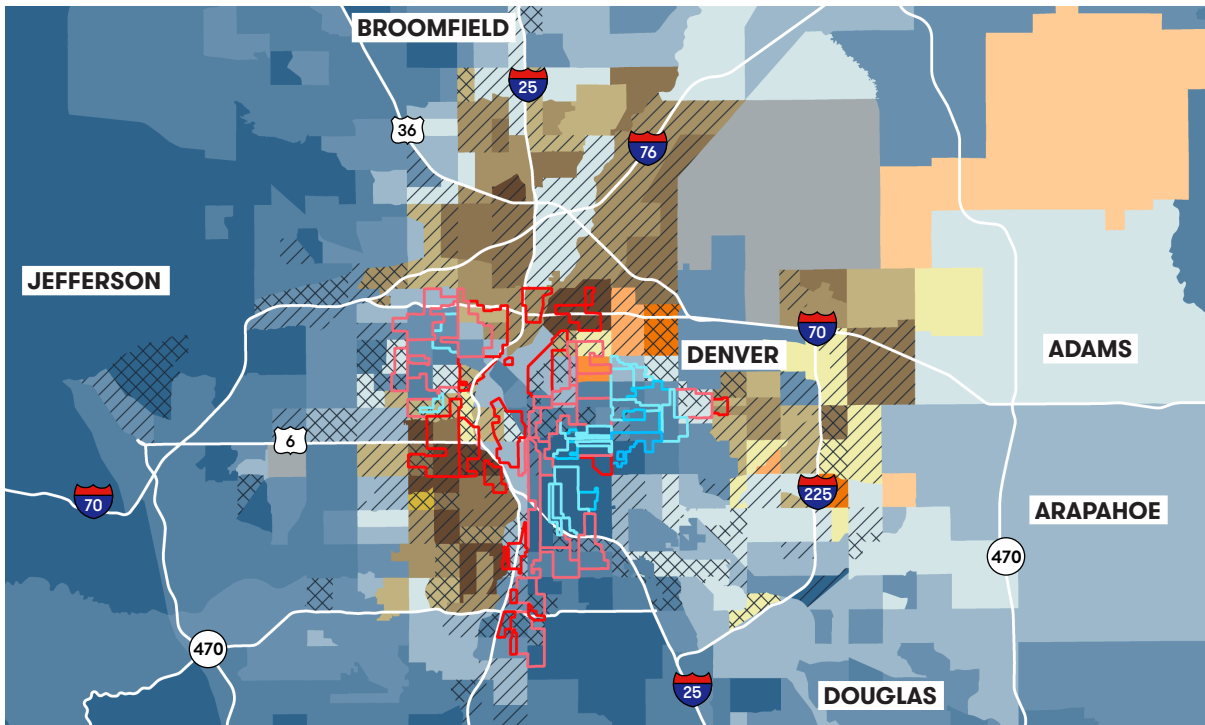
- In 2011, African-Americans comprised only 5 percent of the total metro Denver population, but half their population was at risk of gentrification.
- Half of the households vulnerable to gentrification were housing cost-burdened.
- Hispanic or Latino and White non-Hispanic population shares that were vulnerable to gentrification declined between 2000 and 2011.

PROMPTING QUESTION

What relationship do you see between the redline footprint, gentrification, and the composition of communities in 2000?

Gentrification Trends in 2016

The map below shows the areas in 2016 that were gentrifying and vulnerable to gentrification, as well as the racial and ethnic plurality of those areas. The 1938 redlining is also shown for historical context. This map shows the continued spread of gentrification to suburban areas. While gentrification in 2000 was more of an urban issue—concentrated in redlined areas with dense Hispanic and African-American populations—it has evolved into a regional issue, outside redline boundaries.



KEY FINDINGS

- Although the African-American population continued to comprise 5 percent of metro Denver's total population in 2016, its exposure to gentrification dropped to 37 percent.
- The share of housing cost-burdened households declined by 5 percent between 2011 and 2016.
- Between 2011 and 2016, there were approximately 64,000 fewer households vulnerable to gentrification, while households in gentrifying areas grew by approximately 26,000.

PROMPTING QUESTION

- What does this map suggest about the evolution of gentrification in the region from 2000 to 2016?
- With anticipated continued growth in the region, what are the implications for those who are economically vulnerable to remain in their communities of choice as well as those who have had to leave their communities?

Impact of Gentrification

While examining the history of gentrification in metro Denver provides important insight into how and why communities have changed over time, it is also important to consider what the future holds for those who have been displaced. Below are some points to consider around the impact of gentrification on communities today and in the future:

Data Transparency

- While general trends point to an improving economy, there may be more to the data below the surface. Due to definitions employed by the United States Census Bureau, households and their characteristics can paint a one-sided view of what is likely a multi-dimensional reality, where potentially unique households are actually “doubling up,” or living together.
- Although doubling up can help adults and families avoid cost burdens or substandard housing, the decision to double up out of economic necessity suggests that these households are experiencing, or are at risk of experiencing, housing vulnerability.
- When multiple households living together are counted as one in the Census, their incomes are added up, which masks household purchasing power and potential housing demand.
- Many support services are funded based on Census data, which means that doubled-up households are at risk of being undercounted and overlooked for the support services they need.

Families Accessing Support Services

- Historically, health and human service organizations have concentrated in areas where vulnerable families live, primarily in Denver’s urban core.
- As home prices continue to rise, more vulnerable families are being pushed out of the core into suburban communities, which have less direct service infrastructure to support their needs. This migration has forced many families to travel back to the urban core to access those services. As a result, many nonprofits are considering expanding or relocating their services to be closer to clients.

Municipal Finance

- As more families become housing cost-burdened—meaning they spend more than 30 percent of their incomes on housing—the local economy is impacted. When families have less money to spend on goods and services, it results in a decrease in sales tax revenue, which is the major source of general fund revenue for municipalities. Additionally, some municipalities with more housing cost-burdened households have experienced an increased demand on support services expenditures.
- Statewide, this crowded-out spending has translated to \$2 billion in lost sales tax revenue.

Stay tuned: More research from Shift around the issue of data transparency is coming soon.



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Have more questions about gentrification specifically, or Shift's work more generally? Contact Jennifer Newcomer, Shift's Principal of Research at jnewcomer@garycommunity.org.