1/25/2023

# Neighborhood Change in Montgomery County and the Washington, DC Region

Growth, concentration, and displacement from 2000-2019

# Building infill housing enables socio-economic diversity and prevents poverty concentration and displacement.

Main takeaways:

- **Poverty concentration** affects more people than displacement in Montgomery County.

- Poverty concentration and displacement are driven by a **lack of socio-economic diversity** within neighborhoods.

- Neighborhoods can get wealthier **AND** more socio-economically diverse…but **not without growth**.

- Building **more housing** is key to:

  - preventing displacement AND poverty concentration.

  - fostering socio-economically inclusive communities.

# 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 **housing and race/ethnicity** variables to examine the relationship between these factors 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

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**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.

# Definitions and Data

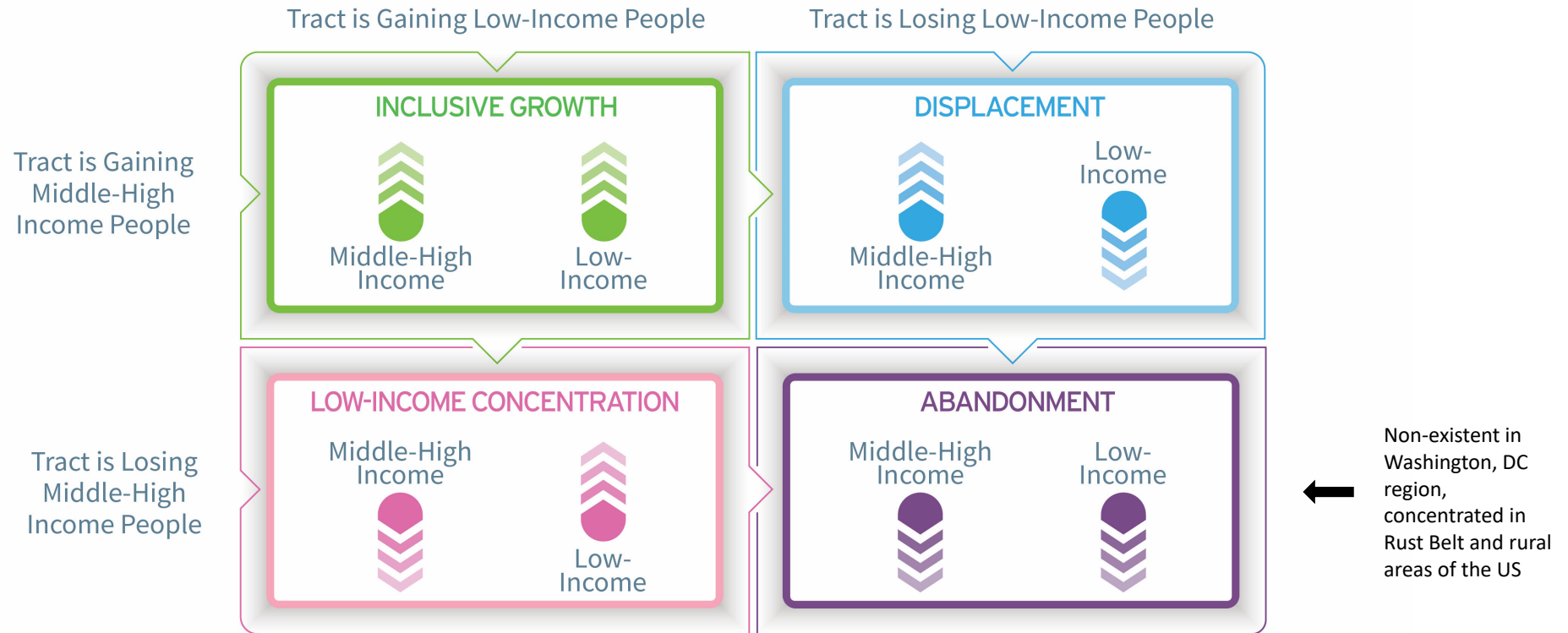| Middle-High Income | Low-Income |
|---|---|
| At or above 200% of the Federal Poverty Level | Below 200% of the Federal Poverty Level |

2019 Federal Poverty level for a family of four
- $51,500
- Equivalent to about 40% of Area Median Income (AMI) in Montgomery County for family of four in 2021
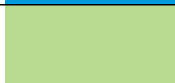
Data
- 2000 Decennial Census
- 2015-2019 American Community Survey

The analysis characterizes neighborhoods, defined by Census tracts, based on population income shifts from 2000-2019.

Tract is Gaining Low-Income People          Tract is Losing Low-Income People

Tract is Gaining
Middle-High
Income People

**INCLUSIVE GROWTH**

Middle-High
Income

Low-
Income

**DISPLACEMENT**

Low-
Income

Middle-High
Income

Tract is Losing
Middle-High
Income People

**LOW-INCOME CONCENTRATION**

Middle-High
Income

Low-
Income

**ABANDONMENT**

Middle-High
Income

Low-
Income

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

Graphic adapted 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 in Montgomery County

# Neighborhood Change Criteria

| Economic trajectory | Percentage Change in Number of Middle-High Income* People | Change in Share of Low-Income** People | Neighborhood Change Category | Absolute Change in Number of Low-Income People | Map color |
|---|---|---|---|---|---|
| **ECONOMIC DECLINE** (decline of middle-high income population) | -10% or more | +5% or more | **Abandonment** | -1 to -699 (moderate***) | |
| | | | | < -700 (strong***) | |
| | | | **Low-income concentration** | 1 to 699 (moderate) | |
| | | | | > 700 (strong) | |
| **ECONOMIC EXPANSION** (growth of middle-high income population) | +10% or more | -5% or more | **Displacement** | -1 to -699 (moderate) | |
| | | | | < -700 (strong) | |
| | | | | 1 to 699 (moderate) | |
| | | | **Inclusive Growth** | > 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 – **Displacement**

- Gaining middle-high Income People
- Losing low-income people



Neighborhood Change in the Washington DC Region, 2000 - 2019

Legend:
- Highways and Major Roads
- Montgomery County
- Washington DC Metropolitan Region

Neighborhood Change Categories
- displacement - moderate
- displacement - strong

Neighborhood Change Data: US Census and American Community Survey

Esri, HERE, NPS, Esri, HERE, Garmin, USGS, EPA, NPS
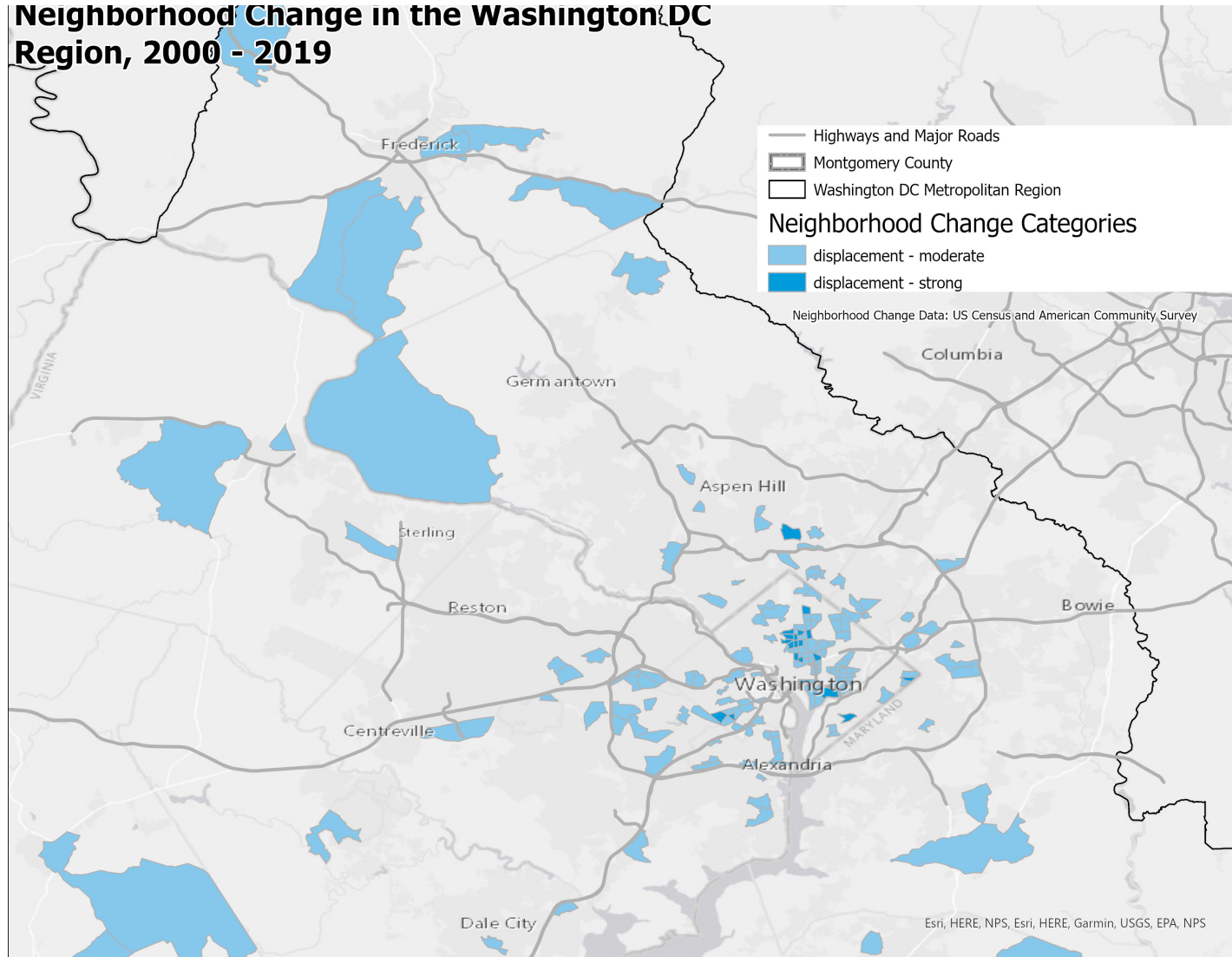
# Neighborhood Change –**Low-Income Concentration**

- Losing middle-high income people
- Gaining low-income people



**Neighborhood Change in the Washington DC Region, 2000 - 2019**

Highways and Major Roads
Montgomery County
Washington DC Metropolitan Region

Neighborhood Change Categories
low-income concentration - moderate
low-income concentration - strong

Neighborhood Change Data: US Census and American Community Survey

MNCPPC, VITA, Esri, HERE, Garmin, USGS, EPA, NPS, Esri, HERE, NPS
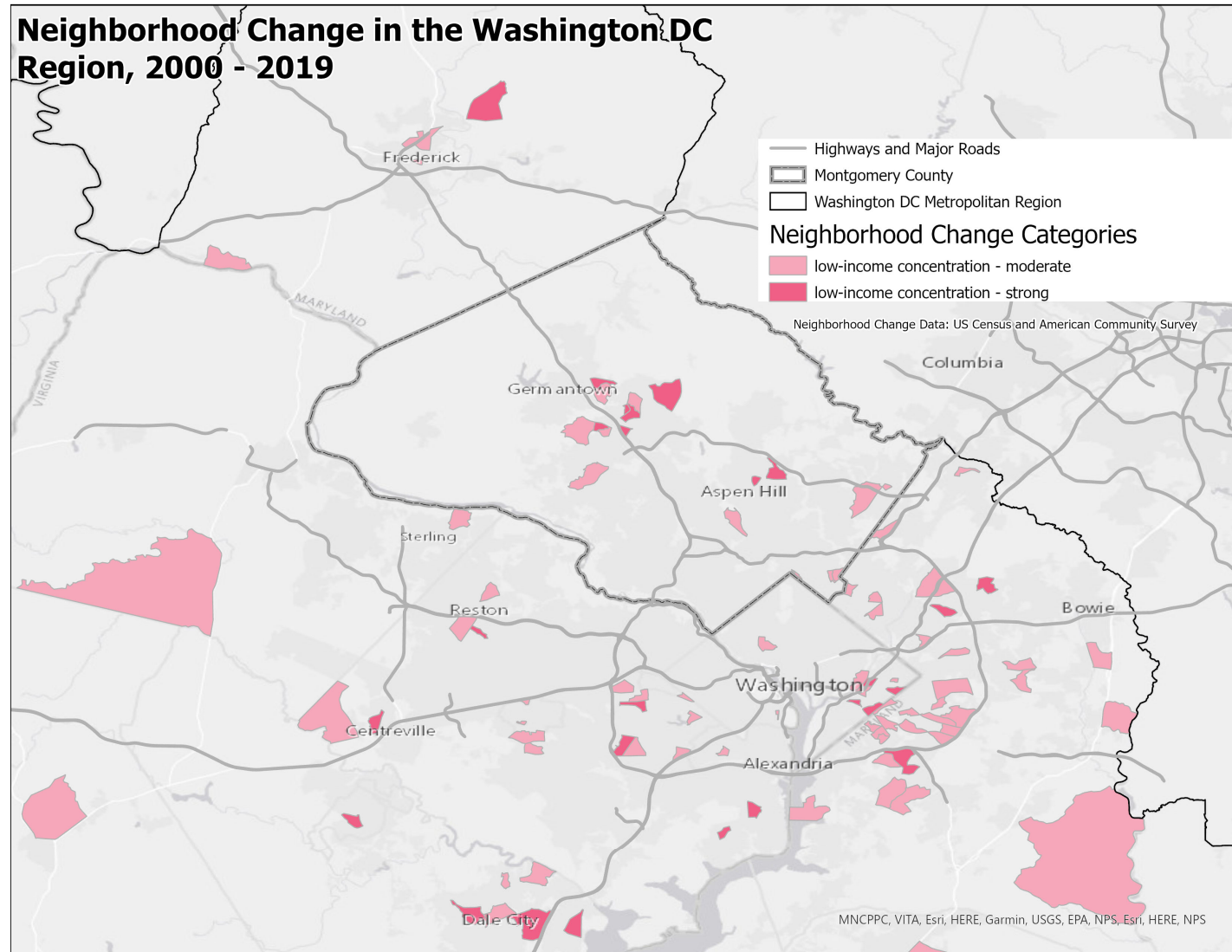
# Neighborhood Change – **Inclusive Growth**

- Gaining middle-high income people
- Gaining low-income people



**Neighborhood Change in the Washington DC Region, 2000 - 2019**

Legend:
— Highways and Major Roads
☐ Montgomery County
☐ Washington DC Metropolitan Region

**Neighborhood Change Categories**
- inclusive growth - moderate
- inclusive growth - strong

Neighborhood Change Data: US Census and American Community Survey

Esri, HERE, NPS, Esri, HERE, Garmin, USGS, EPA, NPS

Neighborhood Change in the Washington DC Region, 2000 – 2019

Neighborhood Change Categories
- low-income concentration - moderate
- low-income concentration - strong
- displacement - moderate
- displacement - strong
- inclusive growth - moderate
- inclusive 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

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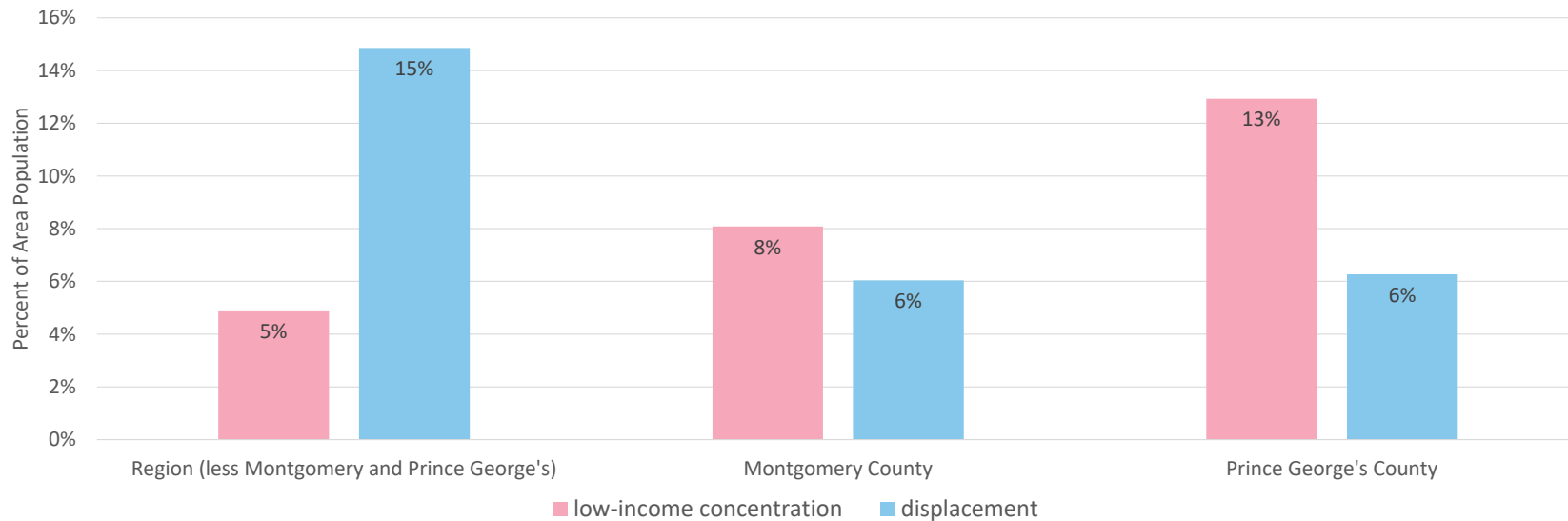Montgomery and Prince George's Counties have more tracts with low-income concentration while DC and other nearby Virginia jurisdictions have more tract where displacement is occurring.



Legend: low-income concentration ■ | displacement ■ | inclusive 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 | | |
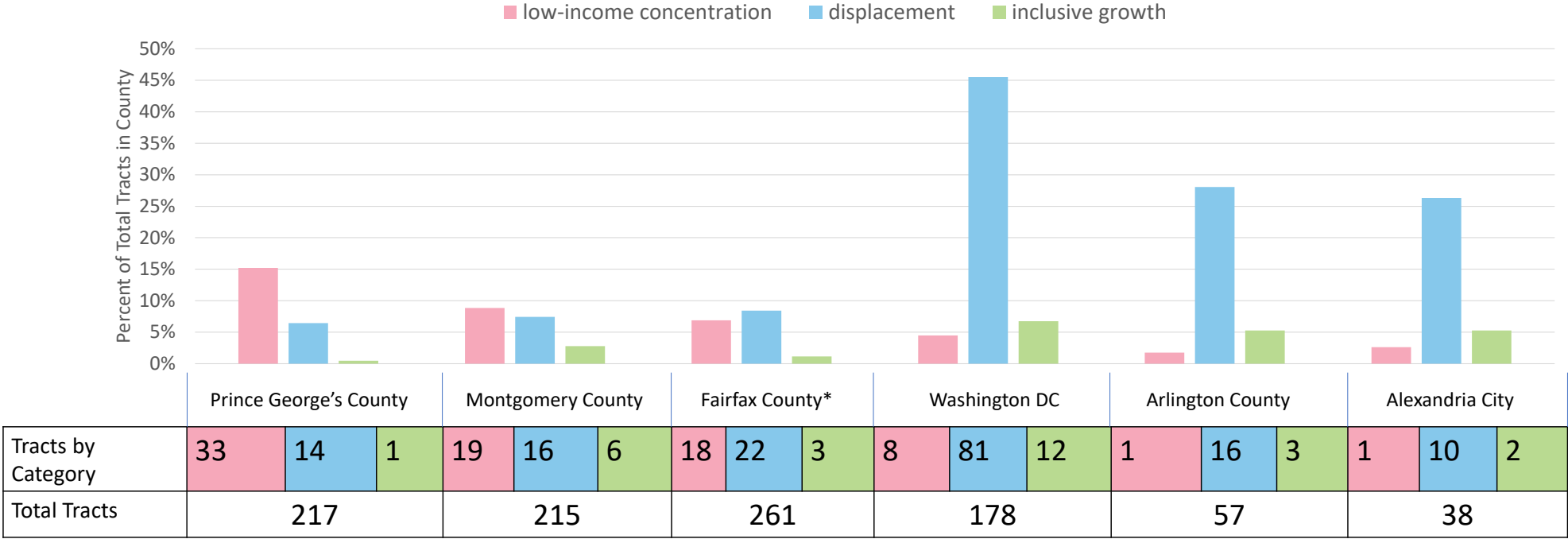
- Tracts with low-income concentrations are more common in the Maryland Counties than tracts with displacement. In Washington, DC and adjacent Virginia jurisdictions, displacement is more common.

- 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.

* Includes Fairfax City and Falls Church City

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.

Neighborhood Change in Montgomery County

# 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**

| Category | low-income concentration | displacement |
|---|---|---|
| Black 2000 | 14% | 7% |
| Latino 2000 | 13% | 9% |
| Black 2019 | 12% | 4% |
| Latino 2019 | 13% | 6% |

**DC Region without Montgomery County**

| Category | low-income concentration | displacement |
|---|---|---|
| Black 2000 | 12% | 20% |
| Latino 2000 | 9% | 23% |
| Black 2019 | 10% | 14% |
| Latino 2019 | 8% | 13% |

# "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)
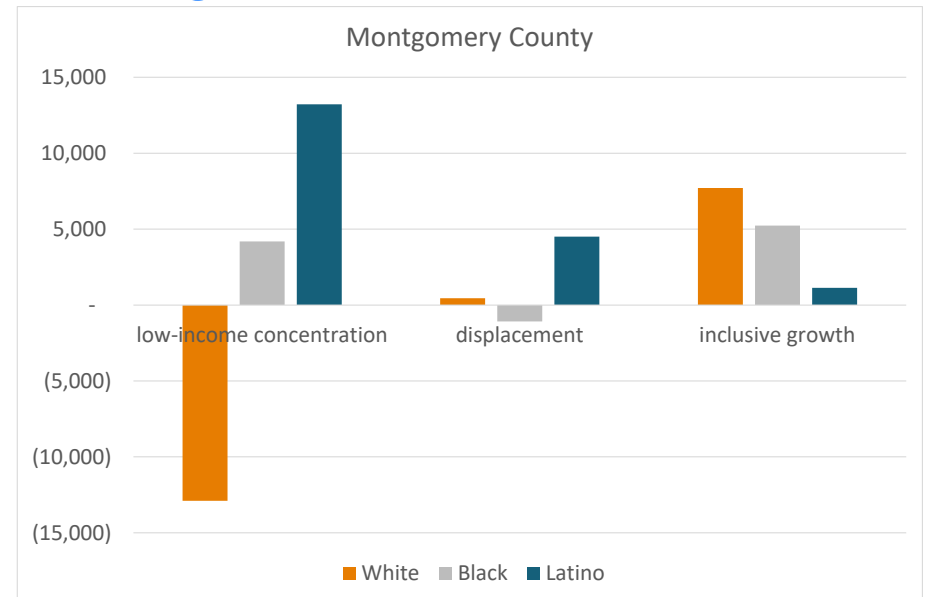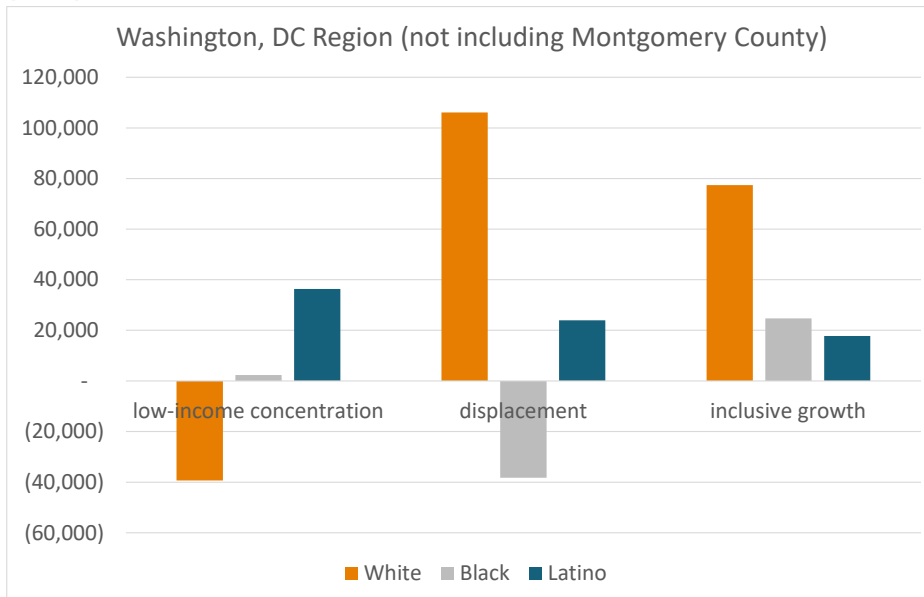


Montgomery County

- **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.**

# "Inclusive 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 |
|---|---|---|---|
| Inclusive growth | 65,096 | 52 | 1,252 |
| does not meet criteria | 335,104 | 998 | 336 |
| displacement | 50,502 | 190 | 266 |
| low-income concentration | 725 | 103 | 7 |

## Montgomery County

| Category | Net New Housing Units* | Number of Tracts | Net New Housing Units Per Tract |
|---|---|---|---|
| inclusive growth | 10,658 | 6 | 1,776 |
| does not meet criteria | 41,799 | 174 | 240 |
| displacement | 1,603 | 16 | 100 |
| 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 inclusive growth added the most housing by far**.

- In Montgomery County, the tracts that are growing inclusively 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, inclusively growing 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 growing inclusively (**6** in Montgomery County).

# The assertion that new housing causes displacement is not supported by the data.



Change in Black Population vs. Change in Housing Units - DC Region

$R = 0.221, p < 0.001$

n = 1,081

Change in Latino Population vs. Change in Housing Units - DC Region

$R = 0.077, p = 0.01$

n = 1,111
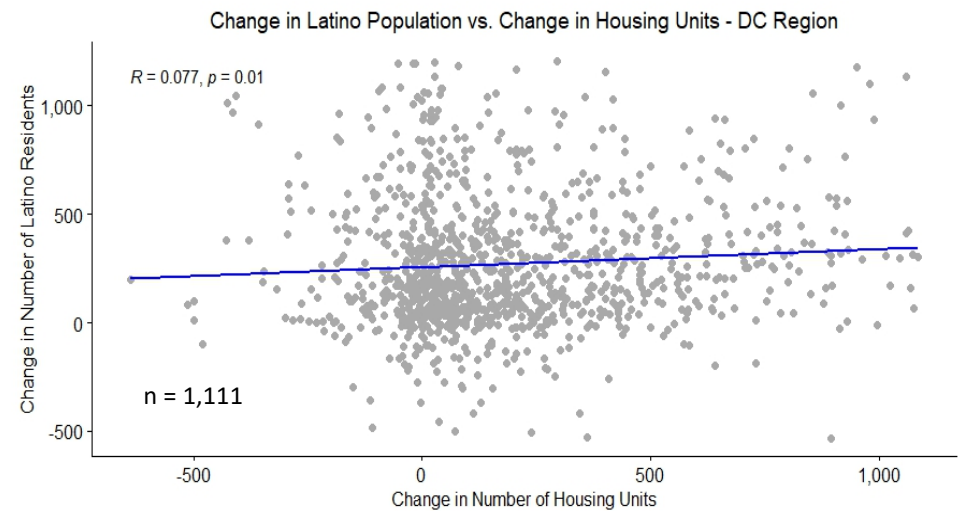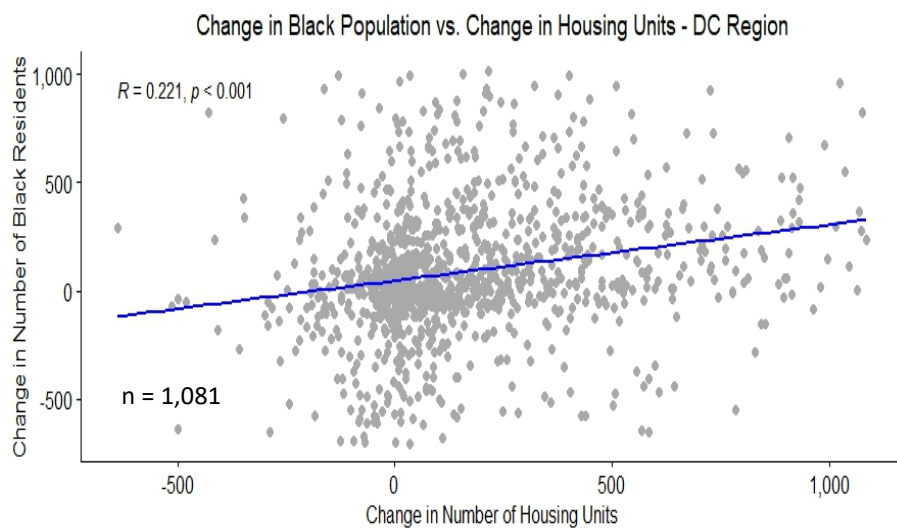
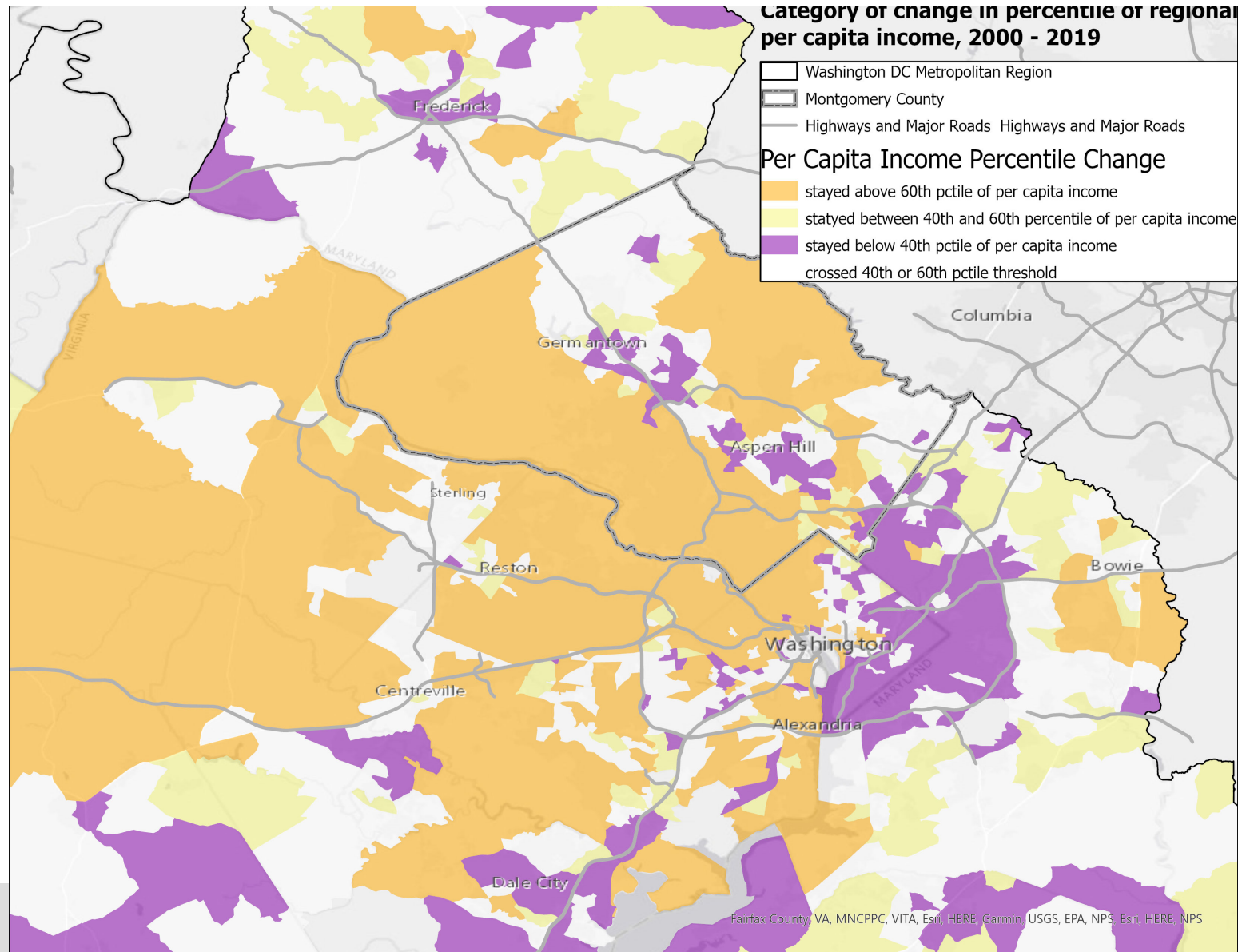Black and Latino populations increase as more housing is added

**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

⬜ Washington DC Metropolitan Region
▭ Montgomery County
— Highways and Major Roads  Highways and Major Roads

**Per Capita Income Percentile Change**

🟧 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

Fairfax County, VA, MNCPPC, VITA, Esri, HERE, Garmin, USGS, EPA, NPS, Esri, HERE, NPS

◤ Neighborhood

# DC is driving neighborhood change in the region.

| Jurisdiction* | Qualifying*** Tracts | Total Tracts | Percent in Change Category |
|---|---|---|---|
| Washington, DC | 101 | 178 | 57% |
| Arlington County | 20 | 57 | 35% |
| Alexandria City | 13 | 38 | 34% |
| Prince George's County | 48 | 217 | 22% |
| Frederick County | 13 | 61 | 21% |
| Montgomery County | 41 | 215 | 19% |
| Prince William County | 15 | 81 | 19% |
| Fairfax County** | 43 | 218 | 16% |
| Loudoun County | 8 | 64 | 13% |

Over half of DC's tracts saw enough demographic change to qualify for a neighborhood change category. Other large jurisdictions had only about a third or under a quarter qualify.

*Jurisdictions with at least 35 census tracts
**Includes Fairfax County, Falls Church City, and Fairfax City
***Tracts that met minimum thresholds to be in one of the four neighborhood change categories.

# Montgomery County Neighborhood Change: Key Takeaways

- Building more housing, including affordable housing, **promotes socio-economic diversity**, which in turn helps
  - Prevent displacement
  - Prevent poverty concentration and disinvestment, and
  - Encourage inclusive growth