

Not in Cully:

Anti-Displacement Strategies for the Cully Neighborhood

Background Documents

Prepared for
Living Cully: A Cully Ecodistrict
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Background Documents

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I) Introduction

The documents contained in this report informed much of the analysis for this project. They provide detailed information about the Cully neighborhood, community engagement findings, the consulting team's process for selecting recommendations, and available resources and case studies related to neighborhood change in other communities. They are intended to serve as references for the *Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood* report. While not required for use of the report, these documents give broad context for much of the information and recommendations it puts forth.

II) Understanding Gentrification and Displacement: An Overview of the Current Discussion

Introduction

Urban geographer Ruth Glass first used the term gentrification in the 1960s to describe changing central London neighborhoods. She defined it as “the process of middle and upper-class households moving into distressed neighborhoods, upgrading the derelict housing stock, and eventually displacing the working-class residents, thereby changing the social character of the neighborhood.”¹ Since then, it has been used to describe a variety of urban contexts, and there is no generally accepted definition of the term. It remains clear, however, that it falls under the general category of neighborhood change, and attempts to describe how residential mobility, renewed investment, and improved quality of housing impact the character, feel, demographic profile and built environment of a specific neighborhood.

A review of the literature examining the processes of neighborhood change – including reinvestment, revitalization, gentrification, and displacement – reveals several trends. Such terms are often used interchangeably, and definitions vary significantly depending on the perspective of the author. Where more than one process is identified in a given neighborhood, they are discussed as interconnected and frequently said to have a cause and effect relationship. Such processes are often attributed to specific policy decisions by local governments as well as private market forces.

While neighborhood change processes are discussed and studied in a wide variety of contexts, many touch on the following:

- The impact of community change initiatives on residential mobility
- The impact of housing prices on residential mobility
- The extent to which gentrification leads to displacement of low-income residents
- The extent to which economic improvement in neighborhoods is attributable to gentrification that leads to residential displacement
- A refutation of claims that gentrification can be a positive phenomenon
- Studies of how gentrification contributes to race/class segregation in US cities
- Studies examining how residents and community-based organizations respond to neighborhood change
- Strategies local governments can use to maintain economic diversity in gentrifying neighborhoods

Gentrification and Neighborhood Change

Most discussions of gentrification and displacement place them under the broader umbrella process of neighborhood change. The traditional filtering model of neighborhoods assumes that neighborhoods have life cycles. This means that they move in a predictable process from development or redevelopment to decline, as housing stock deteriorates and lower-income residents move in and occupy lower-quality, yet more affordable housing. However, the revitalization of neighborhoods over the last 20 years has led many to conclude that this model is too simplistic.

¹ Levy, D.K., Comey, J. & Padilla, S. (2006). In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement. The Urban Institute.

It does not anticipate the multiple and complex ways that neighborhoods change.² Many new theories discuss different stages of change that neighborhoods move through. They more explicitly address the relationship between the base characteristics of a neighborhood and how it eventually changes.

While there is significant debate about the definition of gentrification and whether gentrification always includes displacement, most definitions include five common facets:³

1. It occurs in central-city neighborhoods;
2. It occurs in neighborhoods that are initially inhabited by low-income residents;
3. It occurs in neighborhoods that have experienced a period of disinvestment;
4. It involves an influx of gentrifiers of higher socioeconomic status;
5. It involves investment capital.

Defining Gentrification

In addition to these commonalities, most definitions of gentrification fall into three categories:

1. A neutral definition that views gentrification as a phenomenon that can be positive and does not necessarily include displacement of low-income residents;
2. A more classic definition that is based on historical patterns of change, which includes displacement;
3. A critical definition that includes displacement of low-income residents and views gentrification as a negative phenomenon.

The neutral definition of gentrification was originally put forward by Neil Smith and has been adopted by many scholars. In this view, gentrification is "the process by which central urban neighborhoods that have undergone disinvestment and economic decline experience a reversal, reinvestment, and the in-migration of a relatively well-off, middle- and upper middle-class population."⁴

The classic definition of gentrification is closely aligned with the original phenomenon that Ruth Glass observed in the 1960s. It describes a historical pattern that involves higher income, mostly white households moving into neighborhoods with low-income, minority households, resulting in displacement of the latter. In this model, displacement connotes "not just exit, but exit for a particular reason -- a shock to housing costs or eviction/demolition." These terms are used in the context of examining neighborhood change in "gaining" neighborhoods, those that experienced an increase in economic status.⁵

The critical view of gentrification defines it as "the process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of

² Coulton, C., Theodos, B. & Turner, M.A. (2009). Family Mobility and Neighborhood Change: New Evidence and Implications for Community Initiatives. The Urban Institute.

³ Freeman, L. 2009. Neighbourhood Diversity, Metropolitan Segregation and Gentrification: What Are the Links in the US? Urban Studies, 46(10), 2079-2101.

⁴ *ibid.*

⁵ Ellen, I. G. & O'Regan, K. M. 2011. How low income neighborhoods change: Entry, exit, and enhancement. Regional Science and Urban Economics, 41, 89-97.

that neighborhood.”⁶ To be considered gentrification, three conditions must be met: displacement of original residents, physical upgrading of the neighborhood (especially the housing stock), and change in neighborhood character. This view differentiates gentrification from processes of revitalization and reinvestment. It defines the latter terms in the following way:

Revitalization: enhancing the physical/commercial/social components of neighborhoods through private and/or public efforts.

Reinvestment: increases in the flow of capital into a neighborhood, primarily for physical upgrades.

During the process of meeting with and talking to residents in Cully, a neutral definition of gentrification was used, framing displacement as one of many potential outcomes from reinvestment. This was an intentional attempt to learn from neighborhood residents without biasing their responses. However, as the name of our project suggests, our final strategy and set of recommendations is strongly tied to a more historical pattern of gentrification. It clearly indicates that the main concern of this project involves displacement of low-income residents and communities of color, and avoiding the pattern of residential and commercial displacement that occurred in other Portland neighborhoods.

Stages of Gentrification

Although there are no concrete thresholds for each stage of gentrification, many scholars have identified the following stages in the gentrification process:

1. Early-stage gentrification: signs of revitalization with the possibility of future gentrification; evidence of housing improvements and increased prices; located near other gentrifying neighborhoods.
2. Middle-stage gentrification: housing prices have risen sharply, but affordable housing is still available, as are developable land parcels.
3. Late-stage gentrification: housing prices have skyrocketed, there is little affordable housing and few developable land parcels; the demand for profitable market rate housing overshadows the needs of lower-income residents.⁷

Types of Displacement

There is no real consensus regarding different types of displacement and how they are defined. Some scholars identify the following four types of displacement:

1. Direct last-resident displacement: can be physical (e.g., landlord cutting off heat in a building) or economic (e.g., rent increase).
2. Direct chain displacement: looks past last-resident counting to include previous households that may have been forced to move at an earlier stage in the physical decline of the building or an earlier rent increase.

⁶ Kennedy, M. and Leonard, P. 2001. *Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices*. Washington, DC: The Brookings Institution and PolicyLink.

⁷ Levy, D. K., Comey, J., and Padilla, S. 2006. *In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement*. Washington, DC: The Urban Institute.

3. Exclusionary displacement: residents cannot access housing because it has been gentrified or abandoned.
4. Displacement pressure: the dispossession felt by lower-income families during processes of neighborhood change (e.g., friends leaving; new stores for other clientele replacing the stores they shopped at; changes in public facilities, transportation patterns, or support services).⁸

Commercial displacement is less studied than other types. It is increasingly included in discussions of gentrification and urban renewal in Portland. Commercial displacement refers to a process by which neighborhood-serving, often minority-owned businesses are pushed out of a neighborhood. This happens for direct and indirect reasons. Direct commercial displacement occurs when increases in lease rates make it difficult for business owners to afford rent. Indirect commercial displacement happens when the customers that support a business move out of the neighborhood and new residents are less supportive. Indirect commercial displacement is complex and is connected to the other forces of neighborhood change and displacement discussed above. While on the surface higher income groups moving into a neighborhood should be good for business, there are several reasons a business owner may not change their inventory or services to attract new residents. These include a lack of cultural understanding and feelings of loss and resentment that can come with neighborhood change.

At the outset of this project and in consultation with the Living Cully coalition, three types of displacement were identified that could occur or are currently occurring in Cully:

1. Forced physical displacement causes people to sell their property or leave their rental housing because it is no longer affordable.
2. Unforced physical displacement occurs when people would like to stay, but sell their property because it is lucrative. This is often accompanied by a lack of knowledge regarding current and future investment and how it will impact the real market value of property.
3. Community displacement occurs when residents feel a loss of community identity, causing them to leave the neighborhood.

Although these do not completely align with the definitions and categories identified in the academic literature, they do get at the same general causes and outcomes. They also relate to comments heard from neighborhood residents regarding different reasons people may choose to stay in or leave a neighborhood.⁹

⁸ Slater, T. 2009. Missing Marcuse: On gentrification and displacement. *City*, 13(2), 292-311.

⁹ "Affordability and accessibility are necessary, but not necessarily sufficient to make a place an affirmative choice." Cully resident, April 2013.

III) Cully Today: Existing Conditions

I. Narrative Summary

Purpose

The Existing Conditions report compiles data about Cully's current demographic, economic, housing, and accessibility conditions to assess the risk of gentrification-related displacement in the neighborhood, identify populations that may be particularly vulnerable to displacement, and guide recommendations for anti-displacement strategies.

Diverse Community

According to USA Today's 2010 Diversity Index, the Cully neighborhood is the most diverse neighborhood in both Portland and the state of Oregon.¹⁰ Analysis of demographic data reveals that communities of color comprise more than half of Cully's population, making the neighborhood significantly more diverse than Portland as a whole. Hispanic and Latino residents account for more than a quarter of Cully's population, followed by black (17 percent) and Asian (6 percent) residents. Nearly one-fifth of residents are foreign-born, and the primary language for 31 percent of the population is non-English.

Over the last decade, Cully has become more diverse at a rate that is slightly higher than Portland as a whole (a 5 percent increase in communities of color in Cully versus 3 percent citywide). In particular, the neighborhood's black and Hispanic and Latino communities have experienced larger-than-citywide population increases.

Economic Limitations

Over a quarter of Cully's residents live in poverty, compared to 17 percent in Portland overall. The rate of single female-headed households (another indicator associated with poverty) in the neighborhood is almost twice that of the city as a whole. Despite these figures, Cully residents appear to rely on public assistance income at a rate roughly equal to all Portland residents. One possible explanation for this is that a higher share of Cully's residents are "working poor," earning less than the poverty level but too much to qualify for public assistance. Another possibility is that the relative affordability of housing in Cully reduces household expenses enough to render many lower-income residents ineligible for cash assistance. Others might have difficulty navigating the complex social service network or show reluctance to seek public assistance because of concerns over immigration status.

Overall, Cully residents are less likely to be employed in professional or white-collar industries than all Portland residents, and are more likely to be employed in service or blue-collar industries. Next to the educational services, health care, and social assistance industry (which is also the largest sector citywide), Cully residents are employed at the highest rates in the accommodation and food services, manufacturing, and retail trade sectors, which together employ 37 percent of Cully employees.

¹⁰ <http://oregonhousing.blogspot.com/2011/04/census-2010-census-tract-in-cully.html>

Changing Housing Market

While rentership has increased over the last decade, Cully residents are more likely to be homeowners than Portland residents overall, and the mix of units in the neighborhood favors single-family homes. While homes in Cully are still relatively affordable compared to Portland overall, they are becoming less affordable. In 1990, the median home value in Cully was 79 percent of Portland's median value; today that figure is 86 percent. Over the last two decades, the median home value in Cully has increased by 203 percent, compared to 190 percent citywide.

Unfortunately, homeownership opportunities do not appear to be as widely available to communities of color as to white residents. Although less than half of Cully's residents are white, this population comprised at least 63 percent of all home purchase loan applicants in the neighborhood in 2011.

Disparities in Accessibility

Following Cully's annexation in 1985, disinvestment by the City of Portland has resulted in significant accessibility and connectivity disparities between Cully and Portland overall. Lingered issues include unpaved roads, a lack of sidewalks, and poor street connectivity. At this time, nine percent of Cully's road miles are unpaved, compared to approximately one percent citywide. Cully is also the only north or northeast neighborhood west of I-205 without direct bus service to downtown. An analysis of 20-minute neighborhoods in Portland took into account walkability, access to frequent-service transit, nearby destinations supporting a range of daily needs, and residential density close to services. It scored Cully as "moderately accessible" to "in need of improvement."

Renewed Attention after Historical Disinvestment

In response to concerns about accessibility and opportunity in Cully, the neighborhood has experienced increased public attention and investment in recent years. Planning efforts have sought to address the educational and social service needs of children and families and the need for additional street infrastructure and improved connectivity. The new Thomas Cully Park is reversing the neighborhood's park-deficient status, and Cully Boulevard was recently rezoned to encourage a more cohesive commercial corridor that better serves neighborhood needs. Both 42nd Avenue and Cully Boulevard are scheduled to receive tax-increment funds over the next several years for neighborhood business development projects.

Vulnerability to Displacement

With increasing public investment and a housing market on the upswing, some Cully residents and leaders are concerned about the possibility of gentrification and displacement. A large portion of Cully's residents appears to be vulnerable due to a variety of socioeconomic factors that make resisting displacement more difficult. Communities of color have historically been subject to displacement in Portland and elsewhere. Lower-income households are less equipped to withstand changes in housing affordability.

Lower-education households have fewer economic opportunities that would enable them to increase their earnings as housing prices increase. Education rates in Cully lag behind those in Portland overall: 81 percent of Cully residents are high school graduates compared to 90 percent of

Portland residents. Similarly, 30 percent of Cully residents are college graduates compared to 42 percent of Portland residents.

Certain populations within Cully may be more vulnerable to displacement due to higher housing cost burdens, including large family households and elderly non-family households. Additionally, displacement could affect neighborhood businesses in Cully. Eighty-three percent of all Cully businesses are small enterprises with fewer than 20 employees. These businesses are more likely to experience displacement as commercial lease rates increase and neighborhood demographics change than larger enterprises with greater resources to draw upon.

Is Cully Gentrifying?

This analysis finds mixed results in terms of demographic change indicative of gentrification. Over the last decade, homeownership rates decreased at a faster rate in Cully than in Portland overall, as did median household income. Cully also became more diverse. However, its shares of high school- and college-educated residents increased at a faster rate than Portland overall during this period.

Anecdotal evidence from residents reveals that many of the new households in Cully are young, white individuals and families. Several factors could have resulted in the overall demographic changes described above while masking the influx of a more homogeneously white and educated population. These factors include: 1) the increasing number of affordable housing units catering to diverse residents, 2) the fact that many incumbent residents are low-skilled and would have had a difficult time weathering the recession, leading to the larger reduction in median household income, and 3) the fact that the first waves of gentrifiers are often not wealthy and are attracted to the neighborhood because of its affordability.

The extent to which any of these factors holds true for Cully is beyond the scope of this analysis. However, an as-yet unpublished study of gentrification in Portland, commissioned by the City of Portland and conducted by Dr. Lisa Bates of Portland State University, found Cully to be in the early-to-middle stages of gentrification.¹¹ Bates' methodology looked at tract-level changes rather than the aggregate neighborhood change used in this analysis. It also took into account margins of error for data estimates.

A Note about Data

Much of this analysis is based on data drawn from the American Community Survey (ACS). Readers should keep in mind that the ACS provides estimates that have larger margins of error for smaller geographies. Additionally, the analysis uses Census Tracts 74, 75 and 76 to approximate the boundary of Cully, leaving out the portion of the neighborhood located north of Killingsworth Street, which is part of a very large tract that extends beyond the boundaries of Cully. This area is largely industrial but does contain some mobile home parks and a few other residences.

¹¹ <http://www.portlandoregon.gov/bps/article/423230>

2. Demographic Profile

Compared to Portland, Cully has not experienced significant population growth over the last two decades. From 2000 to 2010, Cully's population grew by only 3 percent; the city as a whole experienced a 10 percent increase in the same period (Table 3.1).

Table 3.1: Total population

	Cully	Portland
1990	10,134	437,319
2000	11,944	529,121
2010	12,296	583,776
Change 1990-2010	21%	34%
Change 2000-2010	3%	10%

Source: 1990, 2000 and 2010 Decennial Census

Cully has a larger share of both large families (5 or more persons) and family households in general than Portland. The incidence of single female-headed households is nearly twice as high in Cully as citywide (Tables 3.2 and 3.3).

Table 3.2: Household type

	Cully	Portland
All households	4,663	247,711
Family households	59%	51%
Married-couple family	37%	37%
Male householder, no wife present	2%	4%
Female householder, no husband present	19%	10%
Non-family households	41%	49%

Source: 2007-2011 American Community Survey

Table 3.3: Household size

	Cully	Portland
Family households	59%	51%
2-4 members	47%	45%
5 or more members	12%	6%
Non-family households	41%	49%
Single member	28%	36%
2-4 members	13%	13%
5 or more members	< 1%	< 1%
Average household size	2.7	2.3

Source: 2007-2011 American Community Survey

The median age in Cully is slightly lower than in Portland, and the neighborhood has a higher share of children. In particular, Cully has a larger share of school-aged children, which account for 19 percent of the neighborhood population, compared to 13 percent citywide (Table 3.4).

Table 3.4: Age

	Cully	Portland
Under 5 years	8%	6%
5-17 years	19%	13%
18 to 44 years	41%	45%
45 to 54 years	23%	25%
65 to 74 years	10%	11%
75 to 84 years	3%	3%
85 years and over	2%	2%
Median age	34.0	35.9

Source: 2007-2011 American Community Survey

In terms of racial and ethnic identity, the Cully neighborhood is much more diverse than Portland as a whole. Communities of color comprise 51 percent of Cully's population but only 28 percent citywide. Among communities of color, Hispanic and Latino residents account for the largest share (26 percent of all Cully residents), followed by black (17 percent) and Asian (6 percent) residents.

Between 2000 and 2011, Cully's community of color population increased at a rate slightly higher than Portland as a whole (5 percent compared to 3 percent). In particular, the neighborhood experienced larger-than-citywide increases in black and Hispanic and Latino residents (Table 3.5). Eighteen percent of Cully's residents are foreign-born, and Spanish is the primary language for one-fifth of the population (Tables 3.6 and 3.7).

Table 3.5: Race/ethnicity

	Cully		Portland	
	2011	Change from 2000	2011	Change from 2000
White non-Hispanic	49%	-5%	72%	-3%
Black non-Hispanic	17%	6%	6%	< 1%
Asian non-Hispanic	6%	-3%	7%	1%
American Indian/Alaska Native non-Hispanic	< 1%	-1%	< 1%	< -1%
Other non-Hispanic	3%	-2%	5%	< 1%
Hispanic/Latino (of any race)	26%	6%	9%	2%
All communities of color	51%	5%	28%	3%

Source: 2000 Decennial Census and 2007-2011 American Community Survey

Table 3.6: Foreign-born population

	Cully	Portland
Foreign-born	19%	14%

Source: 2007-2011 American Community Survey

Table 3.7: Language spoken at home

	Cully	Portland
English	69%	81%
Spanish	24%	7%
Vietnamese	4%	2%
African languages	1%	1%
Other	2%	9%

Source: 2007-2011 American Community Survey

Almost one-fifth of Cully's population lacks a high school diploma, nearly twice the share of Portland overall. Thirty percent of Cully residents have a bachelor's degree; that share grows to 42 percent for the city as a whole (Table 3.8). Despite these figures, current estimates of school dropout rates depict Cully teens as having a roughly equivalent, even slightly lower, dropout rate than Portland teens overall (Table 3.9).

The increase in high school and college graduates was higher in Cully than Portland during the last decade. For example, between 2000 and 2011, the share of residents with a bachelor's degree or more increased by 15 percent in Cully; that figure was only nine percent citywide (Table 3.8).

Table 3.8: Educational attainment for population 25 years and over

	Cully		Portland	
	2011	Change from 2000	2011	Change from 2000
Less than high school	19%	-7%	10%	-4%
High school graduate or more (includes equivalency)	81%	7%	90%	4%
Some college or more	57%	11%	71%	8%
Bachelor's degree or more	30%	15%	42%	9%
Master's degree or more	11%	7%	17%	6%
Professional school degree or more	2%	1%	6%	2%
Doctorate degree	< 1%	< 1%	2%	1%

Source: 2007-2011 American Community Survey

Table 3.9: School dropout rate for population 16 to 19 years

	Cully	Portland
High school dropouts	6%	7%

Source: 2007-2011 American Community Survey

3. Economic Profile

Earnings and Labor Force Participation

In addition to relatively higher racial and cultural diversity, Cully has a larger share of low-income residents than Portland as a whole. Twenty-six percent of Cully residents live below the poverty level, as compared to 17 percent citywide (Table 3.10). The median household income for all Cully households is almost \$10,000 less than for all Portland households. Cully residents also experienced a 16 percent reduction in median household income over the last decade compared to a seven percent decrease citywide (Table 3.11).

Table 3.10: Poverty rate

	Cully	Portland
Living in poverty	26%	17%

Source: 2007-2011 American Community Survey

Table 3.11: Median household income

	Cully		Portland	
	2011	Change from 2000*	2011	Change from 2000*
Median household income	\$40,483	-16%	\$50,177	-7%

Source: 2000 Decennial Census and 2007-2011 American Community Survey

*Calculated using inflation-adjusted income values

Interestingly, white non-Hispanic households have the lowest median household income of all racial/ethnic groups in Cully. Across the board, the median household income for communities of color is higher in Cully than citywide (Table 3.12).

Table 3.12: Median household income by head-of-household race

	Cully	Portland
All households	\$40,483	\$50,177
White	\$41,977	\$53,042
White-non Hispanic	\$29,541	\$53,753
Black	\$32,695	\$26,997
Asian	\$63,701	\$52,554
American Indian/Alaska Native	\$32,500	\$31,371
Hispanic/Latino (of any race)	\$45,679	\$37,995

Source: 2007-2011 American Community Survey

An estimated 6,462 residents belong to Cully's labor force. Labor force participation is slightly lower in Cully than Portland as a whole, perhaps reflecting the neighborhood's higher-than-citywide child and elderly population shares. Seven percent of residents in both Cully and Portland are in the labor force and unemployed, resulting in an official unemployment rate that is slightly higher for Cully than Portland due to the former's lower labor force participation rate (Table 3.13).

Table 3.13: Employment status for residents of Cully and Portland

	Cully	Portland
In labor force	66%	70%
In armed forces	< 1%	< 1%
Civilian	66%	70%
Employed	59%	63%
Unemployed	7%	7%
Not in labor force	34%	30%

Source: 2007-2011 American Community Survey

Compared to Portland residents overall, Cully residents are slightly less likely to have earnings from self-employment, and are about as likely to have earnings from wages. Although the neighborhood's poverty rate is significantly higher than Portland's, Cully residents appear to rely on public assistance income at a rate only one percent higher than Portland residents (Table 3.14).

Table 3.14: Households with wage or salary, self-employment, and public assistance income in Cully and Portland

	Cully	Portland
With wage or salary income	76%	77%
With self-employment income	12%	15%
With public assistance income	5%	4%

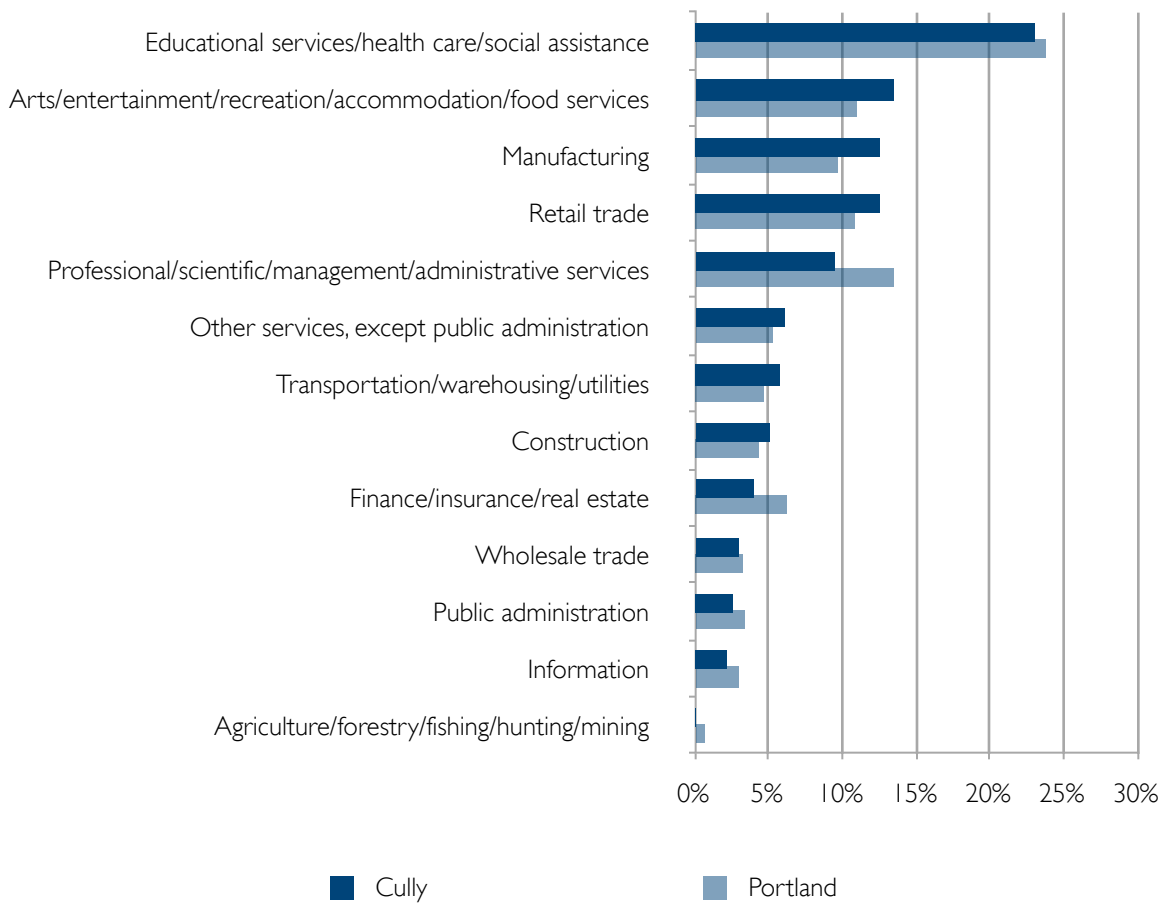
Source: 2007-2011 American Community Survey

Where Cully Residents Work

Figure 3.1 shows occupation by industry for residents of Cully and Portland. The greatest share of Cully workers (23 percent) have jobs in the educational services, health care, or social assistance industry (which is also the largest industry citywide). Following this, Cully residents cluster at the highest rates in the entertainment, recreation, accommodation and food services (13 percent), manufacturing (12 percent), and retail trade (12 percent) sectors.

Overall, Cully residents are less likely than Portland residents to be employed in professional or white-collar industries, including professional and administrative services, finance, information, or public administration. They are more likely to be employed in service or blue-collar industries such as hospitality and food services, retail, transportation, or construction.

Figure 3.1: Occupation by industry for employed civilian population age 16 and over

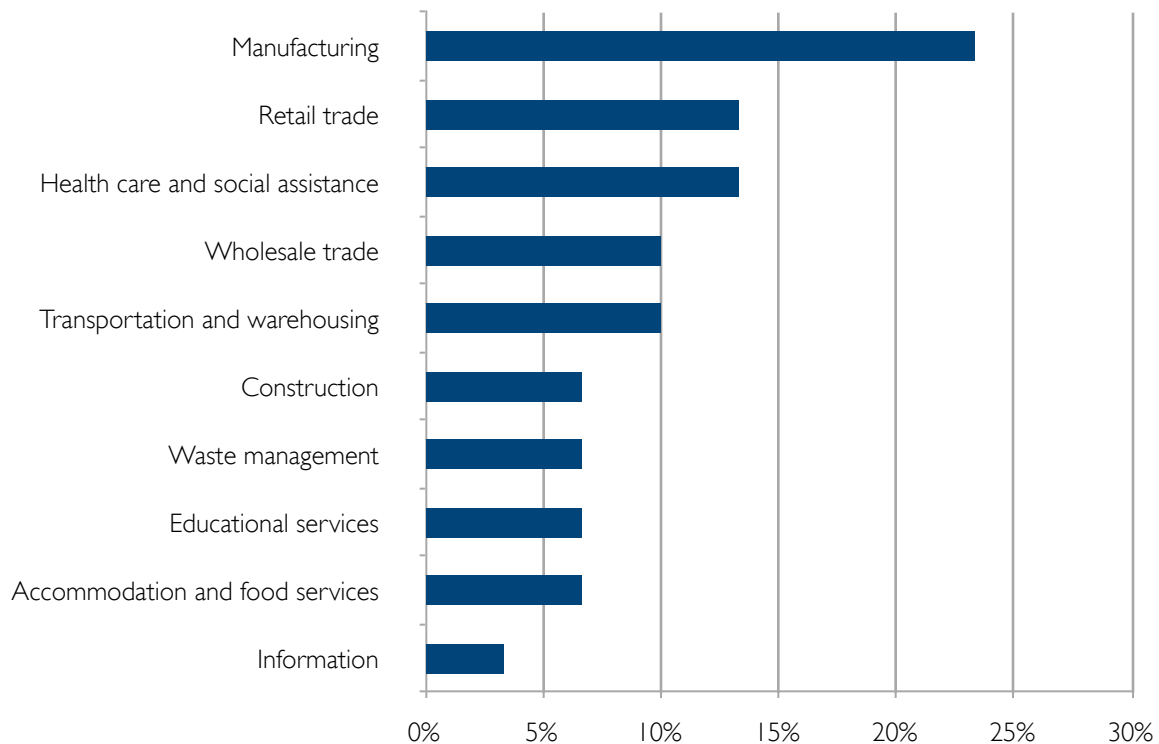


Source: 2007-2011 American Community Survey

Businesses in Cully

The 404 firms located in Cully employed, on average, a total of 5,424 employees during 2011. Figure 3.2 breaks down the 30 largest employers by industry sector. Manufacturing firms account for the largest share (23 percent), followed by retail trade and health care and social assistance (both 13 percent). Seven of the ten sectors represented among Cully's largest employers are, generally speaking, accessible to lower-skilled workers. These include manufacturing, retail trade, wholesale trade, transportation and warehousing, construction, accommodation and food services, and waste management.

Figure 3.2: Industry sectors represented among the thirty largest employers in Cully

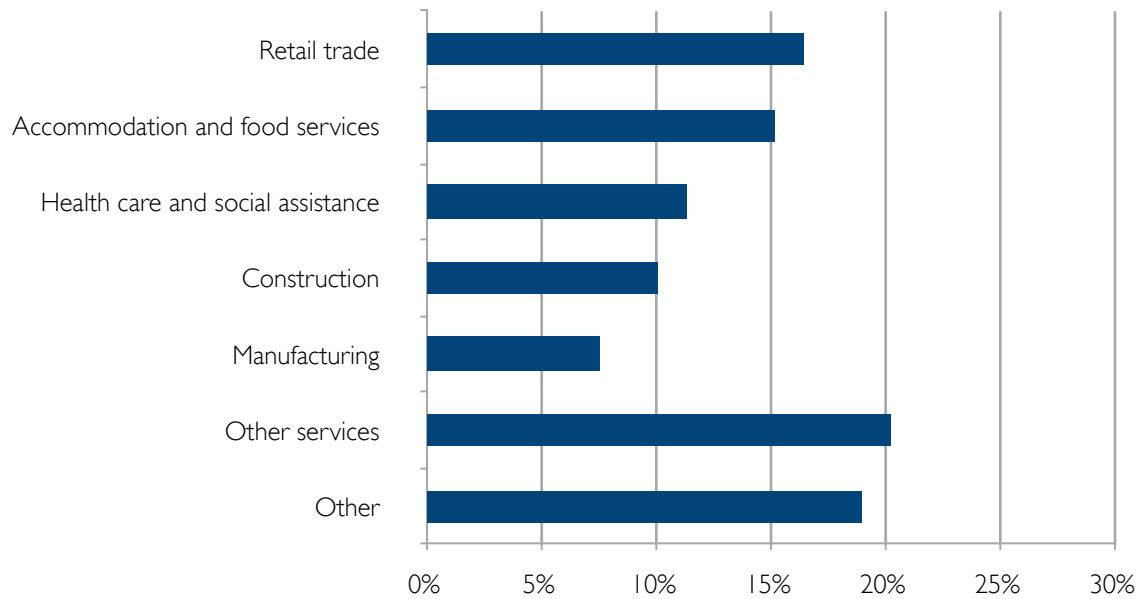


Source: 2011 Quarterly Census of Employment and Wages

Figure 3.3 breaks down the 80 businesses located along the neighborhood's two primary commercial corridors, Cully Boulevard and 42nd Avenue, by industry sector. Together, retail and food services account for over 30 percent of these businesses. Other non-food, non-public administration services (e.g., hair salons, pet grooming) account for another 20 percent of all businesses. Health care and social assistance, construction, and manufacturing are also represented.

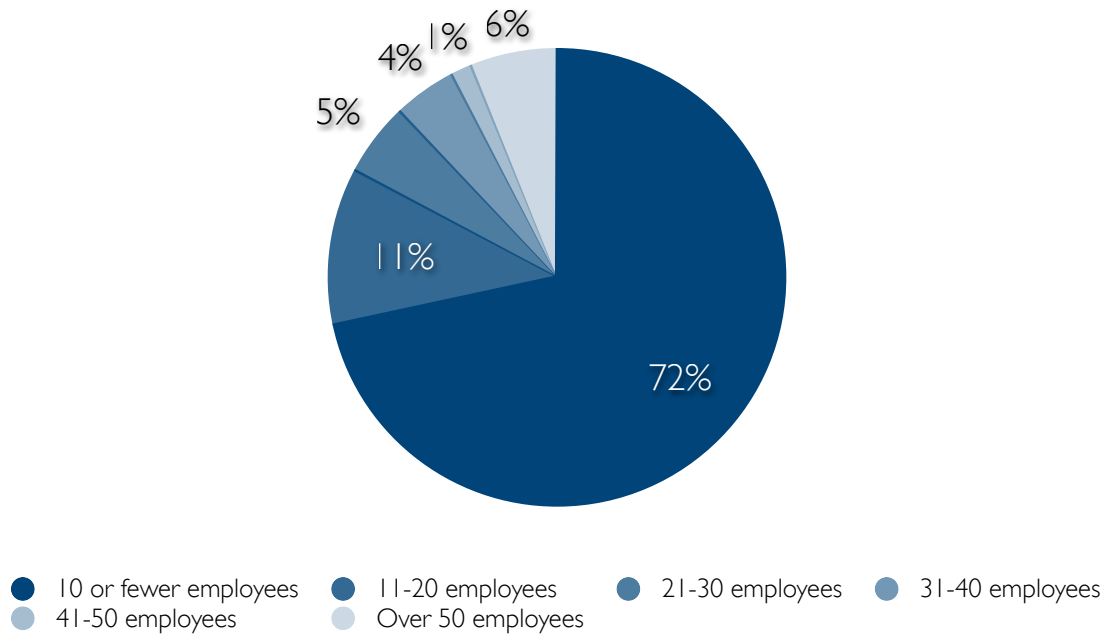
Lastly, Figure 3.4 captures the size of Cully businesses based on the average number of employees firms employed during 2011. The overwhelming majority of businesses in Cully are small businesses: 72 percent have 10 or fewer employees, and another 11 percent employ between 11 and 20 workers.

Figure 3.3: Industry sectors represented among businesses located in Cully Boulevard and 42nd Avenue Neighborhood Prosperity Initiative districts



Source: 2011 State of Oregon Business Licenses

Figure 3.4: Cully businesses by average number of employees



Source: 2011 Quarterly Census of Employment and Data

4. Housing Profile

Market

Compared to Portland as a whole, housing units in Cully are more likely to be single-family homes. Mobile homes also account for a higher share of all housing units in Cully than in Portland. Large apartment or condominium buildings (10 or more units) are not as widespread in Cully as in Portland overall (Table 3.15).

Table 3.15: Housing mix

	Cully	Portland
Single-family home	68%	61%
2-4 units in structure	11%	10%
5-9 units in structure	5%	5%
10 or more units in structure	10%	22%
Mobile home	5%	1%
Other	2%	< 1%

Source: 2007-2011 American Community Survey

At 56 percent, the homeownership rate in Cully is slightly higher than in Portland overall. This rate declined more in Cully than Portland over the last decade, which may reflect the addition of several affordable rental units in the neighborhood during this period (Table 3.16).

Table 3.16: Tenure

	Cully		Portland	
	2011	Change from 2000	2011	Change from 2000
Renters	44%	5%	46%	2%
Homeowners	56%	-5%	54%	-2%

Source: 2000 Decennial Census and 2007-2011 American Community Survey

Overall occupancy rates for Portland and Cully are similar. Among vacancies, fewer Cully than Portland properties are for rent, and more are “other” vacancy types, which could include blighted and abandoned properties (Table 3.17).

Table 3.17: Occupancy and vacancy

	Cully	Portland
Housing units	4,961	264,956
Occupancy status		
Occupied	94%	93%
Vacant	6%	7%
Vacancy type		
For rent	15%	26%
For sale	23%	22%
Other vacancy type	62%	52%

Source: 2007-2011 American Community Survey

The number of home sales in Cully per year has increased significantly (252 percent) over the last two decades. Over the last 10 years, sales volume increased by 14 percent. The median sales price also increased by 116 percent between 1992 and 2012 (Table 3.18).

Table 3.18: Home sales

	Cully
Volume	
1992	39
2002	120
2012	137
Change 1992-2012	252%
Change 2002-2012	14%
Median sales price	
1992 (in 2012 dollars)	\$91,020
2002 (in 2012 dollars)	\$170,496
2012	\$196,500
Change 1992-2012	116%
Change 2002-2012	15%

Source: Metro RLIS / Multnomah County Assessment and Taxation

Homeownership opportunities in Cully appear to be less widely available to communities of color than to white residents. Although white residents account for only 49 percent of all Cully residents, they comprised 63 percent of home purchase loan applicants in Cully during 2011 (Note: race/ethnicity is unknown for a large share of applicants) (Table 3.19).

Table 3.19: Home purchase loan applicants by race/ethnicity

	Cully
White (non-Hispanic)	63%
Black or African American (non-Hispanic)	2%
American Indian and Alaska Native (non-Hispanic)	<1%
Asian (non-Hispanic)	3%
Native Hawaiian and other Pacific Islander (non-Hispanic)	1%
Hispanic (of any race)	2%
Race/ethnicity unknown	29%

Source: 2011 Home Mortgage Disclosure Act Data

Home values in Cully are appreciating more quickly than in Portland overall. Over the last two decades, the median home value in Cully increased by 203 percent, compared to 190 percent citywide. However, the median home value in Cully remains lower than that for all Portland homes, indicating that homebuyers can still rely on this neighborhood for relative affordability (Table 3.20).

Table 3.20: Median home values

	Cully	Portland
1990 value* (neighborhood:city ratio)	\$83,033 (0.79)	\$100,853
2000 value* (neighborhood:city ratio)	\$162,381 (0.80)	\$202,079
2011 value (neighborhood:city ratio)	\$251,799 (0.86)	\$292,800
Change 1990-2011	203%	190%
Change 2000-2011	55%	45%

Source: 1990 and 2000 Decennial Census and 2007-2011 American Community Survey

*In 2011 dollars

Affordability

Housing cost burden among homeowners in Cully is only slightly higher than in Portland overall (47 percent and 43 percent of homeowners spend more than 30 percent of their income on housing expenses in Cully and Portland, respectively) (Table 3.21). However, Cully renters are significantly more likely to be housing cost-burdened than all Portland renters. Sixty-eight percent of Cully renters spend more than 30 percent of their income on housing compared to 50 percent of renters citywide. At 42 percent, the share of Cully renters who are severely cost-burdened (spending more than 50 percent of their income on housing) is particularly high (Table 3.22).

Table 3.21: Owner-occupied housing costs as percentage of income for housing units with a mortgage

	Cully	Portland
Less than 30%	53%	57%
30% or more	47%	43%
50% or more	15%	16%
Not calculated (no income/ negative income)	0%	< 1%

Source: 2007-2011 American Community Survey

Table 3.22: Gross rent as percentage of income

	Cully	Portland
Less than 30%	26%	44%
30% or more	68%	50%
50% or more	42%	27%
Not calculated (no income/ negative income)	7%	5%

Source: 2007-2011 American Community Survey

Housing cost burden is higher for some households than others. Large families (five or more persons) are more likely to be cost-burdened than small family households (48 percent of large families in Cully pay more than 30 percent of their income toward housing expenses). At 68 percent, the share of elderly non-family households who are cost-burdened is higher than any other household type (Table 3.23).

Table 3.23: Housing cost burden by household type

	Cully
Small family (3 or 4 persons, or 2 persons with neither age 62 or over)	
Less than/equal to 30% of income	56%
Greater than 30% but less than/equal to 50% of income	21%
Greater than 50% of income	15%
Not calculated (no income/negative income)	8%
Large family (5 or more persons)	
Less than/equal to 30% of income	51%
Greater than 30% but less than/equal to 50% of income	19%
Greater than 50% of income	29%
Not calculated (no income/negative income)	0%
Elderly family (2 persons, either or both age 62 or over)	
Less than/equal to 30% of income	76%
Greater than 30% but less than/equal to 50% of income	18%
Greater than 50% of income	6%
Not calculated (no income/negative income)	0%
Elderly non-family	
Less than/equal to 30% of income	32%
Greater than 30% but less than/equal to 50% of income	26%
Greater than 50% of income	42%
Not calculated (no income/negative income)	0%
Other (non-elderly, non-family)	
Less than/equal to 30% of income	47%
Greater than 30% but less than/equal to 50% of income	26%
Greater than 50% of income	25%
Not calculated (no income/negative income)	2%

Source: 2011 Home Mortgage Disclosure Act Data

Thanks to the strong community organizations present in Cully and greater Northeast Portland, the neighborhood has a fairly large stock of affordable housing. In 2011, 25 sites offered 624 affordable housing units. Of the larger sites, three were built in the 1970s; expiring subsidies could affect affordability and should be looked into further (Table 3.24).

Table 3.24: Affordable housing sites within Cully neighborhood boundary

Site name	Sponsor name	Year built	Year rehab.	Regulated units
5195 NE Killingsworth St.	Cascadian Terrace Apartments	unavail.	-	37
5310 NE Cully Blvd.	Sabin CDC	1970	-	20
6936 NE Killingsworth St.	Jubilee Fellowship Ministries	1978	-	25
6766 NE Killingsworth St.	Albina Corner LP	1999	-	12
6480 NE Killingsworth St.	Sabin CDC	1999	-	16
6840 NE Killingsworth St.	Reach CDC, Inc.	2006	-	27
5000 NE Killingsworth St.	PCRI, Inc.	unavail.	-	34
5323 NE Cully Blvd.	Sabin CDC	2006	-	18
5731 NE Simpson St.	PCRI, Inc.	1942	-	1
Villa de Suenos	Hacienda CDC	1999	-	28
Elderplace at Cully	Sisters of Providence	1996	-	6
Villa de Clara Vista	Hacienda CDC	2004	-	118
Barbra Roberts East/West	Cascadia Behavioral Healthcare Inc.	1995	-	5
Roselyn Villa	Charles Iheanacho	2007	-	4
Clara Vista Townhomes	Hacienda CDC	2006	-	44
Prescott Terrace	Cascadia Behavioral Healthcare Inc.	1972	2005	48
Villas de Mariposas	Hacienda CDC	2004	-	70
Los Jardines	Hacienda CDC	2002	-	42
7011 NE Emerson St.	PCRI, Inc.	1941	2001	2
Good Shepherd II	Good Shepherd Corporation of Oregon	1988	-	5
Prescott Place	Reach CDC, Inc.	1990	-	19
Sunrise Place	PCRI, Inc.	1996	-	10
Large Family Rental Housing	Hacienda CDC	1999	-	4
NE Simpson	Good Shepherd Corporation of Oregon	1989	-	5
Carlton Court	Government-owned with PBA subsidy	1974	-	24
Total	-	-	-	624

Source: Metro 2011 Affordable Housing Inventory

Adequacy

In general, both renter- and owner-occupied housing in Cully appear to be above the baseline for adequate housing, with very low rates of incomplete plumbing or kitchens (Table 3.25).

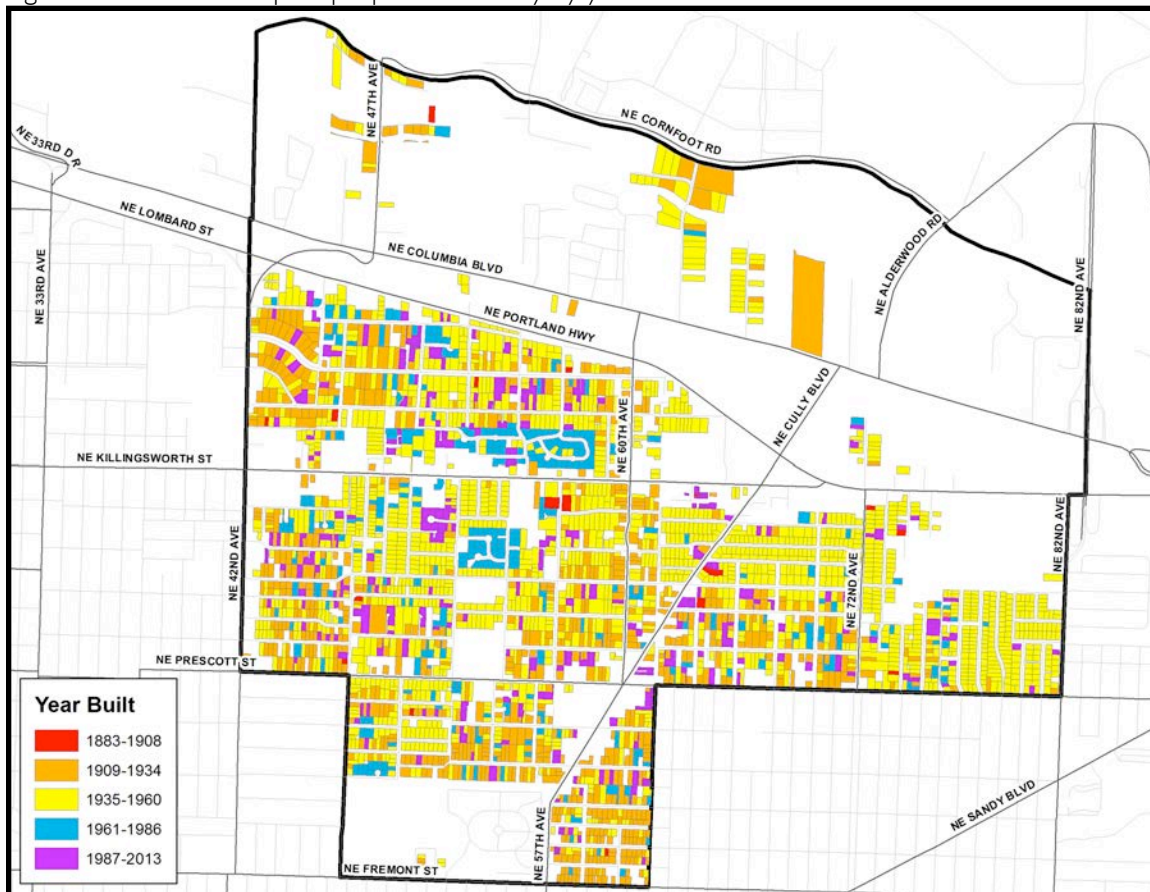
Table 3.25: Plumbing and kitchen facilities

	Cully	Portland
Renter occupied		
Lacks complete plumbing facilities	1%	1%
Lacks complete kitchen facilities	1%	1%
Owner occupied		
Lacks complete plumbing facilities	0%	< 1%
Lacks complete kitchen facilities	0%	< 1%

Source: 2007-2011 American Community Survey

Figure 3.5 splits owner-occupied properties in Cully into five categories according to the year they were built. Properties built in the second- and third-oldest year ranges (1909-1934 and 1935-1960) comprise the majority of Cully homes. This indicates a potential for housing maintenance and repair issues that come with an aging housing stock. While newer properties are scattered throughout the neighborhood, they appear to be located at higher frequencies west of Cully Boulevard, particularly north of Killingsworth Street.

Figure 3.5: Owner-occupied properties in Cully by year built



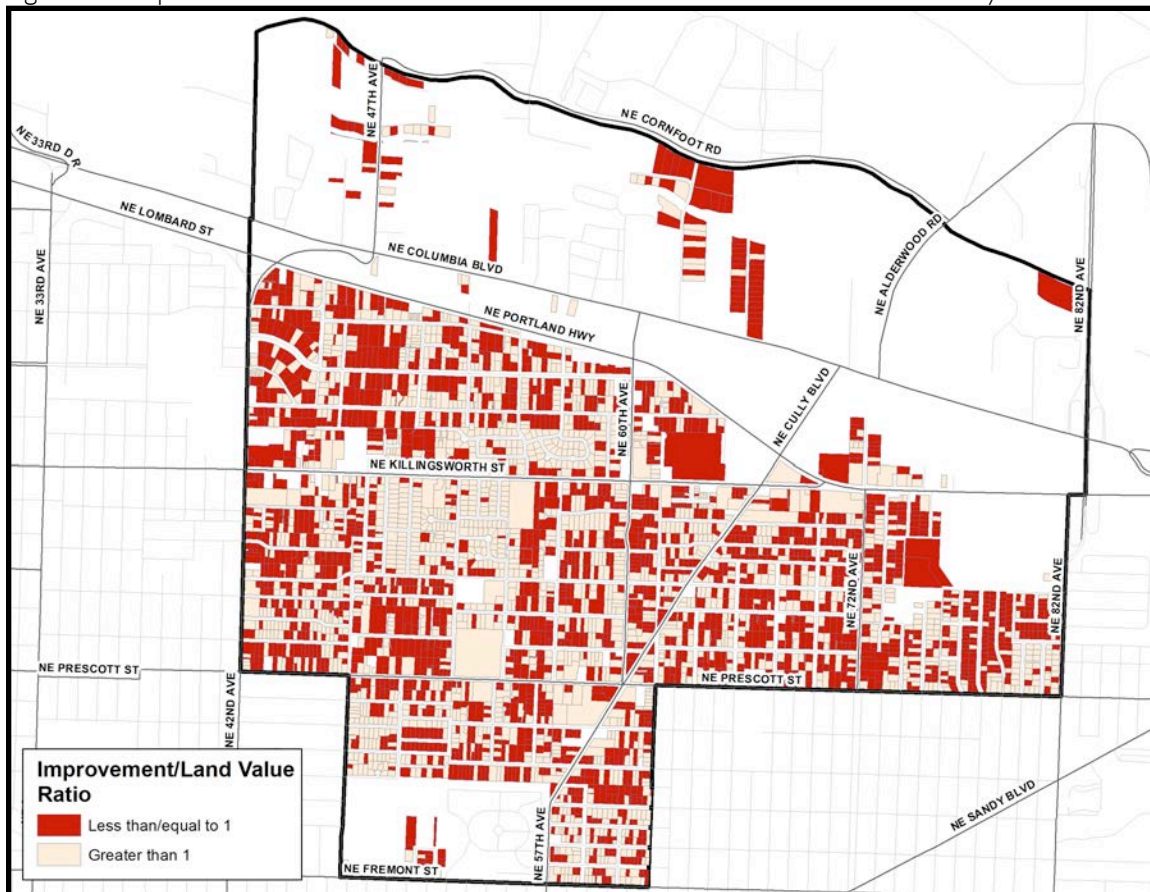
Source: 2013 Metro RLIS / Multnomah County Assessment and Taxation

Investment Potential

Rent gap is a frequently cited contributing factor to gentrification. It describes the difference between a site's actual value and its potential value at "best use". Unfortunately, it is difficult to measure and anticipate rent gap, because the "best use" value is often known only after the property is sold and/or revitalized.

As a stand-in, the improvement-to-land value ratio (I/L ratio) for a property attempts to capture its investment potential. Properties with I/L ratios greater than 1.0 are less likely to be redeveloped because the improvement (e.g., a building or parking lot) is worth more than the land itself. Properties with I/L ratios less than or equal to 1.0 are more likely to be redeveloped, because the land is worth more than the improvement (this includes vacant lots). Figure 3.6 shows the residential and commercial properties in Cully with I/L ratios greater than and less than or equal to 1.0. By this measure, almost half of all commercial and residential lots in Cully have the potential for investment and (re)development (Table 3.26).

Figure 3.6: Improvement-to-land value ratio for residential and commercial lots in Cully



Source: 2013 Metro RLIS / Multnomah County Assessment and Taxation

Table 3.26: Improvement-to-land value ratio (I:L)

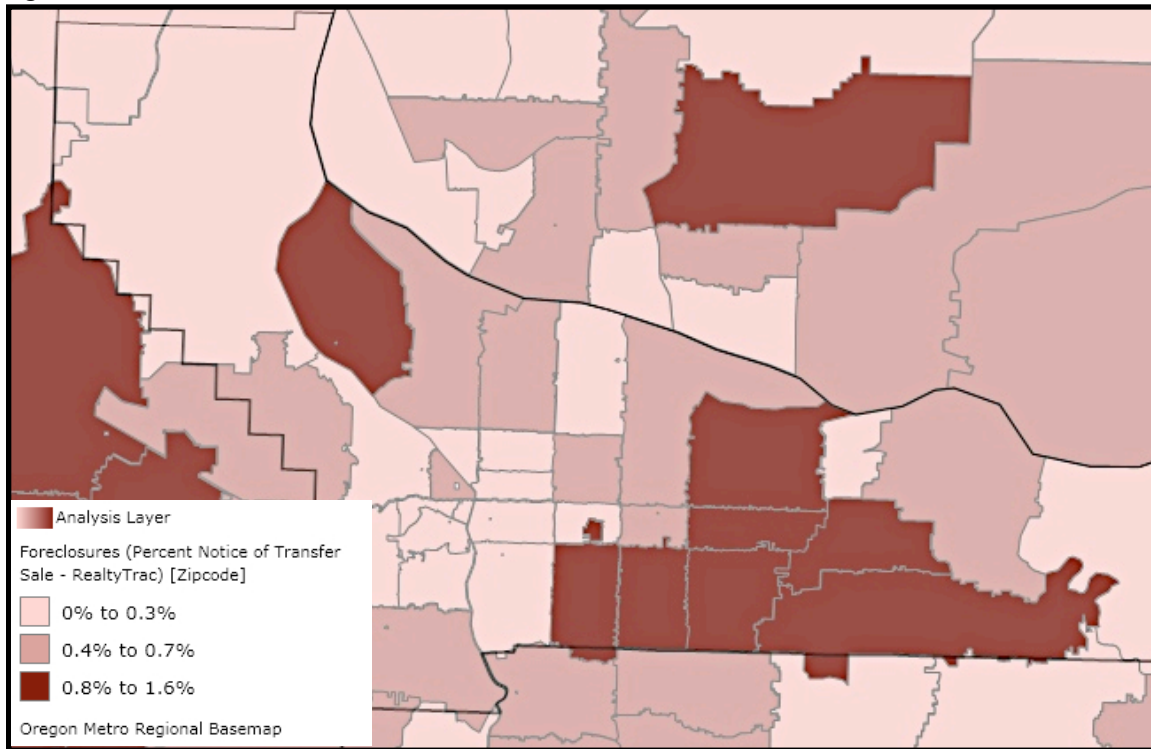
	Cully
Total residential lots	3,382
I:L less than or equal to 1	48%
Total commercial lots	90
I:L less than or equal to 1	49%

Source: 2007-2011 American Community Survey

Foreclosure

Figure 3.7 maps the rates of foreclosures in the Portland metro area by ZIP code. The Cully neighborhood is located in a ZIP code area that has a moderate foreclosure rate (0.4 percent to 0.7 percent) compared to the rest of the region.

Figure 3.7: Foreclosure rates in the Portland metro area



Source: 2013 Coalition for a Livable Future Regional Equity Atlas 2.0

5. Accessibility Profile

Disparities between Cully and Portland related to accessibility and connectivity are well documented. The City of Portland 2011 Existing Condition Report for the Cully Main Street and Local Streets Project (later renamed to the Cully Commercial Corridor and Local Streets Project) notes that in “1985 the Cully neighborhood was annexed into the City of Portland. [...] Incorporation into the city limits meant residents would face higher property taxes, but should in return receive improvements in infrastructure and amenities. Evidence of unresolved issues from this period remain in the form of unpaved roads, relatively few sidewalks, poor street connectivity and few neighborhood amenities.”¹²

According to this report, Cully is the only neighborhood in North or Northeast Portland west of I-205 that lacks a direct bus line to downtown. Cully also has nearly four miles of unimproved dirt or gravel streets, equal to nine percent of its total road miles. This is lower than the citywide share of 59 miles of unimproved streets representing just over one percent of city street miles.



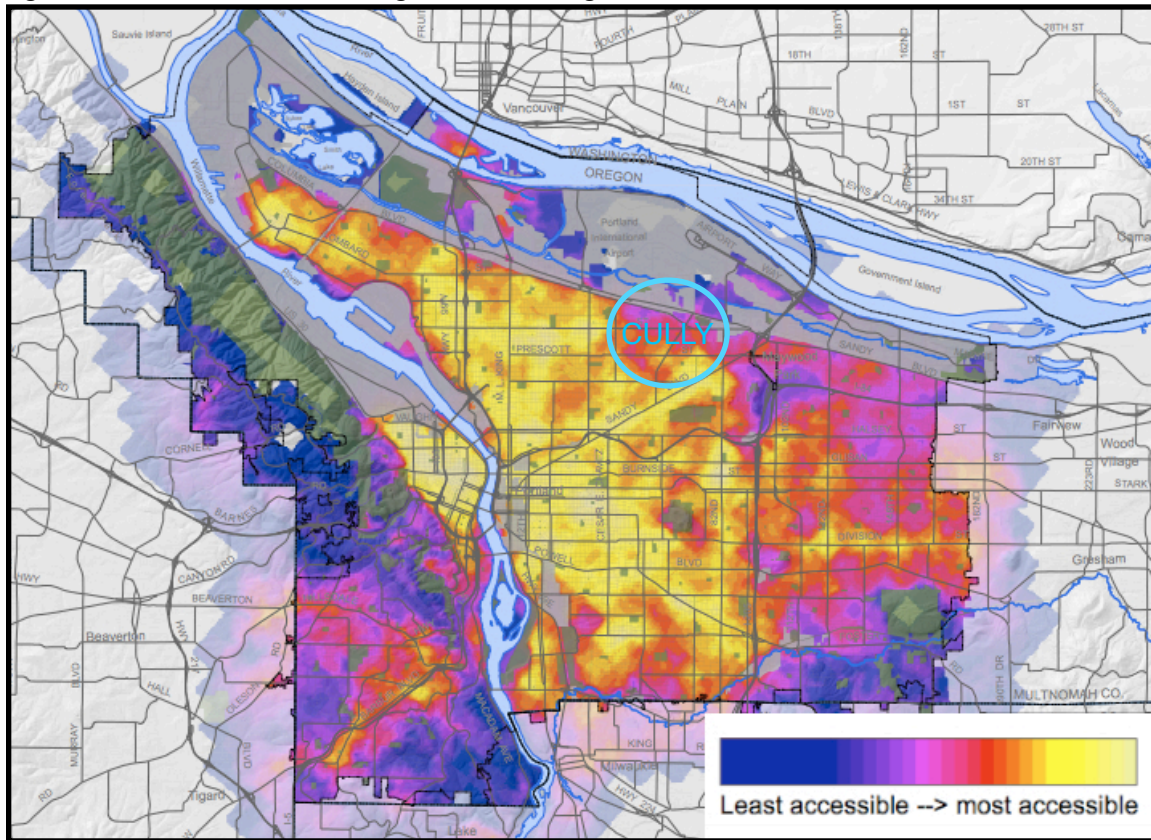
One of several unimproved streets in the Cully neighborhood

In preparation for the Portland Plan, the City of Portland conducted a 2011 analysis of “20-minute neighborhoods.” Such neighborhoods offer a walkable environment, access to frequent-service transit, destinations that support a range of daily needs (e.g. grocery stores, restaurants, parks and schools), and residential density close to services. Figure 3.8 shows the results of this study. The Cully neighborhood, highlighted, was rated as “moderately accessible” to “in need of improvement.”¹³

¹² <http://www.portlandoregon.gov/bps/article/362017>

¹³ <http://www.portlandonline.com/portlandplan/index.cfm?c=51427&a=395048>

Figure 3.8: Portland 20-minute neighborhood ratings



Source: City of Portland 2011 20-Minute Neighborhood Analysis

6. Overview of Recent Planning Efforts

The last half-decade has brought increased public attention and investment to Cully. This has included efforts to increase street connectivity and safety, attract more neighborhood-serving businesses to Cully's commercial areas, and generally enhance livability and quality of life in the neighborhood.

Recent planning efforts and projects include:

Thomas Cully Park, Let Us Build Cully Park! Coalition, 2012-present: The City of Portland purchased the Thomas Cully Park site, a 25-acre former landfill located at the corner of 72nd Avenue and Killingsworth Street, approximately 10 years ago but was unable to secure funding to develop it. Spearheaded by Verde, the Let Us Build Cully Park! Coalition stepped in to raise funds and lead a community design process for the park in response to Cully's lack of greenspace and recreational facilities. Construction of Phase I began in 2012 and will include a community garden, walking path, native plant gathering area, improvements to 72nd Avenue, and a children's playground. Development of the site will provide educational opportunities for youth, as well as training and employment opportunities for community members.

Neighborhood Prosperity Initiative, Portland Development Commission, 2012-present: As part of its Neighborhood Economic Development Strategy, the Portland Development Commission (PDC) is implementing the Neighborhood Prosperity Initiative (NPI), which aims to strengthen the economic competitiveness of neighborhood business districts by designating them as small urban renewal areas. Local district managers oversee the use of funds (up to \$1 million) generated by tax-increment financing for neighborhood business development projects. 42nd Avenue and Cully Boulevard, two of the six current NPI districts, are located in Cully.

Cully Commercial Corridor and Local Street Plans, City of Portland Bureau of Planning and Sustainability and Bureau of Transportation, 2012: The Cully Commercial Corridor and Local Street Plans are the result of a year-long planning effort by the Bureau of Planning and Sustainability (BPS) and Bureau of Transportation (PBOT). The Commercial Corridor Plan includes a set of rezoning recommendations aimed at creating a pedestrian-friendly commercial area with more neighborhood-serving businesses along Cully Boulevard. The Local Street Plan is a master street plan that addresses the Cully neighborhood's street connectivity and transportation infrastructure needs. Due to concerns about the potential impacts of changes included in the Commercial Corridor and Local Street Plans, City Council adopted a resolution designating the Cully neighborhood as a case study for proactively addressing issues of gentrification and displacement.

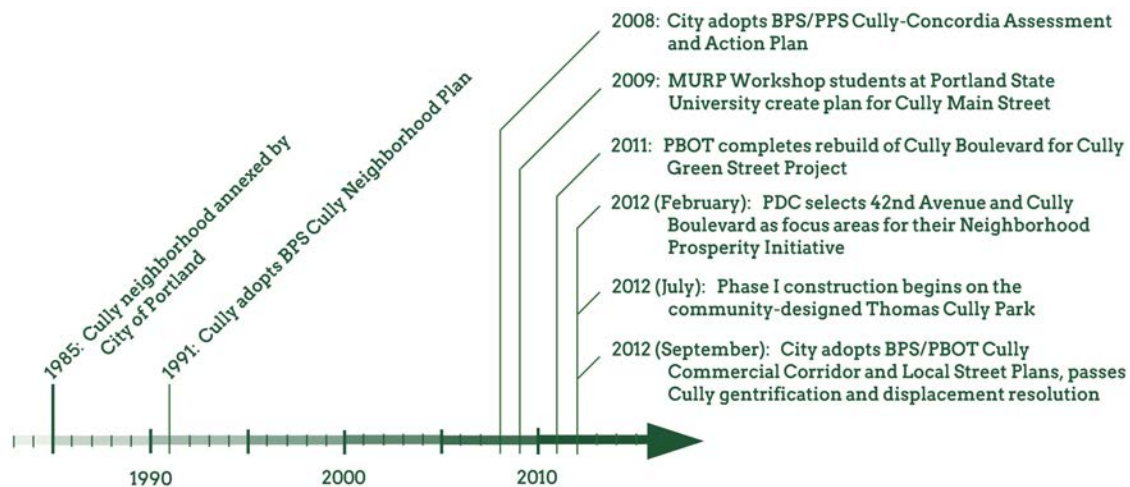
Cully Boulevard Green Street Project, City of Portland Bureau of Transportation, 2011: In response to unsafe conditions for pedestrians, cyclists and vehicles, the Bureau of Transportation (PBOT) rebuilt a stretch of Cully Boulevard between Prescott Street and Killingsworth Street to improve safety and visibility for all users. Updated features include wider sidewalks and travel lanes, cycle tracks, planting strips, new street corners and curb cuts, and traffic signals at the five-way intersection of Cully Boulevard, Prescott Street and 60th Avenue.

Cully Main Street: A Plan for Community-Serving Improvements, Portland State University Master of Urban and Regional Planning student workshop project, 2009: The Cully Main Street plan was completed by PSU Master of Urban & Regional Planning (MURP) students for the Bureau of Planning and Sustainability. It recommends strategies to encourage more neighborhood-serving businesses to locate along Cully Boulevard and Killingsworth Street in the Cully neighborhood. The plan includes a set of land use, urban design, and local business development recommendations for the Main Street area.

Cully-Concordia Community Assessment and Action Plan, City of Portland Bureau of Planning and Sustainability and Portland Public Schools, 2008: The Cully-Concordia Community Assessment and related Action Plan represent a joint effort by the Bureau of Planning and Sustainability (BPS) and Portland Public Schools (PPS). It addresses the educational, social service, economic and public facility needs of children and families in Northeast Portland's diverse Cully and Concordia neighborhoods. The Community Assessment documents existing conditions in Cully-Concordia and leads to an Action Plan aimed at improving area schools' capacities to serve as community centers, increasing community connectedness, expanding economic opportunities, and improving neighborhood infrastructure and amenities.

A timeline of these planning efforts (Figure 3.9) shows that investment has largely occurred during the last five years and follows more than two decades of disinvestment.

Figure 3.9: Timeline of recent planning efforts in Cully



IV) Community Engagement Process and Findings

I. The Strategy

Note: This captures the community engagement strategy as it was originally laid out. The strategy was amended as the community engagement process proceeded.

The consulting team interviewed several community engagement practitioners and community leaders from Cully to develop this strategy. The following underlying values informed the entire approach to the engagement process: 1) engage all residents with respect and appreciation; 2) make engagement easy and convenient whenever possible; and 3) acknowledge the historical institutionalized racism inherent in Oregon land use regulations and policies.

Four primary objectives characterize the Community Engagement Strategy: 1) gain an understanding of the values and concerns of various community groups within the Cully neighborhood; 2) conduct targeted outreach to underserved groups; 3) inform residents of the potential changes in the community; and 4) develop an understanding of the potential impacts of gentrification on Cully residents. The Community Engagement Strategy includes:

- Informational interviews with community-identified leaders
- Best practice interviews with community engagement practitioners
- Walking tours of the Cully neighborhood with community members
- Small group discussions with typically underrepresented groups
- Community workshops

All information gathered through these activities will inform the final recommendations to the Living Cully partners.

Informational and Best Practice Interviews

Informational interviews provide information on existing conditions within the Cully Neighborhood and vet information gathered from previous planning efforts. Best practice interviews with leaders from typically underrepresented groups will inform how the consulting group can most appropriately and effectively engage members of these respective groups.

Walking Tours

The team will conduct three walking tours with residents and community leaders to gain an on-the-ground perspective of the issues and values of neighborhood residents. A resident or community leader will lead each tour.

Small Group Discussion

At least two small group discussions will take place to engage with Somali and Hispanic and Latino residents of Cully. The purpose is engagement with groups that have been underrepresented in the past. Somali and Hispanic and Latino residents have been difficult to engage due to language and cultural barriers. These discussions will be developed to meet the specific needs and values of each community group. They will include translation services and occur in locations that are easiest for members to attend. The small group discussions will occur during April 2013 between the first and

second community workshops.

Community Workshops

The consulting team will host and facilitate two community workshops: the first at Scott School on Thursday, April 4, and the second at Rigler School on Thursday, May 2. The first community workshop will vet the findings about existing conditions and the potential impacts of gentrification and displacement gathered from informational interviews with community members. The team will present alternative strategies and actions to prevent displacement at the second workshop and ask community members to provide insights on their relevance and efficacy.

Community Outreach

The team will conduct outreach in the community to promote the project and events through the following methods:

- Website
- Newsletter
- Attendance at scheduled community meetings
- Flyers and posters
- Announcements in local online and print media

While these methods are an important component of the community outreach strategy, the primary strategy for both promoting the project and engaging with the community is through face-to-face interactions and a consistent presence in the community.

2. Findings

Summary of Findings

Over the course of the project, the consulting team completed an extensive community engagement process to better understand the diverse needs and values of Cully residents. Engagement activities included:

- 37 interviews with community leaders and community engagement practitioners
- Three walking tours
- Four discussion groups, including discussions with Somali and Hispanic and Latino community members
- One community workshop (Workshop #1)
- 103 survey responses, including responses from Cully residents utilizing the Northeast Emergency Food Program

The team also presented a set of anti-displacement strategy alternatives at a second community workshop (Workshop #2) to better understand neighborhood priorities and discuss implementation considerations.

The majority of participants in the community engagement process expressed a desire to remain in Cully. Current residents value the neighborhood's affordability, sense of community, residential feel and cultural diversity. Their articulated vision for Cully's future includes higher performing schools,

lower crime rates, more sidewalks and improved street connectivity. In addition, residents would like to see a greater number of neighborhood-serving businesses, increased economic opportunities, and maintenance of Cully's existing diversity and affordability.

Certain changes could prevent some current residents from experiencing the benefits that fulfillment of this vision would bring. Community engagement participants identified populations in Cully that may be particularly vulnerable to displacement, including low-income residents and communities of color; as well as involuntary and voluntary reasons why someone might leave Cully. A loss of affordability, related to both housing and living expenses, was among the most frequently cited displacement factors.

Among the anti-displacement strategy alternatives presented at Workshop #2, participants strongly supported the creation of a community center to build community cohesiveness. A second highly favored strategy was the provision of affordable child care to help lower-income households gain economic self-sufficiency.

The following sections describe in greater detail the team's community engagement findings related to needs, values, and anti-displacement strategies.

Needs and Values

The consulting team reviewed community responses and comments from the walking tours, discussion groups, surveys, and Workshop #1 to answer six questions about displacement, neighborhood change, and values. To identify the top answers for each question, responses were sorted into categories that emerged from the data and analyzed to determine which types of responses occurred most often.

1) Who is vulnerable to displacement?

Community engagement participants most frequently listed the following groups as being vulnerable to displacement:

- *Low-income residents* have fewer resources to draw upon as the cost of living increases
- *Homeowners*, especially those who are elderly or lower-income, may feel pressure to sell their homes if they cannot afford maintenance or if property taxes increase
- *Renters*, particularly those living in unsubsidized but currently affordable units, may be subject to rising rents or forced to move due to a sale of the rental property
- *Communities of color* have been disproportionately displaced in other gentrifying neighborhoods due to a variety of socioeconomic factors
- *Immigrant groups and non-English speakers* face cultural and language barriers to accessing services and economic opportunities
- *Trailer park residents* are among the lowest-income residents in the neighborhood, and may be at risk of displacement as the trailer park land becomes more valuable
- *Owners of small neighborhood businesses* may face rising commercial lease rates or have difficulty remaining viable due to demographic changes in their market area

2) What are the reasons why someone would leave Cully, or why residents have left previous neighborhoods?

"Sometimes, people displace themselves because they realize the value of their house has increased and they can sell it and move to a less expensive place."

"If the neighborhood became unsafe, it would be far less attractive."

"We currently rent. I would like to own a home in Cully someday. If it becomes unaffordable then we will look somewhere else."

"[Displacement can also be caused by] a lack of sense of community. It's not just about a roof over your head, but also about feeling secure."

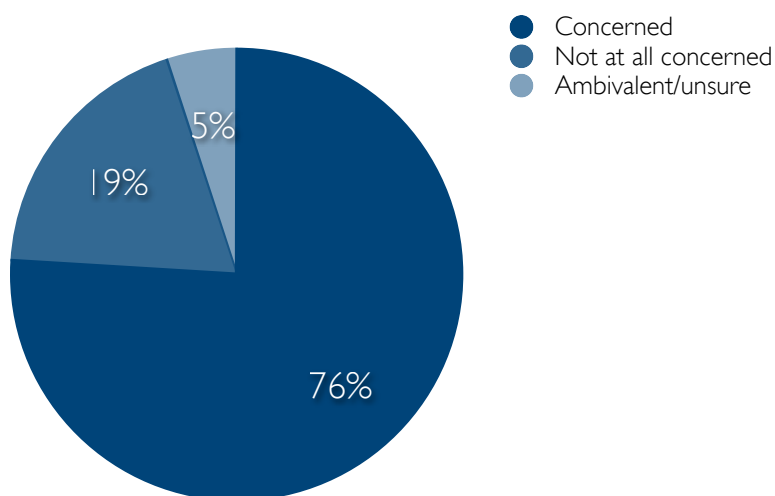
As these comments demonstrate, community engagement participants identified a range of voluntary and involuntary reasons for someone to leave Cully or another neighborhood. The most commonly cited reasons include:

- Increasing daily living expenses including utilities, food and transportation
- Job loss or another financial hardship
- Decreasing housing affordability
- Foreclosure
- Increasing crime
- Changes in neighborhood character that result in a decreased sense of belonging

3) To what extent are Cully residents concerned about displacement occurring?

To gauge the answer to this question, the team reviewed comments that directly addressed community engagement participants' perceived threat of displacement, including displacement of the participant him/herself or others in the neighborhood. Of these, 76 percent indicated that the participant was concerned about displacement occurring in Cully, 19 percent showed no concern, and five percent indicated that the participant was ambivalent or unsure (Figure 4.1).

Figure 4.1: Degree of concern about displacement occurring among community engagement participants



4) How has Cully changed in recent years?

"I think Cully is only getting better. I like the community involvement and the new parks that are going in."

"In the five years I've lived in Cully, the neighborhood has gotten worse. [...] There has been more crime. There are more renters that do not care for their homes. All the while all the parks and improvement that are talked about have yet to happen."

"My particular neighborhood had been transitioning from much older residents to younger homeowners and young families. This makes this neighborhood much more active with strollers, bicycles, walkers, etc."

The above comments embody the three primary changes that community engagement participants identified. These changes are:

- Increasing development and public investment, including street improvements along Cully Boulevard and a new park
- Increasing crime rates, including vandalism, theft, prostitution, and drug-related crimes (Note: A smaller number of participants' comments reflected the opposite, that crime has actually decreased. A homicide that occurred in the neighborhood during the engagement process may have affected participants' perceptions of crime.)
- Demographic changes, with many younger families moving into the neighborhood as well as greater numbers of immigrants

5) What do people like or value about Cully?

"It's a great location in NE Portland, with affordable rent prices."

"I loved the bigger lot with vegetation. It was affordable and seemed relatively safe. It had a diverse population. I liked the sort of rural feel."

"The diversity (economic, racial, spatial, visual, personality), the kind of wacky urban planning (some huge properties, some small), the yards, the feel. And, the most affordable, best quality home I could find in my price range—though I was attracted to Cully prior to finding the home. It has a good energy and isn't a 'scene.'"

Community engagement participants identified many positive characteristics of the Cully neighborhood. Of the survey respondents, the only group specifically asked whether they would choose to stay in the neighborhood, 76 percent reported that they would remain in Cully given the choice. Among all engagement participants, these were the most frequently mentioned things that residents like and value about Cully:

- Large lots and rural/residential feeling
- Affordability of housing
- Strong sense of community and neighborhood involvement
- Diversity
- Proximity to other locations in Portland

6) What do residents currently dislike about Cully, and what is their vision for the future?

"Cully is an affordable neighborhood, but safety has been a big issue. There is violence in this neighborhood and the lack of sidewalks on busy streets is dangerous. There is also a lack of

amenities including neighborhood stores, community centers, walkable destinations/restaurants, etc. If development in this neighborhood were to increase, I would enjoy living here more.”
“The look of the neighborhood has a depressing feel though individually I like the people.”

Three primary negative neighborhood characteristics emerged from the community engagement participants' comments and responses. These are:

- Crime
- Lack of job opportunities
- Poor street conditions, including roads that are unpaved and lack sidewalks

Participants also discussed things they would like to see in the neighborhood in the coming years. The most frequently listed changes and desired future outcomes include:

- Street improvements and increased walkability
- Maintenance of existing cultural diversity
- More opportunities for existing residents to access housing, jobs, goods and services
- More neighborhood-serving businesses
- More green space
- Increased neighborhood school performance and quality

Anti-Displacement Strategies

Participants at Workshop #2 provided the team with valuable input on the usefulness and feasibility of 19 anti-displacement strategy alternatives organized into six categories: 1) housing for renters; 2) housing for homeowners; 3) jobs; 4) families; 5) community; and 6) neighborhood businesses. Participants also engaged in a “dot exercise” in which they placed colored dot stickers next to strategies to indicate whether or not they should be prioritized (Table 4.1).

Table 4.1: Results of the dot exercise showing Workshop #2 strategy priorities

Strategy	Prioritize	Do Not Prioritize
Housing - Renters		
Organize renters to advocate for their interests and respond to development	3	1
Encourage developers to include affordable housing units in new development	2	0
Have community organizations purchase properties in order to keep them affordable	3	3
Housing - Homeowners		
Make home repairs easier and more affordable	4	0
Lower utility costs by making homes more energy efficient	5	0
Provide information to homeowners about the real market value of their home	1	6
Jobs		
Encourage employers to hire Cully residents	1	5
Connect low-income populations to training and job opportunities	2	0
Ensure that new jobs in Cully are good jobs	2	2
Families		
Provide short-term emergency assistance to families in need	1	4
Provide affordable child care to working families	12	0
Use a multi-cultural staff person to assist non-English speaking residents with housing issues and services	2	0
Community		
Establish a community center where people can gather and mingle	17	0
Raise awareness about ways to resist displacement	0	3
Celebrate diversity in Cully	2	0
Neighborhood Businesses		
Help existing small business owners	1	0
Help entrepreneurs start new neighborhood businesses	4	0
Keep the cost of commercial space affordable	1	5
Build connections between neighborhood businesses	2	0

1) Housing for renters

Strategy: Organize renters to advocate for their interests and respond to development

Workshop participants suggested that programs to better connect renters with their community would improve the success of this strategy, and that existing community resources (including community members who understand investment and service provision) could be leveraged.

Strategy: Encourage developers to include affordable housing units in new development

Some participants were skeptical that this strategy would work, stating that developers would only include affordable units if it was mandatory. Others stated that making information about city incentives for affordable housing available to developers could be effective.

Strategy: Have community organizations purchase properties in order to keep them affordable

Participants commented that policies giving renters first right of refusal when a landlord decides to sell a property could achieve a similar outcome.

2) Housing for homeowners

Strategy: Make home repairs easier and more affordable

Participants thought that this was a helpful strategy, and noted that homeowners need creative financing to assist them with making home repairs.

Strategy: Lower utility costs by making homes more energy efficient

Workshop participants strongly supported this strategy, and it was among the top three priorities identified during the dot exercise. Many people mentioned that these programs already exist, and noted that community organizations could provide a helpful service by sharing information about such programs and helping Cully residents through the application process.

Strategy: Provide information to homeowners about the real market value of their home

Overall, participants did not feel that this strategy would be helpful, suggesting that community organizations should instead provide general information about the housing market, accurate information about predatory lending and foreclosure, and information about financial resources available to homeowners.

3) Jobs

Strategy: Encourage employers to hire Cully residents

Workshop participants were concerned that this strategy might deter businesses from locating in Cully. They stated a preference for providing incentives to businesses who hired locally rather than enacting policies requiring them to do so, or organizing residents to oppose businesses who do not.

Strategy: Connect low-income populations to training and job opportunities

Participants were generally in support of this strategy, and suggested that English-language training for immigrants is especially important. They noted that there are existing workforce programs in both the Cully neighborhood and greater Portland.

Strategy: Ensure that new jobs in Cully are good jobs

Workshop participants questioned whether there is enough land in Cully to support many new employers. They viewed this strategy as difficult to implement and stated a preference for helping people apply for and find opportunities within the wider metropolitan area rather than just Cully.

4) Families

Strategy: Provide short-term emergency assistance to families in need

Many participants stated that this strategy is costly and yet does not address displacement in a profound way or create a long-term solution. The preference was for community organizations to better provide information about existing assistance programs.

Strategy: Provide affordable child care to working families

This was one of the top three priorities for participants as identified through the dot exercise. They noted that the issue of affordable child care was also raised in the Cully-Concordia plan, and that the child care strategy could be coupled with the community center strategy. Participants also suggested that this represents an opportunity for social enterprise, where community members could become providers of affordable child care.

Strategy: Use a multi-cultural staff person to assist non-English speaking residents with housing issues and services

Some workshop participants stated that this strategy seems costly and is not a long-term solution. However, others expressed a belief that knowing and understanding one's choices is very important for displacement prevention, and that translators could therefore have a deep impact.

5) Communities

Strategy: Establish a community center where people can gather and mingle

The community center was one of the top three priority strategies for participants based on the dot exercise. Participants strongly favored combining this with the child care strategy. They also suggested that existing spaces and informal gatherings could help to achieve some of the same outcomes as building a new center. Participants emphasized that this should be a cross-cultural space that caters to families. Although this was a favorite strategy, a few people expressed concern that this could increase displacement if it makes the neighborhood more attractive to prospective residents.

Strategy: Raise awareness about ways to resist displacement

Participants generally supported this strategy, and stated that a community center could house a clearinghouse of information on tenant rights, foreclosure prevention, and other resources. They added that lawyers who are available to discuss specific situations would be helpful. They suggested that the Cully Association of Neighborhood could also be used as a resource to share information.

Strategy: Celebrate diversity in Cully

Participants stated that it would be a positive thing to celebrate and market Cully as the most diverse neighborhood in Oregon. However, they also suggested that increased diversity generally comes with lower social capital. They noted that increasing social capital is the real task here, and a very challenging one.

6) Neighborhood businesses

Strategy: Help existing small business owners

Participants favored this strategy, and suggested that helping business owners lock in longer commercial lease rates would be very helpful. However, they questioned where the funding to do this would come from, and stated that not all businesses that are currently in Cully are desirable. Participants also suggested that helping small businesses in Cully market themselves through a business map and/or buy local campaign could be one way to implement this strategy, and that partnerships with the Neighborhood Prosperity Initiative districts could be effective.

Strategy: Help entrepreneurs start new neighborhood businesses

Workshop participants did not have many comments about this particular strategy, but suggested that keeping the cost of commercial space affordable would be very beneficial to entrepreneurs looking to locate in Cully.

Strategy: Keep the cost of commercial space affordable

Participants had mixed opinions about this strategy. Some viewed it positively, noting that it could provide great benefits to existing small businesses as well as entrepreneurs. Others viewed it as unrealistic, stating that it would be difficult to buy enough commercial space to make a significant impact. A suggested alternative was to change the zoning code for neighborhood commercial centers in ways that would create more affordable opportunities.

Strategy: Build connections between neighborhood businesses

Workshop participants suggested that this strategy could be prioritized because it requires few resources, but stated that thoughtful physical development is also needed to create a more attractive and cohesive commercial area. Monthly business breakfasts were suggested as a way for businesses to build relationships and share information.

3. Survey Instrument

Cully Community Survey

Date:

1. What is your connection to the Cully neighborhood? Check all that apply:

- ☐ I own a home in Cully
- ☐ I own a property (other than my home) or business in Cully
- ☐ I rent a home or apartment in Cully
- ☐ I have another living arrangement in Cully

2. What is your current employment status?

- ☐ Student
- ☐ Part-time job
- ☐ Full-time job
- ☐ Multiple jobs
- ☐ Unemployed
- ☐ Unemployed with benefits

3. With which of the following racial or ethnic groups do you most closely identify?

- ☐ White, non-Hispanic
- ☐ White, Hispanic
- ☐ Asian/Pacific Islander
- ☐ Black
- ☐ Native American
- ☐ Somali or other African nation
- ☐ Other (specify): _____

4. What is your age?

5. What is your address?

If you live in Cully, please answer the following:

6. Which of the following describes your place of residence?

- ☐ Single-family home
- ☐ Condominium
- ☐ Multi-family apartment complex
- ☐ Other (specify): _____

7. How long have you lived in Cully?

8. How long have you lived in your current place of residence?

9. Why did you move to Cully?

10. What are the things that you like best about living in this neighborhood? You can choose up to three of the factors listed.

- ☐ My house or apartment
 - ☐ My neighbors
 - ☐ My distance to work
 - ☐ Access to amenities, such as neighborhood centers and stores
 - ☐ Proximity to public transportation
 - ☐ Schools for my children
 - ☐ Access to job opportunities
 - ☐ Safety in the neighborhood
 - ☐ Affordability of housing
 - ☐ Types of housing available
 - ☐ Something else (specify):
-

11. What are the things that you like least about living in this neighborhood? You can choose up to three of the factors listed.

- ☐ My house or apartment
 - ☐ My neighbors
 - ☐ Distance to work
 - ☐ Access to amenities, such as neighborhood centers and stores
 - ☐ Proximity to public transportation
 - ☐ Schools for my children
 - ☐ Access to job opportunities
 - ☐ Safety in the neighborhood
 - ☐ Affordability of housing
 - ☐ Types of housing available
 - ☐ Something else (specify):
-

12. If you had the choice, would you continue to live in Cully?

- ☐ Yes
- ☐ No

Please indicate why you feel this way:

13. What has caused you to move from one neighborhood to another in the past?

If you own a property (other than your home) or business in Cully:

14. How long have you been a property or business owner in Cully?

15. What is the most challenging aspect of owning a property or business in Cully?

All respondents, please answer the following:

16. What might cause you to leave Cully?

17. If you wanted to remain in Cully what would be the one most helpful thing to keep you here?

18. What do you think of when you hear the word 'gentrification'?

19. What do you think of when you hear the word 'displacement'?

20. Are you concerned about gentrification or displacement occurring in Cully?

☐ Yes

☐ No

21. Do you know anyone who has moved from Cully or any other neighborhood even though they wanted to stay?

☐ Yes

☐ No

If yes, why did they have to move?

Thank you for sharing your perspective on neighborhood change in Cully!

V) Selecting Recommendations

I. Arriving at Criteria

The consulting team began with over 80 examples of strategies and actions that have been, or could be, used in preventing displacement. Several considerations were taken into account to determine which of those strategies to recommend. These considerations are referred to as the five criteria.

The criteria were developed in part from priorities identified through speaking to members of the community. They and the Living Cully partners suggested many considerations. The team organized them into five categories: 1) equity, 2) need, 3) implementation, 4) impact, and 5) neighborhood vision. The criteria are ordered from most influential to least influential in terms of selecting the final recommendations. While they are prioritized in this order, they are all important.

In general, the criteria are subjective and difficult to quantify with precision. Despite this, they offer one way to distinguish desirable strategies and actions from less desirable ones. Applying them to select recommendations will yield different results depending on who is choosing and what the Cully neighborhood is like at that point in time. The Living Cully partners and the Not in Cully Community Advisory Committee should recognize this bias, and continuously work toward defining the criteria to meet changing values and conditions on the ground.

2. The Criteria

Strategies that are recommended should:

a) *Be equitable*. This is the most influential consideration. Equity is defined here as generating the most choice for the people who currently have the least. The following priority populations are based on the client's values, knowledge of existing Cully demographics, and insights from the Living Cully partners and from residents:

- Low-income residents comprise a significant proportion of Cully's population (26 percent live below the poverty level) and the client's target population. They have historically been vulnerable to displacement pressure. Participants in the engagement process generally agreed.
- Communities of color make up a significant proportion of Cully's population (51 percent) and the client's target population. They have historically been vulnerable to displacement in Portland and elsewhere, and tend to have lower incomes. Participants in our engagement process generally agreed.
- Recent immigrants (19 percent of Cully residents are foreign-born) and non-English speakers (31 percent speak a language other than English) comprise a significant proportion of Cully's population. Due to language barriers that make finding and keeping employment difficult, they are vulnerable to displacement caused by a rising cost of living.
- Small business owners make up a significant share of Cully's business population (72 percent of Cully businesses employ fewer than 10 employees). In cities throughout the United States, small businesses have been vulnerable to commercial displacement because of limited access to capital and resources that would allow them to compete in a changing market. Participants in the community engagement process generally agreed.

b) *Address a community need.* Needs generally should relate to basic human needs for food, shelter, education, means to employment, community, and opportunity. Needs in Cully were identified through interviews, small group discussions, a survey, a community workshop, and previous planning efforts. Those that were mentioned most often are prioritized. Needs are defined as reasons why someone would no longer be able to remain in Cully, such as:

- Loss of a job or other financial hardship. This reason was frequently cited at the first community workshop.
- Increased housing cost. Forty-seven percent of homeowners and 68 percent of renters in Cully are housing cost-burdened, according to the Existing Conditions assessment.
- Disputes with landlords, an issue raised at a discussion group with Hispanic renters of affordable housing units.
- Non-criminal legal problems (e.g. frivolous lawsuits, unfounded noise complaints leading to eviction, eviction due to the owner forfeiting or selling the property). This reason was raised by residents of mobile homes and at the Hispanic small group discussion.

c) *Have a favorable likelihood of implementation.* A strategy is more likely to be implemented if it:

- Takes advantage of existing strengths and resources in Cully
- Requires fewer resources of time and money
- Aligns with current programming or upcoming priorities of the Living Cully partners so that resources can be made available as soon as possible
- Has minimal legal barriers so that resources spent on implementation are not impeded by the lack of legal support. Wherever it makes sense, the partners are encouraged to advocate for laws and policies that broaden the toolbox of strategies to prevent displacement.
- Takes advantage of broad based public support, or advocates to build public support around initiatives that broaden the toolbox of strategies to prevent displacement
- Improves the likelihood that another strategy will be successful because the two are mutually reinforcing. This was a major suggestion throughout the community engagement process, and especially at the second workshop. It is also a way for the Living Cully partners to leverage limited resources.

d) *Have a significant depth or breadth of impact.* Impact is defined as preventing people from being displaced. Depth refers to the level of impact for the individual. Breadth refers to the level of impact for the entire Cully population. The considerations under this criterion include:

- Whether the impact is short term or long term. In consultation with the Living Cully partners, the team chose to prioritize short-term impacts because Cully is in early-stage gentrification and investment is imminent. However, long-term impacts are still considered.
- The strategy should be cost effective so that the money spent has a large depth or breadth of impact. This means that either:
 - A large number of people are impacted, or
 - Those impacted are very susceptible to displacement, or
 - The size of the impact on each individual or family is large.

e. *Account for the vision of the neighborhood.* Neighborhood vision is inferred based on interviews, small group discussions, a survey, a community workshop, and previous planning efforts. Because Cully is a large and diverse community, it is impractical to expect that any one vision will represent the desires of the entire population. The considerations under this criterion include:

- Likelihood of push-back from residents due to valid concerns
- Likelihood of push-back from the City or other key stakeholders
- Likelihood that the strategy will discourage proposed or future investments.

3. Selecting Recommendations

Criteria were applied multiple times during this process. First, they guided the initial sifting through myriad displacement prevention possibilities to arrive at preliminary strategies. These preliminary strategies were presented to the Living Cully partners and to participants at the second community workshop. They were asked to consider the likely effectiveness of each strategy judging from the criteria and based on their own knowledge of the community.

Later, the criteria were applied to evaluate the team's recommended strategies. Each recommended strategy was compared to each of the criteria to assess how well it performs. Every strategy meets each of the five criteria to varying degrees. In some cases, the team recognized that despite performing poorly on one criterion, the strength of the remaining criteria justified the recommendation. For example, the strategy of acquiring land for affordable housing development performs poorly on the implementability criterion because of its high cost. However, the potential depth of impact for priority populations outweighs that consideration.

VI) Research and Case Study Bibliography

Over the course of this project, consulting team members reviewed many sources of information on gentrification, displacement and neighborhood change. They are included in the full source list below.

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