Rutgers Center on Law, Inequality, & Metropolitan Equity

Memo: DRIM Update (08/19/2019)

Introduction

With the increased use of public land for the sake of economic development, cities across the U.S. are facing an urban construction boom. Through the 1980s and 1990s, Newark's construction boom focused on land-use policies, especially the tax abatement strategies for bringing about capital-intensive projects[1]. Simultaneously, Newark's shift to a more neo-liberal solution led to a decline in public housing and section 8 vouchers[2].

As Newark experiences unprecedented growth potential, Newarkers express more and more anxiety about the prospects of housing displacement brought on by the processes of gentrification that have transformed urban neighborhoods across the United States[3].

In this context, Rutgers CLiME first examined the displacement potential in Newark city using a comprehensive data analysis in 2017. The Displacement Risk Indicators Matrix (DRIM) is a data tool that looks at housing and core demographic indicators for the city of Newark to better gauge the impact of housing displacement and how potential projects and economic development initiatives could increase the displacement risk in Newark city. This form of analysis is even more critical as Mayor Ras J. Baraka announced the creation of the Equitable Growth Advisory Commission in December 2018. The purpose of the commission is to advise the Mayor on economic development projects and policies to advance an overall strategy of equitable growth.

For the report, we interpret displacement risk for a neighborhood when the increase in income and rent starts to coincide with the decline in affordable housing and the decrease in the number of households who live below poverty level.

Purpose

DRIM is an assessment tool using select variables to demonstrate the risk associated with housing displacement. These risks not always identified with typical gentrification, are associated with displacement measurement. While some cities may be appropriate contexts for a gentrification index, we chose displacement for Newark[4]. This memo is an addition to the original DRIM, which takes into account the 2017 data points.

The DRIM's divided into ten displacement factors that conceptually define three broad categories:

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[1] Stein, S., & Mironova, O. (2018). Public land revisited: municipalization and privatization in Newark and New York City. *International Planning Studies*, 1-14

[2] Goetz, E. G. (2013). *New deal ruins: Race, economic justice, and public housing policy*. Cornell University Press

[3] Displacement Risk and Gentrification: The CLiME Displacement Risk Indicators Matrix Methodology, 2017 report

[4] Displacement Risk and Gentrification: The CLiME Displacement Risk Indicators Matrix Methodology, 2017 report

- **Vulnerability**: represents the displacement stress indicators faced by households. Three factors determine vulnerability in a neighborhood: Extreme rent burden, median rent, household income, and poverty rate.
- **Market Dynamics**: represents the changing trend brought about by economic development and housing policies. The factors determining market dynamics are affordability in a neighborhood, increased rent-burdened or rising rents, and opportunities for new construction.
- **"Gentrifier" population**: represents how the region has changed with increased displacement. "Gentrifier" population is defined by an increased number of households who own a house, are educated, and belong to non-Hispanic white racial population.

A neighborhood is assumed to be at the risk of displacement when rising resident incomes and housing cost coincide with shrinking affordable housing and number of below poverty level households.

The DRIM analyzes the displacement factors across the following periods: 2000, 2015 and 2017, and the change represented from 2000 until 2015, 2015 until 2017, and 2000 until 2017. The following data points were analyzed-

- Newark City
- East Ward
- Central Ward
- North Ward
- South Ward
- West Ward

Using Newark city-data point (baseline for each year), relative comparisons between different Ward were analyzed. The Ward data points showcase a higher risk, an equal amount of risk, or a lower amount of risk, in comparison to Newark city.

Data Source: All data for DRIM was derived and analyzed using U.S. Bureau of Census American Community Survey (ACS) for 2000-2017 and City of Newark open data portal.

Original DRIM

HH: Households	Color Legend		
	Higher risk	Lower risk but still high	Lower risk
BPL: Below Poverty Line			

2015

	Newark Characterization	Statistic	East Ward Compared to City	Statistic	Central Ward Compared to City	Statistic	North Ward Compared to City	Statistic	South Ward Compared to City	Statistic	West Ward Compared to City	Statistic
Vulnerability												
1 EXTREME RENT BURDEN (% of HH)	High	31%	Less rent-burdened	26%	Less rent-burdened	28%	Equally rent-burdened	31%	More rent-burdened	34%	More rent-burdened	37%
2 RENT (Median Gross Rent)	Moderate	$973	More expensive	$1,026	Less expensive	$859	Less expensive	$945	Less expensive	$909	More expensive	$1,104
3 INCOME (Median HH Income)	Low	$33,139	More income	$41,952	Less income	$31,162	Less income	$31,830	Less income	$30,315	Less income	$32,615
4 POVERTY (% of HH with Income BPL)	High	29%	Less poverty	23%	More poverty	34%	Less poverty	29%	More poverty	32%	More poverty	30%
Market Dynamics												
5 AFFORDABLE RENTS (% of HH paying < $900)	Low	42%	Less affordable	30%	More affordable	53%	Less affordable	40%	Less affordable	47%	More affordable	39%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	Low	24%	More high-rent units	28%	Less high-rent units	19%	Less high-rent units	22%	Equal high-rent units	24%	More high-rent units	26%
7 OCCUPANCY PERMITS (per 1000 housing units in 2012-2016)	Low	7.7	More occupancy permits	9.5	More occupancy permits	11.4	Less occupancy permits	5	Less occupancy permits	5.2	Less occupancy permits	4.3
"Gentrifier" Population												
8 OWNER-OCCUPIED (No. of HH)	Low	20,086		3,446		3,083		4,155		4,210		5,192
8 OWNER-OCCUPIED (% of HH)	Low	22%	Less owner-occupied	18%	Less owner-occupied	19%	Less owner-occupied	22%	More owner-occupied	23%	More owner-occupied	26%
9 NON-HISPANIC WHITE (% of ppln)	Low	11%	More non-Hispanic white	31%	Less non-Hispanic white	7%	Less non-Hispanic white	8%	Less non-Hispanic White	2%	Less non-Hispanic white	2%
10 BACHELOR'S DEGREE (% of ppln)	Low	13%	Less college-educated	13%	More college-educated	19%	Less college-educated	13%	Less college-educated	12%	Less college-educated	13%

2000

	Newark Characterization	Statistic	East Ward Compared to City	Statistic	Central Ward Compared to City	Statistic	North Ward Compared to City	Statistic	South Ward Compared to City	Statistic	West Ward Compared to City	Statistic
Vulnerability												
1 EXTREME RENT BURDEN (% of HH)	Moderate	23%	Less rent-burdened	18%	Less rent-burdened	22%	More rent-burdened	24%	More rent-burdened	24%	More rent-burdened	26%
2 RENT (Median Gross Rent)	Low	$586	More expensive	$600	Less expensive	$456	More expensive	$614	Less expensive	$523	More expensive	$619
3 INCOME (Median HH Income)	Low	$27,058	More income	$32,464	Less income	$23,642	More income	$27,429	Less income	$25,988	Less income	$27,862
4 POVERTY (% of HH with Income BPL)	High	28%	Less poverty	21%	More poverty	39%	Less poverty	26%	More poverty	30%	Less poverty	27%
Market Dynamics												
5 AFFORDABLE RENTS (% of HH paying < $900)	High	76%	Less affordable	73%	More affordable	86%	Less affordable	71%	More affordable	78%	Less affordable	70%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	Low	9%	More high-rent units	10%	Less high-rent units	5%	More high-rent units	11%	Less high-rent units	8%	More high-rent units	11%
7 OCCUPANCY PERMITS (per 1000 housing units in 2012-2016)	Moderate	24.5	Less occupancy permits	23.5	More occupancy permits	41	Less occupancy permits	16.8	Less occupancy permits	9.3	Less occupancy permits	14.4
"Gentrifier" Population												
8 OWNER-OCCUPIED (No. of HH)	Low	21,738		4,129		2,714		4,313		4,515		6,057
8 OWNER-OCCUPIED (% of HH)	Low	22%	More owner-occupied	23%	Less owner-occupied	14%	More owner-occupied	23%	Less owner-occupied	21%	More owner-occupied	27%
9 NON-HISPANIC WHITE (% of ppln)	Low	14%	More non-Hispanic white	48%	Less non-Hispanic white	5%	More non-Hispanic white	16%	Less non-Hispanic White	1%	Less non-Hispanic white	5%
10 BACHELOR'S DEGREE (% of ppln)	Low	9%	Less college-educated	7%	More college-educated	9%	More college-educated	10%	Less college-educated	9%	More college-educated	11%

2000-2015 Change

	Newark Characterization	Statistic	East Ward Compared to City	Statistic	Central Ward Compared to City	Statistic	North Ward Compared to City	Statistic	South Ward Compared to City	Statistic	West Ward Compared to City	Statistic
Vulnerability												
1 EXTREME RENT BURDEN (% of HH)	More rent-burden	37%	Larger increase	43%	Smaller increase	26%	Smaller increase	29%	Larger increase	43%	Larger increase	43%
2 RENT (Median Gross Rent)	More expensive	66%	Larger increase	71%	Larger increase	88%	Smaller increase	54%	Larger increase	74%	Smaller increase	62%
3 INCOME (Median HH Income)	More income	22%	Larger increase	29%	Larger increase	32%	Smaller increase	16%	Smaller increase	17%	Smaller increase	17%
4 POVERTY (% of HH with Income BPL)	More poverty	3%	Larger increase	5%	Decrease	-12%	Larger increase	9%	Larger increase	7%	Larger increase	12%
Market Dynamics												
5 AFFORDABLE RENTS (% of HH paying < $900)	Less affordable un	-45%	Larger decrease	-59%	Smaller decrease	-38%	Smaller decrease	-44%	Smaller decrease	-40%	Equal decrease	-45%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	More high-rent ur	166%	Larger increase	176%	Larger increase	262%	Smaller increase	100%	Larger increase	190%	Smaller increase	148%
7 OCCUPANCY PERMITS	Less occupancy pe	-69%	Smaller decrease	-60%	Larger decrease	-72%	Larger increase	-70%	Smaller decrease	-44%	Larger decrease	-70%
"Gentrifier" Population												
8 OWNER-OCCUPIED (No. of HH)		-1,652		-683		369		-158		-305		-865
8 OWNER-OCCUPIED (% of HH)	No change	0%	Decrease	-19%	Increase	33%	Decrease	-5%	Decrease	-9%	Decrease	-3%
9 NON-HISPANIC WHITE (% of ppln)	Less non-Hispanic	-24%	Larger decrease	-35%	Increase	48%	Larger decrease	-53%	Increase	165%	Larger decrease	-53%
10 BACHELOR'S DEGREE (% of ppln)	More college-educ	48%	Larger increase	87%	Larger increase	103%	Smaller increase	36%	Smaller increase	36%	Smaller increase	18%

UPDATE: 2017 data point

2017	Newark		East Ward		Central Ward		North Ward		South Ward		West Ward	
Vulnerability	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
1 EXTREME RENT BURDEN (% of HH)	High	32%	Less rent-burdened	26%	Less rent-burdened	29%	Equally rent-burdened	32%	More rent-burdened	34%	More rent-burdened	37%
2 RENT (Median Gross Rent)	Moderate	$1,014	More expensive	$1,130	Less expensive	$922	More expensive	$1,039	Less expensive	$1,004	More expensive	$1,083
3 INCOME (Median HH Income)	Low	$34,826	More income	$42,919	Less income	$31,634	More income	$37,009	Less income	$31,188	More income	$35,319
4 POVERTY (% of HH with Income BPL)	High	28%	Less poverty	23%	More poverty	34%	Less poverty	25%	More poverty	32%	More poverty	29%
Market Dynamics	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
5 AFFORDABLE RENTS (% of HH paying < $900)	Low	38%	More affordable	46%	More affordable	41%	Less affordable	35%	Less affordable	33%	Less affordable	34%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	Low	26%	Less high-rent units	25%	Less high-rent units	24%	More high-rent units	29%	More high-rent units	29%	Less high-rent units	24%
7 OCCUPANCY PERMITS (per 1000 housing units in 2017)	Low	0.2	More occupancy permits	0.4	More occupancy permits	0.4	Less occupancy permits	0.3	Less occupancy permits	0.1	Less occupancy permits	0
"Gentrifier" Population	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
8 OWNER-OCCUPIED (No. of HH)	Low	21,712		3,871		3,403		4,679		4,258		5,501
8 OWNER-OCCUPIED (% of HH)	Low	23%	Less owner-occupied	20%	Less owner-occupied	19%	More owner-occupied	24%	Less owner-occupied	22%	More owner-occupied	28%
9 NON-HISPANIC WHITE (% of ppln)	Low	11%	More non-Hispanic white	32%	Less non-Hispanic white	6%	Less non-Hispanic white	8%	Less non-Hispanic White	2%	More non-Hispanic white	30%
10 BACHELOR'S DEGREE (% of ppln)	Low	14%	Less college-educated	13%	More college-educated	19%	Equally college-educated	14%	Less college-educated	13%	More college-educated	15%

2015-2017 Change	Newark		East Ward		Central Ward		North Ward		South Ward		West Ward	
Vulnerability	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
1 EXTREME RENT BURDEN (% of HH)	More rent-burden	3%	Smaller increase	0%	Larger increase	4%	Equal increase	3%	Smaller increase	0%	Smaller increase	0%
2 RENT (Median Gross Rent)	More expensive	4%	Larger increase	10%	Larger increase	7%	Larger increase	10%	Larger increase	10%	Larger decrease	-2%
3 INCOME (Median HH Income)	More income	5%	Smaller increase	2%	Smaller increase	2%	Larger increase	16%	Smaller increase	3%	Larger increase	8%
4 POVERTY (% of HH with Income BPL)	Less poverty	-3%	Larger increase	0%	Larger increase	0%	Larger decrease	-14%	Larger increase	0%	Equal decrease	-3%
Market Dynamics	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
5 AFFORDABLE RENTS (% of HH paying < $900)	Less affordable un	-10%	Larger increase	53%	Larger decrease	-23%	Larger decrease	-13%	Larger decrease	-30%	Larger decrease	-13%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	More high-rent un	8%	Larger decrease	-11%	Larger increase	26%	Larger increase	32%	Larger increase	21%	Larger decrease	-8%
7 OCCUPANCY PERMITS	Less occupancy pe	-97%	Smaller decrease	-96%	Smaller decrease	-96%	Smaller decrease	-94%	Smaller decrease	-98%	Larger decrease	-100%
"Gentrifier" Population	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
8 OWNER-OCCUPIED (No. of HH)		1,626		-683		320		524		48		309
8 OWNER-OCCUPIED (% of HH)	More affordable u	5%	Increase	11%	Decrease	0%	Increase	9%	Decrease	-4%	Increase	8%
9 NON-HISPANIC WHITE (% of ppln)	No change	0%	Increase	3%	Larger Decrease	-14%	Equal increase	0%	Equal increase	0%	Larger increase	1400%
10 BACHELOR'S DEGREE (% of ppln)	More college-educ	8%	Smaller increase	0%	Smaller increase	0%	Equal increase	8%	Equal increase	8%	Larger increase	15%

2000-2017 Change	Newark		East Ward		Central Ward		North Ward		South Ward		West Ward	
Vulnerability	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
1 EXTREME RENT BURDEN (% of HH)	More rent-burden	39%	Larger increase	44%	Smaller increase	32%	Smaller increase	33%	Larger increase	42%	Larger increase	42%
2 RENT (Median Gross Rent)	More expensive	73%	Larger increase	88%	Larger increase	102%	Smaller increase	69%	Larger increase	92%	Larger increase	75%
3 INCOME (Median HH Income)	More income	29%	Larger increase	32%	Larger increase	34%	Larger increase	35%	Smaller increase	20%	Smaller increase	27%
4 POVERTY (% of HH with Income BPL)	No change	0%	Larger increase	10%	Larger Decrease	-13%	Larger Decrease	-4%	Larger increase	7%	Larger increase	7%
Market Dynamics	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
5 AFFORDABLE RENTS (% of HH paying < $900)	Less affordable un	-50%	Smaller decrease	-37%	Larger Decrease	-52%	Larger Decrease	-51%	Larger decrease	-58%	Larger decrease	-51%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	More high-rent un	189%	Smaller increase	150%	Larger increase	380%	Smaller increase	164%	Larger increase	263%	Smaller increase	118%
7 OCCUPANCY PERMITS	Less occupancy pe	-99%	Smaller decrease	-98%	Equal decrease	-99%	Smaller decrease	-98%	Equal decrease	-99%	Larger decrease	-100%
"Gentrifier" Population	Characterization	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic	Compared to City	Statistic
8 OWNER-OCCUPIED (No. of HH)		-26		-258		689		366		-257		-556
8 OWNER-OCCUPIED (% of HH)	More owner-occup	5%	Larger decrease	-13%	Larger increase	36%	Smaller increase	4%	Equal increase	5%	Smaller increase	4%
9 NON-HISPANIC WHITE (% of ppln)	Less non-Hispanic	-21%	Larger decrease	-33%	Larger increase	20%	Larger decrease	-50%	Larger increase	100%	Larger increase	500%
10 BACHELOR'S DEGREE (% of ppln)	More college-educ	56%	Larger increase	86%	Larger increase	111%	Smaller increase	40%	Smaller increase	44%	Smaller increase	36%

DRIM Interpretation

Baseline: Newark Data point

The DRIM is an assessment tool which measures displacement risk with the city level data point. Newark displacement factors are first categorized into higher risk, lower risk but still high, and lower risk, in comparison to other similar cities. In the table below, for the year 2017, Newark rate for extreme rent burden (ERB) defined as the percentage of households paying more than 50% of income compared to different Ward rents is "high" at 32%. Similarly, Newark has 11% of Non-Hispanic white population, which is considered "low" compared to other cities.

2017	Newark	
Vulnerability	*Characterization*	*Statistic*
1 EXTREME RENT BURDEN (% of HH)	*High*	32%
2 RENT (Median Gross Rent)	*Moderate*	$1,014
3 INCOME (Median HH Income)	*Low*	$34,826
4 POVERTY (% of HH with Income BPL)	*High*	28%
Market Dynamics	*Characterization*	*Statistic*
5 AFFORDABLE RENTS (% of HH paying < $900)	*Low*	38%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	*Low*	26%
7 OCCUPANCY PERMITS (per 1000 housing units in 2017)	*Low*	0.2
"Gentrifier" Population	*Characterization*	*Statistic*
8 OWNER-OCCUPIED (No. of HH)	*Low*	21,712
8 OWNER-OCCUPIED (% of HH)	*Low*	23%
9 NON-HISPANIC WHITE (% of ppln)	*Low*	11%
10 BACHELOR'S DEGREE (% of ppln)	*Low*	14%

To understand the potential change in displacement risk in Newark and the Wards, data compared for the following periods: 2000-2015, 2015-2017, & 2000-2017.

2000-2015 Change

2000-2015 Change	Newark Characterization	Statistic	East Ward Compared to City	Statistic	Central Ward Compared to City	Statistic	North Ward Compared to City	Statistic	South Ward Compared to City	Statistic	West Ward Compared to City	Statistic
Vulnerability												
1 EXTREME RENT BURDEN (% of HH)	More rent-burden	37%	Larger increase	43%	Smaller increase	26%	Smaller increase	29%	Larger increase	43%	Larger increase	43%
2 RENT (Median Gross Rent)	More expensive	66%	Larger increase	71%	Larger increase	88%	Smaller increase	54%	Larger increase	74%	Smaller increase	62%
3 INCOME (Median HH Income)	More income	22%	Larger increase	29%	Larger increase	32%	Smaller increase	16%	Smaller increase	17%	Smaller increase	17%
4 POVERTY (% of HH with Income BPL)	More poverty	3%	Larger increase	5%	Decrease	-12%	Larger increase	9%	Larger increase	7%	Larger increase	12%
Market Dynamics												
5 AFFORDABLE RENTS (% of HH paying < $900)	Less affordable un	-45%	Larger decrease	-59%	Smaller decrease	-38%	Smaller decrease	-44%	Smaller decrease	-40%	Equal decrease	-45%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	More high-rent ur	166%	Larger increase	176%	Larger increase	262%	Smaller increase	100%	Larger increase	190%	Smaller increase	148%
7 OCCUPANCY PERMITS	Less occupancy pe	-69%	Smaller decrease	-60%	Larger decrease	-72%	Larger increase	-70%	Smaller decrease	-44%	Larger decrease	-70%
"Gentrifier" Population												
8 OWNER-OCCUPIED (No. of HH)		-1,652		-683		369		-158		-305		-865
8 OWNER-OCCUPIED (% of HH)	No change	0%	Decrease	-19%	Increase	33%	Decrease	-5%	Decrease	-9%	Decrease	-3%
9 NON-HISPANIC WHITE (% of ppln)	Less non-Hispanic	-24%	Larger decrease	-35%	Increase	48%	Larger decrease	-53%	Increase	165%	Larger decrease	-53%
10 BACHELOR'S DEGREE (% of ppln)	More college-educ	48%	Larger increase	87%	Larger increase	103%	Smaller increase	36%	Smaller increase	36%	Smaller increase	18%

2015-2017 Change

2015-2017 Change	Newark Characterization	Statistic	East Ward Compared to City	Statistic	Central Ward Compared to City	Statistic	North Ward Compared to City	Statistic	South Ward Compared to City	Statistic	West Ward Compared to City	Statistic
Vulnerability												
1 EXTREME RENT BURDEN (% of HH)	More rent-burden	3%	Smaller increase	0%	Larger increase	4%	Equal increase	3%	Smaller increase	0%	Smaller increase	0%
2 RENT (Median Gross Rent)	More expensive	4%	Larger increase	10%	Larger increase	7%	Larger increase	10%	Larger increase	10%	Larger decrease	-2%
3 INCOME (Median HH Income)	More income	5%	Smaller increase	2%	Smaller increase	2%	Larger increase	16%	Smaller increase	3%	Smaller increase	8%
4 POVERTY (% of HH with Income BPL)	Less poverty	-3%	Larger increase	0%	Larger increase	0%	Larger increase	-14%	Larger increase	0%	Equal decrease	-3%
Market Dynamics												
5 AFFORDABLE RENTS (% of HH paying < $900)	Less affordable un	-10%	Larger increase	53%	Larger decrease	-23%	Larger decrease	-13%	Larger decrease	-30%	Larger decrease	-13%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	More high-rent ur	8%	Larger decrease	-11%	Larger increase	26%	Larger increase	32%	Larger increase	21%	Larger decrease	-8%
7 OCCUPANCY PERMITS	Less occupancy pe	-97%	Smaller decrease	-96%	Smaller decrease	-96%	Smaller decrease	-94%	Smaller decrease	-98%	Larger decrease	-100%
"Gentrifier" Population												
8 OWNER-OCCUPIED (No. of HH)		1,626		-683		320		524		48		309
8 OWNER-OCCUPIED (% of HH)	More affordable u	5%	Increase	11%	Decrease	0%	Increase	9%	Decrease	-4%	Increase	8%
9 NON-HISPANIC WHITE (% of ppln)	No change	0%	Increase	3%	Larger Decrease	-14%	Equal increase	0%	Equal increase	0%	Larger increase	1400%
10 BACHELOR'S DEGREE (% of ppln)	More college-educ	8%	Smaller increase	0%	Smaller increase	0%	Equal increase	0%	Equal increase	8%	Larger increase	15%

2000-2017 Change

| 2000-2017 Change	Newark Characterization	Statistic	East Ward Compared to City	Statistic	Central Ward Compared to City	Statistic	North Ward Compared to City	Statistic	South Ward Compared to City	Statistic	West Ward Compared to City	Statistic
Vulnerability												
1 EXTREME RENT BURDEN (% of HH)	More rent-burden	39%	Larger increase	44%	Smaller increase	32%	Smaller increase	33%	Larger increase	42%	Larger increase	42%
2 RENT (Median Gross Rent)	More expensive	73%	Larger increase	88%	Larger increase	102%	Smaller increase	69%	Larger increase	92%	Larger increase	75%
3 INCOME (Median HH Income)	More income	29%	Larger increase	32%	Larger increase	34%	Smaller increase	35%	Smaller increase	20%	Larger increase	27%
4 POVERTY (% of HH with Income BPL)	No change	0%	Larger increase	10%	Larger Decrease	-13%	Larger Decrease	-4%	Larger increase	7%	Larger increase	7%
Market Dynamics												
5 AFFORDABLE RENTS (% of HH paying < $900)	Less affordable un	-50%	Smaller decrease	-37%	Larger Decrease	-52%	Larger Decrease	-51%	Larger decrease	-58%	Larger decrease	-51%
6 HIGH RENTS (% of HH paying > $1250, FMR for 2-bed)	More high-rent ur	189%	Smaller increase	150%	Larger increase	380%	Smaller increase	164%	Larger increase	263%	Smaller increase	118%
7 OCCUPANCY PERMITS	Less occupancy pe	-99%	Smaller decrease	-98%	Equal decrease	-99%	Smaller decrease	-98%	Equal decrease	-99%	Larger decrease	-100%
"Gentrifier" Population												
8 OWNER-OCCUPIED (No. of HH)		-26		-258		689		366		-257		-556
8 OWNER-OCCUPIED (% of HH)	More owner-occu		Larger decrease	-13%	Larger increase	36%	Smaller increase	4%	Equal increase	5%	Smaller increase	4%
9 NON-HISPANIC WHITE (% of ppln)	Less non-Hispanic	-21%	Larger decrease	-33%	Larger increase	20%	Larger decrease	-50%	Larger increase	100%	Larger increase	500%
10 BACHELOR'S DEGREE (% of ppln)	More college-educ	56%	Larger increase	86%	Larger increase	111%	Smaller increase	40%	Smaller increase	44%	Smaller increase	36%

Finding 1:

Based on the original DRIM analyses (2000 to 2015), East Ward was at the most immediate risk of housing displacement, when measured by traditional processes of gentrification (refer to table before). From 2000 until 2015, 7 out of 10 displacement factors were at a higher risk for East Ward. In 2015, East Ward faced a higher risk under 'Market Dynamics' with less affordable units, more high-rent units, and more occupancy permits.

Between 2015- 2017, only 4 out of 10 displacement factors were at a higher risk, thus showing a changing displacement trend away from East Ward. By 2017, the number of affordable units has gone up, and the number of high-rent units has gone down (figure 4 & 5). As a result, between 2000-2017, only 5 out of 10 displacement factors were at higher risk.

Finding 2:

Figure 1
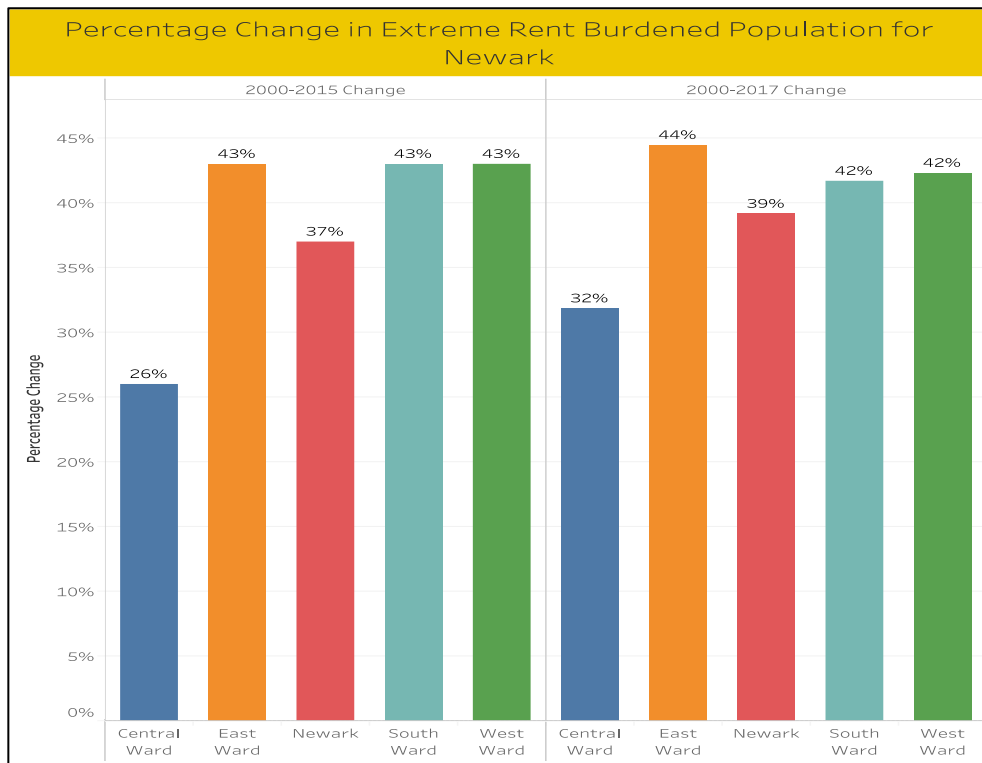
East Ward, South Ward, and West Ward are at a higher displacement risk when measured by their "vulnerability" to be gentrified. Extreme Rent Burden (ERB) defined as the percentage of households who are paying more than 50% of their household income in rent.

- In figure 1, West Ward and South Ward are extremely rent-burdened with more than 30% of households paying more than 50% of their household income on rent.
- Looking at Central Ward, there has been a 4% increase in extreme rent-burdened population between 2015-2017, which is lower than that of Newark, thus making it a potential for displacement. This data supports the original DRIM analysis where Central Ward could be the next Ward to face the effects of displacement as it also shows displacement trends with decreased household income and increased rent.

Figure 2

Percentage change in Median Gross Rent across Newark
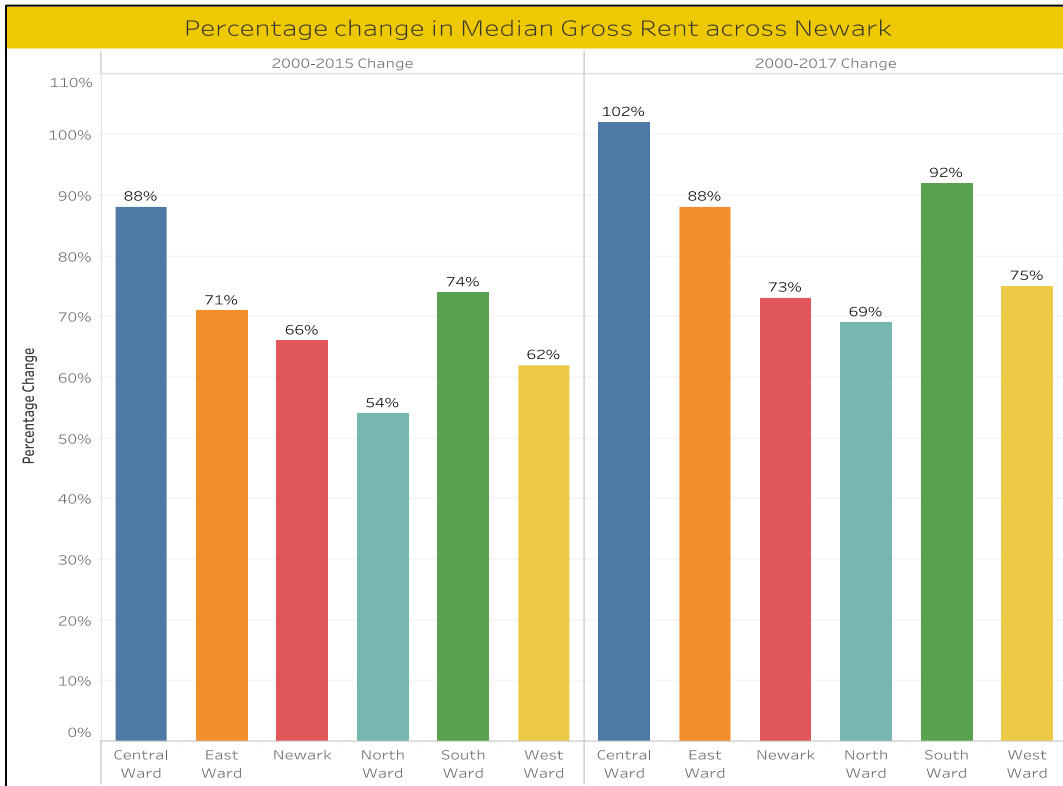
- Figure 2 shows the percentage change in median gross rent, which, unlike ERB, shows differing results. The percentage change in median gross rent from 2000-2017 and 2000-2015 has drastically increased in all Wards except the North Ward, with the highest increase seen in Central Ward, followed by South Ward.
- South Ward and West Ward are at the highest risk for displacement as they have had the lowest increase in median household income and a significant increase in median gross rent (2000-2017 & 2000-2015 table). As a result, this is a shift from the original DRIM analysis, as, within two years (2015-2017), East Ward has got replaced by South Ward and West Ward being at a higher risk for displacement.
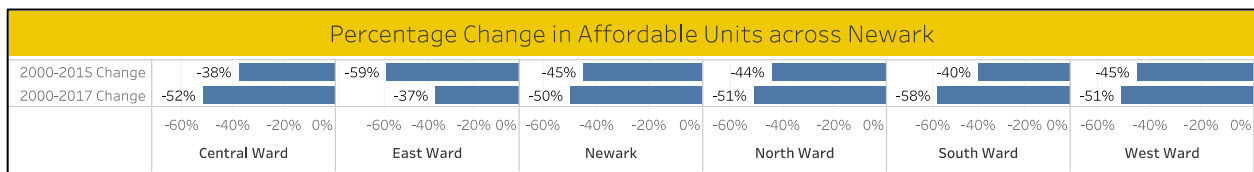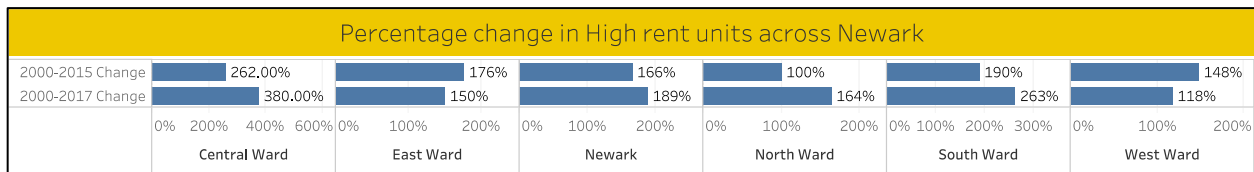
Finding 3:

Figure 3

Percentage Change in Non-Hispanic White population across Newark
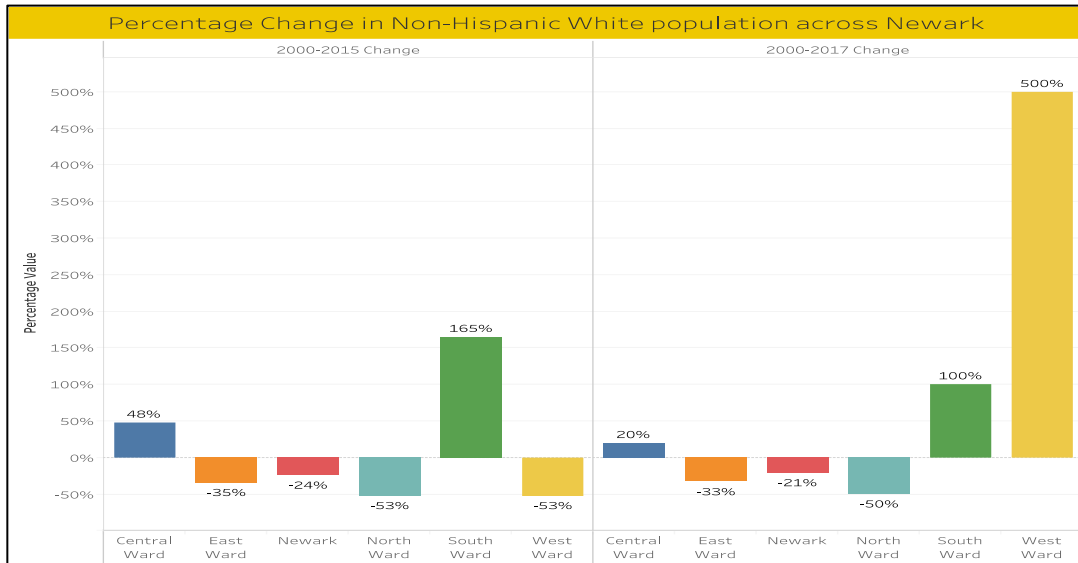
- Between 2000-2015, Central Ward showed signs of "gentrifier population" with a 48% increase in non-Hispanic white population and more than 100% increase in college-educated population. However, from 2000-2017, West Ward non-Hispanic White population increased by 500%, as compared to 53% decline from 2000-2015, thus accounting for 1400% increase in non-Hispanic white population between 2015-2017 (figure 3).
- This change in demographics is corroborated with the rise in college-educated population, with East Ward (86%) and Central Ward (111%) between 2000-2017, thus increasing the displacement risk based on changing trend of "gentrifier" population.

Finding 4

Figure 4

Percentage Change in Affordable Units across Newark

Figure 5

Percentage change in High rent units across Newark

- Between 2000-2017, Central Ward had a 52% decline in affordable rental units and 380% increase in high-rent units (figure 4 & 5), thus re-confirming the original DRIM analysis

as Central Ward has moved from the Ward to watch to the Ward showcasing displacement risk.
-   East Ward, while increasing the number of high-rent units by 150% between 2000-2017, has declined from 176% between 2000-2015. In combination with an increase in affordable units by 53% between 2015-2017, East Ward is showing a reverse displacement trend.
-   Central Ward and South Ward have shown the greatest most significant 'market dynamics' risk factors.

Summary

-   Central Ward and South Ward have shown an increased risk of displacement between 2000-2017, compared to East Ward who had the highest risk of displacement from 2000-2015.
-   The decline in affordable rental units with an increase in high-rent units and a more significant share of the non-Hispanic white population are the prominent displacement factors for South Ward and Central Ward.
-   East Ward risk for displacement has gone down with the increased percentage of affordable units and a marginal increase in extreme rent burden populations when compared to other Wards.

Beyond DRIM

Apart from the variables used to assess DRIM, other variables need to be considered to understand the potential risk for displacement.

Geographic mobility determines the extent of the movement of the population both outside and within NJ. The mobility trend will help understand the extent of population redistribution occurring in Newark.

Figure 6
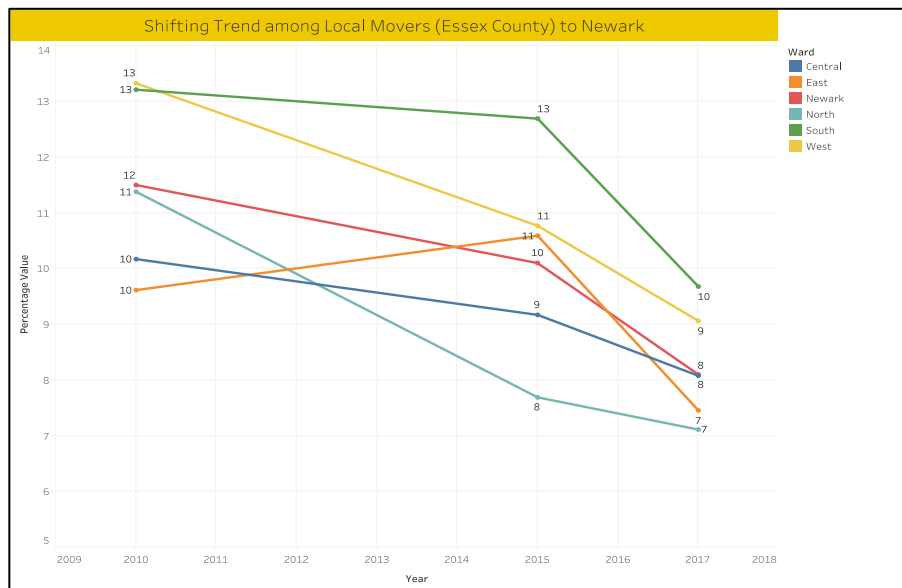
While the local population within Essex County have substantially decreased their geographic mobility (figure 6), there has been an increase in population outside of Essex County to Newark. However, Central Ward and East Ward face the highest growth in redistribution (figure 7), which could show the potential risk of displacement.

- There is a correlation between the increase in high-rent units and a shift in the demographic population to increase in population coming from outside of Essex County, Newark for Central Ward.
- Similarly, there is an increase in college-educated population in East Ward with a marginal increase in rent-burdened population, compared to other Wards, thus indicating a shift in demographics, a trend seen in population coming out of Essex County.

Between 2010-2017, less than 2% of the population outside of New Jersey has moved to Newark. Looking at the geographic mobility distribution, the number of people moving out of NJ into Newark has been on a decline from 2010-2017, across all Wards, thus not showing any signs of displacement risk (figure 8).

As seen in the figures 6-8, a rising demographic trend, especially from within New Jersey correlates with the previous DRIM results showing a rising displacement risk for Central Ward, South Ward, and East Ward.
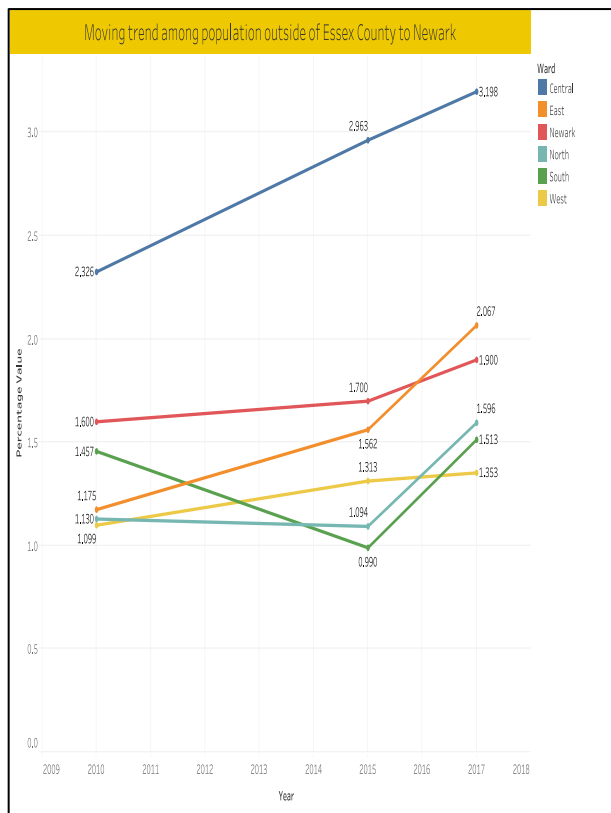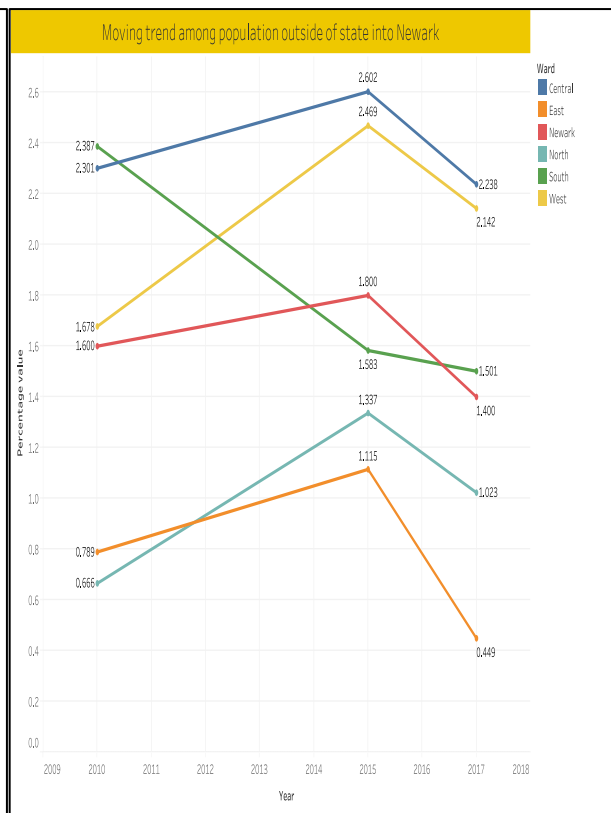
Figure 7   *Figure 8*

Opportunity Zones: The Opportunity Zones program was enacted as part of the 2017 federal Tax Cuts and Jobs Act and is designed to drive long-term capital investments into low-income rural and urban communities. This federal program provides opportunities for private investors to support investments in distressed communities through participation in Qualified Opportunity Funds.

Investors can defer paying federal taxes on capital gains reinvested in Qualified Opportunity Funds that invest in low-income communities, under rules released by the U.S. Department of the Treasury. Reinvested capital gains are allowed to defer from taxation until exit from a Qualified Opportunity Fund or December 31, 2026, whichever comes first. Any gains from Qualified Opportunity Fund investments held for at least ten years will be permanently excluded from the capital gains tax. However, the federal program does not discuss the economic benefits to the residents or to the region, both short-term and long-term.

Fifty-seven projects have been officially considered, out of which forty projects are commercial in nature, six are industrial projects, nice are commercial/residential based, and only four are residential projects. Since the Opportunity zones project only started in 2017, the plans are still being approved, and it would be a good indicator for displacement (to look at the number of residential to commercial projects), but it could be a baseline indicator for DRIM.

Type of Opportunity Zone Projects (as of 2018): Total projects: 57

GEOID	Census Tract	Municipality	County	No. of Projects	Ward
3.4E+10	Census Tract 14, Essex County	Newark	Essex	1	West
3.4E+10	Census Tract 50, Essex County	Newark	Essex	1	South
3.4E+10	Census Tract 68, Essex County	Newark	Essex	7	East
3.4E+10	Census Tract 74, Essex County	Newark	Essex	4	East
3.4E+10	Census Tract 75.01, Essex County	Newark	Essex	4	East
3.4E+10	Census Tract 75.02, Essex County	Newark	Essex	2	East
3.4E+10	Census Tract 80, Essex County	Newark	Essex	12	Central
3.4E+10	Census Tract 81, Essex County	Newark	Essex	13	Central
3.4E+10	Census Tract 96, Essex County	Newark	Essex	1	North
3.4E+10	Census Tract 229, Essex County	Newark	Essex	11	Central
3.4E+10	Census Tract 231, Essex County	Newark	Essex	1	Central
			Total	57	