
Tools to Curb Displacement

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Presentation Outline:

- Define Equity
 - Define Displacement
 - Identify some basic strategies that can address certain needs of populations at risk of/experiencing displacement & when to implement them
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What is Equity?

...a society where all people live in economically and environmentally healthy neighborhoods that include:

- Clean air, land and water
- Meaningful employment and a living wage with benefits
- Effective public transportation and land-use planning that connects people to resources, opportunities and services
- Affordable, healthy, safe housing
- Quality education

Equity Can Also be Considered in Terms of:

- *Process*: “ensuring access to decision making processes and leveling the playing field.”
- *Impacts*: “ensuring balance in costs and benefits imposed on various groups or places by our land use choices.”
- *Outcomes*: “seeking equal results for different groups and places, or at a minimum seeking to create as little inequality in outcomes as feasible.”

Some Other Important and Specific Components of Social Equity Include Simple and Affordable Access to:

- **Safe streets**
 - **Transit options (public transit, bicycle & pedestrian friendly access)**
 - **Maintained parks that meet community needs**
 - **Good schools**
 - **Open Space**
 - **Recreational Activities**
 - **Health care**
 - **Child Care**
 - **Healthy food**
 - **Financial institutions**
 - **Entrepreneurial opportunities**
 - **Continuing education**
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What is housing displacement?

As low-priced areas attract higher income households, rental rates and home values rise to meet demand. Without the necessary resources to afford this higher cost of housing, existing community members are pushed out.

What is necessary to curb displacement?

- Processes
 - Policies
 - Programs
 - Resources
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Processes

Community Needs Assessment/Survey/Profile:

- A Community Needs Assessment (CNA) is “a process by which an assessment of the current situation in the community is undertaken, value based judgments regarding the preferred or desired situation are reached and some determination of the priority status of local needs is made.” *

Timing: CNAs are normally employed before a jurisdiction and local communities embark on community based planning processes.

Displacement may or may not yet be a concern.

* Conducting A Community Needs Assessment: Primary Data Collection Techniques; Carter & Beaulieu 1992 pg. 1

Processes

Community Mapping:

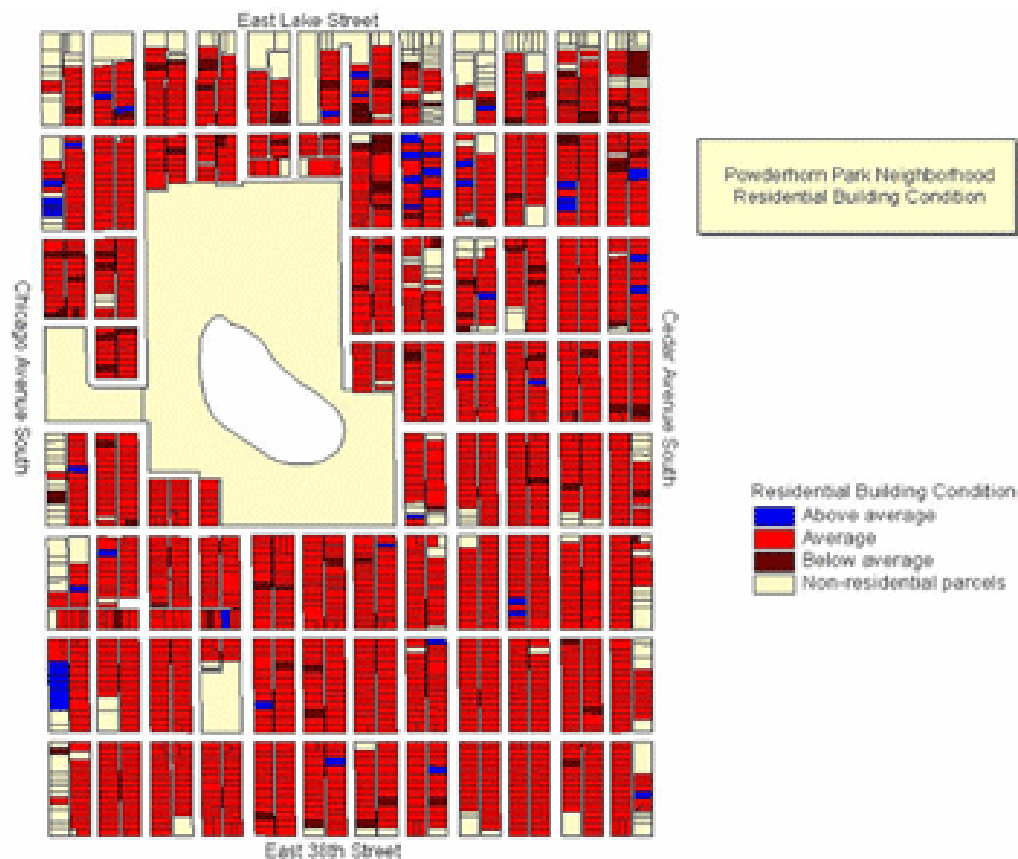
Maps that provide spatial analysis of a community. They pinpoint or indicate the presence (or lack) of assets, liabilities and everything in between.

These maps can:

- analyze the relationship between income and the location of services
- document vacant lots and buildings
- identify important community spaces and cultural signifiers (the places that make a community “home”).
- identify areas that generate concern or that the community avoids.
- and much more, depending on the community’s interests....

Timing: Community mapping should commence as soon as community members or agency staff begin to address community planning issues in the neighborhood. It is especially important to obtain baseline data regarding current residents’ tenure status as soon as possible.^

Example of a Community Mapping Exercise



**Location of at-risk properties by property parcel
Minneapolis, MN
(Minneapolis Neighborhood Information System)**

Source: <http://www.policylink.org/EDTK/Mapping/Why.html>

Processes

Community-Based Land Use Planning Process:

A Community Planning Process -usually overseen by local city/county planning staff, but can also be led by local community based organizations- is a planning process that leads to drafting and (if appropriate) the adoption of a formal land-use plan or community plan that may address topics including:

- affordable housing requirements,
- streetscape/pedestrian environment improvements/traffic calming
- zoning changes,
- open space requirements,
- building heights and bulk,
- parking,
- public amenities and
- design guidelines

Timing: Planning processes take time. It is important that they are inclusive and do not rush in order to meet fast-approaching deadlines.* Community planning is most beneficial before property/housing values rise significantly and demand for major land use development/redevelopment makes it difficult to hold off serious development proposals. Even so, a planning process is still necessary when displacement becomes a real threat.

*Comment made during ABAG's FOCUS forum on Equity in July, 2007

Processes

A Community Benefit Agreement (CBA) is a “legally enforceable contract, signed by community/advocacy groups and by a developer setting forth a range of community benefits that the developer agrees to provide as part of a development project.”* CBAs call for community support of development proposals in exchange for the community benefits negotiated and outlined in a CBA.

Timing: A CBA must be negotiated before a project is approved by the responsible local government body. The development proposal must be clear regarding the specific components/design elements of the development before a CBA should be signed.^

*“Community Benefit Agreements: Making Development Projects Accountable” Gross, LeRoy & Janis-Aparicio, 2005
^Julian Gross, author of “Community Benefit Agreements: Making Development Projects Accountable”
(Good Jobs First/California Partnership for working families)

Policies

- **Rent Control – Timing:** “The stronger the housing market the the more incentive landlords have to lobby for weakened rent control laws.”[^]
- **Just Cause Eviction** policies require landlords to have a specified reason, sanctioned by the policy, for evicting tenants.
Timing: Most effective if implemented before displacement is an issue, as a precaution against future displacement
- **Protecting Existing Government Subsidized Housing Units:**
There are 31,827 units in the Bay Area’s 9 counties that have either already been converted to market rate housing or are at risk of being converted within the next 10 years.*
Timing: The need to preserve this existing affordable housing stock is immediate but also ongoing, in recognition of the need to preserve affordable units at risk in five to ten years (and beyond).

[^]Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas,”

* <http://www.chpc.net/at-risk/index.php>

Policies

Housing Trust Funds are distinct funds established by cities, counties and states that dedicate sources to support affordable housing.

Timing: Housing Trust Funds can be established at any point in time BUT if it is tied to revenue from real estate transactions, it will not yield much when the market is slow. The fund may need some other source during these times.

Inclusionary Zoning policies usually require between 10-20% of the total number of new units built be affordable to varying percentages of Area Median Income (AMI).

Timing: It is easier to implement inclusionary zoning ordinances when the housing market is strong and “developers recognize profits exist for building the additional affordable units.”

Accessory/Secondary Dwelling Unit policy:

Timing: It is unclear when the best timing for implementing this type of policy is since concerns related to it are usually associated with parking and neighborhood character rather than the housing market.

Policies

Surplus Property policies allow jurisdictions to shift ownership or sell their surplus property. When applied to affordable housing, surplus property can be:

- Developed with affordable housing
- Sold, with the proceeds benefiting local affordable housing efforts

Timing: While this strategy could be employed at any time, it may be most valuable when both land values and displacement risk are high since other types of land acquisition will be cost prohibitive at this point in time.

Split-Rate Taxes “differentiate property taxes into a lower tax rate for buildings and a higher tax rate for land. The objective is to encourage the improvement and renovation of buildings while creating a disincentive for land speculation, land intensive development and vacant buildings.”[^] **A split-rate tax could not be implemented in California without a change to California’s constitution.** Since California voters passed Proposition 13 -a constitutional amendment that sets property tax rates-, it may be revised only by a state-wide voter initiative.*

Timing: This strategy does not directly subsidize affordable housing and therefore can be implemented whether or not displacement is a concern.

[^]Levy, Comey & Padilla “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006, pg 9

*Kenneth Moy, General Council, ABAG

Policies

Community Land Trusts (CLTs): “a private, nonprofit corporation created to provide secure, affordable access to land and housing for community members.”* The CLT owns the land permanently and the occupants own the buildings.

Timing: CLTs should be established before real estate values rise too high in order to be sure the Land Trust can afford to purchase the land. If CLTs can acquire city/county owned property (through surplus property policies or other methods) this tool can also be used after market rates have made most property purchases cost prohibitive.^

*Approving a Method for Community Land Trusts to Convert Existing Residential Buildings to Limited Equity Condominiums” City of San Francisco Legislative Analysts Report, 2005 pg. 1

^Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” Levy, Comey Padilla (Urban Institute) 2006

Non-housing policies that can help curb displacement:

- Living wage requirements
 - Local hiring requirements
 - Local business contracting
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Programs/Arrangements

Limited Equity Housing Cooperatives (LEHCs) are cooperatives in which the purchase and resale price of a membership share is restricted in order to maintain affordability.” Membership is usually limited to people with low and moderate incomes. “Cooperative members own a share in a corporation”* (not the residential unit).

Timing: The best time to implement LEHCs is before property values rise too high since financial support is harder to obtain when these costs mount. LEHC organizers should work with nonprofit developers “as early as possible to begin the development and financing process.”^

*“A Study of Limited Equity Cooperatives in the District of Columbia,” Coalition for Non-profit Housing and Economic Development, 2004 pg. 6

^ Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006

Programs

Home Purchasing Programs:

Local agencies and community organizations provide down-payment and/or closing cost assistance for home purchases.

Home Rehabilitation/Repair Programs:

These programs offer low-income populations (including seniors, disabled, etc..) low/no-interest loans or direct financial assistance for necessary home improvements (i.e.: roof repair, water heater, updated plumbing/electrical). The objective is to retain incumbent residents while improving housing stock which can help prevent a decline in an area's homeownership rate and can provide stability within neighborhoods.

Timing: Both programs should be implemented during weaker housing markets.

Programs

Asset Building Programs:

Individual Development Accounts: Savings accounts set up by financial institutions, state and local governments and community organizations that match the individual's savings towards long term investments (homeownership, job training and small business enterprise). Withdrawals are specifically restricted to the purchase of these assets. Matching ratios range from 1:1 to 4:1.

Homeownership Education & Counseling: These programs provide essential homebuying and pre-purchase information to potential buyers in underserved communities. Homeowners also benefit from post-purchase counseling and foreclosure prevention education.

Location Efficient Mortgages allow homebuyers looking to purchase property in urban areas the option of increasing the amount they borrow while making a smaller down-payment. This type of mortgage can be obtained when a borrower lives near public transportation and neighborhood amenities. The assumption is that the borrower will spend less money on transportation expenses and therefore can direct this savings towards mortgage payments.

Timing: All of these programs can be set up at any time, but will have the most impact during a weaker housing market.

Hybrid Program

Linkage Fees between Housing Trust Funds and Commercial Development: This hybrid program (used in Sacramento, CA) establishes a linkage fee between the square footage of commercial development and affordable housing. The fees collected support the development of affordable housing for low-income workers.*

A similar fee exists in San Francisco.

Timing: While no reports I reviewed or experts I interviewed addressed timing in relationship to this type of program, upon initial consideration, linkage fees may be most effective when demand for retail/commercial space in a particular location is high. Otherwise, this sort of requirement may make other locations more attractive to developers. Timing associated with this issue should be studied further for a more definitive conclusion on timing.

* Levy, Comey & Padilla, 2006 "In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" 2006

Funding

Low-Income Housing Tax Credits: A program that offers private investors federal tax credits in exchange for developing affordable rental housing. The program is usually administered by states, but local housing finance authorities also take on this responsibility.

Timing: “Evidence points to more (LIHTC related) development in non-gentrified neighborhoods....Therefore, LIHTC may be a strategy better implemented in neighborhoods not (yet) experiencing significant gentrification pressures.”*

Tax Increment Financing:

This policy –employed specifically in redevelopment areas- uses the future growth in property tax revenues generated within a redevelopment area to finance the redevelopment program itself.^

Timing: In the context of TIFs, advocates can call for affordable housing development whether or not displacement is occurring. However, accessing resources (from TIF revenue) may be easier if advocates can convince decision-makers that displacement may occur as a result of TIF financed economic development. †

*Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas Levy, Comey & Padilla

^Guide to California Planning, 3RD Edition; Fulton, Shigley 2005 pg. 27

† Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas Levy, Comey & Padilla

This presentation is a broad brush summary of just a handful of the tools that can be used to address equity and curb displacement. Take the time to learn more about these tools and others that seem most appropriate/relevant to your community's needs.

Thank you!

Resources:

- Bay Area Regional Health Inequities Initiative <http://www.barhii.org/>
 - Business Alliance for Local Living Economies <http://www.localeconomies.org/>
 - California Housing Partnership Corporation <http://www.chpc.net> & <http://www.chpc.net/at-risk/index.php>
 - California Infill Parcel Locator (Pilot) <http://infill.gisc.berkeley.edu/>
 - California Redevelopment Association <http://www.calredevelop.org//AM/Template.cfm?Section=Home>
 - Center for Cities and Schools <http://citiesandschools.berkeley.edu/>
 - Center for Community Innovation <http://www-iurd.ced.berkeley.edu/archive/cci/index.html>
 - Coalition for Nonprofit Housing and Economic Development <http://www.cnhed.org/>
 - Good Jobs First <http://www.goodjobsfirst.org/>
 - Institute for Community Economics (Community Land Trusts) <http://www.iceclt.org/clt/cltlist.html#United%20State>
 - Non-Profit Housing Association of Northern California <http://www.nonprofithousing.org/>
 - PolicyLink - Equitable Development Toolkit <http://www.policylink.org/EDTK/tools.html>
 - Healthy Development Measurement Tool (SFDPH) http://www.sfdph.org/phes/enchia/enchia_HDMT.htm
 - Transportation and Land Use Coalition <http://www.transcoalition.org>
 - The Urban Institute <http://www.urban.org/>
 - Urban Habitat <http://www.urbanhabitat.org>
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