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Tools to Curb Displacement

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INTRODUCTION:

It is no secret that market-rate housing in the Bay Area is becoming less and less affordable to more and more people. While 27 percent of Bay Area residents could afford to purchase a home in 1999, only 12 percent could do so in 2005.¹ Nearly half of Bay Area residents spend more than 30 percent of their income on housing.² As demand for homes closer to job centers rises, affordable housing options closer to the center of the region are becoming less and less affordable. A significant share of the region's workforce has had to accept long commutes in exchange for more affordable housing options at the edge of the region.³ Displacement of long-term residents who can no longer afford rising housing costs is a growing concern.

ABAG's "FOCUSing Our Vision" program offers a unique opportunity for ABAG to influence/encourage Bay Area jurisdictions to work at the county, city and local level towards a more regional, transit-oriented land use strategy. Staff at ABAG is committed to implementing this strategy in a manner that values equity and opportunity for existing communities. ABAG is concerned that if equity is not a central component of FOCUS, residents that cannot afford to remain in their current communities without support will be displaced. In addition, as cities within the region determine their future development goals, addressing other issues associated with equity –public health, safety, access to parks and open space, quality schools and well-paying jobs- are all necessary to ensure that communities that have been (or may be) short-changed are valued and protected.

Addressing equity by prioritizing affordable housing options, quality communities, education, and well-paying, local jobs does not guarantee that equity will be achieved or that everyone will be able (or want) to remain in their current neighborhoods. However, by incorporating the relevant tools and strategies associated with increasing equity into these plans and projects, people will have more options and opportunities than are currently available.

What is Equity?

Urban Habitat, a local non-profit organization, has crafted a vision statement that illustrates the meaning of equity:

"We envision a society where all people live in economically and environmentally healthy neighborhoods. Clean air, land and water are recognized as fundamental human rights. Meaningful employment honors a worker's right to dignity and a living wage with benefits. Effective public transportation and land-use planning connect people to the resources, opportunities and services to thrive. Affordable housing provides a healthy and safe home for all. And quality education prepares visionary leaders to strengthen our democracy with new ideas, energy and commitment."

"We envision community leaders mobilizing an inspired, well-informed, and politically engaged constituency who hold decision-makers accountable to the principles of economic, environmental and social justice. In this society, equality, sustainability and

¹ ABAG, A Place to Call Home: Housing in the San Francisco Bay Area, 2006 p. 2

² Transit Oriented for All: The Case for Mixed-Income Transit Oriented Communities in the Bay Area, Great Communities Collaborative, 2007

³ A Place to Call Home: Housing in the Bay Area, ABAG 2007

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diversity are the core values that guide public policy, creating a vibrant environment for this and future generations⁴.”

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.”⁵

Some important and specific components of social equity include simple and affordable access to:

- Quality Housing at all income levels (from moderate income to very-low income)
- Quality/Well-paying jobs
- Clean Air
- Clean Soil
- Safe Streets
- Transit Options (public transportation, bicycle routes, pedestrian friendly access)
- Maintained Parks that meet community needs
- Quality Schools
- Open Space
- Recreational Activities
- Health Care
- Child Care
- Healthy Food
- Financial Institutions
- Entrepreneurial Opportunities
- Continuing Education

Equity means guarding against:

- Displacement of existing communities
- Inequitable distribution of resources and hazardous/undesirable land uses
- Race, class, housing, environment, employment and educational segregation/exclusion
- Community violence

⁴ <http://www.urbanhabitat.org>

⁵ Snyder, M.G., “Opportunity for All: Growth, Equity and Land Use Planning for California’s Future” (Working Paper) 2001-2005

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Equity is about:

- Community involvement in planning, implementation and ongoing sustainability of a neighborhood
- Revitalization of core neighborhoods*
- Local and regional concerns addressed at the regional, county, city, and local levels
- Designing spaces that are ecologically/environmentally sensitive, sustainable, safe and welcoming
- Providing opportunities for local economic development
- Environmental Justice

*REDI- Richmond Equitable Development Initiative

Methods of Addressing Equity:

Similar to the principles of ecology, everything associated with equity in the context of urban neighborhoods (and regions) is connected. Jobs, economy, wages, housing, environment, schools, streets, traffic, parks, safety, transportation, parking, displacement, homeownership, food security, health, health care and community involvement interact with one another to define the community. While it may be idealistic to state that efforts to achieve equity must address all of these issues, jurisdictions around the country have come up with creative ways to programmatically connect their efforts to address at least some of these issues simultaneously and in tandem with each other.

Recognizing this need to connect elements of equity, some jurisdictions/communities have streamlined processes that maximize their efficacy. For instance, Sacramento requires commercial space developers to contribute to a housing trust fund targeted at providing affordable housing, recognizing the link between low-wage jobs associated with the commercial sector and the need for affordable housing. Communities negotiating community benefit agreements (CBAs, a social equity tool that will be discussed later on in this report) with developers have negotiated a wide range of community benefits from open space to health clinics to first-source job hiring programs. These efforts recognize the needs within communities (impacted by urban neglect and/or revitalization) and generate creative ways to address them.

ABAG staff has clearly identified displacement of moderate, low and very low-income communities as a significant concern associated with the implementation of FOCUS. As more investment is placed along transit corridors and nodes via FOCUS, ABAG staff anticipates that surrounding property values will rise. In areas that house low-income households, residents (especially renters) may not be able to withstand the market shift without some assistance. This report enumerates some real-world approaches that, under the right circumstances, can stem displacement and allow both new and old residents to enjoy the new amenities and investments in their community.

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Principles of Equitable Transit Oriented Development

PolicyLink's Equity Case Statement "*Building the Line to Equity: Six Steps for Achieving Equitable Transit Oriented Development in Massachusetts*" outlines eleven specific principles that transit oriented development must adhere to in order to properly address equity concerns. These principles include:

- *Ensure community benefit:* If/since public investment is required, development should offer MEASURABLE community benefits (connections to quality jobs as well as access to affordable housing and public amenities).
- *Maintain affordability:* PolicyLink suggests (and other affordable housing advocates have concurred) that "at least 30% of all housing developed or redeveloped as a consequence of any transit oriented development should be protected to ensure that it remains permanently affordable to the entry level salary of a child care provider for that community."
- *Prevent displacement:* Anyone who wants to remain should be able to do so.
- Encourage (prioritize) community controlled housing. Those jurisdictions working to guarantee at least 20% of housing units within a mile radius (of transit) will be held in "community control as a permanently affordable community asset."
- *Improve Environmental Quality:* "Design projects that maximize environmental benefit, reduce automobile trips, measurably improve air quality, and reduce incidence of health issues to atmospheric pollution."
- *Promote environmental justice.* Prioritize equitable transit oriented development and improved public transit for environmental justice neighborhoods..."
- *Achieve full accessibility.* Any development that results from transit investment must be completely accessible to riders regardless of age or physical condition.
- *Boost transit use.* Prioritize equitable transit oriented development and improved public transit for environmental justice neighborhoods as designated by the Executive Office of Environmental Affairs.
- *Plan for Transit Growth:* Communities embarking on significant development projects must have fully integrated transit options built into their planning, including improved accessibility for riders with disabilities.
- *Encourage local economic development.* Land uses resulting from redevelopment near transit should encourage local economic development, effective private partnerships with nonprofit and public sectors, enhance community-serving establishments, and discourage displacement of existing residents and small businesses
- *Understand Local Context.* Transit oriented development must take into account regional variations in development patters and transit modes in different regions

Enforcement is Key:

A significant amount of effort can be placed in developing policies and programs that promote equity. However, without crafting and implementing proper enforcement mechanisms, efforts to achieve equity may be completely undermined. As stated by a participant in ABAG's equity forum (paraphrase): *Equity will not happen by accident. Equity must be deliberately infused and fully ingrained into all processes and policies associated with FOCUS if it is to be addressed. This is necessary to counteract the natural flow of development that -by design- does not address equity.* Enforcement is one of the key ways of counteracting this "natural flow."

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Social Equity at Various Scales of Magnitude:

The elements of social equity (as described above) must be considered and addressed within and between various scales of magnitude: the neighborhood, the relevant city and/or county and the region. “Poverty, crime and blight (must be) reduced rather than shifted around the region⁶.” Regional planning bodies, city officials and neighborhood activists must all pay attention to these needs since issues at all of these scales of magnitude –if not addressed – could have a cascading effect on the other scales.

This Report’s Purpose:

This paper is meant to provide ABAG staff with an overview of various tools used to address equity in urban areas across the country, focusing specifically on efforts that address involuntary residential displacement of moderate to low-income community members. In order to ensure maximum efficacy, timing associated with implementing these tools will also be a primary focus. Please note that this report does not provide an exhaustive list of potential tools. There are a number of useful resources that will be referenced throughout the report and should be reviewed to get an in-depth understanding of the tools discussed in this report and others that were not.⁷

The approaches to addressing equity discussed in this report (and beyond) are not mutually exclusive and should NOT be implemented to the exclusion of other approaches. Implementing a variety of approaches that address the needs of populations at risk of displacement (moderate income, low-income, very low-income, youth, young adults, families, seniors, etc...) may be necessary. As stated before, equity is about providing quality opportunities and choices for all residents and communities with (currently) limited options and resources.

Outline:

This report will:

- Define equity strategies, processes, programs, policies and funding sources that have been used/implemented in US cities to curb displacement and address other issues associated with social equity,
- Assess the East Oakland neighborhood and suggest how some approaches taken in other cities may be helpful in East Oakland,
- Provide preliminary recommendations of how to address social equity through the FOCUS program.

Before Beginning:

It is important to emphasize that each county, city and community is different and must take the time to assess its own needs before deciding how to proceed. Creativity and flexibility is essential when considering how to address equity issues in communities. Examples of this sort of “out of the box” thinking are mentioned throughout the report. Even though other communities’ best practices may provide inspiration and proof of viability, assessing, planning for and addressing a particular community’s needs must be primarily informed by the community, the jurisdiction and the region.

⁶<http://www.urban.org/publications/900936.html>, Levy, 2006

⁷ See PolicyLink’s Equitable Development Toolkit at: <http://www.policylink.org/EDTK/>

I: Processes

“...community involvement – not to stop change from occurring, but to help direct it.”⁸

This section outlines specific analysis and planning processes that can lay the groundwork for equitable development.

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.”⁹ Sometimes referred to as an “Assets, Needs and Opportunities Assessment,” this sort of analysis can assess a number of different topics including land use, housing, jobs/economy, community health, food security, community services/centers, infrastructure, transportation, safety, open space/recreational space as well as sub-topics within each of these categories (and others).

A needs assessment was conducted by a local CDC (Reynoldstown Revitalization Corporation or RRC) in Reynoldstown, a neighborhood in Atlanta, GA that was experiencing significant land value and home value appreciation. This assessment identified priorities including improving/repairing existing homes, increasing neighborhood safety, reducing abandoned property and lots and building new housing.¹⁰ RRC used this assessment as a basis for planning future organizational programs.

Needs assessments can be an initial element of a community planning process (which is discussed next) or it can be a tool used by the community to inform a separate planning process. In addition, since community needs will change, a needs assessment should be considered a living document, one that must acknowledge and articulate these changes as they occur.

This tool can also be used to identify influential members of the community including community leaders (elected officials, business leaders, etc...) and “thought” leaders (community elders, organizational leaders, and clergy).

Timing: CNAs are normally employed before a jurisdiction and local community embark on community based planning processes that will lead to setting priorities and/or implementing significant plans, programs or projects that will impact the community. Displacement may or may not yet be a concern. Without a community needs assessment, community issues/needs/concerns will be left unarticulated and could ultimately be ignored when changes to/investments in the community are proposed and implemented. In addition, if the CNA gains community buy-in/support, organizing around

⁸ Levy, Comey & Padilla, “In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement” 2006 (Urban Institute) pg. 82

⁹ Carter & Beaulieu “Conducting A Community Needs Assessment: Primary Data Collection Techniques” 1992 pg. 1

¹⁰ Levy, Comey & Padilla, “In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement” 2006 pg. 35-36

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and advocating for the community's needs (as articulated in the assessment) becomes much more possible.

Important Note: A neighborhood that is not experiencing the pressures associated with displacement may view other concerns as priorities in their CNA. However, if there is evidence that displacement will most likely take place in the future, the earlier efforts to preserve affordable housing are implemented, the better equipped the neighborhood is to deal with future shocks to the housing market. In addition, addressing displacement before it takes place provides the community with a broader palate of options to fight displacement. These options may not be available as investments in infrastructure and other improvements begin to “affect market dynamics and constrain choices.”¹¹

Community Mapping:

One tool that overlaps significantly with the community needs assessment tool is Community Mapping. This spatial tool “is a vibrant way of telling a neighborhood's story. It can highlight the rich array of neighborhood assets, analyze the relationship between income and the location of services or document vacant lots and buildings¹².”

Community mapping is “the entire spectrum of maps created to support social and economic change at the community level, from low-tech, hand-drawn paper maps to high-tech, database driven internet maps that are dynamic and interactive.”¹³ These maps can also identify important community spaces and cultural signifiers, the places that make a community “home.” They can also identify areas that generate concern or that the community avoids.

“The products of community mapping can take several forms: *Context maps* represent one or a few variables by a broad unit of geography (e.g., income level by census tract). *Display maps* are more complex, illustrating single or multiple variables by smaller units of geography (e.g., the condition of individual properties at the parcel level.) *Analytical maps* are the most complex, layering and analyzing multiple variables by various levels of geography. An analytical map might combine income at the census tract level and condition of individual properties at the parcel level and highlight how the two variables relate to each other.”¹⁴

The purpose of community mapping is to “**provide** equitable development practitioners with accurate and unique information, effective visual tools, and the ability to understand and share their own experience in the context of their changing environment. Community mapping is powerful because of its capacity to democratize information—both what is recorded and who has access to it. When presented well, maps have the power to convey complicated information and relationships in a straightforward, accessible manner, enabling non-experts to participate meaningfully in community planning and advocacy.”¹⁵

¹¹ Great Communities Collaborative “Transit-Oriented for All: The Case for Mixed-Income Transit-Oriented Communities in the Bay Area” 2007, pg. 44

¹² <http://www.policylink.org/EDTK/Mapping/>

¹³ <http://www.policylink.org/EDTK/Mapping/>

¹⁴ <http://www.policylink.org/EDTK/Mapping/>

¹⁵ <http://www.policylink.org/EDTK/Mapping/Why.html>

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To view examples of community mapping exercises visit:
<http://www.policylink.org/EDTK/Mapping/>

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.¹⁶ Mapping should also be continually updated as necessary.

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 proposing the adoption of a formal land-use plan that may address anything from affordable housing requirements, streetscape improvements, zoning changes, open space requirements, building heights and bulk, parking, public amenities and design guidelines. Access to and appropriate use of relevant data, a community's needs assessment, and meaningful stakeholder participation will help produce community-based plans. A list of potential stakeholders includes:

- Community members/groups representing all facets of the area (age, income, race/ethnicity, occupations, family/household types, languages spoken, faith communities, etc...)
- Local Nonprofits/Service Providers
- Local Schools
- Senior Advocates
- Advocates for the Disabled Community
- Transportation Advocates
- Local Philanthropies
- Business Interests
- Labor
- Environmental/Park/Open Space Advocates/Organizations
- Developers
- Local Elected Officials/Jurisdictional Staff Associated with Planning and Infrastructure
- Regional Planning Staff

A note on community outreach: Efforts to conduct community outreach have started to move past the standard community meetings and charrettes. Certain populations within the community may not be able to, or feel comfortable attending such meetings. Non-native speakers may not be able to understand the proceedings. Those conducting community planning processes are now attempting to outreach in ways that ensure more comprehensive community involvement and input. Producing multi-language outreach materials/meetings, distributing community surveys, outreaching to community members at community centers and other attempts to gather input from as many different stakeholders as possible are some of the strategies being proposed and implemented.¹⁷

¹⁶ Kalima Rose, Policy Director, PolicyLink

¹⁷ Elements of this sort of analysis and outreach are described in a grant proposal entitled "International Boulevard Community Plan" recently submitted by the City of Oakland to the California Department of Transportation.

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Important notes to be aware of:

Unofficial community planning processes and plans are rarely adopted by jurisdictions. Implementation can still be achieved, however, there is no guarantee. It is essential for those involved in developing the plan to identify who within the jurisdiction would be responsible for implementing the various components of the plan and keep the lines of communication open between the community, relevant public agency staff and the decision makers.

If a community plan is being spear-headed by a non-governmental organization, efforts should be made to bring elected officials and agency staff into the process on a parallel track. Public agencies can dominate a community process or intimidate participants. This parallel track allows for "reality testing" (are elements of the proposal realistic from the jurisdiction's perspective?) and might make the plan easier to implement. Organizations leading the planning process must be prepared to negotiate the "delicate dance" associated with passing plan concepts by relevant agencies.¹⁸

Once community based land use plans are adopted, they are only as strong as those who enforce them. It is essential to be aware of loopholes that allow developers to sidestep elements of a plan and what governmental bodies can permit exemptions. The risk of developers obtaining variances or exemptions must be assessed and the community must determine whether or not an exemption is acceptable. Any exemption may signal to other developers that future exemptions/variances may be approved.

The Urban Land Institute recommends that communities outreach to developers to implement the community's vision/plan.¹⁹ This changes the dynamics of the normal neighborhood – developer relationship, with the community taking the initiative and calling on developers to fulfill community needs/goals. An informal version of this approach – where the community will dictate the broad terms of development to prospective developers- is currently being taken in Oakland's Fruitvale community.²⁰

Timing: Planning processes take time. It is important that they are inclusive and not rushed in order to meet fast-approaching deadlines²¹ (although a drawn out/stalled planning process only frustrates participants and if stalled for too long may make the initial community outreach/input obsolete). Therefore, in the context of addressing displacement, community planning would be 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, it would seem that a planning process is still necessary when displacement becomes a real threat.

Community Benefits Agreements:

"A Community Benefit Agreement (CBA) is a legally enforceable contract, signed by community groups (which can include community members, advocates for labor, affordable housing, open space/environmental interests, child/youth/senior services, local business/economic development, and any number of other interests related to the local community and economy) and by a developer setting forth a range of community

¹⁸ Don Neuwirth, Urban Ecology

¹⁹ Myerson, D., "Managing Gentrification" (A Urban Land Institute Community Catalyst Report) 2006

²⁰ Jeff Pace, Spanish Speaking Unity Council

²¹ Comment made during ABAG's FOCUS forum on Equity in July, 2007

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benefits that the developer agrees to provide as part of a development project.”²² CBAs call for community support of development proposals in exchange for the community benefits negotiated and outlined in the CBA. CBAs are meant to provide “safeguards to ensure that affected residents share in the benefits of major developments. They allow community groups to have a voice in shaping a project, to press for community benefits that are tailored to their particular needs and to enforce developer’s promises.”²³

As more and more public subsidy is being poured into efforts to spur economic growth and development in cities and counties, the CBA concept is one method of placing pressure on the public sector to “play a more strategic role (in) land use planning and urban growth, in order to leverage its multi-billion dollar investment in the private sector toward creation of good jobs, affordable housing and neighborhood services that improve the quality of life for all residents.... The community benefits movement is building grassroots capacity and expertise to impact a wide range of land use and urban growth issues.”²⁴

CBAs have included the following elements/requirements:

- On-site and off-site affordable housing construction
- Living/prevaling wages for those working in/on the development
- Right for labor to organize
- Local/targeted hiring & worker retention
- Local business development
- Banking services and lending assistance
- Local business contracting/assistance
- Child care facility provisions/funding
- Open space requirements/funding
- Traffic studies
- Funding for local cultural/arts organizations
- Funding for and free space provided to job training program
- Implementing green/sustainable building/maintenance practices
- Environmental mitigation
- “Good Neighbor” agreements with industrial neighbors associated with pollution controls, curbing emissions, enforcement of environmental regulations, etc...
- Accommodations made to allow smaller (local) businesses allowing them to participate in the construction/maintenance of the new development (unbundling construction projects to allow smaller businesses the ability to submit a bid).
- Providing access to technical assistance needed by local residents and businesses (ex. homeownership classes, assistance to small businesses helping them access bonding, insurance and other capacity related support)

CBAs have been negotiated for development projects in:

- Oakland, CA (Oak to 9th, Wood Street/Central Station)
- San Diego, CA (Ballpark Village)

²²Gross, LeRoy & Janis-Aparicio “Community Benefit Agreements: Making Development Projects Accountable” , 2005

²³ Gross, LeRoy & Janis-Aparicio, “Community Benefit Agreements: Making Development Projects Accountable” 2005

²⁴Gross, LeRoy & Janis-Aparicio “Community Benefit Agreements: Making Development Projects Accountable” , 2005 pg. 11

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- Los Angeles, CA (Figueroa Corridor, LAX, Hollywood and Vine, Hollywood and Highland, & North Hollywood)
- Milwaukee, Wisconsin (Park East)
- Denver, Colorado (Cherokee-Gates)

Enforceability:

“How a CBA is enforced depends on who signed it and what enforcement provisions it contains. It can only be enforced by parties who have signed it. CBAs that are incorporated into development agreements can be enforced by the government as well as by community groups.”²⁵ **From an equity perspective if CBAs are employed in PDAs, it will be important for ABAG’s staff to know when and how the elements of a CBA will be enforced and/or implemented. This could help determine their efficacy in addressing equity.**

Importance of Having All Interests at the Table:

The strength of a CBA depends on its ability to provide developers with the certainty they need to get their proposals approved by the public bodies charged with approving their proposals. If the coalition of community groups at the table is not comprehensive or does not act collectively (meaning there is not enough community support to ensure approval), the developer has no incentive to negotiate a CBA.²⁶ This is a challenge since some of the most impacted communities may be the most difficult to get to the table and contribute to the CBA process.

CBA Drawbacks:

CBAs can take a long time to develop and cost participants a great deal of money. While it is possible for those representing the community to obtain pro-bono legal support, the long-term investment on both sides can be draining. There is also the chance that the structure of a CBA negotiation process does not allow for all communities (especially the most vulnerable) to be represented. In addition, if there is friction between members of the community coalition involved in negotiating the CBA (or other advocates not involved in the CBA negotiations start to voice dissent), developers may attempt a “divide and conquer” strategy, garnering support from some in the community for less than the maximum amount of benefits possible. This strategy almost derailed a CBA developed for San Diego’s Ballpark Village.²⁷ In addition, “if neighborhood organizations are poorly organized and therefore have little leverage over developers and governmental agencies in a particular situation, seeking a CBA will not help – and could result in a poor precedent being set for future projects.”²⁸

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 of the development before a CBA should be signed.²⁹

²⁵ Gross, LeRoy & Janis-Aparicio “Community Benefit Agreements: Making Development Projects Accountable”, 2005 pg. 11

²⁶ Gross, LeRoy & Janis-Aparicio, “Community Benefit Agreements: Making Development Projects Accountable” 2005

²⁷ M. Stolz, “Backlash Arises for Ballpark Village” 9/26/05 & “Council approves giant Ballpark Village project” 10/19/05 San Diego Union Tribune

²⁸ Gross, LeRoy & Janis-Aparicio, “Community Benefit Agreements: Making Development Projects Accountable” 2005 pg. 23

²⁹ Julian Gross, author of “Community Benefit Agreements: Making Development Projects Accountable”

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Another issue with respect to timing:

- Some community benefit coalitions have required that CBAs implement community benefits before the rest of the project is developed. Unless there is a compelling reason to do otherwise (i.e. affordable housing may be built within the envelope of a market rate development), this strategy allows the existing community to take advantage of these new amenities soon and not wait for years to see them materialize.

If broad policies that guard against displacement are implemented at the jurisdictional level (living wage policies, rent control, inclusionary housing policies, etc...) the community groups that take part in developing a CBA can focus on local community concerns/needs (child care space/provision, open space/recreational needs, local hire/contracting, etc) as opposed to having to address the broader policy issues.³⁰

It has also been suggested that Community Benefit Agreements (and other attempts at ensuring that existing communities benefit from new development) should call on the developer to provide the benefits outlined in the agreement, not the jurisdiction where the development will take place. In some instances jurisdictions have taken the responsibility of funding affordable housing within new developments, while in others the developer has taken on this responsibility. However, this must also be weighed with a city's relative strength in the housing market (Oakland's housing market does not provide the profit margins seen in San Francisco) and the subsequent strength those negotiating for these sorts benefits have with developers. In addition, instead of directly funding affordable housing, jurisdictions may be able to provide other services that may prove useful as they work with communities and developers to include more affordable housing options into new development projects. For instance, by setting up a housing trust fund or an endowment, jurisdictions provide developers with an alternative way to fund affordable housing that may result in more affordable units built.³¹

II: Policies

Rent Regulation/Control:

"Rent controls are used by a number of Bay Area jurisdictions to regulate the price of rental housing."³² It is intended to "protect tenants in privately owned residential properties from excessive rent increases by mandating reasonable and gradual rent increases, while at the same time ensuring that landlords receive a fair return on their investment." In rent-controlled jurisdictions, annual rent increases are allowed on an established percentage, typically based on the rate of inflation. Many jurisdictions with rent control have instituted 'vacancy de-control' policies that allow rents to revert to 'market-rates' whenever a tenant voluntarily vacates a unit. Nearly all rent control regulations allow owners to repossess a unit for their own use, and provide exemptions for small multi-unit buildings in which the owner is also a resident of one of the units."³³ Some cities' rent control regulations only apply to units constructed before a certain date.

³⁰ Julian Gross, author of "Community Benefit Agreements: Making Development Projects Accountable"

³¹ Great Communities Collaborative, "Transit Oriented for All: The Case for Mixed-Income Transit-Oriented communities in the Bay Area" 2007

³² Blueprint 2001, Section 3: Programs and Strategies" Association of Bay Area Governments pg. 3-77

³³ "Blueprint 2001, Section 3: Programs and Strategies" Association of Bay Area Governments.

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Benefits associated with rent control include:

- Preserving affordability of existing rental stock,
- Protecting low and very low income renters –including those on fixed incomes– from substantial rent increases that could force them out of their homes, and
- Discouraging the displacement of current residents in areas where rents are increasing at rates greater than the overall rate of inflation.³⁴

Concerns:

Vacancy Decontrol: According to PolicyLink, “vacancy decontrol undermines rent control because it allows landlords to raise rents well above the allowable annual increase when a tenant moves out. Sometimes, decontrol permanently removes the units from rent control, leading to a complete phase out.”³⁵ This ultimately translates into a gradual loss of affordable housing units as turnover takes place.

For links to lists of California cities that have enacted rent control laws or other laws meant to address similar issues visit:

- <http://www.nmhc.org/Content/ServeFile.cfm?FileID=5251>
- http://www.caanet.org/AM/Template.cfm?Section=Rent_Control1&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=7221 (last updated 1/03)
- <http://www.caltenantlaw.com/RCcities.htm> (last updated 11/05)

Timing: “The stronger the housing market, the more incentive landlords have to lobby weakened rent control laws.” However, while “there is growing interest in rent control laws as a way to retain affordable housing units...It is unclear at this time if there is the political support to pass new rent control laws.”³⁶

For more information about rent control, background and main criticisms, see the Urban Institute’s “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” (Levy, Comey & Padilla, 2006)

Protecting Existing Government Subsidized Housing Units:

“Since 1965, the federal government has provided two types of subsidies to private owners of multi-family housing to produce rental housing for low income households – the Section 236 (and Section 221(d)(3)) mortgage program(s) and the project-based Section 8 subsidy program.”³⁷ In return for receiving public subsidies from a variety of federal, state and local sources, owners agreed to keep developments affordable for a certain number of years. Many of these programs have been around for decades and agreements associated with some of the older housing stock are expiring³⁸ or property owners are choosing to opt out.

³³ <http://www.policylink.org/EDTK/RentControl/How.html>

³⁴ “Blueprint 2001, Section 3: Programs and Strategies” Association of Bay Area Governments.

³⁵ <http://www.policylink.org/EDTK/RentControl/How.html>

³⁶ Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas,” (Urban Institute) 2006

³⁷ Levy, Comey, & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” (Urban Institute) 2006 pg. 18

³⁸ Adams, Cravens, Fassinger, Riviere & Strunin “A Place to Call Home: Housing in the Bay Area 2007” 2007, pgs. 28-29

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According to the State of California's Department of Housing and Community Development, "one of California's foremost housing problems is the potential loss of affordable restrictions on a substantial portion of the government assisted rental housing stock. According to ABAG's housing report, "A Place to Call Home" nearly 7,000 affordable units were at-risk of market-rate conversion in 2006. The California Housing Partnership Corporation's "Summary of Prepayment Eligible FHA Insured Mortgages and Expiring Section 8 Contracts," indicates that 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.³⁹ This is especially concerning since "it usually costs two to three times as much to replace an affordable apartment as it does to preserve it."⁴⁰

Methods of addressing this issue:

- Jurisdictions or local affordable housing advocates can determine/become informed regarding what developments in their area are at-risk of losing affordability restrictions.
- Identify potential purchasers and funding sources that can retain affordability.
- Local jurisdictions can use financial/affordable housing resources outlined throughout this report and elsewhere (along with state and federal resources) to help purchasers who are willing to preserve affordability buy these at-risk properties from owners who wish to sell.
- Local governments can implement regulatory strategies/develop ordinances that address the need to retain existing affordable housing.

Timing: The loss of existing subsidized affordable housing is not only a current but also an on-going concern, where-ever this affordable housing exists. Therefore, the need to address this issue is immediate but also ongoing, in recognition of the need to ensure that affordable housing units at risk in five to ten years (and beyond) are preserved.

For more information visit: www.chpc.net

Housing Trust Funds:

"Housing Trust Funds (HTFs) are distinct funds established by cities, counties and states that dedicate sources to support affordable housing. Housing trust funds are usually created by legislation or ordinance....HTFs:

- Commit public sources of revenue,
- Create dedicated, ongoing funding for the support of affordable housing,
- Do not depend on interest or earnings from a fixed fund, or on contributions from corporations, financial institutions or foundations."⁴¹

HTF funds are flexible and can be used for:

- Creation and maintenance of affordable housing,

³⁹ <http://www.chpc.net/at-risk/index.php>

⁴⁰ Schwartz, M. and Grow, J California Notice Provision for At-Risk Properties: An Update for 2005. July 2005 via "A Place to Call Home: Housing in the Bay Area 2007" Adams, Cravens, Fassinger, Riviere & Strunin, 2007 pg 28-29

⁴¹ "Housing Trust Funds" Equitable Development Toolkit by Policy Link, <http://www.policylink.org/EDTK/HTF/>

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- Homebuyer assistance (including counseling, down payment assistance, mortgage assistance and interest subsidies,
- Subsidized rental housing (assisting families with rent vouchers or creating below-market rental units,
- Safety net housing (creating and improving homeless shelters),
- Gap financing (providing dollars to complete a financial package when all other funding sources are secured),
- Loan source: Providing start up and dependable cash flow to housing developers (cushioning the less timely nature of other public funding sources),
- Support for non-profit housing developers (providing pre-development funds to secure land and assist with financial packaging, housing design and management), and
- Leverage additional resources (providing “matching” funds that other public or private resources may require).

Since HTFs are set up locally they can address shifting local housing needs. ⁴²

HTFs “are not designed to help low-income households remain in their market-rate units once property values rise. Instead the tool is designed to provide new affordable housing so there is an incentive to build affordable housing (that will remain affordable) before gentrification pressures rise.” ⁴³

Concern:

As with all publicly funded affordable housing developments, fair housing laws prohibit giving preference to people living in a certain area. Therefore, it is not possible to guarantee local residents will be able to live in local affordable housing developments when they can no longer afford to pay market-rate rents. Affordable housing providers that prioritize addressing displacement conduct intensive community outreach within the local area to ensure that residents are aware of new affordable housing options.

Housing Trust Fund Example: City of Los Angeles

The City of Los Angeles’ Housing Trust Fund was established by the City Council and provides money for variety of affordable housing development and preservation needs. It uses loans and grants to pay for predevelopment, acquisition, development, new construction, rehabilitation or restoration of rental or ownership housing. This trust fund allocates city funds that are leveraged with other state and federal funds to address affordable housing needs. Priority is given to efforts that expand the number of affordable rental units available to households with less than 60% AMI. ⁴⁴

Timing: While Housing Trust Funds can be established at any point in time (either before or after land/housing values see a significant rise), “tying trust fund revenue to real-estate transactions limits the funds effectiveness to periods of active real estate markets”

⁴² “Housing Trust Funds –Why use it?, Equitable Development Toolkit by Policy Link
<http://www.policylink.org/EDTK/HTF/Why.html>

⁴³ “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas”
Levy, Comey & Padilla 2006 pg. 5

⁴⁴ Levy, Comey & Padilla “In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement”

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⁴⁵ (when displacement is most likely). “If localities wish to establish a housing trust fund during periods of slow or moderate real estate growth, they need to find other sources of funding, such as foundation and corporation contributions or state pooling funds.” ⁴⁶ Some argue for establishing a trust fund before housing costs rise significantly since lobbying for, establishing, and building a fund takes time that will be in short supply once the housing market takes off. ⁴⁷

170 Housing Trust Funds currently exist⁴⁸ in places including:

- Sacramento, CA
- Philadelphia, PA
- Santa Clara County, CA (Public/Private)
- Berkeley, CA
- Santa Monica, CA
- Los Angeles, CA

Inclusionary Zoning/Housing:

“Inclusionary zoning can be a mandatory or voluntary municipal ordinance used to produce affordable housing for low-to-moderate income households.” ⁴⁹ Depending on how the legislation is written, this affordable housing may be required “on-site” (within the envelope of the new development), within a certain distance of the new development or anywhere within the municipality. In the Bay Area, most inclusionary zoning policies require/suggest that between 10 and 20 percent of the total units built be affordable. ⁵⁰ Certain inclusionary housing policies require more affordable housing be built if these units are off-site. Some jurisdictions allow developers to contribute to an affordable housing fund in-lieu of building the housing. ⁵²

“Typically, the ordinance requires that a minimum percentage of a new development’s total units be designated as affordable and that these units should remain affordable for a set period of time, usually between 10 and 20 years. Often these ordinances only apply to developments with a minimum number of units.” ⁵¹ Incentives like waiving permit fees, density bonuses, relaxing zoning restrictions associated with the development or a reduced percentage of required affordable housing if built on-site may also exist within inclusionary housing policies. ⁵²

Inclusionary zoning can be both a blanket policy for the entire jurisdiction or it can serve as a requirement for a specific area (i.e. land specified in a specific plan or redevelopment area). Furthermore, these policies usually indicate the percentage of

⁴⁵ “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” Levy, Comey & Padilla 2006 pg. 5

⁴⁶ “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” Levy, Comey & Padilla 2006 pg. 5

⁴⁷ “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” Levy, Comey & Padilla 2006

⁴⁸ <http://www.policylink.org/EDTK/HTF/>

⁴⁹ Levy, Comey & Padilla “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006 pg. 5

⁵⁰ <http://www.oaklandnet.com/BlueRibbonCommission/PDFs/BlueRibbon11-WCLP.pdf>

⁵¹ Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006 pg. 5

⁵² Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006

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affordable housing that should be produced for different income levels (very low, low and moderate) which are based on percentages of local “Area Median Income” (AMI) levels.

Interesting Note:

One housing advocate noted that a city can be “up-zoned,” meaning that developers have a right to develop as they chose without submitting to additional conditions (like providing affordable housing). By rezoning and requiring a conditional approval of certain types of developments, jurisdictions put themselves in a better position to negotiate for equitable development features.

On the Other Hand...

Articles and studies have been published that state that inclusionary zoning actually increases the overall cost of market rate housing and reduces the amount of housing built in cities that have implemented such policies.⁵³

Inclusionary zoning exists in at least 107 Bay Area cities⁵⁴ including:

- San Francisco
- Union City
- East Palo Alto
- Morgan Hill (voluntary)
- Livermore

Timing: Inclusionary zoning ordinances can be implemented at any time. According to the Urban Institute’s “Keeping the Neighborhood Affordable” report, it is easier to implement this sort of ordinance when the housing market is strong and “developers recognize profits exist for building the additional affordable units.”⁵⁵ Conversely, if an inclusionary housing ordinance is already established before the local housing market gets hot, a neighboring, less regulated municipality may seem more attractive to developers.

Key questions that must be asked when considering the efficacy of Inclusionary Zoning policies:

- What percentage of units must be affordable? Can the proposed development be “up-zoned” in exchange for additional affordable units?
- What is the definition of affordable?
- How many years must the unit remain affordable?
- How many bedrooms will affordable units include (i.e. will it accommodate families)?
- Can the developer apply for either a reduction in the number of OR a waiver for affordable units?
- Can the developer contribute to an affordable housing fund in-lieu of building affordable units?
- When must affordable units be built (before/during/after market-rate housing)?
- Where must affordable units be built (on-site, within the vicinity, within the jurisdiction)?

⁵³ <http://sanjose.bizjournals.com/sanjose/stories/2004/11/29/editorial2.html>

⁵⁴ Calavita, N. & The California Affordable Housing Law Project of the Public Interest Law Project “Inclusionary Zoning: The California Experience” 2004

⁵⁵ Levy, Comey & Padilla “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006 pg. 5

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- If affordable housing is integrated into market rate housing, how will this be done?
- Is on-site development of affordable housing necessary to ensure equity?

Accessory Dwelling Units:

“An accessory dwelling unit (or ADU) is a small, self-contained residential unit built on the same lot of an existing single-family home. (Because they are often used by extended family members, ADUs are also referred to as ‘in-law apartments or ‘granny flats’).”⁵⁶ ADUs -especially in lower-density areas near transit corridors- can increase the number of residents in the area that can benefit from public transit, and other amenities provided in a TOD without drastically changing the character of these areas.

ADUs provide a benefit not only to local homeowners (who derive income from ADU renters) but also local businesses that benefit from an increase in the local customer base. “ADUs may be built within a primary residence (such as in an attic or basement), attached to the primary residence (like a small duplex unit with a separate entrance), or detached from the primary residence (such as conversion of a detached garage).”⁵⁷

ADUs are cost-effective (no additional land costs) and by providing homeowners with another source of income, make home ownership more viable for lower-income buyers. Other benefits exist as well. For more information visit:

- <http://www.transcoalition.org/ia/acssdwel/02.html>
- http://www.transcoalition.org/ia/acssdwel/sup/Strauss_ABAGPIngForADUs.pdf

How to encourage ADUs:

“The legal authority for simply allowing and/or actively encouraging ADUs in most communities is the local zoning code. Some communities’ regulations are more restrictive than others. For example, nearly all communities require homeowner occupancy of the primary residential unit, but the requirement varies widely: Seattle (WA) allows homeowners who can present ‘good cause’ to live elsewhere for up to three years, while in Sunnyvale (CA) the primary residence must be owner occupied for a minimum of 20 years.”⁵⁸

Issues/Concerns

- Illegal (unpermitted) secondary units (if they exist) are also an issue that should be addressed. Jurisdictions may have very different approaches to legalizing (or removing) an illegal secondary unit.
- Neighbors in the surrounding area may be concerned with even this small increase in density. Parking, traffic, design quality and “quality of life” concerns may be raised.

Timing: It is unclear when to implement policies that encourage secondary units since concerns associated with these policies are usually associated with parking and neighborhood character rather than the housing market.

⁵⁶ <http://www.transcoalition.org/ia/acssdwel/01.html#body>

⁵⁷ <http://www.transcoalition.org/ia/acssdwel/01.html#body>

⁵⁸ <http://www.transcoalition.org/ia/acssdwel/01.html#body>

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Right of First Refusal Policy:

Right of First Refusal Laws require rental property owners that have chosen to sell a property to offer sale of this property to current tenants. In California, “an owner of an assisted housing development in which there will be the expiration of rental restrictions must also provide (potential affordable housing providers) an opportunity to submit an offer to purchase the development...”⁵⁹

In the Washington, D.C. tenants have a right to meet or beat any offer that is made on the property they lease/rent. This prevents landlords from excluding tenants from the home purchase process. D.C.’s First Right Purchase Assistance Program provides direct short-term and permanent financing loans to low-moderate income individuals and tenant groups to exercise their rights under the District’s Right of First Refusal law. Loans to tenant groups may be used for earnest money deposits, actual purchase of property, initial operating costs, or for “soft costs” such as legal, architectural, engineering, and other technical services related to the purchase of a property. First Right Purchase loans may be converted to or used to provide permanent financing.⁶⁰

Split-Rate Taxes:

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 and vacant buildings.”⁶¹ This strategy provides an incentive for speculators to release vacant property that could be used to build affordable housing.⁶²

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

Please note: 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.⁶³

Surplus Property Policies:

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

- developed with affordable housing or
- sold with the proceeds benefiting local affordable housing efforts

A surplus property policy exists in:

- San Francisco (Ordinance # 93-04)

⁵⁹ Government Code 65863.11, Section (b)

⁶⁰ <http://dhcd.dc.gov/dhcd/cwp/view,a,1243,q,615576.asp>

⁶¹ Levy, Comey & Padilla “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006, pg 9

⁶² Harrisburg, Pennsylvania implemented a split-rate tax and reported a decrease in vacant structures from 4,200 in 1982 to fewer than 500 in the late 1990s.

⁶³ Kenneth Moy, General Council, ABAG

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Variations on the Surplus Property Concept

- St. Petersburg, Florida sells city property to non-profits at a discount to encourage development.⁶⁴
- In Sacramento, the city pays a fee to developers to rehabilitate or build homes on vacant/boarded up properties. The homes are sold to low income households.⁶⁵
- Oakland's redevelopment agency is planning to sell its Preservation Park project. \$5 million of the land sale will go towards "acquisition and rehabilitation of existing housing."⁶⁶

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.

Community Land Trusts (CLTs)

"A community land trust (CLT) is a private, nonprofit corporation created to provide secure, affordable access to land and housing for community members." The CLT owns land and "makes it available for specific long-term community use."⁶⁷ In particular, CLTs attempt to meet the needs of those least served by the prevailing market, leasing to low and moderate income households. Community land trusts help communities to:

- Gain control over local land use and reduce absentee ownership
- Provide affordable housing for lower income community residents
- Promote resident ownership and control of housing
- Keep housing affordable for future residents
- Capture the value of public investment for long-term community benefit
- Build a strong base for community action

Community land trusts usually purchase land from the private market, although they also acquire city or county owned property and receive gifts of land as well. The CLT owns the land permanently and the occupants own the buildings. "CLTs are distinguished from other nonprofit housing organizations in two ways: (1) they separate the ownership of land and housing (as stated above) and (2) how they are structured and controlled."⁶⁸

"CLTs typically are organized as membership corporations where members elect the board of directors. There are two groups of voting members with one group composed of people who reside in the CLT homes and the other group composed of community members."⁶⁹

Since CLTs focus is on providing permanent affordable housing, this tool does "not allow residents to accumulate the maximum equity possible from their property. Residents do build some equity through mortgage payments and through receiving a share of the homes appreciated value." Still, as a result of the goal to offer affordable housing

⁶⁴ Levy, Comey & Padilla, "In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" 2006

⁶⁵ In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" Levy, Comey & Padilla 2006 pg. 25-26

⁶⁶ City of Oakland Programs, Policies and New Initiatives for Housing

⁶⁷ "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

⁶⁸ Policy Link's Equitable Development Toolkit: <http://www.policylink.org/EDTK/CLT/>

⁶⁹ "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" Levy, Comey & Padilla 2006 pg. 30

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opportunities to future generations, CLTs “attempt to balance retaining affordability for future buyers with offering the sellers a fair return on their investment.”⁷⁰

Community Land Trusts exist in:

- San Francisco
- Marin,
- Bay Area (Northern California Land Trust),
- Sonoma County,
- Los Angeles, and beyond.
- Albuquerque, New Mexico (Sawmill Neighborhood)

For additional information about other community land trusts in California and elsewhere, visit: <http://www.iceclt.org/clt/cltlist.html#United%20States>

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.⁷¹

Code Enforcement:

“Affordable rental housing can be lost through attrition due to lack of sufficient maintenance as properties become dilapidated... Enforcement can focus on habitability concerns associated with the building, health, fire or other safety codes that apply. Through enforcement, a property that is in disrepair can be improved and *DEPENDING ON THE WAY IN WHICH ENFORCEMENT OCCURS* (emphasis added), remain affordable.”⁷²

The decision to call for code enforcement and the strategy employed must be carefully developed since enforcement “can motivate a landlord to increase rent to cover the costs of required improvements, possibly displacing lower-income tenants.” Considering code enforcement from another vantage point, PolicyLink’s Online Equitable Development Toolkit states that “local authorities will resist tenant/community participation where housing code enforcement is being used to gentrify neighborhoods. Governments potentially assist in neighborhood gentrification by using code violations as a basis for closing buildings, thus displacing tenants. Vacant buildings producing no income are attractive to developers. Where housing code enforcement is driving gentrification, engaging the cooperation of the government may be much more difficult.”⁷³ In addition, “if city agencies do not impose stringent penalties for violations, early enforcement will be ineffective.”⁷⁴

⁷⁰Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006 (Urban Institute) pg. 31

⁷¹Levy, Comey Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” (Urban Institute) 2006

⁷² Levy, Comey Padilla , “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” (Urban Institute) 2006 pg. 12

⁷³ <http://www.policylink.org/EDTK/CodeEnforcement/How.html>

⁷⁴ Levy, Comey Padilla “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” (Urban Institute) 2006 pg. 14

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Question: How can Bay Area jurisdictions and ABAG address code enforcement keeping in mind the potential for displacement?

For more information on the complexities surrounding code enforcement, visit the Code Enforcement section of Policy Link's Equitable Development Toolbox at: <http://www.policylink.org/EDTK/CodeEnforcement/policy.html>

Tax Relief & Assistance Policies for Long-Time Residents:

Certain tax relief policies tend to benefit low-income elderly and non-elderly homeowners who have lived in their community for a set number of years and may have trouble paying property tax increases. Tax deferral legislation allows select populations (i.e. elderly homeowners) to defer payment of property tax increases that occur due to property value appreciation until they sell their home. California's Proposition 13 decreases the need for this approach in California.

III: Programs

Limited Equity Housing Cooperatives:

A Limited Equity Housing Cooperative (LEHC) is "a cooperative 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. Every month shareholders pay an amount that covers their proportionate share of the expense of operating the entire cooperative, which typically includes underlying mortgage payments, property taxes, management, maintenance, insurance, utilities, and contributions to reserve fund."⁷⁵ Fees are set by the LEHC's Board of Directors, the body that oversees the operation and finances of an LEHC.

New members purchase a co-op share when a previous owner sells. The cooperative maintains affordability since its sale of shares is not related to the housing market.⁷⁶ While LEHCs can consist of multiple buildings, those that are composed of multiple housing structures that are not proximate to one another (next door or on the same block) may have more difficulty gaining resident support for increasing fees in order to pay for improvements that are not in the immediate vicinity.⁷⁷

Limited Equity Cooperatives exist in:

- Washington D.C.

⁷⁵ "A Study of Limited Equity Cooperatives in the District of Columbia," Coalition for Non-profit Housing and Economic Development, 2004 pg. 6

⁷⁶ "A Study of Limited Equity Cooperatives in the District of Columbia," Coalition for Non-Profit Housing and Economic Development, 2004

⁷⁷ Rick Lewis, Housing Consultant specializing in Cooperatives

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- San Francisco
- New York City
- Boston
- Berkeley
- Los Angeles

Similar to the concern discussed in a previous section of this report concerning the loss of older subsidized affordable units, there is considerable potential for loosing older HUD funded LECs established in the 1960's and 70's. Once the mortgages on these properties are paid off, these units can be sold at market rate. Newer LEHCs established in California do not have the option of going market rate.⁷⁸

Other Considerations:

- The LEHC model focuses on retaining affordability, not on accumulating equity. "The key value of LEHCs is making the majority of benefits of homeownership available to low-income people instead of encouraging wealth accumulation."⁷⁹
- If rental stock is converted into LEHC stock there is a chance that existing residents may be displaced. Some jurisdictions (including San Francisco) require LEHCs that obtain city funding to allow any resident who declines to join the cooperative the ability to stay on as a renter. While rent control is still enforced, the cost of improvements to the building may be passed on to these renters.⁸⁰

Important notes on sustaining Limited Equity Housing Cooperatives:

- Those familiar with LEHCs advocate heavily for funding technical assistance training/retraining and advising for LEHC boards.⁸¹ Since those who identify a need for technical assistance are most likely in trouble already, this technical assistance may need to be mandatory to ensure each LEHC's solvency.⁸²
- Public subsidy (acquisition loan, etc..) of new LEHCs would ensure affordability for generations of co-op members if the sale of LEHC shares was restricted to below market rate levels for those earning below area median incomes.
- While co-ops support the concept of participants gaining control over their future via property ownership, co-ops' financial solvency must be monitored⁸³ to ensure future solvency.
- Limited equity co-ops seem to make more sense for existing properties whereas affordable condominiums seem more appropriate for new construction.⁸⁴

The Limited Equity Cooperative model is most useful when converting an existing structure into an affordable property ownership opportunity (as opposed to new construction) because:

- In an existing rental building a group of organized tenants who want to establish a cooperative likely already exists. With new construction, new people who have

⁷⁸ Rick Lewis, Housing Consultant specializing in Cooperatives

⁷⁹ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 29

⁸⁰ Rick Lewis, Housing Consultant specializing in Cooperatives

⁸¹ "A Study of Limited Equity Cooperatives in the District of Columbia," Coalition for Non-Profit Housing and Economic Development, 2004 & Rick Lewis, Housing Consultant specializing in Cooperatives

⁸² Rick Lewis, Housing Consultant specializing in Cooperatives

⁸³ "A Study of Limited Equity Cooperatives in the District of Columbia," Coalition for Non-Profit Housing and Economic Development, 2004

⁸⁴ Rick Lewis, Housing Consultant specializing in Cooperatives

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never lived in the same building are being brought together. Cooperatives have more issues they have to agree on (than condominiums) and it may be challenging to assemble a fully functioning co-op when there is lack of familiarity among members.

- New construction is usually more expensive than acquisition and rehabilitation. Since some public funding programs have trouble understanding the cooperative model, it is harder to find the funding necessary for establishing an LEHC. Existing buildings cut down on costs.
- In communities with limited condominium conversion requirements, LEHCs are an option for conversion. However, in California -which views condos and LEHCs similarly- it may be necessary for jurisdictions with condo conversion limits to draft an exemption for LEHCs.⁸⁵

Timing: The best time to implement LEHCs is before property values rise too high. Financial support is harder to obtain when costs mount. "It is recommended that LEHC organizers work with nonprofit developers as early as possible to begin the development and financing process."⁸⁶

Resource: National Co-Op Bank Capital Impact.
<http://www.ncbcapitalimpact.org/default.aspx?id=218>

Home Purchasing Programs:

Examples

- *Target Area Homebuyer Program:* The Sacramento Housing and Redevelopment Agency "provides down payment and closing cost assistance to low and moderate income homebuyers for home purchases within redevelopment areas in Sacramento. Eligible applicants must qualify for a loan to purchase the home, attend homebuyer-training classes, live in the home being purchased, and be low to moderate income. Eligible properties must be located within program designation areas, meet minimum housing quality standards and sales price of the property cannot exceed the Affordable Housing Cost for the area."⁸⁷
- The *First Time Homebuyer Program* (also in Sacramento) "offers down payment and closing cost assistance to low-income homebuyers on home purchases within the city and county of Sacramento. Eligible applicants must be first-time homebuyers, qualify for a loan to purchase the home, attend homebuyer training classes, live in the home being purchased, and be low-to-moderate income. Eligible properties are single-family homes located in the city or county of Sacramento County and a few surrounding cities, and the appraised values cannot exceed the HUD 203B mortgage limit for the area. Program features include deferred payment loan secured by a deed of trust and no interest charged on the loan."⁸⁸

⁸⁵ Rick Lewis, Housing Consultant specializing in Cooperatives

⁸⁶ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006

⁸⁷ Levy, Comey & Padilla "In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" 2006 pg. 28

⁸⁸ Levy, Comey & Padilla, "In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" 2006 pg. 28-29

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Prospective homebuyers can “layer” or combine these two programs to secure more assistance as they attempt to purchase a home.

Home Rehabilitation/Repair Programs: These programs offer support to various low-income populations (i.e. those below a certain AMI, low-income seniors and disabled) that help them keep their homes in good repair. Programs offer 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 existing housing stock, which can help prevent a decline in an area’s homeownership rate and can contribute to neighborhood stability. Non-profits, city agencies and banks usually offer these programs.

Concerns:

- While some programs allow participants the option of deferring the loan until the sale of the property, deferred loans make properties difficult to sell. Some administering these programs will forgive a loan if the property is not sold for a specific number of years.
- When funding home rehabilitation work, it is difficult to stay on budget since there is no way of knowing the extent of structural repair needed until the project has started.

Timing: It is best to target individual homeowners during weaker housing markets to ensure homes do not fall into disrepair.

Asset Building Strategies:

Economic development coupled with affordable home ownership strategies -specifically strategies that provide opportunities for local residents to either obtain quality, well-paying jobs, start their own business and/or become property owners- are also key components to combating displacement. “Asset Building Strategies” specifically address economic development and homeownership by aiming to “help low income individuals accumulate wealth.”⁸⁹ Each of these strategies seeks to increase the assets of low-income households that are vulnerable to neighborhood economic cycles. Some of the primary asset building strategies include:

1. *Individual Development Accounts (IDAs):*

IDAs, a tool that is meant to encourage community members to save, are 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. Different agencies and organizations provide different matching ratios (from 1: 1 to as high as 4: 1).⁹⁰

Concern: IDAs can be expensive to administer with program expenses costing \$70 per participant each month.⁹¹ Other costs can also accumulate and it is unclear how sustainable these programs are.

⁸⁹Levy, Comey & Padilla, “In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement” 2006 pg. 7-8

⁹⁰ Levy, Comey & Padilla, “Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas” 2006 pg. 24

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For more on issues associated with IDAs see The Urban Institute's report: "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas."

Timing: IDAs can be implemented at any time but can have more of an impact if they are established before market housing rates increase too much since their purchasing power will be higher. If housing costs are too high, IDAs have a greater chance of not being spent within the community.

2. *Homeownership education and counseling*

"Homeownership education and counseling (HEC) is considered instrumental in expanding the homeownership market by reaching potential buyers in underserved communities and by helping homeowners remain in their homes through minimizing default risk."⁹² State and local housing agencies usually work with local nonprofits to provide HEC programs. HUD certifies HEC programs which 1) allows them to receive training and technical assistance from HUD and 2) makes them be eligible to apply for HUD grants.^{93/94} There are four types of counseling and education associated with HEC:

- Homeownership education
- Pre-purchase counseling
- Post-purchase counseling
- Foreclosure prevention⁹⁵

Timing: HEC programs are most likely to be effective before the real estate market makes purchasing a home cost prohibitive to low-income residents. Still, post-purchase counseling can help current homeowners avoid default and remain in their communities.⁹⁶

3. *Limited equity housing co-ops (as described above)*

4. *Community Land Trusts (as described above)*

5. *Location Efficient Mortgages (LEMs)*

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. The basic premise of a LEM is that people who live near public transportation and neighborhood amenities will spend less money on transportation expenses and therefore direct that savings towards their mortgage payments. "By drawing on land-use information such as population

⁹¹ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 25

⁹² Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 25

⁹³ Baker, B., Collins, J.M. "Measuring Delivery Costs of Prepurchase Homeownership Education and Counseling" 2005 (NeighborWorks America)

⁹⁴ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 25

⁹⁵ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 25

⁹⁶ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 25

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density and public transit locations, and census information on car ownership and driving levels, a lender can predict how much a household in a particular location will spend on transportation. Based on this prediction, the lender calculates the difference in transportation costs between an urban household and its suburban counterpart. This dollar amount is then added onto the buyer's qualifying income. The amount can be substantial, as it takes into account savings on vehicle purchases and maintenance, auto insurance, and fuel."⁹⁷ LEMs are initial purchase, 15-30 year fixed rate residential mortgages that require down payments of at least three percent of the appraised value of the property.

A study conducted in 2000 (Allen and Krupnick) concluded, "there was no correlation between location efficiency and a lower probability of mortgage default."⁹⁸

Timing: For low income households, the best time to use a LEM is before housing prices appreciate. While LEMs can be used after housing prices have appreciated, higher costs will limit the options available to lower income households.⁹⁹

Hybrid Programs Connecting Housing and Jobs/Economic Development:

While housing is a major concern when addressing equitable neighborhoods, cities and regions, it is essential to address other aspects of the equity equation as well.

Linkage Fee between Housing Trust Fund & 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 housing for low-income workers (like those that are employed in these new retail or commercial developments).

The fee amount was based on a study that "quantified the relationship between types of commercial development, low-wage jobs, low-income housing needs, and the subsidy cost of providing new affordable housing. Payment of the fee is required to receive a building permit."¹⁰⁰

A similar program exists in San Francisco where "approval of downtown commercial development is tied to an agreement to provide affordable housing or contribute to an affordable housing fund."¹⁰¹

Programs that create simple, seamless connections between fees paid and services rendered OR those programs that recognize and are capable of addressing the multifaceted nature of equity within their communities should be supported if they exist and created if they do not.

⁹⁷ <http://www.nrdc.org/cities/smartGrowth/qlem.asp#what>

⁹⁸ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 pg. 30

⁹⁹ Levy, Comey & Padilla, "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006

¹⁰⁰ Levy, Comey & Padilla, "In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" 2006 pg. 28

¹⁰¹ Snyder, M.G., "Opportunities for All: Growth, Equity and Land Use Planning for California's Future" (Working Paper) 2001-2005 pg. 25-26

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Timing: While no reports I reviewed or experts with whom I spoke 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.

IV: Funding

Low Income Housing Tax Credits (LIHTC)

The LIHTC is a federal 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. The administrator is responsible for setting the program goals allowing the LIHTC to address the needs generated by the local population and housing market. The majority of LIHTC units are built in low to moderate income neighborhoods.¹⁰²

Issues/Concerns:

A state or local LIHTC administrator may set goals targeting lower-income populations or requiring social services. This goal increases the risk for developers/investors, resulting in a situation where LIHTC does not serve the lowest-income populations.¹⁰³

Timing: According to the Urban Institute's "Keeping the Neighborhood Affordable" report, "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."¹⁰⁴ This observation aligns with observations made by a local affordable housing advocate who stated that his organization usually develops housing in areas that have not experienced significant increases in the rental market.

California's LIHTC Allocating Agency:

- California Tax Credit Allocation Committee
<http://www.treasurer.ca.gov/ctcac>

Tax Increment Financing:

"The concept of tax-increment financing (TIF) is to use the future growth in property tax revenues generated within a redevelopment area to finance the redevelopment program itself¹⁰⁵." In order to apply TIF towards new development/redevelopment, a city or county must identify a specific geographical area for a specific length of time. This tool is managed by redevelopment agencies that are also responsible for financing projects

¹⁰² Levy, Comey & Padilla "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 (Urban Institute)

¹⁰³ Levy, Comey & Padilla "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 (Urban Institute)

¹⁰⁴ Levy, Comey & Padilla "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas" 2006 (Urban Institute) pg. 9

¹⁰⁵ Guide to California Planning, 3RD Edition; Fulton, Shigley 2005 pg. 270

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associated with TIF. California requires that at least 20% of all housing in Redevelopment Areas be affordable. Some jurisdictions surpass this requirement.

Issues/Concerns:

Raising the capital necessary to finance the bonds associated with the economic development projects can be difficult since there is no existing revenue. In addition, since TIFs depend on economic development projects to increase the assessed value of an area (that pays for new economic development projects), there is a risk that the area's values will not rise. This translates into a revenue shortfall when paying back the financing. Furthermore, businesses (which contribute to the increasing value of the area) may fail, which can also lead to a shortfall.

Timing: "Advocates may have a better argument for accessing resources (from TIF revenue) if they can convince (decision-makers) that...displacement may occur as a result of TIF financed economic development."¹⁰⁶

Other Funding Sources that May Require Further Research:

Time limitations prevented me from conducting any more than a basic search for other potential funding sources. The following funding sources (HUD programs) may be worth follow-up review and consideration.

HOME (via HUD): "HOME provides formula grants to States and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people." "HUD establishes HOME Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed.. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits."¹⁰⁷

Self-help Homeownership Opportunity Program (SHOP) "provides funds for eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families. SHOP funds are used for eligible expenses to develop decent, safe and sanitary non-luxury housing for low-income persons and families who otherwise would not become homeowners. Homebuyers must be willing to contribute significant amounts of their own sweat equity toward the construction of the housing units."¹⁰⁸

¹⁰⁶ Areas Levy, Comey & Padilla "Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying" 2006 (Urban Institute) pg. 11

¹⁰⁷ <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

¹⁰⁸ <http://www.hud.gov/offices/cpd/affordablehousing/programs/shop/index.cfm>

Section V: East Oakland and FOCUS

As a part of this report, I have collected and analyzed various pieces of data associated with East Oakland. This section is an initial attempt at:

- understanding the equity issues impacting East Oakland and
- developing *initial* recommendations that could help this area retain existing residents (in the context of FOCUS-based investments) as well as address other equity issues in the area.

Background information regarding East Oakland:

East Oakland covers over 11 square miles of the City between High Street and the San Leandro border, and Highway 580 and the San Francisco Bay.



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Services/Infrastructure:

Public Transit Serving East Oakland

- *Number of BART Stations: 1* (Oakland Coliseum)
- *Number of AC Transit lines: at least 23,* (according to AC Transit's Bus Service Map)
- *Number of AmTrack Stations: 1* (Oakland Coliseum)

Schools: 22

- 14 Elementary Schools
- 5 middle schools
- 3 high schools

*Libraries: 5*¹⁰⁹

Recreation and Parks Facilities:

- Parks: 17 (totaling at least 50 acres)¹¹⁰
- Community Gardens: 2
- Public Swimming Pools: 2
- Recreation Centers: 6

According to the Trust for Public Land's 2007 Bay Area Park Equity Analysis, the level of park need in most parts of East Oakland "high" or "medium" as compared to the region.

Land Use:

According to the Land Use Map for East 14th Street/International Boulevard General Plan East,¹¹¹ East Oakland is largely zoned for low-density and medium-density residential. This seems to align well with 2000 census data findings that show a majority (64%) of housing units in this area are single, detached homes. Higher density, multi-family housing units appear along International Blvd (considered one of the East Bay's main transportation routes) which itself is "an auto oriented-commercial with small businesses, retail shops, services, apartments and some light industrial sites."¹¹² Large swaths of land west of International Boulevard are zoned industrial.

Existing Affordable Housing:

The City of Oakland's Community and Economic Development Agency lists 665 units of publicly assisted/subsidized rental units in the East Oakland. This number does not include units owned and managed by the Housing Authority. This figure makes up nearly 9% of the total number of subsidized units in the entire city. 46% of the subsidized units in East Oakland are for Seniors, 38% for families, 8% for the Disabled/HIV community, and 4 percent for both transitional and residential hotel.¹¹³

Vacant Parcels:

Based on county assessor records, there are over 1300 potential vacant or residential infill parcels that "are either completely vacant or have structures assessed at extremely

¹⁰⁹ <http://www.oaklandlibrary.org/map.htm>

¹¹⁰ <http://www.oaklandnet.com/parks/parks/parkslisting.asp?pgSet=1> (only 14 parks had listed acreage)

¹¹¹ ABAG Corridors Study, 2007

¹¹² ABAG Corridor Study

¹¹³ <http://www.oaklandnet.com/government/hcd/projects/docs/directory.pdf>

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low valuations, relative to the land itself.”¹¹⁴ A more detailed investigation of these parcels to determine those that are appropriate for infill residential/mixed-used development is necessary.

Redevelopment Areas:

East Oakland is a part of two separate Redevelopment Areas: “Central City East” and the “Coliseum.” These areas extend through the entire western portion of the area defined as East Oakland in this report.

Local Population:

According to the 2000 census, the total population in this area is approximately 113,678 or 28% of the City of Oakland’s total population.

The following table provides a comparative snapshot of the populations of East Oakland, Oakland and Alameda County (based on 2000 Census data):

		East Oakland	Oakland	Alameda County
Race/Ethnicity (%)	<i>Black/African American</i>	52	35	14
	<i>Hispanic/Latino</i>	33	22	19
	<i>White</i>	6	23	41
	<i>Asian</i>	5	15	20
	<i>Two or more races</i>	3%	4%	4%
Age	<i>Under 18 years</i>	33	25	25
	<i>19 thru 40</i>	34	36	35
	<i>40+</i>	33	39	40
Percentage of population that is Native Born		74	73	73
Percentage of Households that are Family Households		74	58	65
Percentage of Family Households with 5+ people		31	23	20
Percentage of residents 5 years and older that have lived in the same house since 1995		55	50	50
% of population 24 years and older that has not received high school diploma		37	26	18

¹¹⁴ <http://infill.gisc.berkeley.edu/>

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		East Oakland	Oakland	Alameda County
Median Household Income (in 1999 dollars)		\$33,092	\$40,055	\$55,946
Average Income Per Capita (in 1999 dollars)		\$13,913	\$21,936	\$26,680
Percentage of population with incomes below the poverty level		23	19	11

12 percent of households in East Oakland receive public assistance (8% in Oakland, 4% in Alameda County).

Housing:¹¹⁵

- 3.6% of housing units in East Oakland are vacant
- Nearly 51% of housing units are owner occupied.
- 64% of homes in this area are single detached homes
- 71% of the housing units in the area were built before 1960
- 92% of the housing stock in the area was built before 1980

Crime:

According to the Oakland Police Department’s Crime Analysis Section, during the period between March 15th and June 15th 2005 & 2007, the following crimes were reported:

2007	Year	2005
223	Felony Assaults	224
374	Misc. Assaults	235
251	Robberies	250
1092	Auto Thefts	869
556	Burglaries	599
819	Vice Crimes*	605
6	Alcohol Related Crimes	no information provided
78	Disorderly Conduct	no information provided
171	Weapons	103
31	Arson	26
543	Larceny	602
225	Vandalism	269

Health: According to the Alameda County Department of Public Health, East Oakland, (along with much of the rest of Oakland and Berkeley) has some of the highest annual asthma hospitalization rates among children less than 5 years of age in the county.¹¹⁶

Property values: Zip codes 94603 and 94621 make up the bulk of the East Oakland Area. According to Dataquick, the median price of a home in zip code 94603 is \$475,000 and in 94621, \$349,000.¹¹⁷

¹¹⁵ 2000 Census

¹¹⁶ http://www.acphd.org/AXBYCZ/Admin/DataReports/00_chsr2006-final.pdf

Alameda County Health Status Report, 2006, Alameda County Department of Public Health

¹¹⁷ <http://www.dqnews.com/ZIPSFC.shtm>

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Current Efforts/Approaches to Addressing Equity in Oakland:

- **Community Assessment/Planning:** The City of Oakland and The Unity Council have jointly applied for a “Community Based Transportation Planning Grant” from the California Department of Transportation. This proposal calls for a “community-based land use planning process for the International Blvd. corridor” that reflects “community values for the corridor demonstrated by community derived concept designs for each neighborhood.”¹¹⁸ The application is currently pending.
- **Living Wage:** Oakland has a living wage ordinance that requires companies doing business with the city (including sub-consultants) to pay \$10.39/hr to workers who receive benefits and \$11.95/hour to those without benefits.¹¹⁹ If one were to work a 40 hours week, this wage translates into an annual (52 week) gross income of \$21,611 & \$24,856.
- **Affordable Housing:**
 - The City of Oakland states that it “gives priority to affordable housing projects for both planning and building permit reviews.”¹²⁰
 - The city completed a risk assessment of existing subsidized housing which identifies affordable housing that is at the greatest risk of converting to market rate.
 - Currently, Oakland does not have an inclusionary housing requirement/policy. This is a hotly contested issue in the City.
- **Infill Housing Incentives:**

The Coliseum Redevelopment area has instituted an Infill Development Incentives Program that **“offers developers and property owners up to \$15,000 in matching funds for predevelopment analysis. The program is intended to encourage the exploration of residential and nonresidential development options for infill areas in the Coliseum Redevelopment Project Area.”**

For more information on The City of Oakland’s efforts to address housing and affordable housing, see the following web-site:

<http://www.oaklandnet.com/government/hcd/policy/policy.html#policies>

* “Vice Crimes” include both “Vice” and “Drug Related” crimes.

¹¹⁸ “Community Based Transportation Planning Application” submitted by the City of Oakland and the Unity Council.

¹¹⁹ <http://cces.oaklandnet.com/cceshome/Pdf/Living%20Wage%20Bulletin%202007.pdf>

¹²⁰ http://www.oaklandnet.com/government/hcd/policy/docs/Programs_strategies.pdf

VI: Recommendations

Based on the information collected and analyzed for this report, I offer the following recommendations for East Oakland:

General Recommendations for East Oakland:

- Conduct comprehensive community assessment, mapping and planning. Assessment should include economic analysis as well as analysis of current and future potential for community displacement.
- Once analysis is conducted, identify appropriate tools to address displacement. As stated before, multiple tools/approaches are most likely necessary to address the various populations and needs within East Oakland communities.

Specific Recommendations for East Oakland:

- As illustrated by the crime report information provided by the Oakland Police Department, public safety is a major concern in East Oakland. While this report does not address public safety and crime to any great extent, the underlying causes of this level of crime need to be addressed both in the short-term and in the long-term. Resources are needed to further assess the situation, research options and address these serious problems.
- Since East Oakland has a high volume of single-family homes, assess opportunities and feasibility of building accessory units within existing homes or properties.
- A few members of the public familiar with this area confirm what the 2000 census data indicates: a number of large families live in the area's single family homes. Since this area has a higher homeownership rate than other areas of Oakland, this seems to indicate that homeowners are housing their extended families in their homes. California law allows parents to transfer property to their children without the property being reassessed. If homeowners are not already aware of this provision, education should be provided to inform homeowners who wish to bequeath their property to family members of this reassessment exclusion so that the child is not paying higher property taxes unnecessarily.
- Once additional affordable housing is developed in this area, targeted outreach and education regarding these housing opportunities within the community could help those who live in overcrowded conditions (if they exist) remain in the community (close to their families).
- Home rehabilitation programs could provide the support necessary to retain or improve the existing housing stock while keeping current residents in place.

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General Recommendations Related to FOCUS:

The following recommendations are meant to help promote equity in Bay Area communities as ABAG's FOCUS program progresses. While FOCUS may not be able to address all of these issues immediately or directly, the issues that these recommendations address should be considered within the framework of planning the future of the region.

A. Overall Equity Issues:

- Creativity and flexibility must be encouraged when considering how to address equity issues in communities. No two communities are the same and their needs and situations may call for very different approaches to addressing the many components of equity. It is essential to encourage creativity at both the planning level and within the community. New approaches must be encouraged.
- There are many issues being addressed simultaneously through FOCUS including regional land use, climate change, public health, land conservation, poverty, transportation networks and quality of life. Several public, private and philanthropic funding resources support efforts to address these issues. These resources must be uncovered to help realize the vision of FOCUS.
- Through the technical assistance arm of FOCUS, the regional agencies involved in FOCUS could provide technical assistance and training opportunities for those associated with building local equity including:
 - Technical assistance, education and support for programs that encourage affordable housing retention/development (i.e.: initial and ongoing training and technical support for Limited Equity Housing Cooperative board members).
 - Talks given by city and local community leaders and other experts who are working to build equity in their cities and neighborhoods.
 - A library of materials, resources and contacts that provide useful information on how to implement various equity based processes, programs, policies etc.
 - Access to and information about additional funding sources that focus on the components of equity (as discussed in the introduction).
- Strategies to address equity should focus on place (land use/affordable housing) AND people (job training & post-secondary education). This requires coordination among key players (non-profits, community members, participants, financial institutions & government agencies).¹²¹
- Since equity needs to be addressed at the regional, county, city and neighborhood levels there should be regional, county/city and neighborhood assessments and plans that address equity at these different scales. The regional agencies can assess the region's role in addressing equity and determine ways to increase equity at the regional scale. Through FOCUS, the

¹²¹ Levy, Comey & Padilla "In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement" 2006, (Urban Institute) pg. 8

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regional agencies could work with cities/counties AND local neighborhoods to develop plans that address equity. In order to ensure that a community plan's equity components are implemented, some percentage of the funding provided through FOCUS could be directed at the equity components within the plan.

- Instead of pursuing developers and accepting the plans they propose, cities may want to consider issuing a call for proposals that includes specific requirements associated with building equity developed through a community planning process. Regional, city and neighborhood representatives could then evaluate the proposals and choose the proposal that best fits the needs of these interests (with a specific eye towards equity). This strategy could help cities leverage funds from philanthropies, financial institutions, etc. that are interested in funding projects associated with building equitable communities.¹²²
- Require that specific plans/redevelopment plans/other land use planning documents developed using FOCUS funds evaluate the need for and include community benefits that address equity concerns within the area.¹²³
- Keep an eye on the needs of the community as they will change over time. Living/flexible plans are necessary to keep up with local concerns.

B: Fighting Displacement:

- There is no simple solution to displacement and equitable development. Community-based efforts must identify the strategies that work for them to address their needs. Various populations within the community (moderate, low and very-low income residents) will all have different needs. Attempts to address the needs of one may impact the other negatively. Comprehensive solutions may be difficult to uncover and multi-purpose strategies may be tricky to implement successfully.
- Plan early with respect to neighborhood displacement. Conduct analysis to gain an understanding of and assess the timing associated with local displacement risk. If possible, identify neighborhood displacement pressures early on so displacement of original residents can be minimized and the benefits of revitalization are shared among all income levels in the community.¹²⁴
- It is essential to consider the impacts of displacement within the context of the local housing market. While some cities and neighborhoods can be proactive and address displacement concerns early enough to employ affordable housing strategies that are best used when land/property is less expensive, others may find themselves having to scramble to implement more reactive strategies that are aimed at protecting existing affordable housing stock and ultimately neighborhood residents from immediate displacement.

¹²² Gross, LeRoy & Janis-Aparicio, "Community Benefit Agreements: Making Development Projects Accountable" 2005

¹²³ Gross, LeRoy & Janis-Aparicio, "Community Benefit Agreements: Making Development Projects Accountable" 2005

¹²⁴ Bollens, S. 2003 "In through the back door: social equity and regional governance" Housing and Policy Debate Volume 13, Issue 4, Fannie Mae Foundation

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- As plans are developed, timing associated with implementing the various components of the plan must be discussed and plotted out. When should the various types of housing strategies (land trusts, land banking, inclusionary zoning, housing rehabilitation, etc.) be implemented in relation to the existing housing market but also in the context of other improvements to the area (transportation infrastructure, other amenities)?
- Prioritize the preservation of existing affordable housing (public housing, non-profit affordable housing, inclusionary housing units, etc.) especially when land values have made it unfeasible to build new infill housing.¹²⁵
 - Limited Equity Housing Cooperatives may prove a useful tool in protecting existing subsidized housing developments at risk of transitioning to market-rate.
- Prioritize developing infill housing on vacant or underdeveloped land. The term “underdeveloped” needs to be defined in a way that does not promote displacement.¹²⁶
- The affordable housing market can pit various populations that cannot afford to own market rate housing against one another. The term “workforce housing” separates fire-fighters, teachers and other professionals who earn less than what is necessary to own market rate housing from lower income residents (who are also members of the workforce). Care must be taken to address the needs of these populations in a way that recognizes the value of all of these community members.
- In order to receive any sort of public subsidies associated with FOCUS, affordable housing (in one form or another) should be included in the plans.
- Programs, policies, processes and resources should provide seamless support to those at risk of displacement. As an example, a jurisdiction could:
 - Require that sellers of rental property offer right of first refusal to current tenants,
 - Establish a housing trust fund to assist low-income residents/affordable housing providers with the purchase of affordable housing sites,
 - purchase vacant/underutilized land using housing trust fund money and lease it to an affordable housing provider, AND
 - provide the services, technical support/knowledge necessary to support these programs and ensure proper implementation and ongoing maintenance of these affordable housing investments.
- Look for opportunities to create incentives and/or enforce jurisdictions’ fair share housing allocations.

C: Beyond Displacement: Other Components of Equity to Consider:

Equity does not end with addressing affordable housing needs and curbing displacement. FOCUS can consider how to make communities more equitable in

¹²⁵ Levy, Comey & Padilla “In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement” 2006

¹²⁶ Levy, Comey & Padilla “In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement” 2006

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other ways as well. While time constraints do not permit further investigation of these important issues, the following is a list of recommendations and questions meant to keep these issues in mind as FOCUS takes shape.

Economic Development & Preserving Community:

- Recognize the interconnectedness of economic development and housing. As property values rise, local residents' wages need to rise proportionately so that they are able to remain as either renters or homeowners.
- While providing affordable housing is an essential piece to keeping communities in tact, it is also necessary to preserve sites/institutions/locations, businesses and services offered within the community that are culturally and/or economically significant. Otherwise, vital components of a neighborhood could be eliminated, thereby reducing the level of community ownership. A community mapping exercise can ensure that these "cultural signifiers" are identified and ultimately preserved.
- Request that jurisdictions provide analysis and descriptions of their communities that include identifying their high needs communities (children, youth, young adults, workers, those exiting the correctional system, seniors, etc.). Is the community static or mobile? Ask jurisdictions to identify the needs within their communities and what they are doing to address needs associated with these characteristics/ populations.
- Provide incentives/encourage local job/economic development that addresses local employment needs (employment for youth, those transitioning from other lines of work, those leaving the prison system).

Food Security/Nutrition:

- How many full service grocery stores, farmer's markets and produce markets are accessible within a community? Where are they? Are there deficits in access to fresh produce?
- Provide support, technical assistance and streamlining services to existing establishments interested transitioning their business into one that increases food security.
- Provide incentives that encourage new businesses to increase their community's access to fresh, affordable, healthful foods.

Open Space/City Greening/Nutrition:

- What is the quantity and quality of the open space/recreational space within the community? Are these spaces well-maintained? Are they over-used or underutilized?
- Provide space for community gardens (which can be maintained by community gardeners). Make sure proper steps are taken to ensure soil, water and air quality will not lead to harmful effects if food is grown and ingested.
- Support the development of and provide technical assistance for building rooftop gardens.

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- Support/provide technical assistance that promotes inter-departmental cooperation between local parks departments and local school districts to see if space sharing agreements can be implemented to ensure broader access to existing/future open space (schoolyards).
- Support the creation of integrated outdoor learning/playing environments (green schoolyards). If implemented in a way that promotes community involvement in the planning, implementation and sustaining of green schoolyards, these amenities can provide the school and the surrounding community with a community oriented open space that promotes hands-on education and community stewardship.

Public Health:

- What is the current community's access to health clinics? Hospitals? Emergency care?
- Are there land uses that (for public health reasons) are incompatible with residential/neighborhood uses?
- What is the status of air quality in the area? What contributes to any air quality concerns (if any) near housing, schools, parks etc?
- What is the status of soil quality in the area? Are there areas of concern that should be avoided or cleaned up before they serve another use? Is clean-up required?
- What is the status of water quality in the area?

Education:

- What is the jurisdiction doing to improve school performance? What limitations/barriers exist? What are the core issues keeping schools from succeeding?
- How can local and regional planning agencies address the provision of quality education in their work?

Financial Resources:

What is the community's access to banks and financial services? Are predatory lending services prevalent in the community? What wealth building opportunities are available to residents? Are there opportunities for entrepreneurs to open businesses (micro-enterprise incubators, small business loans, community loans)? What can be done to increase access? If financials services are not available, what is keeping these services out of the community?

Safety:

Where does crime occur in the community? What types of crime occur? What are the root causes? What can be done to prevent future criminal activity? What can be done to reduce current criminal activity? Are there particular aspects of the community's design (or lack thereof) that contribute to the prevalence of crime at specific locations within the community? What can be done to remedy these problematic elements?

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