# 10    Safeguarding against Displacement: Stabilizing Transit Neighborhoods

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We started this book by speculating about a tension. On the one hand, sustainability goals encourage compact city forms and denser development around transit networks to minimize greenhouse gas emissions, counteract sprawl, and achieve a smaller ecological footprint and greater utilization of greener transportation modes. On the other hand, such strategies may bring along the unintended effect of displacement of vulnerable groups: low-income residential or commercial tenants. These groups clearly lose if they cannot afford to live in or open a store in a desirable neighborhood or—even worse—are forced to relocate from such a neighborhood because of the increased rents that accompany gentrification.

Using a variety of methods and focusing on the geographic context of two California regions, we found that such concerns are real, and transit-oriented displacement can take place in transit neighborhoods. The phenomenon of transit-induced gentrification, however, is not as pervasive in California as antigentrification activists seem to think. Overall, 11.5 percent of transit neighborhoods in the Bay Area and 8 percent of transit neighborhoods in Los Angeles County experienced residential gentrification between 1990 and 2000 and/or 2000 and 2013. The remainder were either already affluent or saw very little change, perhaps because of the newness of the transit lines. Nonetheless, many of these neighborhoods did experience a significant loss of affordable housing, despite the construction of some subsidized units. Across regions, perhaps the most consistent trend was the relatively small numbers of new housing units constructed near transit.

That said, the displacement of even one household is one too many, and we believe that it behooves planners and policymakers to implement policies and strategies that safeguard against displacement. In this chapter, we therefore interrogate what can be done to prevent displacement in general

and in transit neighborhoods in particular. We first detail four categories of antidisplacement strategies and give examples of strategies at five different scales: local, regional, state, federal, and international. We also discuss the effectiveness of antidisplacement strategies and of early warning systems that have been developed to help communities prevent displacement. We conclude with observations about the factors that influence the adoption and effectiveness of antidisplacement policies.

**A Framework of Antidisplacement Strategies**

A wide variety of interventions to mitigate displacement circulate in the practice literature (Great Communities Collaborative 2007; Haughey and Sherriff 2010; Pollack, Bluestone, and Billingham 2010; Metropolitan Area Planning Council 2015; Lubell 2016), yet little research on the effectiveness of different policies exists. We group the range of antidisplacement strategies into four overarching categories—(1) production of affordable housing, (2) preservation of affordable housing, (3) neighborhood stabilization, and (4) prevention of commercial displacement—and summarize a suite of policy options within each, focusing on examples where these strategies have been tied to transit investments or targeted to TODs.[1]

**Producing Affordable Housing**
Developing new affordable housing is often considered key to combating displacement as well as ensuring equitable TOD. When analyzing the relative impact of market-rate and subsidized affordable housing on preventing displacement, Zuk and Chapple (2016) found that on a per unit basis subsidized housing had twice the impact of market-rate housing in reducing displacement pressures.[2] A number of policy tools are available to influence the quantity of subsidized affordable housing. These include fiscal strategies to generate resources for development, land use policies to incentivize or prioritize different types of affordable housing, and public investments that can be tied to affordability requirements. In general, affordable housing production strategies can be categorized into those that generate funds to produce units or those that generate or incentivize the production of units. As observed in figure 10.1, the other dimension for understanding affordable housing strategies is whether they are funded by harnessing the market or through public investment.
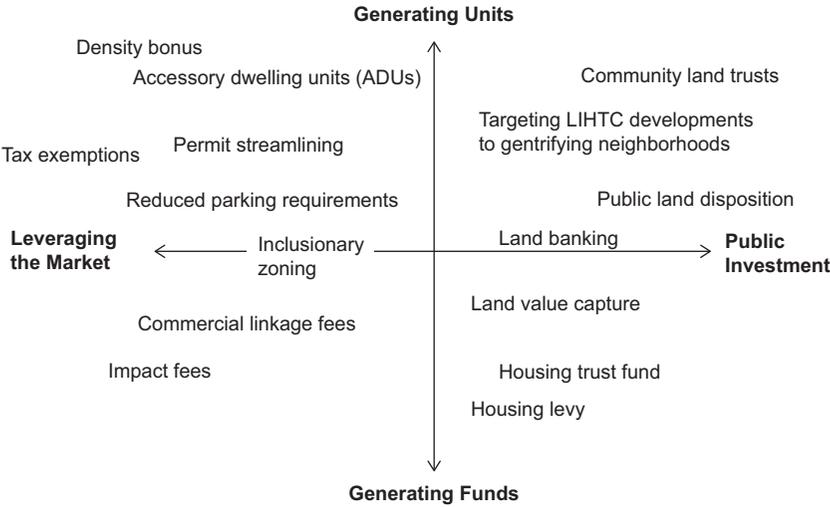
**Generating Units**

Density bonus

Accessory dwelling units (ADUs)

Community land trusts

Targeting LIHTC developments
to gentrifying neighborhoods

Tax exemptions · · · Permit streamlining

Reduced parking requirements

Public land disposition

**Leveraging
the Market** ← · · · Inclusionary · · · Land banking · · · → **Public
Investment**
zoning

Land value capture

Commercial linkage fees

Housing trust fund

Impact fees

Housing levy

**Generating Funds**

**Figure 10.1**
Framework of affordable housing strategies.
*Source*: Adapted from Zuk et al. (2017).

Numerous jurisdictions across the country have attempted to harness market activity to generate funding for affordable housing through impact fees, also known as linkage fees, as well as fees developers pay in lieu of building units as part of inclusionary housing programs. Similarly, commercial impact fees are charged per square foot of commercial or retail space developed, with the logic that these developments create low-wage jobs for people who need affordable housing. While such fees can help fund the development of affordable housing in general, they may not end up funding sites in rapidly appreciating areas, such as transit neighborhoods, as a result of rising land costs and challenges related to site acquisition. On the public investment side, jurisdictions can use their taxing powers to either fund or incentivize affordable housing development by providing property tax exemptions, levying parcel taxes, issuing bonds, or creating tax increment financing (TIF) districts, among other methods.

Perhaps the most commonly used strategy for generating units by harnessing the real estate market is the creation of inclusionary (also known as "below market rate") zoning requirements for market-rate developments. As opposed to requiring affordable units, some cities and counties choose to incentivize them through density bonuses, allowing developers to build

at higher densities in exchange for affordable housing. For example, the Los Angeles Gold and Blue Line TOD Ordinance allows a density bonus of up to 50 percent in certain transit neighborhoods along the Gold and Blue lines if at least one-third of the new units are for low-income households or half of the units are reserved for qualifying senior citizens.

State of California law also provides an adjustable density bonus in exchange for affordable housing units (the greater the percentage of affordable units provided, the higher the bonus) in new construction, and municipal agencies may further enhance this bonus. Typically, a new development would receive a 10 percent to 33 percent bonus in dwelling units per acre, or 0.25 to 1.0 additional floor area ratio (FAR) for nonresidential development (based on existing bonus provisions in several Los Angeles cities). To spur the development of even more units, some cities reduce parking requirements as well (Litman 2009).

Density bonuses can be strong incentives in cities where there is significant market interest in developing at greater densities or heights than what is permitted under existing zoning. On the other hand, in the low-density landscape of single-family homes, some cities have enabled density increases with an eye toward increasing affordable housing by allowing homeowners to build *accessory dwelling units* on their property. Chapple et al. (2011) discuss how the creation of these relatively low-cost "granny flats" helps increase the stock of housing units for those with very low or low incomes without dramatic increases in parking demand and without government investment. Finally, cities have used their assets and investments to subsidize the development of new affordable housing through the dedication of public land for affordable housing and through acquisition and banking of land (Hickey and Sturtevant 2015; Lane and Seifel 2015).

Some of the preceding tools have been used to ensure creation of affordable housing in TODs. Examples include the city of Portland, which has used its redevelopment authority to create tax increment financing (TIF) districts,[3] which are the city's primary local funding source for affordable housing projects; in 2015, the city council increased the TIF set aside for affordable housing from 30 percent to 45 percent (Templeton 2015). In Atlanta, the city council created the Atlanta BeltLine Affordable Housing Trust Fund from the tax allocation district in order to promote the creation and preservation of affordable housing within Atlanta BeltLine neighborhoods. Finally, as we will discuss in greater depth, Portland's transit agency,

TriMet, acquired and banked land adjacent to their light rail expansion, which they later dedicated to subsidized affordable housing development in an effort to stabilize gentrifying neighborhoods (Zuk and Carlton 2015).

### Preservation of Existing Affordable Housing

Many built-out neighborhoods experiencing displacement pressures may have little room for new development. Furthermore, the cost of new development in strong housing markets, where the cost of land is very high, may make the production of new subsidized housing prohibitively expensive. Therefore, strategies for preserving affordable rental units in older buildings may be more cost-effective and feasible for counteracting displacement forces in such communities. By ensuring that this housing stock is permanently affordable, policies essentially remove it from upper-income markets, pushing these households into costlier newer construction.

Preservation of affordable housing includes the act of extending the affordability of either subsidized or unsubsidized rental homes that are at risk of no longer being affordable for low-income households. For subsidized rental housing, preservation refers to renewing a subsidy when it is due to expire. With unsubsidized rental housing, preservation usually refers to mission-oriented buyers (often nonprofits) purchasing rentals at risk of becoming unaffordable and investing to rehabilitate the units while also keeping rents at levels that are affordable to low-income persons (Schwartz et al. 2016).

While the range of preservation tools is just beginning to emerge, many strategies fall into the same funding categories as discussed in the housing production section, allowing funds to be used for rehabilitation and preservation purposes. The Low-Income Housing Tax Credit (LIHTC) program, for instance, provides tax credits for acquisition and rehabilitation projects (United States Department of Housing and Urban Development 2017). Yet the vast majority of low-income households live in unsubsidized units. Although many federal resources can be used to acquire, rehabilitate, and convert nonsubsidized units into subsidized ones, many of these units are in smaller buildings, which can be difficult to finance (Abdelgany 2017). To address this challenge, the city of San Francisco created the Small Sites program, an acquisition and rehabilitation loan program that assists nonprofit and for-profit entities in buying small housing developments of 5–25 units and restricts their rents for long-term affordability. Acquisition and land banking for TOD can be especially complicated because of the long time

horizon for transit project developments, which may require longer loan repayment terms than other acquisition projects (Enterprise, The National Housing Trust, and Reconnecting America 2010). In Denver, the Transit-Oriented Development Fund was created to address this challenge and provides loans at below-market interest rates for terms up to five years for the strategic property acquisition in current and future transit corridors (Urban Land Conservancy n.d.).

Community land trusts (CLTs) can also play a significant role in the preservation and production of affordable housing in transit-served and/or gentrifying neighborhoods. CLTs are nonprofit corporations that develop and steward land in perpetuity for community-serving purposes, which can include affordable housing. For example, the Atlanta Trust Collaborative, a coalition of public, private, and nonprofit partners, supports the establishment of community land trusts along a 22-mile railroad corridor around Atlanta in order to prevent displacement and develop opportunities for affordable home ownership (Hickel 2017).

Finally, cities are experimenting with using their inclusionary zoning policies, discussed earlier, to acquire existing units and stabilize them rather than producing new units or providing in-lieu fees. In his policy brief on flexible inclusionary housing policies for high-cost, dense urban environments, Hickey (2015) found examples from New York City to Chapel Hill, North Carolina, where developers are allowed the option of converting existing market-rate housing to deed-restricted affordable units as a means of preserving affordability and preventing displacement.

### Neighborhood Stabilization

As rents in transit neighborhoods rise, advocates often point to the need for tenant protections, rent regulation, and other strategies to ensure that existing residents are able to stay in the changing neighborhood. We group the tools available for stabilizing neighborhoods not covered in the previous two sections into those that focus on people or place and are either preventive or responsive to displacement pressures (table 10.1).

**People-focused strategies**   People-focused preventive strategies are meant to either limit the ability of landlords to push tenants out of their homes or to help tenants meet requirements to stay. Just cause eviction policies that limit the reasons for which landlords can evict tenants are often adopted

**Table 10.1**
Framework for organizing neighborhood stabilization strategies

|  | Preventive | Responsive |
|---|---|---|
| Strategies focused on people | Landlord antiharassment protections<br>Just cause for eviction ordinances<br>Rental/foreclosure assistance<br>Tenant counseling | Relocation benefits<br>Right to return policies<br>Evictee or neighborhood preference policies in housing subsidies |
| Strategies focused on place or housing units | Condominium conversion restrictions<br>Rent regulation<br>Right of first refusal<br>Community land trusts<br>Proactive code enforcement | Vacancy control in rent regulations<br>No-net-loss or one-for-one replacement |

along with rent regulation, discussed later. In an effort to prevent landlords from pushing out tenants through more informal means, jurisdictions have also adopted antiharassment protections. Other examples of people-focused preventive strategies include rental assistance to aid tenants who are late on their rent and counseling to help tenants know their rights and seek resources.

People-focused responsive strategies include relocation benefits and right of return policies. Relocation benefits are frequently required by government agencies that are acquiring properties and displacing residents through eminent domain. Such policies are particularly relevant for large-scale transit investments. Such benefits are also beginning to be attached to certain eviction cases (e.g., owner move-in evictions), which may become more common in neighborhoods receiving increased interest and investments (as shown for San Francisco in chapter 5). Right of return policies seek to guarantee displaced tenants the ability to move back into redeveloped properties and may also be relevant and appropriate for properties or communities of color disrupted by transit improvements.

**Strategies focused on place and housing units** To give tenants a chance to stay in their units even if landlords want to sell, several jurisdictions have developed policies to give tenants the right of first refusal for purchasing the property (Harrison Institute for Public Law 2006). Other jurisdictions have limited landlords' ability to convert multifamily rentals to ownership

units through condominium conversion controls. Such conversion controls are widespread in coastal regions of California, with over 67 percent of Bay Area cities and 27 percent of cities in Los Angeles County having some form of condominium conversion ordinance (Crispell et al. 2017).

Finally, when rents begin to rise, advocates and policymakers frequently look to regulate them, in strategies commonly known as rent control or rent stabilization (Minton 1997). The first generation of rent controls sought to keep rents temporarily or permanently below the market (Arnott 1995). Reviews of the policy's effectiveness and impacts have been mixed, and the debate about the policy is ongoing (Keating, Teitz, and Skaburskis 1998). The most common form of rent stabilization today, however, involves protecting sitting tenants by allowing annual rent increases only because of inflation and/or cost increases, and decontrolling units upon vacancy. Nevertheless, context-specific and limited rent control can contribute to population stability and security of tenure in the face of displacement pressures. For example, 35.2 percent of renting households in New York stayed in the same rent-controlled unit from 1990 to 2000, compared to 13.6 percent nationally (Ellen and O'Flaherty 2013).

### Preventing Commercial Displacement

As we explored in chapter 7, transit investments can have significant impacts on both residential and commercial land values and rents, spurring significant change in commercial as well as residential districts. Furthermore, transit projects can cause business disruptions during construction as a result of road closures, access impairment, and nuisance generation (e.g., noise and dust). Such disruptions can be especially damaging for small businesses. A number of strategies have been developed to help small businesses weather the construction phase and successfully adapt to the changes that transit infrastructure can bring. In general, funding and programs can be separated into construction mitigation strategies (those that help businesses relocate or survive the construction phase) and business retention and development strategies (those that help businesses adapt and thrive in their changing environments) (Central Corridor Funders Collaborative 2015).

In the mitigation realm, to help local businesses stay open during construction or relocate, grants, loans, and technical assistance can be offered well in advance of construction. In Seattle, Washington, the community development fund (CDF) was created to support businesses along the MLK

light rail corridor four years before construction began. CDF payments were made to businesses that were forced to relocate or had operations interrupted because of construction. Funding and technical assistance were offered to help businesses stay open during construction, including help with marketing, access plans, signage, facade improvements, bookkeeping, legal issues, and more. Additional loans were provided to assist immigrant-owned businesses during this phase (PolicyLink 2013). In the twin cities of Minneapolis and St. Paul, Minnesota, the Ready for Rail Business Support Fund was created to provide forgivable loans to businesses along the Central Corridor that could show the light rail construction had resulted in a loss in sales. In addition to this modest safety net, loan programs were created for improvements to off-street parking, marketing and buying campaigns, and other technical assistance. Because of extensive outreach, including the provision of one-on-one technical assistance, over 80 percent of surveyed businesses participated in mitigation activities (Business Resources Collaborative 2015). Finally, in Oakland, California, a fund was created to offer technical assistance and flexible capital to small businesses along the future BRT corridor (Northern California Community Loan Fund 2016).

To help businesses adapt and thrive in their new TOD environments, a number of business retention and development strategies can be offered. In the Twin Cities, a cross-sector partnership of businesses, nonprofit community developers, and local and regional governments was established to support businesses and property owners along the Green Line LRT Corridor. With the goal of ensuring long-term prosperity, growth in the proportion of minority-owned businesses, and sustainable economic development, the collaborative delivered financial, technical, and marketing support to small businesses along the corridor over the course of six years. In a post-construction survey of local businesses, the collaborative found that almost two-thirds of businesses reported that employment and wage levels had stayed the same compared to five years earlier. However, more than half the businesses reported that the number of customers had decreased, with an accompanying decline in sales and profits. Nevertheless, evaluators found that businesses were generally optimistic about their survival, with 78 percent indicating that their business will be operating at its current location in five years (Business Resources Collaborative 2015).

Finally, rising land values and rents as a result of transit investments can negatively impact businesses' ability to stay in their location. Although

controls on commercial rents are often discussed as potential solutions, after experiments in New York in the 1950s and Berkeley, California, in the 1980s, there are currently no commercial rent control ordinances on the books in the United States. Cities have also explored other strategies to mitigate rising commercial rents and turnover, such as landlord rebates for property tax savings, eviction protections, and mandatory mediation and arbitration (Tackling Commercial Gentrification 2015). Strategies more commonly used for stabilizing commercial rents, however, include shared equity or community land trust models (Axel-Lute 2011; Brown and Ranney 2015).

### Residential Antidisplacement Strategies for Equitable TODs

As outlined by the Dukakis Center's widely cited *Maintaining Diversity in America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change*, planning efforts need to begin early, include diverse stakeholders, and coordinate across agencies, meaning that new partnerships and collaboration need to be formed in order to implement a wide range of coordinated antidisplacement strategies (Pollack, Bluestone, and Billingham 2010). A number of cross-sector partnerships have been created in metropolitan areas around the country to facilitate TOD that is more equitable. One of the initial initiatives was the San Francisco Bay Area's Great Communities Collaborative, which for almost 15 years has worked toward equitable TOD in station area plans (ICF International 2014). Leading the way in terms of impact is the Big Picture Project (BPP) in the Twin Cities, which was formed as a cross-sector partnership aimed at a more coordinated approach to affordable housing development along an 11-mile stretch of the Twin Cities Central Corridor. At the halfway point of their 10-year housing goals, the BPP had built or preserved 3,573 units, or 80 percent of their affordable housing goal, and helped over 900 low-income families (61 percent of its goal) to stabilize their housing (Twin Cities LISC 2016). Similarly, Atlanta's TransFormation Alliance is a 17-member partnership of local nonprofits, developers, banks, and government agencies aimed at promoting equitable TOD. In the realm of affordable housing, they work to find land, collaborate with developers, and partner with transit providers to identify and develop resources for affordable housing development and preservation (TransFormation Alliance n.d.). Finally, the Purple Corridor Coalition in the Washington, D.C., metropolitan area led the creation of the Community Development Agreement and facilitated getting the counties to agree

to preserve affordable housing along the corridor (Shaver 2017). Such partnerships are key to achieving success at navigating the complicated landscape of actors and especially at the scales of strategy necessary to achieve coordinated and effective action. Here we present the resources and strategies at five different scales: local, regional, state, federal, and international.

**Local**   Localities can combine a variety of funding sources to develop equitable TOD. Northeast Portland represents a unique case of coordinated planning, investment, and political will to stabilize a rapidly gentrifying neighborhood that was receiving significant transit investments. During the planning of the Max Yellow line, the city and its local transit agency (TriMet) acquired and banked land along the transit corridor. The city created an urban renewal district and TIF to generate funding to match the Federal Transit Administration (FTA) and TriMet funding. When the Yellow Line was completed under budget, TriMet used surplus funds from the Federal Transit Administration (FTA) to acquire properties to stabilize the neighborhood, subsequently seeking a nonprofit to develop affordable housing on one of the acquired sites and to house families that had been displaced. The city of Portland and Metro, the regional planning agency, provided additional funding. Finally, the city's and state's tax abatement and exemption programs made developing affordable housing in rapidly gentrifying neighborhoods feasible.

**Regional**   Regional agencies typically have carrots and sticks related to transportation and infrastructure spending. The San Francisco Bay Area has a long history of developing policies to incentivize smart growth and TOD, some of which have explicitly addressed affordable housing and displacement. In 2012, Bay Area Metro (the region's MPO) established the One Bay Area Grant (OBAG) program to allocate 40 percent of its federal transportation money to the nine county congestion management associations (CMAs) (San Francisco Bay Area Metropolitan Transportation Commission 2012a). With the guiding principle of "using transportation dollars to reward jurisdictions that accept housing" (San Francisco Bay Area Metropolitan Transportation Commission 2012b, 2), the formula used to distribute OBAG funding took into consideration each county's population, past housing production, and future housing commitments, and added weighting to acknowledge housing production for those with very low and low incomes. The CMAs then created scoring plans for the competitive process of distributing the funds within each county and were encouraged by MTC

to emphasize housing growth in accessible areas with "affordable housing preservation and creation strategies" (San Francisco Bay Area Metropolitan Transportation Commission 2012c, 2). Examples of such policies included inclusionary housing requirements, city-sponsored land banking for affordable housing production, just cause eviction policies, fast-track permitting for affordable housing, policies or investments that preserve existing deed-restricted or "naturally" affordable housing, condo conversion ordinances that support stability and preserve affordable housing, and the like (San Francisco Bay Area Metropolitan Transportation Commission 2012c, 1). In an analysis of the first round of grant allocations, however, researchers found no real relationship between the affordable housing policies and grant allocations, suggesting the need for more carrots and sticks (Crispell et al. 2017). The second round of OBAG grants now includes a new preservation pilot revolving loan fund (the Naturally Occurring Affordable Housing Impact Fund) for acquisition and rehabilitation and a pilot challenge grant to incentivize the production of affordable housing.

In addition, as noted in chapter 9, antidisplacement analysis and policies are gradually being incorporated into regional modeling for Sustainable Communities Strategies in California, particularly Plan Bay Area in San Francisco. The 2017 Plan Bay Area also incorporated two performance targets, addressing displacement and affordable housing need.

Regional transportation agencies in California have also created policies to encourage joint development of affordable housing on agency-owned land. The Los Angeles County Metropolitan Transportation Authority (LA Metro), for instance, requires "35% of the total housing units in the Metro joint development portfolio [to be] affordable for residents earning 60% or less of the Area Median Income" (Los Angeles County Metropolitan Transportation Authority 2015). One mechanism for achieving this is a policy of land discounting whereby LA Metro may "discount joint development ground leases" by no more than 30 percent of fair market value.

**State**   State tools extend across both the transportation and the housing realms, and, as described in chapter 1, in California they include resources from the cap-and-trade program as well. The LIHTC program accounts for the majority of affordable housing units created in the United States. The program, which gives states budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted

at low-income households, has contributed to the production of over two million units since its inception. The credits are administered by each state's housing finance agency, which publishes guidelines for its funding priorities each year in the Qualified Allocation Plans (QAPs). Over half of all states provide additional points in their scoring criteria for projects located near transit (Zuk and Carlton 2015). The distance to and types of transit, however, are variously defined, as is the amount of extra points allocated to developments. Research on the impact of LIHTC scoring incentives for TOD found that states awarding extra points to developments near transit had more success in attracting affordable housing near rail transit compared to states that did not award extra points (Luckey 2012), confirming the conventional wisdom that QAP criteria communicate funding priorities to affordable housing developers (Wise and Scire 2009).

In 2008, as part of the Housing and Economic Recovery Act, Congress enabled state housing finance agencies to designate any development as eligible for a 30 percent basis boost, which some states applied to developments in transit station areas. As of 2011, four states (Missouri, Oregon, Texas, and Utah) had included basis boosts in their QAPs for locating near mass transit; however, the degree to which they actually awarded credits to developments near transit was not evaluated (Shelburne 2011).

**Federal**  In addition to regulating state housing agencies, federal agencies have their own tools, primarily related to transit investment. At the federal level, the FTA's New Starts Guidelines also incentivize affordable TOD developments. The Federal Transit Administration's New Starts program has funded nearly every major fixed-guideway transit project built in the United States since the program's inception in the 1970s. The hundreds of transit projects that have been funded by the program have varied in cost from $25 million to several billion dollars. Proposed transit projects receive New Starts funding after proceeding through a multiple-criteria evaluation process that allows comparison to peer proposals. The modern formulation of the New Starts program funds both new transit facilities and extensions to existing fixed-guideway transit facilities. In 2013, the Federal Transportation Administration published policy guidance that incorporated affordable housing into its evaluation criteria. In its guidance, the FTA incorporated metrics that consider tools to increase and preserve the amount of affordable housing in project corridors (Federal Transit Administration 2013, 10). These include

the presence of local policies on inclusionary zoning, density bonuses, and rent control and condominium conversion ordinances, as well as the number of existing deed-restricted units and local financing tools and strategies, including targeted property acquisition, local and state tax abatements, trust funds, and others. However, these land use measures represent only one-twelfth of a transit proposal's overall score. The impact of New Starts rules on project planning and outcomes may therefore be modest. In an analysis of New Starts applications for 2016, for instance, it was found that while the new criteria for affordable housing affected the ratings for land use and economic development, they did not have an impact on the overall rating deciding federal funding (Zimmerman and Lukacs 2015).

**International**    Antidisplacement efforts around the world are focused primarily on the production and financing of social housing. As noted in chapter 2, the implementation of TOD is typically top-down, with significant public investment. In countries where financing is readily available, TOD may include social housing; examples include Ahmedabad, India; Bogota, Colombia; Copenhagen, Denmark; and the Netherlands (Knowles 2012; Suzuki, Cervero, and Iuchi 2013; Pojani and Stead 2014).

One tool with significant potential to fund social housing near transit is value (re)capture, which is common in Europe, Asia, and Latin America in addition to the United States (Özdemirli 2015). Value capture is a mechanism of public financing in which the public sector recovers from developers or homeowners within a special district part of the financial benefit generated by public investment and uses it to fund new public infrastructure or community improvements. Policies that facilitate value capture include developer impact fees and special assessment districts (with new taxes). In the United States, value capture most often appears in the form of tax increment finance (TIF) districts; however, this mechanism typically diverts property taxes rather than adding a new tax assessment. Countries that may use value capture to fund housing include the United Kingdom, Spain, Turkey, Ecuador, and Argentina, among others (Smolka 2013; Özdemirli 2015).

### Effectiveness of Antidisplacement Policies

While there are a wide variety of antidisplacement strategies, we know little about how often these strategies are deployed and how effective they are. In other words, cities may have some strategies on their books that they

rarely use. We also do not know much about the comparative effectiveness of different strategies. How many affordable housing units do they produce or preserve? At what levels of housing affordability? Do protections keep people in their homes? What has been the trajectory of a policy over a period of time? Lastly, what factors affect the effectiveness of antidisplacement policies? To better understand some of these issues, we turn to municipalities in the Bay Area.

Surveying the 109 counties and municipalities of the Bay Area, we found that inclusionary zoning is the most prevalent affordable housing production strategy, regulation of condominium conversions is the most common affordable housing preservation strategy, and assistance with foreclosures is the most common neighborhood stabilization strategy. Most municipalities have an accessory dwelling unit policy, since it is required by state law (although many remain out of compliance or create a policy that makes it nearly impossible to build). Other antidisplacement policies are followed only by a minority of cities and counties (table 10.2). Rent control, often considered by housing and community activists as an effective strategy against rising rents in gentrifying neighborhoods, is only implemented by 8 percent of Bay Area municipalities.

How effective are antidisplacement policies in the Bay Area? Our research in chapter 5 shows that affordable housing provision mitigates displacement. In addition, focusing only on affordable housing production strategies, and using housing production figures that cities must report as part of their Regional Housing Needs Allocation (RHNA) requirements, we documented how differently Bay Area cities performed based on whether they have certain production policies or not.[4] As shown in table 10.3, between 2007 and 2013, cities having these policies produced more units (on average and per capita) of housing for those with very low income (30 percent to 50 percent of average median income) than cities without the policy (with the exception of community land trusts). This seems to indicate that cities that have these policies are achieving what they are supposed to in regard to housing for those with very low income.[5] Finally, it appears that housing production for those of moderate (80 percent to 120 percent of average median income) and above-moderate income is dramatically higher in cities with each policy than in cities without them. One possibility is that cities that have the hottest real estate markets, where developing market-rate homes affordable to low-income people is difficult, are also

**Table 10.2**
Frequency of antidisplacement policies in the Bay Area

| Type of strategy | Policy | # of Bay Area municipalities with policy | % of Bay Area municipalities with policy (total= 109) |
| --- | --- | --- | --- |
| Production strategies | Inclusionary zoning/housing | 78 | 72 |
| | Commercial linkage fee | 27 | 25 |
| | Housing development impact fee (or jobs-housing linkage fee) | 24 | 22 |
| | Local density bonus ordinance (above state requirements) | 19 | 17 |
| | Affordable housing trust fund | 15 | 14 |
| Preservation strategies | Condo conversion regulations | 73 | 67 |
| | Preservation of mobile homes (rent stabilization ordinance) | 34 | 31 |
| | Single-room-occupancy (SRO) preservation ordinance | 28 | 26 |
| | Community land trust | 26 | 24 |
| Neighborhood stabilization | Foreclosure assistance | 45 | 41 |
| | Rent review/mediation boards | 14 | 13 |
| | Rent control | 9 | 8 |
| | Just cause eviction | 7 | 6 |

those most likely to implement affordable housing production policies. Further research is needed to investigate this and also to examine the extent to which the adopted policies are also being implemented.

Beyond this quantitative analysis, we also interviewed a number of planners, community advocates, and policymakers involved in affordable housing to better understand the variables and circumstances that may influence the adoption and effectiveness of antidisplacement policies. Based on the literature review, interviews, and empirical work in the case study neighborhoods (discussed in previous chapters), we reach the following observations.

### Attention to Context Matters

The physical and social context of a neighborhood, as well as the level of accessibility that new transit systems provide, matters tremendously in terms of which antidisplacement policies work best. For example, production strategies in a neighborhood with little available land for development will

**Table 10.3**

Annual average housing unit construction per 10,000 people, Bay Area cities, by affordable housing production strategy (average of constructed units 2007–2013 / population in 2010 × 10,000)

| | | Housing development impact fee (or jobs-housing linkage fee) | Commercial linkage fee/ program | Affordable housing trust fund | Inclusionary zoning/ housing | Local density bonus ordinance (above state requirements) | Community land trusts |
|---|---|---|---|---|---|---|---|
| Very low income | Without policy | 9.78 | 9.17 | 11.50 | 10.19 | 10.61 | 11.97 |
| | With policy | 19.17 | 19.90 | 15.21 | 12.42 | 18.80 | 11.39 |
| Low income | Without policy | 9.02 | 8.49 | 8.30 | 7.51 | 8.38 | 8.56 |
| | With policy | 5.43 | 7.48 | 7.64 | 8.51 | 7.42 | 7.29 |
| Moderate income | Without policy | 10.33 | 9.40 | 9.69 | 3.98 | 9.32 | 10.26 |
| | With policy | 7.99 | 11.10 | 11.16 | 11.95 | 12.66 | 8.48 |
| Above moderate income | Without policy | 54.80 | 47.04 | 61.17 | 27.98 | 55.52 | 56.00 |
| | With policy | 91.84 | 111.00 | 80.29 | 75.60 | 105.01 | 83.77 |

look different from those of a neighborhood that has more land available for development. While the latter may be able to take advantage of a housing density bonus ordinance, the former may be better off having an accessory dwelling unit ordinance. Of course, the effectiveness of a density bonus will depend on the market demand for building new housing—which itself depends on transit usage. The social context of the neighborhood also matters; for example, renter protection policies are only useful in places with many renters. Finally, attention to historical context is critical, as communities that have suffered injustices, particularly as a result of structural racism embedded in government policies, are likely to resist efforts to densify and develop their transit neighborhoods.

**Attention to Detail Matters**

Even when policymakers tailor policies to the sociophysical particularities of neighborhoods and cities, attention to the nitty-gritty details of policies and interrogating the laws "on the ground," as compared to "on the books," is critical. What is the right condominium policy? How much should a density bonus be for a particular neighborhood? How exactly should policymakers write a rent control ordinance to be most effective? How much new land value is expected to be generated by the new transit system, and what would an equitable recapture program look like given the local context? Similarly, avoiding loopholes can help policy effectiveness. Indeed, condominium conversion ordinances are often limited by loopholes that allow developers to escape their rental housing replacement requirements, while rent control laws can only slightly slow the rising rents in neighborhoods with a high turnover of renters (because of vacancy decontrol laws) or significant new development replacing existing housing.

**Attention to Politics Matters**

Political considerations are essential for understanding why some policies get implemented and others do not. The political culture and prevailing sentiment in a community (liberal or conservative, progrowth or antigrowth, etc.) is one factor that should be considered seriously, as it will affect the political viability of a proposed policy. Constituencies for equitable TOD may also be broader than just neighborhood residents; for example, by bringing in environmentalists. Still, gaining the support of housing justice advocates will require explicitly addressing and countering the ways in which

TOD may be replicating legacies of structural racism in the community. Carrots rather than sticks are often easier to implement, though this is not always true. For example, a density bonus in return for affordable housing units (a carrot policy) may be welcomed by a developer but opposed by Not in My Backyard (NIMBY) neighbors. In addition, while some believe that housing preservation policies (such as rent control) are easier to adopt because they require minimal public outlay of funds, others think it is easier to come out in favor of housing production strategies, since doing so does not challenge property rights and is not seen as antidevelopment. Either proposition may be true, depending on the community.

## Community Mobilization and Engagement Matters

Behind the successful implementation of the policies discussed previously, there often lies an informed and organized resident base and a robust community-engaged decision-making process. Depending on the circumstances, community action can be instrumental in preventing gentrification and displacement or successfully lobbying for affordable housing production. A Vancouver study examining several neighborhoods that should have experienced gentrification but didn't, attributed the lack of gentrification to strong community resistance that held off the market (Ley and Dobson 2008). A recent study of Los Angeles documents different ways of engaging cultural identity to organize against transit-induced gentrification (Sandoval 2017). In chapter 6, we saw that strong community opposition to gentrification might be a reason why Boyle Heights has not witnessed the extensive gentrification of Highland Park, another Latino neighborhood in Los Angeles. Community mobilization can also be proactive. For example, in Chicago, the community development organization Bethel New Life launched a series of development projects around the Lake Pulaski transit stop in partnership with the Chicago Transit Authority, producing 50 homes for low- and moderate-income residents and planning 66 more in the future (PolicyLink 2008).

## Narratives Matter

Both the smart growth proponents of TOD and their community opponents have failed to develop an inclusive narrative. To low-income communities of color, many of the arguments advanced for TOD, laid out in chapter 2, sound racist. Advocates have raised similar issues about "green

gentrification" (Dooling 2009; Checker 2011). To smart growth advocates, the regular opposition of communities to urban density sounds narrow-minded. A more inclusive approach would acknowledge the history of housing and racial injustice in transit neighborhoods and push for mechanisms that ensure that this time communities will be able to stay. This narrative needs to be established proactively to avoid the pitfalls experienced in the case of the Mission neighborhood, where project-by-project protests have slowed the construction of new market-rate housing (even developments with affordable inclusionary units), resulting in tremendous market pressure on the few affordable units left in the neighborhood. The narrative might best embrace what john powell (2008) calls a "targeted universalism"; that acknowledges how different groups are situated relative to societal resources (powell 2008). This would mean evaluating the extent to which smart growth proposals in transit neighborhoods include and empower, rather than exclude and disenfranchise, local disadvantaged residents.

**Partnerships Matter**

The previous example and others discussed in this chapter indicate the importance of partnerships between different entities. Partnerships are particularly important for affordable housing production strategies, which typically benefit from the collaboration of nonprofits and community development corporations, local and state public sector agencies (planning departments, transit agencies, and housing departments), and housing developers.

**Spurring Change on the Ground: The Effectiveness of Early Warning Systems**

Even when the effectiveness of antidisplacement policies is established, it may be politically challenging to enact them. One potential way to spur action on the ground is neighborhood early warning systems, or online maps that use indicators to assess patterns of neighborhood change. Initially pioneered in order to track and prevent neighborhood decline, the more recent early warning portals—almost a dozen across the United States—are measuring the risk of gentrification and displacement (Chapple and Zuk 2016). By identifying neighborhoods in early stages of change, they put the issue on the radar of local stakeholders. The systems often extend the

analysis to the region, clarifying that housing markets operate in peripheral as well as core areas. Some also incorporate users into the development of the tools in an effort to make early warning systems even more accurate.

Policymakers, community residents, and other stakeholders are actively using these early warning systems in different ways: internally, to strategize how to bring attention to imminent problems and target resources; and externally, to generate new ideas, suggest solutions, or empower locals (Chapple and Zuk 2016). Even though the extent to which such analyses have actually caused policy shifts is unknown, they clearly have influenced the urban debate over housing and neighborhood change, becoming an established resource in the ongoing civic conversation about housing.

One prominent example is our own Urban Displacement Project (UDP), a combined effort between the University of California, Berkeley, and the University of California, Los Angeles, that focuses on our two case study regions (and is gradually adding others as well), with maps demonstrating neighborhood change and local antidisplacement policies (www.urbandisplacement.org, figure 10.2). Garnering considerable media attention (over 60 articles), UDP's website is used by community members, elected officials, and policymakers from the local to the national level. Cities in the two regions have used the website to enact new antidisplacement policies or development controls. For example, the city of San Francisco's Interim Mission Controls require developers of new projects in the Mission District to write a report on their project's displacement potential, drawing from the early warning system. At the same time, advocates for affordable housing have used the maps to target sites for subsidized housing development. At the regional level, the Metropolitan Transportation Commission has incorporated more stringent antidisplacement targets in its next long-range plan (as noted earlier), and at the federal level, HUD granted San Francisco the right to "neighborhood preference" or "antidisplacement preference," setting aside affordable units for residents of neighborhoods experiencing rapid gentrification, as shown by the UDP maps (*San Francisco Chronicle* 2016). These impacts suggest the potential of online tools to, at a minimum, raise awareness of neighborhood change processes, and, at best, transform policy.

In fact, we look forward to an era when big data and predictive analytics can more effectively track neighborhood change and predict future trajectories in time to enact policies and programs that will lead to cities that are
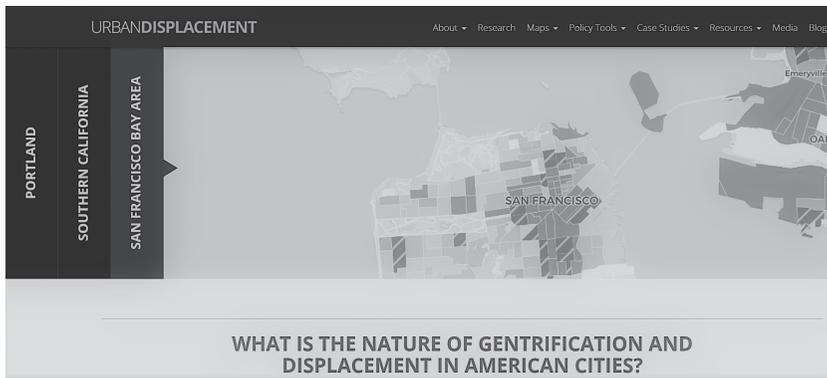
**Figure 10.2**
The Urban Displacement Project.
*Source*: Zuk and Chapple (2015b).

more inclusive. Big data are data of unprecedented volume, often real-time, and sometimes crowdsourced from users. By using algorithms rather than traditional inferential statistics for analysis, analytics shed new light on the scale, time, and interaction effects of interventions, such as TOD and transit investments. Within our lifetimes, we will have access to real-time data on mobility (whether via cell phones, social media, or urban sensors) that will help us understand, for instance, which areas of the city sustain diversity and social interaction most effectively—as well as who is displaced from the city. Real-time utility data should help us better understand housing occupancy. Credit card transaction data will clarify whether and where retail exclusion is taking place. The analysis in this book will soon seem quaint and archaic—and that makes us hopeful.

**Conclusion**

This chapter has documented a wide variety of interventions to mitigate displacement by producing and preserving affordable housing and stabilizing neighborhoods for residents and businesses, most of which are likely relevant to regions around the world. Several policies supporting the production of housing, such as impact fees, inclusionary zoning, and density bonuses, seem to be effective for households with very low or moderate incomes. The effectiveness of other policies remains unknown. Though more studies are

clearly needed, our research suggests that future efforts will need to carefully consider the physical, social, and political contexts of neighborhoods. As suggested by chapter 4, traditional quantitative evaluations and econometric approaches will likely fall short without in-depth qualitative case studies as well—and even then a policy's appropriateness may vary widely from neighborhood to neighborhood.

This chapter focused on the production of affordable housing, but the production of market-rate housing also plays a significant role in reducing displacement (Zuk and Chapple 2016). Just as much as development disrupts communities, underbuilding harms our cities and regions by failing to provide housing needed for growth. Both our quantitative analyses and our case studies throughout the book show how transit investment results in exclusionary displacement by raising land and housing costs so much that low- and moderate-income households can no longer afford to move in. Ironically, this is not just a failure of decentralized, market-driven urbanism. Many high-cost regions throughout the world are failing to build enough below-market-rate or even moderate-income housing to accommodate this demand. There is an active debate about the causes of underbuilding, with blame falling alternatively on regulations (Hsieh and Moretti 2015), NIMBYs (Monkkonen 2016), or even neoliberalism itself (Bronstein 2017). We await more innovation from both markets and states around the world to meet future growth pressures on our cities.

Less prominent in the discussion, but equally or more important, is the role of growing income inequality (Chapple 2017). As construction costs rise, particularly for high-rise buildings, incomes are simply not keeping pace. Addressing income inequality calls for strategies to increase incomes, such as wage subsidies and investment in human capital, along with strategies to build assets and wealth, such as individual development accounts and homeowner assistance programs, among others.

In chapter 1, we asked whether we have learned our lessons from the urban renewal era, when public-led redevelopment processes uprooted hundreds of thousands of families, many belonging to disadvantaged communities of color. The dearth of antidisplacement policies incorporated into climate change mitigation programs suggests that we have not. Across the world, and in much of the United States, governments are enacting smarter growth policies in order to accommodate new growth while reducing greenhouse gas emissions, but in our haste, we neglect to plan for the well-being

of existing residents, many of whom are already experiencing injustice in different forms. Rising income inequality around the world will only exacerbate this crisis in the future.

We have argued that who benefits and who loses from more compact development around transit depends greatly on context. Disadvantaged low-income, often minority, communities in the urban core are more likely to be the losers in the short term, if protections are not already in place. In the big picture, then, is more equitable—and affordable—development compatible with smart growth goals in the core of our regions? The challenges of reconciling the three Es—environment, economy, and equity—are well established, with equity often the loser when trade-offs occur (Campbell 1996). This chapter presented some policies that make it more possible to integrate equity into smart growth (Chapple 2015), but we should also seriously consider separating our affordable housing goals from smart growth goals. In this regard, the United States has much to learn from countries with a strong national safety net, such as those in the European Union. If action at the federal level can secure the right to affordable housing—the once promised (by the Housing Act of 1949) but never delivered "decent home and a suitable living environment for every American family"—localities will have a better framework from within which to promote smart growth without displacement.

**Chapter 10**

1. Note that we do not propose antigentrification policies, following the argument of Schlichtman, Patch, and Hill (2017) that only by separating displacement from gentrification can we target the broad array of displacement processes (some unrelated to gentrification), as well as support grassroots revitalization that does not involve extensive displacement.

2. However, we should note that the amount of government subsidy required for subsidized housing is significantly higher than that for market-rate housing, so market-rate construction may be more cost-effective at reducing displacement.

3. In tax increment financing (TIF) districts a portion of property taxes can be diverted to fund infrastructure and other public improvements.

4. RHNA requires cities to ensure through their General Plan (specifically the Housing Element) that they can accommodate existing and future housing needs (based on projected job and population growth) through existing housing stock and future development. In order to show that they are accommodating the need for affordable housing, cities must show that they have zoned at high densities (30 units or higher for cities of population 25,000 or more). The state of California must certify that the housing elements accommodate their fair share; without this certification, cities may experience challenges in obtaining state bond and housing funding.

5. Interestingly, the same pattern does not apply to low-income (50 percent to 80 percent of the average median income) housing, where only cities that have inclusionary zoning seem to outperform cities without this policy in affordable housing production. We should note, however, that cities using inclusionary zoning represented the most robust sample (78), since this is the most prevalent policy, while the sample of cities using the other policies was very small (ranging from 19 to 24).