

“TOTALLY RIPE FOR DISPLACEMENT”

GENTRIFICATION IN IVY CITY, DC



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April 2016

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EXECUTIVE SUMMARY

“[Ivy City]—as you probably gathered immediately—it’s just totally ripe for displacement of everybody.” – affordable housing developer

Ivy City is a neighborhood in Northeast Washington, DC that is gentrifying. Absent intervention, residents are likely to be displaced. This report reviews current anti-displacement policy and proposes ways to avoid displacement.

Ivy City is home to 480 households, 47 acres of industrial land, and much publicly-owned land, including the historic Crummell School. Ivy City dates to 1871, when housing was built for employees of the adjacent rail yard. Residents are 60% African-American, 26% white, and 8% Latino.

Figure 1: Aerial View of Ivy City



Image Source: Bing.com

Ivy City will gentrify.

Washington, DC has been growing dramatically; the share of high-income and highly educated residents is rising. Neighborhoods surrounding Ivy City have gentrified, seeing increasing property values, incomes, and education levels. The process is beginning within Ivy City, with the opening of the Hecht Warehouse development, a former warehouse that is now luxury apartments and retail.

As the area gentrifies, residents are very vulnerable to being displaced.

Prior work has shown several factors that put residents at risk of displacement, including low incomes, renting over owning, and the presence of a high proportion of minority residents (Chapple 2009). In Ivy City, all three factors are present: residents are poor, with a median household income of \$15,313; 84% of households rent their homes; and 74% of residents are people of color. Further, 65% of renters are cost burdened (paying over 30% of income for rent).

The number of affordable places to live in the District has declined dramatically in recent years; if displaced from Ivy City, residents are unlikely to find another place to live within the District.

The city's existing anti-displacement laws are inadequate to protect Ivy City residents.

The nature of the housing stock in Ivy City—predominantly single-family homes (15% of units) and buildings with 2-4 units (53%)—limits the effectiveness of anti-displacement laws:

- Rent Control limits rent increases to inflation plus 2%. However, the law only applies to approximately 1 in 4 units in Ivy City, due to the small scale of the housing stock.
- DC's Tenant Opportunity to Purchase Act allows tenants to buy their buildings when they are for sale, or assign that right to the company of their choosing. However, it is difficult for tenants to use this right when they live in single-family homes or small buildings, as most do in Ivy City.
- DC's Inclusionary Zoning ordinance requires 8-10% of units in new residential development to be affordable. However, the law only applies to buildings with 10 or more units, which are unlikely to be built in Ivy City due to the small lots.

Figure 2: An Intersection in Ivy City



Therefore, the District of Columbia should take action by doing the following:

Table 1: Summary of Anti-Displacement Policy Recommendations

Recommendation #	Land Use	Recommendations	Page Number in Report
1	Mid-Sized Apartment Buildings	Ensure the tenant purchase process can proceed smoothly by providing tenant counseling, allocating sufficient funds for purchase and renovations, and improving the application process for tenant groups.	32
2	Subsidized Ivy City Apartments building	Ensure the subsidized 60-unit Ivy City Apartments stays affordable for low-income renters.	35
3	Voucher-holders	The Housing Authority should take measures to ensure residents with vouchers are able to stay in neighborhoods where rents are rising above the Fair Market Rent.	36
4	Small Apartment Buildings	Reform the rent control law to cover small buildings and make it harder for landlords to raise rents beyond the allowable limit.	41
5		Implement a small landlord rehabilitation fund with permanent affordability restrictions.	41
6	Single-Family Rented Homes	Expand the maximum subsidy available under the city's Home Purchase Assistance Program and ensure its administration is efficient enough to allow tenants using the tenant purchase process to access funds within the tenant purchase time limits.	41
7	Vacant/Run-Down Buildings	Use a community land trust to acquire vacant, blighted, run-down, and low-value properties for eventual redevelopment and guaranteed long-term affordability.	43
8	Publicly-Owned Lands	Prioritize anti-displacement in any public land dispositions within Ivy City by requiring the maximum feasible amount of affordable housing.	52
9		Use the Crummell School site for community-serving facilities and affordable housing.	52
10	Industrial Lands	Reduce the nuisances to residents caused by adjacent industrial land by reducing truck traffic, making façade improvements, adding landscaping, and shifting to lower-impact uses. If rezoning land to residential, impose high inclusionary requirements for affordable housing.	55

With intervention, Ivy City can be a mixed-income, diverse community; the District can be a leader in allowing growth without displacement; and, most importantly, the city can retain the rich diversity that so defines it.