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Authors:
Brandon James Yung, Grecia Elenes, Renee Roy Elias, and Julia Greenberg

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Cover photo source:
https://commons.wikimedia.org/wiki/File:Fresno_Skyline_(2).jpg
Introduction

Located in the heart of the agriculturally rich San Joaquin Valley, the City of Fresno has long pushed new growth and public investment outwards in the form of new suburban expansion. This growth pattern has spurred the disinvestment of predominantly communities of color closer to Fresno’s historic core. The result is a sprawling core with many liquor stores, few parks, and a severe concentration of poverty.

More recently, an increasing awareness around racial inequalities has coincided with a growing coalition of grassroots organizations, significant state investments from the Transformative Climate Communities Program, and a citywide Anti-Displacement Task Force that is drawing attention to these issues. Today, Downtown Fresno is at a crossroads. Now one of the hottest real estate markets in the country due to a pandemic-related mass exodus out of California’s larger metro areas,¹ questions have been raised about how best to ensure that regional growth creates benefits for the existing community while addressing continued displacement pressures.

Drawing from 10 interviews with Fresno community organizations and advocates, this case study uplifts local perspectives on neighborhood change in Downtown Fresno. Specifically, this case study investigates the last decade of investments in the Downtown Fresno area and how community advocates have engaged in public processes to balance new investment with community needs. By highlighting these community insights, this case study informs future coordinated anti-displacement and sustainability strategies serving the Fresno region.

¹ Fresno, CA (Credit: Anonymous)
I. A History of Racial Exclusion and its Echoes Today

Fresno’s downtown neighborhoods have been shaped by a history of racialized planning practices that date back to the city’s beginnings. The City of Fresno originally developed around a Southern Pacific Electric Railroad station in the late 1800s, when California saw a large influx of newcomers. The rail line functioned as a geographic barrier between homesteaders and land speculators, who populated the east side, and Chinese immigrants, who were confined to the west. Fulton Street in Downtown Fresno formed the backbone of the city’s primary commercial and financial district.

In the late 1950s to early 1960s, Urban Renewal projects in Downtown dramatically changed its physical and social landscape. In 1957, the California Department of Highways devised a plan to construct a freeway loop around Downtown, which was implemented in phases over decades. This resulted in the displacement of hundreds of residents from Downtown and surrounding neighborhoods while creating a physical boundary between Fresno’s outlying suburbs and its central core. As with other similar highway construction projects, this only cemented the strong distrust between the local communities of color and government agencies as homes were taken away and communities segregated. As part of ongoing Urban Renewal efforts, in 1964 part of Fulton Street was converted into one of the nation’s first pedestrian malls and was renamed Fulton Mall.² This massive renovation occurred in parallel with the continued removal of housing for new industrial parks in Downtown's west end (Figures 1 and 2).³

**Figure 1**: Map of Downtown Fresno, Fulton Street highlighted in orange
Despite these massive investments, Downtown Fresno entered a decades-long period of economic decline as white flight continued to Fresno’s outlying suburbs. In 2005, Fresno had the highest levels of concentrated poverty in the nation, due to the city’s high overall poverty rates as well as its acute patterns of segregation. The clusters of severe poverty around Southwest and Downtown Fresno sharply contrasted with the ample investment in the city’s north side.

Despite the lower cost of housing in Fresno relative to other large cities on California’s coast, housing insecurity is a major challenge in the city. Fresnans’ lower incomes mean that even modest rent increases can make them vulnerable to displacement (Table 1). Furthermore, a higher share of households living downtown are considered rent burdened compared to neighboring areas, a trend that is also driven by large disparities in median household income.
Table 1: Demographic and Socio-economic Characteristics of City and County of Fresno

<table>
<thead>
<tr>
<th></th>
<th>Fresno City</th>
<th>Fresno County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (2020)</td>
<td>542,107</td>
<td>1,008,654</td>
</tr>
<tr>
<td>Dominant racial/ethnic groups (2020)</td>
<td>50.5% Hispanic or Latino 24.0% Non-Hispanic White</td>
<td>53.6% Hispanic or Latino 27.0% Non-Hispanic White</td>
</tr>
<tr>
<td>Employment Rate (2019)</td>
<td>90.6%</td>
<td>91.3%</td>
</tr>
<tr>
<td>Median Household Income (2019)</td>
<td>$50,432</td>
<td>$53,969</td>
</tr>
<tr>
<td>% People in Poverty (2019)</td>
<td>25.2%</td>
<td>22.5%</td>
</tr>
</tbody>
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Source: 2020 Decennial Census; American Community Survey 2019 5-year

II. Community Engagement in Downtown’s Revitalization

During the past decade, Downtown Fresno has experienced a resurgence of new investments in housing, parks, and retail. However, decades of mistrust in government have made residents wary of new development. After an FBI and IRS investigation known as Operation Rezone revealed a bribery scheme between City of Fresno elected officials and developers in the mid-1990s, community advocates mobilized to improve local government’s accountability to its residents. For example, an organization called Leadership Counsel was established to ensure greater transparency and accountability in public policy decision-making. Leadership Counsel and other community advocacy organizations played a significant role in shaping Downtown Fresno planning efforts during the past decade.

Downtown Fresno’s revitalization was the centerpiece of former Fresno Mayor Ashley Swearingen’s (2009 - 2017) political platform. In 2009, the City of Fresno’s General Plan update process began as Mayor Swearingen assumed office, ushering in a new era of investment. Adopted in 2014, one of the General Plan’s (called the General Plan 2035) key goals was to “support a successful and competitive Downtown” by providing incentives for dense mixed-use infill development and prioritizing growth within Fresno’s central core. In response to community concerns around potential gentrification and displacement, subsequent planning efforts made anti-displacement efforts a more explicit part of the Downtown agenda.

Between 2010 and 2011, parallel community engagement processes for two plans — the Downtown Neighborhoods Community Plan (DNCP) and the Fulton Corridor Specific Plan — took place. The DNCP was intended to serve as an extension of the General Plan and included long-term goals for development in Downtown and its adjacent neighborhoods. Among the DNCP’s policies was the creation of an Anti-Displacement Task Force, tasked with recommending strategies to City Council to keep low-income residents and business owners in their neighborhoods. Meanwhile, the Fulton Corridor Specific Plan aligned with the goals of the General Plan and DNCP to propose new land use policies and implementation strategies for new streetscape improvements, infrastructure, parks as well as multi-modal transportation.
strategies in anticipation of a proposed high-speed rail station near the Fulton Street Corridor.

Between 2011 and 2015, final planning processes for the Fulton Corridor Specific Plan were put on hold to accommodate the adoption of the DNCP. Meanwhile, in 2015, public processes began for the city’s Housing Element, a supplement to the General Plan that identifies priorities for future affordable housing development in line with prior plans. Notably, the Housing Element outlined a strategy for convening the Anti-Displacement Task Force as recommended in the DNCP and also required the Task Force to produce an annual displacement report drawing upon rental and other housing data.

In 2016, the Fresno City Council adopted both the DNCP and the Fulton Corridor Specific Plan, and updated building codes to streamline approvals for mixed-use development. Overall, interviewees had mixed feelings about the community engagement processes for these plans. Some interviewees expressed frustration that by the time community outreach processes began, major planning decisions were already made. Sandra Celedon of BHC Fresno noted:

“[The DNCP had] a committee staffed with different representatives from community groups, but [there was] not a lot of direct community engagement. There was already a plan and direction in place so [the outreach process] felt superficial and tokenizing.”

Interviewees also noted that these meetings were often scheduled during work hours and were inaccessible to Fresno's large non-English speaking community, as materials were provided only in English. Furthermore, despite the recommendation for an Anti-Displacement Task Force in the DNCP and Housing Element, Grecia Elenes of Leadership Counsel noted that the DNCP and Fulton Street Corridor Plan did not outline enough specific anti-displacement strategies to retain residents and businesses in the face of new market-rate residential and commercial development.
However, other interviewees believed that community advocacy organizations’ substantial role in these planning efforts marked an important step forward in Fresno’s history of governance. These organizations, they explained, planted the seeds for a city-wide focus on anti-displacement, which gained traction in subsequent planning efforts.

In 2016, alongside the adoption of the DNCP and Fulton Street Corridor Plan, Fresno was one of three cities statewide selected by the California Strategic Growth Council (SGC) to pilot their Transformative Climate Communities (TCC) Program. As part of the pilot, residents and community leaders formed the Transformative Climate Communities Collaborative (later renamed to “Transform Fresno”) to identify priority investments that would produce both environmental and economic benefits.

Between 2017 and 2018, a community steering committee of more than 160 residents and businesses participated in a series of workshops that identified Southwest Fresno as a priority investment area. SGC initially proposed concentrating new investments within a one-mile radius of the future high speed rail station in Downtown Fresno. However, community leaders involved in the steering committee urged that the investment areas should include Southwest Fresno, a historically disinvested area west of Downtown Fresno. In response to community pressure, three more positions were also added to the TCC steering committee to increase representation from Chinatown, Downtown, and Southwest Fresno.

Advocacy organizations, including Leadership Counsel, helped spearhead an extensive engagement process which some interviewees said should be a model for community governance in the future. The product of the engagement process was a plan for projects such as affordable housing, energy efficient improvements to existing housing, parks and green space, electric vehicle and bicycle-sharing programs, and the construction of a Fresno City College satellite campus.25
In early 2018, SCG awarded Transform Fresno a $66.5 million grant to implement the priority projects identified through the community engagement process. A participatory budgeting process enabled community outreach participants to define how funds would be distributed across these projects.26

The grant also required the City of Fresno to develop a Displacement Avoidance Plan to mitigate the displacement of small businesses and low-income households as a result of new investment.27 Because of these TCC grant requirements and previous recommendations from the DNCP, the City of Fresno established an Anti-Displacement Task Force, which included many of the same participants from the DNCP planning process and Transform Fresno. Over the course of two years, the Task Force developed a citywide Displacement Avoidance Plan (2019)28 as well as community-informed policy recommendations as part of their “Here to Stay” report (2021).29

Elliott Balch of Central Valley Community Foundation noted that thousands of residents participated in all of these planning efforts over the course of a decade. During this time, community advocacy organizations and city agencies deepened their capacity to engage residents more fully in planning processes for the future of the city and their neighborhoods.30 Despite these initiatives, however, interviewees noted that more work is required to truly balance new investment with community benefit as speculative housing development and large public projects are built Downtown.

III. “Urban Living” Comes Downtown

Starting in the mid-2000s, new investments in parks, housing, transit, and streetscape improvements catalyzed the transformation of Downtown Fresno. Between 2007-2016, longtime Fresno real estate developer Granville Homes built over 600 luxury housing units in the Mural District, a neighborhood northwest of Downtown’s core known for its public art and murals.31 The $1.4 million Cultural Arts District Park opened in May 2016, followed by the reopening of the Fulton Street pedestrian mall to car traffic in 2017, with the goal of activating the area after decades of neglect.32 Fresno’s Q Line Bus Rapid Transit (BRT) — which spans 16 miles and added an additional 50 bus shelters across Downtown — opened in 2018.

These projects were completed within just a few years, all during former mayor Ashley Swearingen’s administration. According to Elliott Balch, current Chief Operating Officer of the Central Valley Community Foundation and former Downtown Revitalization Manager for the City of Fresno under Mayor Swearingen, the City pushed a strong pro-investment agenda Downtown33:

“There was a pro-investment mindset [after] looking at decades of disinvestment and a planning regime that since the seventies really was geared toward ushering investment away...[We pursued] plans that had a different outcome in mind. So we started in the oldest parts of the city.”
Sandra Celedon, President of Building Healthy Communities (BHC) Fresno, described the city’s investment paradigm as “the traditional gentrification hipster approach.” Some interviewees noted that Downtown’s revitalization has led to visible commercial displacement while others emphasized its economic benefits to small businesses. For example, Grecia Elenes of Leadership Counsel observed that during the construction phase of the Fulton Street project, reduced foot traffic contributed to the closure of numerous existing small businesses. Elliott Balch of Central Valley Community Foundation acknowledged these challenges during the construction phase while adding that small business-driven taxable sales have increased significantly since the completion of the Fulton Street Project.

Still, as other interviewees considered the future of Downtown Fresno, they expressed concerns about continued gentrification and its impacts on adjacent residential neighborhoods. According to Zillow, the cost of a typical home in Fresno increased 43 percent from $198,000 to $283,000 between 2015 and 2020. During this same time period, home values increased 23 percent from $450,000 to $555,000 in California. This has resulted in persistent inequities citywide, according to California State University- Fresno Sociology Professor Matthew Jendian:

“The segregation and income inequalities [in Fresno] are so large. When [rents go] up, it’s not just in a specific neighborhood, it’s...across the whole city.”

Fresno’s housing market has heated up even further during the coronavirus pandemic; since March 2020, rents in the city have risen 5.9 percent. Tania Pacheco-Werner, Co-Assistant Director of the Central Valley Health Policy Institute at Fresno State University, explained:

“[The rent increase] hasn't actually gone away in Fresno, unlike other metro areas that have experienced this mass exodus. We have this frenzied housing market right now where houses are being sold within days without much regard to the effect that is having on housing affordability in the region.”

Some interviewees said that strengthened tenant protections have been a silver lining of the pandemic. In March 2021, the City of Fresno received two rounds of $42 million in federal and state Emergency Rental Assistance Program (ERAP) grants. To date, the city has partnered with community-based organizations to distribute $9.8 million in rental assistance and $1.3 million in utility debt assistance. However, as of October 2021, the City of Fresno has only distributed approximately 26% of these funds, and more than 12,000 applicants are still awaiting review.

In addition to concerns about the backlog of applications, the city faces continued challenges in connecting tenants with services and supporting grant-receiving organizations that are overwhelmed with requests. As noted by Patience Milrod, Executive Director of Central California Legal Services:

“Right now, with COVID there’s been some political will to put money into rental assistance [but there are] thirty different things a tenant has to do in order to protect their rights to stay in their place. It’s very complicated and way beyond the capacity of most tenants... What we hear anecdotally is, ‘well, I called and called and called, and I made a request...”
Because of the pandemic’s immediate threat to the economy and public health, Fresno has shifted its anti-displacement efforts towards preventing evictions in the short term. However, Fresno’s housing market shows no signs of cooling down, and the challenge of keeping people in their homes will persist far beyond the current crisis.

V. Looking Forward

As interviewees reflected upon future policy solutions to support coordinated sustainability and anti-displacement goals, housing was front of mind. Interviewees noted the need for more incentives for affordable housing development and policies to support long-term affordability.

According to the California Housing Partnership Corporation, Fresno currently needs an additional 41,000 subsidized affordable rental units to meet current demand. However, affordable housing is very expensive to build in Fresno. While construction costs in Fresno approach those in coastal California regions, rents are significantly lower. According to Elliott Balch of the Central Valley Community Foundation, this “upside-down” financing landscape makes constructing affordable housing even more difficult, leading to a “chronic blockage in our pipeline of affordable housing projects.”

An additional challenge is the lack of policies and programs that support housing production. Following state requirements, the City of Fresno provides a density bonus of 20% to developers if 5% of units in a new housing development are “affordable to very low-income households.” However, due to a lack of consensus among city council members, the Fresno General Plan failed to include an inclusionary zoning provision to require affordable housing. Furthermore, citywide affordable housing policies cannot add an inclusionary zoning provision until the General Plan is updated.

According to Matthew Jendian of California State University-Fresno, inclusionary zoning is essential to move the needle on housing stability in Fresno:

“We have not seen movement forward in policies like inclusionary zoning which I’ve advocate[d] for over 25 years. Moving forward [we need] to reduce displacement and be a more inclusive place that takes into consideration race and class.”

Interviewees also highlighted the need to expand opportunities for homeownership. For example, employees of Lowell Community Development Corporation (CDC), an affordable housing developer, noted that their programs have helped to address involuntary displacement and support wealth accumulation among low-income Fresno residents.

As the momentum behind city-wide anti-displacement efforts grows, interviewees expressed optimism about an emerging culture of civic engagement in Fresno. According to Sandra Celedon of BHC Fresno,

“The challenge is we are always outnumbered by money and power. That is beginning to
change. There is a young population in our community that I’m hopeful is starting to see and understand our history.”

Through a growing network of organizations and civically active individuals, a diverse coalition of community-based perspectives is beginning to shape the city’s decision-making process. Whether through legal challenges like the one that established Measure P, or through collaborations with the city like the creation of the displacement taskforce, this coalition is making tangible progress towards equity in a city with deep roots in inequality and racial discrimination.
Endnotes


3 Ibid.


8 City of Fresno, Downtown Displacement Report - Draft. 2019. See page 18


10 Arax and Gladstone.

11 Per California law, which requires cities and counties to adopt a General Plan every 10-15 years to reflect evolving economic conditions and community needs. https://opr.ca.gov/planning/general-plan/


14 Ibid.

15 The Downtown Fresno high-speed rail station is part of a statewide high-speed rail project that will connect San Francisco to Los Angeles in under three hours by way of the Central Valley. In 2018, the City of Fresno and the California High-Speed Rail Authority released a Station District Master Plan, which outlines additional design guidelines for the area surrounding the future station. The groundbreaking took place in 2015. The station is expected to be completed in 2029. https://hsr.ca.gov/high-speed-rail-in-california/station-communities/fresno/


17 City of Fresno; City of Fresno, “Downtown Neighborhoods Community Plan.”

18 A Housing Element is a required component of General Plans which identifies strategies to meet current and future housing needs. https://www.hcd.ca.gov/community-development/housing-element/index.shtml


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47 City of Fresno, “Fresno County’s Housing Emergency and Proposed Solutions,” April 2018, https://1p08d91kd-
48  Fresno Housing Authority

49  Elliot Balch, Interview with Elliott Balch, Central Valley Community Foundation, 2021.


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