

Preventing Residential Displacement

Transit zones house more low income and renting families than average.

Today's transit zones, defined as the half-mile radius around transit stations, are more racially and economically diverse than the average neighborhood. In fact, 86% of transit zones are either more economically diverse or more racially diverse than the average census tract. This is true for both urban as well as suburban transit zones.

As transit zones are redeveloped or receive new investments, real estate values increase and drive up the cost of buying and renting property. Long-time residents that cannot afford the new high rents are often forced to move to lower-cost areas, locating farther from the public transit that they depend on to reach jobs, schools and other critical destinations. Ironically, the very people who are most likely to utilize transit and need the investments coming to transit zones, are pushed out, and the economic and racial diversity of the neighborhoods is reduced.

New development in transit zones need to be accompanied by policies to prevent resident displacement and ensure that people of all income levels can share in the beautified streets, convenient shopping, nearby parks, and all the resulting benefits of the new investments.

How to prevent displacement through a station area plan process:

Attracting new development while preventing displacement is always a balancing act. Communities and cities are most successful at preventing gentrification by taking steps before the planning process begins. In addition to national and state-level policies aimed at supporting affordable housing, local communities have the following tools at their disposal.

ENSURE NO AFFORDABLE HOUSING IS LOST BY:

- Adopting a “no net loss” policy for homes (see example on the backside of this handout);
- Replacing all affordable housing units that are lost to the new development in the transit zone (called a “housing replacement ordinance”); or
- Keeping a portion of the new condos affordable to current tenants when multi-family rental buildings are converted to for-sale condominiums (called a “condo conversion ordinance”).



The Beelers were able to stay in their community by moving into affordable townhomes, reducing day to day home maintenance and maintaining their community of family and friends.

ENSURE CURRENT RESIDENTS CAN STAY BY:

- Giving local, long-term residents priority over outside applicants in new transit zone housing developments or when their units are converted to condos; or
- Providing locals with living wage jobs and contracts associated with the new development by giving them preference in hiring or contracting or developing workforce training programs for locals so they will be competitive applicants.

REDUCE THE RATE AT WHICH RENTS RISE BY:

- Adopting a “speculation tax” which discourages outside investors from buying up property just to fix it up and turn around and sell it to make a quick profit, thus reducing demand for housing and slowing the pace of inflation.

REDIRECT THE RISE IN PROPERTY VALUES INTO AFFORDABLE HOUSING PROGRAMS BY:

- Charging new businesses that benefit from having employees housed nearby and from new amenities a “linkage fee” that would fund affordable housing programs;

- Requiring that all businesses that locate in the newly developed transit zone and receive money from the government, share a fixed portion of their revenues for affordable housing; or
- Requiring that any increase in property tax revenue that occurs because of the new development be directed toward affordable housing programs (also called “tax increment financing”).

DEVELOP NEW AFFORDABLE HOUSING BY:

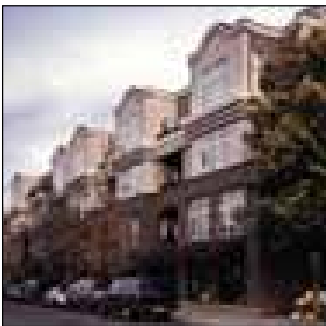
- Passing an inclusionary housing ordinance;
- Setting aside government-owned land for affordable housing;
- Zoning and planning station areas for mixed-use and mixed-income housing; or
- Tapping into the numerous affordable housing funds at the local, state and federal level. (For details on these and more, see the Housing Equity piece in the toolkit.)

Resident Power

The strongest antidote to resident displacement is resident power. Residents that have banded together to fight for their rights to remain in a transit zone receiving investment are much more likely to win policies and programs that prevent displacement than neighbors that don’t work together. Land-use planning and development decisions are political ones and, as residents, you have the power to hold your publicly elected officials accountable for responsible decision-making. See the example below of the Fifth Avenue Committee’s success in preventing resident displacement through community organizing.

PORTLAND’S 2001 “NO NET LOSS” POLICY established a baseline inventory of affordable housing and is using multiple strategies to ensure that, through either preservation or replacement, the central city experiences no net loss of affordable housing.

THE FIFTH AVENUE COMMITTEE (FAC) OF SOUTH BROOKLYN organizes local residents to create affordable housing, fight for improved wages, build residents’ work skills, invest in local businesses and prevent unfair evictions. All of their efforts are geared toward preventing displacement and preserving cultural diversity, while improving the quality of life of everyone. Since 1978, they have built or renovated 600 units of affordable housing for low and moderate-income residents.



Checklist to Prevent Resident and Local Business Displacement:

- Will new plans or projects result in a loss of existing affordable units? If so, how will the city replace those units?
- What measures are being put in place to assist current residents to afford the rising rents?
- Do local residents have a say in what the development will include and look like?
- Which sites within the transit zone are eligible for affordable housing development? If there are publicly owned sites, are there efforts to dedicate them for housing?