

# Revitalization

## Without Displacement

## A LIVABILITY FACT SHEET

As communities throughout the United States are redeveloped to become more walkable and livable, the efforts risk displacing an area's current, often longtime residents and businesses.

Displacement is of particular concern in places that have suffered years of disinvestment. Mixed-use revitalization — and its potential to restore health and prosperity to a community — also carries with it the potential to increase property values and, therefore, real estate prices. While many in the community will profit from the improvements and rising values, others may not.

The Centers for Disease Control and Prevention explains that “displacement happens when longtime or original neighborhood residents move from a gentrified area because of higher rents, mortgages and property taxes.” The community health risks due to this type of displacement are so significant that the agency offers strategies for mitigating

the potential impact of gentrification, which “is often defined as the transformation of neighborhoods from low value to high value.”<sup>1</sup>

It behooves all redeveloping communities to ensure that revitalization increases community health and stability by providing such features as affordable housing, robust transit services and access to transit, as well as a range of needed services and shops within walking and bicycling distance. It's important that improvements come without displacement,<sup>2</sup> especially of lower-income and older residents and families.

The AARP Public Policy Institute underscores the mobility impact to older residents who are displaced into areas that are not as livable or walkable: “In areas far from transit, areas with few community features and services nearby and areas with poor transit service, losing mobility can mean losing independence.”<sup>3</sup>

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In Macon, Ga., a revitalization effort has been underway for several years. Community leaders are seeking to reduce the risk of displacement by developing mixed-income housing, promoting neighborhood stabilization policies, restoring an historic park, building sidewalks and improving transportation connections.

# Myth-Busting!

## ■ “Mixed-use revitalization displaces longtime, lower-income or older residents.”

Displacement due to revitalization (one potential impact of gentrification) is a concern. However, some studies suggest that positive socioeconomic and racial diversity is an enduring feature of gentrifying neighborhoods.<sup>4</sup>

Long-time residents can benefit when their housing options are preserved and the community improves.<sup>5</sup> Ensuring a mix of housing helps make that happen. It’s recommended that longtime residents be supported in their efforts to stay in the neighborhood and in their homes and that the wealth created by gentrification also be used for the benefit of lower-income residents.<sup>6</sup>

In some places, revitalization may actually make the community more supportive of all residents. Since the mix of housing options provided in livable neighborhoods is supportive of people with differing housing needs (be the needs specific to a home’s size, cost, amenities, etc.), more residents are able to remain in a neighborhood even if their income, health or housing requirements change.<sup>7</sup>

## ■ “Better housing and jobs prevent displacement, not walkability.”

Housing and jobs are indeed critical factors. But very low income American families spend 55 percent of their household budget on transportation costs, and the average household spends more than \$8,000 a year on automobile costs.<sup>8</sup> Revitalized places made walkable and accessible to transit can reduce these expenses, which makes the community more supportive of all people.<sup>9</sup>

## ■ “Rent controls are the single best solution.”

Studies indicate that over time, rent controls increase disparities and don’t provide a long-term solution to affordable housing.<sup>10</sup>

According to the AARP Policy Book, “although rent control does not effectively solve the affordable housing problem in many parts of the country, it may be desirable for states and localities to retain existing rent control ordinances for a limited time in areas with severe housing shortages or where development pressures result in the significant loss of affordable units.”



Affordable housing can be integrated into a compact, mixed-use development, such as in the 50-unit Tower Apartments in suburban Rohnert Park, Calif. Built in 1993, this urban design development has raised the community’s opinion of affordable housing. The style reflects the older architecture in the area.

1. Centers for Disease Control and Prevention. “Health Effects of Gentrification.” Retrieved February 2014, <http://www.cdc.gov/healthyplaces/healthtopics/gentrification.htm>
2. PolicyLink. “The Equitable Development Toolkit.” Retrieved February 2014, <http://bit.ly/1tJE3RX>
3. AARP Public Policy Institute. (September 2009) *Preserving Affordability and Access in Livable Communities: Subsidized Housing Opportunities Near Transit and the 50+ Population*. <http://www.aarp.org/content/dam/aarp/livable-communities/learn/housing/preserving-affordability-and-access-in-livable-communities-2009-aarp.pdf>
4. Testimony of Lance Freeman, Associate Professor at the Columbia University Graduate School of Architecture, Planning and Preservation, to the National Commission on Fair Housing and Equal Opportunity. (2008) [http://www.pprac.org/projects/fair\\_housing\\_commission/atlanta/freeman.pdf](http://www.pprac.org/projects/fair_housing_commission/atlanta/freeman.pdf)
5. Daniel Hartley. “Gentrification and Financial Health,” Federal Reserve Bank of Cleveland. Retrieved March 2014, <http://www.clevelandfed.org/research/trends/2013/1113/01regeco.cfm>
6. Testimony of Lance Freeman, Associate Professor at the Columbia University Graduate School of Architecture, Planning and Preservation, to the National Commission on Fair Housing and Equal Opportunity. (2008) [http://www.pprac.org/projects/fair\\_housing\\_commission/atlanta/freeman.pdf](http://www.pprac.org/projects/fair_housing_commission/atlanta/freeman.pdf)
7. Smart Growth America. *Housing*. Retrieved Feb. 24, 2014, <http://www.smartgrowthamerica.org/issues/housing/>

# How To Get It Right

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## Mixed-use revitalization without displacement is best achieved when a municipality plans for and financially supports affordable housing for all income levels in the community.

*The following strategies come from guidance documents produced by the U.S. Centers for Disease Control and Prevention, PolicyLink and the AARP Public Policy Institute.*

### ■ Preserve, promote and support housing that is affordable for people of all income levels

Subsidized housing that currently exists, particularly in areas near transit, should be preserved.<sup>11</sup> In addition, communities can develop housing, increase other funding for affordable housing and establish warning systems for properties with expiring federal subsidies so resources can be allocated to protect the housing.

States can administer housing trust funds and development banks for low-income housing services (such as repair, rehabilitation, rental assistance and the construction of affordable housing).<sup>12</sup> These funds should promote housing options in livable communities, including locations near transit options. In addition, new or renovated housing should include universal design features so residences can be broadly accessible, including to older adults and individuals with disabilities.

### ■ Develop mixed-income communities and adopt inclusionary zoning

Mixed-income neighborhoods or developments can be mixed-use and include single-family and multi-family units.<sup>13</sup> Such development is often supported by inclusionary zoning.

According to PolicyLink, “most inclusionary zoning programs require external comparability between affordable and market-rate units so that lower-income families can purchase homes indistinguishable from the rest of the development. This has helped eliminate the harmful stigma that is so often attached to affordable housing.”

Mandatory inclusionary zoning requires developers to build affordable units, usually in exchange for increased development rights or subsidies. Voluntary inclusionary zoning may provide an incentive to developers. However, PolicyLink does warn: “While voluntary programs receive less opposition from developers, mandatory policies have produced far more affordable units.”

### ■ Increase individuals’ assets to reduce dependence on subsidized housing

Create home-ownership programs and prioritize job-creation strategies through community development corporations and resident-owned financial institutions that help low-income people build assets. Support local hiring and livable-wage provisions.<sup>14</sup>

### ■ Encourage employer-assisted housing

In these housing programs an employee purchases a residence with some financial assistance from his or her employer. Such programs often help first-time home buyers, and home ownership has the added benefit of enabling people to build both equity and financial assets.

Employer-assisted housing is especially helpful to working families by enabling them to secure affordable housing near the workplace. Employers benefit by retaining qualified workers, improving community relations and helping to revitalize neighborhoods.

### ■ Explore strategies geared toward ensuring that communities revitalize without displacement

- Integrate housing, transportation and land-use planning
- Adopt local and regional zoning practices (such as form-based code) that encourage compact, mixed-income, mixed-use development
- Design “Complete Streets” that accommodate drivers as well as pedestrians, bicyclists and transit users of all ages and abilities
- Reduce parking requirements
- Conduct studies and health impact assessments to ensure that new developments benefit existing residents
- Minimize tax burdens on older lower-income property owners as well as on renters (renters pay property taxes indirectly)
- Engage community members in the development processes

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8. Livable Streets Alliance. “Facts and Stats.” Retrieved February 24, 2014, from <http://www.livablestreets.info/facts-and-stats>

9. AARP. *The Policy Book: AARP Public Policies 2013-2014*. <http://policybook.aarp.org/>

10. Ibid

11. PolicyLink. “The Equitable Development Toolkit” Retrieved February 2014, <http://bit.ly/1tJE3RX>

# Success Stories

## ■ Macon, Georgia: Tattnall Place

This 97-unit, mixed-income development opened in March 2006. Financed with tax credit equity, HOPE VI funds and a grant from the city of Macon, it is the centerpiece of the Beall's Hill redevelopment.

Sixty-five units are for households at or below 60 percent of the area median income. Floor plans include two- and three-story units with large front porches. Community amenities include a swimming pool and a computer center.

The project won the 2006 Magnolia Award for Superior Design. Local leaders have preserved housing and re-activated a public park in the area.



Preserved housing in Tattnall Place, Macon, Ga., is part of a mixed-income redevelopment project.

## ■ Denver, Colorado: Inclusionary Zoning

To address a growing affordable-housing crisis as real-estate values grew faster than incomes, Denver adopted an inclusionary housing ordinance in 2002.

Developments of more than 30 for-sale units must set aside 10 percent as affordable for households earning 50 to 95 percent of the area's median income, depending on household size. Offsets to make the set-asides feasible to developers include a 10 percent density bonus, a \$5,600

subsidy per unit for up to 50 units, parking requirement reductions and expedited permits. A total of 3,395 affordable homes were built within three years of the policy's inception.

## ■ Portland, Oregon: New Columbia

New Columbia is a diverse 82-acre neighborhood built on the site of what had been World War II-era worker barracks and then public housing. Completed in 2007 with HOPE VI and other funds, New Columbia is a walkable community with front porches, two community gardens, a Main Street and "Village Market," several parks and public spaces, a public elementary school, a Boys & Girls Club and a recreation center.

The development contains 854 housing units, including 622 rental homes and 232 resident-owned homes. Of the rentals, 297 units have a public housing operating subsidy, 73 units have a project-based Section 8 subsidy, 66 units are for seniors and 186 additional units are for households earning less than 60 percent of the area median family income. Of the resident-owned properties, 128 were sold at market rate, 98 were developed by non-profit builders such as Habitat for Humanity and eight were developed using a cohousing model.

## RESOURCES

1. **Equitable Development Toolkit.** PolicyLink. [http://www.policylink.org/site/c.lkIXLbMNJrE/b.5136575/k.39A1/Equitable\\_Development\\_Toolkit.htm](http://www.policylink.org/site/c.lkIXLbMNJrE/b.5136575/k.39A1/Equitable_Development_Toolkit.htm)
2. **Mixed-Income Housing Near Transit: Increasing Affordability With Location Efficiency.** Center for Transit-Oriented Development. <http://www.reconnectingamerica.org/resource-center/books-and-reports/2009/tod-201-mixed-income-housing-near-transit-increasing-affordability-with-location-efficiency/>
3. **Preserving Affordability and Access in Livable Communities: Subsidized Housing Opportunities Near Transit and the 50+ Population.** AARP. <http://www.aarp.org/home-garden/housing/info-09-2009/2009-15.html>
4. **Mixed-Income Housing: Myth and Fact.** Urban Land Institute. [http://thejcr.org/jcra\\_files/File/resources/mixed%20income%20housing.pdf](http://thejcr.org/jcra_files/File/resources/mixed%20income%20housing.pdf)
5. **The Policy Book: AARP Public Policies 2013-2014.** Chapter 9. AARP Livable Communities. <http://policybook.aarp.org/>

12. AARP. The Policy Book: AARP Public Policies 2013-2014. <http://policybook.aarp.org/>

13. AARP. The Policy Book: AARP Public Policies 2013-2014. <http://policybook.aarp.org/>

14. Centers for Disease Control and Prevention. "Health Effects of Gentrification." Retrieved February 2014, <http://www.cdc.gov/healthyplaces/healthtopics/gentrification.htm>

15. PolicyLink. "The Equitable Development Toolkit." Retrieved February 2014, <http://bit.ly/1tJE3RXIbid>



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