IN THE FACE OF GENTRIFICATION:
Case Studies of Local Efforts to Mitigate Displacement

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Concern, and anger, over gentrification has grown in communities across the country as housing rental and sales prices have soared. Housing markets strengthened during the 1990s along with the national economy, and have remained strong even while the economy began to slow down in the spring of 2000, one of the few sectors to do so. Decreases in affordable housing units have accompanied the higher prices in many places, and there are numerous reports of resident displacement from neighborhoods long ignored that now attract higher-income households.

Increased housing prices themselves are not a problem per se. It is when costs increase in predominantly lower-income neighborhoods where residents’ incomes do not keep pace that displacement can occur. As housing prices increase, lower-income households are at risk of being pushed out or prevented from moving into certain geographic areas because of the prohibitive costs and limited household earnings. It is this geographic component, along with restricted economic opportunities, that makes gentrification-related displacement a problem.

Balancing the revitalization of neighborhoods while reducing the risk of displacement of low-income families poses a challenge for city officials and housing practitioners. In this study, we present strategies used by nonprofit organizations, for-profit developers, and city agencies to ensure low- to-moderate-income residents can live in revitalizing and gentrifying neighborhoods. We present strategies used in the following neighborhoods in 2003:

- Bartlett Park (St. Petersburg, Florida),
- Oak Park (Sacramento, California),
- Reynoldstown (Atlanta, Georgia),
- Figueroa Corridor (Los Angeles, California),
- Central Area (Seattle, Washington), and
- Uptown (Chicago, Illinois).

The types of strategies used to prevent displacement are influenced by a number of factors, including intensity of the housing market, local political climate and local organizational capacity. Through the case studies, we consider the impact of timing on strategy selection and implementation to untangle whether certain approaches work better in different housing-market contexts.

**Gentrification and Revitalization**

For the purposes of this study, we define gentrification as the process whereby higher-income households move into low-income neighborhoods, escalating the area’s property values to the point that displacement occurs. In addition to changes in economic class, gentrification often involves a change in a neighborhood’s
racial and ethnic composition, which can further alter an area’s characteristics, potentially leading to community tension.

Gentrification also involves investment in previously neglected neighborhoods. Those entities seeking to minimize displacement associated with gentrification face the challenge of encouraging neighborhood investment without negatively affecting residents who have weathered years of neighborhood disinvestment.

We characterize the neighborhoods in this study as being in an early, middle, or later stage of gentrification in order to examine the usefulness of strategies within the context of the local housing market, and to acknowledge the balance needed between encouraging revitalization and managing gentrification. Though there are no exact thresholds for identifying different stages of gentrification, the concept of stage is important in regard to housing strategy selection and success. Neighborhoods showing signs of revitalization with the possibility of future gentrification—evidence of housing improvements and increased housing prices in an area proximate to other gentrifying neighborhoods—are characterized as the early stage. Mid-stage neighborhoods are those in which prices have risen sharply, yet affordable housing remains available along with some developable land parcels. Communities at the later stage of gentrification are those where the housing prices have skyrocketed, there is little affordable housing or few developable parcels, and the demand for profitable, market-rate housing overshadows the needs of lower-income households.

The Need for Affordable Housing

Though it is difficult to find data on displacement, evidence of changes in the housing market and the effect on households is strong. Inflation-adjusted home prices rose faster in 2001 than any time since the late 1970s, and 2002 almost matched that pace (Joint Center for Housing Studies 2003). Roughly 40 percent of the nation’s renter households spend 30 percent or more of their income on housing, while 20 percent spend at least half their income on housing. The picture is especially dire for low-income households: almost half (46 percent) spent 50 percent or more on their housing in 2001 (Joint Center for Housing Studies 2002).
Defining Gentrification

There is no agreed-upon definition of gentrification, although the aspect of higher-income households moving into lower-income neighborhoods is included in most versions. Urban geographer Ruth Glass first coined the term *gentrification* to describe London neighborhoods in the 1960s. She defined it as the process of middle- and upper-class households moving into distressed working-class neighborhoods, upgrading the derelict housing stock, and eventually displacing the working-class residents, thereby changing the social character of the neighborhood (Glass 1964).

Contemporary definitions reflect Glass’s description of class change. For instance, some observers describe gentrification as the rehabilitation of working-class or derelict housing into housing for middle-class residents, or as the process of higher-income households moving into neighborhoods that have suffered from systematic outmigration, disinvestment, or neglect (Atkinson 2002, Wyly and Hammel 1999). Gentrification also has been described as the middle- and upper-class remake of the central city—not just a residential phenomenon, but one that affects commercial and retail areas as well (Smith 1996). Other observers include a racial component in their definition of gentrification—new, higher-income residents are white and the incumbent, lower-income residents are racial or ethnic minorities. This change can lead to tensions along racial or ethnic lines in the gentrified neighborhood (Kennedy and Leonard 2001).

Not all definitions of gentrification include the displacement of the incumbent, lower-income residents. Some observers argue that displacement is not a necessary outcome of gentrification if original residents cannot afford to move elsewhere or are attached to the neighborhood, or if higher-income households are able to occupy vacant properties or move into newly constructed developments (Vigdor 2002).

Freeman and Braconi (2002) define different types of displacement that can occur due to gentrification. “Direct displacement” occurs when a demographic or ethnic group succeeds another due specifically to a process or program. Direct displacement was typical in the federal urban renewal programs during the 1950s and 1960s. “Secondary displacement” is the type of displacement most often of concern today: low-income households relocate due to new development or gentrification in their neighborhood once they can no longer afford to remain due to higher rents, appreciated taxes, tenant harassment, or the withholding of services. Others refer to secondary displacement as “involuntary displacement” because low-income households prefer to stay but cannot afford to (Kennedy and Leonard 2001). Marcuse (1986) describes a third type of displacement, “exclusionary displacement,” where changes in a gentrified neighborhood prevent future low-income households from locating there.

Rising housing costs increase the pressure on existing affordable housing stock. Newly constructed housing in strong markets tends to target relatively higher-income households as the size and amenities of new homes increase. The conversion of rental properties into condominiums also increases the supply of upper-end housing.
at the expense of potentially more affordable rental units. Compounding the affordable housing problem for very low income families is the increasing role of the private market in federally subsidized housing. Under the federal HOPE VI program, the number of public housing units has decreased, placing more low-income households into the subsidized and private market, thereby increasing demand for lower cost units. Another factor is the loss of Section 8 housing as term requirements expire and development owners opt out of the program.

Altogether, these factors (and doubtless others) have led to an increased need for affordable housing units. The number of such units has declined over the past 30 years from a surplus of 4 million units in 1973 to nearly 3 million in 1983 (National Housing Task Force 1988). The Millennial Housing Commission reported that housing affordable to households with low to moderate incomes continued to disappear between 1985 and 1999 “at an alarming pace” (Millennial Housing Commission 2002).

Income stagnation among poorer households complicates the dwindling number of affordable housing units. The lowest 20 percent of the nation’s households have experienced virtually no economic gain since 1975; any slight gains have been negated during economic downturns (Joint Center for Housing Studies 2002). Evidence of the financial difficulties faced by lower-income households is that the national median housing wage is $13.87—a wage earner would need to earn this wage to afford rent on a two-bedroom unit. This wage level is more than twice the federal minimum wage (FMR) of $5.15 an hour. On average, there must be more than two full-time, minimum-wage workers in a household to afford a two-bedroom home at the FMR (National Low-Income Housing Coalition 2002).

Low- and moderate-income households face a number of challenges threatening their housing options: robust housing markets, stagnating wages, and the gentrification of their neighborhoods. This report highlights strategies used to help low-income families weather these challenges and remain in their neighborhoods.

**Study Methodology and Housing Strategies**

**Methodology**

We selected the six neighborhoods for this study based on analysis of Home Mortgage Disclosure Act (HMDA) data, U.S. Census data, and telephone interviews with local stakeholders. HMDA and Census data provided information on city-level change as indicated by the number of home sales, loan amounts, and demographic changes. We focused on cities that surpassed the national average in home mortgage
indicators (see Table 1 for the home mortgage indicators for the six selected cities). Through telephone interviews with stakeholders, we confirmed whether gentrification was occurring in the city, in which neighborhoods, and how far along it had progressed. We also asked about the types of displacement-mitigation strategies being implemented and their success, and the political and organizational climate of the city in regards to affordable housing efforts. The telephone conversations helped us select specific neighborhoods based upon the following criteria: whether the neighborhood was experiencing some level of gentrification, whether any type of affordable housing or asset building strategies were in effect, and how successful those strategies were perceived to be. (See appendix 1 for an expanded discussion of the site selection methodology.)

Table 1: Home Mortgage Indicators for Case Study Cities

<table>
<thead>
<tr>
<th>Selected Cities</th>
<th>% change in real median mortgage loan</th>
<th>% change in housing originations per 1,000 units</th>
<th>% change in median income of buyer</th>
<th>Difference in share of loans to whites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, GA</td>
<td>19.4</td>
<td>45.9</td>
<td>11.5</td>
<td>-0.3</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>26.8</td>
<td>30.4</td>
<td>19.9</td>
<td>4.2</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>15.2</td>
<td>50.4</td>
<td>19.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Sacramento, CA</td>
<td>15.4</td>
<td>128.4</td>
<td>16.0</td>
<td>-3.6</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>33.2</td>
<td>39.4</td>
<td>24.3</td>
<td>0.0</td>
</tr>
<tr>
<td>St. Petersburg, FL</td>
<td>20.9</td>
<td>37.0</td>
<td>7.2</td>
<td>-1.3</td>
</tr>
<tr>
<td>National average</td>
<td><strong>14.2</strong></td>
<td><strong>28.9</strong></td>
<td><strong>10.3</strong></td>
<td><strong>-2.8</strong></td>
</tr>
</tbody>
</table>

Sources: 1996 and 2001 Home Mortgage Disclosure Act (HMDA) data.
During visits to the selected neighborhoods in the spring and summer of 2003, we interviewed a variety of stakeholders who were involved in and affected by the strategy implementation. Each city applies a variety of strategies to provide affordable housing and address neighborhood change. However, we selected the strategies for this report based upon those prioritized by respondents and our sense of what might prove most useful for other practitioners. Respondents included staff in city departments who create or implement affordable housing programs, nonprofit and for-profit developers who build or rehab affordable housing, nonprofit organizations that advocate for affordable housing, elected city officials who represent the targeted neighborhood, and local business owners.

**Housing Strategies**

Throughout this report, we refer to affordable housing strategies. We group strategies into three categories: housing production, housing retention, and asset building. (See *Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Neighborhood* for a full explanation of strategies that fall into each of the three categories.)

**Strategies to Produce Affordable Housing**

Municipalities, nonprofit organizations, and for-profit developers can mitigate displacement of low- and moderate-income households by building new affordable units. Three tools or strategies encourage the development of affordable housing—Housing Trust Funds, inclusionary zoning ordinances, and the federal Low-Income Housing Tax Credit. Additionally, a split-rate tax structure and tax-increment financing can support housing production, although their primary functions are not the development of affordable housing per se.

Developing affordable housing has its challenges. First, there must be available space or land in gentrifying areas. Neighborhoods seemingly without space need to use creative tactics to free up land for development, such as altering zoning regulations or converting vacant properties into developable parcels. Another challenge is that new developments often leave out very low income households. Homeownership is not feasible for the very poor due to financial insecurity or poor credit ratings, and many unsubsidized rental developments target slightly higher income groups so that the projects will be financially feasible.

Another challenge is attracting affordable development after the cost of land increases. The conundrum of many of the strategies described in this report is that it often takes foresight and political will to create incentives or pass regulations to build affordable housing before the need becomes pressing and costs soar. Once a
housing market accelerates and the need for affordable housing becomes more apparent, production becomes more difficult due to the higher housing costs and more profitable development alternatives.

A final challenge for the development of affordable rental or homeownership units is the term of affordability. Most units built for low- and moderate-income households are required to remain affordable only for a set period of time. Once affordability requirements sunset on a project, the need for additional affordable housing will return.

It should be noted that producing affordable housing in gentrifying areas will not necessarily permit low-income households to remain in their current units. What housing development can do, however, is provide affordable alternatives to involuntarily displaced households, potentially even within the same neighborhood, by building affordable housing stock for current and future low- and moderate-income residents.

**Strategies to Retain Affordable Housing**

Strategies to retain affordable housing help maintain existing affordable units, thereby preventing resident displacement and ensuring the future availability of such housing. Retention strategies target private-market and publicly subsidized rental housing, as well as privately owned housing. The strategies include code enforcement; rent control; preservation of federally subsidized affordable housing, such as Section 236 and project-based Section 8; and tax relief and assistance. The diverse strategies share a number of implementation concerns. Effective community organizing is necessary across the strategies. Whether they involve the enforcement of existing laws or lobbying property owners or government officials, most of the retention strategies will not succeed in reducing displacement if the people affected by the possible housing loss are not organized and motivated to act on their own behalf.

The strategies also involve city, state, or federal regulations in some way. Where laws related to the strategies already exist, the focus of action will be on implementation. Where the laws do not exist, efforts might focus on lobbying legislators on the need for supportive laws. Either way, the retention strategies require knowledge of related laws and of how the laws tend to be implemented locally. For this reason, it is helpful for tenant groups and community-based organizations to work together closely.

**Strategies to Build Resident Assets**

Asset-building strategies aim to help low-income individuals accumulate wealth. These strategies have increased in popularity due to the strength of the housing and financial markets, in addition to changes in welfare policy that have allowed for increased asset limits. Previously,
welfare policy required aid recipients to spend down any financial resources in order to qualify for welfare (Sherraden 1991). Policymakers from across the political spectrum have shown support for asset-building programs because they are designed to aid low- and moderate-income individuals move to economic self-sufficiency (Weber and Smith 2001).

There are six primary asset-building strategies: individual development accounts (IDAs), homeownership education and counseling, limited equity housing co-ops (LEHCs), community land trusts (CLTs), location efficient mortgages (LEMs), and the Section 8 homeownership program. Although the strategies differ in program implementation and structure, they all seek to increase the assets of low-income households that are vulnerable to neighborhood economic cycles. The strategies focus both on place (affordable housing and land use) and people (job training and postsecondary education), and thus have the potential to increase resident stability and to promote equitable development in gentrifying communities. The majority of these programs require coordination among many key players such as nonprofits, community members, participants, financial institutions, and government agencies.

Findings

There are a number of strategy-based findings that we draw from the case studies. Though the sites differ from one another in many ways, together they suggest lessons that can inform most efforts to mitigate gentrification-related displacement.

Housing production. Each site, regardless of housing market strength, engaged in the production of affordable housing units. The particular strategy, or the way in which a strategy is implemented, differs from site to site, but as a category of strategies, production appears to be key. This is due in part to the challenges of retaining affordable housing, such as acquiring properties that are occupied or extending participation in subsidy programs, such as Section 8. It is also related to the need to increase the number of affordable units (or at least maintain parity). Timing affects implementation in terms of land availability, and land and development costs. The stronger the housing market, the more constrained options will be and more likely that mixed financing will be necessary to complete new housing.

Housing retention. Strategies to retain existing affordable housing stock were also implemented in most of the study sites. Efforts usually target individual properties of incumbent residents in neighborhoods with weaker housing markets so that their homes do not fall into disrepair. In stronger
markets, retention strategies can shift to a focus on purchasing larger affordable properties, such as property-based Section 8 buildings, to prevent owners from converting housing to market-rate stock.

**Asset building.** Efforts to increase the assets of low-income households play a complementary role to other strategies, but in themselves the strategies are unlikely to have a neighborhood-level impact on displacement mitigation. IDA and homeownership programs can benefit individual participants, however. While programs can be implemented in any housing market context, program outcomes will be affected by housing market strength. High housing costs in strong markets will limit the ability of program participants to purchase a home or use liquid assets for other house-related purposes.

**Organization of the Report**

We present the six case studies in order of housing market strength and reported gentrification. We start with neighborhoods showing signs of revitalization on through neighborhoods with increasingly strong gentrification pressures. In the final chapter, we discuss findings on relationships between stage of gentrification and strategy selection and implementation. We also discuss related crosscutting findings. Appendix 1 includes a thorough discussion of our site selection methodology. A companion piece, *Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Neighborhoods*, provides a detailed literature review of strategies used to produce and retain affordable housing, and to increase low-income families’ assets to afford increased housing costs.
Through six case studies we present a variety of strategies used to address affordable housing needs in neighborhoods at different stages of gentrification. We have ordered the case studies from neighborhoods in the earliest stages of revitalization/gentrification to those in advanced stages of gentrification. In each case study, we highlight one or two strategies, providing a detailed account of why a strategy was chosen, how it was implemented, strategy outcomes, and implementation challenges. We also include brief descriptions of additional strategies used in each community to address affordable housing needs. The following chart presents an overview of the cities, neighborhoods, and housing strategies.

### Table 2: Affordable Housing Strategy Overview by City (2003)

<table>
<thead>
<tr>
<th>Site</th>
<th>Stage: revitalization/gentrification</th>
<th>Key strategies</th>
<th>Additional strategies</th>
<th>Neighborhood organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett Park</td>
<td>Early</td>
<td>Housing rehabilitation</td>
<td>Zoning changes</td>
<td>Active organizations</td>
</tr>
<tr>
<td>St. Petersburg, FL</td>
<td></td>
<td>Infill development</td>
<td>Economic development</td>
<td></td>
</tr>
<tr>
<td>Oak Park</td>
<td>Early</td>
<td>Vacant property redevelopment</td>
<td>Housing Trust Fund</td>
<td>Active organizations</td>
</tr>
<tr>
<td>Sacramento, CA</td>
<td></td>
<td></td>
<td>Homebuyer programs</td>
<td></td>
</tr>
<tr>
<td>Reynoldstown</td>
<td>Middle (early)</td>
<td>Housing rehabilitation</td>
<td>IDA Program</td>
<td>Active organizations</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td></td>
<td>Affordable housing production</td>
<td>Community building</td>
<td></td>
</tr>
<tr>
<td>Figueroa Corridor</td>
<td>Middle (late)</td>
<td>Housing Trust Fund</td>
<td>Code enforcement</td>
<td>Active organizations</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td></td>
<td></td>
<td>Rent stabilization</td>
<td>Active organizations</td>
</tr>
<tr>
<td>Central Area</td>
<td>Late (early)</td>
<td>Infill development</td>
<td>Home repair</td>
<td>Active organization</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td></td>
<td>Housing levy</td>
<td>Regulation reviews</td>
<td>Moderate resident</td>
</tr>
<tr>
<td>Uptown</td>
<td>Late</td>
<td>Voluntary inclusionary zoning</td>
<td>Nonprofit retention</td>
<td>Active organizations</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td></td>
<td></td>
<td>strategies</td>
<td>Active residents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tax assistance</td>
<td></td>
</tr>
</tbody>
</table>
Early Stages of Neighborhood Revitalization/Gentrification

When a lower-income neighborhood begins to experience revitalization after years or decades of being overlooked by developers and the city, focus tends to stay on ways to increase investment rather than on preserving or increasing affordable housing. Affordable housing is one asset such neighborhoods tend to have in abundance. It is difficult to raise issues of future affordable housing needs when the issue is not pressing. Waiting until there is a problem, however, can lead to its own set of difficulties. Bartlett Park in St. Petersburg, FL, and Oak Park in Sacramento, CA, offer interesting case studies of how to think about, and what to do, in a neighborhood that is not showing signs of gentrification but might in the future. These neighborhoods raise questions of how soon attention should be paid to affordable housing needs in an area still affordable though changing, and whether strategies can be employed that promote both revitalization and neighborhood stability and affordability.
ST. PETERSBURG, FL
BARTLETT PARK

**Key strategies:** housing rehabilitation and infill development  
**Other strategies:** zoning changes, economic development

**City and Neighborhood**

St. Petersburg, located on the peninsula between the Gulf of Mexico and Tampa Bay in Pinellas County, is the fourth largest city in Florida, with a population of approximately 240,000 (Census CD Neighborhood Change Database) (see Table 3 at the end of the case study). With new construction and rehabilitation of existing structures occurring in a number of areas of the city, most people agree that St. Petersburg is revitalizing. Downtown is pointed to with pride because of the changes that continue to occur there, including a number of new restaurants, galleries, condominiums, and town houses. Geography is an important factor in the city’s development. St. Petersburg is bordered by water on three sides, and the fourth side to the north is considered built out. Without room to expand, the city has experienced considerable revitalization in older neighborhoods since the mid-1990s. A number of residential neighborhoods have rehabilitated the housing stock and experienced increases in property values. Vacancy rates dropped between 1990 and 2000, with the greatest change occurring in the rental market. Homeowner units predominate in the city, where well over half of occupied units are owner-occupied (Census CD Neighborhood Change Database).

The city is divided into two sectors: north and south of Central Avenue. Two factors helped draw attention to neighborhood-based needs in St. Petersburg's poorer southern sector. In the 1993 election, the incumbent mayor ran on a platform that included strong neighborhood support in response to the frustration of residents from lower-income neighborhoods with the city’s focus on downtown revitalization. After winning the election, the mayor established a Neighborhood Partnership office and pledged to implement neighborhood plans, which focused on improvements such as sidewalk repair, lighting and landscaping, neighborhood signage, and increased police presence, within a six-month timeframe. Funding was made available to neighborhood groups through competitive grants.

Second, in the fall of 1996, riots occurred after police shot an African American motorist in the area that later would be named Midtown. Following the unrest the mayor convened community leaders to address the needs in the so-called
“Challenge Area.” This area included most of the low-income areas of the city. One of the goals identified was that of community renewal through focusing on housing and homeownership, and the reduction of vacant and boarded units. The initial focus for action was on developing solid infrastructure and working on beautification to attract investors. After assuming office in 2001, current mayor Baker changed the area’s name to “Midtown.”

The focus neighborhood for this case study—Bartlett Park—is located in Midtown. For decades Bartlett Park was the seasonal home to “winter snowbirds” and, on a more permanent basis, predominantly white, lower-middle income households. Today, most of the neighborhood’s 4,000 residents are lower-income African Americans. The racial and ethnic makeup of the neighborhood has held fairly steady since 1990. African Americans continue to make up almost all of the neighborhood’s population, while the percentage of white residents declined slightly from 9 to 7 percent (Census CD Neighborhood Change Database). Midtown, the broader area in which Bartlett Park is situated, has long been considered the poor part of town. Although Midtown’s unemployment rate dropped between 1990 and 2001 from 11 to 7 percent, the rate was still higher than the city’s overall rate of three percent (RMPK Group, Inc. 2002). Both Bartlett Park and Midtown lost population during the 1990s by 9 and 16 percent, respectively (Census CD Neighborhood Change Database).

Bartlett Park is bordered to the north and east by a hospital complex and the University of South Florida, both of which continue to expand. The marina and Dali Museum are points of attraction to the east as well. A new shopping center is planned south of Bartlett Park, and the city is taking proposals for a 16-acre industrial parcel located to the northwest of Midtown. Tropicana Field, home to the Tampa Bay Devil Rays, is located north of the neighborhood. In addition to the institutional and commercial development nearby, the area is bounded by neighborhoods that have already experienced improvements in housing stock and increases in house values. Areas to the west are already showing signs of property value increases, and an upscale town house development is under construction on the northern border.

Bartlett Park was one of the first neighborhoods in the early 1990s to develop a neighborhood plan that was approved by the city. The city provided a grant for $100,000 of infrastructure improvements. Whether due to neighborhood efforts, proximity to nearby revitalizing neighborhoods and St. Petersburg attractions, or the overall economy, Bartlett Park’s housing market is showing signs of change. The average housing value of owner-occupied units increased 4 percent, lower than the citywide increase of 9 percent during the last decade (Census CD Neighborhood Change Database). According to one respondent, Bartlett Park has had one of the highest
rates of property value increase in the city during the last few years, however. The area is beginning to attract younger residents and older white households, and new housing is being marketed to slightly higher-income households than would have been the case in the past. Census data indicate a dramatic 43 percent increase in the average household income between 1990 and 2000 compared to the citywide increase of a much smaller 9 percent. Another indication of change is fewer residents are paying a large proportion of their incomes on rent—Bartlett Park had an 11 percent decrease in the percent of renters who pay more than 35 percent of their income toward rent, a greater drop than the 4 percent decrease citywide (Census CD Neighborhood Change Database).

Some people talk about Bartlett Park in terms of it being “squeezed” or pushed by the surrounding changes. In addition to the external factors, there are pressures affecting change from within the area and neighborhood, not least of which is that Bartlett Park is viewed as one of the better neighborhoods within Midtown in terms of housing conditions and poverty rate, making it more attractive to developers and potential residents. Renovations to existing houses also have drawn attention to the neighborhood’s bungalows.

The availability of lots for development has started to attract private developers to Bartlett Park and Midtown in general. The increased competition has already led to increases in land prices. Vacant lots that used to sell for $3,000 are selling for between $7,000 and $10,000. As land costs increase, the cost of new construction and home sales has followed, reducing nonprofit developers’ ability to provide new housing. Another factor affecting prices is that more owners are holding onto properties for investment purposes because of the University and hospital’s demand for land.

**Stage of Gentrification**

There is consensus among respondents that Bartlett Park and other areas of Midtown are beginning to revitalize. According to city staff, 10 years ago the county devalued Midtown properties up to 30 percent because there had been too few real estate transactions on which to base valuations. Since then, values have more or less regained the lost ground. While much of the housing stock, small wood-frame houses built between the 1920s and 1950s, is still considered dilapidated, it is showing signs of coming back. The majority of houses have been converted to rental units over time (65 percent rental compared with 30–35 percent for the city). Midtown still has vacant lots and boarded houses, so as other parts of the city are built out and housing prices rise in neighboring areas, attention is turning to Midtown and Bartlett Park, and property values are beginning to
increase. With the available land and the loss in population, there is room to grow.

When asked when the time might come that the area would face an affordable housing problem, most people estimated five years. Even though there was some agreement on the timeframe, there were differences of opinion on whether affordable housing should be on the neighborhood’s and the city’s agenda at this point in time, well before a supply problem exists.

The response to that concern might well depend upon whether a future decrease in affordable housing would be considered a problem. Some respondents talked about the inevitability of a future problem with affordable housing and displacement because of the changes occurring in the surrounding areas that are “closing in on” Bartlett Park in particular. One person pointed out that if the economy and wages do not improve but land prices continue to increase, incumbent residents’ ability to afford housing will decline. The problem is not yet visible, but it does exist. Once it becomes visible, it will be too late by some people’s estimation. Given increasing costs and geography, there will be fewer housing and neighborhood options for lower-income households. Not everyone shares this perspective, however. Other respondents believe that change in Bartlett Park will occur more slowly than it has in other neighborhoods. And, given the affordable housing stock available in adjacent Midtown neighborhoods, residents from Bartlett Park will be able to find housing as prices increase.

**Key Strategies—Housing Rehabilitation and Infill Development**

Housing practitioners use owner-occupied housing rehabilitation and infill development to address housing needs and catalyze revitalization in Bartlett Park. These strategies aid in revitalizing the area as well as work against future displacement through maintaining and increasing the affordable housing stock. Both strategies are used across the city, though there is greater focus on the neighborhoods in Midtown due to the condition of the area’s housing stock and the history of disinvestment. The following sections describe how these two strategies operate and the challenges practitioners face in implementing them.

**Housing Rehabilitation**

The primary objective of housing rehabilitation is to retain incumbent residents while improving the housing stock. Through repairing roofs, updating plumbing and electrical systems of owner-occupied houses, long-time residents, especially elderly residents, will be able to remain in their homes for a longer period of time. Their presence can help prevent a decline in the area’s homeownership rate and can provide stability to Midtown neighborhoods. There are both nonprofit and city programs engaged in housing rehabilitation efforts.
Funding for owner-occupied rehabilitation comes from city, state, federal, and private sources such as the city’s Working to Improve our Neighborhoods (WIN) program, State Housing Initiatives Partnership Program (SHIP), the federal Community Development Block Grant program, and federal HOME funds. Nonprofit organizations convinced the city to direct more of its owner-occupied rehabilitation funds to the Midtown area.

WIN funds are often used for roof repair, plumbing, and electrical work. The city increased the project-funding cap per project in order to complete significant rehabilitation on a unit in the face of cost increases. The cap has been raised from $40,000 to approximately $60,000. Rehabilitation funds are disbursed either as loans or as forgiven loans. The city ended the practice of offering rehab funds as deferred loans because of difficulties some owners faced when selling a house of relatively low property value with deferred debt.

Neighborhood Housing Services, a community-based organization in Midtown, has been able to rehabilitate approximately 10 to 12 houses a year in the Bartlett Park/Midtown areas. A partnership established with Bank of America will be a source of funding for owner-occupied housing rehabilitation. Mt. Zion, a community housing development organization, or ChoDO, also completes an average of 10 housing rehabilitation projects a year. Across St. Petersburg, the city has supported 1,531 rehabilitation projects of single-family housing since 1997 (RMPK Group, Inc. 2002).

Challenges for Rehabilitation

One of the main challenges in rehabilitating old houses is staying within budget. Respondents said it is difficult to know beforehand exactly what work is needed until they get started. Deciding which work to do after discovering additional needs is difficult, but finances are limited. Housing rehabilitation can be successful when the following factors are taken into account: identify one or a small number of contractors who are reliable, stable, and do quality work; work with trusted contractors exclusively; and hire capable staff who can prepare clear work descriptions for contractors, monitor projects well, and keep them within budget.

Infill Development

The city, private developers, and nonprofit developers rely on infill development to turn vacant lots and abandoned buildings scattered throughout Midtown into developable land parcels and habitable properties in a city otherwise built out. The large number of vacant lots across Midtown encourages infill development—one respondent noted that there are 3,000–4,000 vacant lots, along with 300–500 vacant, boarded-up houses on the city’s list.
of properties in Midtown. The city also offers properties for sale to nonprofits at a discounted price to encourage development. The WIN program acquires boarded-up properties through code enforcement and demolition. The city also has 50–100 lots available for private developers to purchase, ranging from $8,000 to $15,000 in Midtown. To date, the majority of infill housing development is single-family detached houses.

Infill development benefits incumbent residents by increasing the number of quality houses for sale, potentially turning former renters into homeowners. Homeowners will be less affected by increases in housing prices than if they remained renters. It can also serve to increase the population of Midtown by attracting new residents.

There are two primary nonprofit organizations that develop housing in Midtown neighborhoods. Mt. Zion develops housing for households earning at or less than 80 percent of the area median income. It acquires old or otherwise abandoned houses to demolish, then rebuilds on the lot. To date, Mt. Zion has completed 50 units of housing in Midtown, averaging 10 a year. The director commented that the increasing competition for land in the area, along with dwindling number of available lots, is decreasing the number of units the organization will be able to build as private developers do more.

Neighborhood Housing Services, another organization that focuses on housing development and homeownership, has formed a limited liability partnership with Bank of America to build 50 houses throughout the Bartlett Park neighborhood. It also hopes to receive a grant to fund construction and purchase assistance for 37 properties in Midtown, 35 of which would be located in Bartlett Park.

Private developers are also active in Midtown building affordable housing. There are approximately 10 companies active in St. Petersburg and Midtown at present, which according to one developer should enable Midtown to rebuild more quickly.

The nonprofit and private developers have made an impact. Vacant and boarded properties in Midtown have decreased 50 percent between 1998 and 2001, to 391. Since then such properties have further been reduced to 180. Public investment in Midtown since 1997 includes 383 new housing units and homeowner assistance for 170 clients (RMPK Group, Inc. 2002).

**Implementation Challenges**

One challenge in building new houses in neighborhoods with old stock and few sales is getting appraisals for the initial sale. Resale can also be challenging because the new house will be priced much higher than surrounding properties.

Infill development is practical for Bartlett Park and the broader Midtown area, but the pace of revitalization through this approach
can be slow. Because vacant land parcels are scattered, it is difficult to build more than one house at a time, which the nonprofit organizations and city would like to do. Respondents hope new housing itself will spark additional investments.

Another challenge is that the city and some developers would like to build more condominiums and town houses, but such projects are difficult politically because of resident opposition to new multifamily developments. Respondents believe the opposition will change, but for now, infill development mostly is restricted to single-family houses.

Having a supportive city government can make a difference in the cost and schedule of new housing production. Respondents believe the current city government is responsive to business and housing needs, and they give it credit for being flexible in responding to changing circumstances.

**Additional Strategies**

**Zoning Changes**

St. Petersburg is revising its Land Development Regulations to allow greater flexibility in development across the city, including mixed-use developments and increased density. Current zoning regulations were established in the 1970s and reflected suburban realities of larger lot sizes: new construction has had to abide by the required 75-foot frontage. Houses in older areas of town, including Bartlett Park, have 50-foot frontages. To build a new house in areas with smaller lots, builders have had to request a zoning variance, which slows the pace of building, or acquire two lots for one new house, which reduces the number of houses. While the revised zoning regulations will apply across the city, the benefits to Midtown are significant, in light of the current housing stock and mismatch between the lot sizes and current zoning regulations.

**Economic Development**

Many respondents view economic development as an important component of housing affordability and revitalization. The city hopes to spark revitalization by being the first to invest in economic development in many areas across the city. By providing early support, other business and residential investors will follow. Economic development is necessary early in the revitalization process because it will allow incumbent residents to increase their earnings, thereby reducing the chance that lower-income people will get caught in a cycle of being displaced to lower cost areas as neighborhoods change and housing values increase.
Conclusion

Bartlett Park and Midtown are beginning to experience revitalization. At present, housing practitioners focus on developing and maintaining affordable housing to address current needs and to take advantage of opportunities available due to the lack of gentrification pressures. Factors such as the available and affordable land parcels make infill development and housing rehabilitation attractive strategies to use. Were the community experiencing stronger market-rate housing pressures, affordable infill development likely would give way to, or at least be more difficult because of, revitalization targeting higher-income households.

These early revitalization efforts might very well help reduce any future displacement in the area if and when gentrification pressures materialize. City, nonprofit, and private developers are increasing the number of affordable houses in the area, increasing homeownership rates, and improving housing conditions for current residents so they can remain in their homes—all factors that lend stability to the area while also increasing investment. The city’s commitment to improving the Midtown area makes most respondents hopeful that change will come about in a positive manner.

Most respondents talked about the interconnection between housing and economic development—that both needs should be addressed simultaneously in order to improve the lives of incumbent residents and to attract new residents to Midtown. If economic development is carried out in a way that increases employment and earnings opportunities for current residents, then the dual approach for revitalization can strengthen the hand of residents so that they are less likely to be displaced as housing prices continue to rise.
In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement

Table 3: St. Petersburg, FL and Bartlett Park
City and Neighborhood Demographics, 1990-2000

<table>
<thead>
<tr>
<th>Population</th>
<th>Year</th>
<th>City total</th>
<th>Bartlett Park</th>
</tr>
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<tbody>
<tr>
<td>Population</td>
<td>1990</td>
<td>240,800</td>
<td>4,300</td>
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<tr>
<td></td>
<td>2000</td>
<td>250,300</td>
<td>3,900</td>
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<tr>
<td>% change population</td>
<td>1990–2000</td>
<td>3.9</td>
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<tr>
<td>% black non-Hispanic</td>
<td>1990</td>
<td>19.2</td>
<td>89.5</td>
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<td></td>
<td>2000</td>
<td>22.6</td>
<td>89.5</td>
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<tr>
<td>% white non-Hispanic</td>
<td>1990</td>
<td>76.4</td>
<td>9.3</td>
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<td></td>
<td>2000</td>
<td>69.7</td>
<td>6.9</td>
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<tr>
<td>% other race non-Hispanic</td>
<td>1990</td>
<td>2.1</td>
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<tr>
<td></td>
<td>2000</td>
<td>3.6</td>
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</tr>
<tr>
<td>% Hispanic</td>
<td>1990</td>
<td>2.3</td>
<td>0.8</td>
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<tr>
<td></td>
<td>2000</td>
<td>4.2</td>
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<tr>
<td>Income and poverty</td>
<td>Average family income (in 1999 dollars)</td>
<td>1990</td>
<td>52,500</td>
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<td></td>
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<td>2000</td>
<td>57,300</td>
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<td>Poverty rate</td>
<td>1990</td>
<td>13.5</td>
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<td>2000</td>
<td>13.2</td>
<td>41.2</td>
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<td>Employment</td>
<td>Unemployment rate</td>
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<td>2000</td>
<td>5.2</td>
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<td>Housing conditions</td>
<td>Occupied housing units</td>
<td>1990</td>
<td>106,900</td>
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<td>2000</td>
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<td>Total rental units</td>
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<td>2000</td>
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<td>Rental vacancy rate</td>
<td>1990</td>
<td>13.7</td>
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<td></td>
<td></td>
<td>2000</td>
<td>8.9</td>
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<tr>
<td>% housing units owner-occupied</td>
<td>1990</td>
<td>63.8</td>
<td>41.7</td>
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<td></td>
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<td>2000</td>
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<td>Average value owner-occupied housing units (in 2000 dollars)</td>
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<td></td>
<td></td>
<td>2000</td>
<td>115,800</td>
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<tr>
<td>% of renters paying &gt; 35% of income on rent</td>
<td>1990</td>
<td>34.6</td>
<td>49.4</td>
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<tr>
<td></td>
<td></td>
<td>2000</td>
<td>31.2</td>
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### Home mortgage indicators

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<tr>
<th></th>
<th>Avg. (95, 96)</th>
<th>Avg. (00, 01)</th>
<th>% change</th>
<th>Avg. (00, 01)</th>
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<tr>
<td>Total number of mortgages originated/1,000 housing units*</td>
<td>29.6</td>
<td>22.1</td>
<td>-25.3</td>
<td>5.7</td>
</tr>
<tr>
<td>% change in number of mortgages originated, 1995/96–2000/2001*</td>
<td>-25.3</td>
<td>5.7</td>
<td>-25.3</td>
<td>5.7</td>
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<tr>
<td>Dollar value of mortgages originated/ housing unit*</td>
<td>2,534</td>
<td>670</td>
<td>-5</td>
<td>22</td>
</tr>
<tr>
<td>% change in dollar value of mortgages originated, 1995/96–2000/2001*</td>
<td>-5</td>
<td>22</td>
<td>-5</td>
<td>22</td>
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<tr>
<td>Average value of mortgages originated (1–4-unit structures)*</td>
<td>85,600</td>
<td>47,700</td>
<td>26.9</td>
<td>16.1</td>
</tr>
</tbody>
</table>

**Source:** Unless otherwise noted, the data come from The Urban Institute’s Neighborhood Change Database (NCDB) based on 1990 and 2000 U.S. Censuses.

**Note:** Data for Bartlett Park are analyzed using census tract 12103020500.

   Dollar amounts expressed as constant 2001 dollars.
SACRAMENTO, CA
OAK PARK

Key strategy: vacant property redevelopment
Other strategies: Housing Trust Fund, homeownership programs

City and Neighborhood

Sacramento, the capital of the nation’s most populous state, experienced rapid growth in employment, income, and population during the 1990s. The city’s reasonable cost of living and supply of affordable housing have attracted businesses away from neighboring high-cost areas, such as the Bay Area. Sacramento’s population increased 10 percent between 1990 and 2000, climbing to almost 400,000 people (Census CD Neighborhood Change Database) (see Table 4 at the end of the case study). An influx of businesses located in Sacramento around the same time, including Hewlett-Packard, Company NEC, Apple Computers, and Oracle.

Business and population growth have contributed to the rise of property values in Sacramento. Home purchases, as measured by mortgage originations, increased here more than in any other of the top 100 largest cities in the country between 1996 and 2001, while mortgage loan amounts increased at about the same rate as the national average during the same time period.

Oak Park, one of Sacramento’s oldest communities, is beginning to experience changes in its housing market as well. The neighborhood is located southeast of downtown, adjacent to Tahoe Park, a middle-income community. Oak Park began as a farming community in the mid-1800s. The area developed into Sacramento’s first suburban, middle-class neighborhood by the early 1900s. The community started to decline in the 1930s when homeowners, affected first by the Depression and then World War II, were no longer able to maintain their properties. In response to a subsequent housing shortage, many owners divided their homes into rental units. By the mid-1940s, residents were leaving Oak Park for newer suburbs with inexpensive homes, which led to further deterioration of the neighborhood’s economic and social conditions. By the late 1960s, housing and commercial properties were in serious decline and the neighborhood was marked by vacant lots and poor infrastructure. The Redevelopment Agency of the City of Sacramento established Oak Park as a redevelopment area in 1973, which it remains today. The designation allows the agency to target its activities to the area.
The Oak Park neighborhood today is described as a diverse, densely populated, low-income residential area intersected by commercial streets. During the 1990s, the population grew about 7 percent, driven primarily by an increase in Latino residents. Latinos make up approximately one-third of the neighborhood, whites one-quarter and African Americans 20 percent (Census CD Neighborhood Change Database).

Incomes in Oak Park rose slightly during the 1990s. The average family income in Oak Park increased by 5 percent, while the percent of renters in Oak Park paying more than 35 percent of their income for rent -- a proxy for housing hardship -- decreased from 53 percent of the renters to 41 percent (Census CD Neighborhood Change Database).

The majority of Oak Park residents are renters; absentee landlords own a significant percentage of the rental housing. According to respondents, the Oak Park neighborhood has a fair share of low-income housing, much of which is not well maintained. Oak Park does have its attractions. It is close to William Land Park, a multipurpose park with picnic facilities, a golf course, and tennis courts. The neighborhood is also home to the Sacramento Zoo, the UC–Davis Medical Center, McGeorge Law School, and a local bakery.

A number of community groups, churches, nonprofits, and coalitions are active within the neighborhood. These groups include Kevin Johnson’s St. Hope Corporation (SHDC), ACORN, Habitat for Humanity, city council member Lauren Hammond’s Renaissance Project, Rebuilding Together, and Building Unity. Many faith-based organizations, especially in Oak Park, are active in building homeownership opportunities in lower-income communities. Redevelopment efforts by the Sacramento Housing & Redevelopment Agency (SHRA), nonprofits, and community organizations within the neighborhood include housing renovations, street and sidewalk improvements, and promotion of commercial investment.

Former NBA star Kevin Johnson’s involvement in the Oak Park community has been influential in the redevelopment efforts. Johnson, an Oak Park native, has been involved with revitalizing the neighborhood since his first year in the NBA. In 1989, he founded St. Hope Academy, an intensive after-school language arts and math program. Johnson has since expanded St. Hope and its revitalization efforts in Oak Park. According to respondents, Johnson’s involvement in the neighborhood has provided motivation for revitalization efforts. The St. Hope Development Corporation transformed a 20,000 square foot complex into a commercially viable mixed-use property. The new development, 40 Acres, includes a bookstore, art gallery, barbershop, restaurant, Starbucks, and loft apartments. SHRA loans and grants in addition to SHDC dollars funded the project. SHDC has also
been involved with preserving and restoring other buildings in Oak Park.

In general, Sacramento has a strong network of advocacy organizations and a broad-based coalition of housing leaders. The Sacramento Housing Alliance (SHA) is a membership organization composed of over 65 community agencies concerned with housing-related issues. SHA focuses on preserving and producing more affordable housing through public education, public policy targeting the needs of lower income people, and advocacy. SHA members include nonprofit and for-profit affordable housing developers, service providers, various constituency groups, and residents.

According to respondents, council member Dave Jones has played a major role in placing affordable housing issues on the political agenda. In addition, developers, the SHRA, and city/county planning are all key players in affordable housing policy. It must be noted some respondents stated that a lack of political will among local elected officials for affordable housing has been a challenge in the city of Sacramento.

**Stage of Gentrification**

Oak Park is in the early stage of gentrification. The neighborhood has begun to experience a resurgence over the past couple years due to the strong housing market citywide, the neighborhood’s proximity to downtown’s art and entertainment amenities and places of employment for many workers in the region, and the amenities located within Oak Park itself. Residents facing long commutes are moving closer to their places of employment, including neighborhoods close to downtown such as Oak Park. Although property values are increasing in Oak Park, inexpensive housing is still available. Those who cannot afford to live in many areas of Sacramento are gradually moving into the Oak Park because housing is less expensive.

It is unclear whether gentrification will gain momentum, reducing the amount of affordable housing and displacing low-income residents in large numbers. People have noticed an increase in first-time homebuyers moving into the community, along with longer-term households moving out. However, the magnitude of this movement is not clear. Some people believe that the recent boom in the housing market will encourage absentee homeowners to sell their properties now that there is a viable market in Oak Park. The neighborhood’s proximity to other gentrifying communities may also possibly lead to intensified gentrification efforts. However, ongoing problems with safety, crime, and drugs make the neighborhood an undesirable area for some development and higher-income residents.
Key Strategies—Vacant Property Redevelopment and Vacant Lot Development

Key strategies used in Oak Park to promote revitalization and maintain affordable housing include rehabilitation through the Boarded and Vacant Homes Program and infill development through the Vacant Lot Development program. Both programs target the acquisition and redevelopment of vacant properties, and both serve to increase the stock of affordable housing while bringing investment to the neighborhood.

Revitalization efforts in the Oak Park community have brought together community groups, churches, nonprofits, and the city council member to work together and address the abundance of vacant lots and buildings in the community and the low rate of homeownership. These community groups were able to push policies that address urban infill by transforming vacant lots and abandoned buildings into affordable housing opportunities for residents. The SHRA, as a partner, has been instrumental in redevelopment efforts in the neighborhood.

Boarded and Vacant Homes Program (BVHP)

Established in 1997, the Boarded and Vacant Homes Program (BVHP) arose from the need to provide incentives for the rehabilitation and development of single-family boarded and vacant homes in the city and county of Sacramento. Boarded and vacant properties have led to problems in SHRA redevelopment areas. According to respondents, the vacancies have come about in part due to the city’s stringent code enforcement. The city tried to purchase and rehabilitate the properties, but this proved too cumbersome. Instead, the SHRA moved to an incentive-based system, the BVHP, to attract developers to rehabilitate and develop these properties, and then sell them to low-income households.

Through BVHP, developers receive a $10,000 fee for properties in target areas, $15,000 in redevelopment areas, and $20,000 in the Oak Park redevelopment area, for the acquisition and rehabilitation of a single-family boarded and vacant home. Homes eligible for the BVHP require a minimum of $15,000 of rehabilitation or must be listed on the city’s Dangerous Buildings Inspector Cases Report. The developer must provide the acquisition and rehabilitation financing. The Sacramento Housing and Redevelopment Agency runs the BVHP program and allocates the developer fees. Homes must be sold to an owner-occupant and income limits apply to the buyer due to the funding source. The developer receives the fee after final inspection by the SHRA and the sale of the home to a homebuyer.

In a five-year period between 1997 and 2002, more than 115 homes were acquired citywide through BVHP and 101 were sold to owner-occupants. In total, 119 properties have been acquired, rehabilitated, and sold
to low- and moderate-income homebuyers. Of the 119 homes, 24 have been completed in Oak Park with two pending.

**The Vacant Lot Development Program (VLDP)**

The Vacant Lot Development Program (VLDP) is intended to encourage the acquisition and development of unimproved single-family vacant lots in the North Sacramento, Oak Park, and Walnut Grove redevelopment areas. VLDP is modeled after the BVHP program, and is similar to it in that it targets difficult properties on scattered sites, provides a developer fee upon completion of a project, and sets a regulatory agreement against the property to guarantee long-term owner-occupancy and affordability.

The Vacant Lot Development Program (VLDP) arose from the need to address the long-term difficulties connected with vacant lots, low owner-occupancy rate, and the lack of large homes in the North Sacramento neighborhood. Sacramento contemplated an infill policy, and brainstormed ideas to address the challenges of developing infill sites throughout Sacramento. Oak Park and North Sacramento were identified as the communities most appropriate to test the VLDP on a pilot basis. The two neighborhoods are redevelopment areas with numerous long-standing undeveloped residential lots that have become areas for dumping and other illegal activities. Both areas also had enough available set-aside funds to capitalize the program.

In 2002, the SHRA, the city of Sacramento, and the county of Sacramento approved $200,000 in funding for Oak Park for the pilot Vacant Lot Development Program, as well as funding for North Sacramento and Walnut Grove neighborhoods. Developers participating in the VLDP receive a fee for the acquisition and development of a single-family residential vacant lot in the amount of $7,500 for a two-bedroom/two-bath house, $20,000 for a three-bedroom/two-bath house, and $25,000 for a four-bedroom/two-bath house. The new home must be sold to an income-qualified household at an affordable price due to the tax increment funding of the VLDP. The developer fee is allocated upon approved completion and sale of home to an owner-occupant. Residential subdivisions cannot be developed under the VLDP because the purpose is to target scattered sites within current residential neighborhoods. Special homebuyer financing is available for some buyers of these homes.

According to the SHRA, the pilot Vacant Lot Development Program has been a quick success. The initial allocation of $200,000 for Oak Park was used immediately for the construction of eight new homes: six four-bedroom homes and two three-bedroom homes.
Implementation Challenges

The Boarded and Vacant Homes program and the Vacant Lot Development program face similar challenges. The incentives offered through the two programs are provided to offset costs of infill development or otherwise make the projects financially feasible. However, the payoff for developers from developing large subdivisions in the suburbs is more lucrative than infill development, according to respondents. Housing market strength also affects the value of the fee. In the early 1990s when the Sacramento housing market was not as strong, many properties were rehabilitated through the BVHP. Now that the market has strengthened, developers do not view the developer fee as much of an incentive as in years past. The city is working on an updated infill policy that would make urban infill development more financially feasible through discounting fees and streamlining design review and plan-check processes.

Although the BVHP and the VLDP provide developer fees, an arsenal of tools for affordable development, which inherently requires subsidy layering, is necessary. Many nonprofit developers use tax increment financing, Low-Income Housing Tax Credit (LIHTC), and Community Development Block Grant (CDBG) funds for affordable housing development. Some affordable housing deals use mortgage revenue bonds and take advantage of fee waivers and deferral provided by the SHRA.

Another challenge has come from residents who are opposed to additional affordable housing in their neighborhood. Some Oak Park residents feel the community already has a fair share of low-income housing and see a need for new market-rate units to attract higher-income residents into the neighborhood. Other respondents want the new affordable housing because they believe it will ultimately encourage the development of market rate-housing. Some respondents reported that NIMBY-ism is a major problem for affordable housing development in both high- and low-income neighborhoods. Various organizations in Sacramento are involved with community education and outreach to address the fears that affordable housing will have a negative impact on a community. The Sacramento Mutual Housing Alliance works with neighborhood organizations and provides affordable housing education and outreach before affordable housing development plans are even scheduled. SHRA staff has gone door-to-door to inform residents about the project taking place in their community.

As a number of respondents pointed out, very low income households tend not to be served by the vacant property redevelopment programs. The newly constructed single-family homes would require deeper subsidies to reach very low income people. Some respondents also have concerns that the infill and homeownership programs, coupled with other revitalization forces in the Oak Park community, may fuel gentrification. These
respondents point to other neighborhoods in Sacramento to see the dwindling of economic diversity as a result of renovation projects.

**Additional Strategies**

**Housing Trust Fund**

Enacted by the city council in 1989, the Housing Trust Fund is intended to ensure that nonresidential development assist with low-income housing needs connected with job growth. The Housing Trust Fund establishes a housing linkage fee per square foot of commercial development. The purpose of the funding is to support the development of housing for low-income workers that are employed in new retail or commercial developments.

Sacramento was the first city in California to adopt a housing linkage fee for commercial development. The amount of the fee was based on a study that quantified the relationship between types of commercial development, low-wage jobs, low-income housing needs, and the subsidy cost of providing new affordable housing. Payment of the fee is required to receive a building permit. The fees are deposited into the citywide Housing Trust Fund and administered through the Sacramento Housing and Redevelopment Agency. The money can be used for gap financing for affordable housing development. Housing Trust Fund dollars are usually layered with other financial subsidies, such as state and federal tax credits, mortgage revenue bonds, state deferred loans, or rent subsidies.

A total of $14,897,746 has been collected for the Trust Fund since 1989. Since that time, approximately $400,000 in Housing Trust Fund revenues has been used in Oak Park for the Boarded and Vacant Home program and another program called the Pre-Apprenticeship Construction Training Program.

**Homebuyer Programs**

The Sacramento Housing and Redevelopment Agency offers various homebuyer programs, two of which we highlight, the Target Area Homebuyer Program and the First-Time Homebuyer Program. The Target Area Homebuyer Program (TAHB) provides downpayment and closing cost assistance to low- and moderate-income homebuyers for home purchases within Oak Park and four other redevelopment areas. Eligible applicants must qualify for a loan to purchase the home, attend homebuyer-training classes, live in the home being purchased, and be low-to moderate-income. Eligible properties must be located with the program designation areas, meet minimum housing quality standards, and the sales price of the property cannot exceed the Affordable Housing Cost for the area.

The First-Time Homebuyer Program (FTHP) offers downpayment and closing cost assistance to low-income homebuyers on home purchases within the city and county of Sacramento. Eligible applicants must be first-time homebuyers, qualify for a loan to purchase the home, attend homebuyer training classes, live in the home being purchased, and be low-income. Eligible properties are single-family
homes located within the city or county of Sacramento and a few surrounding cities, and the appraised values cannot exceed the HUD 203b mortgage limit for the area. Program features include a deferred payment loan secured by a deed of trust and no interest charged on the loan.

Prospective homebuyers can layer programs to purchase a home. In Oak Park, 107 homebuyers used some type of homebuyer assistance program to purchase a home, for a total of $395,089 in assistance. Within the entire city and county, 3,865 homebuyers used some type of homebuyer assistance program, for a total of $15,009,428 in assistance.

**Conclusion**

The increased investment and development in Oak Park is carried out in ways to balance redevelopment efforts with nondisplacement strategies. The Boarded and Vacant Homes and the Vacant Lot Development programs combined with various homeownership programs through the SHRA provide homeownership opportunities for residents to move into the rehabilitated properties. Similar to efforts in St. Petersburg’s Bartlett Park, the combination of rehabilitating properties and providing affordable homeownership opportunities to residents will benefit current residents while supporting the area’s strengthening housing market.

An important difference between the two neighborhoods is the opposition to increasing the affordable housing stock in Oak Park, leading to the need for greater community outreach. Oak Park practitioners learned the importance of involving the community in the planning and implementation of such strategies so that the community is aware of the potential benefits of redevelopment efforts. General misperceptions about affordable housing and NIMBYism within Oak Park and Sacramento have proven to be challenges to affordable housing development.
# Table 4: Sacramento, CA and Oak Park
## City and Neighborhood Demographics, 1990 and 2000

<table>
<thead>
<tr>
<th>Population</th>
<th>Year</th>
<th>City total</th>
<th>Oak Park</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1990</td>
<td>358,800</td>
<td>37,000</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>395,800</td>
<td>39,500</td>
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<tr>
<td>% change population</td>
<td>1990–2000</td>
<td>10.3</td>
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<tr>
<td>% black non-Hispanic</td>
<td>1990</td>
<td>14.9</td>
<td>22.6</td>
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<tr>
<td></td>
<td>2000</td>
<td>16.5</td>
<td>20.4</td>
</tr>
<tr>
<td>% white non-Hispanic</td>
<td>1990</td>
<td>53.6</td>
<td>33.1</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>41.7</td>
<td>24.9</td>
</tr>
<tr>
<td>% other race non-Hispanic</td>
<td>1990</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>% Hispanic</td>
<td>1990</td>
<td>15.7</td>
<td>20.4</td>
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<td></td>
<td>2000</td>
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## Income and poverty

<table>
<thead>
<tr>
<th>Average family income (in 1999 dollars)</th>
<th>Year</th>
<th>City total</th>
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<tr>
<td></td>
<td>1990</td>
<td>54,900</td>
<td>32,600</td>
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<td>2000</td>
<td>54,500</td>
<td>34,100</td>
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<tr>
<td>Poverty rate</td>
<td>1990</td>
<td>17.1</td>
<td>34.1</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>19.8</td>
<td>33.9</td>
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## Employment

<table>
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<th>Unemployment rate</th>
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<th>City total</th>
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<tbody>
<tr>
<td></td>
<td>1990</td>
<td>7.6</td>
<td>12.7</td>
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<tr>
<td></td>
<td>2000</td>
<td>7.8</td>
<td>14.1</td>
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## Housing conditions

<table>
<thead>
<tr>
<th>Occupied housing units</th>
<th>Year</th>
<th>City total</th>
<th>Oak Park</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1990</td>
<td>140,600</td>
<td>12,300</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>150,500</td>
<td>12,300</td>
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<tr>
<td>Total rental units</td>
<td>1990</td>
<td>73,400</td>
<td>7,500</td>
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<td></td>
<td>2000</td>
<td>79,700</td>
<td>7,600</td>
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<tr>
<td>Rental vacancy rate</td>
<td>1990</td>
<td>6.5</td>
<td>8.3</td>
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<tr>
<td></td>
<td>2000</td>
<td>5.6</td>
<td>6.5</td>
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<tr>
<td>% housing units owner-occupied</td>
<td>1990</td>
<td>51.2</td>
<td>44.0</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>50.0</td>
<td>41.9</td>
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<tr>
<td>Average value owner-occupied housing units (in 2000 dollars)</td>
<td>1990</td>
<td>176,700</td>
<td>94,600</td>
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<td></td>
<td>2000</td>
<td>151,300</td>
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<table>
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<tr>
<th>% of renters paying &gt; 35% of income on rent</th>
<th>Year</th>
<th>City total</th>
<th>Oak Park</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1990</td>
<td>38.3</td>
<td>53.3</td>
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<tr>
<td></td>
<td>2000</td>
<td>34.2</td>
<td>41.1</td>
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### Home mortgage indicators

<table>
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<tr>
<th></th>
<th>Avg. (95, 96)</th>
<th>Avg. (00, 01)</th>
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<tr>
<td>Total number of mortgages</td>
<td>23.8</td>
<td>17.9</td>
</tr>
<tr>
<td>originated/1,000 housing units&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change in number of mortgages</td>
<td>162.1</td>
<td>153.1</td>
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<tr>
<td>originated, 1995/96–2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollar value of mortgages</td>
<td>2,916</td>
<td>1,330</td>
</tr>
<tr>
<td>originated/housing unit&lt;sup&gt;b&lt;/sup&gt;</td>
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<tr>
<td>% change in dollar value of</td>
<td>176.2</td>
<td>160.8</td>
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<tr>
<td>mortgages originated, 1995/96–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average value of mortgages</td>
<td>122,400</td>
<td>74,500</td>
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<tr>
<td>originated (1–4-unit structures)&lt;sup&gt;a&lt;/sup&gt;</td>
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</tr>
<tr>
<td>% change in average value of</td>
<td>5.4</td>
<td>2.8</td>
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<tr>
<td>mortgages originated, 1995/96–2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Unless otherwise noted, the data come from The Urban Institute's Neighborhood Change Database (NCDB) based on 1990 and 2000 U.S. Censuses.

**Note:** Data for Oak Park are analyzed using census tracts 001800, 002700, 002800, 003700, 004401, 004402, 004601, and 004602.

Middle Stages of Neighborhood Revitalization/Gentrification

The next two neighborhoods, Reynoldstown in Atlanta, GA, and Figueroa Corridor in Los Angeles, CA, have experienced increased gentrification pressures but still have considerable affordable housing stock and/or developable land. These neighborhoods are in the middle stage of gentrification. Increased land values make development more difficult, affecting the strategies selected and how they are implemented. Nonprofit organizations and city agencies active in these neighborhoods increasingly have turned to private partners, making it more challenging to manage the balance between meeting affordable housing needs and attracting private investors.
ATLANTA, GA
REYNOLDSTOWN

Key strategies: housing rehabilitation and affordable housing production
Other strategies: IDA, community building

City and Neighborhood

The city of Atlanta, Georgia, is relatively small in relation to its region—only 415,000 people live in the city compared to the region’s population of 4.1 million (Census CD Neighborhood Change Database). The city’s population is significantly poorer than the region—Atlanta’s 2000 poverty rate is 25 percent compared to the region’s 9 percent. However, during the 1990s, Atlanta increased in population by 6 percent, and the housing market accelerated above the national average (see Table 5 at the end of the case study).

Factors contributing to Atlanta’s increasing population and home values can be attributed to three interconnected factors: the hosting of the 1996 Olympics, the strengthening of community development corporations (CDCs), and public reactions against sprawl, traffic, and long commutes. The 1996 Olympics brought an influx of federal, state, and private funds into the city resulting in capital and streetscape improvements in select neighborhoods such as Summerhill, Mechanicsville, and Cabbagetown on the city’s eastern side. The games encouraged people to visualize improvements in other in-town neighborhoods surrounding the central business district, which suffered from decades of neglect. The Olympics also led to the displacement of many low-income residents to make room for the Olympic facilities.

During approximately the same time period, national and local intermediary groups, such as the Enterprise Foundation and the Atlanta Neighborhood Development Partnership (ANDP), began building community development capacity in organizations located in these same in-town neighborhoods. This attention to community-based organizations and CDCs helped stabilize communities and attract private investment. It also ensured that long-term attention was paid to in-town neighborhoods after the Olympics were over.

Sprawl and related commuter traffic and congestion also contributed to making Atlanta neighborhoods near the central business district attractive, as more people moved closer to their workplace. The region averages a 35-minute commute—second only to Los Angeles.

Reynoldstown, the neighborhood for this case study, is located east of downtown, next door to the already gentrified neighborhood of Cabbagetown, and near some of the first neighborhoods to
experience housing market appreciation after the 1996 Olympics. Immediately to the north of Reynoldstown (across the railroad tracks) is the historically white, upper-class neighborhood of Inman Park, with its large single-family homes with sizeable yards.

Reynoldstown was one of the first free African American neighborhoods in Atlanta, and it has been a black working-class neighborhood since World War II. It is a relatively small, residential community consisting of narrow, tree-lined streets. Little retail or commercial activity exists within the neighborhood, although small businesses such as auto repair shops and restaurants are located on the neighborhood’s boundaries. A steel plant sits in the middle of neighborhood and a former cotton mill (recently converted to lofts) is located just outside of the neighborhood. Historically, Reynoldstown residents worked at the steel and cotton plants.

The neighborhood started to revitalize over the past decade. The local CDC, Reynoldstown Revitalization Corporation (RRC), worked with the police department to reduce petty crime, prostitution, and loitering. RRC’s sister civic organization, Reynoldstown Civic Improvement League (RCIL), initiated a neighborhood beautification campaign, cleaning the streets and planting trees. Long-term and absentee landlords have cleaned up their properties, and private investors developed interest in the neighborhood. Bike riders, dog walkers, and joggers can be found the neighborhood—positive signs that residents from the neighborhood and elsewhere feel comfortable doing recreational activities in Reynoldstown.

With such improvements, new residents have begun to move in. Many of the new residents are childless couples or single residents, who represent a diversity of races, sexual orientations, and professions. These new residents tend to have higher incomes than the incumbent residents and pay more in rent. For instance, the neighborhood’s average income rose 21 percent during the last decade (Census CD Neighborhood Change Database). The number of whites increased by over 200 percent, pulling white resident’s proportion up to 12 percent in the neighborhood (Census CD Neighborhood Change Database).

Reynoldstown’s housing market began accelerating three to four years ago. Housing consists primarily of single-story bungalows, many of which are for rent. Homeownership is historically low in Reynoldstown. However, within the last few years, RRC and private developers have built new single-family housing for sale similar in style to the original bungalow single-family stock but with additional floors. RRC also built a new multiunit rental apartment building, the first multiunit building in Reynoldstown.
**Stage of Gentrification**

Reynoldstown is in the early- to mid-stage of gentrification. Gentrification forces that previously affected the surrounding neighborhoods, the Historic District, Cabbagetown, and Kirkwood, have started affecting Reynoldstown. Housing and lot prices have appreciated during the past few years such that lots selling for $5,000 five years ago now sell for between $30,000 and $40,000. Also, five years ago single-family homes cost no more than $80,000, while now a rehabilitated house costs between $150,000 and $200,000.

Census data show the average value of owner-occupied housing to have increased from $46,000 to $96,000, a 108 percent increase in a decade (Census CD Neighborhood Change Database). While there have been sharp increases in housing prices and turnover in properties, the majority of housing stock in Reynoldstown remains rental and affordable. It is not clear how much displacement has occurred due to the increased housing prices. It may have been minimal in the first few years because RRC built new units in vacant lots and targeted owner-occupied rehabilitation as their primary housing strategy.

Instances of backlash against gentrification have occurred in some neighborhoods in Atlanta, particularly when new residents have been gay or lesbian. For instance, an African American clergyman spoke out against homosexuals moving into his parish’s neighborhood (*Atlanta Journal and Constitution*, Editorial, June 9, 2002). Separate from who is causing housing appreciation, there is also vocal concern for elderly homeowners on fixed incomes having to cope with appreciating property taxes. Proposals for tax abatement programs have stemmed from such discussions. Community support of gentrification has occurred as well. A former councilwoman, who represented Reynoldstown and other neighborhoods in east Atlanta, ran her reelection campaign on a strong anti-gentrification platform. She was voted out of office in favor of a new official, who takes a more moderate approach toward gentrification.

Within Reynoldstown, there has been no public anti-gentrification, anti-white, or anti-gay or lesbian backlash, although gentrification has not progressed as far as it has in other neighborhoods. RRC’s strategy of serving incumbent residents first via owner-occupied rehabilitation programs may be a reason for the lack of opposition. (This strategy is discussed in greater detail below.)

**Key Strategies—Housing Rehabilitation and Affordable Housing Production**

Housing rehabilitation and production were first carried out in the neighborhood by the Reynoldstown Revitalization Corporation (RRC). RRC helps homeowners rehabilitate their homes, builds affordable single-family and multiunit rental housing projects, as well as offers an individual development account (IDA) program, works toward crime...
In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement

reduction, and sponsors a yearly festival. The organization encourages incumbent residents to remain in their neighborhood and improve their properties, while simultaneously encouraging new residents to move in.

RRC began its work in Reynoldstown by conducting a needs assessment survey in the early 1990s. Residents' priorities included improving/repairing existing homes, increasing neighborhood safety, reducing abandoned property and lots, and building new housing. Based on this assessment, RRC worked in the early 1990s to stabilize the existing housing stock through code compliance and rehabilitating owner-occupied housing. They successfully rehabilitated 300 units, which has been an important factor in stabilizing the community, bringing value to residents, and keeping residents connected to the community. According to respondents, this work was a comfort to long-term residents and helped RRC forge a partnership with the community. RRC made it clear that they were dedicated to the incumbent residents, and only later did they focus on developing new housing to attract new residents. RRC staff believe that working on existing community needs first helped reduce the negative effects of gentrification because new residents were not attracted to Reynoldstown until later.

It was not until 1996 that RRC began building new homes. Often the newly constructed homes were on vacant lots, which RRC was able to purchase before the housing market appreciated. The community supported the development of these vacant lots, as they were recognized as a source of neighborhood blight.

RRC’s success in developing affordable housing is reflected in the number of affordable homeownership and rental units they have built. Altogether they have built 30 affordable rental units and built or rehabilitated 43 single-family homes, 35 of which are affordable. They are planning to build 80 affordable rental units in two projects, and an additional 35 affordable homeownership units—six single-family units, plus 12 town homes in one project and 17 town homes in another. Specific examples include 10 modular town homes where they used HOME financing to buy down the price, and they consolidated four rooming houses, which had been problematic in the community. In addition, they built Amberwood Village in 1994, a fully leased, 30-unit multifamily building financed by LIHTC and Section 8 that targets residents at 60 percent of the area median income (AMI).

RRC was able to purchase vacant lots through a partnership with the Bank of America Community Development Corporation. The Bank of America CDC provided capital and startup financing enabling RRC to purchase vacant parcels before land prices became too high. RRC
spent two years assembling properties, and they worked with the state and county land bank to clear back taxes and liens on them. Currently, there are few parcels remaining—approximately six—and competition with private investors is fierce, driving up the cost of land.

Because of the reduction in available land and increasing land prices, RRC has switched approaches—from building affordable housing on their own to building affordable housing with for-profit private developers. RRC’s impetus for partnering is their need for capacity, and private developers (or lending institutions) benefit by fulfilling community investment and basic philanthropic interests. RRC believes that their work in Reynoldstown has contributed to stabilizing the neighborhood’s rental and homeownership market—they have acted as the risk capital. Through partnership with RRC, developers learn the Reynoldstown housing market and can realize a profit.

One for-profit partner is John Wieland Homes, a private development company known for its work in the Atlanta region. RRC and Wieland Homes have a joint venture partnership with a 50-50 split for a project to build homeownership and rental units on 3.7 acres of a subdivided property. On 1.25 acres will be 40 to 50 low-income rental units for seniors. In addition, they are renovating 22 existing flats and building 24 new town homes, which will be two- and three-bedroom units. Approximately half of the new and rehabilitated town homes will be pegged as affordable, costing approximately $140,000, while the market-rate units will be priced between $180,000 to $200,000.

Financing is a key issue for RRC. According to respondents, RRC’s new affordable units tend to run between $135,000 and $180,000, which is the top of the IDA spectrum, compared to $270,000 for privately developed housing. One way RRC keeps the units affordable is by adjusting the unit size, building two floors instead of three, and reducing the number of bedrooms, while still including two bathrooms to ensure future marketability.

RRC protects their subsidy through a “recapture clause,” which places a third-position lien on the property for the amount of the subsidy for 10 years. RRC decided against capping the resale value because they want to contribute to the buyer’s equity; however, the lien ensures that the CDC can recapture some of their investment should the buyers sell early. The recapture clause also acts as a disincentive for “flipping,” or buyers selling the property for a higher price soon after purchasing it.

Implementation Challenges

The challenges facing RRC’s work are typical of any nonprofit developer. The market has made development difficult as demand has driven up the cost of land, and competition with private developers is fierce. For instance, respondents report that land prices increased from $1 a square foot in 1998 to $6 a square foot in 2000. RRC must
rely on different types and multiple sources of financing, which results in more complicated and drawn-out deals—a disadvantage compared to private developers. They also rely on mixed-income housing to develop affordable units. The market-rate units help subsidize the affordable units. RRC’s partnerships with private developers has allowed them to provide affordable housing, especially in light of appreciated housing prices.

Land acquisition is a large challenge for RRC, as prices have increased and availability decreased. A county-run land bank proved ineffective and hampered the potential for gaining parcels early on. Only RRC’s work with the Bank of America CDC assisted with acquiring vacant land. RRC approached funders in 1996 to create a land bank, but the funders questioned whether Reynoldstown would ever be a desirable locale. An effective land banking system would have allowed more affordable units to be built. Development and construction costs stay relatively consistent over time, even when gentrification occurs, while land costs more easily fluctuate and appreciate. By controlling land costs, CDCs can better provide affordable housing and reduce competition with private investors.

RRC also recognizes the need to turn its attention back to rental housing. The market has driven the strategy of new construction and homeownership, but it is recognized that lower-income residents need more rental housing. The housing stock in Reynoldstown is typically single-family homes—the only multi-family rental unit available is a 30-unit apartment building RRC built in the mid-1990s. Consequently, they have another 30-unit apartment building in development funded with Low-Income Housing Tax Credits.

RRC’s overall challenge is harnessing the forces of gentrification. In many ways, an appreciated housing market and new influx of residents have improved Reynoldstown. However, RRC needs to ensure that incumbent and new lower-income residents can live in the neighborhood as housing costs continue to increase.

**Additional Strategies**

**IDA Program**

RRC’s IDA program began in 1998 and is funded by the United Way. The program enables participants to build wealth and serves as a community building tool. Participants can use their savings toward homeownership in Reynoldstown or in any of the other 10 approved neighborhoods. Participants receive $4,800 to match their required $1,200 in savings after successfully completing RRC’s education, homeownership, and budget counseling. The subsidy can be used for downpayment or closing costs. (The subsidy is slightly lower if participants use it outside of the approved neighborhoods but in the same
Since the program began, 21 Reynoldstown residents have participated, eight of whom have purchased homes with IDA funds. Seven of the eight purchases were in Reynoldstown.

**Community Building**

In conjunction with their mission, RRC works with RCIL to improve the quality of life in Reynoldstown. RRC worked with the police department asking them to target nuisance and quality-of-life crimes that negatively affect the community, such as loitering, prostitution, and drug dealing. RRC and RCIL have worked to beautify the neighborhood through neighborhood cleanups and tree planting campaigns. Since 1996 RRC has organized a yearly neighborhood festival, the Wheelbarrow Summer Theater, which attracts visitors from all over the city. The festival is designed to celebrate Reynoldstown by providing the community with quality entertainment and promoting local talent. The festival acts as a community outreach mechanism and a way to positively promote Reynoldstown.

**Task Forces**

Additionally, Atlanta convened two task forces on affordable housing showing the city’s interest in tackling the issue. The Atlanta city council convened the Gentrification Task Force in September 2001, with members from city agencies, area universities, and including involved residents. This first task force focused on the plight of the lowest income households in Atlanta. City Council passed 4 of the 40 recommendations to assist in the development of affordable housing and to ensure that very low and extremely low income families were targeted for subsidies. One of these recommendations defined “affordability” as targeting only those making less than 50 percent of AMI, and the second required two-thirds of all public subsidies (i.e., CDBG and HOME) to target “extremely low income” families or those making less than 30 percent of AMI. These stringent definitions were not well received by developers, both private and not-for-profit, who believed the strict definitions would eliminate profitability and restrict them from providing affordable housing at all. Currently it is unclear whether the legislation passed from the task force’s recommendations will be applied.

Atlanta’s current mayor, Shirley Franklin, convened the Affordable Housing Task Force in 2002. This task force focused on “workforce housing”—housing for the middle class such as teachers, police officers, and firefighters—and championed mixed-income neighborhoods. Eleven members selected by the mayor sat on this task force, consisting of private and nonprofit developers, city officials from the housing department, representatives of intermediary groups, and the banking community. Among the recommendations of this task force are calls to improve the city’s building permit process, implement inclusionary zoning ordinances, create a more effective land bank authority, freeze property taxes for over 65-year-old homeowners, and streamline Empowerment Zone and CDBG financing. In addition, the task force recommended targeting affordable housing to families making between 50 and 80 percent of AMI.
Conclusion

The majority of housing stock in Reynoldstown continues to be rental and affordable, though there have been sharp increases in housing prices and property turnovers. As Reynoldstown moves into a middle stage of gentrification, there could be adequate time to implement policies and processes to hedge future displacement of current residents. However, this goal has its challenges. To encourage additional investment without displacing residents requires carefully balancing efforts to attract private developers without losing focus on the housing needs of current and future lower-income residents. Respondents from different sectors reported that improving the city’s permitting process and implementing an effective land banking system would greatly improve community development corporations’ and other nonprofits’ ability to develop more affordable housing. Managing the influx of higher-income residents by offering rental housing for lower-income households, as well as subsidized homeownership options, will help lower-income residents share in the neighborhood improvements. If development efforts are carried out in a way that reverses years of decline in Reynoldstown and creates new opportunities for lower-income residents, incumbent residents are less likely to be displaced as housing prices continue to increase.

Involving the community is another crucial lesson learned in Reynoldstown. The role of RRC is not only affordable housing development and retention but community building as well. By focusing on the community—focusing on their needs and developing leadership among the incumbent residents to advocate for their own needs—RRC has been able build community support for its efforts and seemingly minimize displacement. Involving the community has also proved fruitful in involving residents in RRC programs. For instance, RRC reached out to renters from Amberwood (their low-income multiunit rental building) to participate in the IDA program. Approximately five previous Amberwood residents have purchased homes through the IDA program.
Table 5: Atlanta, GA and Reynoldstown
City and Neighborhood Demographics, 1990 and 2000

<table>
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<th></th>
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<th>City total</th>
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<tbody>
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<td><strong>Population</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Population</td>
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<td>390,000</td>
<td>1,700</td>
</tr>
<tr>
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<td>415,100</td>
<td>1,600</td>
</tr>
<tr>
<td>% black non-Hispanic</td>
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<td>95.5</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>61.4</td>
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</tr>
<tr>
<td>% white non-Hispanic</td>
<td>1990</td>
<td>30.5</td>
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</tr>
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<td>2000</td>
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</tr>
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<td>% other race non-Hispanic</td>
<td>1990</td>
<td>1.0</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>2.4</td>
<td>1.6</td>
</tr>
<tr>
<td>% Hispanic</td>
<td>1990</td>
<td>1.9</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>4.5</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Income and poverty</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average family income (in 1999 dollars)</td>
<td>1990</td>
<td>59,600</td>
<td>32,800</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>73,300</td>
<td>39,800</td>
</tr>
<tr>
<td>Poverty rate</td>
<td>1990</td>
<td>27.3</td>
<td>26.4</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>24.5</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>1990</td>
<td>9.1</td>
<td>12.9</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>14.0</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Housing conditions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupied housing units</td>
<td>1990</td>
<td>154,600</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>167,900</td>
<td>700</td>
</tr>
<tr>
<td>Total rental units</td>
<td>1990</td>
<td>104,200</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>103,000</td>
<td>400</td>
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<tr>
<td>Rental vacancy rate</td>
<td>1990</td>
<td>15.1</td>
<td>14.3</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>7.4</td>
<td>7.9</td>
</tr>
<tr>
<td>% housing units owner-occupied</td>
<td>1990</td>
<td>42.8</td>
<td>36.6</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>43.2</td>
<td>42.3</td>
</tr>
<tr>
<td>Average value owner-occupied housing units (in 2000 dollars)</td>
<td>1990</td>
<td>165,500</td>
<td>46,200</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>240,900</td>
<td>96,000</td>
</tr>
<tr>
<td>% of renters paying &gt; 35% of income on rent</td>
<td>1990</td>
<td>34.9</td>
<td>39.2</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>32.3</td>
<td>26.2</td>
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## Home mortgage indicators

<table>
<thead>
<tr>
<th></th>
<th>Avg. (95, 96)</th>
<th>Avg. (00, 01)</th>
<th>% change a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of mortgages originated/1,000 housing units(^a)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>26.3</td>
<td>48.8</td>
<td>18.0</td>
</tr>
<tr>
<td>% change in number of mortgages originated, 1995/96–2000/2001(^a)</td>
<td></td>
<td></td>
<td>85.5</td>
</tr>
<tr>
<td>Dollar value of mortgages originated/housing unit(^a)</td>
<td></td>
<td></td>
<td>183.9</td>
</tr>
<tr>
<td></td>
<td>4,211</td>
<td>8,882</td>
<td></td>
</tr>
<tr>
<td>% change in dollar value of mortgages originated, 1995/96–2000/2001(^a)</td>
<td></td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Average value of mortgages originated (1–4-unit structures)(^a)</td>
<td></td>
<td></td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>160,100</td>
<td>182,100</td>
<td></td>
</tr>
<tr>
<td>% change in average value of mortgages originated, 1995/96–2000/2001(^a)</td>
<td></td>
<td></td>
<td>13.7</td>
</tr>
<tr>
<td></td>
<td>73,400</td>
<td>116,500</td>
<td>58.7</td>
</tr>
</tbody>
</table>

**Source:** Unless otherwise noted, the data come from The Urban Institute’s Neighborhood Change Database (NCDB), based on 1990 and 2000 U.S. Censuses.

**Note:** Reynoldstown consists of one entire census tract (131210031), and three partial census tracts (131210032, 131210050, and 131210052). The census and HMDA data shown above come exclusively from the one complete census tract, 131210031.

LOS ANGELES, CA
FIGUEROA CORRIDOR

Key strategy: Housing Trust Fund
Other strategies: code enforcement, rent stabilization, land trust

City and Neighborhood

Los Angeles grew in population by approximately 6 percent between 1990 and 2000, reaching 3.7 million (see Table 6 at the end of the case study). During the same time period, the Latino population grew by one-quarter, accounting for approximately half of the total population by 2000 (Census CD Neighborhood Change Database). The housing market accelerated in the late 1990s. Home purchases increased by 50 percent, roughly 30 percentage points higher than the national average, and mortgage amounts increased by 15 percent. More than half of Los Angeles residents rent, and rental housing became scarce as the rental vacancy rate decreased from 7 to 4 percent (Census CD Neighborhood Change Database). People talk of the city’s affordable housing crisis.

The escalation of housing prices in Los Angeles can be attributed to steady population growth and the reduction in the supply of land. In years past, Los Angeles built new housing to meet the increasing housing needs of the growing population. Currently, construction has practically stopped altogether, even though the population continues to grow, because of high construction costs, especially for infill development, lack of vacant land, and building codes that prevent mixed-use development. By the late 1990s, property values increased to the point where working families in the city were paying a higher proportion of their income on rent than in any other jurisdiction in California (Recommendations of the Housing Crisis Task Force 2000). According to respondents, neighboring cities and counties have developed little affordable housing due to their policies of exclusionary zoning and covenants. This, in turn, placed additional pressure on Los Angeles to provide affordable housing in an already tight market.

The Figueroa Corridor is a predominantly Latino community located downtown, southwest of the central business district. The neighborhood encompasses 40 blocks, bounded to the south by the University of Southern California (USC) and to the north by the Staples Center, home to the LA Lakers basketball team and Kings hockey team. The Figueroa community is an older residential part of the city with some commercial properties. The housing stock includes multifamily developments and single-family homes, including some Victorian homes. Part of the Figueroa Corridor is located in the West Adams section of Los Angeles. West Adams was one of the most fashionable areas in the city...
at the turn of the 20th century until it was overshadowed by the development of Beverly Hills in 1917. Well-known architects constructed large mansions in West Adams, many of which remain today but are in poor condition. Some of the multifamily residences in Figueroa Corridor are severely overcrowded and in need of major rehabilitation. The Figueroa community was designated a redevelopment area by the Community Redevelopment Agency, but the designation has since expired.

Figueroa Corridor has a large low-income population—the poverty rate for the neighborhood was 43 percent in 2000, almost double the city’s rate (Census CD Neighborhood Change Database). Many low-income residents are immigrants who work in garment factories and service jobs. Large concentrations of homeless can be found in Figueroa Corridor—the single-room occupancy hotels in the neighborhood provide temporary housing.

During the 1990s, Figueroa Corridor experienced an influx of wealthier residents. The neighborhood’s population increased 7 percent, slightly more than the citywide average, driven by new white residents. Greater numbers of Latinos moved out. The average household income increased by 23 percent, and within two census tracts, average incomes increased by almost half (Census CD Neighborhood Change Database). Adding to a tight housing market, rental vacancy rates decreased from 11 to 4 percent in Figueroa Corridor overall.

The housing market in the Figueroa Corridor has been affected in part by the area’s major institutions and amenities. USC students who want to live closer to campus are moving into the area. In response, landlords are evicting lower-income residents to make room for students who pay higher rents. For instance, garment industry workers who live in the community have experienced rent increases and have noticed the marketing of low-income housing to students. Respondents noted that university alumni buy older buildings in the Figueroa neighborhood and rent them to students at higher rates.

The Staples Center and its planned expansion has affected the housing market as well. Developers are converting commercial properties around Staples Center into lofts to attract people downtown. Consequently, single-room occupancy hotels are losing properties, as new lofts are being developed.

In recent years, “urban pioneers” have moved into the Figueroa Corridor and surrounding areas to restore older buildings and revitalize the community. There is some tension between the historic preservation efforts by the West Adams Heritage Association and affordable housing efforts in the Figueroa Corridor. According to respondents, the West Adams Heritage
Foundation was successful in removing the Community Redevelopment Agency from the area in order to receive a Historic Preservation Overlay Zone. Maintenance of historic properties tends to be more expensive, making it difficult to keep housing affordable for current residents. While some respondents noted the importance of historic preservation, they also noted the pressing need to ensure a safe and affordable living environment for current residents.

The area has a strong affordable housing advocacy base, consisting of various community groups. When developers were initially planning the expansion of the Staples Center, they did not include local residents in the planning process. In response, Strategic Actions for a Just Economy (SAJE) brought together 30 community, labor, and religious organizations and founded the Figueroa Corridor Coalition for Economic Justice (FCCEJ) to provide a community-based perspective to development plans.

In May 2001, FCCEJ negotiated an historic Community Benefits Agreement with the LA Arena Land Company, owned by billionaires Rupert Murdoch and Phillip Anschutz. According to the agreement, the Land Company must make significant improvements to the area surrounding the Staples Center in order for the expansion to move forward. The agreement requires the developers to include living wage and union jobs, affordable housing, local hiring, and parks to the Center’s four million square foot addition (Esperanza 2003). The progressive Community Benefits Agreement provides a model for ensuring low-income residents are considered when major developments are built in their communities.

The Esperanza Community Housing Corporation (ECHC) is another organization that has made a significant impact on affordable housing in the Figueroa Corridor. ECHC has taken a leadership role in pushing forward the dialogue and initiatives necessary to address the affordable housing crisis in Los Angeles. ECHC played an important part in the establishment of the Housing Trust Fund. The organization also provides information on legal rights to tenants living in dilapidated housing.

Stage of Gentrification

The Figueroa Corridor is in the middle to late stage of gentrification. According to respondents, rent prices are increasing at a faster rate in the Figueroa Corridor than in the city of Los Angeles. The changes occurring in the Figueroa Corridor can be attributed to its proximity to USC, the Staples Center, and the historic preservation efforts. As an example of the immense pressure on the local real estate market in the neighborhood, the Esperanza Community Housing Corporation (ECHC) was approached with high, all-cash offers for three of its properties. Around the same time, tenant organizers at SAJE were inundated with calls from tenants claiming their landlords were attempting illegal evictions, harassment, and discrimination in
order to evade the rent stabilization ordinance and replace working-class residents with higher-income renters. In response to the displacement efforts, SAJE organized tenant unions and trained residents on their legal rights. SAJE hired a tenants’ rights lawyer, held weekly legal clinics, and worked with a network of pro bono lawyers to slow the displacement process.

**Key Strategy—Housing Trust Fund**

The Housing Trust Fund, established in the 2000–2001 budget by the Los Angeles City Council, provides money for a variety of affordable housing development and preservation needs using loans or grants for predevelopment, acquisition, development, new construction, rehabilitation, or restoration of rental or ownership housing. The trust fund allocates city funds to be leveraged with other state and federal funds to address affordable housing needs. The priority of the trust fund is to expand and preserve the number of rental units for households with combined incomes less than 60 percent of the area median income.

The history of the trust fund begins with nonprofit attention. In 1998, the Southern California Association of Nonprofit Housing (SCANPH) organized a two-year campaign to establish a housing trust fund targeted solely toward affordable housing. This campaign was fueled by instances of affordable housing funding being reallocated for economic development. The campaign included a broad coalition of community organizations, housing advocates, and the business community, which marks a shift from the business community’s previous lack of involvement in housing issues. In 1999, the City Council convened the Housing Crisis Task Force to make recommendations on legislative and program reforms to address the affordable housing needs. The first recommendation listed in the 2000 report was the establishment of a housing trust fund.

In 2000, the Housing Trust Fund was established with seed funding of $5 million. In the following fiscal year, $10.5 million was appropriated to the fund. In January 2002 the mayor released a proposal for permanent funding sources, separate from the City Council proposal. The funding option produced through the mayor’s office was eventually approved. In the 2002–03 budget, Mayor Hahn and the City Council provided $42 million for the trust fund as the first installment of a three-year, $100 million commitment, which is the largest commitment to a Housing Trust Fund for any city in the United States. Resources for the 2002–2003 allocation of $42 million comes from the city’s general fund, the Community Development Block Grant (CDBG), the Community Redevelopment Agency, the Department of Water and Power’s public benefits fund, and bond savings.
In May 2002, Mayor Hahn appointed a Housing Trust Fund Advisory Committee composed of nonprofit and for-profit developers, community and business leaders, housing advocates, and land use experts to recommend guidelines to govern trust fund allocations and administration. In 2003, the City Council approved the following percentages for expenditures of the Housing Trust until further guidelines are established: 60 percent for multifamily rental projects serving households at or below 60 percent of the area median income (AMI); 20 percent for projects that create homeownership opportunities for households at or below 120 percent of AMI; 5 percent for emergency rental assistance; 10 percent to remain flexible with the priority going toward preservation of housing that is at risk of converting to market rate; and 5 percent for administrative costs.

The Los Angeles Housing Department (LAHD) administers the Housing Trust Fund. The LAHD issues a Notice of Financial Award (NOFA) to announce the availability of funding. Developers may then apply for the money from the trust fund by completing the appropriate application along with other subsidy applications. Developers who apply for trust fund money must leverage the funds with other state, federal, or private market capital. Leveraged funding has come from federal programs such as Low Income Housing Tax Credits (LIHTC), HOME, Community Development Block Grants (CDBG), and state bond financing.

Even while relatively new, the Housing Trust Fund has successfully contributed to the construction of new housing. The beginning net balance for 2002–2003 was $39.7 million and the beginning net balance for 2003–2004 was $57 million. Ten projects have received financial commitments totaling $15.2m for the development of 527 units, of which 518 are earmarked for households earning below 60 percent of AMI. Two Housing Trust Fund projects are located near the Figueroa Corridor as defined in this study: Broadway II, located just south of Figueroa Corridor, and Mt. Zion, which is located slightly south and east of the Corridor.

The Housing Trust Fund has also been successful in helping to establish affordable housing as a priority in the city. Inclusionary zoning and mixed-use development are now on the political agenda. According to some advocates, if made economically viable, inclusionary zoning offers the greatest potential for involving the private sector in affordable housing. SCANPH helped run a campaign for inclusionary zoning that advocated bonuses and other incentives provided to developers to offset their development costs. Many of the advocates for inclusionary zoning also worked on the Housing Trust Fund.

**Implementation Challenges**

Respondents identified a couple of challenges to implementation, especially financing difficulties and land availability. The rising cost of affordable housing
construction and the difficulty in subsidy layering are factors inhibiting the effectiveness of the Housing Trust Fund. Money from LIHTC, HOME, CDBG, the CRA, state bond financing, and foundations contribute to the construction of affordable housing, but in certain instances, layering of these funds does not provide the gap financing needed for a project, even with trust fund dollars. Also, practitioners caution to ensure that other subsidies come through before allocating trust fund dollars. Some affordable housing developers hire a project manager or outside consultant to package the subsidy layers because working with the subsidies can be time-consuming and difficult. In addition, the cost of land is rising as the availability of inexpensive land quickly dwindles.

Additional Strategies

**Code Enforcement**

In 1998, the city council approved the Systematic Housing Code Enforcement Program (SCEP), to inspect all residential rental properties with two or more dwellings every three years to determine housing code compliance. SCEP assigns a certificate of compliance if no deficiencies are found, and citations when a building is not in compliance. If deficiencies are found, a reinspection will take place, and if necessary, a General Manager’s Hearing will take place to deal with any continuing code compliance problems. If citations are not resolved, the LAHD has programs that address properties that are out of compliance: the Rent Escrow Account Program (REAP) allows tenants to pay their rent into a city-administered escrow account until the citations are resolved, and the Rent Reduction Program (RRP) reduces tenants’ rent based on the LAHD’s evaluation of the value of the missing service. SCEP also enables the housing department to identify areas of the city with older housing stock, and to direct developers to do rehabilitation in those neighborhoods. Esperanza Community Housing Corporation, legal aid groups, ACORN, and tenant advocates played an integral role in the adoption of SCEP.

**Rent Stabilization**

The Rent Stabilization Ordinance (RSO) was passed in 1978 to protect renters from sharp rent increases, while permitting landlords to receive a reasonable return on their investments. Most housing stock built before October 1978 is covered by RSO as long as a tenant has resided in it for 60 or more consecutive days. The annual permitted rent increase for units under the RSO is tied to the Consumer Price Index and is calculated each year. Workshops are available in some
communities to inform tenants under the RSO about their rights as renters. The RSO is administered through the housing department.

According to respondents, the RSO has played an integral role in maintaining units’ affordability in Los Angeles. However, the number of units under the RSO is decreasing due to the qualifying date of the program and turnover rate of the units. As a result, the preservation effects of the RSO are becoming diluted. In addition, respondents stated the average rents under rent stabilization do not tend to be much lower than market-rate rents.

**Land Trust**

Although the city offers programs such as the Housing Trust Fund for affordable housing development and preservation, community organizations are stepping in to take a more aggressive approach to affordable housing development and preservation in their communities. For example, the Esperanza Community Housing Corporation (ECHC) and Strategic Actions for a Just Economy (SAJE) are working to establish a land trust. Community leaders from the Figueroa Corridor visited cities across the country to explore longer-term solutions to slowing resident displacement. The idea for a land trust resulted from these visits. The goals of the land trust are to help stabilize the community by bringing existing housing under community ownership, help improve the quality of life of neighborhood residents, and create a variety of ownership opportunities, ranging from single-family ownership, limited-equity cooperatives, and condominiums, by regulating land costs over time.

**Conclusion**

The Housing Trust Fund has contributed to the construction of new affordable housing. Other strategies are needed, however, to provide additional affordable housing. The price of constructing new housing—particularly infill housing—is steadily increasing, which is motivating housing practitioners to consider other strategies involving private developers, such as inclusionary zoning. The city plays an important role in creating an environment that can help attract private developers. While the Housing Trust Fund is only one of a number of strategies, it has helped put affordable housing on the political agenda, which in itself is a success.

Community groups within the Figueroa Corridor have played a crucial role in preserving and producing affordable housing within the community. Practitioners learned the importance of involving many stakeholders in the process of formulating the details of the trust fund. Hosting public hearings and workshops enabled the community to become involved creating support for the strategy. However, it is important to note that the community was torn between the pull for historic preservation and the need for affordable housing.
Table 6: Los Angeles, CA and Figueroa Corridor
City and Neighborhood Demographics, 1990 and 2000

<table>
<thead>
<tr>
<th>Population</th>
<th>Year</th>
<th>City total</th>
<th>Figueroa Corridor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1990</td>
<td>3,480,400</td>
<td>16,600</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>3,697,300</td>
<td>16,500</td>
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<tr>
<td>% change population</td>
<td>1990–2000</td>
<td>6.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>% black non-Hispanic</td>
<td>1990</td>
<td>13.2</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>11.4</td>
<td>5.7</td>
</tr>
<tr>
<td>% white non-Hispanic</td>
<td>1990</td>
<td>37.5</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>30.8</td>
<td>20.1</td>
</tr>
<tr>
<td>% other race non-Hispanic</td>
<td>1990</td>
<td>10.0</td>
<td>4.7</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>11.3</td>
<td>9.7</td>
</tr>
<tr>
<td>% Hispanic</td>
<td>1990</td>
<td>39.3</td>
<td>70.1</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>46.5</td>
<td>64.5</td>
</tr>
</tbody>
</table>

Income and poverty

| Average family income (in 1999 dollars) | 1990 | 68,300 | 27,200 |
|                                       | 2000 | 64,200 | 30,005 |
| Poverty rate                          | 1990 | 18.9   | 44.3   |
|                                       | 2000 | 22.1   | 42.7   |

Employment

| Unemployment rate                   | 1990 | 8.4   | 9.2   |
|                                     | 2000 | 9.3   | 12.2  |

Housing conditions

<p>| Occupied housing units              | 1990 | 1,216,100 | 4,100 |
|                                     | 2000 | 1,276,400 | 4,000 |
| Total rental units                  | 1990 | 790,900   | 4,400 |
|                                     | 2000 | 815,000   | 4,000 |
| Rental vacancy rate                 | 1990 | 6.8      | 10.4  |
|                                     | 2000 | 3.8      | 6.2   |
| % housing units owner-occupied      | 1990 | 39.4     | 5.9   |
|                                     | 2000 | 38.6     | 7.0   |
| Average value owner-occupied housing units (in 2000 dollars) | 1990 | 380,400 | 206,700 |
|                                     | 2000 | 316,100  | 167,400 |
| % of renters paying &gt; 35% of income on rent | 1990 | 39.4 | 45.5 |
|                                     | 2000 | 37.0     | 37.0  |</p>
<table>
<thead>
<tr>
<th>Home mortgage indicators</th>
<th>Avg. (95, 96)</th>
<th>20.1</th>
<th>4.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of mortgages originated/1,000 housing units&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Avg. (00, 01)</td>
<td>32.2</td>
<td>6.7</td>
</tr>
<tr>
<td>% change in number of mortgages originated, 1995/96–2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td>60.2</td>
<td>59.5</td>
</tr>
<tr>
<td>Dollar value of mortgages originated/housing unit&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Avg. (95, 96)</td>
<td>4,214</td>
<td>679</td>
</tr>
<tr>
<td>% change in dollar value of mortgages originated, 1995/96–2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Avg. (00, 01)</td>
<td>7,160</td>
<td>1,071</td>
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<td>Average value of mortgages originated (1–4-unit structures)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Avg. (95, 96)</td>
<td>209,300</td>
<td>160,700</td>
</tr>
<tr>
<td>% change in average value of mortgages originated, 1995/96–2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Avg. (00, 01)</td>
<td>222,400</td>
<td>160,100</td>
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<tr>
<td>% change in average value of mortgages originated, 1995/96–2000/2001&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td>6.3</td>
<td>-0.4</td>
</tr>
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Source: Unless otherwise noted, the data come from The Urban Institute’s Neighborhood Change Database (NCDB) based on 1990 and 2000 U.S. Censuses.

Note: Data for Figueroa Corridor are analyzed using census tracts 23110, 221900, 224020, 224420, 224600, and 224700.

Late Stages of Neighborhood Gentrification

In previously disinvested neighborhoods that now have a strong private housing market, housing practitioners face constrained options for addressing affordable housing needs. Organizations working to produce or preserve housing for lower-income households must act in an environment with limited access to land and high housing costs. Central Area in Seattle, WA, and Uptown in Chicago, IL, are examples of such neighborhoods.


SEATTLE, WA
CENTRAL AREA

Key strategies: infill development and housing levy
Other strategies: home repair, review of development regulations, employment

City and Neighborhood

Seattle, Washington, located in the Pacific Northwest on Puget Sound, is perhaps best known as home to a number of major companies, including Boeing, Microsoft, and Amazon.com, as well as Starbucks. The city takes pride in being recognized as one of the best places to live and to locate a business. Between 1990 and 2000, Seattle grew by 9 percent to reach a population of 563,374 (see Table 7 at the end of the case study). Whites make up more than two-thirds of the population and Asians are the second largest demographic group, at approximately 13 percent (Census CD Neighborhood Change Database).

Even though Seattle has been hit hard by the dot-com bust and layoffs at Boeing, the housing market has remained strong with home sales indicators above national averages. Home purchases increased by 39 percent between 1996 and 2001, compared to a 29 percent national increase. The percent increase in median mortgage amount during the same time period was 33 percent, compared to a 14 percent average increase nationwide (HMDA). Vacancy rates remained very low in Seattle for both homeowners and renters.

Housing costs have increased tremendously across Seattle; respondents described prices as “skyrocketing” since the late 1990s. One reason cited for the increases was the growth in management regulations limiting suburban growth. The regulations are believed to direct development back into the city. With the city mostly built out, land and housing prices have risen.

Central Area, also referred to as Central District, is located about one mile east of downtown. Central Area has four sections, though it is considered one neighborhood. For this case study, we focus on the 23rd and Jackson section.

Central Area is credited as being the first residential area in Seattle. Since it was developed in the mid-19th century, the neighborhood has been home to a number of white and Asian immigrants, and Jews. After the Second World War, African Americans who moved to Seattle for employment opportunities settled in Central Area, one of the few neighborhoods in which they were then allowed to purchase a home. Subsequent white flight led to increased racial segregation. A number of subsidized housing projects were built in the neighborhood beginning in the 1960s, which by 1990 constituted 25 percent of the neighborhood’s housing stock. In the mid-
In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement

1960s, the neighborhood was affected by urban renewal as many properties were torn down and lots left vacant. The commercial hub at 23rd and Jackson streets lost nearly all of its businesses in the 1960s (Carter 1997). People who were able to move from Central Area did so in order to leave what was a growing problem of crime and drugs.

Central Area was designated a Special Objective Area (SOA) in the late 1980s. The designation meant that without community approval, no additional subsidized housing could be built in the neighborhood with city funds. When Seattle was recognized as the most livable city in the early 1990s, Central Area residents raised the issues of high crime and poverty by organizing a large march downtown to the Chamber of Commerce. Participants asked the business community to become involved in efforts to revitalize Central Area and nearby Rainier Valley.

In 1994, the Central Area Development Association (CADA), a community-based development organization, was founded to help spark neighborhood revitalization. As change began to occur in Central Area, higher-income white households started moving to the neighborhood, in part because of the attraction of living in a diverse area. Major chains, including Starbucks and Walgreens, also began investing in the community, which further supported housing price increases. Respondents commented that today, people who left the area before it started to revitalize no longer can afford to return.

There has been considerable change in Central Area’s demographics between 1990 and 2000. The population increased 10 percent to 22,000 residents. Whites and Latinos fueled the increase, while the African American population decreased from more than half of the neighborhood’s population to slightly more than one-third (Census CD Neighborhood Change Database).

Housing and income data also point to change in Central Area. The average home value increased by 81 percent (from $153,000 to $277,000), much higher than the still-notable increase of 43 percent citywide. In addition to large increases in average house price, the change in average household income also was significant. Average income increased by 48 percent in Central Area compared to a 26 percent increase citywide (Census CD Neighborhood Change Database).

Changes occurring in Central Area are attributed to its proximity to downtown and to public transportation. As the downtown area revitalized in the late 1980s to mid-1990s, interest in living near downtown increased. The neighborhood is also close to a freeway, parks, and universities. Another factor affecting the housing market is that houses are more affordable relative to other neighborhoods. According to
CADA, 10 years ago housing prices were low in Central Area and as elderly homeowners either moved from the area or passed away, their houses were renovated and rented or sold for a higher price. Respondents also credited CADA for much of the change, especially in the business sector. Once major chains moved into the shopping center at 23rd and Jackson, changes began occurring more rapidly.

Residents in Central Area have not been highly organized to work on affordable housing and other issues, though local leadership is strengthening. Residents did have input into the Neighborhood Action Plan, a plan that explicitly discusses gentrification and the need to balance neighborhood improvements with stability of the current residents and businesses. More than 2,000 people participated over three years in the planning process to develop the Central Area Action Plan II, the most recent neighborhood plan.

There is hope that the city will increase its focus on gentrification in part due to the last mayoral election. Current Mayor Nickels narrowly was elected with help from the African American community because of his campaign promise to focus on race and social justice issues. Some respondents said that the city is not yet doing enough but is beginning to direct more attention and resources to affordable housing issues.

**Stage of Gentrification**

Central Area is at an advanced stage of gentrification. Sections of the neighborhood are more gentrified than others, and there are still a number of depressed housing units as well as underdeveloped parcels of land, though few vacant lots. As evidence of gentrification, people point to housing prices, displacement, changes in the commercial areas, and the types of people who are moving to the neighborhood. The median home price in 2002 was $278,500, compared to average prices of $231,000 to $249,000 in other distressed areas of Seattle (CADA). While there is no data that track displacement, most people refer to anecdotal information about people leaving because of increasing rents. There is also concern that elderly residents might not be able to remain due to deferred maintenance issues and costs of upkeep. A number of respondents talked about the inability of people who previously lived in Central Area to afford to move back.

According to CADA and city staff, African American residents who are leaving Central Area are moving to the southeast and southwest areas of Seattle, as well as to neighboring towns. All of these locations tend to be lower-income communities. New residents in Central Area have higher incomes—the area is second only to downtown in household income increases. They also tend to be white. Changes in the commercial corridors, especially 23rd and Jackson, are also pointed to as indications of gentrification. Some of the local
businesses serving primarily the African American community are hurting because of the change in population base and the draw of the new businesses.

Responses to the changes in Central Area vary. Some people are pleased with what they view as improvements on par with other parts of the city. However, there is also concern about the degree of change among residents and businesses. Local businesses are working to take advantage of the changes without being displaced, with businesses located closer to the chains faring better than others.

To understand the sentiments about the changes occurring in Central Area, it is important to know that there was active redlining in Seattle until the late 1960s. In the mid-1960s, an open housing measure was put before voters that if passed, would have allowed African Americans to buy a home anywhere in the city. The measure was defeated. The city council later passed a comprehensive open housing law in 1968. Respondents spoke of racial tensions as long-term residents notice that the improvements seem to come along with the increase in white residents. There is, as one person stated, an “undercurrent of suspicion” regarding the motivation behind the changes—that were it not for the white households, the level of investment would be lower. One person stated that while he likes the new investments, he does not want to see the area become a white neighborhood. In his business he has experienced an attitude among in-movers that the neighborhood should now cater to their needs.

Although the investments and housing prices keep increasing in Central Area, most respondents talk about the situation in ways suggesting that it is not too late to prevent widespread displacement. Central Area was contrasted with Capitol Hill, which has gentrified to the point that there is little to no affordable housing left. Acknowledging that Central Area will continue to gentrify, people spoke of the need to create a balance so that lower-income households can remain or move into the area.

**Key Strategies—Infill Development and Housing Levy**

Key housing strategies used in the Central Area neighborhood are infill development, including the development of mixed-use projects, and a citywide housing levy to raise funds for the production and preservation of affordable housing, both rental and homeownership.

**Infill Development**

Through mixed-use infill projects, CADA seeks to revitalize the business areas in Central Area that were nearly cleared by urban renewal and to provide additional affordable and market-rate housing units. CADA likes mixed-use projects because of
the belief that every community should have a viable business node. An example is a construction project at 23rd and Jackson, described below, on land zoned for mixed-use development. The envisioned project fit well with the neighborhood plan, which calls for projects that will strengthen existing business nodes.

Most respondents agreed that the Central Area is built out. Infill development allows developers to take advantage of the vacant or dilapidated properties that exist in the neighborhood. According to CADA there are 10 to 15 available parcels. Were the neighborhood completely gentrified, like Capitol Hill, infill projects might not be possible to initiate. Rather, the focus likely would shift to preserving existing affordable housing stock, which the organization is anticipating doing in the near future.

The size and location of a property affects the type of project that can be done. CADA has redeveloped individual lots for single-family houses, as well as larger parcels, such as the current mixed-use project. The larger, higher-density projects can have the most impact on the neighborhood by increasing employment opportunities and outlets for shopping and other business transactions for current community members, as well as drawing new residents and customers to the area. The organization views infill development on vacant or underdeveloped land as a way to balance gentrifying forces by building without displacing residents or businesses.

CADA raises both public and private funds to finance its housing and commercial projects. To acquire properties for development, development organizations can purchase land from the city at lower than market value. CADA has purchased one land parcel from the city to date, though it paid the appraised value, which at the time was affordable. Given the lengthy development process of mixed-use developments, the land value increased 80 percent by the time construction began. When a community-based development organization purchases land from the city’s Office of Economic Development, there are a number of stipulations, including requirements for a certain number of affordable units at 60 to 80 percent of AMI, maintaining affordability of the units over time, and hiring construction staff from the local community.

CADA’s 23rd and Jackson project under construction is a good example of infill that serves both housing and economic development goals. Welch Plaza is being built on the former site of a neighborhood hardware store, diagonally across the street from a Starbucks. CADA is partnering with a private real estate development company to develop the site, and will retain part ownership once the project is completed. The approximately $27 million project, funded by a major bank, private investors, and two city departments (Economic Development and Housing), will provide affordable and market-rate rental housing units, and retail and commercial space.
The initial plan called for two apartment buildings and one office building, but with the office vacancy rate in the city on the rise, the plan was revised. The final plan includes a total of 162 apartments from studio to two-bedroom units, 17 percent of which will be affordable to households earning up to 60 percent of AMI and 31 percent of which will be affordable to households earning up to 80 percent of AMI. The project also includes 18,000 square feet of ground floor retail and commercial space, and slightly over 200 parking spaces, most of which will be located underground. The first phase of the project was scheduled for completion in October 2003, with the entire project slated for January 2004 completion.

The project has incorporated economic development into the construction phase by setting targets for the participation levels of minority and women subcontractors and for the employment of local residents. CADA’s newsletters document these participation levels. Overall, respondents said there has been more positive than negative responses to the Welch Plaza project. Community members have been pleased to see racial minority and women employees on the construction site. And though some residents are unhappy with the higher density and overall large size of the project, other residents like it. One issue has been the selection of a non-union contractor, which has created a problem with the unions.

According to CADA staff, the CDC’s role in leading new development in Central Area is not as significant now that the private market has taken over. Since Starbucks and Bank of America arrived in the neighborhood, private developers are more willing to move in. Now that private investment is coming to the area again, the organization is starting to prioritize other aspects of what it does, such as preserving affordable housing. As a next step, the organization is beginning to look at project-based Section 8 opt-out properties to purchase and maintain as subsidized housing. Although these properties’ values are increasing as well, they are not yet valued at the market rate. CADA has purchased one Section 8 development so far that consists of 24 housing units in two buildings.

**Implementation Challenges**

Housing practitioners in Central Area must cope with increasing land prices posing a challenge to the viability of development projects. As an example of the increasing land costs, CADA purchased the parcel at 23rd and Jackson for $198,000; five years later, the property was appraised at $1.2 million. Even though the CDC can purchase land from the city at lower than market value, increasing land values makes such purchases difficult. In addition to cost, the number of vacant parcels in Central Area is declining. CADA estimates that it will be
able to continue purchasing land for development for perhaps two more years.

Mixed-use projects bring other challenges, which include acquiring funding for the commercial portion of a project. The city’s Office of Community Development has an equity fund for commercial development, which CADA taps. CADA also identifies private developers with which to partner. Many CDCs do not get involved with commercial projects because of the funding difficulties. Mixed-use developments are higher risk than housing developments. As CADA said, a CDC needs to work with a private developer who understands the risks, has deep pockets, and is patient.

Community involvement and communication are critical when doing infill projects. CADA spoke of the importance of gathering community input on specific projects from the earliest stages of planning. A CDC needs to get the community involved, pay heed to any concerns, and incorporate ideas. In Seattle, the permitting process can take about 18 months. Because the city requires community input into a plan in order to grant permits, not inviting community involvement early on can lead to serious permitting delays. Updating key constituents and the broader community during the course of a project helps keep people aware of progress and any obstacles so that they feel in the loop.

CADA staff offered suggestions for work on mixed-use infill developments: if working in a union town, negotiate with the unions to secure a quality contractor. Find a private partner for projects on which it is difficult to raise sufficient public money. As mentioned earlier, a “good” partner is one who understands the risks involved, is patient, and has pockets deep enough to weather the few years it might take to realize decent revenue streams. CADA recommends mixed-use developments in part because of the revenue streams and developer fees that can be realized. However, it acknowledges that it usually takes time for the revenues to materialize.

**Housing Levy**

The housing levy is a property tax assessment that raises funds for affordable housing preservation, production, and assistance. Levy funds can be used across Seattle, though most of the funds are intended for use in Special Objective Areas (SOA), areas that the city has designated as economically distressed. Central Area is one of the four SOAs listed in the 2002 levy.

The decision to place a housing levy before citizens for a vote stemmed from the need to increase the affordable housing stock in the city. Prior to the first levy, passed in 1981, the only funding sources for affordable housing production were CDBG and public housing funds. When the city was designing the levy, staff debated whether to structure the assessment as a percentage of property taxes or to specify an overall amount to be raised. Believing that there would be greater support if voters knew the exact amount they would be
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asked to approve, staff decided to specify a dollar figure. The planning process for the most recent levy began two years before it was initiated. There was a citizen advisory committee that included former mayors. The city spent about $300,000 on the levy campaign, which it raised through contributions from banks and other contributors.

Seattle voters have since passed four housing levies. The first levy raised funds to meet housing needs of senior citizens. The city’s decision to target the levy this way was pragmatic—the elderly was an easy group to serve politically. The second levy in 1986 was broadened to include special needs and family housing. This levy also focused on the downtown area of the city. The levy of 1995 was expanded again to include rental preservation and production, homeownership, and operations and maintenance of housing.

The 2002 levy will total $86 million over seven years, costing the average homeowner approximately $49 a year (Seattle Office of Housing 2003). The levy was placed on the ballot after the city council passed an ordinance that adopted an Affordable Housing Financing Plan. The current levy is organized into five programs: the Rental Preservation & Production Program, the Homeownership/Home Buyer Assistance Program, the Neighborhood Housing Opportunity Program, the Rental Assistance Program, and the Operating and Maintenance Program. Five percent of levy funds will be set aside for each program administration. The Office of Housing is charged with administering each of the levy programs except for the Rental Assistance Program, for which the Human Services Department is responsible. Each program calls for leveraging of funds with other city, state, or federal funding sources, including the McKinney Homeless Assistance program, the State Housing Trust Fund, HOME, CDBG, various city sources, and foundation support.

There have not been significant challenges to the levy program; however, the changing housing market has affected the levy’s Homeownership/Home Buyer Assistance Program. Now, the downpayment assistance mostly goes toward the purchase of condominium units because of the increasing costs of detached housing.
## Programs Funded by Housing Levy

Most of the funding, 65 percent or $56.1 million, is targeted for the Rental Preservation and Production Program. This program offers funding for the acquisition and/or rehabilitation of vacant or occupied buildings, new construction, and for financing. Tenants of housing produced or preserved with levy funds must have incomes at or below 30, 50, or 60 percent of AMI, depending on the type of project. However, nearly 60 percent of the funds from this program must go toward units affordable to households with income at or below 30 percent of AMI. Funds are in the form of various types of loans, which are made to nonprofit organizations, the Seattle Housing Authority, public development authorities, and private developers. Projects funded through the Rental Preservation and Production Program may be located across the city.

The Homeownership/Home Buyer Assistance Program will receive 9 percent of the levy funds ($7.8 million total). This program seeks to help low-income, first-time homebuyers to purchase a house in Seattle. Beneficiaries of the assistance must have incomes at or below 80 percent of AMI, with at least half of the funds targeted to households earning at or below 60 percent of AMI. Most of this program’s funds will be targeted for use in the four Special Objective Areas, which include the Central Area.

The Neighborhood Housing Opportunity Program (NHOP) is new in the 2002 levy. It will receive 8 percent of levy funds ($7.2 million total). This program will support three objectives: projects located in the identified economically distressed areas, projects in historically distressed areas, and projects that can serve as a catalyst to revitalization. Geographic stipulations on these funds include the Central Area. The program criteria include mixed-use or mixed-income projects and projects that will help mitigate the impact of gentrification in an area by providing a range of housing types and prices. Housing funded by this program must be affordable to households at 80 percent of AMI, and at least a quarter of the funding must support housing for people at or below 30 percent of AMI.

The Rental Assistance Program accounts for 3 percent ($2.8 million) of the levy. The program pays a rent subsidy directly to a private landlord via a public agency or a nonprofit organization. The assistance is short-term, meant to help prevent homelessness due to economic hardship and to help households transition from homelessness into rental housing. Households receiving assistance under this program must have income at or less than 50 percent of AMI.

Finally, the Operating and Maintenance Program makes up 9 percent of the levy ($7.8 million total). This program offers multiunit developments under the Rental Preservation and Production Program operating support so that units in the developments can be affordable to extremely low income households (income at or less than 30 percent of AMI). Private developers, nonprofit organizations, and public agencies except for the Housing Authority may participate in this program.
Under the 1981 Housing Levy, 1,300 units of elderly housing were affected, exceeding the goal of 1,000. The goal for the second levy in 1986 was to affect 1,000 units of housing, and again the city exceeded the goal by 900 units. Under the current levy, housing goals are 1,522 units under the Rental Preservation and Production Program; 326 under the Homeownership Program; and 196 in the Neighborhood Housing Opportunity Program, for a total of 2,044 units produced or affected. City staff estimated the actual number will likely be closer to 2,500 units. In addition, the Rental Assistance Program is estimated to assist approximately 500 households a year or 3,500 households over the course of the levy.

According to CADA, the housing levy has provided support to three projects in Central Area. Harvey Apartments received about 20 percent of project costs from the levy to preserve 20 units as low-income housing. Union James project received about 40 percent of project costs to include 28 units of affordable housing. Finally, the Welch project under construction has received about 5 percent of the project cost to go toward 21 affordable units.

**Implementation Challenges**

City staff offered a number of suggestions for creating a housing levy. First, keep it simple at the start by beginning with one program rather than with many. Poll to get a sense of the type of program that could garner widespread public support. Seattle found that senior or family/workforce housing were good initial programs. Even with careful design of the levy, a city should anticipate a hard sell of the program. The planning process for Seattle’s housing levy began two years before the levy was initiated. The city spent about $300,000 on the campaign, which was raised through contributions from banks and other contributors. The political strategies for gathering support for the levies have been different each time around. The process of getting the levy passed is a good opportunity to bond with nonprofit organizations. City staff commented that the relationships developed during the process of shaping and getting passed the housing levy has helped the implementation of the levy programs.
Additional Strategies

Home Repairs
Efforts to preserve affordable housing include home repair work. CADA has carried out maintenance and repair work for neighborhood homeowners for the past seven years. Volunteers work on up to 10 houses each summer during weekends to paint exteriors, repair roofs, do yard work, and improve home security for elderly or disabled residents. The city also offers a home repair program, called HomeWise. HomeWise offers loans at 3 percent interest to low- and moderate-income homeowners to cover the costs of health and safety-related repairs, accessibility modifications, or code violation upgrades. The program also offers free weatherization grants to low-income households.

Housing Regulations
Another strategy in Central Area is to revisit development regulations that affect affordable housing production. The Central Area satellite office of the Department of Neighborhoods worked with the Department of Housing to host a forum in June 2003 to discuss lifting the moratorium on affordable housing development that exists because the neighborhood is designated as an SOA. At present, projects located in SOAs that receive city funding cannot include affordable units unless developers receive neighborhood approval. The SOA was initiated in order to disperse new affordable housing developments into areas that did not already have a concentration of them. Now that housing prices have increased in Central Area, some people want the moratorium lifted so that it will be easier to build new affordable housing in an effort to balance the gentrification forces in the neighborhood. The number of subsidized units in Central Area dropped from 25 percent of the housing stock in 1990 to approximately 15 percent at present (compared to 8 percent citywide). City staff did not anticipate opposition to lifting the moratorium in Central Area.

Employment
Another strategy is based on the perspective that anti-displacement efforts must take a broader focus than housing alone, and include employment. The Chamber of Commerce established the Urban Enterprise Center (UEC), a nonprofit affiliate with ties to the business community, which focuses on the Central Area. UEC held a retreat with Central Area leaders to discuss community needs. The primary issue identified was the lack of jobs. Two of UEC’s initiatives are job creation and business development. UEC has sent out approximately 3,000 letters to employers encouraging them to hire people from inner areas of the city. To work with the program, businesses have to offer a yearly salary of at least $20,000 along with benefits. UEC works with the Employment Security Office to identify potential employees and get them job-ready before matching them with employers. To date, UEC has helped over 7,000 people from Central Area and Rainier Valley who previously had received welfare to find employment. With financial support from the Ford Foundation and private businesses, UEC has funded community-based organizations to help develop businesses. New businesses are required to hire 50 percent of their workforce from the local community. Graduate students from the University of Washington provide businesses with marketing and accounting assistance so that they might remain competitive as larger chains locate nearby.
Conclusion

Because the Central Area neighborhood is in process of gentrifying, respondents believe that it is not too late to prevent increasing displacement of current residents. The availability of underdeveloped parcels of land and some vacant lots allow for infill development for at least two more years. The city’s housing levy programs will support the construction and preservation of affordable rental and homeowner properties in Central Area and elsewhere in the city. If the SOA designation is altered, developers will be able to construct subsidized housing using city funds once again as a way to balance the strong private housing market. Importantly, respondents all understand the need for economic development initiatives to bring in new stores and services and to support existing businesses. This broader view of both neighborhood revitalization and displacement mitigation acknowledges the interdependence between residential and business components of a community.

| Table 7: Seattle, WA and Central Area City and Neighborhood Demographics, 1990 and 2000 |
|---|---|---|
| Population | Year | City total | Central Area |
| Population | 1990 | 516,200 | 20,300 |
| | 2000 | 563,300 | 22,200 |
| % change population | 1990–2000 | 9.1 | 9.4 |
| % black non-Hispanic | 1990 | 9.8 | 56.5 |
| | 2000 | 9.6 | 38.9 |
| % white non-Hispanic | 1990 | 73.8 | 30.6 |
| | 2000 | 68.8 | 41.7 |
| % other race non-Hispanic | 1990 | 13.1 | 10.3 |
| | 2000 | 16.4 | 11.1 |
| % Hispanic | 1990 | 3.3 | 2.6 |
| | 2000 | 5.3 | 8.3 |
| Income and poverty | Average family income (in 1999 dollars) | |
| | 1990 | 66,600 | 43,500 |
| | 2000 | 83,800 | 64,300 |
| Poverty rate | 1990 | 12,400 | 20,900 |
| | 2000 | 11,800 | 19,200 |
### Employment

<table>
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<tr>
<th>Year</th>
<th>Unemployment rate</th>
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<tr>
<td>1990</td>
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<tr>
<td>2000</td>
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</table>

### Housing conditions

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupied housing units</th>
<th>Total rental units</th>
<th>Rental vacancy rate</th>
<th>% housing units owner-occupied</th>
<th>Average value owner-occupied housing units (in 2000 dollars)</th>
<th>% of renters paying &gt; 35% of income on rent</th>
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<tr>
<td>1990</td>
<td>236,700</td>
<td>127,100</td>
<td>4.8</td>
<td>48.9</td>
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<tr>
<td>2000</td>
<td>258,500</td>
<td>138,400</td>
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### Home mortgage indicators

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<tr>
<th>Year</th>
<th>Total number of mortgages originated/1,000 housing units</th>
<th>% change in number of mortgages originated, 1995/96–2000/2001</th>
<th>Dollar value of mortgages originated/housing unit</th>
<th>% change in dollar value of mortgages originated, 1995/96–2000/2001</th>
<th>Average value of mortgages originated (1–4-unit structures)</th>
<th>% change in average value of mortgages originated, 1995/96–2000/2001</th>
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<tr>
<td>1990</td>
<td>Avg. (95, 96)</td>
<td>26.5</td>
<td>4,446</td>
<td>85.5</td>
<td>167,900</td>
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<tr>
<td>2000</td>
<td>Avg. (00, 01)</td>
<td>38.8</td>
<td>8,246</td>
<td>99.5</td>
<td>212,700</td>
<td>39.1</td>
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</table>

**Source:** Unless otherwise noted, the data come from The Urban Institute's Neighborhood Change Database (NCDB) based on 1990 and 2000 U.S. Censuses.

**Note:** Data for Central Area are analyzed using census tracts 007700, 007900, 008700, 008800, 008900, and 009000.

Key strategy: voluntary inclusionary zoning
Other strategies: nonprofit retention strategies, tax assessment retention strategies

City and Neighborhood

Chicago increased in population and housing values during the 1990s. Chicago grew by roughly 4 percent in the 1990s reaching 2.9 million people in 2000 (Census CD Neighborhood Change Database). The price of homes increased one-quarter during the late 1990s, while the number of homes bought increased by 30 percent (see Table 8 at the end of the case study). The accelerated housing market did not happen uniformly across neighborhoods throughout the city, however. Neighborhoods bordering Lake Michigan north of the central business district and neighborhoods immediately south and west of the downtown area appeared to drive the city’s overall housing market gain. Neighborhoods located on the far south and west sides—historically African American and poor—continued to experience neglect during the 1990s.

Uptown is located along Lake Michigan, approximately eight miles north of downtown. South of Uptown are upscale neighborhoods, and immediately north is Edgewood, a neighborhood that also experienced an accelerated housing market during the 1990s, along with an influx of new upscale retail and restaurant establishments.

Uptown historically has been a diverse and densely populated area. Since the early 1900s, it has been the port of entry for immigrant populations, including Russians, Koreans, Mexicans, Vietnamese, Cambodians, and Laotians. During the 1940s and 1950s, the neighborhood’s population continued to diversify as African Americans, southern rural whites, and Native Americans were attracted to Uptown’s affordable housing stock. During the federal deinstitutionalization of mental health institutions in the 1970s, the neighborhood also became home to a large number of former mental health patients.

During the 1950s post-World War II housing shortage, housing was converted to accommodate more units by splitting single-family residences and smaller apartment buildings into multiunit properties. Uptown also experienced a 25 percent reduction in housing stock during the federal urban renewal period during the 1960s and 1970s (Chicago Fact Book Consortium 1963).

The neighborhood’s housing stock consists of mid-sized and large apartment buildings,
as well as the largest concentration of single-room occupancy hotels (SROs) in the city. Roughly two-thirds of Uptown’s housing stock is concentrated in buildings with 20 or more units, compared to the citywide average of only 23 percent (Haas et al. 2002). High-rise apartment buildings line the lake, while smaller rental units—some as small as six-flat apartments—are located further west in the neighborhood. Uptown has some single-family detached homes, which are designated historic, located along the lake and on the western border. Homeownership rates are relatively low in Uptown, 23 percent compared to 44 percent citywide (Census CD Neighborhood Change Database).

Residential development has been prevalent in Uptown during the past 10 years. According to respondents, condominium conversions—where developers convert rental apartment units into owner-occupied condominiums—have become commonplace. Data supports this perception: parcels occupied by apartment buildings decreased by 12 percent while the number of parcels with condominiums increased by 102 percent (Haas et al. 2002). Consequently the homeownership rate of 23 percent—while still relatively low for Chicago—increased by 35 percent over the 1990s (Census CD Neighborhood Change Database). The number of vacant units—another indicator of demand for housing—decreased from 10 to 6 percent in Uptown (Census CD Neighborhood Change Database).

Uptown has a rich pool of human service providers and nonprofit organizations, such as ethnic and immigrant organizations, homeless service providers, job training programs, and churches and religious institutions. Commercial and retail activity is concentrated on the main streets running north-south and east-west in the neighborhood and consist of small businesses such as beauty and nail salons, convenience stores, and fast food restaurants. Two large entertainment and music venues are also located in Uptown, attracting patrons from across the city. While there is a plethora of small businesses in Uptown, upscale commercial development has not kept pace with residential development. Three Starbucks coffee shops, the Seattle coffee chain considered a harbinger of gentrification, opened in Uptown, but little other high-end retail has entered Uptown thus far.

The neighborhood continues to be one of the most diverse in Chicago. Whites make up the majority of residents, while one-quarter are African American, 20 percent are Latino, and 18 percent are other ethnicities, which consists mostly of Asians (Census CD Neighborhood Change Database). Uptown experienced an increase in middle-aged residents, while children and senior citizens decreased in number. According to respondents, more singles and childless couples moved into Uptown attracted by condominium conversions; hence the increase in the middle-age category. Many of these new
residents were also reported to be white, middle-class, and gay.

Uptown’s residents became somewhat wealthier during the 1990s. The neighborhood’s poverty rate decreased by 22 percent during the 1990s, and the average family income increased by 25 percent (Census CD Neighborhood Change Database).

Factors influencing Uptown’s housing market are numerous. It is one of the last north side neighborhoods along Lake Michigan affordable to middle-income residents. The Lakeview and Wrigleyville neighborhoods to the south have already gentrified, and Uptown’s inexpensive land from years of disinvestment is attractive to developers. Uptown also offers a number of amenities—access to public transportation through a subway station and bus lines, a relatively short commute downtown, and the lake itself, with its beaches, parks, bike lanes, and sports fields.

Local groups have advocated both for and against gentrification. Chicago has a history of grassroots advocacy and organizing stemming from the work of Saul Alinsky during the 1930s, and Uptown is no exception. The Community of Uptown Residents for Accountability and Justice (COURAJ), a grassroots advocacy group, organizes against new developments that exclude affordable units for low-income residents. Other organizations, such as the Uptown Chicago Commission, tend to have a more pro-development outlook. Block groups are active in some parts of Uptown, representing mainly homeowners. Tensions have erupted between some affordable housing organizations and block clubs over low-income housing developments.

Affordable housing is an issue on the mayor’s agenda. The city’s Department of Housing administers programs intended to benefit low- to moderate-income families through homeownership and in the rental market (some of these programs are described below). However, critics of Mayor Daley contend he has not done enough to ensure an adequate amount of affordable housing for low-income and working families, but focuses on attracting middle-income residents to the city.

Aldermanic support for affordable housing is particularly strong in Uptown. Chicago is divided into 48 wards with an elected alderman representing each ward. Uptown is split between two wards, with the majority of Uptown represented by Alderman Helen Shiller and the remaining by Alderman Mary Ann Smith. Alderman Shiller has served Uptown residents for the past 16 years and is credited with focusing on diversity and affordability in her ward. For instance, Uptown has the greatest concentration of single-room occupancies hotels (SRO) in the city. Alderman Shiller recognizes that development opportunities exist in Uptown and she helps to ensure that current
residents benefit, as well as new residents. Alderman Shiller’s goal for development is “gentrification without displacement,” believing that a mixture of economic classes should coexist within her ward. Alderman Shiller also has her critics—some consider her obstructionist and anti-development.

**Stage of Gentrification**

Housing prices for single-family detached homes, condominiums, and larger apartments have increased, while some rental housing stock remains affordable. Indications of rising housing costs are the following: the median sales price for single-family detached homes increased by 33 percent between 1990 and 2000 compared to the citywide increase of 12 percent, and condominiums increased in price by 112 percent compared to 53 percent citywide (Haas et al. 2002).

Though affordable housing still exists in the form of rental housing, the pool appears to be shrinking. For instance, the total number of rental units declined by 11 percent (Census CD Neighborhood Change Database). Small apartments tend to cost less in Uptown compared to other parts of the city, and SROs still make up a great proportion of Uptown’s rental stock (Haas et al. 2002). According to recent estimates, there is also a relatively large amount of subsidized housing in Uptown: 18 percent, or 5,896 units, are subsidized (Haas et al. 2002). While federally subsidized housing exists in Uptown, respondents are concerned about landlords opting out of Section 8. Two census tracts in Uptown saw a decrease in the number of voucher holders by 21 percent between 1997 and 2000, while the remaining three census tracts in Uptown held steady (Haas et al. 2002).

Affordable housing advocates point out that landlords and developers rather than residents have benefited from Uptown’s gentrification. Because most of the housing stock is rental, most real estate transactions occur between landlord and developer or between private developers. There has been little asset building for residents. Instead, many incumbent residents are faced with higher housing costs (at least for larger apartments, condos, and single-family homes) and the threat of expiring Section 8 contracts.

**Key Strategy—Voluntary Inclusionary Zoning**

The key program highlighted in this case study is an inclusionary zoning program called Chicago Partnership for Affordable Neighborhoods (CPAN), which was implemented citywide in 2001. CPAN is a voluntary program where developers and aldermen from each ward determine the number of affordable units, if any, developers will set aside in their market-rate developments. Those affordable units are “written down” by the developer and the city provides purchase price assistance to homebuyers. Residents eligible for CPAN can earn no more than 100 percent of the area median income, or $68,700, and
participants must be either first-time homebuyers or not have owned a home in the last three years.

While CPAN is a citywide program, it is at the discretion of each alderman whether developers must participate. The developer and alderman negotiate the percentage of affordable housing set asides, although the program recommends between 10 and 20 percent. Therefore, CPAN is applied on a case-by-case basis differing across the city and even within wards by project. However, because developments over six units normally need some type of aldermanic zoning change approval (even as basic as alley access), aldermen usually have the leverage to negotiate. Normally it is also in the developer’s best interest to get aldermanic and community support. If developers want a zoning change, they must hold a public hearing.

Tangible incentives exist for the developers to participate beyond aldermanic zoning approval and good community relations. For every affordable unit, the city waives the required building permit fees, which can cost up to $10,000 per unit. The city also assists with the developer’s site improvement budget, such as perimeter site improvements and landscaping, on a case-by-case basis. Multiple benefits exist for the buyer as well. The city provides housing and pre-purchase counseling, as well as purchase price assistance that covers the difference between the developer’s write-down price and 30 percent of the buyer’s income. This assistance is offered as a deferred loan at 0 percent interest for income-eligible individuals, which is reduced on an annual pro rata basis. The unit must be the resident’s main housing. If the homebuyer lives in the unit beyond the length of the loan, the loan is forgiven. Purchase price assistance is provided through HOME dollars.

CPAN has provisions to avoid “flipping”—where homebuyers quickly sell the subsidized unit at higher market-rate prices. The city adds a junior mortgage on the write down. If residents move within 30 years, this subsidized money goes into the Chicago Low-Income Housing Trust Fund, which uses the proceeds for affordable housing. The owners do not realize the subsidized equity.

As of May 2003, 18 months into the program, 21 developers have participated in the CPAN program citywide, totaling $7.4 million in developer write downs. The average developer write down per affordable unit was $70,000, and, on average, 17 percent of units per project were deemed affordable. This translates into 179 affordable units out of 1,457 units to be built citywide. Construction is not complete in all the projects. In Uptown, five developers have participated in CPAN since its inception. Twenty-two affordable units out of a total of 282, 11 percent, are in the process of being built. The average
developer write down per project is $56,000, with a total of $281,000 of total developer write downs.

The most recent high-profile project using CPAN in Uptown is a formerly vacant department store, the Goldblatts Building, that is being remodeled and rehabilitated for mixed-use development using CPAN and tax increment financing (TIF) dollars. The development will include 37 one- and two-bedroom condominiums, of which approximately eight units will qualify under the CPAN program. The ground floor of the former Goldblatts Building will house a Borders Books & Music store, as well as other retail shops.

Those eligible for the affordable units can make only between 60 and 80 percent of AMI. CPAN provides purchase price assistance to the potential buyers, but the developer needed additional financial assistance beyond CPAN to write down their market-rate units. Therefore, $700,000 of TIF funds will be used to write down the market-rate price from $225,000 to $155,000.

The developer is receiving $5.75 million through the TIF district to finance the Goldblatts Building project. In turn, the developer is providing $1.25 million to a not-for-profit developer to rehabilitate the neighboring six-story residential Leland Apartments, which has 99 single-room occupancy units and 34 studios for low-rent tenants. The nonprofit intends to rehabilitate the building and rooms, as well as provide in-house social services and retail space on the ground floor.

There was both vocal opposition and support to the Goldblatts project. Grassroots advocacy groups like COURAJ opposed the TIF subsidy for market-rate condos advocating that more affordable housing, especially rental housing, is needed in Uptown (Walters 2002). Other organizations, like the Uptown Chicago Commission, a coalition of block clubs and businesses, advocated for retail and commercial development using TIF dollars like the renovated Goldblatts building in Uptown (Grossman 2001).

**Implementation Challenges**

A citywide challenge for CPAN is that it is a voluntary program, leaving it to the discretion of aldermen whether developers will participate. Alderman Shiller is both a strong proponent of CPAN and one of its architects. However, support is not as universally strong in the rest of the city. Another problem inherent in a voluntary program is whether developers will choose to participate or take their business elsewhere. Aldermen have leverage only if the developer needs zoning approval. Those developers who have the appropriate zoning may choose not to participate in CPAN even if the alderman would normally support and require it, and may outbid other developers that would set aside affordable units.
In reaction against the voluntary nature of CPAN, 15 affordable housing organizations formed the Balanced Development Campaign to advocate for mandatory inclusionary zoning. An ordinance was introduced to the city council for such a mandatory ordinance requiring a 20 percent set-aside of affordable housing units, higher than the CPAN recommendation. While this mandatory ordinance was being lobbied for, another similar ordinance, the Affordable Housing Ordinance, was accepted by the city council in April 2003. It requires developers buying city-owned land below market rate price to set aside 10 percent of the new units as affordable. If a developer receives city financial subsidies, then the developer must set aside 20 percent of the units as affordable. In addition, there is an in-lieu-of fee of $100,000 per unit if developers do not build the mandatory number of affordable units that is applied to the Chicago Low-Income Housing Trust Fund. While the city’s ordinance has been recognized as a good start by a number of organizations, it is also criticized that it is limited in scope due to the small amount of developable city-owned land.

A number of lessons were learned in regard to CPAN. First, ensuring community support for housing development is crucial. Some developers believe that only elected official’s support is necessary to approve housing development. In Uptown, the wider community needs to be informed and involved. Residents can organize around the issues of too much density or the threat of taking away parking, blocking the development of affordable housing. Or, grassroots organizations may protest the development of market-rate housing in favor of low-income housing.

Private developers need to be coached in regard to community charettes and public hearings. Often private developers are not accustomed to working with the public and negotiating compromises, but it is crucial in active neighborhoods like Uptown.

Another lesson learned in regard to retaining affordable housing is the need to bank land. In the mid-1980s, gentrification was dismissed as a potential threat in Uptown according to one nonprofit. People thought it would never happen. In retrospect, the nonprofit believes they should have put as much land in a land trust as possible and converted private buildings to nonprofits. They now advise a neighborhood west of Uptown that has yet to experience gentrification to anticipate its arrival and begin landbanking now.
Additional Strategies

Retention Strategies of Nonprofits

Local nonprofits working in Uptown and the surrounding neighborhoods have waged campaigns to retain existing affordable housing. Organization of the NorthEast (ONE)—an umbrella organization representing 78 members from three neighborhoods including Uptown—recognized the importance of land use and affordable housing early on. Between 1980 and 1995, ONE worked to convert privately owned apartment buildings into nonprofit ownership. They focused on high-rise properties along the lakefront to help keep the area diverse and affordable, and successfully assisted in the purchase of 10 Section 8 privately held buildings that would opt out in 20 years. ONE also worked to convert apartment buildings into limited-equity co-ops creating permanent affordable buildings, and assisted nonprofits in purchasing privately owned SROs, which resulted in rehabbed SROs with social services. The nonprofit Lakefront SRO Corporation, for instance, owns approximately 600 beds in six SRO buildings in Uptown.

The Jane Addams Senior Caucus, an organization focusing on the housing and health care needs of senior citizens living in Uptown and the surrounding neighborhoods, also works to retain affordable housing for seniors. They led a successful campaign convincing the landlord of the Rienzi Plaza Apartments to renew his Section 8 contract in the Lakeview neighborhood, which neighbors Uptown. In addition, the Jane Addams Senior Caucus along with two other nonprofits successfully purchased city land in Uptown and built 83 units of affordable rental housing specifically for seniors.

Retention Strategies Through Tax Assistance

The Cook County Assessor’s Office offer three tax incentives to retain multiunit family rentals in Chicago: Class 3, Class 9, and Class S. The Class 3 tax classification reduces the assessment on all multi-unit residential properties with seven or more units from 33 percent to 26 percent. The Class 9 tax classification applies to buildings with seven or more rental units targeted to low- and moderate-income households (or households making less than 80 percent of the area median income) that have been rehabilitated or newly constructed. These buildings’ assessments are reduced to 16 percent of market value for up to 10 years with the possibility of two 10-year extensions. The Class S classification provides incentives to owners of expiring Section 8 buildings to renew their contracts using HUD’s Mark Up to Market program. The purpose of the tax incentive is to slow affordable rentals converting to market-rate rentals and condominiums. Landlords that decide to renew their Section 8 contracts qualify to cut their tax assessments from a 33 percent to a 16 percent assessment rate, matching the assessments of homeowners. Previously, this tax reduction could be applied only in low- and moderate-income census tracts but now it applies countywide.

Conclusion

Uptown has not yet completely gentrified, therefore there are still affordable housing units available to current residents. Due to the fact that aldermanic approval is often necessary for developers to proceed, aldermen have a certain degree of leverage
to negotiate set-asides—thus ensuring some amount of affordable housing in the foreseeable future. However, aldermen do not necessarily have control over the type of housing built, and because condo conversion is prevalent in Uptown, most incumbent residents are faced with higher housing costs (at least for larger apartments, condos, and single-family homes) and the threat of expiring Section 8 contracts. As a result, the pool of housing for families and the lowest income population in Uptown is most at risk as gentrification proceeds. Subsidized rental units are crucial for low- and very low income residents, and there are steep challenges to ensure affordable rental units as land prices skyrocket and financial incentives exist for landlords to opt out of federal subsidy programs.

To prevent displacement of current residents, respondents remain hopeful that continued support from programs such as CPAN and local aldermen offices as well as further improvements to existing efforts will help ensure the availability of affordable housing, particularly rental units, in Uptown. While respondents recognize the benefits of development activity, they stress the importance of coordinated, focused efforts on behalf of the city, aldermen, developers, and community groups alike in supporting a more universal adherence to the 10 to 20 percent affordable set-aside provision throughout the revitalization process.

### Table 8: Chicago, IL and Uptown City and Neighborhood Demographics, 1990 and 2000

<table>
<thead>
<tr>
<th>Population</th>
<th>Year</th>
<th>City total</th>
<th>Uptown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1990</td>
<td>2,783,500</td>
<td>24,700</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>2,895,600</td>
<td>24,200</td>
</tr>
<tr>
<td>% change population</td>
<td>1990–2000</td>
<td>4.0</td>
<td>-2.0</td>
</tr>
<tr>
<td>% black non-Hispanic</td>
<td>1990</td>
<td>38.7</td>
<td>25.4</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>36.9</td>
<td>23.3</td>
</tr>
<tr>
<td>% white non-Hispanic</td>
<td>1990</td>
<td>38.2</td>
<td>37.8</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>32.1</td>
<td>39.2</td>
</tr>
<tr>
<td>% other race non-Hispanic</td>
<td>1990</td>
<td>3.9</td>
<td>16.2</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>5.0</td>
<td>17.9</td>
</tr>
<tr>
<td>% Hispanic</td>
<td>1990</td>
<td>19.2</td>
<td>20.6</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>26.0</td>
<td>19.6</td>
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### Income and poverty

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average family income (in 1999 dollars)</td>
<td>52,100</td>
<td>59,200</td>
</tr>
<tr>
<td></td>
<td>40,000</td>
<td>50,100</td>
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</tbody>
</table>

### Employment

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate</td>
<td>11.3</td>
<td>10.1</td>
</tr>
<tr>
<td></td>
<td>10.9</td>
<td>8.7</td>
</tr>
</tbody>
</table>

### Housing conditions

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupied housing units</td>
<td>1,025,200</td>
<td>1,061,700</td>
</tr>
<tr>
<td></td>
<td>10,600</td>
<td>11,000</td>
</tr>
<tr>
<td>Total rental units</td>
<td>663.9</td>
<td>637.5</td>
</tr>
<tr>
<td></td>
<td>10.0</td>
<td>8.9</td>
</tr>
<tr>
<td>Rental vacancy rate</td>
<td>9.7</td>
<td>9.6</td>
</tr>
<tr>
<td>% housing units owner-occupied</td>
<td>41.5</td>
<td>43.8</td>
</tr>
<tr>
<td></td>
<td>14.5</td>
<td>23.5</td>
</tr>
<tr>
<td>Average value owner-occupied housing units (in 2000 dollars)</td>
<td>124,000</td>
<td>169,000</td>
</tr>
<tr>
<td></td>
<td>223,400</td>
<td>312,200</td>
</tr>
<tr>
<td>% of renters paying &gt; 35% of income on rent</td>
<td>34.4</td>
<td>30.8</td>
</tr>
<tr>
<td></td>
<td>37.6</td>
<td>31.0</td>
</tr>
</tbody>
</table>

### Home mortgage indicators

<table>
<thead>
<tr>
<th></th>
<th>Avg. (95, 96)</th>
<th>Avg. (00, 01)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of mortgages originated/1,000 housing units</td>
<td>22.8</td>
<td>13.4</td>
</tr>
<tr>
<td></td>
<td>33.9</td>
<td>35.0</td>
</tr>
<tr>
<td>% change in number of mortgages originated, 1995/96–2000/2001</td>
<td>48.7</td>
<td>161.2</td>
</tr>
<tr>
<td>Dollar value of mortgages originated/housing units</td>
<td>3,078</td>
<td>5,813</td>
</tr>
<tr>
<td></td>
<td>1,602</td>
<td>5,401</td>
</tr>
<tr>
<td>% change in dollar value of mortgages originated, 1995/96–2000/2001</td>
<td>88.8</td>
<td>237.1</td>
</tr>
<tr>
<td>Average value of mortgages originated (1–4-unit structures)</td>
<td>134,800</td>
<td>171,400</td>
</tr>
<tr>
<td></td>
<td>119,700</td>
<td>154,200</td>
</tr>
<tr>
<td>% change in average value of mortgages originated, 1995/96–2000/2001</td>
<td>27.2</td>
<td>28.8</td>
</tr>
</tbody>
</table>

**Source:** Unless otherwise noted, the data come from The Urban Institute’s Neighborhood Change Database (NCDB) based on 1990 and 2000 U.S. Censuses.

**Note:** Data for Uptown are analyzed using census tracts 031000, 031200, 031300, 031600, and 031900.

CONCLUSION

A range of approaches has been taken to address affordable housing needs in six diverse neighborhoods located across the country. The six neighborhoods represent the spectrum of gentrification and housing market pressures. Whether housing practitioners in these neighborhoods referred to housing market pressures and accompanying neighborhood change as revitalization or gentrification—as a positive or negative situation or a complicated mix of both—most agreed on the need to balance the strengthening housing market with affordable housing provisions so that lower-income residents are not displaced.

We draw from the case studies lessons related to the three types of strategies to reduce gentrification-related displacement: affordable housing production, affordable housing retention, and asset building. We also consider a number of cross-cutting issues important to strategy implementation: land availability; the role of city government; the role of community members; and the importance of economic development.

Displacement Mitigation Strategies

Our findings begin with the fact that none of the practitioners believed it was too late to implement some type of affordable housing strategy. Even in later-stage neighborhoods, such as Central Area and Uptown, building or retaining affordable housing stock was still possible, though constrained. Figure 1 offers an overview of findings by strategy type and gentrification stage with regards to feasibility and implementation.5

Figure 1: Housing Strategy by Stage of Gentrification

<table>
<thead>
<tr>
<th>Stage of Gentrification</th>
<th>Affordable housing production strategies</th>
<th>Affordable housing retention strategies</th>
<th>Asset-building strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early</td>
<td>Feasible</td>
<td>Feasible</td>
<td>Feasible</td>
</tr>
<tr>
<td>Middle</td>
<td></td>
<td>Retain individual homes</td>
<td>Effective</td>
</tr>
<tr>
<td>Late</td>
<td>Constrained Mixed-income housing</td>
<td></td>
<td>Less effective</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Affordable Housing Production

Housing production is the key approach to addressing affordable housing needs in each of the six sites, regardless of the stage of the local housing market. The emphasis on production might be due in part to the relative ease of building new or rehabilitating existing housing units compared to retaining existing affordable housing. While production is common across the case study sites, the way in which projects are implemented is shaped by the local context. Housing production tends to focus less on incumbent residents than retention strategies. By focusing on increasing the affordable housing stock, production can mitigate exclusionary displacement, though it also benefits current residents who might move into new affordable rental or homeownership properties.

Two primary, and related, factors affecting housing production implementation are land availability and the stage of gentrification. As a neighborhood’s housing market begins to gain strength, most of the units produced can be affordable because land costs are still relatively low and developable parcels are still relatively plentiful. In such a market environment, the motivation for housing development stems from neighborhood investment. Residents want to see their neighborhood improve while they, community based organizations and the city hope that initial investments lead to additional private investments for further revitalization. Under these conditions, it is feasible for nonprofit developers and niche for-profit developers to produce affordable housing. Their investment can serve as evidence to other builders that the financial risk is sufficiently low and interest in the neighborhood is sufficiently high to make additional activity worthwhile. Bartlett Park and the Midtown areas in St. Petersburg are examples where land is available, new housing is affordable, and most people hope that additional investments will lead to both residential and commercial improvements.

In neighborhoods with strengthening or strong housing markets, high land prices constrain the number of new affordable units that can be built and the role of nonprofit developers in housing production. In such areas, nonprofit developers might partner with for-profit developers on mixed-income housing projects, leveraging the demand for market-rate housing and retail and commercial businesses to help finance affordable units. Community and city support for low-income housing can help motivate entities to build affordable housing. Inclusionary zoning regulations, for example, can encourage or require for-profit developers to include affordable units in their own projects. As we saw in Los Angeles’s Figueroa Corridor, people anticipate a turn to the mixed-use and mixed-income models of development in the near future due to the increasing costs of housing and land. In Central Area of Seattle and in Chicago’s Uptown, such development already is taking place.
Affordable Housing Retention

Most sites also employed strategies to retain existing affordable housing stock. In many instances, retention strategies focused on ensuring the continued affordability of housing units and the ability of current residents to remain in their homes and neighborhood—housing retention can mitigate secondary displacement of residents.

In neighborhoods beginning to experience increasing housing costs, retention efforts can strengthen the affordable housing stock through assisting residents with home improvements so that they can remain in their homes. The concern is not necessarily one of affordable housing supply. Such an approach tends to focus on already existing homeowners. Improvements help stabilize a neighborhood for current residents as well as send visual signals that investment is occurring, which in turn can attract additional investment. Early on, retention is often targeted to individual housing units or small blocks of units rather than larger-scale efforts. Until the housing market accelerates, there is not much concern with retaining large quantities of affordable housing stock—housing already in supply.

Affordable housing retention efforts often intensify once land costs increase and the available parcels diminish—and concern with the loss of affordable housing units becomes widespread. Retention strategies in stronger housing markets often target rental units. In Central Area, the CDC is looking into purchasing additional property-based Section 8 developments as they become eligible to opt out of the program, and as production opportunities wane due to high costs. Uptown offers a slightly different example of retention efforts. There, organizations anticipated future pressures on affordable housing and converted a number of privately owned affordable properties to nonprofit ownership before housing and development prices rose significantly.

Asset Building

Asset building strategies, also used in each of the six sites, play a complementary role to production and retention approaches. The goal is to increase individuals’ assets so that they have increased ability to address housing and other needs, making them less at the mercy of housing market changes. Individual development accounts (IDAs) and programs to increase homeownership are examples of such efforts. Alone, asset building efforts are unlikely to have a broad impact in a community, though certainly they are important for individual participants. In combination with other approaches, they can strengthen overall displacement mitigation efforts.

The implementation of asset-building approaches is not as affected by stage of
gentrification as other strategies, production in particular. Programs related to asset building can be carried out regardless of land or property costs, although the outcome of such efforts can be greatly affected by the strength of the housing market. Whereas participants might be able to use IDA savings toward the purchase of a home in an area before prices increase, once prices are high, they are less likely to be able to do so.

Cross-Cutting Lessons

The study sites differed from each other in many ways, but together they suggest a number of lessons that are important regardless of city size, housing market strength, or stage of gentrification.

Land Availability Is Essential

The availability of developable land parcels is a factor for entities addressing affordable housing and displacement mitigation, regardless of the strength of the housing market. The availability and cost of developable sites will affect the choice of strategy—plentiful land at affordable prices makes housing production feasible; lack of land or high costs can encourage mixed-rate or mixed-use housing resulting in fewer affordable units or push organizations toward housing retention efforts.

People across the study sites spoke of the need to bank land early, before costs become prohibitive for affordable housing development. Purchasing parcels early at low cost can help control future development costs, ensuring affordable housing units for lower-income households. Effective land banking, however, requires foresight. Respondents from areas experiencing later stages of gentrification, such as practitioners in Uptown, spoke with regret of not purchasing land early. In some instances, people spoke of how hard it was beforehand to imagine their neighborhoods would ever experience such strong housing demand, such as in Atlanta’s Reynoldstown. St. Petersburg’s Bartlett Park is at a stage where the city and CDCs could bank land; it is available and costs have not increased dramatically. This site is also an example of how difficult it can be to convince other people of the need to bank something currently in supply. There is no guarantee that Bartlett Park will experience gentrification in the future. And there is little consensus among interested parties as to when, or if, attention to a possible future affordable housing pinch should occur. In places such as Bartlett Park in which there appears to be time to monitor land and housing cost trends, land banking can still take place in the near future if indicators suggest it should, and if support for such action can be garnered.

City Government Involvement Is Crucial

The case studies suggest that local government involvement and leadership is vital to addressing affordable housing needs regardless of the stage of gentrification. Local government plays a key role in creating regulatory supports and removing
barriers to housing development, providing project financing or technical support, and sending a message that affordable housing is an important component of the broader community. Attentive management of regulations and city programs can help create opportunities to affect neighborhood revitalization/gentrification and displacement, or hinder them. If a city does not proactively support the provision of affordable housing and become involved in efforts to manage gentrification forces, it will be that much more difficult for community organizations and developers to do so.

The case studies offer a number of examples. In St. Petersburg, the city was reviewing the zoning regulations and preparing to change them to better reflect local context and development needs. Without the zoning changes, developers in in-town neighborhoods would need to purchase two lots for one new house in order to meet zoning requirements that were established based upon suburban lot sizes. Changing the zoning regulations will allow new development without reducing the number of land parcels in Midtown’s Bartlett Park and other city neighborhoods. Seattle’s Department of Neighborhoods and Department of Housing were reviewing the Special Objective Area designation of Central Area, which was initially established to disperse additional affordable housing away from the neighborhood that already had an abundance of such housing. Now that housing costs have risen considerably in Central Area, the city and community residents were discussing removing the designation so that it will be easier to build affordable units. By managing the SOA designation, it might be possible to affect the balance of affordable and market-rate housing production. Uptown provides another example of significant government involvement. Given the voluntary approach to inclusionary zoning established in the city, it is up to local aldermen to negotiate the inclusionary zoning requirements. To the advantage of Uptown’s affordable housing community, its alderman is a strong proponent of inclusionary zoning.

Community Involvement Is Crucial

Community involvement is crucial as well. It can help motivate city government and other organizations to support affordable housing initiatives. Community members can identify specific needs of a neighborhood and develop workable ideas. Once developments or programs move toward implementation, community members can assist or block any change.

The community played a pivotal role in a number of the case studies. Figueroa Corridor is a good example of strong community involvement in identifying and addressing local housing needs. Organizations active in the area have organized tenants and trained them on their rights in response to clear efforts to displace lower-income residents. Community
involvement is not always in support of affordable housing and displacement mitigation efforts, of course. A pro-development organization in Uptown is against efforts that might slow the pace of investment in the area. Seattle offers an example of courting community support for its housing levies. The city is dependent upon community support for the levies—the levies are put up for vote. The city has marketed the levies prior to the elections. It also designed the first levy to be politically expedient by targeting funds to seniors. Based upon initial success, subsequent levies have expanded in scope to reach broader segments of the population in need of affordable housing.

It is interesting to note that while there is some level of organizational activity in each of the six neighborhoods, resident involvement in affordable housing activities was strong only in the three most gentrified communities. We are cautious in interpreting this finding, but it does suggest that residents are more likely to become involved once housing concerns are pressing. The challenge for community-based organizations is to promote resident participation earlier so that people are involved with defining and addressing housing needs before options are limited and they feel powerless in the face of market forces.

**Displacement Is a Housing and Economic Issue**

Many respondents across the sites agreed that while affordable housing is needed, it is not sufficient by itself for reducing gentrification-related displacement. Employment and earnings also affect housing (and neighborhood) stability. In order for low-income residents of gentrifying neighborhoods to remain in place and benefit from neighborhood improvements, communities need to develop a holistic approach to mitigating displacement. In many of the neighborhoods in this study, business corridors experienced disinvestment similar to the residential communities. Changes to the housing and business sectors have been occurring reflexively—changes in one support changes in the other. Support for the development of existing businesses, so that they can weather change, and incentives for successful businesses to locate in the neighborhoods can create job opportunities for incumbent residents. Depending upon the wages offered, new jobs might in turn increase residents’ ability to remain in their community.

Seattle offers two examples of economic development initiatives. Through the Chamber of Commerce’s Urban Enterprise Center, employers are encouraged to offer jobs with decent salaries to former welfare recipients who receive job-readiness training. The program also supports the development of new businesses committed to hiring locally. The businesses receive
technical assistance to take advantage of the changing market conditions. The CDC active in Central Area sets hiring targets for minority and women subcontractors for its development projects, and publishes the results in its newsletters.

Wrapping Up

The term *gentrification* is laden with meaning, much of it negative in the eyes of people for whom it has become synonymous with displacement. Focusing on whether neighborhood investment, increasing land and housing values, and an influx of higher-income residents should be labeled *gentrification* or *revitalization* shifts focus away from what many respondents see as the key issue of concern—balancing the positive and negative changes that accompany increased neighborhood investment. Can ways be found to encourage investment and residential stability at the same time? Are there strategies that might serve both goals? The case studies offer hope in this regard through their examples of community involvement—not to stop change from occurring but to help direct it. Nonprofit organizations and local governments can take advantage of the opportunities at hand to leverage additional affordable housing units from market-rate developments. But to strike a balance, involved parties need to take stock of changing conditions on a regular basis and act in a timely manner while it is possible to make adjustments. Starting late in the game in a context of cost limitations will only make it more difficult to make a difference. Attempting to balance the forces at play in neighborhoods by necessity will be an ongoing process.

The one regret mentioned by respondents from areas in later stages of gentrification is that they did not act earlier, especially in relation to land acquisition. Considering displacement early on can help maintain neighborhood balance over time. Interested parties can monitor changes occurring and plan courses of action rather than respond after the fact when options are constrained. Anticipating change might also reduce later community resistance if the people most affected by increasing costs are involved and know their concerns are being taken into consideration. It certainly increases the likelihood that the range of opportunities for future actions will be as broad as possible.
REFERENCES


**Data Sources**

**Home Mortgage Disclosure Act (HMDA)**

The Home Mortgage Disclosure Act (HMDA) requires certain mortgage lending institutions to compile and disclose data about loan applications and approvals. Institutions required to file HMDA data include commercial banks, savings and loans, credit unions, and mortgage companies that meet specific criteria. Data collected under HMDA are used to help the public determine if lending institutions are meeting the housing credit needs of their communities, to help public officials target community development investment, and to help regulators enforce fair lending laws. The data include individual loan records for almost all mortgage lenders in the U.S, including loan amounts, terms, and characteristics of the borrower and lender.

Web site: http://www.ffiec.org

**Census CD Neighborhood Change Database (NCDB)**

The NCDB is the main source of decennial census data used in this report. Funded by the Rockefeller Foundation, the NCDB is a joint project between the Urban Institute and Geolytics, Inc., to develop a national set of comparable population and housing variables from the 1970, 1980, 1990, and 2000 decennial censuses. A methodology has been developed to link the associated data to 2000 census tract boundaries so that consistent comparisons can be made across census years. For more information, refer to Tatian, Peter A. 2003. *CensusCD Neighborhood Change Database: Data Users’ Guide (Long Form Release).* Washington, D.C.: The Urban Institute. October.

Related Publication


ENDNOTES

1 Neighborhood data differ somewhat depending upon the source due to slight differences in census tracts included in analyses. For the purposes of this study, the tracts used are 007700, 007900, 008700, 008800, 008900, and 009000. Though the data in Urban Institute’s analysis differ from some of the data provided by city staff, the trends are the same in all cases.

2 In addition to the large, mixed-use projects, CADA has developed 57 homeownership units and 59 rental units in Central Area. CADA assists approximately 10 households a year through its program to help maintain the homes of elderly and disabled residents.

3 The 40–64 age group increased by 21 percent, while the percentage of children under age 18 decreased by 22 percent and senior citizens age 65 and older decreased by 9 percent (Haas et al. 2002).

4 Numbers come the city of Chicago, Department of Housing summary of Chicago Partnership for Affordable Neighborhoods (CPAN) as of May 13, 2003.

5 The arrows in the chart pointing toward increasing degrees of gentrification should not be interpreted as suggesting neighborhood change occurs in one direction or along one path. For purposes of this study, we were looking at neighborhoods experiencing changes that at the time indicated increasing neighborhood investment and gentrification.
APPENDIX 1
SITE SELECTION METHODOLOGY

Our methodology for selecting case study sites involved three steps:

- identify cities that experienced accelerated housing markets between 1996 and 2001 using data from the Home Mortgage Disclosure Act (HMDA);

- identify census tracts within the top cities that experienced above-average housing market activity using HMDA data; and

- survey stakeholders in potential sites to determine whether gentrification has occurred, in what locations, and at what stage; identify the type of mitigation strategies implemented; and assess the political and organizational climate.

Cities with Accelerated Housing Markets

We first identified the top 100 central cities within the country by population. To identify cities within the top 100 that experienced an accelerated housing market, we calculated the percent change in the number of home purchase loans that were approved for owner-occupied, principle dwellings and the percent change in the median amount of home purchase loans between 1996 and 2001. We focused on HMDA data from 1996 to 2001 in order to capture the economic boom the nation experienced during the mid- to late-1990s. We retained cities that ranked above the national percent increase in median loan amount and the number of loan originations for further analysis. A total of 21 cities remained from our original list of 100.

Census Tracts with Accelerated Housing Markets

We next identified the census tracts in each of the 21 cities that had above-average housing activity between 1996 and 2001. First, we excluded census tracts from our analysis if the median household income of the tract was greater than 120 percent of the median household income of the city in 1990 (120 percent is a HUD standard) because we are only interested in gentrifying areas (i.e., those areas where high-income people were moving into lower-income neighborhoods). Census tracts were also dropped if HMDA data at the census tract level was missing in 1996 or 2001.

We again calculated the percent change in the number of home purchase loans and the percent change in the median amount of the home purchase loans between 1996 and 2001 in each tract. Census tracts were dropped from the analysis if the percent change in median loan amount and number of loans between 1996-2001 were less than the
average city change. The remaining census tracts represent the areas with accelerated housing markets within the 21 cities.

**Stakeholder Surveys about Gentrification and Strategies**

Our final task was to survey local stakeholders, knowledgeable city department employees and nonprofit staff, to corroborate HMDA findings and to gather specific information on:

- where gentrification has occurred in a city since 1996 (i.e., in what specific neighborhoods), and whether the gentrification in those neighborhoods is in the beginning or later stages for each identified area. In addition, we asked for census tract numbers to compare to our analysis when possible;

- the types of displacement mitigation strategies being implemented in the areas identified, if any, how long the strategies have been in place, and strategy outcomes;

- the policy climate regarding mitigation strategies, i.e., whether city departments are working to address affordable housing needs;

- the organizational capacity of the residents and organizations in the identified neighborhoods; and,

- neighborhoods showing early signs of market change that might gentrify in the future. Identifying areas in the early stage of gentrification is very difficult to pinpoint through HMDA or Census data; gathering local opinion ensures better success in identifying these areas.

After contacting people in the potential study sites, we eliminated three cities from consideration because gentrification had not occurred in the neighborhoods or because it was a politically sensitive topic and city government officials did not want to participate in the study.

Based upon stakeholder information on the types of strategies implemented, the intensity of the housing market, and in consultation with Fannie Mae Foundation staff, we selected the six neighborhoods in six cities represented a range of strategies and stages of gentrification.
APPENDIX 2
ORGANIZATIONS AND INDIVIDUALS INTERVIEWED FOR CASE STUDIES

Atlanta

Young Hughley, Executive Director
Kevin Byers, Manager of Housing Production and Economic Development
Reynoldstown Revitalization Corporation

Bruce Gunter, President
Progressive Redevelopment, Inc.

Nathaniel Smith, Public Policy Manager
Myke Harris-Long
Atlanta Neighborhood Development Partnership, Inc.

Kwaku George, Director of Lending and Equity
Community Redevelopment Loan and Investment Fund Inc. (an affiliation of ANDP)

Protip Biswas, Project Director
The Enterprise Foundation

Mike Dobbins, former Commissioner of Department of Planning and Community
Development, city of Atlanta

Larry Keating, professor
City and Regional Planning Program, Georgia Institute of Technology

Chicago

Sarah Jane Knoy, Executive Director
Organization of the NorthEast (ONE)

Joyce Dugan, Director of Community Economic Development
Uptown Community Development Corporation (UPCORP)

Stacie Young, Director of Research Planning and Development
Marti Wiles, Coordinating Planner
William Eager, Deputy Commissioner
Kelly Marie Clarke, Assistant Commissioner
Department of Housing, City of Chicago
Kenneth Snyder, Executive Director
Mary Burns, resident
Jane Addams Senior Caucus

Maggie Marystone, Assistant
Alderman Helen Shiller’s Office, 46th Ward, City of Chicago

Greg Harris, Chief of Staff
Alderman Mary Ann Smith’s Office, City of Chicago

Los Angeles

Sheila Bernard, President
Lincoln Place Tenant’s Association

Steve Clare, Executive Director
Venice Community Housing Corporation

Margarita H. de Escontrias, Housing Manager
John McCoy, Deputy Administrator, Community Development II
Donald Spivack, Deputy Administrator
Community Redevelopment Agency, City of Los Angeles

Sister Diane Donoghue, Executive Director
Helen Villagomez, Asset Manager
Esperanza Community Housing Corporation

Gilda Haas, Executive Director
Strategic Actions for a Just Economy

Beatrice Hsu, Legislative Deputy
Councilmember Eric Garcetti, Thirteenth District, City of Los Angeles

Sam Mistrano, Deputy Director
Southern California Association of Non-Profit Housing

Ed P. Reyes, Councilmember
Gerald G. Gubatan, Chief Planning Deputy
First Council District, City of Los Angeles

Nataki Finch Richards, Deputy Director of Housing, Mayor’s Office of Economic Development
City of Los Angeles

Sally Richman, Manager, Executive Management, Policy and Planning
Los Angeles Housing Department
Thomas Safran
Thomas Safran & Associates

Walker Wells, RESCUE Program Director
Global Green USA

Sacramento

Paul Ainger, Director of Development
Community Housing Opportunities Corporation

Tim Brown, Executive Director
Joan Burke, Director of Advocacy
Loaves and Fishes

John W. Dangberg, Executive Director
Jacqueline Whitelam, Administrative Services Director
Capitol Area Development Authority

Ethan J. Evans, Executive Director
Sacramento Housing Alliance

Beverly Fretz-Brown, Director of Policy and Planning
Sarah Hansen, Acting Director City Community Development
Sacramento Housing & Redevelopment Agency

Tina Glover, Information Services
Katrina Middleton, Information Services
Laurie Simon, Adult and Aging Commission
Community Services Planning Council

Mari Grimes, Fellow
St. Hope Neighborhood Corps

Dave Jones, Council Member District Six, Vice Mayor
City of Sacramento

Greg Sparks, Director Housing Development
Mercy Housing California

Seattle

Ted Divina, Neighborhood District Coordinator
Department of Neighborhoods
Central Neighborhood Service Center

Darlene Flynn, Neighborhood Development Manager
East/Southeast Sectors
Department of Neighborhoods

Rick Hooper, Manager
Planning and Policy
Office of Housing

Herman McKinney, Vice President, Urban Affairs
Greater Seattle Chamber of Commerce

Lenny Rose, Owner-Operator
Rose & Associates, L.L.C.
Red Apple Markets

George M. Staggers, Chief Executive Officer
Central Area Development Association

Laura Hewitt Walker, Senior Planning and Development Specialist
Office of Housing

Lish Whitson, Senior Planner
Department of Design, Construction and Land Use

**St. Petersburg**

Askia Muhammad Aquil, Executive Director
St. Petersburg Neighborhood Housing Services, Inc.

Lolita Dash, Community Liaison
Front Porch

Michael Dove, AICP, Deputy Mayor
Neighborhood Services
City of St. Petersburg

Elder Martin Rainey, Chairman
Front Porch

Brian Smith, Marketing Agent
General Home Development Corporation

George Smith, Executive Director
Mt. Zion Human Services, Inc.

Thomas deYampert, Manager
Housing and Community Development
City of St. Petersburg