



Home In Tacoma Project: Housing Equity Taskforce

May 12, 2022

Meeting objectives:

- Continue discussion of Home In Tacoma Project – Phase 2 Scope of Work
- Continue discussion of anti-displacement strategies

Agenda:

1. Introductions and updates (15 min)
2. Home In Tacoma Project scoping (30 minutes)
 - a. Update on the scoping process
 - b. HET input on the draft scope of work
 - c. Actions to make engagement be broad and equitable
3. Anti-displacement Strategic Plan (30 minutes)
 - a. Review of anti-displacement background
 - b. How to evaluate and prioritize anti-displacement actions?
4. HET next steps (15 min)
 - a. Next meeting agenda

Attachments:

1. City Council Resolution 40871 on Anti-displacement
2. Draft Anti-displacement best practices (Root Policy Research)
3. Home In Tacoma – Phase 2 Scope of Work (visit www.cityoftacoma.org/homeintacoma)

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Webpage: www.cityoftacoma.org/homeintacoma

Meeting login info – on the next page

Private Login for Panelists and Staff

Topic: Housing Equity Taskforce Meeting

Date & Time: Second Thursday of every month at 11:30 AM (Pacific Time)

- **Link to Join:**
[https://us02web.zoom.us/j/88515573579?tk=Oe2UteATRrOo3mtoEjJCpsT0kHELaNdiCH0saPHDuO8.DQMAAAUm_B3SxZUCVpEekRZYVMtNnBnTEtjaXRXS2hBAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA;!!CRCb1f!CY345wp7GWTV59WZvyFghrsLDhOc1MEJ6trq8t1ChBg5O2YRRPB1zRFOEgz0Xmaf3gVWbQ\\$](https://us02web.zoom.us/j/88515573579?tk=Oe2UteATRrOo3mtoEjJCpsT0kHELaNdiCH0saPHDuO8.DQMAAAUm_B3SxZUCVpEekRZYVMtNnBnTEtjaXRXS2hBAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA;!!CRCb1f!CY345wp7GWTV59WZvyFghrsLDhOc1MEJ6trq8t1ChBg5O2YRRPB1zRFOEgz0Xmaf3gVWbQ$)
- **Or dial to Join:** 253-215-8782
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Public Login

Topic: Housing Equity Taskforce Meeting

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RESOLUTION NO. 40871

1 BY REQUEST OF MAYOR WOODARDS, AND COUNCIL MEMBERS USHKA
2 AND WALKER

3 A RESOLUTION relating to housing displacement; affirming the City of Tacoma's
4 support of the use of data-informed tools to prevent displacement of local
5 residents and strongly encourages the City's partners to use these tools to
6 ensure more residents are able to stay in Tacoma with a focus on
7 households from "low" and "very low" opportunity areas of the City, as well
8 as Black, Indigenous, and People of Color households, and directing the
9 City Manager to evaluate options to assist in preventing displacement of
10 residents.

11 WHEREAS, displacement of long-time residents of the City has been an
12 ongoing problem, especially in "low" and "very low" opportunity neighborhoods as
13 defined by the City of Tacoma's Equity Index, and among Black, Indigenous, and
14 People of Color ("BIPOC") households, and

15 WHEREAS, with the City's housing market booming and rents increasing
16 faster than wages, low-income and BIPOC renters in up-and-coming areas of the
17 City are at risk of displacement, and

18 WHEREAS community prioritization for housing allows housing providers to
19 prioritize certain applicants, based on data that shows a disproportionate impact of
20 displacement on those applicants, when leasing or selling units in communities at
21 high-risk of displacement, and

22 WHEREAS direct displacement of current residents occurs when residents
23 are no longer able to afford to remain in their homes due to rising rents or property
24 taxes, or residents are forced out due to causes such as lease non-renewals and
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1 evictions to make way for new development, or physical conditions that render
2 their home uninhabitable,¹ and

3 WHEREAS indirect displacement occurs when housing being vacated by
4 low-income residents is no longer affordable to other low-income households,² and

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6 WHEREAS, according to the Home in Tacoma Housing Action Plan,
7 incomes have not kept up with housing costs, and from 2016 to 2019, median rent
8 increased by 21 percent, while median renter income increased by only
9 12 percent,³ and

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11 WHEREAS, similarly, the median home value of owner occupied housing
12 increased by 44 percent compared to a 22 percent increase in median income for
13 owner households, and it is becoming increasingly difficult for renters to afford to
14 rent or buy in the City as wages fail to keep up with rising housing costs, and

15
16 WHEREAS the City of Tacoma’s plan to address the housing affordability
17 crisis, the Affordable Housing Action Strategy (“AHAS”), outlines that many City
18 residents have expressed concern around the potential effects of higher housing
19 costs – namely that changing housing market conditions could price out long-time
20 residents and community-based businesses from their neighborhoods, or make it
21 difficult to stay in or buy a home within the City,⁴ and

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23
24 ¹ <https://sites.utexas.edu/gentrificationproject/gentrification-and-displacement-in-austin/>

25 ² Ibid. Citation 1.

26 ³ https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/Tacoma%20Housing%20Action%20Plan%20full%206-8-2021.pdf

⁴ <https://cms.cityoftacoma.org/cedd/housing/affordablehousingactionstrategy.pdf>



1 WHEREAS, on June 30, 2020, the City Council adopted Resolution
2 No. 40622 that directed the City Manager to prioritize anti-racism in the evaluation
3 of new policies and programs, as well as the sustained and comprehensive
4 transformation of existing services,⁵ and

6 WHEREAS, on November 24, 2020, the City Council adopted Resolution
7 No. 40697 that directed the City Manager to use the Down Payment and
8 Foreclosure Assistance disparity study funded in the proposed 2021-2022 Biennial
9 Budget to identify disparities caused by historic racism or displacement caused by
10 gentrification that resulted in disproportionate homeownership and the
11 inaccessibility of communities of color, and particularly Black communities, to build
12 generational wealth,⁶ and

14 WHEREAS households in Pierce County who identify as BIPOC are
15 disproportionately impacted by housing precarity and displacement, and according
16 to the Supporting Partnerships for Anti-Racism Communities (“SPARC”) report,
17 Black/African-American people represent 26.3 percent of the Homeless
18 Management Information System populations in Pierce County, despite only
19 making up 6.6 percent of the general population in Pierce County,⁷ and

24 ⁵ <https://cityoftacoma.legistar.com/LegislationDetail.aspx?ID=4579947&GUID=A7AD32E5-A284-457C-96E5-B5D7A68B4B27&Options=ID|Text|Attachments|Other|&Search=40622>

25 ⁶ <https://cityoftacoma.legistar.com/LegislationDetail.aspx?ID=4700520&GUID=EA0011B8-B213-42FA-9643-79F8578006B9&Options=&Search=>

26 ⁷ <https://www.piercecountywa.gov/DocumentCenter/View/67289/SPARC-Tacoma---Pierce-County-Report-February-2018?bidId=>



1 WHEREAS, precarity is defined as resilience to economic and
2 environmental shocks and is measured as a composite score of low-income
3 displacement and eviction risk combined with unemployment data and COVID-19
4 infections,⁸ and

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6 WHEREAS, according to the Housing Precarity Risk Model⁹ from the
7 University of California, Berkeley Urban Displacement Project, 24 percent of all
8 renters (29,265 out of 122,460) in Pierce County live in high-precarity
9 neighborhoods,¹⁰ and

10
11 WHEREAS, among all Black or African-American renters in Pierce County,
12 39 percent live in high-precarity neighborhoods, and the percentage for Asian and
13 Latinx renters is just below this;¹¹ among all White renters, only 18 percent live in
14 high-precarity neighborhoods in Pierce County,¹² and

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16 WHEREAS, Hilltop, the City’s historically Black and African-American
17 neighborhood, is at particular risk of residents being displaced, with many
18 residents having already left the 98405 zip code, and

19 WHEREAS a transportation study from the Federal Transit Administration,
20 titled Proposed Strategies to Increase Affordability & Stem Displacement on Hilltop
21 (2017), found that “many Hilltop residents, particularly renters, cannot keep pace
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24 _____
25 ⁸ <https://bids.berkeley.edu/news/berkeley-udp-releases-housing-precarity-risk-model-hprm>
26 ⁹ <https://www.urbandisplacement.org/maps/housing-precarity-risk-model/>
¹⁰ https://docs.google.com/spreadsheets/d/1UPwWbWbcQ1M2APhs8Ib_6euj67iqpdCHX3NRm5SVhE4/edit#gid=1860792350

¹¹ Ibid. Citation 10.
¹² Ibid. Citation 10.



1 with rising housing costs,” and the study found that 45 percent of Hilltop
2 households are spending more than 30 percent of their income toward housing
3 costs, compared with 39 percent citywide,¹³ and
4

5 WHEREAS, according to a representative of the Tacoma Urban League,
6 quoted by the Seattle Times, 35 percent of African-Americans moved out of the
7 Hilltop neighborhood between 2010 and 2015,¹⁴ and

8 WHEREAS the City has a legacy of policies and practices that have
9 compounded the issue of displacement of residents, including, but not limited to:
10

- 11 1. Racially restrictive residential redlining;
- 12 2. Racially restrictive housing covenants;
- 13 3. Disinvestment in non-White neighborhoods, especially historically Black
14 neighborhoods;
- 15 4. Urban revitalization starting in the 1990s through current development of
16 high-opportunity transit in Hilltop; and
- 17 5. Maintaining low housing supply through exclusive single-family zoning in
18 roughly 75 percent of the City, and
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25 ¹³ <https://www.documentcloud.org/documents/4324639-Tacoma-City-Council-Hilltop-Strategies.html>

26 ¹⁴ <https://www.seattletimes.com/seattle-news/as-tacomahilltop-changes-residents-are-priced-out/>



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WHEREAS, these policies have led to staggering statistics, with Pierce County being:

- 1. Number one in the state for eviction risk, with 18 percent of Black adults being named in an eviction;¹⁵ and
- 2. Number one in the state for unemployment rate and change in unemployment (2019-2020),¹⁶ and

WHEREAS the City of Tacoma’s Equity Index was generated by the Kirwan Institute for the Study of Race & Ethnicity for the City’s Office of Equity and Human Rights, and is applied across all City Departments, including being considered in every legislative proposal, and

WHEREAS the Equity Index is a tool used by the City of Tacoma to identify disparities based on census block group data,¹⁷ which uses 29 indicators within five social determinant categories based on the Tacoma 2025 Strategic Plan to determine where the greatest community needs are located, and

WHEREAS census block group scores are labeled on a scale from “very high” to “very low,” and areas with the highest opportunity are labeled “very high” and areas with the lowest opportunity are labeled “very low,” and

¹⁵ https://us02web.zoom.us/rec/play/ddJoNnL-2-oNX72KR7R_JwNOU-COW6Js65ISOAbIEesfm2iTnhAbg3NuIWHb04ugoREw8hjDLXriGTa.8T2IJP5QagRcah2y?startTime=1630609862000&_x_zm_rtaid=2H5JV3wuTjqdp0khNmL6bA.1633727808775.b5f4bd09064b75a31121205edd02f259&_x_zm_rhtaid=172

¹⁶ Ibid. Citation 15.

¹⁷ <https://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=175030>



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WHEREAS those individuals potentially affected by this proposal include people at high risk of displacement in the City, specifically households from “low” or “very low” opportunity areas, and

WHEREAS the City of Tacoma’s support of the use of data-informed tools will reduce racial and other inequities, disparities, or discrimination to under-represented communities by encouraging housing providers in the City to prioritize individuals who have been disproportionately impacted by residential displacement, with a focus on households in “low” and “very low” opportunity areas of the City as defined by the City of Tacoma Equity Index, and to BIPOC households; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the City of Tacoma’s support of the use of data-informed tools to prevent displacement of local residents, such as community prioritization, with a focus on households from “low” and “very low” opportunity areas of the City, as well as Black, Indigenous, and People of Color households, is hereby affirmed.

Section 2. That the City of Tacoma strongly encourages the City’s housing partners to use data-informed tools, such as community prioritization, to ensure more residents are able to stay in the City with a focus on households from “low” and “very low” opportunity areas of the City, as well as Black, Indigenous, and People of Color households.



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Section 3. That the City Manager, is hereby directed to evaluate options to assist in preventing displacement of residents.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

Anti-Displacement Best Practices

This brief summarizes anti-displacement best practices. It draws on recent academic research, peer cities' efforts that have demonstrated effective outcomes, and approaches being explored by peer cities and states.

The report provides a menu of anti-displacement strategies for consideration, building upon the work already done in the City of Tacoma.

Background

Growth in high-demand markets like Tacoma's contains a risk of displacement of under-resourced households. On the rental side, displacement is typically caused by rents increasing at amounts that are unaffordable to low income renters; sales of homes occupied by renters and owned by investors; and evictions of tenants to improve properties and rent to higher-income renters. On the owner side, displacement is typically caused by rising property taxes and the costs of home maintenance. During the Great Recession, mortgage loans with high interest rates and unforgiving terms (e.g. indexed interest rates) coupled with a weak economy caused displacement related to foreclosure.

Households most at risk of being displaced include renter households who have few resources to manage rents and/or who have backgrounds that make them less desirable tenants for landlords (e.g., eviction histories, criminal backgrounds). Owners who are displaced are often those living on fixed incomes without the ability to manage the rising costs of ownership or owners who have stretched to attain ownership and for whom income disruptions—from lost jobs, divorce, medical conditions—compromise their ability to maintain their mortgage debt. Owners with equity in their homes experience less economic harm from displacement yet can struggle to find a more affordable home in high-cost markets.

As noted in Tacoma's Affordable Housing Action Strategy (AHAS): **Housing displacement hurts both displaced residents and the community at-large.**

The public sector's role in displacement is difficult to determine and, as a recent article by Shelterforce documented, the relationship between new development, affordability, and displacement is complex¹ The most current academic research on the relationship between housing development, gentrification, and displacement has shown that:

¹ <https://shelterforce.org/2019/02/15/what-we-dont-know-about-development-and-displacement/>

- “Commercial gentrification”—a change in the commercial makeup of a neighborhood—can lead to both positive and negative effects for existing residents and businesses.
- Investments in transit can increase residential and commercial property values, yet this depends on the type of transit. Increases are more likely with new fixed-rail lines. Expansion of bus routes, including bus rapid transit, show little effect on property values.
- Proximity to high quality schools and parks, as well as access to highways, increases home values²

Disproportionate effect on people of color. Renters are more likely to be displaced than owners. Because renters in many markets are more likely to be people of color, displacement disproportionately affects people of color. It is for that reason that anti-displacement initiatives often focus on communities of color. The City of Tacoma is becoming more racially and ethnically diverse. However, Black/African American residents, Asian residents, Latino/Latinx/Hispanic residents, and residents of two or more races are all more likely to have lower incomes and live in poverty, and Black/African American (30%) and Latino/Latinx/Hispanic residents (47%) have much lower rates of homeownership compared to White/Caucasian residents (61%).

Current City of Tacoma Policies

Many policy documents in Tacoma provide guidance on how to address inequities and build capacity within under-resourced communities. A current initiative, *Heal the Heart of Tacoma*³, aims to transform Tacoma into an anti-racist city.

The City’s current [Affordable Housing Action Strategy \(AHAS\)](#) is an organization-wide initiative to address Tacoma’s housing affordability crisis through 27 strategic actions.

The AHAS addresses anti-displacement through strategies that stabilize the properties that already offer affordable rents or help lower the costs of owning a home, as well as building capacity of vulnerable and under-resourced renters. All of the action items in the AHAS aim to stabilize and expand housing options. Those action items most closely linked to anti-displacement include:

- **Action 1.7:** Proactively partner with community-based groups to market existing programs to interested homebuyers, focusing on areas where residents are at-risk of displacement. *Lead: Community and Economic Development in partnership with the*

² https://www.urbandisplacement.org/sites/default/files/images/displacement_lit_review_final.pdf

³ <https://www.cityoftacoma.org/cms/one.aspx?pagelD=196441>

Homeownership Center of Tacoma, Habitat for Humanity, the State of Washington, anchor institutions, and large-scale employers.

- **Action 2.2:** Develop and adopt a preservation ordinance and identify clear priorities for the city's preservation efforts. *Lead: Tacoma City Council and Office of Economic and Community Development in partnership with property owners, tenants, local and regional nonprofits, cultural organizations, and the Tacoma Housing Authority.*
- **Action 3.1:** Expand tenants' protections through a comprehensive policy. *Lead: Tacoma City Council, the Office of Equity and Human Rights, Fair Housing Center of Washington, Washington State Tenants' Union, cultural organizations, Tacoma Housing Authority, landlords.*
- **Action 3.2:** Create a range of resources for households experiencing a housing crisis. *Lead: Tacoma City Council, the Office of Equity and Human Rights, Fair Housing Center of Washington, Washington State Tenants' Union, cultural organizations, Tacoma Housing Authority, landlords.*
- **Action 3.4:** Create a source of local tax relief to stabilize more low-income homeowners. *Lead: Tacoma City Council and Office of Management and Budget and Office of Community and Economic Development in partnership with nonprofit organizations, cultural organizations, and the Pierce County Tax Assessors' Office.*

One Tacoma, the city's 2015 Comprehensive Plan, dedicates Book Five to housing. Two of the five housing goals focus on furthering equity, mitigating involuntary displacement from rising housing costs, and removing disparities in housing access:

GOAL H-2 Ensure equitable access to housing, making a special effort to remove disparities in housing access for people of color, low-income households, diverse household types, older adults, and households that include people with disabilities.

GOAL H-4 Support adequate supply of affordable housing units to meet the needs of residents vulnerable to increasing housing costs.

Within those goals, anti-displacement policy direction includes:

- Policy H-2.3 Coordinate plans and investments with programs that prevent avoidable, involuntary evictions and foreclosures.
- Policy H-2.4 Evaluate plans and investments and other legislative land use decisions to identify potential disparate impacts on housing choice and access for protected classes.
- Policy H-2.5 Evaluate plans and investments for the potential to cause displacement in areas with concentrations of communities of color, low- and moderate-income households, and renters.

- Policy H-2.6 When plans and investments are anticipated to create neighborhood change, pursue corrective actions to address involuntary displacement of under-served and under-represented people. Use public investments, incentives, and programs, and coordinate with nonprofit housing organizations, to mitigate the impacts of market pressures that cause involuntary displacement.
- Policy H-2.8 Help people stay in their homes through expanded tenant’s protections, providing resources for households experiencing a crisis, increasing community organizing capacity, and other means.
- Policy H-4.1 Preserve and produce affordable housing to meet the needs that are not met by the private market by coordinating plans and investments with housing providers and organizations.
- Policy H-4.10 Encourage development and preservation of small resource- efficient and affordable single-family homes throughout the City.
- Policy H-4.11 Align plans and investments to support homeownership rates and locational choice for people of color and other groups who have been historically under-served and under-represented.
- Policy H-4.12 Facilitate a variety of ownership opportunities and choices by allowing and supporting the creation of condominiums, cooperatives, mutual housing associations, limited equity cooperatives, community land trusts and sweat equity.

The above plans provide direction for the city’s [Home in Tacoma](#) project, which focuses on land use changes that expand housing stock, diversity of housing types, and help to address housing affordability challenges. The city’s Housing Equity Taskforce (HET) advised the Home in Tacoma project team and crafted recommendations for implementing action steps using an equity framework.

The intention of this brief is to inform the anti-displacement strategy for the Home in Tacoma project. It draws from anti-displacement initiatives that other cities have employed, including those that are part of land use changes.

Summary of Best Practices

The table below provides a summarized list of commonly used anti-displacement policies. For each policy, we provide a selection of places in which the policy has been implemented, whether the policy primarily benefits renters or homeowners, the potential impact on mitigating displacement (high, medium, and low), and a timeline for overall whether the policy has the potential to mitigate displacement in the long-run or short-run. Each policy is described in further detail in subsequent sections.

Category	Policy	Sample Locations	Inequity Proposed to Address	Mitigation Potential	Solution Timeframe
Production	1. Mitigating Displacement with Missing Middle Zoning Production	Austin, TX; Bryan, TX; Decatur, GA; New Orleans, LA; Norfolk, VA; Sonoma County, CA	Housing instability for renters and owners	High	Long term
Preservation	2. Conversion Restrictions & Tenant Opportunity to Purchase	California; San Francisco, CA; Washington D.C.	Housing instability for renters and disparities in access to homeownership	Medium	Short term
Neighborhood Stabilization	3. Preference Policies	New York, NY; San Francisco, CA; Oakland, CA; Seattle, WA; Austin, TX	Housing instability for renters and disparities in access to homeownership	Low	Short term
Production and/or Neighborhood Stabilization	4. Community Benefit Agreements	Brooklyn, NY; Los Angeles, CA; Minneapolis, MI; New Haven, CT; New York, NY; Pittsburg, PA; San Diego, CA; Wilmington, DE	Community/cultural changes that threaten belonging and identity	Low	Short term

Preservation	5. Community Control of Land	Atlanta, GA; Boston, MA; Boulder, CO; Flint, MI; Oakland, CA; Richmond, VA; Seattle, WA; Vancouver, Canada; Washington D.C.	Disparities in access to homeownership	High	Long term
Preservation and/or Production	6. Community Development Financial Institutions	New Jersey; New York; Oregon; Washington	Disparities in access to homeownership and small/legacy business instability	Medium	Long term
Neighborhood Stabilization	7. Business Preservation Programs	Austin, TX; Birmingham, AL; North Miami, FL; San Antonio, TX; San Francisco, CA	Small/legacy business instability	Low	Long term
Neighborhood Stabilization and Preservation	8. Housing & Land Reparations	Evanston, IL	Disparities in access to homeownership	High	Long term
Neighborhood Stabilization	9. Rent Stabilization, Just Cause Evictions, & Tenant Right to Counsel	Berkley, CA; East Pal Alto, CA; Glendale, CA; New York, NY; Oakland, CA; Oregon; Los Angeles, CA; Philadelphia, PA; San Diego, CA; San Francisco, CA; San Jose, CA; Washington D.C.	Housing instability for renters	High	Short term
Neighborhood Stabilization	10. Rental & Foreclosure	Hennepin County, Minnesota;	Housing instability for	High	Long term

	Assistance Programs	Jacksonville, FL; Los Angeles, CA; San Antonio, TX	renters and owners		
Preservation	11. Lease to Locals Program	Summit County, CO	Housing instability for renters	Medium	Short term
Production	12. Property Tax Exemptions & Abatements	Cook County, IL; Portland, Oregon; Provincetown, MA; Washington D.C.	Housing instability for renters	Low	Short term
Production	13. Linkage Fees	Boston, MA; Los Angeles, CA; San Francisco, CA	Housing instability for renters	Medium	Short term
Production	14. Inclusionary Zoning or Developer Incentives	Atlanta, GA; Austin, TX; Boston, MA; Boulder, CO; Los Angeles, CA; Minneapolis, MN; Portland, OR; San Jose, CA; Santa Fe, NM; Seattle, WA	Housing instability for renters	Medium	Long term

In the following sections we describe each of the policies listed above. In addition to defining each policy, we provide evidence of their effectiveness in mitigating displacement based on academic studies. We also discuss case studies and locations where each policy has been successful.

1. Mitigating Displacement with Missing Middle Zoning Production

What is it? Missing Middle housing refers to smaller, multi-unit housing, commonly courtyard apartments or cottages, ADUs, townhomes, and du-, tri-, and quad-plexes. These types of housing are often easily incorporated in urban and suburban areas and can be used to create walkable communities. Expansion of such products is the goal of Home in Tacoma. Many cities have aimed to increase Missing Middle housing in order to improve housing supply and ultimately dampen rapidly growing housing costs for low- and middle-

income families. These efforts are relatively new; as such, it is difficult to determine the point at which they begin to widely influence housing prices.

Although Missing Middle products, by their very nature, can increase the affordable housing stock, the academic evidence on its effect on displacement is mixed. Therefore, several communities have implemented policies in tandem with Missing Middle upzoning to ensure the products are allocated to low income families and do not accelerate displacement.

One such strategy is to build affordable and publicly subsidized units in neighborhoods that are likely to transform due to code reforms and investments. This ensures that, even if upzoning does gentrify the neighborhood, many low income residents will not be displaced.⁴

Another, currently piloted by Austin, Texas, is to only allow increased density for Missing Middle products if a set proportion of units are affordable.

Another strategy is to include conversion restrictions whereby housing occupied by low income tenants cannot be redeveloped, even for Missing Middle products. This is the strategy California has chosen in their provisions of Senate Bill 9, which we discuss in more detail in the conversion restrictions section.⁵ A gentler alternative is to require that low income renters who are displaced by Missing Middle conversions are paid relocation assistance, a period of rent (often 3 months), and the rental security deposit for the unit into which they are relocating. Those payments would be made by the developer and/or owner of the unit being converted.

It is a good practice not to allow short term rentals (STRs) in unit conversions, at least initially until the effectiveness of Missing Middle housing on affordability can be fully assessed. An alternative would be only allowing STRs when the owner lives onsite (e.g., in the other side of a duplex) and has an income below a certain threshold.

Evidence of effectiveness. Increasing the supply of housing units often makes housing more affordable to low income households. A recent study, *Supply Skepticism: Housing Supply and Affordability*, attempts to bridge the gap between supply proponents and supply skeptics and concludes that adding new homes will moderate price increases and make housing more affordable to low and moderate income families.⁶

⁴ Steuteville, Robert. "Neighborhood additions work against displacement." CNU. 2019. <https://www.cnu.org/publicsquare/2019/07/02/neighborhood-additions-work-against-displacement>

⁵ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB9

⁶ Been, Vicki, Ingrid Gould Ellen, and Katherine O'Regan. "Supply skepticism: Housing supply and affordability." *Housing Policy Debate* 29.1 (2019): 25-40.

Missing Middle housing has been shown to make many neighborhoods more affordable to low-income residents. For example, a 2010 study found that neighborhoods with a greater variety of housing types and residential density have a greater quantity of affordable units available to very low income renters.⁷ This research is supported by a 2021 report that found new townhomes are making **Seattle** housing more affordable—mostly through making high cost neighborhoods more attainable for middle income households.⁸

Accessory Dwelling Units (ADUs) offer additional opportunity to develop Missing Middle housing, particularly in single-family zoned areas. Because land costs are already sunk and the unit size is typically small, ADUs are a low-cost way to produce new housing.⁹ However, there is little research that examines the direct impact of ADUs on preventing displacement. Some studies show ADUs offer affordable housing options, but not for very low-income tenants.¹⁰ ADU construction may even lead to gentrification by adding to the value of the original property.¹¹

Studies on other types of residential infill have found that new multifamily homes make neighborhoods more affordable. A recent 2021 study on 11 major U.S. cities found that new market-rate housing in low income areas reduces rents in nearby units by about 6% and increases in-migration from other low income areas. This is attributable to the new buildings' ability to absorb many high-income households and increase the local housing stock.¹² Similarly, a 2019 study focus on new market-rate apartment buildings in New York found that for every 10% increase in the housing stock, rents decrease 1% and sales prices also decrease within 500 feet. This study also shows that new high-rises attract new restaurants, which is consistent with the hypothesis about amenity effects.¹³ A recent study on **Minneapolis's** housing market found that new construction did not increase or

⁷ Aurand, Andrew. "Density, housing types and mixed land use: Smart tools for affordable housing?." *Urban studies* 47.5 (2010): 1015-1036.

⁸ Katz, Lily. "Half of Homes in Seattle and Washington, D.C. Are In Economically Integrated Neighborhoods—a Bigger Share Than Other Major U.S. Cities." *Redfin News* (February 17, 2021). <https://www.redfin.com/news/economically-integrated-neighborhoods-2021/>

⁹ Woetzel, Jonathan, et al. "A tool kit to close California's housing gap: 3.5 million homes by 2025." *McKinsey Global Institute* (2016): 307-329. <https://www.mckinsey.com/~media/McKinsey/FeaturedInsights/Urbanization/ClosingCaliforniashousinggap/Closing-Californias-housing-gap-Full-report.ashx>

¹⁰ Chapple, Karen, Nemirow, A., Wegmann, J., & Dentel-Post, C. (2012). *Yes in My Backyard: Mobilizing the Market for Secondary Units*. https://communityinnovation.berkeley.edu/sites/default/files/yes_in_my_backyard_mobilizing_the_market_for_secondary_units.pdf?width=1200&height=800&iframe=tru

¹¹ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

¹² Asquith, Brian J., Evan Mast, and Davin Reed. "Local Effects of Large New Apartment Buildings in Low-Income Areas." *The Review of Economics and Statistics* (2021): 1-46.

¹³ Li, Xiaodi. "Do new housing units in your backyard raise your rents." *NYU Wagner and NYU Furman Center, Job Market Paper* 57 (2019).

decrease rents on the whole, but rents already in the bottom third of the distribution decreased by 6.7%, making them more affordable to the lowest income groups.¹⁴

Other studies have found that limiting growth of multifamily homes dampens economic growth. Stringent restrictions on new housing supply in major cities have limited the number of workers who have access to jobs in those areas. Using data from 220 metropolitan areas, a 2019 study estimated that such constraints lowered overall U.S. GDP growth by more than 50% between 1964 and 2009.¹⁵ A similar 2017 study found that rising housing prices in high income areas deter migration from low-skilled, low income workers and ultimately deepens income inequality.¹⁶

Improving the stock of affordable housing in high opportunity communities not only improves job options for low income households, but also improved outcomes for children. Recent data from **Florida** show that increasing the stock of housing, particularly multifamily housing, in middle- and high-income neighborhoods increases the number of poor children attending socioeconomically integrated public schools, which ultimately improves their academic outcomes.¹⁷ Studies out of Harvard have found that when families move to a neighborhood with less poverty, their children have significantly higher college attendance rates and earnings.¹⁸

Where has it worked? Several communities increased their stock of Missing Middle housing simply through upzoning. In fact, duplexes are illegal to build in much of the United States.¹⁹ Many communities are legalizing (or re-legalizing) multi-unit housing. In 2019, **California's** governor signed three bills into law that effectively legalized no-hassle triplex conversions across the state, and **Oregon's** legislature re-legalized duplexes, triplexes, and fourplexes.²⁰ In many instances, such upzoning has allowed for more affordable housing options. The City of **Austin**, for example, recently upzoned Bouldin

¹⁴ Damiano, Anthony, and Chris Frenier. "Build baby build?: Housing submarkets and the effects of new construction on existing rents." Center for Urban and Regional Affairs Working Paper, University of Minnesota. Retrieved from <https://www.tonydamiano.com/project/new-con/bbb-wp.pdf> (2020).

¹⁵ Hsieh, Chang-Tai, and Enrico Moretti. "Housing constraints and spatial misallocation." *American Economic Journal: Macroeconomics* 11.2 (2019): 1-39.

¹⁶ Ganong, Peter, and Daniel Shoag. "Why has regional income convergence in the U.S. declined?." *Journal of Urban Economics* 102 (2017): 76-90.

¹⁷ Ihlanfeldt, Keith, and Tom Mayock. "Affordable housing and the socioeconomic integration of elementary schools." *The Journal of Real Estate Finance and Economics* 58.4 (2019): 567-595.

¹⁸ Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. "The effects of exposure to better neighborhoods on children: New evidence from the Moving to Opportunity experiment." *American Economic Review* 106.4 (2016): 855-902.

¹⁹ Badger, Emily and Bui, Quoc Trung. "Cities Start to Question an American Ideal: A House with a Yard on Every Lot." *The New York Times*. (June 18, 2019).

²⁰ Anderson, Michal and Fahey, Anna. <https://www.sightline.org/2019/11/04/lessons-from-oregons-missing-middle-success/>

Creek Neighborhood to increase density, which improved affordability of rental units in the neighborhood.²¹

A valuable component of Missing Middle housing development is that it does not always require displacement of current residents to be developed. For instance, ADUs are often constructed without locative disruption to existing residents. Additionally, many Missing Middle products are small enough to be constructed in already vacant lots. The Missing Middle Pilot project, for example, in Decatur, Georgia took place on a half-acre vacant infill property purchased by the city. Six cottage-size homes were built on the property.²²

In the face of the ever-growing concern of climate-related displacement, Missing Middle housing products have also already served as a solution for individuals displaced by environmental disasters. For example, when wildfires torched homes in Northern California in 2017 and destroyed over five thousand homes in Sonoma County alone, this exacerbated an already critical housing crisis in the area. Habitat for Humanity built several small cottages in the area, which housed individuals who were displaced from the fire. Similarly, in 2013, thousands of New Orleans residents, who had been displaced because of Hurricane Katrina, returned to the city to find unaffordable housing costs and they could not reestablish their communities. In response, local housing authorities and developers worked together to rehabilitate 46 old buildings (many of which were vacant bungalows, shotgun houses, and cottages) which created more than 100 new units.²³

Washington D.C. recently prioritized affordable housing in gentrifying communities through their “build first program” which provided replacement housing ahead of the redevelopment of aging public housing. This “build first” program follows the strategy to build affordable and publicly subsidized units in neighborhoods that are likely to transform due to code reforms and investments. Washington D.C. built several affordable multifamily housing units in the Deanwood neighborhood, including replacement living spaces for 40% of the low income families who would be displaced during anticipated, phased public housing redevelopment.²⁴

Considerations. In addition to push back from community members hoping to retain single-family detached housing styles, some communities have simply not had the demand for Missing Middle construction, despite making their cities friendly to it.

²¹ http://austintexas.gov/sites/default/files/files/Planning/CodeNEXT/Affordability_13-1211_SOliver.pdf

²² Parolek, Daniel G. *Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis*. Island Press, 2020.

²³ *Ibid.*

²⁴ Steuteville, Robert. “Neighborhood additions work against displacement.” CNU. 2019. <https://www.cnu.org/publicsquare/2019/07/02/neighborhood-additions-work-against-displacement>

In other words, upzoning alone might not be enough to incentivize Missing Middle Housing production. To incentivize such construction, **Norfolk**, Virginia and **Bryan**, Texas are offering free architectural plans for those building Missing Middle housing. This is expecting to save developers around 15% to 20% in design fees, which typically constitute around 10% of the overall cost of a project. However, Bryan has yet to see a single development using the pattern.²⁵

Similarly, in regard to ADUs, municipalities need to approve ADU ordinances and individual homeowners need to opt in and construct the ADUs for them to be effective at reducing housing costs. Recent studies have shown that this has started happening in California: ADU permits and completions have increased dramatically over the last few years, even in low-income communities.²⁶

Recommendations for Tacoma. Tacoma too has a successful ADU program and is in the middle of changing zoning to allow more Missing Middle housing production. To mitigate displacement that may be caused by Missing Middle housing production, Tacoma should:

- Consider the “build first” approach like the program in Washington D.C.;
- Employ conversion restrictions that require an owner displacing a renter pay for relocation costs, a period of rent (3 months is recommended), and security deposit—consistent with Seattle’s condo conversion approach, discussed below;
- Disallow short term rentals except in cases where the owner lives onsite and has an income of less than 100% AMI;
- Or a combination of some of the following anti-displacement strategies.

2. Conversion Restrictions & Tenant Opportunity to Purchase

What is it? Conversion restrictions can be undertaken in several different ways. Some aim to mitigate the number of property owners converting multi-unit rental housing to broken up, individually sellable condos. The aim of such condo conversion restrictions is to keep rental properties available, even when housing markets heat up. Condo conversion

²⁵ Janzer, Cinnamon. “Norfolk is Offering Free Plans to Incentivize Missing Middle Development.” Next City. (October 21, 2021). https://nextcity.org/urbanist-news/entry/norfolk-is-offering-free-plans-to-incentivize-missing-middle-development?utm_source=Next+City+Newsletter&utm_campaign=a6752c801c-DailyNL_2021_10_21&utm_medium=email&utm_term=0_fcee5bf7a0-a6752c801c-44346102

²⁶ Chapple, K., Garcia, D., Valchuis, E., & Tucker, J. (2020). Reaching California’s ADU Potential: Progress to Date and the Need for ADU Finance. Retrieved from <https://turnercenter.berkeley.edu/research-andpolicy/reaching-californias-adu-potential-progress-to-date-and-the-need-for-adu-finance/>

restrictions are especially useful when other policies, like rent stabilization, may incentivize property owners to get out of the rental market.

Other conversion restrictions, like those in **California**, ban the conversion of single-family homes to multifamily or Missing Middle products if the home is affordable/rent-controlled housing or has been occupied by a tenant in the past three years.²⁷ These types of restrictions aim to keep low-income renters in their homes.²⁸

Tenant opportunity to purchase programs have similar goals, but also aim to improve homeownership among renters and low income households. Tenant opportunity to purchase programs give the existing tenants the first right to purchase their units when their current property goes up for sale. This strategy utilizes the ever-popular condo conversion process to assist existing tenants both in maintaining their residence and in wealth building.²⁹

Evidence of effectiveness. So far, there are very few studies on restricting conversions and their effect on displacement. Some scholars bemoan that “that condo conversion reduces the rental housing stock on which the poor and working class depend.”³⁰ In fact, a recent study suggests that condo conversion restrictions have little effect on mitigating displacement and that there is very little association between condo development and resident income, education, or race.³¹

Evidence suggests that tenant opportunity to purchase programs are more successful at mitigating displacement. Outside the United States, the **United Kingdom** has passed a nation-wide “Right to Buy” policy in the 1970s, which research suggests was largely responsible for raising homeownership in the UK from 55% to over 70% in about 25 years.³² Similar evidence on domestic policies find that tenant opportunity to purchase programs are effective for those who take advantage of the programs.

However, some low income renters are not able to capitalize on such programs and cannot purchase their homes. In fact, tenants who can afford to buy their homes at the time of

²⁷ Angst, M. (2021) What California’s new SB9 housing law means for single family zoning in your neighborhood. <https://www.mercurynews.com/2021/09/17/what-californias-new-sb9-law-means-for-single-family-zoning-in-your-neighborhood/>

²⁸ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

²⁹ Gallaher, C. (2016). *The Politics of Staying Put: Condo Conversion and Tenant Right-to-Buy in Washington, DC*. Temple University Press.

³⁰ Gallaher, C. (2016). *The Politics of Staying Put: Condo Conversion and Tenant Right-to-Buy in Washington, DC*. Temple University Press.

³¹ Boustan, Leah Platt, et al. Does Condominium Development Lead to Gentrification?. No. w26170. National Bureau of Economic Research, 2019.

³² Disney, R., & Luo, G. (2017). The Right to Buy public housing in Britain: A welfare analysis. *Journal of Housing Economics*, 35, 51–68. <https://doi.org/10.1016/j.jhe.2017.01.005>

sale are typically not in the lowest-income groups, which means that without complementary assistance programs, such laws may not protect the renters most at risk.³³

Where has it worked? As discussed previously, **California** has recently banned the conversion of single-family homes to multifamily if the home is affordable/rent-controlled housing or has been occupied by a tenant in the past three years.³⁴ Assembly Bill 1521 in California also requires owners of expiring affordable rental properties to accept any market-rate purchase offer from a qualified preservation entity that intends to maintain the property's affordability restrictions.

Within California, the City of **San Francisco** also has a condo conversion restriction program. In 2013, there was a backlog of nearly 2,000 requests to convert, so the City Council placed a ten-year moratorium on condo conversions in exchange for permitting those already in the backlog.³⁵

Washington D.C. has developed a robust tenant right to purchase policy. The Tenant Opportunity to Purchase Act (TOPA) passed in 1980 dictates that when owner of a multi-unit building puts it up for sale, the existing tenants have the right to purchase the property at the market price and then convert the units to a condo or cooperative so tenants can individually buy their own units. In practice, this process typically involves tenants working with a third-party developer that makes repairs and manages the property after the purchase. TOPA has been supplemented with the First Right Purchase Program, which provides financial and technical assistance to low income tenants that are attempting to use TOPA to purchase their buildings. From 2003 to 2010, the program has helped preserve nearly 1,400 units of affordable housing.³⁶

Berkeley recently considered legislation similar to TOPA, though it is currently on hold due to disagreements among both advocates and City Council members, and feasibility

³³ Gallaher, C. (2016). *The Politics of Staying Put: Condo Conversion and Tenant Right-to-Buy in Washington, DC*. Temple University Press.

³⁴ Angst, M. (2021) What California's new SB9 housing law means for single family zoning in your neighborhood. <https://www.mercurynews.com/2021/09/17/what-californias-new-sb9-law-means-for-single-family-zoning-in-your-neighborhood/>

³⁵ Barmann, J. (2013, April 22). Condo Conversion Legislation Gets Amended With Ten-Year Moratorium: SFist. https://sfist.com/2013/04/22/condo_conversion_legislation_gets_a/

³⁶ Reed, J. (2013). DC's First Right Purchase Program Helps to Preserve Affordable Housing and Is One of DC's Key Anti-Displacement Tools.

issues.³⁷ **Minneapolis, New York, Portland, Oakland, and Los Angeles** and are considering similar legislation.³⁸

Considerations. Some developers and legal scholars have noted that conversion restrictions are often full of red tape, which could disincentive conversions.³⁹ Tenant opportunity to purchase programs also have red tape. One study found that between 2003 and 2013, 58% of tenants qualifying for TOPA in D.C. actually made it all the way through the TOPA process. Many tenants described the process as long and complex. While this number may seem low, the study's author points out that when buildings were sold before, "landlords and developers interested in conversion routinely forced out [all of] their in-situ tenants." TOPA is still, therefore, an improvement.⁴⁰

Possibilities in Tacoma. The conversion of residential buildings to condominiums is governed by Washington State law (the Condominium Act or RCW 64.34). These laws give tenants the right to buy their own unit and require 120 days' notice to tenants who must move out. They also have requirements for notifying buyers about purchase responsibilities/costs and organizing and documenting the conversion process.⁴¹

Some Washington jurisdictions offer relocation assistance for residents who have been displaced by condo conversions. For instance, Seattle ordinance requires that all tenant households electing not to purchase their units and which earn 80% or less of the area median income must be paid the equivalent of three (3) months' rent. Elderly tenants or tenants with disabilities may qualify for additional assistance for reasonable moving expenses. Tenants apply to the developer for relocation assistance, and the developers are required to deliver information packets to all households occupying units that are being converted to condominiums. The packet contains information about the city's relocation requirement and explains how to qualify for relocation assistance.⁴²

Tacoma could borrow from Seattle's approach to condo conversions and apply that policy to Missing Middle housing.

³⁷ Yelimeli, Supriya. "Mayor: Tenants' 'first dips to buy' policy on home until fall due to feasibility, timing. (2021) <https://www.berkeleyside.org/2021/06/27/topa-berkeley-on-hold-until-fall>

³⁸ Brey, J. (2020, July 14). Why More Cities Are Hoping to Give Tenants the Chance to Purchase Their Buildings. Next City. <https://nextcity.org/daily/entry/why-more-cities-are-hoping-to-give-tenants-chancepurchase-their-buildings>

³⁹ Polentz, Michael and Abghari, Payvand. "Restrictions on Condominium Conversions." Manatt. (2015). <https://www.manatt.com/insights/newsletters/real-estate-and-land-use/restrictions-on-condominium-conversions>

⁴⁰ Gallaher, C. (2016). The Politics of Staying Put: Condo Conversion and Tenant Right-to-Buy in Washington, DC. Temple University Press.

⁴¹ <http://www.seattle.gov/dpd/publications/cam/cam602.pdf>

⁴² Ibid

It is important to note that these ordinances do not cover conversion of apartments to cooperatives, as this is an alternative form of ownership is governed by separate state and local laws.

3. Preference Policies

What is it? Preference policies give previously displaced households, or the decedents of previously displaced households, priority in applications for subsidized housing in the city. The goal is to retroactively address the harmful impacts of displacement caused by urban renewal.

Evidence of effectiveness. Some of these policies have not lived entirely up to their ambitions of mitigating displacement. For example, some have critiqued Portland's prioritization project as falling short of its promises.

Initially, eligibility criteria for **Portland's** housing programs were poorly communicated to applicants who applied for housing preferences and many eventually found that they did not meet the income requirements.⁴³ However, according to a 2016 town hall, Portland surveyed those who had applied to the preference policy to gauge the difficulty of the application process. Most found it was easy to complete. On the back end, a large volume of preference policy applications forced the City to boost internal staffing and IT infrastructure to meet processing demands.⁴⁴

Despite a large number of applications, many households were not able to actually rent or buy housing in the select neighborhoods. This was largely due to limited availability of affordable housing.⁴⁵ A WNYC discussion with Dr. Steven Holt, chair of the oversight committee for the Portland preference policy, and Leslie Goodlow, business operations manager for the Portland Housing Bureau, indicated that there was little affordable housing in the neighborhoods, including both single-family homes for households to purchase as well as apartments for families to rent.⁴⁶ Additionally, a 2017 committee evaluation of the program noted that "production of affordable housing stock is a major concern."⁴⁷

Further, many qualified for the City's the homeownership assistance program based on displacement status, but did not have incomes, credit scores, and wealth to qualify for mortgages. Goodlow noted that many of the descendants of displaced people do not have as much wealth as those whose families have been owning homes for generations. It took

⁴³ <https://nhc.org/event/portlands-restorative-justice-preference-policy/>

⁴⁴ <https://www.portlandmercury.com/news/2018/02/28/19706866/portlands-trying-to-bring-displaced-residents-back-to-their-old-neighborhoods>

⁴⁵ Ibid.

⁴⁶ <https://www.wnyc.org/story/how-is-nne-portlands-housing-preference-policy-working/>

⁴⁷ https://www.portlandmercury.com/images/blogimages/2018/02/28/1519836129-n_ne_yearly_report.pdf

many applicants several years to get their financial ducks in a row, which created a lag in the pipeline.⁴⁸ In 2016, there were just four families who received down payment assistance through the program. By January 2021, however, 57 total households had become homeowners through the program. Therefore, the program was successful in mitigating the displacement of these 57 families.

The City of **San Francisco** has published more robust findings on the success of their programs. In 2019, 15% of the 321 applicants with the urban renewal preference received housing and 12% of applicants with the displaced tenant preference received housing. This suggests that the policies have not been very successful in keeping residents in their neighborhoods. Overall, however, the city's combined preferences have been more successful: nearly 97% of applicants who were housed in a City-assisted home had some form of preference. These data indicate that the program has been largely successful at targeting the identified groups, but that there are still gaps in affordable housing supply that limit its ability to mitigate displacement.⁴⁹

Where has it worked? The City of **Portland** has attempted to retroactively amend displacement in North and Northeast Portland caused by projects such as Interstate 5, the Memorial Coliseum, and the Legacy Emanuel Medical Center. This policy applies to those who have lived in select neighborhoods affected by this urban renewal as well as the descendants of those who have live there. These relatives can be parents/guardians, grandparents, or great-grandparents.

In Texas, **Austin's** new pilot preference policy similarly makes attempts to tie preferences to generational or familial displacement. There are three types of preferences related to generational ties and displacement: (1) households that currently reside or previously resided (back to 2000) in Census tracts identified as gentrifying by a study done at the University of Texas; (2) households displaced since 2000 due to natural disaster or government actions; and (3) households that have an immediate family member residing in the city. These family members include parent/guardian or grandparent. For adult applicants, this relative could also include a parent/guardian or grandparent who resided in the city at the time of their death. The targeted areas identified by the University of Texas study include portions of the Bouldin Creek neighborhood south of downtown as well as the Rundberg and St. Johns neighborhoods north of downtown.⁵⁰

⁴⁸ <https://www.opb.org/article/2021/01/04/five-years-after-its-passage-how-is-the-portland-preference-housing-policy-working/>

⁴⁹ Addressing Displacement and Improving Access to Affordable Housing Through Lottery Preference Programs, prepared by the Mayor's Office of Housing and Community Development, City and County of San Francisco (San Francisco, CA, 2019).

⁵⁰ https://www.washingtonpost.com/realestate/fostering-development-without-displacement/2020/07/29/773bef2a-484a-11ea-8124-0ca81effcdfb_story.html

San Francisco's already robust policy, discussed in the subsequent section, may soon include preferences like those in Portland. Assembly Bill 1584, which passed the California State Assembly in May, would allow cities to prioritize the descendants of people displaced by urban renewal initiatives for city-funded affordable housing opportunities.

Like in Portland, urban renewal decades prior caused mass displacement of communities of color. In San Francisco, 1960s and 1970s urban renewal displaced families of color in Western Addition and Bayview. Under current law, cities are allowed to issue "certificates of preference" to residents who were directly displaced under redevelopment. A certificate of preference gives a resident priority in city-sponsored lotteries for both rental units and homeownership opportunities. However, many have argued that the current system does not do enough to correct for previous displacement. For example, Commissioner Bivett Bracket pointed out that "The federal 1949 Housing Act, allowed the former SF Redevelopment Agency to unjustly force thousands of families out of their homes with the promise of replacement residences for those who were displaced. Over 50 years has passed, yet many families and businesses were not given an opportunity to return."⁵¹

San Francisco's *Certificate of Preference* program gives those who have been displaced by federally-, state-, and locally-funded urban renewal/redevelopment priority in assisted housing programs. This urban renewal largely took place in the 1960s and 1970s. San Francisco's Mayor's Office of Housing and Community Development (MOHCD) holds a list of all addresses that can qualify.

Outside of preferences for those displaced by urban renewal, **San Francisco** also has a *Displaced Tenant Housing Preference*, which gives priority to those who have been evicted from a San Francisco residence under the Ellis Act. The Ellis Act is a state law which says landlords have the unconditional right to evict residential tenants when landlords wish to leave the rental business. While this is not a neighborhood-specific target, Ellis Act evictions have been especially prevalent in gentrifying neighborhoods. The Displaced Tenant Housing Preference was recently expanded to include those displaced by owner move-in evictions and those displaced by fire. Finally, a third level of preference in San Francisco is the *Neighborhood Resident Housing Preference*. This applies to city residents who currently live in the same Supervisorial District as (or within half a mile radius of) the one they are applying to. This is an attempt by the city to mitigate future displacement, as recently described by Mayor London Breed: "so many people like myself grew up in the neighborhood, get asked to support affordable housing and when the housing is finished, there's not one person from the community even living in the new places."⁵²

⁵¹ <https://a17.asmdc.org/press-releases/20210521-new-chiu-policy-prioritizes-descendants-displaced-residents-affordable>

⁵² <https://www.sfchronicle.com/bayarea/article/Neighborhood-preference-program-for-affordable-13668858.php>.

The city of **Oakland** also holds a preference policy for those who have been displaced due to the Ellis Act and has similar policies to San Francisco's Neighborhood Residential Housing Preference. Oakland also prioritizes those who were displaced by the City of Oakland, by Redevelopment Agency projects, by Oakland's code enforcement, and by no-fault evictions. However, to qualify based on displacement due to code enforcement or City-sponsored development, the development needs to have occurred within one year of the application for affordable housing, while a no-fault eviction needs to have occurred within eight years of applying for affordable housing in order to qualify for this preference. The City provides the housing authority information verifying former residency and displacement as a result of City public projects or code enforcement. This implies that the resident had to have been in contact with the city during the revitalization project in order to be included on the city's list.

Similarly, **Boston** has a preference policy for those who have been displaced by urban renewal or redevelopment, but it is not backdated to include historic urban renewal projects. A household only qualifies if they are able to obtain "third-party, written verification from the appropriate unit or agency of government certifying that you have been displaced or will be displaced in the next 90 days as a result of action by that agency."⁵³

Considerations. In their *Neighborhood Resident Housing Preference* program, the City of San Francisco notes that applicants experiencing homelessness at the time of application may demonstrate eligibility by providing a letter from a case manager or homeless shelter attesting to the fact that they are homeless and identifying where they are currently staying. Letters must be signed and dated on official letterhead from an agency that provides health or housing services to the homeless. This certainly poses challenges for those who are perhaps homeless, but are not living in a shelter (i.e. those doubling up, living out of their car, etc.).

Providing preferences for those experiencing homelessness as a result of local displacement may be challenging, particularly for displacement occurring several years prior (e.g., dating back to 2000 in Austin, dating back to urban renew projects in the 1960s and 1970s and San Francisco, and dating back indefinitely in Portland).

Many individuals displaced during historic periods of urban renewal or gentrification may not have access to the documents required to obtain a such a preference (i.e., bills proving their residency). Some cities even ask for long-gone housing history: for instance, Boston asks those seeking priority as homeless individuals to provide three years of housing/living history.

⁵³ <https://www.bostonhousing.org/en/For-Applicants/Do-I-Qualify-for-BHA-Housing/Public-Housing-Priorities-and-Preferences.aspx>

Many of the displacement policies rely on the state to maintain thorough and accurate documentation. For instance, in displacement caused by urban renewal in Boston and Oakland, residents must rely on city officials to get paperwork documenting their displacement. The list of addresses provided by the MOHCD in **San Francisco** identifies households which were displaced as far back as the 1960s and 1970s and the city's Rental Board keeps track of eviction notices. The Real estate records from the Multnomah County Assessment & Taxation Department in **Portland** work similarly to identify residency in a neighborhood identified under the preference policy. Relying on individuals to maintain records or even their ancestor's records, of rental and homeownership history may be challenging. Retaining such documentation is difficult for anyone to keep track of but is especially challenging for those who have been displaced and are forced to move, sometimes rapidly and sometimes without anywhere else to go.

Some jurisdictions have faced legal challenges in their preference programs. **San Francisco** faced legal challenges for its *Neighborhood Resident Housing Preference* program, which applies to city residents who currently live in the same Supervisorial District as (or within half a mile radius of) the one they are applying to. Trump-era HUD officials argued it violates the Fair Housing Act. They requested 10 years of documentation regarding the approvals and permitting of multifamily development in order to examine "whether San Francisco's current practices impose artificial, arbitrary, and unnecessary impediments to fair housing choice by limiting affordable housing development that provides access to opportunities for [protected classes]."⁵⁴

New York City's current policy is to give prioritization to newly constructed affordable housing to residents residing in the *district* in which the new housing built; this prioritization applies to 50% of the new units. However, in *Winfield v. City of New York*, the complaint alleges that the policy "limits the ability of New York City residents otherwise equally eligible for affordable housing to have equal opportunity to be considered when applying for units located outside their community district."

A district-based prioritization policy (like New York City's) applied to all neighborhoods in Tacoma could be challenged in a *Winfield* type case. It is important to note that a prioritization policy can be defended if it can be shown to achieve a valid interest, which "must be supported by evidence and may not be hypothetical or speculative" and cannot be served by another practice with less discriminatory effect.⁵⁵ When resolved, the *Winfield* case will provide a test of this defense.⁵⁶

Possibilities in Tacoma. The City of Tacoma is considering a preference policy that applies to households at risk of displacement or residents living in neighborhoods with

⁵⁴ <https://sfist.com/2019/08/21/feds-investigate-sf-neighborhood-preference-program/>

⁵⁵ 24 CFR Section. 100.500 Discriminatory Effect Prohibited.

⁵⁶ This case remains in litigation as of November 2021.

high-displacement risk. Such a policy could be paired with a “build first” program to ensure that residents displaced by Missing Middle activity have an alternative, affordable option in their current neighborhood.

Neighboring city Seattle recently implemented a voluntary preference policy: in February 2019, Mayor Durkan issued Executive Order 2019-02, which included a policy to allow community preference in high risk of displacement neighborhoods. The OH Administrative & Financial Plan further outlined a preference policy for City-funded housing located in high risk of displacement areas.⁵⁷ More specifically, affordable housing projects located within Census tracts identified as ‘high risk of displacement areas’ by the city’s comprehensive plan may consider implementing a preference policy to help address displacement. Under the preference policy, residents may qualify if they are (1) a current resident in the Census tract, (2) if they or a family member/ancestor was a former resident of the Census tract, or (3) if they have community ties or utilize community services in the tract. Seattle’s policy allows for more discretion at the hands of developers than several peer cities policies: developers can choose to opt into the preference policy, and they can expand the existing list of applicant verification documents accepted.

4. Community Benefit Agreements

What is it? Community Benefits Agreements (CBAs) are contracts between developers and local stakeholder—generally community advocates. The contracts often stipulate the tangible resources that a developer must provide to community members in exchange for support of the proposed project, which often include affordable housing requirements and local hire provisions.⁵⁸ Community benefit agreements are essentially a form of development value recapture where community organizations, rather than governments, initiate the agreements. However, government actors often act as mediators between the two parties.⁵⁹

Community advocates often negotiate for both housing and job opportunities in Community Benefit Agreements. In past agreements, these have included: local hiring preferences at living wages, affordable housing included in the development project, or community centers and free/reduced cost access to recreational facilities stemming from the development project. Housing and job negotiations are particularly useful in mitigating displacement and keeping locals in their homes. Others, like new amenities from the development project, may work in the opposite direction by increasing the rate of

⁵⁷ <https://www.seattle.gov/housing/programs-and-initiatives/community-preference#:~:text=Community%20preference%20allows%20housing%20developments,%2C%5B1%5D%20and%20redlining>

⁵⁸ Salkin, P. E., & Lavine, A. (2008). Negotiating for Social Justice and the Promise of Community Benefits Agreements: Case Studies of Current and Developing Agreements. 33

⁵⁹ Cummings, S. L. (2007). Editor’s Note: The Emergence of Community Benefits Agreements. *Journal of Affordable Housing & Community Development Law*, 17(1/2), 5–6

gentrification in a neighborhood. For this reason, housing and economic opportunities are worth prioritizing in community benefit agreements.

Evidence of effectiveness. While there is limited multi-site quantitative literature on the direct effect of community benefit agreements and displacement, many case studies suggest that community benefit agreements can be effective at mitigating displacement, either through improvements in affordable housing supply or through injections into the local economy. For instance, many community benefit agreements insist upon local hiring clauses with high wages, offering economic opportunity for those in the neighborhood.⁶⁰ This, in addition to affordable housing requirements, helps keep low income workers in their neighborhoods despite ongoing development and possible gentrification.

Where has it worked? A late 1990s community benefit agreement in downtown **Los Angeles** is said to be the first of its kind in the United States. The area was being redeveloped to include massive entertainment hubs, including professional sports and L.A. Live venues. Developers initially ignored community activists who demanded affordable housing that would serve many of the existing low-income residents of color. However, they ultimately negotiated with the stakeholders and ended up funding 73 affordable housing units and job training programs.⁶¹

A more recent community benefit agreement took place in **the Bronx** in New York, where developers built Kingsbridge National Ice Center after negotiating with community groups for local hiring practices at a livable wage, ninety years of rent free community spaces, a stated preference for contracting with minority and women-owned businesses, green building standards, and free ice time to local public school children.⁶² Other community benefit agreements have recently taken place in **Brooklyn, San Diego, Minneapolis, Pittsburg, Wilmington, and New Haven.**⁶³

Implementation. Community benefit agreements are most successful in strong real estate markets, where developers are more willing to grant concessions to neighborhood groups in exchange for large financial returns.⁶⁴ They also, of course, require a strong and well-organized community of local advocates. As illustrated in research on the Kingsbridge National Ice Center development, a successful community benefit agreement requires a lot

⁶⁰ Wolf-Powers, Laura. "Community benefits agreements and local government: A review of recent evidence." *Journal of the American Planning Association* 76.2 (2010): 141-159.

⁶¹ Bornstein, L. (2010). Mega-projects, city-building and community benefits. *City, Culture and Society*, 1(4), 199–206. <https://doi.org/10.1016/j.ccs.2011.01.006>

⁶² De Barbieri, Edward W. "Do community benefits agreements benefit communities." *Cardozo L. Rev.* 37 (2015): 1773.

⁶³ Wolf-Powers, Laura. "Community benefits agreements and local government: A review of recent evidence." *Journal of the American Planning Association* 76.2 (2010): 141-159.

⁶⁴ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

of community outreach (including meetings at local churches, protests, meetings with city officials, media outreach, and even local celebrity involvement).⁶⁵

Unlike many similar policies (i.e. inclusive zoning, linkage fees), community benefit agreements are most commonly initiated by community activists rather than local governments. However, there is still a large supporting role local governments and planners can play. Local officials decide whether to support for development, contingent on successful negotiations with community members resulting in community benefit agreements. Development officials decide how to incorporate negotiated benefits into their own agreements with the developer. In this sense, local elected officials and government agency staff are implicit parties to community benefit agreements, and therefore should carefully review and evaluate what community benefits claims mean for the community.⁶⁶

Possibilities in Tacoma. While there is no formal history of community benefit agreements in Tacoma, a community benefit agreement has been successfully negotiated in other parts of Washington but did not come to fruition. In Seattle in 2008, after almost two years of negotiations, an agreement was struck between the Dearborn Street Coalition for Livable Neighborhoods (DSCLN) and Dearborn Street Developers LLC. The developers proposed a regional shopping mall at the crossroads of some of Seattle's most diverse neighborhoods (namely, the Central District, Little Saigon, the International District, and North Rainier Valley). Community members and local businesses were concerned about the impacts of big box stores on the neighborhood. The developers and community coalition negotiated and agreed upon:

- 200 units of low-income housing, including 50 family units
- \$1.8 million to support small businesses and non-profits in Little Saigon
- Limitations on chain retail and business size
- \$200,000 for traffic mitigations to be prioritized by local neighborhoods
- Family-wage jobs for construction, grocery/drug, janitorial, and security workers
- A commitment to hiring low-income residents from local training agencies

Although the negotiations were successful, the project was eventually canceled due to the economic downturn in 2009. However, this project represents a groundbreaking model for Washington State, as it was the first of its kind in the Puget Sound region.⁶⁷ Community

⁶⁵ De Barbieri, Edward W. "Do community benefits agreements benefit communities." *Cardozo L. Rev.* 37 (2015): 1773.

⁶⁶ Wolf-Powers, Laura. "Community benefits agreements and local government: A review of recent evidence." *Journal of the American Planning Association* 76.2 (2010): 141-159.

⁶⁷ <https://www.pugetsoundsage.org/programs/equitable-development/dearborn-cba/>

benefit agreements are certainly possible to implement in Tacoma, but require strong community coalition building and a hot real estate market.

5. Community Control of Land

What is it? Community control of land is an umbrella term for several policies, all of which have the following components in common: land owned collectively by residents or a nonprofit organization, long-term leases of the structures on the land to residents, and resale requirements to ensure rents remain affordable.⁶⁸ Community control of land policies include:

- **Community Land Trusts** are multi-stakeholder organizations that own land for the permanent benefit of community housing. Community Land Trusts often sell/rent homes with various restrictions in order to maintain long-term affordability.
- **Limited Equity Cooperatives** are also member-run cooperatives. These often limit the equity homeowners can accumulate in their homes in an effort to preserve long-term affordability. In many Limited Equity Cooperatives, the value of a home rises with inflation or a formula, so that when a resident moves out, they receive slight appreciation from the new resident's purchase, but the values never reach a point inaccessible to working-class families.⁶⁹
- **Resident Owned Communities** too are member-run cooperatives, in which the community typically own the land in manufactured housing communities. This is to protect against exploitative management practices.
- **Land Banks** are often previously abandoned or tax delinquent properties owned by the jurisdiction or by nonprofits so they can be prepared for housing or other productive uses.

Evidence of effectiveness. **Community Land Trusts** have a robust history of mitigating displacement across the county. The first Community Land Trust was an agricultural land trust in **Georgia**, which began in 1968 to prevent Black farmers from being forced off their land.⁷⁰ More recently, Community Land Trusts have been shown to stabilize neighborhoods in several jurisdictions. For instance, a study on a Community Land Trust in Boston found that its residents were less hard hit by the Great Recession because it had

⁶⁸ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

⁶⁹ Ehlenz, Meagan M. 2014. "Community Land Trusts And Limited Equity Cooperatives: A Marriage Of Affordable Homeownership Models?" Lincoln Institute of Land Policy. <https://community-wealth.org/sites/clone.communitywealth.org/files/downloads/Ehlenz-report.pdf>

⁷⁰ Louie, May. "Community land trusts: A powerful vehicle for development without displacement." Trotter Review 23.1 (2016): 7.

ensured that no subprime mortgages were sold in the neighborhood. This meant that foreclosures during the recession were minimal compared to similar, nearby neighborhoods.⁷¹ Similarly, Denver's land trust homes made it through the Great Recession with no foreclosures compared to a nearly 25% rate for homes produced through its inclusionary zoning program. This evidence suggests that Community Land Trusts are successful at both keeping individuals out of precarious debt and in their homes, therefore mitigating displacement.

However, community Land Trusts do not always reach low income households and often serve households closer to moderate income levels. A 2011 survey of Community Land Trusts found that 55% served households at 80% AMI, 30% served households at 120% AMI, and none served those below 50% AMI.⁷² This is often due to the high cost of constructing new housing, and the financial challenges very low income renters face in qualifying for such programs. Other research has found that owners in Community Land Trusts are often determined through social connections and cultural capital, including social networks and educational resources—which can benefit residents at risk only if they are plugged into these networks.⁷³ Careful implementation design and leverage of other anti-displacement strategies are key in ensuring that land trusts reach the people who are most vulnerable to displacement.

Limited Equity Cooperatives are similar to Community Land Trusts in several ways and offer the same types of anti-displacement strategies: allowing individuals to own properties both keeps them in their neighborhoods and provides housing security. Limited Equity Cooperatives do not allow for the same degree of wealth building as general Community Land Trusts, as equity growth is intentionally limited. For this reason, Limited Equity Cooperatives may be less useful in reducing racial wealth gaps, which have played a role in displacement. However, in the long term, widespread market strategies which allow individuals to build wealth outside of home ownership may be helpful in combating NIMBYism and ultimately displacement.⁷⁴

Resident Owned Communities are particularly useful in mobile home parks. Mobile home living can be especially precarious when renting the land beneath it. Most mobile home owners do not own the land underneath their home and pay a monthly rent for the

⁷¹ Louie, May. "Community land trusts: A powerful vehicle for development without displacement." Trotter Review 23.1 (2016): 7.

⁷² Thaden, Emily. "Results of the 2011 comprehensive CLT survey." Tennessee: Vanderbilt University Press. Retrieved December 12 (2012): 2013.

⁷³ Vidal, L. (2019). Cooperative Islands in Capitalist Waters: Limited-equity Housing Cooperatives, Urban Renewal and Gentrification. *International Journal of Urban and Regional Research*, 43(1), 157–178. <https://doi.org/10.1111/1468-2427.12726>

⁷⁴ Demas, Jerusalem. "Homeownership can bring out the worst in you." Vox. (July 2021). <https://www.vox.com/the-goods/22597947/homeowner-nimby-affordable-housing-local>

lot. This subjects tenants to the volatility of the housing market that could make monthly payments unaffordable and is complicated by limitations on mobility—moving manufactured homes is often cost-prohibitive and is likely illegal if built before 1976.⁷⁵ For this reason, community owned land for mobile homes work to keep households in their homes and attached to their investments. In other words, the mitigate displacement for especially vulnerable communities.

Land banks are often used as a preliminary step in developing Community Land Trusts. Land Banks allow governments or nonprofits to acquire property for community control, even if there are not yet enough funds to plan or build housing. For instance, a Community Land Trust in **Boston** was developed through slowly acquiring land through the land bank.⁷⁶ Land banks have also increasingly been considered as a way to plan ahead and protect groups who will be displaced in the future by climate change.⁷⁷

Where has it worked? A prominent success story among **Community Land Trusts** is The Dudley Street Neighborhood Initiative in **Boston**, which covers 225 permanently affordable housing units, commercial and nonprofit space, and community amenities like a playground and urban farm. The Dudley Street Neighborhood Initiative has been shown to reduce displacement and allow low-income households to own homes.⁷⁸ This Community Land Trust, like one in **Burlington**, Vermont, was established in the 1980s. The land trust in Burlington began with a \$200,000 seed grant and utilized the assistance of city staff to navigate the bureaucratic process. The city later made a significant loan from its pension fund, which was matched by the Burlington Savings Bank and bolstered with funds from U.S. Department of Housing and Urban Development programs to make initial home purchases affordable.⁷⁹

⁷⁵ HUD's Manufactured Home Construction and Safety Standards were enacted in 1976. Homes built prior to 1976, even with modifications, do not meet the HUD standards and are not accepted as compliant within HUD code. The FHA does not insure mortgages on manufactured homes built prior to 1976 and most other mortgage insurance firms follow suit. As such, personal property loans that carry high rates are used to finance older mobile homes.

⁷⁶ <https://www.huduser.gov/portal/casestudies/study-09282016-3.html>

⁷⁷ Leckie, Scott. "Climate Land Banks: addressing displacement in Myanmar and beyond." Open Global Rights. (June 2018). <https://www.openglobalrights.org/climate-land-banks-addressing-displacement-in-myanmar-and-beyond/>

⁷⁸ Louie, May. "Community land trusts: A powerful vehicle for development without displacement." Trotter Review 23.1 (2016): 7.

⁷⁹ Blumgart, Jake. "How Bernie Sanders Made Burlington Affordable." Slate. (2016). <https://slate.com/business/2016/01/bernie-sanders-made-burlingtons-land-trust-possible-its-still-an-innovative-and-effective-model-of-affordable-housing-today.html>

There are also Community Land Trusts in **New York** (the Cooper Square Community Land Trust), **Albuquerque** (the Sawmill Community Land Trust), **Oakland**, California and West **Atlanta**, Georgia.⁸⁰ There are also several community land trusts across California.⁸¹

The Sawmill Community Land Trust began with federal HOME funds and Community Development Block Grant money as well as state grants.⁸² To help start up the Oakland Community Land Trust, the Oakland City Council allocated Federal Neighborhood Stabilization Funds, along with other grants and loans, to support early acquisitions and the rehabilitation of homes facing foreclosure. This funding was to the tune of \$5 million.⁸³ In 2019, the Oakland City Council allocated \$12 million to create a municipal fund to support community land trust and limited-equity housing in the City. The funding came from passage of Measure KK, an Oakland Infrastructure Bond that called for \$100 million in funding for affordable housing and anti-displacement investments. The Oakland Community Land Trust (OakCLT) also raises funds from local philanthropies and has used crowdfunding to solicit smaller donations from individual donors.⁸⁴ Atlanta's Community Land Trust has a similar story: they received \$100,000 from the Ford Foundation, \$108,000 from Enterprise Community Partners and Wells Fargo, \$1 million from The Kendeda Fund, and a property donated from Enterprise Community Partners.⁸⁵

There are also several **Limited Equity Cooperatives** in the United States, and in Canada. For instance, the False Creek cooperative in **Vancouver** and 1314 K Street in **Washington D.C.**, have collective equity in a building where owners pay shares. In both the Vancouver and D.C., cooperatives, home values started very small and appreciate at a rate that keeps up with inflation. Departing residents sell their shares to new residents also for a value maintained with inflation. In other cooperatives, including the Pilsen Housing Cooperative in **Chicago** and Norwood Cooperative in **Washington D.C.**, monthly blanket mortgage payments are assigned to individual households rather than collective equity.

According to the Center for Community Progress, there are around 120 **Land Banks** in the United States. One prominent example is in **Atlanta**, which was established in 1990 and accumulated several more property in during the Great Recession. The Genesee Land Bank property in **Flint**, Michigan has a similar story. However, more than most other land bank in the county, Genesee Land Bank faced an overwhelming inventory of vacant, abandoned,

⁸⁰ DeFilippis, James, et al. "On the transformative potential of community land trusts in the United States." *Antipode* 51.3 (2019): 795-817.

⁸¹ <https://www.cacltnetwork.org/our-members/>

⁸² Kamerick, Megan. "Community land trusts providing an avenue for affordable housing." *Albuquerque Business First*. 2004. <https://www.bizjournals.com/albuquerque/stories/2004/10/18/focus1.html>

⁸³ <https://community-wealth.org/content/oakland-community-land-trust>

⁸⁴ <https://www.adaptationclearinghouse.org/resources/case-study-oakland-community-land-trust-oakland-california.html>

⁸⁵ <https://atlantalandtrust.org/who-we-are/history/>

and tax-foreclosed properties in a community devastated by employment and population loss. They have become one of the largest property owners in the county as a result.⁸⁶

The Maggie Walker Community Land Trust in **Richmond**, Virginia is a combined land bank and community land trust. In 2017, the City of Richmond passed their Land Bank Entities Act, which enabled the city to appoint the Maggie Walker Community Land Trust as its land bank. The city (and surrounding counties) transfers vacant and tax-delinquent properties to the land bank for a low judicial sale fee. Afterwards, those at the Maggie Walker Community Land trust develop homes on the property and sell them to qualified buyers while maintaining the ownership of the land beneath the home. This has allowed families to build wealth, but the home is resold at a price determined by local Area Median Income.

Resident Owned Communities exist in cities like **Boulder**, Colorado, where residents in a mobile home park recently purchased the park as a collective. While residents noted that they did not see a reduction in their housing costs as a result of the purchase, they saw the move as protection against future, unexpected rent hikes that could occur under a landlord.⁸⁷

Considerations. Community Land Trusts can be complicated to set up and maintain, and often rely on nonprofits to purchase properties. For instance, the Cully neighborhood in Portland has been attempting to build Community Land Trusts and Land Banks. While Living Cully has had success securing national foundation funding, some public sector funding, assistance from the local government, and some grassroots crowd-sourced funding for a few initiatives, securing resources to support land banking has been very challenging.⁸⁸

Resident Owned Communities face similar challenges: those at the community-owned mobile home park in Boulder noted that they had to get at least 50% of residents on board and had to secure funding with the help of a nonprofit. Without the opportunity to purchase legislation, the property may have been sold to more competitive bidders.⁸⁹

Land banks, sometimes the start of Community Land Trusts, are also tricky to navigate. For example, when faced with the creation of a new public land bank in Philadelphia,

⁸⁶ Alexander, Frank. "Land Banks and Land Banking" Center for Community Progress. (2015). <https://docs.google.com/viewerng/viewer?url=https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-alexander15.pdf>

⁸⁷ "Sans Souci Becomes a Resident Owned Community Setting a Model for Manufactured Homeowners." KGNU News. (July 1, 2021). <https://news.kgnu.org/2021/07/sans-souci-becomes-a-resident-owned-community-setting-a-model-for-manufactured-home-owners/>

⁸⁸ <https://www.huduser.gov/portal/casestudies/study-09282016-3.html>

⁸⁹ "Sans Souci Becomes a Resident Owned Community Setting a Model for Manufactured Homeowners." KGNU News. (July 1, 2021). <https://news.kgnu.org/2021/07/sans-souci-becomes-a-resident-owned-community-setting-a-model-for-manufactured-home-owners/>

neighborhood activists first insisted that any municipal effort to acquire and dispose of vacant inner-city property be used to build up the inventory of a Community Land Trust. The coalition later decided a Community Land Trust did not reflect the broad range of neighborhood-based interests, so they instead opted for legal provisions for community accountability in land bank dispositions and a more inclusive understanding of beneficial land uses.⁹⁰

Possibilities in Tacoma. Tacoma Housing Now, a coalition of Tacoma residents, is advocating for a new Community Land Trust to be established at the now vacant Gault Middle School as well as other vacant, city-owned properties.⁹¹ However, this has yet to come to fruition.

Community Land Trusts are not new to Washington: there are around 17 community land trusts in Washington State, and many are part of the Northwest Community Land Trust Coalition.⁹² One of which is the Homestead Community Land Trust in neighboring King County. The Homestead Community Land Trust was established in 1992, has around 13 acres of land stewarded, and 214 owner occupied homes in its portfolio.⁹³

There is also a Limited Equity Cooperative coming to Seattle: the HomeSight cooperative has 68 units eligible for sale to first-time homebuyers with incomes less than 80% of AMI.⁹⁴ Resident Owned Communities are also sprouting up in mobile home parks across the state. For instance, the Duvall Riverside Village is a resident-owned manufactured home community in Duvall, Washington. There are also resident-owned mobile home cooperative in Olympia called Hidden Valley Mobile Home Cooperative. Both partnered with the ROC Northwest to get assistance gaining resident ownership.⁹⁵

Given these success of community control of land across the state, Tacoma too has the possibility to implement such programs. In fact, since September 2018, the city has been exploring ways to launch a Community Land Trust, as indicated by the 2018 AHAS.⁹⁶

⁹⁰ Jill Feldstein, *Winning a Land Bank We Can Trust*, SHELTERFORCE (Oct. 2, 2014), available at http://www.shelterforce.org/article/3910/winning_a_land_bank_we_can_trust2/

⁹¹ Needles, Allison. *What is a Community Land Trust? And could one help with Tacoma's homelessness crisis?* December 2020. *The News Tribune*. <https://depts.washington.edu/urbanuw/news/what-is-a-community-land-trust-and-could-one-help-with-tacomass-homelessness-crisis/>

⁹² <https://www.homesteadclt.org/about-homestead/about-community-land-trusts>

⁹³ <https://www.nwcltc.org/copy-of-sharry-s-story-kalispell>

⁹⁴ <https://www.homesightwa.org/u-lex-cooperative-housing/>

⁹⁵ <https://nwcdc.coop/sectors/housing-roc/>

⁹⁶ <https://cms.cityoftacoma.org/cedd/housing/affordablehousingactionstrategy.pdf>

6. Community Development Financial Institutions

What is it? Community development financial institutions (CDFIs) are specialized organizations that provide financial services in low-income communities and to people who lack access to financing. CDFIs include regulated institutions such as community development banks and credit unions, and non-regulated institutions like loan and venture capital funds. By financing community development—including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing—CDFIs spark job growth and assist neighborhood stabilization.

Evidence of effectiveness. A recent study found that, nationwide, about 65% to 90% of CDFI loan volume is to borrowers from targeted, historically underserved groups such as low-income or minority borrowers. These borrowers include low-income households and business owners, minorities, unbanked borrowers, first-time homebuyers, nonprofit or tribal organizations, or woman-headed households. The same study also found that CDFIs are concentrating lending activity in Census tracts with high-poverty or unemployment rates, and they are doing so at much higher rates than conventional lenders. This suggests that CDFIs do indeed “fill the gap” that is left by conventional lenders.⁹⁷

Offering lending products to such groups helps mitigate displacement in several ways. First, directly, through home loans and funds for affordable housing development. And secondly, through keeping small, minority owned businesses alive in communities. As we will discuss in the section on business preservation programs, maintaining such businesses in a community both maintains the culture and character of the neighborhood, but also provides jobs for locals and therefore the funding to stay in their homes.

Where has it worked? There are CDFIs in all fifty states. One exciting example where CDFIs helped mitigate displacement was in **New York** and **New Jersey** after hurricane Sandy. Several CDFIs provided funding to help community hubs and small, minority-owned businesses rebuild, and others provided funding which helped repair or build new affordable housing units. This allowed many individuals to stay in their communities even after the superstorm’s devastating effects.⁹⁸

Considerations. CDFIs that register with the U.S. Department of Treasury are eligible to apply for awards and funds from their Community Development Financial Institutions Fund. This federal fund allows many CDFIs to fund affordable housing projects.⁹⁹ Local jurisdictions themselves, however, do not have much power in developing CDFIs, but may

⁹⁷ Swack, Michael E., Eric Hangen, and Jack Northrup. "CDFIs stepping into the breach: An impact evaluation—summary report." (2015).

⁹⁸ https://www.cdfifund.gov/sites/cdfi/files/documents/cdfi_response_to_superstorm_sandy_impact_assessment.pdf

⁹⁹ <https://www.cdfifund.gov/programs-training/certification/cdfi>

certainly work with them to help develop new affordable housing or otherwise stabilize communities at risk of displacement.

Possibilities in Tacoma. Craft3 is a CDFI serving **Washington** and **Oregon** that has provided over 1,500 business loans, helped create/retain over 16,000 jobs and assisted nearly 7,000 homeowners in the region.¹⁰⁰ Other Washington based CDFI's include:

- Snap Financial Access in Spokane
- Northwest Access Fund in Shoreline
- Rainier Valley Community Development Fund in Seattle
- Lummi Community Development Financial Institution in Bellingham
- Northwest Native Development Fund in Coulee Dam
- Lower Valley Credit Unit in Sunnyside, Impact Capital in Seattle

There are currently no CDFIs based out of Tacoma, though Tacoma home and business owners may utilize other regional CDFIs.¹⁰¹

Tacoma should engage with CDFIs about the possibility of developing tailored products to support homeownership and affordability within new Missing Middle products including ADUs.

7. Business Preservation Programs

What is it? Small business preservation programs come in many forms. Some communities have implemented a small business advocate office and a single point of contact for every small business owner. Others have created small business alliances, small business assistance programs, or implemented overlay zones to protect and assist small businesses. Others still have a formal program to ensure that some fraction of a jurisdiction's purchases of goods and services come from local businesses, or they prioritize Minority and Women Business Enterprises for public contracting. Some also have legacy business programs which provide support to longstanding small businesses to ensure they are not displaced.

Evidence of effectiveness. Many minority-owned businesses have been redlined out of financial opportunities, so CDFIs and business preservation programs provide financing from which they have historically been unjustly excluded.¹⁰² With urban renewal, it is common for small, minority-owned businesses to be displaced.¹⁰³ This not only shifts the dynamics and character of a neighborhood, but also displaces minority households by

¹⁰⁰ <https://www.craft3.org/results/by-the-numbers#subp>

¹⁰¹ <https://www.cdfi.org/wp-content/uploads/2013/02/Washington-.pdf>

¹⁰² Broad, Juliana. "Fighting gentrification and displacement: Emerging best practices." (2021).

¹⁰³ Lung-Amam, Willow S. "Surviving suburban redevelopment: Resisting the displacement of immigrant-owned small businesses in Wheaton, Maryland." *Journal of Urban Affairs* 43.3 (2021): 449-466.

eliminating stable jobs and community connections. Limited academic research on this topic suggests that small, minority-owned business preservation may be useful in mitigating housing displacement, but is likely not sufficient on its own.

Where has it worked? **Seattle** has its own Legacy Business Program, whereby qualified enterprises have access to several resources, including:

- Comprehensive Commercial Lease Toolkit
- Comprehensive Succession Planning Toolkit
- Social media marketing toolkit
- 2 hours free legal consultation
- 8 hours free Crime Prevention Through Environmental Design (CPTED) consultation

In order to qualify, the Seattle business must be independently owned and for-profit, have a minimum of ten years of continuous operation in Seattle, have fewer than 50 employees, contribute to the ground-level streetscape and/or neighborhood identity, serve a community function above and beyond the basic sale of goods and services, and face a significant risk of displacement.

Other cities like **Austin, Birmingham, North Miami, San Antonio, and San Francisco** have similar legacy business programs. In Austin, qualified businesses receive a \$20,000 grant. To qualify in **Austin**, the business must be publicly facing, have operated for at least 20 years in Austin, be facing displacement, and be cultural center (e.g. art gallery, art venue, bar, live music venue, performance venue, restaurant, etc.). **Miami's** program requires that small businesses be operating in the city for at least 15 years and have fewer than ten employees, some of which are of low or moderate income households. Such firms can receive a \$5,000 grant.

Considerations. It is important to remember that business preservation programs are not directly tied to housing and are therefore more of an indirect housing displacement strategy.

Possibilities in Tacoma. Tacoma currently has several loan programs for local businesses, some of which are specifically for small businesses and for historic rehabilitation.¹⁰⁴ The city also sponsors the Minority Business Development Agency (MBDA) Tacoma Business Center, which provides technical assistance and strategic business consulting to minority-owned businesses regardless of size. The Center primarily connects business owners with capital and contracting opportunities. Since its inception in 2016, the Center has assisted 332 businesses, helped to secure \$140 million in financing bonds and

¹⁰⁴ <https://makeittacoma.com/incentives/business-financing-incentives/>

capital, helped create 1,574 jobs and retain 1,284 job.¹⁰⁵ However, the city does not have assistance set aside specifically for legacy businesses nor do they offer grants specific to legacy or minority-owned businesses, which may be instrumental in retaining residents, jobs, and community cornerstones as gentrification and displacement pressures rise.

8. Housing & Land Reparations

What is it? Reparations are payments made to those who have historically been denied access to wealth, housing, and opportunity. Broadly, reparations have been proposed as a direct mechanism to address historical wealth and opportunity gaps. In recent years, the policy focus has been on African American or Black households, and American descendants of slaves.¹⁰⁶ Housing and land reparations make such payments through property ownership mechanisms rather than direct cash payments.

Evidence of effectiveness. Because reparations are direct monetary payments to households who have previously experienced discrimination and barriers to opportunity, they have the potential to mitigate displacement through home purchases. However, there is limited academic research on how previous reparations policies in the U.S. have successfully, or unsuccessfully, mitigated displacement. Historically, the United States has given reparations to Native Americans and Native Hawaiians for unjustly seized land and for previously interned Japanese residents.

Some of these policies have been in the form of land rights rather than money. For example, the Hawaiian Homes Commission Act of 1920 established a land trust for Native Hawaiians and allowed people of 50% Hawaiian ancestry by blood to lease homesteads from the federal government for 99 years at a time for a total of \$1. However, much of this land was remote and unfit for development.¹⁰⁷

Although Native American and Native Hawaiian reparations programs have been largely unsuccessful, more recently, in 2021, the city of Evanston, Illinois has developed a reparations program for Black residents and the descendants of Black residents who faced housing discrimination due to city policies. The program's goal is to keep Black residents in their neighborhoods and bring those who were previously displaced back to the neighborhood.

¹⁰⁵ <https://www.bizjournals.com/seattle/news/2021/07/14/tacoma-agency-lands-grant-minority-businesses.html>

¹⁰⁶ Darity Jr, William A., and A. Kirsten Mullen. *From here to equality: Reparations for Black Americans in the twenty-first century*. UNC Press Books, 2020.

¹⁰⁷ Blakemore, Erin. *The Thorny History of Reparations in the United States*. <https://www.history.com/news/reparations-slavery-native-americans-japanese-internment>

Where has it worked? The success of the recent **Evanston** model for housing reparations has not yet been studied, as it was so recently implemented. However, its program is promising.

Evanston's City Council voted in March 2021 approve the Local Reparations Restorative Housing Program, which grants qualifying Black households up to \$25,000 for down payments or home repairs. To qualify for the program, Black residents must either have lived in Evanston between 1919 and 1969 or be a direct descendant of someone who did. However, people who do not meet these criteria may apply if they can prove they faced housing discrimination due to city policies or practices after 1969.¹⁰⁸

Considerations. To garner funds for their reparations program, the Evanston City Council established a reparations fund, filled the first \$10 million in revenue from the city's tax on the sale of recreational marijuana.¹⁰⁹

Evanston has focused on housing for several reasons: First, because discriminatory housing practices have been one of the most direct links to racial wealth gaps and discrimination in the city; and Second, because the city prefers to avoid the taxes associated with cash reparations. The City notes that they focus on housing support because the “disbursements of funds would go directly to the financial institution or vendor which will be responsible for the tax liability, not the resident.” They cite concern that cash payments would force recipients to be liable for the tax burden associated with the reparation.¹¹⁰

Recommendations for Tacoma. No jurisdictions outside Evanston have instituted such a program. Understanding the success of the Evanston pilot will be instrumental in replication in other communities like Tacoma. **Tacoma should monitor the effects of the Evanston program and explore a pilot program if funding allows.**

9. Rent Stabilization, Just Cause Evictions, & Tenant Right to Counsel

What is it? All three of these policies are aimed at improving renters' rights and their bargaining power with property owners, with the ultimate goal of keeping renters in their homes and minimizing displacement. **Rent stabilization** or rent control policies set a limit on the amount of annual rent increases, often in certain buildings or certain types of housing. **Just cause evictions** are legal restrictions on the reasons an individual can be

¹⁰⁸ Treisman, Rachel. “In Likely First, Chicago Suburb of Evanston Approves Reparations for Black Residents.” NPR. March 23, 2021. <https://www.npr.org/2021/03/23/980277688/in-likely-first-chicago-suburb-of-evanston-approves-reparations-for-black-reside>

¹⁰⁹ Ibid.

¹¹⁰ <https://www.cityofevanston.org/government/city-council/reparations>

evicted. Typically, under just cause evictions, rents may be evicted only for rent nonpayment, a violation of lease terms, or permanent removal of a unit from the rental market. **Tenant right to counsel** programs offer renters access to legal representation in eviction cases. In other words, tenant right to counsel policies extend the constitutional right to an attorney required in criminal procedures to tenants in civil eviction trials.

Evidence of effectiveness. Academic studies generally find that **rent stabilization** policies are effective in preventing displacement.¹¹¹ Some evidence even suggests that rent stabilization in just a few buildings may even help to slow median rent growth city-wide.¹¹²

However, some studies have found that owners of rent controlled units may pull them off the rental market and convert them to sellable condos, so they are no longer covered by rent stabilization policies.¹¹³ To circumvent this problem, jurisdictions often place restrictions on condominium conversions. Other landlords under rent control may simply let their properties deteriorate.¹¹⁴ To avoid this issue, jurisdictions with rent regulations typically increase code enforcement and have specific programs for landlords to request rent increases to pay for capital improvements. Just cause evictions are another policy that can support rent stabilization's success.

The literature on **just cause eviction** policies has found that they are effective at mitigating displacement. Research throughout California has found that after the implementation of just cause eviction laws, there was a significant decline in eviction filings and evictions.¹¹⁵ Other research has found that just cause protections improve community health outcomes by promoting residential stability.¹¹⁶

Similarly, evidence suggests that **tenant right to counsel programs** help to keep threatened residents in their homes.¹¹⁷ Often times, small sums of unpaid rent account for

¹¹¹ Pastor, Manuel, Vanessa Carter, and Maya Abood. "Rent Matters: What are the Impacts of Rent Stabilization Measures?" Los Angeles: USC Dornsife Program for Environmental and Regional Equity (2018).

¹¹² Sims, David P. "Out of control: What can we learn from the end of Massachusetts rent control?" *Journal of Urban Economics* 61.1 (2007): 129-151.

¹¹³ Diamond, Rebecca, Tim McQuade, and Franklin Qian. "The effects of rent control expansion on tenants, landlords, and inequality: Evidence from San Francisco." *American Economic Review* 109.9 (2019): 3365-94.

¹¹⁴ Sims, David P. "Out of control: What can we learn from the end of Massachusetts rent control?" *Journal of Urban Economics* 61.1 (2007): 129-151.

¹¹⁵ Cuellar, Julieta. "Effect of "just cause" eviction ordinances on eviction in four California cities." *Journal of Public and International Affairs* (2019).

¹¹⁶ Blanco, M. C. "Report Release: Eviction, Health, and Stabilization in Boston | A community academic collaboration of MIT, CLVU, and the Right to Remain Coalition." (2016). From City Life / Vida Urbana website: http://www.clvu.org/jce_hia

¹¹⁷ Fracassa, D. (2020, February 24). San Francisco's new eviction-prevention program is working, but is it enough? - SFChronicle.com. <https://www.sfchronicle.com/bayarea/article/SanFrancisco-s-new-eviction-prevention-program-15081197.php>

a large share of filings against tenants.¹¹⁸ Without tenant right to counsel programs, tenants in eviction filings have often self-represented or relied on under-resourced programs that provide legal counsel or volunteer attorneys.

Where has it worked? Rent stabilization programs have been implemented in several cities, including **Berkley, New York, Los Angeles, Oakland, San Francisco, San Jose, and Washington D.C.** Recently **Oregon** became the first state to enact a statewide rent stabilization policy. In Oregon, the 2019 legislation dictates that landlords cannot raise the rent more than 7% plus inflation annually, where inflation is calculated using the Consumer Price Index. However, between tenants, there is no limit to how much the rent can go up.

To avoid incentivizing evictions with this legislation, **Oregon** noted that the limit applies if a short-term tenant was just evicted from the unit and implemented just cause eviction laws. Their just cause eviction legislation does not apply to all renters, however, as it says that renters cannot be evicted without cause after *a year* of tenancy. Those who have been tenants longer than a year, or short-term renters, can be evicted without cause.¹¹⁹

New Hampshire and **New Jersey** also have statewide **just cause eviction laws**, but most commonly, just cause eviction laws are passed at the local level. Cities like **Seattle** and **Berkley** have had just cause eviction ordinances since the 1980s. several cities in California, including **East Pal Alto, Glendale, Oakland, and San Diego**, passed just cause eviction laws in the early 2000s. In 2018, **Philadelphia** also passed a just cause ordinance.¹²⁰

Several jurisdictions around the country have recently established **tenant right to counsel programs**, including **Boston, New York, and San Francisco**. To establish their program, the **Boston** Bar Association rolled out tenant right to counsel programs in a handful of cities in Massachusetts. The results from this preliminary trial revealed that tenants receiving legal representation were twice as likely to remain in their homes than those without representation.¹²¹

Similarly, **San Francisco's** program began with a one-year trial pilot program: Stanford University's Justice & Diversity Center offered pro-bono legal services to tenants with incomes below 200% of the federal poverty level in San Francisco. In this pilot program,

¹¹⁸ Desmond, Matthew. *Evicted: Poverty and profit in the American city*. Crown, 2016.

¹¹⁹ <https://bungalow.com/articles/oregons-rent-control-law-explained>

¹²⁰ Cuellar, Julieta. "Effect of "just cause" eviction ordinances on eviction in four California cities." *Journal of Public and International Affairs* (2019).

¹²¹ Boston Bar Association Taks Force. (2012). *The Importance of Representation in Eviction Cases and Homelessness Prevention: A Report on the BBA Civil Right to Counsel Housing Pilots*. <https://bostonbar.org/docs/default-document-library/bba-crtc-final-3-1-12>

187 tenants were able to remain in their homes out of the 692 tenants provided with legal representation.¹²² More recent examination of **San Francisco's** policy suggests it has effectively reduced displacement. In just six months in 2019, over 1,600 households sought legal representation through the program and 730 households were able to remain in their homes, many of which were African American. Perhaps as a result of the program's success in improving renters' bargaining power, the city's overall eviction filings declined by 10%.¹²³

In **New York's** tenant right to counsel program, over 22,000 residents have benefitted from representation since 2017. A whopping 84% were allowed to remain in their homes. The same study also found that evictions in zip codes where pilot tenant right to counsel programs were established declined by 11% in the first year of the program.¹²⁴

Considerations. Several states have legislation which preempts rent control, meaning even local jurisdictions are unable to enact rent stabilization.

There are also details in rent stabilization policies which vary from region to region. For instance, some **rent stabilization** policies are specific to certain types of structures (i.e., exclusively multifamily units or mobile home lots). For instance, to keep mobile home lot owners from taking advantage of mobile home owners who cannot economically move to a new lot, many communities have enacted lot rent stabilization policies. For example, in **Los Angeles** mobile home lot rents are allowed to increase at 75% of the consumer price index (CPI), capped at 8% annually.¹²⁵ In other parts of Los Angeles County, like in **Malibu** for instance, they are allowed to increase at 100% of the CPI, capped at 5% annually.¹²⁶ Policies like these, which cap rents from increasing more than 5% or 8% annually, are intended for moments of rapid CPI growth.

Others have particular specifications for members of protected classes. In **Washington D.C.**, all rent-stabilized units are prohibited from increasing more than once within a 12-month period; however, those renting to elderly tenants or tenants with disabilities are prohibited from raising rents more than the CPI, capped at 5% annually.¹²⁷ While these policies are intended to protect those on fixed incomes, namely Social Security, they may

¹²² John and Terry Levin Center for Public Service and Public Interest. (2014, May). San Francisco Right to Civil Counsel Pilot Program Documentation Report. <https://law.stanford.edu/publications/san-francisco-right-to-civil-counsel-pilot-programdocumentation-report/>

¹²³ Fracassa, D. (2020, February 24). San Francisco's new eviction-prevention program is working, but is it enough? - SFChronicle.com. <https://www.sfchronicle.com/bayarea/article/SanFrancisco-s-new-eviction-prevention-program-15081197.php>

¹²⁴ Mironova, O. (2020, June 22). Race and Evictions in New York City. <https://www.cssny.org/news/entry/race-evictions-new-york-city>

¹²⁵ Title 8, Division 3, Chapter 8.57.

¹²⁶ Chapter 5.16. http://qcode.us/codes/malibu/view.php?topic=5-5_16

¹²⁷ <https://ota.dc.gov/page/elderly-and-disability-tenant-rent-control-registration-clinic>

have a perverse effect of displacing elderly residents and residents with disabilities. Limiting rent increases for specific sub-populations may dissuade landlords from renting to such individuals, even though this type of discrimination is prohibited under the Fair Housing Act.

Oversight and enforcement of rent stabilization can also be costly to local governments. Some communities have a Rent Board. A Rent Board is a city agency which regulates residential rent increases and ensures landlords comply with stabilization laws. San Leandro, California has a Rent Board, where if a landlord raises rent by more than \$75, or by more than 10% of the rent, or more than once in year, tenants can have their rent reviewed by the Rent Board. Berkley also has a Rent Board, which is also responsible for oversight and enforcement of the city's rent stabilization policy.¹²⁸

Similarly, communities with **just cause eviction legislation** must have robust legal infrastructures. In most jurisdictions, an administrative agency, such as a Rent Board, oversees and enforces just cause ordinances. Even with wide public support, however, many communities may face challenges enacting just cause legislation. For instance, **Boston's** just cause legislation was recently defeated after a three-year battle between housing advocates, property owners, and the City Council.¹²⁹

Tenant right to counsel programs too need sufficient public funding and legal resources. Like most programs, they also require multi-lingual services in order to be successful. Some jurisdictions with tenant right to counsel programs operate within a means-tested framework where only low income tenants qualify for the program. Others guarantee legal services to renters of all income levels, similar to criminal proceedings. **New York City** offers legal representation to renters with incomes below 200% of the federal poverty line. **San Francisco's** program is offered to all renters.

Recommendations for Tacoma. Tacoma currently offers a Landlord-Tenant Program which provides free information and referrals to landlords and tenants to resolve disputes that arise under the Washington State Residential Landlord-Tenant Act (RCW 59.18).¹³⁰ However, it does not provide direct legal assistance to tenants, which has been shown to better mitigate displacement. Seattle, on the other hand, offers legal advice to

¹²⁸ Great Communities. "Preventing Displacement Policy Fact Sheet." (November 2007).
<http://www.greatcommunities.org/wp-content/uploads/pdf/2007%2011%20Preventing%20Displacement%20Policy%20Fact%20Sheet.pdf>

¹²⁹ Chakrabarti, Meghna and Jaime Bologna. "How Boston's Big Attempt at Rental Law Reform Failed." WBUR, May 16, 2018.

¹³⁰ https://www.cityoftacoma.org/government/city_departments/equity_and_human_rights/landlord-tenant_program

low-income renters with eviction related issues and representation in court hearings, both through the Housing Justice Project.¹³¹

Tacoma also recently established Just Cause Eviction Standards (effective October 1, 2021).¹³² This legislation (Tacoma Municipal Code 1.95) indicates that landlords can only evict tenants if:

- a tenant defaults in rent
- a tenant breaches a lease or commits illegal activity
- an owner or immediate family member wants to occupy the unit as their primary residence
- an owner elects to sell the dwelling unit
- the dwelling unit has been condemned or deemed uninhabitable by code enforcement
- a tenant is part of a transitional housing program that has expired
- a tenant has made unwanted sexual advances/harassment at the property owner

The same legislation requires a 60-day notice requirement for rent increases.¹³³ However, there is no limit on the amount by which rent can increase in a given period, as a conventional rent stabilization policy would dictate. The Washington State Legislature passed a ban on rent control in 1981. However, some legislators are trying to overturn this ban, and others are finding useful workarounds. For instance, Seattle City councilwoman Kshama Sawant has campaigned on an Economic Eviction Assistance program. Under her program, landlords would be required to provide relocation assistance to below-median-income tenants (up to 80% of AMI) any time renters are forced to move due to rent increases in excess of 10%. **While Tacoma cannot enact direct rent stabilization ordinances due to the state's rental control prohibition, a support system similar to that proposed in Seattle—paired with eviction prevention and legal assistance programs—may have similar effects on mitigating displacement.**

10. Rental & Foreclosure Assistance Programs

What is it? Although they became federally widespread during the COVID-19 pandemic, rent and foreclosure assistance programs are also useful strategies at state and local levels to mitigate displacement. **Rental assistance programs** often offer low income tenants emergency funds to pay rent and ward off eviction pressures during moments of economic stress. Note that these are local- and state-level programs, different from federal tenant-

¹³¹ <https://kingcounty.gov/depts/community-human-services/COVID/eviction-prevention-rent-assistance.aspx>

¹³² https://cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/CMO/TMC1.95-RentalHousingCode-v20211001.pdf

¹³³ <https://www.cityoftacoma.org/cms/one.aspx?pagelId=163295#:~:text=Just%20Cause%20Eviction%20Provisions,day%20notice%20to%20terminate%20tenancy>

based or project-based (i.e. Section 8) assistance programs. **Foreclosure assistance programs** offer financial and non-financial support to homeowners facing financial distress and risk of displacement.

Evidence of effectiveness. While there is little academic research on rental assistance programs, any policies with directly combat evictions and foreclosures will be directly reducing displacement. Foreclosure assistance programs have received more attention among academics, particularly because programs initiated during the Great Recession have now had enough time to produce robust research findings.

During the Great Recession, many localities received federal grants to be used for foreclosure assistance and renegotiating mortgage terms, and others received assistance from local community development institutions.¹³⁴ Research on these programs has found households that received assistance were significantly more likely to avoid default at various stages, less likely to experience foreclosures, and therefore more likely to remain in their homes compared to those in similar financial distress who did not receive assistance.¹³⁵ Given that communities of color were more likely to be victims of subprime lending, these programs have the potential to be especially impactful among such groups. Ultimately, both foreclosure assistance and rental assistance are one of the most direct mechanisms to keep people from being displaced.

Where has it worked? Before the pandemic, several jurisdictions offered emergency grants to households facing eviction. Hennepin County, **Minnesota** for instance, offers such assistance, as do the cities of **Jacksonville** and **San Antonio**.¹³⁶ Rental assistance programs have also existed in recent periods in **Los Angeles**. In late 2019, just before the implementation of a state law that capped annual rent increases, tenants in Los Angeles saw their rents spike as landlords attempted to bypass the impending rent stabilization. In response, the city council established an emergency renters fund to prevent mass displacement.¹³⁷ **Boston** Community Capital is another foreclosure assistance program. They provide assistance by leveraging the resources of local financial institutions embedded in communities where foreclosures are concentrated.¹³⁸

¹³⁴ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

¹³⁵ Mayer, N. S., Tatian, P. A., Temkin, K., & Calhoun, C. A. (2012). Has Foreclosure Counseling Helped Troubled Homeowners? Evidence from the Evaluation of the National Foreclosure Mitigation Counseling Program. https://www.urban.org/research/publication/has-foreclosure-counseling-helpedtroubled-homeowners/view/full_report

¹³⁶ Aghayev, R., Feng, J., & Wiens, R. (2017). Preserving Home Improving Eviction Prevention in Hennepin County. <http://conservancy.umn.edu/handle/11299/20830>

¹³⁷ Chandler, J. (2019, October 30). Landlord increase your rent? The city of LA will help pay it. Curbed LA. <https://la.curbed.com/2019/10/30/20940413/rental-subsidy-reliefprogram-los-angeles>

¹³⁸ <https://bluehubcapital.org/boston-community-capital-foreclosure-relief-initiative-awarded-100-million-federally-guaranteed-bond>

Considerations. Local rental assistance programs are substantially less costly than evictions themselves. For instance, one study found that in the eviction courts of over 20 states, most renters were evicted for less than \$600, or otherwise less than a single month's rent.¹³⁹ Similarly, in a study conducted in **King County**, Washington, researchers found that over half of the tenants experiencing eviction owed less than half a month's rent.¹⁴⁰ Funds for rental support typically come from general revenue, housing trust funds, and philanthropic contributions, state and local governments.¹⁴¹

However, households must demonstrate economic hardship, which often takes longer than the eviction process itself. In fact, researchers found that the process of confirming program eligibility greatly undermines its efficacy, as many households are evicted before they are approved. The same study also found that familiarity with these programs was highly limited: over 60% of respondents in eviction court indicated that they did not apply or were unaware of rental assistance programs, despite living in localities where they exist.¹⁴²

Possibilities in Tacoma. The State of **Washington** passed the Foreclosure Fairness Act, which requires lenders to offer homeowners financial counseling options. According to recent research, the Washington's Foreclosure Fairness Act has helped hundreds of homeowners to modify their loans and avoid displacement.¹⁴³ Tacoma's own foreclosure prevention counseling and mortgage assistance program is quite robust. As of May 2021, the city allocated \$1.43 million to help eligible households affected by the pandemic with foreclosure prevention counseling and mortgage assistance payments. The program provides up to four months of mortgage assistance – with a \$6,000 cap – paid directly to the loan servicer, bank or mortgage company of households who live in the city limits of Tacoma, have experienced loss of employment or reduction in wages due to COVID-19, and have an income at or below 80% AMI for Pierce County.¹⁴⁴

¹³⁹ Badger, E. (2016, February 19). How to make expensive cities affordable for everyone again—The Washington Post. <https://www.washingtonpost.com/news/wonk/wp/2016/02/19/how-to-make-expensive-cities-affordable-for-everyone-again/>

¹⁴⁰ Raghuvver, T. (2018). Municipal Policy Interventions to Address Evictions. <https://housingmatters.urban.org/articles/municipal-policy-interventions-address-evictions>

¹⁴¹ Greene, S., & Batko, S. (2020, May 6). "What Can We Learn from New State and Local Assistance Programs for Renters Affected by COVID-19? Housing Matters." <https://housingmatters.urban.org/articles/what-can-we-learn-new-state-and-local-assistance-programs-renters-affected-covid-19>

¹⁴² Aghayev, R., Feng, J., & Wiens, R. (2017). Preserving Home Improving Eviction Prevention in Hennepin County. <http://conservancy.umn.edu/handle/11299/20830>

¹⁴³ Chen, D. (2016). Extending the Timeline: Addressing Rights of Former Homeowners in a Post-Foreclosure Market. *Seattle Journal for Social Justice*, 14(1), 13.

¹⁴⁴ https://www.cityoftacoma.org/in_the_news/foreclosure_prevention_counseling__mortgage_help

The city has also provided rent and utility assistance to tenants impacted by COVID-19. Applicants must qualify as low-income at or below 80% (AMI), but priority is given to those under 50% AMI.¹⁴⁵

Keeping a programs like this alive even after the economic consequences of the pandemic have subsided would be useful in mitigating displacement in Tacoma's rapidly growing market.

11. Lease to Locals Program

What is it? A lease to locals program offers property owners support to convert short-term rentals to long-term rentals for the local workforce.

Evidence of effectiveness. Because existing programs are in their infancy, there is limited evidence of effectiveness. However, Summit County and Breckenridge's recent Lease to Locals program aims to resolve issues plaguing several mountain or resort communities: often times, there are an abundance of short-term rentals, but not enough longer-term rentals for the low income workforce. "The Lease to Locals pilot program is an important component of our overall housing strategy to meet the need for affordable housing in the county," said Commissioner Tamara Pogue. "We know this is a problem that we cannot build our way out of. Our hope is that through a collaborative effort with our community members and homeowners, we can make a positive impact on workforce housing availability in time for the winter season."¹⁴⁶

Where has it worked? Summit County, Colorado recently launched a Lease to Locals Housing Incentive Program, where property owners can get up to \$24,000 to convert their short-term rentals to longer-term rentals. The goal is to create new workforce rental housing opportunities, particularly for season mountain resort employees. To qualify for the Lease to Locals incentive program, a property must be located in unincorporated Summit County or the Town of Breckenridge and must be a legally licensed short-term rental unit. Property owners will need to submit an application, sign a lease with qualifying tenants, and undergo lease checks to ensure they are in compliance. Qualifying tenants are required to work at least 30 hours per week for an employer based in Summit County.¹⁴⁷

Considerations. A Lease to Locals program like the one in Summit County requires a pot of money that, in some regions, could otherwise be put into building homes rather than shifting the use of current housing. It also is likely only worthwhile in communities with a large number of short-term rentals consuming the housing stock.

¹⁴⁵ <https://www.piercecountywa.gov/7490/Program-Information>

¹⁴⁶ <https://www.townofbreckenridge.com/Home/Components/News/News/2097/32>

¹⁴⁷ Ibid.

Possibilities in Tacoma. In Tacoma, residents can offer short-term rentals of their homes, parts of their homes, or ADUs with some restrictions. Entire dwellings, 1-2 guest rooms, and ADUs can be short term rentals in all districts in the city. Renting more than 2 guest rooms requires an approved conditional use permit and is restricted to residential districts that allow duplex, triplex, and multifamily dwellings.¹⁴⁸ There are otherwise very few limitations on short term rentals, nor are there incentive programs to convert these units to longer-term rentals. Community planners should consider whether the short-term rental market in Tacoma is substantial enough to warrant incentive programs such as those in Summit County.

Neighboring communities, like Seattle, have placed restrictions on the number of short-term rental units one rental operator can have. Most short-term rental operators may operate two units: their primary residence and a secondary unit. This is an attempt to push any additional properties to the long-term rental market.

12. Development Property Tax Exemptions & Abatements

What is it? Property tax exemptions are used to incentivize development and maintenance of affordable housing. Developers, building owners, and owner occupations who create or preserve affordable housing can be eligible for property tax exemptions or abatements.

Property tax **abatements** directly reduce the amount of taxes owed for a specific period and can be offered as an incentive to develop or rehabilitate buildings that include affordable units. Property tax **exemptions** reduce the property's assessed value or rate of taxation, resulting in a lower tax bill, and are typically offered to encourage rental property owners to make upgrades that improve the condition of affordable units. The amount by which the upgrade or housing improvement increases the home's value is excluded from property tax calculations for a defined period.

Some areas also offer tax abatements or exemptions to property owners who participate in housing subsidy programs, and others offer tax relief to special groups (e.g. income-qualified homeowners, seniors, residents, with disabilities, or veterans).¹⁴⁹

Evidence of effectiveness. Though the academic literature covering the topic is limited, overall, tax exemptions and abatements seem to be successful at producing and maintaining affordable housing in communities, which likely reduces displacement.¹⁵⁰

¹⁴⁸ <https://www.tacomapermits.org/tip-sheet-index/short-term-rentals>

¹⁴⁹ <https://localhousingolutions.org/housing-policy-library/tax-abatements-or-exemptions/>

¹⁵⁰ Freeman, Lance, and Jenny Schuetz. "Producing affordable housing in rising markets: What works?." *Cityscape* 19.1 (2017): 217-236.

Where has it worked? Several communities have tried or continue to try to use property tax exemptions and abatements to develop and maintain affordable housing. For instance, **Cook County, Illinois** provides a property tax exemption for multifamily rental units that agree to participate in Section 8 housing in a renewable 5-year contract. To qualify, at least 20% of the units on the property must be leased to Section 8 voucher holders. **Portland, Oregon** has a similar program, where multifamily housing in which at least 20% of the units are renting at a level affordable to households earning 60% of AMI receive a ten-year tax exemption.

A property tax abatement program in **Washington D.C.** also lasts in ten-year terms, where the abatement is equal to 75% of the difference in property tax owed before and after housing development. To be eligible, at least 5% of the units must be reserved for low-income households, and an additional 10% of units must be reserved for households earning up to 60% of AMI. Others, like those in **Provincetown**, Massachusetts, are simpler: a multifamily property owner can claim tax exemption for any portion of their property used for affordable housing purposes. The exemption is proportional with the share of square-footage attributable to the affordable housing.¹⁵¹

Considerations. Though property tax abatements and exemptions may help keep low-income households in the community, they also lead to reduced tax revenue. This reduction in tax revenue may mean such communities have less funding for local programs, including those which may ultimately alleviate local poverty (e.g. school and training programs). To ease administrative burdens, jurisdictions may also want to consider simplified eligibility criteria. Further, a defined application window can ensure that recipients are “batched” and administrative burdens are reduced.

Possibilities in Tacoma. Currently, the City of Tacoma offers a property tax exemption to eligible property owners. This incentive exempts property taxes for 8 or 12 years on the assessed improvements that create four or more additional housing units. The 12-year option requires at least 20% affordable units. The purpose of the tax incentive for multifamily housing is to “encourage the development of multifamily housing in Tacoma’s seventeen Mixed-Use Centers.” The program also notes that if this redevelopment displaces existing tenants, the property owner needs to give the tenant 90 days’ notice and provide relocation assistance to low income tenants, if the property is to qualify for the tax incentive. However, there is no requirement that the new housing constructed has to be affordable. Therefore, **while the program may be incentivizing increased housing supply, it could do more by way of affordable housing supply.**

¹⁵¹ <https://localhousingsolutions.org/housing-policy-library/tax-abatements-or-exemptions/>

13. Linkage Fees

What is it? A **linkage fee** is a fee on new development that is then used by the public sector to create affordable housing, often leveraged with federal housing programs. These types of policies are also called impact or in-lieu fees.

Evidence of effectiveness. In several jurisdictions, linkage fees have been successful in generating funds for affordable housing projects. For instance, reports from cities that have enacted such programs (like **Boston** and **San Francisco**) find that they were able to collect significant funding towards the construction of affordable housing units.¹⁵²

Where has it worked? The City of **Los Angeles** recently passed an ordinance authorizing a linkage fee on commercial and market-rate residential projects which produce less than a certain percentage of affordable units. This legislation led to the creation of the city's Affordable Housing Impact Fund, a repository for resulting revenue earmarked to support affordable housing preservation, production, and anti-displacement initiatives.¹⁵³

Between 2014 and 2018, **Boston's** linkage fee program generated over \$30 million of revenue and used it to leverage additional funds which helped develop 1,268 new affordable housing units and to preserve nearly 550 existing affordable units.¹⁵⁴ Similarly, between 1988 and 2016, **San Francisco's** Jobs-Housing Linkage Fee accrued over \$56 million and during 2014 and 2015, the linkage fee added an additional \$27 million to the local Affordable Housing Fund, which supported the development of over 600 units of affordable and supportive housing.¹⁵⁵

Considerations. Several areas trying to implement linkage fees have found that the fees effect on creating affordable housing is largely dependent on the size of the fee.¹⁵⁶ The fee must be large enough to generate enough revenue for the city to put into affordable housing projects but must also be small enough to continue to attract developers. Some jurisdictions may be hesitant to impose linkage fees, fearing they might push development to nearby communities, thus reducing other revenue streams (e.g. sales tax revenue). Studies have concluded, therefore, that linkage fees are only successful in a strong real

¹⁵² BAE Urban Economics, & PlaceWorks. (2016). Los Angeles Affordable Housing Linkage Fee Nexus Study. Los Angeles, CA.

¹⁵³ Johnson, Olatunde CA. "Unjust Cities: Gentrification, Integration, and the Fair Housing Act." U. Rich. L. Rev. 53 (2018): 835.

¹⁵⁴ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

¹⁵⁵ BAE Urban Economics, & PlaceWorks. (2016). Los Angeles Affordable Housing Linkage Fee Nexus Study. Los Angeles, CA.

¹⁵⁶ Mukhija, Vinit, et al. "Can inclusionary zoning be an effective and efficient housing policy? Evidence from Los Angeles and Orange Counties." Journal of Urban Affairs 32.2 (2010): 229-252.

estate market where developers are especially keen on developing in the city.¹⁵⁷ Others worry that because linkage fees raise costs for developers, they may also raise housing prices and inadvertently increase displacement.

Possibilities in Tacoma. Tacoma currently does not have a linkage fee; some cities in Washington do. For instance, Seattle office and apartment developers pay a fee to fund the construction of affordable housing. In 2015, Council Bill 118498 codified Chapter 23.58B “Affordable Housing Impact Mitigation Program for Commercial.” The code gave developers three options in providing affordable housing: an onsite and offsite performance option, linkage fee option, or combination of the two. The amount of affordable housing required is first determined by zone and then square footage of proposed commercial space.¹⁵⁸

14. Inclusionary Zoning

What is it? Inclusionary zoning can require or incentivize private developers to build a share of new market-rate developments as affordable housing, or to contribute a comparable amount to building affordable housing off-site.

Jurisdictions can use other, similar zoning mechanisms to encourage affordable housing construction. For instance, they can impose a fee on new development that is then used by the public sector to create affordable housing, often leveraged with federal housing programs (in-lieu fees). Jurisdictions can also offer **incentives to developers** for the creation of affordable housing. Such incentives often include density bonuses, reductions in parking requirements, waivers of fees, or streamlined permit processing.

Evidence of effectiveness. Multiple studies have found that *voluntary* inclusionary zoning programs are ineffective.¹⁵⁹ Generally, inclusionary housing and zoning programs are most successful at generating affordable units when requirements are mandatory, the level of fee required to “buy out” of the policy is high, when the policy is applied to the whole jurisdiction, and when demand is pent up for both affordable and market-rate housing.

The effectiveness of an inclusionary zoning policy depends on overall volume of development and how the policy is structured. A study on **San Francisco** found that production of inclusionary zoning units amounted to roughly 2% to 3% of total housing production over the last 25 years.¹⁶⁰ Typically, the number of units created by inclusionary

¹⁵⁷ Chapple, Karen, and Anastasia Loukaitou-Sideris. "White Paper on Anti-Displacement Strategy Effectiveness." (2021).

¹⁵⁸ <https://www.theurbanist.org/2015/11/10/toward-affordable-housing-seattle-adopts-a-commercial-linkage-fee/>

¹⁵⁹ Hamilton, Emily. "Inclusionary zoning and housing market outcomes." *Cityscape* 23.1 (2021): 161-194.

¹⁶⁰ Schuetz, Jenny, Rachel Meltzer, and Vicki Been. "Silver bullet or Trojan horse? The effects of inclusionary zoning on local housing markets in the United States." *Urban Studies* 48.2 (2011): 297-329.

zoning policies each year is lower than those created using the federal Low-Income Housing Tax Credit (LIHTC) program. However, some studies have shown that cities that have mandatory inclusionary programs with high enough “buyout” fees produce nearly the same number of units as LIHTC programs.¹⁶¹

Density bonuses have been found to be especially effective at improving the stock of affordable housing in cities with pent up demand and which allow large bonuses. A study found that one of the strongest predictors of the amount of affordable housing produced was the presence of a density bonus.¹⁶²

Inclusionary zoning programs are generally effective at producing affordable housing, but their ability to reduce displacement is dependent on corresponding local policy. For instance, a study compared inclusionary zoning policies in **Montgomery County**, Maryland and **Suffolk County**, New York. The authors found in Suffolk County, where housing was mostly under local control, 98% of inclusionary units were built in only 10% of Census tracts. On the other hand, in Montgomery County, where there is more significant regional oversight of housing, affordable units were less concentrated and better spread throughout the region.¹⁶³

Where has it worked? Peer cities with inclusionary zoning policies include **Boulder, Portland, and Santa Fe**. Others, like **Austin**, are prohibited from using inclusionary zoning by state law, but rather rely on incentives only. Some cities have a blend of the two approaches, including **Atlanta, Los Angeles, San Jose**, and **Seattle**.

Considerations. Some cities inclusionary zoning policies have been paused due to state law limitations (i.e. in **Nashville**).¹⁶⁴ However, as discussed in the subsequent section, this should not be an issue in Tacoma.

Possibilities in Tacoma. As evidenced by inclusionary zoning programs in Seattle, Washington State allows for inclusionary zoning, unlike some of its peer states. In 2014, a coalition of affordable housing developers, for-profit developers, businesses, and advocates mobilized support for mandatory affordable housing requirements in the city in exchange for incentives. This was part of a broader set of recommendations to increase housing affordability through the city’s Housing Affordability and Livability Agenda, or

¹⁶¹ Mukhija, Vinit, et al. "Can inclusionary zoning be an effective and efficient housing policy? Evidence from Los Angeles and Orange Counties." *Journal of Urban Affairs* 32.2 (2010): 229-252.

¹⁶² Schuetz, Jenny, Rachel Meltzer, and Vicki Been. "Silver bullet or Trojan horse? The effects of inclusionary zoning on local housing markets in the United States." *Urban Studies* 48.2 (2011): 297-329.

¹⁶³ Kontokosta, Constantine E. "Do inclusionary zoning policies equitably disperse affordable housing? A comparative spatial analysis." *Journal of housing and the built environment* 30.4 (2015): 569-590.

¹⁶⁴ Reicher, Mike. "State Senate votes to block Nashville’s affordable housing ordinance." *The Tennessean*. (March 2018). <https://www.tennessean.com/story/money/2018/03/05/tennessee-senate-affordable-housing-nashville-inclusionary-zoning/397032002/>

HALA. The resulting Mandatory Housing Affordability (MHA)—described as “Seattle’s new policy to ensure that growth brings affordability”—was adopted in the university and downtown districts in 2017 and expanded in 2019 to cover all but single-family detached only districts. The MHA requirement was coupled with a significant rezoning effort at very small geographic levels—e.g., transit rich areas were given greater densities, lower density neighborhoods had smaller scale changes. MHA only applies in areas of the city that were rezoned in 2017 and 2019 to allow greater density; these were mostly focus areas for future job and housing growth. About 6 percent were in single family neighborhoods.

Developers in MHA areas have two options to comply with the inclusionary MHA requirement: 1) “Performance” option, which requires that affordable units be built; and 2) “Payment” option. City staff generally prefer the payment option as they believe they are better able to leverage funds with state subsidy and create more units that would be provided through the payment option. Fee amounts are on a gradient depending on region of the city. The program intentionally applies lower fees for vulnerable areas of the city. This is so that developers buy their way out, and the city could then add units to offset the potential gentrification.

Mobilization toward inclusionary zoning in Tacoma is also taking off. For example, in 2018, Tacoma City Council voted to approve the Tacoma Mall Subarea Plan. This required mall-area developers of 15 or more units to build 10% for affordable housing.¹⁶⁵ *As discussed in the AHAS and Home in Tacoma reports, Tacoma has room to enhance its inclusionary zoning strategies—and employ a mandatory program—to broader regions of the city.*

Recommendations for the City of Tacoma

The following table categorizes each of the above policies reviewed above according to their payoff (or ability to mitigate displacement) and their government/community resource usage. These are rough categorizations, as payoff and resource usage vary drastically based on regional context and existing government infrastructure.

	High payoff	Low payoff
High resources	Conversion Restrictions & Tenant Opportunity to Purchase; Rent Stabilization, Just Cause Evictions, & Tenant Right to Counsel; Community Control of Land; Housing & Land Reparations	Preference Policies, Business Preservation Programs; Lease to Locals Program
Low resources	Inclusionary Zoning or Developer Incentives; Incentivize Missing Middle Housing Production; Rental & Foreclosure Assistance Programs; Linkage Fees	Community Benefit Agreements; Community Development Financial

¹⁶⁵ <https://www.theurbanist.org/2018/06/21/wonkabout-washington-tacoma-passes-inclusionary-zoning-mall-area/>

		Institutions; Property Tax Exemptions & Abatements
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Given these considerations and the review of the documented effectiveness of the variety of policies reviewed above, **we recommend that the City of Tacoma:**

1. Consider the **“build first” approach** like the program in Washington D.C. by prioritizing newly constructed affordable developments, such as those built by nonprofit partners and the Tacoma Housing Authority, in neighborhoods at highest risk of displacement;
2. **Employ conversion restrictions** that require an owner who is building Missing Middle housing that displaces a low income renter pay for relocation costs, a period of rent (3 months is recommended), and security deposit;
3. **Disallow short term rentals** in newly built Missing Middle housing except in cases where the owner lives onsite and has an income of less than 100% AMI;
4. **Develop a prioritization or preference policy** that applies to households at risk of displacement or residents living in neighborhoods with high-displacement risk. Such a policy could be paired with a “build first” program to ensure that residents displaced by Missing Middle activity have an alternative, affordable option in their current neighborhood.
5. **Engage with CDFIs** about the possibility of developing tailored products to support homeownership and affordability within new Missing Middle products including ADUs.
6. Monitor the effects of Evanston, Illinois’ housing **reparations program** and explore a pilot program if funding allows.
7. Expand programs that provide landlord/tenant counseling to include **eviction prevention legal assistance**, potentially working with local law school students;
8. Require that developers benefitting from additional density through expanding medium-scale residential neighborhoods, the Multi-family Tax Exemption (MFTE), fee waivers, expedited processing, and city-funding (through the Housing Division) **adopt affirmative marketing practices** (e.g., using multicultural models in advertisements, placing ads in culturally-targeted newspapers and radio stations, using a variety of languages, using accessible formats) when advertising available units.
9. Ensure that low income homeowners faced with rising property taxes, and seniors and persons with disabilities, are **aware of the property tax exemptions** and deferrals available through the Pierce County Assessor’s office. Market the programs through trusted community organizations (<https://www.co.pierce.wa.us/682/Property-Tax-Exemptions-Deferrals>); and

10. **Strengthen the city’s inclusionary zoning ordinance** paired with property tax abatements.

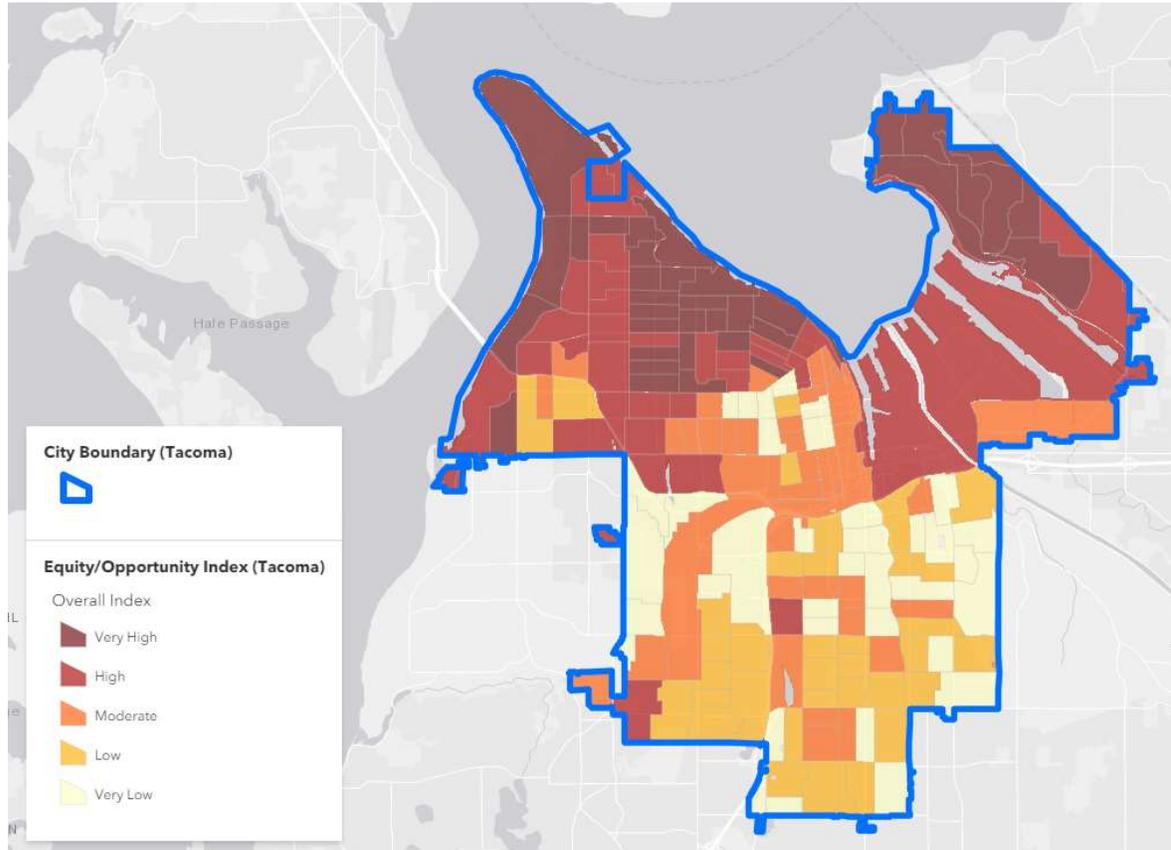
Geographic targets. According to the U.S. Department of Housing and Urban Development (HUD) maps on racial and ethnic concentrations, Tacoma’s African American population is dispersed throughout the city with lowest representation in the West and North End, and the largest representation in Central Tacoma, in and around the Hilltop neighborhood, and in the Eastside and South End.¹⁶⁶ Residents of Hispanic descent are most likely to reside on the South End and Eastside and are less represented north of I-5.

Based on an opportunity map developed by the Puget Sound Regional Council (PSRC) and the city’s current Equity Index, which considers education, economic health, housing and neighborhood quality, mobility and transportation, and health and the environment, areas with the highest representation of Black/African American and Hispanic residents are also those with lower levels of opportunity, based on that index.

These are also areas where redevelopment may be most active and where anti-displacement of communities of color may be the greatest. Therefore, anti-displacement policies which require designation geographic implementation should be prioritized in these areas.

¹⁶⁶ <https://egis.hud.gov/affht/>

Equity and Opportunity Index, City of Tacoma



Source: Esri, HERE, NPS | The Kirwan Institute for the Study of Race & Ethnicity, City of Tacoma | City of Tacoma