Understanding Transit Investment-Induced Gentrification and Displacement

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Motivation

Transit-Oriented Displacement?
Developing a New Methodology for Analyzing Potential Displacement

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Definitions

**Gentrification:**
Transformation of historically disinvested urban neighborhoods of the working-class and communities of color into higher income residential and/or commercial areas.

**Displacement:**
When households are forced to move or are prevented from moving into a neighborhood due to conditions which are beyond their ability to control or prevent (e.g., rent increases).

-- Occurs in all types of neighborhoods
-- May be physical, economic, or exclusionary
Multi-level modeling of mobility and neighborhood change
Incorporate Displacement into Transportation and Land Use Modeling
Analyze the impact of anti-displacement strategies
Analyze VMT Impacts of Displacement
# Datasets Analyzed

<table>
<thead>
<tr>
<th>Dataset</th>
<th>Variables</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census</td>
<td>Race, income, age, educational attainment, HH composition, employment, jobs, tenure, vacancies, crowding, housing units, housing burdened, commute mode, car ownership, rent paid, immigration status, nativity, linguistic isolation, income inequality, racial segregation, income bipolarity, % moved-in within last year (by race, education, income, tenure)</td>
<td>1990, 2000, 2010, 2009-2013</td>
</tr>
<tr>
<td>Parks/Open Space</td>
<td>Small parks (acres/1000 people) and protected areas (acres/1000 people)</td>
<td>2014</td>
</tr>
<tr>
<td>Transit Stations</td>
<td># rail stations per acre and population</td>
<td>1990, 2000, 2014</td>
</tr>
<tr>
<td>Walkability</td>
<td>Average score</td>
<td>2014</td>
</tr>
<tr>
<td>Transit ridership (BART, VTA, CalTrain)</td>
<td># weekday entrances or exits</td>
<td>1992-2014</td>
</tr>
<tr>
<td>Residential Building Permits</td>
<td># permits per year</td>
<td>1980-2013</td>
</tr>
<tr>
<td>Potentially rent controlled units</td>
<td># of potentially rent controlled apt as percentage of total units</td>
<td>1998-2013</td>
</tr>
<tr>
<td>Evictions (SF &amp;LA only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-profits</td>
<td>Total, rec, youth, social services and housing/advocacy-related</td>
<td>1995, 2000, 2010</td>
</tr>
<tr>
<td>PUMS</td>
<td>Movement in/out of neighborhood (with race, income, education)</td>
<td>2011, 2010, 2000</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td># deed restricted and public housing units</td>
<td>1990, 2000, 2013</td>
</tr>
<tr>
<td>Section 8</td>
<td># of vouchers</td>
<td>2000-2013</td>
</tr>
<tr>
<td>NETS</td>
<td># jobs, establishments, sales</td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td>% of general revenue from property taxes</td>
<td>1992-2011</td>
</tr>
<tr>
<td>Anti-displacement policies</td>
<td>Production and preservation policies</td>
<td></td>
</tr>
</tbody>
</table>
Change in Low Income Households

2000: 970,272 low income households

2013: 1,064,681 low income households

- Net gain of 94,408 low income households
- On average tracts gained 60 low income households.
Loss of Naturally Affordable Housing

2000: 223,046 low income households lived in naturally affordable housing

2013: 117,149 low income households lived in naturally affordable housing

- Loss of 47% of naturally affordable units while
- Number of low income households grew by 10%
Key Findings, Bay Area

- > 53% of low-income households live in neighborhoods at risk of gentrification and displacement.
- ~ 50% of displacement is happening in moderate/high income neighborhoods
- Low income households living in/near PDAs at higher risk of displacement
- 85% of neighborhoods near transit are at risk of displacement (vs. 49% of all neighborhoods).
## Changes in Affordable Housing, LA

<table>
<thead>
<tr>
<th></th>
<th>Model I</th>
<th>Model II</th>
<th>Model III</th>
<th>Model IV</th>
<th>Model V</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Δ Affordable Rental Units (00-13)</td>
<td>Condo Conversions (03-13)</td>
<td>Δ Section 8 (00-13)</td>
<td>Δ LIHTC (00-13)</td>
<td>Ellis Act Evictions (07-14)</td>
</tr>
<tr>
<td>Intercept</td>
<td>-2.353 **</td>
<td>1.556 ***</td>
<td>3.284 ***</td>
<td>4.071 ***</td>
<td>1.137 ***</td>
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<tr>
<td></td>
<td>0.634 ***</td>
<td>-0.055</td>
<td>-0.494 ***</td>
<td>-0.664 ***</td>
<td>-0.100 ***</td>
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<tr>
<td></td>
<td>-0.028 ***</td>
<td>-0.001</td>
<td>0.017 ***</td>
<td>0.023 ***</td>
<td>0.002 **</td>
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<tr>
<td>Income Squared</td>
<td>0.027 ***</td>
<td>-0.010 ***</td>
<td>0.013 ***</td>
<td>0.003</td>
<td>-0.008 ***</td>
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<tr>
<td>% non-Hispanic black</td>
<td>0.021 ***</td>
<td>-0.015 ***</td>
<td>-0.008 ***</td>
<td>-0.002</td>
<td>-0.008 ***</td>
</tr>
<tr>
<td>% Hispanic</td>
<td>0.008</td>
<td>-0.008 **</td>
<td>-0.005 *</td>
<td>0.001</td>
<td>-0.003</td>
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<tr>
<td>% Asian</td>
<td>0.008</td>
<td>-0.008 **</td>
<td>-0.005 *</td>
<td>0.001</td>
<td>-0.003</td>
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<tr>
<td>Downtown TOD</td>
<td>-18.966 ***</td>
<td>4.486 ***</td>
<td>-0.678</td>
<td>12.945 ***</td>
<td>-0.290 *</td>
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<tr>
<td>Other TOD</td>
<td>-2.551 ***</td>
<td>0.341 ***</td>
<td>-0.365 ***</td>
<td>0.392 *</td>
<td>0.050</td>
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<tr>
<td>Adj. r-squared</td>
<td>0.091</td>
<td>0.052</td>
<td>0.112</td>
<td>0.147</td>
<td>0.0704</td>
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<tr>
<td>n</td>
<td>2,316</td>
<td>2,317</td>
<td>2,316</td>
<td>2,316</td>
<td>993</td>
</tr>
</tbody>
</table>

***<.01 **<.05 *<.10

Ellis Act Evictions Data Are Only for LA City, All Other Data are for the County

Source: 2000 Decennial Census, 2006-10 & 2009-13 5-year ACS, 2000 & 2013 HUD’s Picture of Subsidized Households,

CTCAC, Housing Authority of the City of Los Angeles

Tabulations by C.Pech & P. Ong, July 2015
Conclusions: Places at risk of gentrification, loss of low income households, and/or loss of affordable housing

- Employment centers
- Historic housing stock (pre-1950 buildings)
- Walkable neighborhoods
- Places with rail stations, particularly downtown
- Strong real estate market (sales/rent growth)
San Francisco Bay Area Case Studies
Gentrification is not an on/off switch

- Quantitative data → neighborhood is not gentrifying
- CBO response: “How can you tell us this isn’t gentrification? It’s just an early stage!”
- Validated by interviews and archival research:
  - “I’ve already got rid of the 99% Latino…I think BART is a waste of money, but being close to it will allow me to cater to the laptop crowd and convert to condos once the market picks up!”
    - *Developer in low-income suburb, Concord, CA*
- Displacement as a precursor to gentrification
- Need longer timeframe for analysis
Policy and Practice to Mitigate Displacement

**LAW/DEVELOPMENT**
- Short-term
  - Building by building, tenant by tenant
- Seek displacement remedies
  - Just Cause, tenant protections
  - Organizing
  - Discrimination enforcement
  - Code enforcement
  - Tenant counseling
  - Tenant rental assistance
  - Tenant right to purchase laws

**POLICY**
- Preserve and fund new affordable housing
  - Section 8 preservation
  - Rent control/stabilization
  - Rental building acquisition
  - Condo conversion restrictions
  - Foreclosure prevention
  - SRO regulations
  - One-for-one replacement
  - Mobile home park preservation
  - Permit streamlining/fee reduction
  - Tax exemptions
  - Bonds
  - Demolition control
  - Housing rehab programs
  - Homeownership programs
  - Asset building/minimum wage

**PLANNING**
- Long-term
  - City/regional
- Stabilize neighborhoods and promote diversity
  - Density bonuses/inclusionary
  - Value recapture
  - Impact and linkage fees
  - Community benefit districts, housing overlay zones
  - Zoning/density restrictions
  - Station area plans/OBAG
  - Reduced parking
  - ADUs
  - Public land disposition
  - Housing trust funds
  - Land acquisition funds/land trusts
  - Fair housing ruling
  - Housing elements
  - Transportation investment

*Berkeley University of California*
Leveraging regional investments for equity
Thank you!

For more information:

http://www.urbandisplacement.org

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