# **Uprooted**: Residential Displacement in Austin's Gentrifying Neighborhoods and What Can Be Done About It

Presentation at the Texas Association of CDCs Policy Summit October 4<sup>th</sup>, 2018

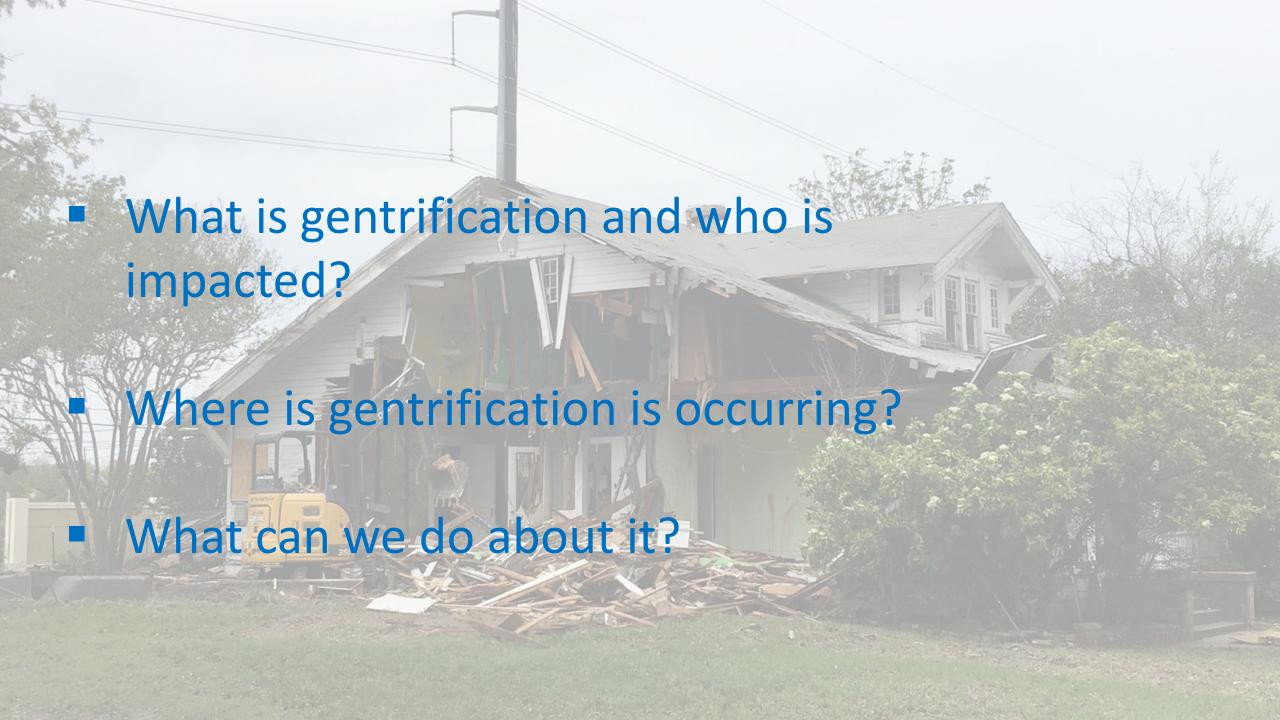
Heather K. Way, Clinical Professor, UT Law 512-232-1210; hway@law.utexas.edu

# UT report provides a framework to:



- ➤ Identify neighborhoods and groups of residents most vulnerable to displacement as housing costs rise
- > Identify strategies and polices for preventing their displacement
- > Provide framework for selecting particular anti-displacement polices





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Vulnerable residents displaced

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- Housing costs rise

- Vulnerable residents displaced
  - Cultural character of neighborhood transformed



#### Who is most vulnerable to displacement?



Communities

of Color









People 25 and older without a Bachelor's Degree

Renters

People making at or below 80% Median Family Income

Households with children in poverty

Sources: Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification (Lisa Bates), American Community Survey, 2016, US Decennial Census 2000

# Where is gentrification occurring?

# **Snapshot:** 3-Part **Gentrification Analysis**



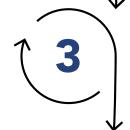
### **Vulnerability**

What percent of the population in a neighborhood is vulnerable to displacement?



## **Demographic Change**

What levels of demographic changes, if any, have been occuring in the neighborhood?



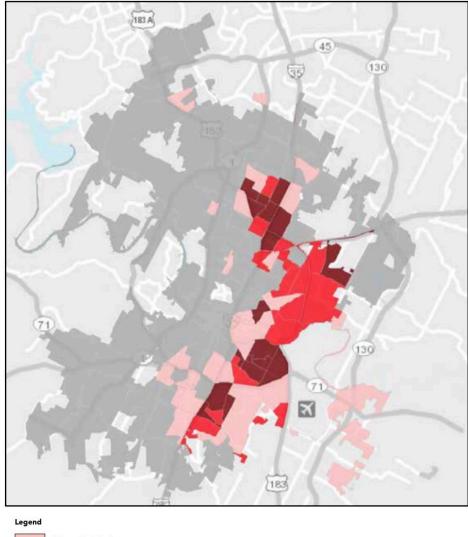
## **Housing Market Change**

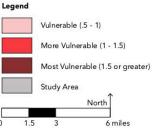
How much housing market appreciation, if any, has taken place in the neighborhood?

#### **Categories of Gentrifying Neighborhoods**

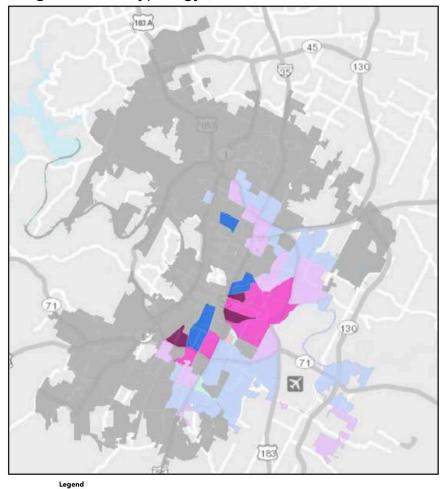
| Gentrifying<br>tract type | Demographic<br>change (2000 to<br>2012-16) | Average current<br>residential real<br>estate value<br>(2012-16) | Appreciation                                   | Must touch<br>tract with high<br>value and/<br>or high recent<br>appreciation |
|---------------------------|--|--|--|---|
| Susceptible               |  | Low or moderate  | Low or moderate<br>recent (2000 to<br>2012-16) | <b>√</b>  |
| Early: Type 1             |  | Low or moderate  | High recent (2000 to 2012-16)                  |   |
| Early: Type 2             | √  | Low or moderate  | Low or moderate<br>recent (2000 to<br>2012-16) | <b>√</b>  |
| Dynamic                   | √  | Low or moderate  | High recent (2000 to 2012-16)                  |   |
| Late                      | √  | High   | High sustained<br>(1990 to 2012-16)            |   |

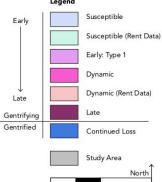
#### Most Vulnerable Census Tracts (2016)





#### Neighborhood Typology (2016)





## Of 200 Austin neighborhoods . . .

**Susceptible** Near high value/ high appreciation areas. Not yet experiencing demographic change.

#### Early Type 1

Experiencing appreciation, still with low/moderate home values.

#### **Dynamic**

Exhibit demographic change indicative of gentrification.

#### Late

Newly high value areas, still with vulnerable populations

#### **Continued Loss**

High value areas that have experienced demographic change



Interactive maps available at: sites.utexas.edu/gentrificationproject/

What can we do about it?

# Displacement-Mitigation Tools Barred in Texas

- Linkage fees
- Condo conversation restrictions
- Inclusionary zoning for homeownership
- Source-of-income protections from discrimination
- Real estate transfer tax
- Circuit breaker taxes
- Minimum wage in cities

# Case Studies of Local Efforts to Mitigate Displacement in Gentrifying Neighborhoods

Portland, OR

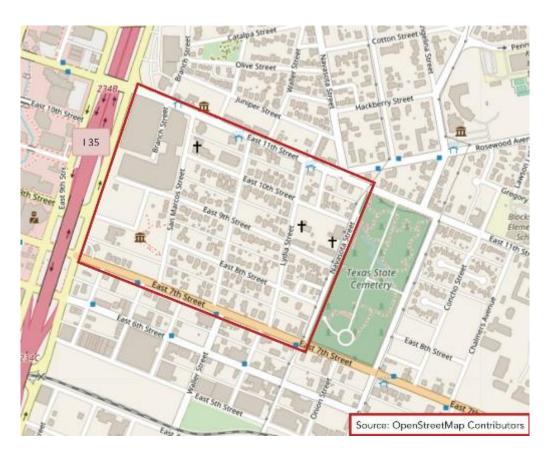
Inner North/Northeast neighborhoods

Washington, DC

Columbia Heights neighborhood

**Austin** 

Guadalupe neighborhood





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Match strategies to local conditions.



#### Vision Statement

Low-income residents and persons of color—and their children—in historically disadvantaged communities have the opportunity to stay and return to their neighborhoods in the face of rising property values and an influx of more affluent residents. Over time, opportunities remain for new lowincome residents to live in the community. Residents have a meaningful role in shaping the future of their neighborhood.

# Six Goals — and Choices Between Them

- 1. Prevent displacement of renters
- 2. Prevent displacement of homeowners
- 3. Retain existing affordable housing
- 4. Plan inclusively to prevent displacement
- 5. Enable the return of those displaced
- 6. Create new affordable housing for current and future residents

#### Goals, Strategies, and Policies for Addressing the Displacement of **Vulnerable Residents in Gentrifying Neighborhoods**

## Goal #1: Vulnerable renters in gentrifying neighborhoods are not displaced from their

| Strategy   | Tool  | In Austin's Strategic Housing<br>Blueprint? |  |  |
|--|---|---|--|--|
| Strategy 1a. Provide direct financial relief to vulnerable   | Increased local funding for<br>emergency rental assistance  | No  |  |  |
| renters who are at risk<br>of being displaced from<br>their homes in gentrifying<br>neighborhoods.                       | Neighborhood stabilization voucher program  | No  |  |  |
| Strategy 1b. Increase city<br>legal protections for renters<br>to reduce evictions and other<br>forms of displacement in | Mandatory city tenant<br>protections for all rental<br>properties receiving city<br>support       | No  |  |  |
| gentrifying neighborhoods.   | Expansion of legal and mediation support for tenants facing eviction                              | No  |  |  |
|  | Improvements to the City's anti-retaliation ordinance and anti-harassment protections for tenants | No  |  |  |
|  | Eviction notification<br>ordinance/required notice to<br>city                                     | No  |  |  |

# **Criteria** — Understanding Costs and Tradeoffs

- Which group will this help?
- What stage of gentrification does this best fit?
- Is this a place-based strategy?
- Will it serve current or future residents? or both?
- How will the voices of vulnerable residents be represented?
- What level of funding is required?
- Do we have the current capacity to do this?

#### Policy Drilldown Table: Analysis of Anti-Displacement Policies for Austin

| Policy  | Vulnerable<br>populations<br>targeted  | Stage of<br>gentrification<br>targeted | Place-<br>based | Sustainability | Inclusivity  | Financial<br>resources<br>required | Capacity<br>required |
|---|--|--|-----------------|----------------|--------------|------------------------------------|----------------------|
| Local Housing<br>Voucher<br>Programs                              | Low-income<br>renter<br>households   | Middle to late                         | No              | Poor to fair   | Poor to fair | Medium<br>to high                  | Fair                 |
| Homestead<br>Preservation<br>Center                               | Low-income<br>homeowners,<br>including<br>seniors and<br>persons of<br>color | All                                    | Yes             | Poor           | Good         | Medium                             | Fair                 |
| Neighborhood<br>Stabilization<br>Overlays                         | Current<br>homeowners<br>and renters   | Early and<br>mid-stage                 | Yes             | Poor to fair   | Fair         | Low                                | Fair                 |
| Affordable<br>Housing<br>Preservation<br>Network and<br>Inventory | Current and<br>future low-<br>income renters<br>of apartments                | Early and<br>mid-stage                 | No              | Good           | Good         | Low to<br>medium                   | Fair                 |
| Neighborhood-<br>Jobs Pipeline<br>Program                         | Working-age<br>low-income<br>residents                                       | Early and<br>mid-stage                 | Yes             | Poor to fair   | Good         | Medium                             | Fair                 |

# **Policy Highlights**

- Homestead Preservation Center and removing barriers to homestead exemption
- Preservation network and database
- Affordable housing preservation officer
- Tenant opportunity to purchase program with tenant capacity building
- Early and strategic land banking
- Public-private below market debt fund
- Community-driven, neighborhood-scale displacement mitigation plans

