

Development without Displacement

RESISTING GENTRIFICATION IN THE BAY AREA



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Executive Summary

Purpose of the Report

This report contributes to the conversation and understanding of gentrification and displacement from the perspective of a frontline organization working in neighborhoods most impacted by the crisis. We aim to challenge existing definitions and assumptions about gentrification and displacement that portrays it as positive, needed progress; as well as highlight the devastating health impacts that gentrification and displacement have on working-class people of color. We will offer an alternative vision of community development that centralizes the interest and needs of working-class communities of color. We feel this vision will ultimately create healthier and more sustainable neighborhoods for all residents in our cities.

Important to this vision is a set of development, housing, and tenant related policy recommendations and organizing strategies that will help bring this vision to light. This policy focus stems from our belief that the state has a central role to play in ensuring development benefits working class communities. Our policy recommendations are designed to support organizers and advocates in identifying appropriate solutions for their communities that they can turn into strong campaigns. Ultimately it will be as a result of sustained, effective organizing that policy change occurs. It is our goal that this document contributes to inspiring and sustaining neighbors and organizations coming together to fight and win their vision of change.

While the report is best positioned to support organizing for policy changes, we recognize the numerous other critical tactics that can and must be used in any effective strategy against

gentrification. A few of these include occupying vacant homes, doing eviction blockades, turning unused or under-used land into community space or gardens, etc. While we strongly believe in these tactics, our emphasis on policy was largely an attempt to focus our efforts on one critical aspect of a broader strategy and do it well.

In this report, we develop and share a comprehensive definition of gentrification and recommend effective ways to combat the displacement of low-income communities of color in the name of development. Our definition is made comprehensive by our attention to historical, local and global, economic, and policy trends, as well as to the public health dimensions of corporate-led urban development that result in gentrification.

Our report places gentrification on a historical timeline of racial, economic, and social discrimination, exacerbated by the progressive public disinvestment by government at all levels. However, the present configuration of these historical trends revolves around the dramatic increase in private financial investment in Bay Area real estate markets, the inflow of non-distributive technology wealth held by a small labor force, and the continued disinvestment by government in public services and programs, whose model of development is often to invite more private investment.

Data Analysis

Anchoring our analysis and recommendations is a “neighborhood typology” that uses demographic, socioeconomic, and property data from 1990 and 2011 to illustrate the changing char-

Gentrification by the Numbers

All analyses were conducted by Alameda County Public Health Department, using data from Census 1990, Census 2000, and American Community Survey 2007-2011.

- ▶ **Gentrification is happening in historically disinvested areas** where property values have accelerated, homeownership and incomes have risen, and neighborhoods have become wealthier and whiter over the last two decades. Neighborhoods in late stages of gentrification include the Mission in San Francisco and North Oakland in Oakland. Neighborhoods in middle stages of gentrification include the Bayview-Hunters Point in San Francisco, and West Oakland, Downtown, and San Antonio in Oakland.
- ▶ **Rental housing costs have skyrocketed in gentrifying neighborhoods, and in some cases, they have surpassed rental housing costs in historically affluent neighborhoods.** In San Francisco, the median monthly rent in neighborhoods in the latest stages of gentrification increased by \$460 dollars, or 40 percent, between 1990 and 2011. In Oakland, neighborhoods in the latest stages of gentrification had higher median rents in 2011 than historically affluent neighborhoods such as Rockridge and the Oakland Hills. Between 1990 and 2011, the median monthly rent in these neighborhoods increased by \$280, or 30 percent. This means that urban areas that were formerly affordable to working families are now out of reach except to the wealthiest segments of our society.
- ▶ **There has been substantial and disproportionate displacement of African Americans in gentrifying neighborhoods, as well as a loss in African American homeownership.** Between 1990 and 2011, the proportion of African Americans in all Oakland neighborhoods decreased by nearly 40 percent. In North Oakland, the number of African American households decreased by more than 2,000. Furthermore, African Americans dropped from being 50 percent to 25 percent of all homeowners in North Oakland, and within the Black community, homeownership decreased while renters grew. We see a similar loss of black homeownership in West Oakland and Bayview-Hunters Point in San Francisco.
- ▶ **Latinos are being displaced at a significant rate from the Mission district while white residents and homeowners have increased.** Between 1990 and 2011, the number of Latino households in the Mission decreased by 1,400, while the number of White households increased by 2,900. White homeownership more than doubled during this time.
- ▶ **Gentrification is changing the population of Oakland and San Francisco as a whole.** Between 1990 and 2011, Oakland's African American population decreased from 43 percent to 26 percent of the population, the largest drop by far of any population group. During the same period of time, San Francisco's Black population was cut in half from about 10 percent to only 5 percent of the population. While gentrification may bring much-needed investment to urban neighborhoods, displacement prevents these changes from benefitting residents who may need them the most.
- ▶ **Gentrification affects housing quality and health and exacerbates inequalities.** In Oakland, neighborhoods in the latest stages of gentrification have the greatest disparity between Black and White mortality rates. We also found that rates of overcrowding increased in San Francisco neighborhoods between early and late stages of gentrification.

acteristics of neighborhoods in the San Francisco Bay Area. This typology, adapted from a 2013 Portland study, is based on a theory of change that recognizes how neighborhoods progress through different stages of gentrification and have distinct needs and characteristics along the way. The resulting typology categorizes neighborhoods into different types based on the amount and kind of change that has occurred. It also allows solutions to be developed based on the distinct needs of neighborhoods. Together, this neighborhood typology, our historical analysis of political economy, and our qualitative interviews with affected populations present a holistic analysis of gentrification in the Bay Area. For a more detailed discussion of this typology analysis, including definitions of neighborhood types, see page 100.

Gentrification as a Historic Process

Displacement in gentrifying communities is, more often than not, an involuntary occurrence in which residents are forced out and development is pushed forward by the profit motive of investors, developers, landlords, and government. These gentrifying communities are overwhelmingly working-class communities of color that have faced historical racial discrimination such as redlining, in which banks refused to lend to neighborhood residents based on race. These were the same communities that bore the brunt of urban renewal policies beginning in the 1950s that destroyed homes to make way for new highways serving White residents from the growing suburban areas. Most recently, low-income communities of color were preyed upon as targets for predatory lending practices during the recent foreclosure crisis. As a result, many lost their homes. These communities need to be shielded from future instability caused by gentrification and displacement. Although investment in these communities is crucial, without a comprehensive approach to development, existing residents will continue to be at risk for displacement.

Health Impacts

Our health impact analysis highlights the individual, family, and community-level health impacts of gentrification and displacement, based on literature review, resident stories, and original data analysis. We found that longtime residents in gentrifying neighborhoods face financial distress, loss of community services and institutions, and overcrowded and substandard housing conditions; while displaced residents experience relocation costs, longer commutes, disruptions to health care, fragmentation of community support networks, and direct impacts on mental and psychological wellbeing. Finally, gentrification and displacement may harm our cities and society as a whole – by exacerbating segregation, increasing social and health inequities, and contributing to increased rates of chronic and infectious disease. Our focus on the health impacts of gentrification and displacement is important because historically, public health has been involved in decisions that have led to displacement of low-income

What Is Gentrification?

We define gentrification as a profit-driven racial and class reconfiguration of urban, working-class and communities of color that have suffered from a history of disinvestment and abandonment. The process is characterized by declines in the number of low-income, people of color in neighborhoods that begin to cater to higher-income workers willing to pay higher rents. Gentrification is driven by private developers, landlords, businesses, and corporations, and supported by the government through policies that facilitate the process of displacement, often in the form of public subsidies. Gentrification happens in areas where commercial and residential land is cheap, relative to other areas in the city and region, and where the potential to turn a profit either through repurposing existing structures or building new ones is great.

communities and communities of color. More recently, development advanced in the name of health and sustainability is contributing to gentrification and displacement yet again. Therefore, a pro-active strategy to prevent displacement must be central to our collective efforts to build healthy communities for all. For a full discussion of health impacts, including sources, see page 38.

Policy Recommendations

Gentrification can be stopped! Gentrification is not the inevitable result of economic development. Quite the opposite, it is the result of fundamentally unjust economic development policies, widespread public disinvestment in historically marginalized communities, and lack of protections for existing residents. By advancing a vision of human development that is based on true community development, this report makes clear that community organizing, collective power-building, and community self-determination must be the foundation for any strategy to prevent or reverse gentrification and displacement. The recommendations in this report stand in contrast to popular “equitable development strategies,” such as transit-oriented development (TOD), mixed-income development, and deconcentration of poverty approaches. Rather than focus primarily on physical improvements or require the movement of existing residents, we suggest policies that empower local residents and communities with rights, protections, and a voice in determining the development of their own neighborhoods. We also recommend policies that regulate government, landlord, and developer activity to promote equitable investment, affordability and stability, and maximum benefits for existing residents.

The below policy recommendations are based on review of key literature, existing policies, and interviews with experts, allies, and affected residents.

1. Multiple policies must be advanced in order to effectively prevent gentrification and displacement. In this report, we discuss **six key principles for preventing displacement** from a housing rights perspective. These principles address distinct but complementary policy goals, including:

- ▶ **Baseline protections for vulnerable residents**, including policies that protect tenants and homeowners in the face of gentrification pressure and ensure access to services, just compensation, and the right to return in cases of displacement;
- ▶ **Preservation and production of affordable housing**, including efforts to preserve the overall supply and affordability levels of existing housing;
- ▶ **Stabilization of existing communities**, through ongoing and equitable investment in all homes and neighborhoods;
- ▶ **Non-market based approaches to housing and community development**, including development of cooperative housing models;
- ▶ **Displacement prevention as a regional priority**, including the creation of regional incentives, data, and funding to support local anti-displacement efforts; and
- ▶ **Planning as a participatory process**, including practices to build greater participation, accountability, and transparency into local land use and development decision-making.

2. Policies should be advanced at the appropriate stage of gentrification, based on an analysis of neighborhood and city-level change, in order to effectively meet local needs.

3. Resident outreach, community organizing, and leadership development are essential to any anti-displacement strategy, in order to secure and strengthen rights and opportunities for vulnerable residents, ensure communities are informed and involved in key development decisions, and contribute to successful policy design and enforcement.

4. Affordable housing policies and programs should serve the needs of people in the same neighborhood. This can be achieved by prioritizing longtime, low-income residents for eligibility within new affordable housing, earmarking taxes and fees triggered by development for use in the same neighborhood, and establishing affordability requirements in new developments that are based on local neighborhood income needs.

5. Equity impacts should be central to the policy debate about development and neighborhood change. This can be achieved by requiring community health impact analyses for all new development projects above a certain threshold. These analyses should address impacts for

longtime residents and trigger mitigations for potential displacement.

6. All policies would benefit from the below components:
- ▶ **Pro-active enforcement efforts**, including penalties for non-compliance, so that the burden of enforcement does not fall onto vulnerable residents;
 - ▶ **Protections for vulnerable populations**, including policy design features to minimize displacement, rights for residents faced with eviction, just compensation in cases of displacement, right to return if temporary relocation is required, and access to information about rights and opportunities;
 - ▶ **Mechanisms to trigger relocation funding**, particularly for policies that aim to minimize loss of affordable housing and mitigate displacement impacts; and
 - ▶ **Dedicated staff and funding for enforcement**, which can be supported by local, regional, state, and federal funding sources.

For a more detailed discussion of our policy findings and recommendations, see page 55.



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