Walking the Tightrope: Development without Displacement

• Calvin Gladney, President and CEO, Smart Growth America (Moderator)
• Gloria Bruce, Executive Director, East Bay Housing Organizations (EBHO)
• Karen Chapple, Professor of City and Regional Planning, UC Berkeley, Urban Displacement Project
• Lydia Tan, Managing Director, Real Estate, Oakland Athletics
How did we get here?

Urban Land Institute San Francisco
Housing the Bay Summit
May 10, 2019 San Francisco, California

Presentation by Calvin Gladney, @SmartGrowthCEO
"We envision a country where no matter where you live, or who you are, you can enjoy living in a place that is healthy, prosperous, and resilient."
“This is your last chance ... After this, there is no turning back. You take the blue pill - the story ends, you wake up in your bed, and believe whatever you want to believe.

You take the red pill, ... you stay in Wonderland, and I show you, how deep the rabbit-hole goes.”

~ Morpheus' Warning To Neo. (From The Film: “The Matrix”)

Displacement
Reality Check
Who’s to blame?
Opportunity Zones Ranked by Social Equity and Smart Growth Investment Potential

<table>
<thead>
<tr>
<th>Social Equity</th>
<th>Smart Growth Investment Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>HIGH INVESTMENT POTENTIAL</td>
</tr>
<tr>
<td>HIGH</td>
<td>LOW INVESTMENT POTENTIAL</td>
</tr>
<tr>
<td>LOW</td>
<td>HIGH INVESTMENT POTENTIAL</td>
</tr>
<tr>
<td>LOW</td>
<td>LOW INVESTMENT POTENTIAL</td>
</tr>
</tbody>
</table>
Less than 2% of Opportunity Zones Are At Risk of Increased Displacement
How Did We Get Here?
LOOK!  

LOOK At These Homes NOW!  
An entire block ruined by negro invasion. Every house marked "X" now occupied by negroes. ACTUAL PHOTOGRAPH OF 4300 WEST BELLE PLACE.  
SAVE YOUR HOME! VOTE FOR SEGREGATION!
This editorial cartoon endorsed the increased use of zoning to stop “the blight bug” and protect residential communities. The zoning was misused to bar non-white residents from moving into most neighborhoods in urban areas.

Source: St. Louis Post-Dispatch
• Milpitas
• Santa Clara
• Mountain View

• Re-Zoning
• Sewer Fees
• Unions
LAND USE RULES

The Fight for Public Housing
Home Owner's Loan Corporation (HOLC) 1937 Map with Overlay of Neighborhoods in the City of Baltimore, Maryland

Legend
- Red: City Boundary
- Blue: Baltimore City Neighborhoods 2010

Source: City Data, City of Baltimore, Maryland. Map credit: Baltimore City Planning Commission.
The Transportation Decisions
OVERTOWN NEIGHBORHOOD
Miami, Florida
Precedents and Other Causes of Displacement

- Anti-Integration and Pro-Segregation Zoning Policy
- Federal Public Housing Rules
- Mortgage Insurance Rules & Local Real Estate Agent Bias
- Federal and Local Transportation Investments
- Non-Profits
- Philanthropy
- Local Government Policymakers
Development without Displacement

Karen Chapple
Professor of City & Regional Planning
University of California, Berkeley
Gentrification and displacement:

- Residential
- Commercial
- Industrial

http://www.urbandisplacement.org
Gentrification typology maps (1990 – 2015)

- Purple = Low-income
- Orange = Moderate/High-income

urbandisplacement.org
Examining Opportunity Zones

515 census tracts designated as Opportunity Zones
• 23% in gentrifying neighborhoods
• 30% are in areas susceptible to gentrification and/or displacement

In the SF Bay Area, 80% of OZs are in gentrifying or vulnerable areas
Rising Housing Costs and Re-Segregation in the San Francisco Bay Area

Map 10. Changing Landscape of Segregation and Poverty in San Francisco, the Peninsula, and Alameda County

Tract was Segregated and High-Poverty in:
- Both 2000 and 2015
- 2000 only
- 2015 only
How does new housing supply filter down?

- 1.5% of market-rate units filter per year, but rents decline only 0.3% (Rosenthal 2014)
- If units built for median income households:
  - 15 years to filter down to households @80% of median
  - 50 years to filter down to households @50% of median
- In the short term, market-rate development brings higher rents
Subsidized housing is twice as effective as market-rate at stemming displacement (but requires more subsidies!)
Housing Production and Neighborhood Change in SF
Upzoning Under SB 50: The Influence of Local Conditions on the Potential for New Supply

Figure 1: Residually-Zoned Areas within Station Neighborhoods

Figure 2B: Acreage by Parcel by Size

Renter-occupied housing
Available for FREE download at www.mitpress.edu