

Policies for Community Investment Without Displacement

Elizabeth Van Horn, Master of Urban and Environmental Planning Applied Project

Gentrification

Neighborhood change where a previously low-income neighborhood experiences reinvestment and revitalization, accompanied by increasing home values and/or rents. **Gentrification can be good or bad for a neighborhood, depending on who benefits.**

- Pollack et al. 2010

Displacement

Forced or responsive household relocation following, or in anticipation of, investment in transit and urban cores.

- Adapted from Zuk et al. 2018

PROJECT PURPOSE: To document and determine the legality for policies the Arizona Legislature and local governments can use to address the primary outcome of gentrification—displacement.

METHODS:

- Literature and policy review
- Arizona Revised State Statutes Review
- 21 expert interviews
- These methods informed the policy feasibility rankings

Feasibility Rankings for Anti-Displacement Policies

Ranking	In AZ?	Could be?
1	Y	—
2	N	Y
3	N	M
4	N	N
5	N	N

FINDINGS: Of the 74 policies reviewed, 42 policies have no significant legal barriers. Interviewees felt advocates and stakeholders should focus on creating long-term, stable funding sources and strengthening tenant protections. The table below illustrates the breadth of policies captured and highlights some of the most relevant and impactful policies.

Policy	Rank	Description
Legalization of ADUs	1	Accessory dwelling units (ADUs) can be attached or detached; they can increase density in single-family neighborhoods while preserving neighborhood character and allowing homeowners to earn extra income from the unit. Challenge: Use of ADUs as Airbnbs.
Surplus Land Policy	1	Operationalizes the principle that public land should serve a wider social benefit (ex: use profits from the land sale to develop affordable housing or develop affordable housing on public land). ^{3,4}
NOAH Impact Fund	1	Some properties, due to location, condition, age, etc. are a more naturally occurring affordable housing (NOAH) option; public and private entities create a fund to finance the purchase of NOAH units at-risk of speculation for the shared goal of preserving affordability long term. ³
Low/Limited Equity Housing Cooperative	2	Democratically governed and owned residential or mixed-use housing developments, governed and owned by a tenants' union or community-led organization, members can sell and earn a limited amount of equity from the sale to maintain building affordability. ⁵
Public-Private Below Market Debt Funds	2	"Revolving" funds that blend public, private, and philanthropic dollars to create grants or low-interest loans developers can access to purchase/preserve existing affordable housing. ³
Community Benefits Agreement (CBA)	3	CBAs are project-specific agreements negotiated and agreed upon by the developer and the broader community to increase community buy-in and address community needs. ⁶
90-Day Notice of Lease Non-Renewal	3	Requires landlords to give tenants 90 days' notice of intention to evict a tenant without a cause, raise rents more than 5%, or not to renew a lease. ⁷
Community Impact Analysis	3	Require developers to conduct a community impact analysis for all proposed developments, zoning changes, infrastructure projects, or public investments to determine the impacts on the community and the affordable housing stock. ³
Tax Increment Financing (TIF)	5	TIF enables development to partially pay for itself by capturing increasing tax revenue from improvements in the TIF district and using it to fund future development efforts in the district. ^{6,8}
Mandatory Inclusionary Zoning	5	Requires developers to include a percentage of affordable units in all new market rate developments; the zone this applies to, percentage of units, and affordability rate are all flexible and localities can craft the policy to suit the needs of the area. ⁹

Policies for Community Investment Without Displacement

Elizabeth Van Horn, Master of Urban and Environmental Planning Applied Project

FEASIBILITY RANKINGS EXPLAINED

The legal designations included with each policy first answer yes (Y) or no (N) to the question “does this policy exist in Arizona?” (In AZ?). The second question is: could this policy exist in Arizona? (Could be?). Question two is answered using either yes (Y), no (N), or maybe (M). When research and interviews failed to yield a definitive answer to question two, the policy was designated as a maybe.

The table below shows how political feasibility rankings were determined and what those feasibility rankings mean, where a 1 indicates the most feasible and a 5 indicates the least feasible. Policies were not always assigned the corresponding ranking based on the answers to questions one and two. Based on research and interviews, rankings were modified for policies determined to be easier or harder to implement than the predetermined rankings created from questions one and two indicate. These rankings were modified to account for political will, trends in affordable housing, and the idiosyncrasies of the Arizona housing market.

Feasibility Rankings for Anti-Displacement Policies

Ranking	In AZ?	Could be?	Explanation
1	Y	—	Yes, this policy already exists in Arizona and could easily be improved or maintained.
2	N	Y	No, this policy does not exist in Arizona, but it legally could be implemented under state law.
3	N	M	No, this policy does not exist in Arizona and it is not clear whether it can be implemented under state law.
4	N	N	No, this policy does not exist in Arizona and state law prohibits localities from implementing it. However, there is growing political support to overturn or change the law.
5	N	N	No, this policy does not exist in Arizona and state law prohibits localities from implementing it. The political support necessary to overturn or change the law does not exist or is unknown.

REFERENCES

- ¹ Pollack, S., Bluestone, B., & Billingham, C. (2010). Maintaining diversity in America’s transit-rich neighborhoods: Tools for equitable neighborhood change. *New England Community Developments*, 2010(1), 1-6.
- ² Zuk, M., Bierbaum, A. H., Chapple, K., Gorska, K., & Loukaitou-Sideris, A. (2018). Gentrification, displacement, and the role of public investment. *Journal of Planning Literature*, 33(1), 31-44.
- ³ Way, H., Mueller, E., & Wegmann, J. (2018) Uprooted: Residential displacement in Austin’s gentrifying neighborhoods and what can be done about it. *The University of Texas at Austin*.
- ⁴ Graham-Croner, S. (2017). Housing policy and belonging in Richmond. *Othring and Belonging Institute at University of California Berkeley*.
- ⁵ Green, J. (2018). Limited equity housing cooperative. *The Next System Project*.
- ⁶ Pollack, S., Bluestone, B., & Billingham, C. (2010). Maintaining diversity in America’s transit-rich neighborhoods: Tools for equitable neighborhood change. *Dukakis Center for Urban and Regional Policy at Northeastern University*.
- ⁷ Goldstein, E. & Dulchin, B. (2018). Anti-displacement policy toolkit. *Association for Neighborhood and Housing Development*.
- ⁸ Great Communities Collaborative (GCC). (2007). Preventing displacement policy fact sheet.
- ⁹ All-In Cities (2019). All-In Cities Policy Toolkit. *PolicyLink*.