Part 6: The Toolbox

Strategies and Policies Available to Texas Communities for Addressing the Displacement of Vulnerable Residents in Gentrifying Neighborhoods

Introduction

This section of the toolkit provides an overview of a diverse set of strategies and policies for addressing the displacement of vulnerable residents in gentrifying neighborhoods. The discussion of each strategy and policy is guided by the following 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 low-income residents to live in the community. Residents have a meaningful role in shaping the future of their neighborhood.

The strategies and policies are organized around a set of six overarching goals (see below). This organizational framework provides a reference point for understanding how certain strategies and policies further different displacement mitigation goals, while not furthering others. The framework also highlights how one type of strategy might advance one goal while actually undermining another. For example, lowering property taxes for homeowners would help low-income homeowners remain in their homes, but also shift more of the property tax burden to landlords, potentially contributing to increased rents and hurting a city’s vulnerable renters.

**Goals for addressing displacement in gentrifying neighborhoods**

1. Vulnerable renters in gentrifying neighborhoods are **not displaced** from their current homes and neighborhoods.

2. Vulnerable homeowners in gentrifying neighborhoods are **not displaced** from their current homes and neighborhoods.

3. The **existing affordable housing stock** (subsidized and non-subsidized) in gentrifying neighborhoods is **preserved** so that the units are in good condition while remaining affordable to low-income residents.

4. City planning and land use decisions incorporate **inclusive** and **equitable** anti-displacement strategies, and low-income persons and communities of color are empowered to participate early and meaningfully in land use decisions that shape their homes, neighborhoods, and communities.

5. **New affordable housing options are created** to serve current and future vulnerable households in gentrifying neighborhoods.

6. Vulnerable residents are able to **remain in or return** to their communities by accessing the new affordable housing opportunities in their neighborhoods.
### Goal 1: Vulnerable renters in gentrifying neighborhoods are not displaced from their current homes and neighborhoods

<table>
<thead>
<tr>
<th>Strategy</th>
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</table>
| 1a. Provide direct financial relief to vulnerable renters who are at risk of being displaced from their homes in gentrifying neighborhoods. | Local funding for emergency rental assistance  
Neighborhood stabilization voucher program |
| 1b. Increase city legal protections for renters to reduce evictions and other forms of displacement in gentrifying neighborhoods. | Mandatory tenant protections in rental properties receiving city support  
Expansion of legal and mediation support for tenants facing eviction  
Anti-retaliation ordinance and anti-harassment protections for tenants  
Eviction notification ordinance |
| 1c. Assist renters who have been displaced with relocating in their neighborhoods. | Tenant relocation ordinance |
| 1d. Support tenant acquisitions of their apartment units. | Tenant right-to-purchase program |
| 1e. Support tenants to be active participants in advocating for and implementing displacement mitigation strategies. | Financial support for tenant organizing and tenant engagement  
Tenant right-to-organize ordinance |

### Goal 2: Vulnerable homeowners in gentrifying neighborhoods are not displaced from their current homes and neighborhoods

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| 2a. Lower the property tax burdens for vulnerable homeowners. | Homestead Preservation Centers  
Homestead exemption enrollment program  
Expand notice of property tax deferral rights  
Emergency homestead stabilization fund  
Neighborhood stabilization loan program  
Tax abatement program for homeowners  
Market segmentation  
Senior volunteer tax break |
| 2b. Assist vulnerable homeowners in gentrifying neighborhoods with repairs to their homes. | Create and expand home repair assistance programs |
| 2c. Assist low-income homeowners with accessing the equity in their home through non-predatory products. | Enhanced fair lending education and enforcement  
Community homeownership loan fund |
| 2d. Increase the ability of vulnerable homeowners to generate income from their homes and lots through the creation of accessory dwelling units. | Support the construction of external accessory dwelling units  
Reform land use ordinances to allow for the creation of internal accessory dwelling units |
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| 2e. Support the preservation of mobile home parks and ability of mobile home park residents stay in their communities. | Comprehensive mobile home park preservation program  
Advanced notice of sale or change of use for mobile home parks  
Relocation assistance fee for mobile home park displacement  
Designate new sites for mobile home zoning  
Extend mobile home zoning to all mobile home parks |

**Goal 3:** The existing affordable housing stock (subsidized and non-subsidized) in gentrifying neighborhoods is preserved so that the units are in good condition while remaining affordable to low-income residents.

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| 3a. Create programs and policies for proactively identifying, monitoring, and preserving at-risk affordable multifamily rental properties in gentrifying neighborhoods. | Affordable housing preservation officer  
Affordable housing preservation network  
Database to track at-risk properties  
Notice requirements  
Right-to-purchase ordinance  
Rental registration and proactive inspection program  
Small site acquisition program |
| 3b. Enact land use restrictions that disincentivize redevelopment and demolitions of current affordable homes in gentrifying neighborhoods. | Neighborhood stabilization overlay  
Residential infill project  
Deconstruction ordinance |
| 3c. Create preservation funds to provide private and public capital targeted towards acquiring and rehabilitating at-risk apartments. | Public-private strike funds |
| 3d. Utilize property tax relief to promote preservation of rental properties. | Property tax abatement program  
Property tax exemptions via publicly-owned land |

**Goal 4:** City planning and land use decisions incorporate inclusive and equitable anti-displacement strategies, and low-income persons and communities of color are empowered to participate early and meaningfully in land use decisions that shape their homes, neighborhoods, and communities.

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| 4a. Create and support planning processes that incorporate a focus on mitigating displacement, with ongoing input and oversight by impacted residents. | Community-driven, neighborhood-scale displacement mitigation plans  
Community impact analyses |
| 4b. Strengthen vulnerable residents’ ability to have a voice and active role in the development of their neighborhoods. | Invest in community organizing  
Community engagement plan requirements |
4c. Increase resident and community ownership of land.

Capacity building support and incubation of neighborhood-centered community development corporations

4d. Reduce barriers to participating in planning and land use decisions impacting gentrifying neighborhoods and utilize effective community engagement tools to elevate community voices.

Comprehensive community engagement strategy

**Goal 5: New affordable housing options are created to serve current and future vulnerable households in gentrifying neighborhoods**

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<tr>
<td>5a. Intervene early to acquire control of land in strategic locations of gentrifying neighborhoods.</td>
<td>Acquisition and land banking of property for future affordable housing development</td>
</tr>
<tr>
<td>5b. Dedicate surplus public land to affordable housing development.</td>
<td>Public land for affordable housing policy</td>
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<tr>
<td>5c. Leverage the power of hot real estate markets in middle- and late-stage gentrifying areas to create affordable housing.</td>
<td>Adoption and expansion of density bonus programs</td>
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<td>5d. Retain city and community ownership of land to ensure permanent affordability of housing units for future generations of residents.</td>
<td>Community land trusts</td>
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<td>5e. Require longer affordability terms in new affordable multifamily properties.</td>
<td>Require longer affordability terms for new LIHTC properties</td>
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**Goal 6: Vulnerable residents are able to remain in or return to their communities by accessing the new affordable housing opportunities in their neighborhoods**

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<td>6a. Give displaced residents and residents at risk of displacement higher priority on waiting lists for affordable housing programs in their neighborhood.</td>
<td>Community preference policy</td>
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<tr>
<td>6b. Improve vulnerable residents’ access to information about affordable housing opportunities and streamline the application process.</td>
<td>Single-entry, online affordable housing application portal</td>
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Vulnerable renters in gentrifying neighborhoods are not displaced from their current homes and neighborhoods

Renters in gentrifying neighborhoods face recurring rent increases and other displacement pressures as existing rental housing is torn down to make way for higher-end development. The most vulnerable groups of renters (e.g., low-income renters, persons of color, and families with children in poverty) are at the highest risk of displacement. The following is a summary of strategies and policy tools that can be used by Texas cities in gentrifying neighborhoods to help low-income renters stay in their current homes and neighborhoods, with a focus on direct financial legal assistance, legal protections, and other types of support. Additional strategies related to renters are discussed under Goal #3, related to preserving Texas cities’ existing affordable housing stock for low-income residents.

Strategy 1a: Provide direct financial relief to vulnerable renters who are at risk of being displaced from their homes in gentrifying neighborhoods.

Policy Tools:

• Local funding for emergency rental assistance

Emergency rental assistance programs provide short-term direct relief to residents facing an immediate threat of eviction from their rental homes in gentrifying neighborhoods. These programs could be structured to target renters in gentrifying neighborhoods.

Examples: Austin (Travis County Family Support Services); Seattle (Rental Housing Assistance Program); New York City (One-Shot Deal Program and Homeless Diversion Unit).

Considerations: Helps vulnerable families weather a financial crisis and reduces homelessness. Short-term solution not directed towards helping families who need longer-term assistance to remain in their homes.

• Neighborhood stabilization voucher program

A neighborhood stabilization voucher program can provide longer-term relief to renters facing displacement in targeted gentrifying neighborhoods by funding the gap between market rate rents and what a low-income renter can afford. By using local dollars, a voucher program acts as a supplement to federal Housing Choice Vouchers (commonly referred to as “Section 8”), which are in short supply relative to need and not targeted to particular neighborhoods. Programs can target residents whose properties are exiting affordable housing programs, who are unable to pay their current rent, or who are living in unsafe conditions and need to move to another property. The program can be tenant-based as well as property-based.
Strategy 1b: Increase city legal protections for renters to reduce evictions and other forms of displacement in gentrifying neighborhoods.

Tenants in Texas have very limited rights, but there are a number of measures that cities can adopt to enhance their rights, which would help reduce the displacement of renters living in complexes with substandard conditions, rising rents, or undergoing redevelopment. Tenant protections, such as a right to organize and stronger retaliation protections, are critical for tenants who want to advocate against rent increases and zoning changes that would facilitate redevelopment of their property, who are seeking to purchase their property through a right-to-purchase program, and who want to ensure a right to return to any new development.

**Policy Tools:**

- **Mandatory tenant protections in rental properties receiving city support**

  Texas cities can require properties receiving city support—such as city subsidies and property tax abatements, new zoning entitlements, and approval of federal Low Income Housing Tax Credit and tax-exempt bond projects—to provide a designated set of robust protections for tenants. Tenant protections could include: (1) organizing protections, (2) opportunities to cure alleged lease violations, (3) rights of first refusal to purchase, (4) longer advanced notice of rent increases, (5) lease renewal protections (i.e., barring lease non-renewals without just cause), and (6) caps on rent increases.

  **Examples:** The City of Austin requires rental housing developers seeking city funding to provide, via a deed restriction, additional protections for tenants, such as good cause protections for lease non-renewal and right to cure.

  **Considerations:** Tenant protections are most effective when backed with funding for monitoring and enforcing violations.

- **Anti-retaliation ordinance and anti-harassment protections for tenants**

  Tenants who speak out against rent increases and living conditions in their housing units risk retaliation from their landlords, including non-renewals of leases. Anti-retaliation and anti-harassment protections are critical for tenant advocacy groups as they work to help tenants address substandard housing conditions and receive fair treatment from their landlords. Dallas has its own anti-retaliation ordinance, but tenant advocates report that the ordinance is weak, hard to enforce, and needs to be strengthened.

  **Examples:** Dallas (Tenant Anti-Retaliation Ordinance); Oakland (Tenant Protection Ordinance); San Jose (Tenant Protection Ordinance).

  **Considerations:** Tenant protections are most effective when backed with funding for monitoring and enforcing violations. In Texas, enforcement remedies are very limited.
• Expansion of legal and mediation support for tenants facing eviction

Research shows that providing legal support to tenants in eviction proceedings dramatically reduces the number of evictions and thus also reduces the negative impacts to both families and communities that result from evictions. These impacts include shelter costs associated with homelessness and the harm to students and school districts of moving students to new campuses. Using D.C.’s Office of Tenant Advocate (OTA) and New York City’s eviction defense programs as a guide, Texas cities could fund similar programs locally to provide legal support for vulnerable tenants in gentrifying neighborhoods as well as other areas of the city. D.C.’s OTA receives more than $4 million in annual city funding. OTA’s four staff attorneys provide legal assistance to tenants and tenants associations and intervene in judicial cases impacting tenants’ rights.

Examples: Washington, D.C. (Office of Tenant Advocate), New York City (Universal Access to Legal Counsel Program), Boston (Office of Housing Stability), San Francisco (Proposition F—right to counsel in evictions referendum), Newark (Right to Counsel in Evictions). See the National Coalition for a Right to Civil Counsel for a list of cities and states supporting a legal right to counsel in evictions.

Considerations: Systematizes and strengthens what is at present an incomplete and underfunded network of advocates for renters. Would help redress the under-representation of renter populations in city policies. The long-term viability of an eviction support program would require an on-going commitment of general funds.

• Eviction notification ordinance

Under an eviction notification ordinance, landlords would be required to notify the city when they intend to evict a large number of tenants or not renew their leases. A notification requirement would improve the ability of cities, tenant associations, tenant advocacy groups, and social service providers to assist the tenants and intervene in mass-displacement actions as well as reduce impacts on schools.

Strategy #1c: Assist renters who have been displaced with relocating in their neighborhoods.

Policy Tools:

• Tenant relocation ordinance

Tenant relocation ordinances provide support for renters, such as financial assistance and counseling, when they are displaced from apartments undergoing redevelopment or demolition. Programs range in scope and structure. Many cities require developers to pay financial assistance to renters who are displaced, with some cities paying for the assistance. Cities may provide special relocation protections for residents of mobile home parks, given the cost and time it takes to move a mobile home. Austin’s tenant relocation ordinance requires that developers provide 180-day notice to residents of apartments before filing a demolition permit or commercial building application. The notice requirement for residents of mobile homes parks is 270 days and is also triggered by rezoning applications. Austin also has—on paper at least—a tenant relocation assistance program
Considerations: Assessing a fee on developers to fund relocation assistance requires a nexus study. The provision of intensive relocation counseling, which helps tenants navigate the rental market, negotiate with new landlords, and access housing in their neighborhood and school attendance zone, can be just as important as financial assistance in helping tenants relocate.

Examples: Austin (Tenant Relocation Program); Boston (Condominium Cooperative Ordinance); Chicago (Protecting Tenants in Foreclosed Rental Property Ordinance, Condominium Conversion Ordinance); Seattle (Tenant Relocation Assistance Ordinance); Portland (Mandatory Renter Relocation Assistance Ordinance), Palo Alto (Rental Housing Stabilization Ordinance); San Antonio (Risk Mitigation Policy).

Strategy #1d: Support tenant acquisitions of their apartment units.

Policy Tools:

- Tenant right-to-purchase program

When structured appropriately, tenant right-to-purchase programs can be a powerful tool for minimizing resident displacement while helping create rare low- and moderate-income homeownership opportunities in gentrifying neighborhoods. Washington, D.C.’s Tenant Opportunity to Purchase Act is a key element in the most successful tenant purchase program in the country. The Act provides tenant associations in multifamily properties or a tenant-designated nonprofit with a right of first refusal to purchase their apartment complex if it is ever sold. As the D.C. model has shown, to be effective, a right to purchase needs to be paired with significant financial support for the acquisitions, technical assistance, and capacity building support for preservation nonprofits. Many subsidized housing programs already come with a right of first refusal for tenants but are rarely used because of the lack of funding and technical assistance for the purchases.

Examples: Washington, D.C. (Tenant Opportunity to Purchase Program) and other supporting programs.

Considerations: A right-to-purchase program could be applied citywide or only to subsidized properties. If extended to private properties, a tenant right-to-purchase ordinance would likely attract hostile action from the Texas Legislature. In Washington, D.C., scattered cases of tenants gaming the system to their advantage (e.g., by selling their right to purchase) have been widely publicized and undermined support for an otherwise very helpful ordinance.
Strategy #1e: Support tenants to be active participants in advocating for and implementing displacement mitigation strategies.

**Policy Tools:**

- **Financial support for tenant organizing and tenant engagement**

Before a displacement event occurs, renters need to know their rights and options and need organizing support so they can effectively advocate for their interests. Tenant organizing is also critical to the effectiveness of a tenant right-to-purchase program. Cities can invest in tenant organizing and support tenants in acquiring their units and in other advocacy actions to mitigate displacement. The City of Austin provides annual funding out of its code enforcement budget for Building and Strengthening Tenant Action (BASTA), a local nonprofit initiative that educates tenants about their rights, helps tenants form tenant associations and engage in a variety of advocacy actions to address unsafe living conditions, and represents tenants in landlord retaliation actions.

**Examples:** Austin ([Building and Strengthening Tenant Action](#)); Washington, D.C.  

**Considerations:** Requires on-going funding for long-term effectiveness.

- **Tenant right-to-organize ordinance**

A right-to-organize ordinance provides tenants with critical protections needed to organize as a tenant association and work together to advocate for improved living conditions, exercise a right to purchase, and otherwise mitigate displacement. While [some federal housing programs](#) provide tenants with a right to organize, such as Project-Based Section 8 and Public Housing, these protections do not extend to non-subsidized housing developments or the largest subsidized housing program: the Low Income Housing Tax Credit Program.

**Examples:** Washington, D.C. ([Tenant Right to Organize Act](#)); East Palo Alto ([Tenants’ right to organize ordinance](#))
Vulnerable homeowners in gentrifying neighborhoods are not displaced from their current homes and neighborhoods

As a neighborhood gentrifies, low-income homeowners face mounting financial pressures in the form of recurring property tax increases and, as a consequence, inability to cover other housing expenses, such as repairs. Homeowners who are the most vulnerable to displacement are those with the lowest incomes living in the most rapidly appreciating neighborhoods. While constitutionally-mandated tax savings are available via various homestead exemption policies, low-income homeowners who qualify for these exemptions may not have an exemption in place.

The following are strategies and tools that can be adopted by Texas cities in gentrifying neighborhoods to help vulnerable homeowners who want to stay in their current homes—with a focus on increasing these homeowners’ access to homestead exemptions and other tax relief tools available in Texas, providing direct financial relief, helping owners access the equity in their homes, and assisting mobile home owners with acquiring their mobile home communities.

Strategy #2a: Lower the property tax burdens for vulnerable homeowners.

Texas law heavily restricts what Texas cities can do to provide property tax relief for struggling homeowners, but there are still a number of useful policies they can enact. The following tools have a more equitable and softer fiscal impact on cities compared to many other tax relief tools available to Texas cities. Two of the most popular tax relief tools—expansion of the general homestead exemption (which must be set at a percentage versus flat dollar amount) and tax freezes for seniors—support wealthier homeowners much more than lower-income homeowners and shift the property tax burden onto renters, who are typically lower-income and more likely to be from communities of color compared to homeowners.

Policy Tools:

- Homestead Preservation Centers

By creating and funding Homestead Preservation Centers within gentrifying neighborhoods, Texas cities could support community education about homestead exemptions and other property rights and responsibilities that come with homeownership, targeting services towards vulnerable households who do not have an exemption or are delinquent on their taxes or mortgages. These centers could be operated by cities or through partnerships with a nonprofit or university. Centers could also conduct proactive outreach to help vulnerable owners negotiate payment plans with the tax collector and mortgage modifications with their lenders. Another need that centers could fill is the provision of legal assistance to help eligible owners qualify for homestead exemptions. In particular, heirs-property owners (homeowners who have inherited their homes without a will) often need legal assistance, such as the preparation of affidavits of heirship, to qualify for an exemption.
**Considerations:** Relatively low-cost solution to help vulnerable homeowners save hundreds of dollars in property taxes and stay in their homes by accessing constitutionally-mandated exemptions. Cities are able to tailor assistance to low-income homeowners in gentrifying neighborhoods.

**Homestead exemption enrollment program**

Short of creating a Homestead Preservation Center, Texas cities could provide funding to community-based nonprofits to conduct in-person outreach to homeowners without a tax exemption and provide on-the-spot assistance to sign homeowners up for the homestead exemptions they qualify for. In Austin several years ago, a successful partnership between the nonprofit, grassroots organization PODER and the Travis Central Appraisal District provided targeted, door-to-door outreach to assist homeowners with applying for homestead exemptions.

**Considerations:** Low-cost program that would lower the property tax burden of vulnerable homeowners and help them stay in their homes.

**Expand notice of property tax deferral rights**

Seniors, persons with disabilities, and disabled veteran homeowners are eligible to defer part or all of their property taxes until they die or move, with an interest of five percent on the taxes owed. In contrast, homeowners who do not defer and fail to pay their property taxes are subject to interest and penalties of 24 percent and can lose their home to foreclosure. Because many vulnerable homeowners who are eligible for a deferral are unaware of their deferral rights under state law, Texas cities could partner with the county tax assessor to provide targeted notices about the property tax deferral option and make the notices more accessible to homeowners who are not fluent in English. Providing door-to-door outreach to homeowners by trusted community members would likely have the greatest impact in informing tax delinquent homeowners about the financial benefits of enrolling in the deferral program rather than paying late penalties and interest for delinquent payments.

**Considerations:** Low-cost policy that would save vulnerable homeowners up to thousands of dollars a year and help them stay in their homes.

**Emergency homestead stabilization fund**

An emergency homestead stabilization fund set up and funded by Texas cities could provide short-term property tax and mortgage assistance to low-income, cost-burdened homeowners at risk of losing their homes because of a financial crisis. The assistance could be provided through a Homestead Preservation Center or another nonprofit, and could be coupled with financial coaching and other assistance to help stabilize families experiencing a financial crisis.

**Examples:** Seattle ([Foreclosure Prevention Loan Pilot Program](#)); Milwaukee ([Milwaukee Property Tax Rescue Assistance Program](#)); State of Florida ([Elderly Mortgage Assistance Program](#)); Atlanta ([Westside Community Retention Collaborative](#))—grants to homeowners in a gentrifying neighborhood to cover increases in property taxes); Michigan ([Step Forward Michigan](#))—mortgage and property tax assistance); Charlotte ([NC Foreclosure Prevention Fund](#)—interest-free loans of up to $36,000).

**Considerations:** Helps families hold onto their homes during a short-term financial crisis. Does not provide long-term relief for vulnerable families unable to afford on-going tax increases or make their mortgage payments.
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Considerations:

Administrative burden to process applications and enter into agreements with homeowners; homeowners with abatements in gentrifying areas will likely be hit with a sharp increase in property taxes when the abatement agreement expires.

Through a neighborhood stabilization loan program, cities could generate permanently income-restricted affordable housing units for a relatively low cost compared to building new units. Longer-term and forgivable loan terms carry a larger financial burden for the city.

Examples:

Fort Worth; Philadelphia; Portland (new homes only); Waco.

Considerations:

Administrative burden to process applications and enter into agreements with homeowners; homeowners with abatements in gentrifying areas will likely be hit with a sharp increase in property taxes when the abatement agreement expires.

The Texas Tax Code provides multiple mechanisms by which a city can grant tax abatements of up to ten years to homeowners and other property owners in a “Reinvestment Zone.” With a tax abatement, cities abate (i.e., waive) their property taxes on the increase in the appraised value of a property. A city can provide a partial or full abatement and must adopt guidelines and criteria for awarding the abatements in a Reinvestment Zone. A city can tailor the abatements to serve the most vulnerable homeowners in gentrifying neighborhoods, such as by pairing abatements with low-income persons participating in a city home repair program, as long as the area meets the definition of a Reinvestment Zone. Issuing an abatement is contingent on the owner making specific improvements or repairs to the property, but the state statute does not set forth a minimum level of repairs that must be made. Counties and other taxing entities can extend property tax abatements to homeowners by entering into an abatement agreement identical to a city’s agreement. Several Texas cities are using tax abatements for homes (e.g., Fort Worth and Waco), but these are mainly geared towards incentivizing new developments and rehabs versus helping current homeowners stay in their homes.

Considerations:

Texas cities could create a neighborhood stabilization loan program in gentrifying neighborhoods to provide longer-term, low-interest loans to low-income homeowners who are paying more than 30 percent of their income on housing costs. Each loan could be forgivable in exchange for the homeowner agreeing to a longer-term affordability restriction, ensuring that the home would be sold to another low-income owner and remain owner-occupied (this would also generate property tax savings). The program could also provide forgivable loans for low-income residents whose parents have utilized a property tax deferral under state law and, when their parents die, are suddenly faced with a large property tax bill. The loan could be forgivable only to the extent the family member is income-eligible and agrees to remain in the home.

Considerations:

• Neighbörhood stabilization loan program

• Tax abatement program for homeowners

Examples:

Some of the most vulnerable low-income homeowners need longer-term financial assistance to be able to stay in their homes and pay their mounting property taxes. While under state law a household with a homestead exemption is entitled to enter into a property tax payment plan with the tax collector in which interest accrues at 12 percent a year, the plan cannot exceed 36 months, and a homeowner can enter into a new plan only after two years.

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Through a neighborhood stabilization loan program, cities could generate permanently income-restricted affordable housing units for a relatively low cost compared to building new units. Longer-term and forgivable loan terms carry a larger financial burden for the city.

Considerations:

The Texas Tax Code provides multiple mechanisms by which a city can grant tax abatements of up to ten years to homeowners and other property owners in a “Reinvestment Zone.” With a tax abatement, cities abate (i.e., waive) their property taxes on the increase in the appraised value of a property. A city can provide a partial or full abatement and must adopt guidelines and criteria for awarding the abatements in a Reinvestment Zone. A city can tailor the abatements to serve the most vulnerable homeowners in gentrifying neighborhoods, such as by pairing abatements with low-income persons participating in a city home repair program, as long as the area meets the definition of a Reinvestment Zone. Issuing an abatement is contingent on the owner making specific improvements or repairs to the property, but the state statute does not set forth a minimum level of repairs that must be made. Counties and other taxing entities can extend property tax abatements to homeowners by entering into an abatement agreement identical to a city’s agreement. Several Texas cities are using tax abatements for homes (e.g., Fort Worth and Waco), but these are mainly geared towards incentivizing new developments and rehabs versus helping current homeowners stay in their homes.
• Market segmentation

To protect longtime homeowners in gentrifying neighborhoods from becoming property tax burdened, Texas appraisal districts are allowed to categorize and appraise older homes differently from new and remodeled homes. Instead of using comparable sales for all nearby homes to appraise a home’s taxable value, appraisal districts can appraise an older home based on comparable sales of other older homes in the area. A Travis Central Appraisal District pilot program showed that older homes were overvalued by an average of 120 percent without market segmentation, while newer homes were undervalued by an average of 83 percent. Market segmentation helped correct for this, lowering the property tax burden on owners of older homes that have not been remodeled. Market segmentation is a tool used by many appraisal districts in Texas, but it is not as widespread for appraisal districts to use this tool as a means of differentiating between old and new homes.

Examples: Travis Central Appraisal District, State of Indiana.

• Senior volunteer tax break

To help low-income seniors cover their property taxes, Section 11.181 of the Texas Tax Code allows Texas cities and counties to forgive a senior homeowner’s property taxes by the current federal minimum wage ($7.25) for each hour of volunteer work they perform for the city or county. Cities and counties could adopt special volunteer programs targeted towards seniors in gentrifying neighborhoods. In addition to the tax benefits, a volunteer program could provide opportunities for seniors to stay engaged in their community and to connect with other residents.

Considerations: Unavailable for seniors who do not have the capacity to volunteer as a result of a disability, illness, or other barrier.

Strategy #2b: Assist vulnerable homeowners in gentrifying neighborhoods with repairs to their homes.

Rising property taxes mean that low-income homeowners in gentrifying neighborhoods have a harder time paying for repairs to maintain their homes, which in turn puts these homeowners at greater risk of displacement.

Policy Tools:

• Create and expand home repair assistance programs in gentrifying neighborhoods

In many cases, home repairs and modifications, such as ADA-compliant entry ramps or bathrooms, can help residents remain in their homes rather than undergoing disruptive moves. Major home repairs can lead to an increase in property taxes, and thus repair programs in gentrifying neighborhoods would ideally be coupled with a tax abatement program or resale restrictions. While many Texas cities operate home repair programs, these programs are often over-subscribed and none are geographically targeted towards neighborhoods facing gentrification pressures.

Considerations: Repairing existing homes is generally a less expensive method of creating safe, affordable homeowner opportunities than building new affordable homes. Repair programs typically come with less restrictive resale restrictions than programs such as community land trusts and thus do not provide for long-term affordability.
Strategy #2c: Assist low-income homeowners with accessing the equity in their home through non-predatory products.

For lower-income homeowners in rapidly appreciating areas, the equity in their homes is an asset that can be leveraged to assist with property taxes and other costs of living, but many vulnerable homeowners who tap into their equity are targeted by predatory loan products with excessive interest rates and unnecessary fees. African-American and Hispanic homeowners are the biggest victims of predatory lending products. These products jeopardize the ability of homeowners to stay in their homes and deplete the wealth of African-American and Hispanic households. The following tools could be deployed by Texas cities to assist low-income homeowners with accessing the equity in their homes while avoiding predatory products.

Policy Tools:

- Enhanced fair lending education and enforcement

Texas cities rely largely on federal funding for local fair housing enforcement, but with a commitment of local dollars, cities could enhance their efforts to investigate and enforce fair lending laws, shut down discriminatory and predatory lending practices, and expand vulnerable homeowners’ access to safer lending products. The funding could also support financial education to vulnerable homeowners about safe and affordable financial products and help homeowners improve their credit to increase their chances of qualifying for safer lending products.

**Examples:** New York (Fair Housing Justice Center); City of Los Angeles (Housing Rights Center).

**Considerations:** Fair lending legal actions are difficult to litigate and can take years to work their way through the courts. Law firms may be willing to donate pro bono resources towards the enforcement of fair lending laws.

- Community homeownership loan fund

Nonprofit, mission-driven community loan funds play a key role in helping low-income households access safe and affordable financing, including refinancing and home repair loans as well as financial counseling about the lending process. These funds are typically operated by organizations classified as Community Development Financial Institutions (CDFIs) through the U.S. Treasury Department, which in 2013 opened up financing for below-market homeownership through its CDFI Bond Guarantee Program. Nonprofits and CDFIs can act as trusted interlocutors in neighborhoods with a long history of distrust stemming from past actions taken by the city government.

**Examples:** Indianapolis (Indianapolis Neighborhood Housing Partnership); Santa Fe (Homewise); Chicago (Community Loan Fund); Nashville (The Housing Fund).

**Considerations:** Administrative complexity in setting up a CDFI is high.
Strategy #2d: Increase the ability of vulnerable homeowners to generate income from their homes and lots through the creation of accessory dwelling units.

Long-time homeowners in gentrifying neighborhoods are often sitting on a considerable amount of untapped equity in their homes and lots, which will increase over time as property values continue to rise. At the same time, many of these homeowners are empty nesters and no longer need the space they once needed when raising children in their homes. Allowing low-income homeowners to tap into this equity by renting out portions of their homes and lots through the creation of internal and external accessory dwelling units (ADUs) will improve their ability to stay in their homes as property values rise. An ADU is a smaller, second dwelling created on a lot with an existing house. An ADU can be created in a number of ways, such as the construction of a new stand-alone house (external ADU) and a conversion of a portion of the existing house (internal ADU). In many Texas cities, current land use restrictions and financing barriers stand in the way of the creation of ADUs.

**Policy Tools:**

- **Support the construction of external accessory dwelling units**

ADUs provide new housing as well as a potential income stream for homeowners. Regulatory allowance of ADU construction is a key policy tool that Austin, San Antonio, and other cities across the United States have adopted to support the creation of new, more affordable housing options. Even when regulatory barriers for external ADUs are removed, research from other cities, including Seattle and Portland, strongly suggests that, without intervention, very few low- or moderate-income homeowners will build these units. To build an external ADU, lower-income homeowners also need viable financing options as well as technical assistance navigating the complex, intimidating, and risky processes of design, financing, construction, and property management for ADUs. ADU support programs broaden access to the documented benefits of ADUs—extra living space; rental income; the ability to move into a small, modern housing unit while renting out the existing house; etc.—beyond affluent homeowners to low- and moderate-income homeowners.

**Examples:** Austin (Austin Community Design and Development Center, The Alley Flat Initiative); Denver (West Denver Renaissance Collaborative); Portland, Oregon; the State of California passed legislation preventing cities from blocking ADUs.

**Considerations:** May engender political opposition in some areas due to increased unit density. Low- and moderate-income homeowners will need access to affordable financing and technical assistance.

- **Reform land use ordinances to allow for the creation of internal accessory dwelling units**

Internal ADUs generate income for existing homeowners by converting excess space inside a home (a common scenario for empty nester and elderly residents) into a secondary rental unit. While a freestanding ADU can easily cost up to $200,000 or more, many internal ADU projects are feasible for under $50,000. This brings them within reach of far more homeowners. Internal ADUs involve almost negligible changes to the physical look of the home’s exterior and are also likely the cheapest possible way to add a new housing unit to already developed neighborhoods.

**Examples:** Portland, Oregon; Seattle; Santa Cruz, California; San Francisco; Los Angeles; Vancouver, Canada; the State of California passed legislation preventing cities from blocking ADUs (internal and external).

**Considerations:** Existing models in the U.S. that provide large-scale access to ADUs are nonexistent. Would require policy and program innovation and likely a partnership with local nonprofits and financial institutions.
Strategy #2e: Support the preservation of mobile home parks and ability of mobile home park residents to stay in their communities.

Mobile home parks are the largest source of unsubsidized affordable homeownership in the United States and are also home to some of the city’s poorest and most vulnerable residents. While the residents typically own their homes, they rent the land their mobile home sits on. In many Texas cities, mobile home parks have been recently lost or are at high risk of redeveloping. Mobile home households face special challenges when they are displaced as a result of mobile home conversions. Moving a mobile home costs an average of $5,000 to $10,000, and many homes are in such poor condition they cannot be moved. The declining stock of mobile home parks in cities contributes to the difficulties that mobile home owners face in successfully relocating. The following bundle of tools would further the preservation of mobile home parks and reduce the vulnerability of residents living in these frequently overlooked communities.

Policy Tools:

- Comprehensive mobile home park preservation program

Around the country, there are many examples of comprehensive mobile home park preservation programs that incorporate a range of tools to promote the preservation of these affordable housing opportunities. In New Hampshire, for example, residents have purchased over 120 mobile home communities, preserving more than 7,200 homes. Public policies to support resident ownership typically include a right to purchase, funding for resident organizing, legal and technical assistance, and legal protections to allow residents to organize and form resident associations. Fortunately, financing is already available for qualified resident acquisitions of mobile home parks through groups like ROC USA, a national nonprofit social venture with a proven track record of financing resident ownership of mobile home communities. ROC USA has already financed at least one mobile home resident ownership project in Texas (Pasadena Trails). A comprehensive preservation program should include active monitoring of mobile home parks most at risk of redevelopment, which could be led by a city preservation officer or nonprofit preservation network.

Examples: New Hampshire (robust acquisition program); Oregon (Network for Oregon Affordable Housing–comprehensive program including financing, policy reforms, and technical assistance).

Considerations: Purchases by low-income residents may require public subsidy, especially in areas in the later stages of gentrifying; success is more likely with on-going public financial support, including for technical assistance and tenant organizing. Enhanced legal protections—including a right to organize and form resident associations and enhanced protections from retaliation and harassment—improve mobile home park residents’ chances of successfully purchasing their park.
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• **Advanced notice of sale or change of use for mobile home parks**

Texas cities can adopt ordinances requiring mobile home park owners to give advanced notice to the city and tenants before a mobile home park project owner applies for a site plan or change of use permit, applies for rezoning of the property, or puts the property up for sale. These policies increase the ability of the city and tenants to preserve the property and, if the property cannot be preserved, to prepare for potential relocation upon sale of the mobile home park. Several state governments have coupled an advanced notice of sale requirement with a right of first refusal.

**Examples:** Austin (270-day notice required prior to owner applying for a site plan, change of use permit, or rezoning of a mobile home residence district); Florida (right of first refusal; notice at least 45 days before owner sells property); Pennsylvania (good faith negotiation requirements); New York (advanced notice with right of first refusal); New Jersey (advanced notice with right of first refusal); Rhode Island (advanced notice with right of first refusal); Minnesota (advanced notice with right of first refusal); North Carolina (notice of sale to Housing Finance Agency required to be eligible for tax exemption); Washington (notice of sale to state office of manufactured housing, local government, local housing authority, and state housing finance commission within 14 days of advertisement for sale).

• **Relocation assistance fee for mobile home park displacement**

Relocation assistance ordinances require the payment of a relocation fee to mobile home park residents to help cover the costs of relocating in the event a mobile home park is shut down, such as through a rezoning change. Various cities and states have adopted mobile home relocation assistance ordinances. For example, in Maryland, property owners closing mobile home parks are required to pay tenants the equivalent of ten months’ rent. In Minnesota, the Minnesota Housing Finance Agency pays relocation costs of up to $9,000 out of a Manufactured Home Relocation Trust Fund. The City of Austin has adopted a relocation fee requirement and is in the process of setting the fee amount.

**Examples:** Minnesota (up to $14,500 for a multi-section home and $8,000 for a single-section home, or 50% of relocation expenses; $5,000 for single section and $9,000 for multi-section home that can’t be relocated); Washington State (actual moving expenses up to $12,000 for double-wide home and $7,500 for a single-wide home); Delaware (up to $12,000 for a multi-section home and $8,000 for a single section home); Austin (fee under development after nexus study is performed).

**Considerations:** Texas cities should conduct a nexus study before adopting a fee.

• **Designate new sites for mobile home zoning**

When homeowners in mobile home communities are forced out of their communities, they may have little or no alternatives of places to move their mobile homes, especially in cities with few parcels of land zoned for mobile home parks. Designating new sites across a city for mobile home parks would open up opportunities for mobile home residents to remain in the city.

**Considerations:** This policy would likely not result in new mobile home residents being able to stay in gentrifying neighborhoods unless the policy were coupled with subsidies to support city, nonprofit, or tenant acquisition of land for mobile home parks with restricted lease rates that are affordable to lower-income households.
• **Extend mobile home zoning to all mobile home parks**

Some cities’ mobile home parks are not zoned specifically as mobile home parks, making these residences especially vulnerable for redevelopment. Rezoning these areas as mobile home zones or adding an overlay designation prohibiting other types of development would help secure the future of these sites as mobile home parks.

**Examples:** Austin (City Council resolution adopted in 2018 to initiate rezoning process for all mobile home parks not currently zoned mobile home residence district; process expected to be completed by 2020).

**Considerations:** Low-cost regulatory solution to restrict redevelopment of mobile home parks, although staff resources are required to take the properties through the rezoning process; likely opposition from current mobile home park owners.
The existing affordable housing stock (subsidized and non-subsidized) in gentrifying neighborhoods is preserved so that the units are in good condition while remaining affordable to low-income residents.

The most overall cost-effective method of providing affordable housing opportunities in gentrifying neighborhoods is to preserve existing affordable rental housing instead of subsidizing the construction of new affordable housing. Without intervention, many existing subsidized and non-subsidized rental properties will no longer be affordable over the next ten years. In particular, in Texas thousands of units in the Low-Income Housing Tax Credit program—the largest affordable housing program in the country—are at risk of exiting the program and losing their affordable rents without preservation interventions. Other affordable properties are at risk because of deteriorating property conditions, especially aging properties where owners fail to provide improvements and repairs in anticipation of future redevelopment on the site.

**Strategy #3a: Create programs and policies for proactively identifying, monitoring, and preserving at-risk affordable multifamily rental properties in gentrifying neighborhoods.**

The following programs and policies would enhance Texas cities’ ability to identify and monitor affordable multifamily properties that are at risk in gentrifying neighborhoods—either because of expiring affordability restrictions or deteriorating physical condition—and facilitate early interventions to safely preserve them. Some funding mechanisms targeted towards preservation—critical components of any preservation program—are discussed below, while general funding mechanisms for affordable housing are discussed in a separate section of this toolkit. Ideally, the adoption and implementation of these policies would be part of a comprehensive preservation strategy and program. Cities with comprehensive preservation programs include New York City (Proactive Preservation Initiative), Los Angeles (Affordable Housing Preservation Program), and Chicago/Cook County (Preservation Compact).
• Affordable housing preservation officer

An affordable housing preservation officer is a city employee who is tasked with overseeing and coordinating the city’s programming related to the preservation of multifamily affordable housing and mobile home parks, including: (1) implementing a citywide preservation policy, (2) coordinating a preservation network (see the tools below), (3) coordinating preservation interventions, (4) matching apartment owners with preservation-minded buyers, and (5) working with tenants to ensure they are notified and aware of their rights and preservation options.

Example: Washington, D.C.

Considerations: Local funding commitments required to fund the position. Will help Texas cities shift towards a proactive rather than reactive posture regarding affordable rental housing preservation.

• Affordable housing preservation network

Affordable housing preservation networks regularly convene community-based organizations, tenant groups, government agencies, and other stakeholders to identify and monitor at-risk multifamily properties and collaborate on preservation efforts, including engaging with property owners. Around the country, preservation networks have played a key role in the preservation of affordable housing at the local and state levels—tracking cities’ inventory of at-risk housing and mobilizing and coordinating preservation interventions among a variety of stakeholders.

Examples: Washington, D.C. (Housing Preservation Network); Colorado (Housing Preservation Network); Chicago/Cook County (Preservation Compact); Chicago (Chicago Rehab Network).

Considerations: On-going funding needed to hire staff or out source the coordination of the network through a nonprofit organization. Funders would likely be interested in providing seed funding for this work.

• Database to track at-risk properties

An effective affordable housing preservation program is impossible without an inventory of affordable properties that are at risk of displacing tenants. Preservation databases track at-risk properties by incorporating detailed information about properties’ expiring subsidies, habitability and code violations, and other indicators of vulnerability by gathering information from on-the-ground resources, including preservation stakeholders. A comprehensive database can focus not only on properties with expiring subsidies but also those in disrepair and otherwise at risk of displacing low-income renters.

Examples: Washington, D.C. (DC Preservation Catalog); Colorado (Housing Preservation Network); Chicago (Chicago Rehab Network Preservation Database); New York City (Proactive Preservation Initiative).

Considerations: Costs associated with maintaining and updating the database, although funders would likely be interested in providing seed funding to get a database off the ground.
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• Notice requirements

Notice ordinances require a subsidized affordable property owner to provide cities and tenants with advance notice when the owner intends to sell the property or convert the property to market-rate rents. Notice requirements provide cities with the time to formulate a strategy to minimize the impact of the property’s conversion, such as securing financing to purchase the units, locating alternative housing for tenants, and coordinating with the local school district regarding changes in school enrollment.

Most affordable housing subsidy programs, including the federal Low-Income Housing Tax Credit (LIHTC) program, have a notice requirement, but notice is typically only required for the tenants and not the city. And for some LIHTC properties exiting the program, the notice requirement for tenants ends 30 years after the property came online, even if the property committed to a longer affordability term with the state. Several cities and states require notice terms that exceed the minimum notice period and notice triggers required by federal housing programs (e.g., expiration of affordability term, sale, pre-payment, and early exit from the program).

Examples: Denver (one-year notice), California (one-year notice); Portland (one-year notice); Massachusetts (two years).

Considerations: Requires active compliance monitoring by city staff or another organization.

• Right-to-purchase ordinance

Right-to-purchase ordinances are a powerful tool for minimizing the displacement of low- and moderate-income residents by providing cities, tenants, and preservation organizations with a right to purchase a rental property when the owner decides to sell the property or convert it to market rate. A “right of first refusal” (ROFR) provides the preservation buyer with a right to match a private offer to purchase the property during a set period of time. A “purchase right” gives a preservation buyer the right to purchase the property at fair market value when the property is exiting the affordability program. ROFR and purchase rights can extend to: (1) all subsidized apartments requiring city funding or approval (such as 4% LIHTC/tax-exempt bond projects); (2) all subsidized apartments, regardless of the source of funding; or (3) all apartments, regardless of whether the property is subsidized.

Examples: Washington, D.C. (Tenant Opportunity to Purchase Act and District Opportunity to Purchase Act; covers all multifamily rental properties); Denver (federally subsidized rental properties); Maryland (condominiums); Illinois (Federally Assisted Housing Preservation Act).

Considerations: Requires significant funding and capacity building support from the city and nonprofit organizations. Close attention needed upfront when drafting the ordinance to address potential loopholes. In Washington, D.C., scattered cases of tenants gaming the system to their advantage (e.g., by selling their right to purchase) have been widely publicized and undermined support for an otherwise helpful ordinance.

• Rental registration and proactive inspection program

Conducting proactive inspections of rental properties on a rotating schedule is a key tool used by cities around the country to identify rental properties at risk because of deteriorating conditions and, after identifying an at-risk property, to engage in appropriate interventions. These programs, when coupled with effective enforcement, provide a disincentive for landlords to “milk” properties while awaiting redevelopment opportunities.
**Considerations:** To effectively address displacement, inspection programs must be accompanied by adequately-funded programs to help with repairs that landlords are unable or refuse to make. A city may need to incentivize landlords to keep rents low after making extensive repairs, such as by offering tax abatements; otherwise the improvements could lead to increased rents and displacement of current renters.

**Examples:** Dallas (Multi-Tenant Inspection Program); Fort Worth; Los Angeles; Sacramento (Rental Housing Inspection Program); Seattle (Rental Registration and Inspection Ordinance); San José.

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**Small site acquisition program**

Small site acquisition programs target the preservation of smaller multifamily buildings. In general, small, older rental housing is more likely to be owned by local landlords who manage their own properties. Many of these properties, which are concentrated in central city neighborhoods near transit corridors, are being purchased by investors who renovate them and then raise their rents.

**Examples:** San Francisco (Small Sites Program, buildings with 4 to 25 units)

**Considerations:** Most preservation funding programs, such as the Low Income Housing Tax Credit program, are geared to larger, contiguous properties, making it harder to leverage funds to support preservation of these smaller properties.

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**Strategy #3b: Enact land use restrictions that disincentivize redevelopment and demolitions of current affordable homes in gentrifying neighborhoods.**

**Policy Tools:**

**Neighborhood stabilization overlay**

A neighborhood stabilization overlay (NSO), also called a neighborhood conservation district, is deployed at a neighborhood scale and requires new development to meet standards more stringent than the zoning baseline, such as setbacks, building height, floor-to-ratio, etc. While communities have many different goals for adopting neighborhood stabilization strategies, some communities have adopted these policies with the specific goal of slowing down displacement of vulnerable residents. For example, in 2012, residents in Dallas’s La Bajada neighborhood, a low-income neighborhood in a gentrifying area, voted to adopt an overlay restricting building heights through Dallas’s NSO ordinance, with the goal of preserving the affordable single-family homes in the neighborhood that were threatened by redevelopment pressures spreading into West Dallas. The process of creating the overlay, which required community buy-in along with approval by the City Council, enhanced the political capital of the neighborhood and created a strong political statement that preservation of the low-income neighborhood is a priority. The NSO has been used to defeat rezoning requests that threaten existing affordable single-family units.
• Residential infill project

A variation of an NSO is the Residential Infill Project, which is under consideration in Portland, Oregon. Portland’s proposed Residential Infill Project would restrict the size of new developments to avoid super-sized single-family homes, called “McMansions,” by lowering the maximum size of a new home. At the same time, the ordinance would loosen restrictions on internal subdivisions and accessory dwelling units (ADUs) with the intention of increasing the number of less expensive housing options in the city.

Examples: Portland (draft rules for Residential Infill Project).

Considerations: If coupled with requirements to include a percentage of affordable units, a residential infill project could have a greater impact on generating long-term affordable housing than a neighborhood stabilization overlay.

• Deconstruction ordinance

A deconstruction ordinance requires projects seeking a demolition permit to deconstruct the building, meaning the home or other building must be disassembled, rather than simply demolished, in a manner that salvages as much material as possible for reuse.

Examples: Portland (deconstruction ordinance for houses built prior to 1916 or designated historic).

Considerations: Beyond its environmental benefits, acts as a brake on demolition of existing housing by effectively increasing the demolition cost. Unless exceptions are built into the ordinance, would increase costs of new affordable housing development involving housing demolition.
Strategy #3c: Create preservation funds to provide private and public capital targeted towards acquiring and rehabilitating at-risk apartments.

**Policy Tools:**

- **Public-private strike funds**

Public-private strike funds offer low-cost loans to acquire and preserve existing affordable housing. They are capitalized with funds from a combination of public, private, and philanthropic institutions. The structure allows for greater flexibility than government subsidy programs (such as Low Income Housing Tax Credits) and lower interest rates than what the market can offer. The funds are typically “revolving,” meaning that as loans are repaid, new loans can be made. These funds are most viable in markets with a high-capacity city housing department and where there is interest from a strong local philanthropic community. The loans are typically acquisition loans of five to seven years, at which time the properties are refinanced with other loans or other subsidies, such as federal Low Income Housing Tax Credits.

**Examples:** Denver Regional Transit-Oriented Development Fund; The Bay Area Transit-Oriented Affordable Housing Fund; New Generation Fund (Los Angeles); Chicago Opportunity Investment Fund; Enterprise Multifamily Opportunity Fund.

**Considerations:** In contrast with private investment funds, public-private funds are able to provide deeper income targeting and thus more likely to serve current renters. These funds, however, require significant public investment to seed the fund and strong interest from local foundations. Administration can be complex.

Strategy #3d: Utilize property tax relief to promote preservation of rental properties.

Providing property tax breaks is an important strategy for incentivizing private owners of multifamily housing to preserve their units as affordable housing. Property tax breaks are of particular importance in Texas, where property taxes are high and assessed values reset every year. The following are two property tax relief tools that can be used in Texas to promote preservation of affordable multifamily housing.

**Policy Tools:**

- **Property tax abatement program**

Owners of multifamily properties who make extensive upgrades to their properties are typically hit with increased property bills, making it harder to keep rents affordable. To offset this impact, Texas cities have authority under the Texas Tax Code to provide up to 10 years of a property tax abatement for part or all of the increase in property taxes on multifamily rental properties in exchange for the property owner making repairs to the property. Texas cities are also allowed to condition the abatement on the owner agreeing to continue to rent to low-income renters.
• **Property tax exemptions via publicly-owned land**

As a preservation strategy, Texas cities, counties, and housing authorities—along with public facility corporations owned by a government entity (see Local Government Code, Chapters 303 and 392)—can acquire the land under multifamily properties and then lease the land to a third party under a long-term ground lease, which results in the land being 100 percent exempt from all property taxes. The private entity maintains ownership of the buildings. Several public entities across Texas, including the Housing Authority of the City of Austin, have been using this tax break tool.

**Examples:** Housing Authority of the City of Austin; San Antonio Housing Public Trust Corporation.

**Considerations:** incentives multifamily property owners to maintain and repair their properties while also incentivizing them to maintain affordable rents. Costs associated with monitoring compliance.

**Examples:** Cook County (Chicago-area, Class 9 Program and Class S Program), New York City (numerous programs including J-51 and UDAAP).

**Considerations:** gives cities the ability to provide large property tax breaks and thus subsidize rents. Concerns about the transparency and oversight of these deals and impacts on public school finance. Past and potential abuses of this tool, with developments providing limited affordable housing in exchange for large tax breaks.
GOAL 4:

City planning and land use decisions incorporate inclusive and equitable anti-displacement strategies, and low-income persons and communities of color are empowered to participate early and meaningfully in land use decisions that shape their homes, neighborhoods, and communities.

Cities that build in strategies for preventing or mitigating displacement as land use plans are being adopted or updated can implement more effective displacement interventions than cities that react to displacement after projects are already well underway. Including vulnerable residents in the land use planning process also helps ensure more inclusive and equitable outcomes.

Strategy #4a: Create and support planning processes that incorporate a focus on mitigating displacement with ongoing input and oversight by impacted residents.

Policy Tools:

- **Community-driven, neighborhood-scale displacement mitigation plans**

A displacement mitigation plan covering a neighborhood or collection of neighborhoods should incorporate meaningful community participation at every step in the process. Plans should include the identification of annual goals, strategies, and priorities, along with annual performance assessments. Plans should be created through an inclusive process and set forth specific tools with clear timelines for implementation. A community oversight committee like the one used in North/Northeast Portland, which meets regularly to review the city housing programs and outcomes in the community, provides for greater transparency and accountability in the implementation of the plan. The success of a comprehensive displacement mitigation plan is also contingent on dedicating adequate funding towards the implementation of the plan.

**Examples:** Portland’s North/Northeast Neighborhood Housing Strategy (2014); Guadalupe Community Development Project Plan (Austin, 1980)

**Considerations:** When backed with deep levels of funding, enables cities to have a concentrated impact on mitigating displacement in a neighborhood in a way that is transparent and responsive to community needs.
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• Community impact analyses

Community impact analyses require developers and public agencies to analyze how proposed developments, zoning changes, public investments, and infrastructure projects will impact communities, housing affordability, and displacement. Several cities have adopted impact analyses that must specifically incorporate a racial justice lens. Community impact analyses raise awareness of how certain city decisions impact vulnerable communities, thus increasing public transparency and increasing the potential for elected officials to be more responsive to the needs of vulnerable residents and communities. The analyses can also enhance the ability of stakeholders to identify specific displacement threats and thus develop and implement strategies for remediating the displacement. To be effective, the assessment should include a clear and accepted methodology for assessing impacts.

Examples: Austin (Affordable housing impact statement); Atlanta (Affordable housing impact statement); Portland (Racial equity toolkit worksheet); King County, Washington (Equity impact review tool); Seattle (Racial equity toolkit assessment).

Considerations: Community impact analyses do not include enforceable measures for limiting the displacement; they only identify the impact of potential developments or investments. Cities and developers can still proceed with a development even when the community impact statement shows a negative displacement impact.

Strategy #4b: Strengthen vulnerable residents’ ability to have a voice and active role in the development of their neighborhoods.

Policy Tools:

• Invest in community organizing

Community organizing is a process of bringing people together and coordinating efforts to promote their common interests. Community organizing is a critical tool for increasing the participation and impact of vulnerable residents in shaping private and public decisions that affect their homes and communities. Community organizing initiatives often include community education regarding planning and local issues and supporting vulnerable residents in negotiating specific agreements with developers to ensure that development projects are more responsive to the needs of the community. Community organizing of vulnerable tenants and other residents has been a critical component of several anti-displacement mitigation efforts in Texas cities.

Examples: Austin (on-going city funding support for Building and Strengthening Tenant Action, BASTA); Washington, D.C. (Tenant Purchase Technical Assistance Program); Boston (Boston Tenant Organizing Program); New York City (Partners in Preservation pilot program); Los Angeles (Strategic Action for a Just Economy).
• Community engagement plan requirements

Community engagement plan ordinances require development project applicants in vulnerable communities to prepare and follow an inclusive plan for how the applicant will actively engage with the community concerning the proposed project and provide impacted residents with the opportunity to provide input on the project. The City of Oakland has a five-step community engagement process that development applicants are required to follow. The process includes preparation of a community engagement plan, partnership with a community-based organization that has experience working with impacted stakeholders, contacting the stakeholders in multiple languages and different forums, and conducting the actual engagement activities. The applicant must submit the proposed engagement process to the city for review and approval.

Examples: Oakland (Community Engagement Guidelines).

Considerations: Requires city funding and staffing to review and monitor the plans as well as community organizations experienced in working with impacted stakeholders.

Strategy #4c: Increase resident and community ownership of land.

Residents who own their land or govern a community organization that owns land have much greater power in influencing land use and redevelopment decisions and reducing displacement. In addition to the tools discussed here, tools for increasing resident and community ownership are also discussed under the strategies for tenant acquisitions of apartment complexes and mobile home parks.

Policy Tools:

• Capacity building support and incubation of neighborhood-centered community development corporations

Community development corporations (CDCs) are nonprofit, community-based organizations focused on improving the quality of life in the neighborhoods they serve. CDCs can play a key role in facilitating anti-displacement planning and provide long-term affordable housing that meets locally-identified needs. CDCs such as Guadalupe Neighborhood Development Corporation in Austin are governed by residents of the neighborhoods served by the CDC, empowering residents to shape the future of their community. Establishing a successful CDC requires extensive capacity building and leadership development, which cities could support by: (1) funding local experts to help incubate and provide technical assistance to CDCs, (2) providing seed and ongoing administrative funding for CDCs, and (3) funding leadership development programs for residents. City support for community organizing, discussed in other sections of this toolkit, could also be linked to the formation and support of CDCs.

Examples: Memphis (CDC Capacity Building Fund).

Considerations: Requires ongoing city funding for operating support to be effective until the CDC is able to build a reliable stream of revenue, such as from rental income from properties owned by the CDC (if there is limited debt in the property or after the debt is paid off).
Strategy #4d: Reduce barriers to participating in planning and land use decisions impacting gentrifying neighborhoods and utilize effective community engagement tools to elevate community voices.

Public planning processes need to incorporate cultural competence and robust and inclusive community engagement. Many community members who are most directly impacted by displacement also have the highest barriers to entry for participation in public planning and decision-making processes. These barriers include childcare obligations, transportation, work obligations, and potential lost income if meetings conflict with work schedules.

Community participation around the issue of displacement presents a further difficulty: Many directly-impacted residents with historic ties to the area no longer live there, yet still arguably deserve a voice in the planning process. In North/Northeast Portland, the social networks that existed in the local African-American church community were used to connect with former residents. Neighborhoods that were known to contain high numbers of displaced people were also targeted for outreach. Future residents from vulnerable groups are also unrepresented in planning unless tenant advocacy groups and other advocacy organizations are brought to the table to represent their interests.

Balancing between homeowner and renter interests is another concern, and renters are usually underrepresented in participatory planning processes. Tenant advocacy groups can be useful voices to make up for the challenges of getting consistent renter participation in these processes.

Policy Tool:

- Comprehensive community engagement strategy

A comprehensive community engagement strategy should be developed and implemented each time a city seeks to engage residents and should include: (1) understanding who makes up the community and setting clear engagement goals, (2) measuring the effectiveness of engagement efforts by tracking who is and is not participating and adjusting efforts as needed, (3) providing relevant information that is easy to understand, (4) using diverse and accessible forums for participation, (5) understanding and removing barriers to participation that are specific to the targeted communities, and (6) targeting areas where displaced residents are known to live. Effective community engagement increases accountability and responsiveness to the needs of vulnerable persons and communities and can result in plans that are more effective and innovative. Plans created through robust community engagement also have stronger community buy in.

Examples: Portland (North/Northeast Neighborhood Housing Strategy forums and Diversity and Civic Leadership Program); Boulder (Code for America partnership); Center for Urban Pedagogy (Making Policy Public); Los Angeles/SAJE (People’s Planning School).

Considerations: Requires additional city resources and time compared to “top down” planning processes. May reveal divisions within the community that require further in-depth engagement.
New affordable housing options are created to serve current and future vulnerable households in gentrifying neighborhoods.

The following overview focuses on strategies and tools related to creating new affordable housing options that are specifically tailored to the opportunities and challenges presented by gentrifying neighborhoods. Specifically, these tools are focused on creating housing that is permanently affordable for both current and future generations of vulnerable households.

Strategy #5a: Intervene early to acquire control of land in strategic locations of gentrifying neighborhoods.

For neighborhoods that are vulnerable or in the early stages of gentrifying, a city should support the acquisition of as much land as possible in strategic areas of the neighborhood. As gentrification picks up steam in a neighborhood, it becomes much more difficult to feasibly acquire properties for affordable housing. For neighborhoods that are susceptible to gentrification or in the very early stages of gentrifying, it can be hard to envision the kind of rapid rise in property values that often comes in the later stages of gentrification. But buying land in this early period gives cities, community groups, and residents more capacity to mitigate displacement when change does come.

Policy Tools:

• Acquisition and land banking of property for future affordable housing development

Even if plans or funds are not yet in place to build a new affordable housing development, cities can acquire parcels of land of varying sizes in neighborhoods that are at risk or in the early stages of gentrifying, while prices are still relatively affordable, and bank that land for future affordable housing development. A land bank can best serve the needs of gentrifying neighborhoods when it works in tandem with a community land trust, making the land available for affordable housing development via a 99-year lease to ensure permanent affordability of the land.

The Urban Land Conservancy in Denver focuses on acquiring properties near current and future transit stations—areas where large increases in property values are anticipated. The Conservancy banks the sites for up to five years while funds and plans are assembled for new affordable housing and other community uses on the site. The Conservancy then leases the land via 99-year leases.

Cities can support land banking by creating a streamlined system to track vacant parcels that are appropriate for residential or mixed-use development. Eminent domain is also available to Texas cities for land acquisition for affordable housing—such as acquiring old industrial sites that conflict with surrounding residential uses—although this tool should be used on a very limited basis with community vetting. Special attention has to be paid to avoid any racially discriminatory uses of eminent domain.
**Considerations:** In addition to the lower land costs that come with acquiring land in early-stage gentrifying neighborhoods, land acquisition gives a community more control to shape future redevelopment. To be effective, a land bank program needs access to affordable financing as well as city subsidies.

- **Land acquisition fund**

  Land acquisition funds support the capacity of cities and nonprofits to swiftly take advantage of land acquisition opportunities in gentrifying neighborhoods. The Urban Land Conservancy in Denver relies on the Denver Transit Oriented Development Fund for funding its land acquisitions. The $24 million fund is used to pay for purchasing, holding, and eventually developing sites in the Denver region along current and planned transit corridors for affordable housing and other community amenities. The fund is supported by contributions from the City of Denver, foundations, and private investors.

  **Examples:** Denver (Denver Transit Oriented Development Fund); Minneapolis (Hiawatha Land Acquisition LRT Fund).

  **Considerations:** Requires a high level of city investment and development of new local capacity to create and operate the fund.

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**Strategy #5b: Dedicate surplus public land to affordable housing development.**

Surplus and underutilized public land is often the most accessible source of land for affordable housing in gentrifying neighborhoods. For many CDCs in Texas, the utilization of surplus public land has been a key strategy in a community’s early development of affordable housing. Public ownership of land helps insulate housing development decisions from market pressures, allowing the provision of housing types that for-profit developers will not provide, such as large family-sized apartments.

**Policy Tools:**

- **Public land for affordable housing policy**

  A public land for affordable housing policy could include a number of components to address current barriers to redeveloping surplus public land with affordable housing, including: (1) a clear and enforceable city policy regarding the minimum level of affordable housing that must be included on redeveloped city land that is suitable to residential development, (2) annual goals for the number of city parcels to redevelop with affordable housing, and (3) a requirement that any city-owned land be first offered for affordable housing development.

  To complement a policy and help cut through inter-department politics and silos, cities should consider creating a new staff position at city management level rather than within a city department to manage the public land for affordable housing policy. The staff member could regularly assess opportunities for developing affordable housing on public land and kick start the redevelopment process. Part of the charge for the staff member would be to interface with other units of local government (e.g., school districts) to put their surplus land parcels into use as affordable housing through mechanisms such as partnerships and land swaps, in cases when public entity goals align, such as with below-market teacher housing. Many states and cities around the country have policies that prioritize public land for affordable housing.
**Examples:** Seattle; San Francisco; Montgomery County, Maryland.

**Considerations:** Land costs are a significant portion of the cost of a new affordable housing development, but providing publicly-owned land, on its own, will typically not be enough to achieve deep affordability. Additional subsidies likely required.

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**Strategy #5c: Leverage the power of hot real estate markets in middle- and late-stage gentrifying areas to create affordable housing.**

In neighborhoods where real estate is already at a premium and housing is in high demand, cities and communities have a unique ability to steer the private market toward the development of affordable housing and other community benefits in exchange for increases in land use entitlements such as increases in height of a building.

**Policy Tools:**

- **Adoption and expansion of density bonus programs**

In many Texas cities, denser development types are increasingly imperative to provide enough housing to support local needs. Local governments can leverage this need and support denser development through density bonus programs that require a percentage of income-restricted affordable housing as a part of every new development in exchange for an increase in land use entitlements. Many density bonus programs offer an option for an in-lieu fee toward an affordable housing fund instead of the development of onsite affordable housing. However, some of the most successful density bonus programs in Texas, such as the City of Austin’s Vertical Mixed Use (VMU) ordinance, do not offer in-lieu fees and require onsite affordable units. These programs with onsite requirements have resulted in more affordable units built overall than those that offer in-lieu fees.

The efficacy of density bonus programs is highly dependent on market conditions; density bonuses can become “out of tune” with market conditions as the business cycle progresses and thus must be frequently calibrated. If calibrated correctly, density bonus programs result in an increase in both affordable and market rate housing in middle- and late-stage gentrifying neighborhoods and more mixed-income housing in cities overall.

**Examples:** Austin (Ten programs including VMU Ordinance, Planned Unit Development (PUD) Density Bonus, Downtown Density Bonus Program); Dallas (Mixed-Income Housing Development Bonuses).

**Considerations:** Density bonus programs result in income-restricted affordable housing in high opportunity areas with no subsidy by the city. The economics of density bonus programs do not typically allow for units that serve families below 60 percent of the median family income, unless they are coupled with additional policies and programs, such as Montgomery County’s partnership with the local housing authority. Requires active monitoring by the city to ensure the program requirements are followed by current and future owners.
**Part 6  THE TOOLBOX**

- **Community benefits agreements (CBAs)**

CBAs are agreements negotiated between a developer and a community group that will be impacted by a proposed development project, whereby the developer of the project agrees to provide specific mitigations or benefits to the local community in exchange for the community group agreeing to support or take a neutral position on the developer’s project. In a community undergoing gentrification pressures, for example, residents may be able to successfully negotiate an agreement for the developer to include affordable housing in the new development or to provide funding for house repairs, in exchange for the community group supporting the developer’s request for an upzoning on the property.

**Examples:** Zilker Neighborhood Association, Austin (Developer agreed to include 26 rental units for low-income families making up to 60% AMI, and 14 units at 80% AMI, in exchange for the association supporting the developer’s upzoning request); Blackland Community Development Corporation, Austin (developer agreed to sell one of the five condominium units to Blackland as affordable housing to a family making up to 60% AMI, with a 99-year affordability requirement, in exchange for obtaining an upzoning on the property).

**Considerations:** Community benefits agreements are most likely to be successful when the community has some type of political leverage, such as when a developer is seeking an increase in zoning entitlements and the city council is willing to condition its approval of the rezoning on the developer securing the community’s support. The community will need a lawyer to prepare and help negotiate the agreement.

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**Strategy #5d: Retain city and community ownership of land to ensure permanent affordability of housing units for future generations of residents.**

Wherever possible, cities supporting the development of affordable housing should retain ownership or long-term resale controls on the land—or ensure that a nonprofit or community-controlled entity with a commitment to permanent affordability retains ownership of the land. Otherwise, precious government investments in affordable housing located in a gentrifying neighborhood will be lost as the housing eventually flips to market rates that are far out of reach of low-income families.

**Policy Tools:**

- **Community land trusts**

Community land trusts (CLTs) provides opportunities for future generations of low-income residents to live in a gentrifying neighborhood and reduces turnover of properties. CLTs also result in substantial property tax savings for low-income homeowners in Texas. Through a CLT, a nonprofit organization maintains long-term ownership of the land to provide permanently affordable housing for the benefit of the community. CLTs typically incorporate residents into the governance of the land trust. A community land trust can be used with single-family housing as well as mixed-used and multifamily development, and with homeownership as well as rental housing. For homeownership units, the land is typically leased for 99 years to an income-eligible family for an affordable price. The family purchases the home on the land with mortgage financing, typically from a bank. When the family wishes to sell the home, the nonprofit CLT has a right of first refusal to purchase the home, and the resale price is restricted to ensure it remains affordable to future buyers. For rental CLT units, a nonprofit entity retains ownership of the home and then leases the home to an income-eligible family for an affordable price.
**Examples:** There are more than 240 CLT programs in 46 states, including: Houston (Houston Community Land Trust); Austin (City of Austin, Guadalupe Neighborhood Development Corporation); North Carolina (Community Home Trust, Durham Community Land Trustees); Chicago (Chicago Community Land Trust); and Albuquerque (Sawmill Community Land Trust).

**Considerations:** Requires an entity with capacity to actively monitor the resale restrictions and work closely with the homeowners to ensure that the home is maintained and that the restrictions on the home are complied with. Community control of land can be an unfamiliar concept to many residents and often requires extensive education efforts to counter suspicions of a “land grab.”

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**Shared equity appreciation with resale restrictions and rights of first refusal**

If a city or nonprofit entity does not retain ownership of the land, then a best practice for long-term affordable homeownership is restricting the resale prices of the homes through a shared equity model, where the owners recoup their investment and the return on appreciation is capped via a restrictive covenant recorded in the deed records.

**Examples:** The City of Austin currently requires shared equity appreciation for 99 years for its homeownership programs and has a right of first refusal on the home so the City can buy the home and resell it to another low-income household.

**Considerations:** The wealth-building that can occur in gentrifying areas is muted in shared-equity homeownership.

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**Strategy #5e: Require longer affordability terms in new affordable multifamily properties**

The federal Low-Income Housing Tax Credit (LIHTC) program is the largest affordable rental housing development program in the country, but Texas regulations reduce the long-term effectiveness of the program. Many new properties placed in service can exit the program after 30 years, and most properties with credits allocated prior to 2002 can exit after 15 years. Rapid gentrification in some areas is increasing apartment owners’ incentive to exit early from the LIHTC program. The following is a tool that cities could adopt to ensure new tax credit properties coming online include longer affordability requirements.

**Policy Tools:**

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**Require longer affordability terms for new LIHTC properties**

Under Texas law, LIHTC developers applying for tax credits currently must obtain city council approval as a condition of receiving the credits (4% credits) or competitively scoring in the state’s application process (9% credits). As a condition of providing city approval or any other benefits to LIHTC developments, cities could pass an ordinance requiring all developers to commit to a minimum 55-year affordability term with the City. Several cities and states around the country require an affordability term of 40 to 55 years or even longer.

**Examples:** Nevada (50 years), Utah (99 years), California (55 years).

**Considerations:** LIHTC properties will likely need additional subsidies down the road to maintain the property.
GOAL 6:

Vulnerable residents are able to remain in or return to their communities by accessing affordable housing opportunities in their neighborhoods.

Strategy #6a: Give displaced residents and residents at risk of displacement higher priority on waiting lists for affordable housing programs in their neighborhood.

Policy Tools:

• Community preference policy

Several cities and nonprofit organizations across the United States utilize community preference policies for their affordable housing programs to redress prior racial injustices (such as displacement precipitated by urban renewal and freeway construction), further their displacement mitigation goals, and help stabilize communities. These policies are typically created at a neighborhood scale and provide priority placement for affordable units in a neighborhood or group of neighborhoods to low-income applicants who have been displaced from their neighborhood, are current residents at risk of displacement, or are descendants of displaced residents. The City of San Francisco has several community preference policies; its HUD-sanctioned preference policy for a federally-funded senior apartment complex gives preference for 40 percent of units to low-income seniors living in census tracts at the greatest risk of displacement.

A preference policy must be carefully crafted to avoid violating the Fair Housing Act by ensuring that the policy does not perpetuate segregation or have a disparate impact on persons of color or other protected classes, such as families with children or persons with disabilities. For example, if a preference policy prioritizes current residents of a neighborhood and the residents who qualify for the affordable housing program are more likely to be white compared to a program serving applicants drawn from a larger geographic area, the policy would have a disparate impact under the Fair Housing Act. To avoid disparate impacts in gentrifying neighborhoods that are becoming predominantly white but were historically communities of color, a city should consider giving preference to low-income residents who are at the highest risk of displacement (such as renters), have long ties to the community, or have already been displaced. But again, to comply with the Fair Housing Act, each policy needs to be tailored to the particular community and analyses need to be regularly updated to ensure the policy is not having a disparate impact or perpetuating segregation.
Considerations: Preference policies do not actually produce affordable units but instead only provide preference for units that are produced by other means. Preference policies also do not ensure eligibility for a particular affordable housing program, which can lead to confusion among program applicants. If structured improperly, a preference policy can illegally restrict housing choices for persons of color or perpetuate segregation and thus be vulnerable to legal attack.

Examples: Portland, Oregon (N/NE Portland); San Francisco; Guadalupe Neighborhood, Austin.

Strategy #6b: Improve vulnerable residents’ access to information about affordable housing opportunities and streamline the application process.

Policy Tools:

• Single-entry, online affordable housing application portal

Residents trying to secure a rent-restricted unit in a particular neighborhood have to be able to identify the available affordable housing opportunities and then navigate a morass of different eligibility requirements, applications, and waitlists. Residents can pour precious time and hundreds of dollars into applications only to find they do not qualify or units are unavailable. Cities can reduce these barriers by providing an online portal that includes all income-restricted affordable housing funded or incentivized by the city (such as density bonus units) as well as other housing programs, and that also includes a mechanism for determining eligibility. Portland, Oregon, recently funded a start-up app, OneAppOregon.com, to help residents identify affordable apartments they qualify for and to streamline the application process. Residents submit one application online and view a listing of all properties they are qualified to rent. New York City also operates a single-entry application process.

Examples: Portland, Oregon (OneApp Oregon); New York City (NYC Housing Connect).

Considerations: Costs associated with the start up and operation of the software along with maintenance of the portal.