DEVELOPMENT WITHOUT DISPLACEMENT

First Edition: US Cities

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ARUP

Contents

Introduction

Investing in transit creates a conundrum for cities. While improving access to economic and social opportunities, new transit services may also increase a neighborhood's desirability, spurring development and attracting new residents drawn to walkable, transit-friendly communities. This process of "gentrification" plays out in cities across the world: as people with higher incomes seek out the convenience and amenities of transit-oriented neighborhoods, existing residents and businesses are displaced, and the new value created is distributed unevenly.

In recent decades, cities and advocacy organizations have designed various policies and programs to protect residents and businesses against displacement. Consequently, a range of tools promoting social equity and inclusive development are available to transportation practitioners today. However, to make an appreciable impact on communities, equity must be embedded as a key planning principle from the start. Too often, practitioners treat equity as an afterthought and use policy interventions to slow, rather than prevent, displacement.

Development without Displacement puts equity at the heart of planning. This report presents a Social Equity Toolkit that maps policy measures onto a series of timelines aligning to key milestones in the transit development process. This temporal format provides transportation industry practitioners, community-based organizations, and developers with practical guidance regarding when to implement each intervention to maximize impact. Timing is particularly important, as each measure will only effectively influence displacement when deployed at the right stage in the transit development process.

The result is a kit of complementary policies that can ensure the preservation of community culture and real estate affordability, while still allowing cities to grow and change.

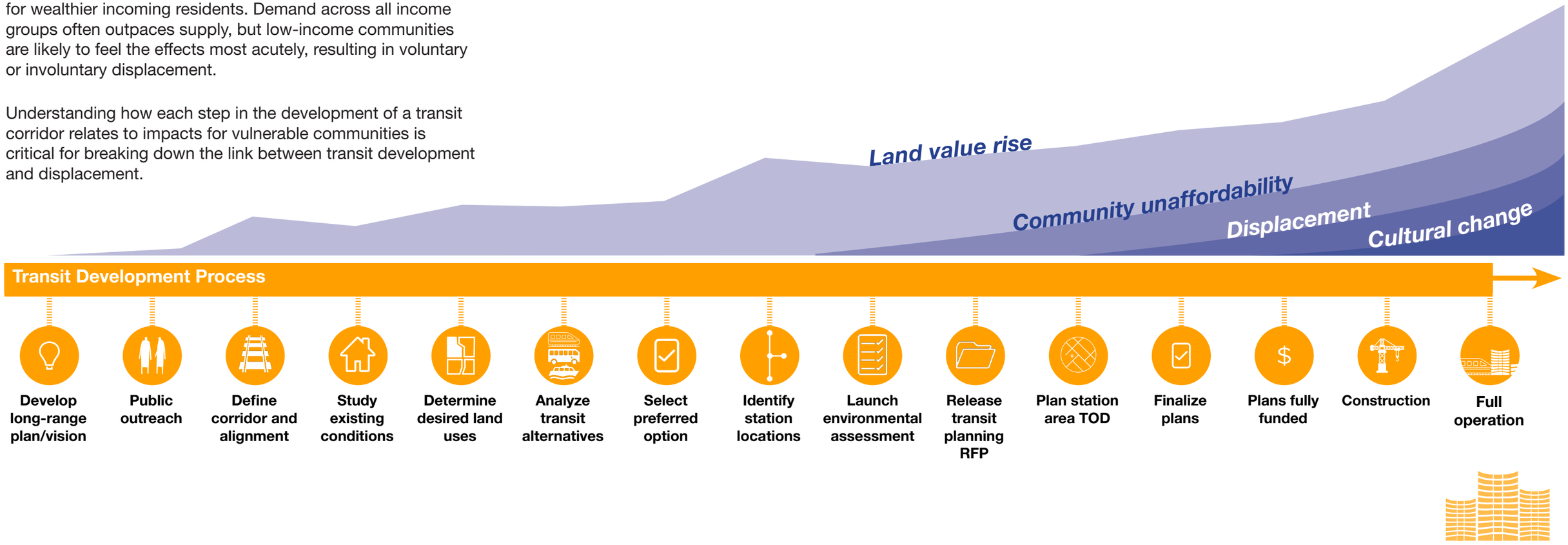
Ronald and Michelle were evicted in 2002 after their Detroit housing unit was transformed into a number of high-end lofts

The challenge

Cities are constantly changing, and patterns of neighborhood growth vary. When a neighborhood undergoes gentrification, however, the forces of displacement for existing residents and businesses can be powerful. The diagram below shows how the development of transport infrastructure can directly contribute to rising land values and the resulting unaffordability, displacement, and wholesale cultural change.

Mere speculation of new transit can spur interest among new residents and real estate developers. As demand for a district increases, land values and rental prices rise. While the quantity and quality of housing and amenities might also increase, market and cultural forces tend to only create opportunities for wealthier incoming residents. Demand across all income groups often outpaces supply, but low-income communities are likely to feel the effects most acutely, resulting in voluntary or involuntary displacement.

Understanding how each step in the development of a transit corridor relates to impacts for vulnerable communities is critical for breaking down the link between transit development and displacement.

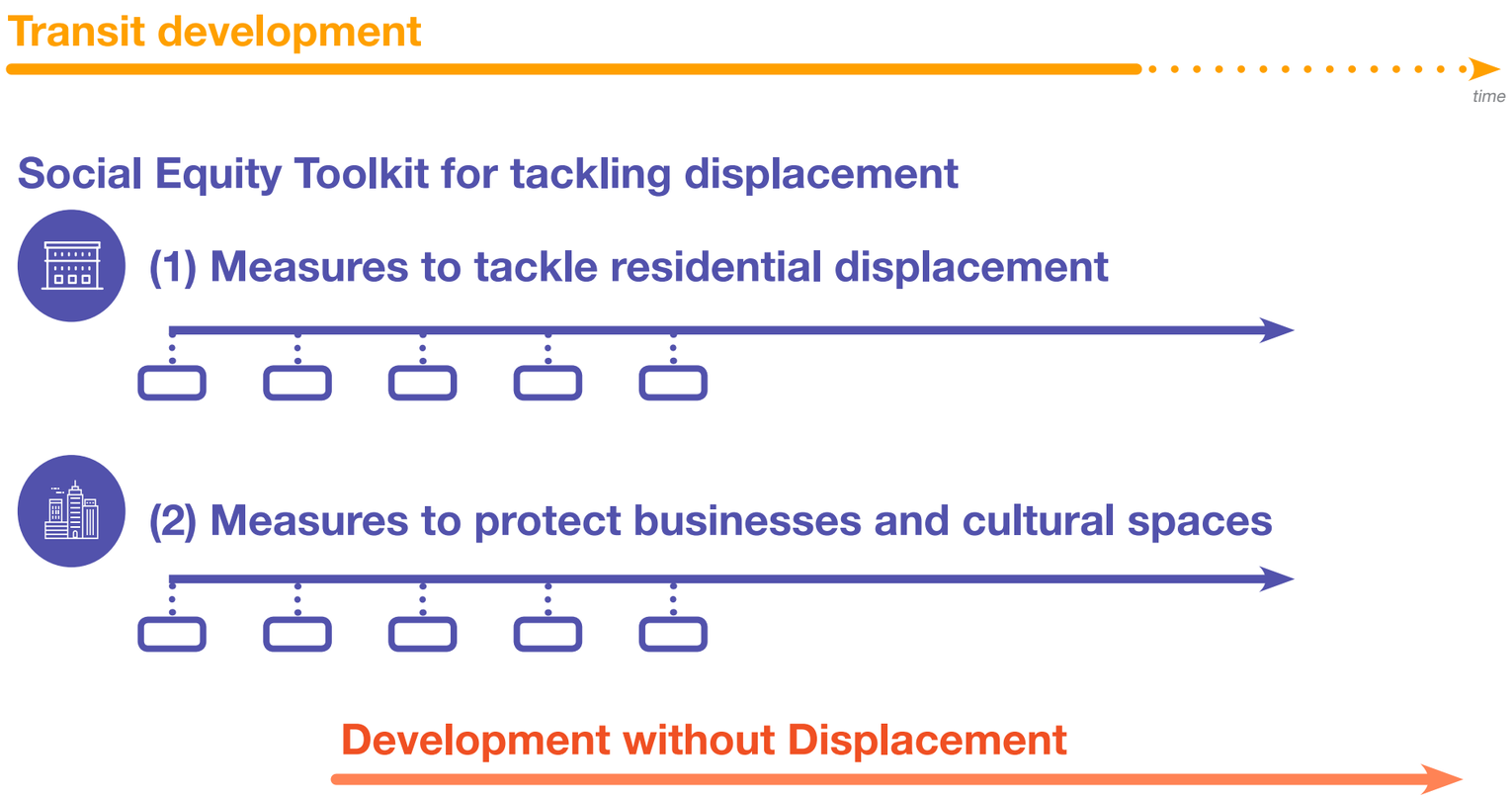


Responding to the challenge

The Social Equity Toolkit is a catalog of best-practice measures to create development without displacement. The guide is split into two parts: the first lays out measures to tackle residential displacement, and the second includes measures to protect commercial, nonprofit, and cultural spaces.

This Social Equity Toolkit maps protection measures on a series of timelines, which align to key milestones in the transit development process. While each of the tools can be used separately, deploying complementary tools together has the potential for much greater impact. This requires forward planning, as well as a strong understanding of when in the development process each measure in the toolkit should be used.

The remainder of this document explores the most applicable tools for transit development in detail and identifies successful case studies.



SOCIAL EQUITY TOOLKIT

This document presents a kit of complementary policies that can be deployed across transit-oriented developments to ensure community culture is preserved and housing remains affordable, while still allowing a neighborhood to grow and change.

Measures to tackle residential displacement

Community land trusts

Dedicated government or NFP owned land stock for affordable housing creation

Inclusionary zoning

Legislation granting developers additional floor space or height in exchange for inclusion of affordable housing

Just-cause eviction ordinances

Legal rights for rental tenants, protection against unjust evictions

Community benefits agreement

Agreement between government, developers and the community on proposed development

Measures to tackle residential displacement

Linkage fees

Fees imposed on residential and/ or commercial development

Right-to-stay

Obligates developers to offer existing tenants new apartments at comparable rates in the new proposed building

Homeownership protection policies

Financial assistance policies existing to support low-income homeownership

Rent controls/stabilization

Control rental yield through established legal rights mandating inflation on rental properties by real estate market

Measures to protect businesses and cultural spaces

Commercial zoning regulations

Zoning to protect small businesses, heritage, cultural spaces

Community benefits agreement

Agreement between government, developers, and the community on proposed development

Allocated arts and culture space

Space and program designated to cultural and artistic expression in the local community fostered by city and developer support

Lease-to-own programs

Financial and technical assistance for commercial tenants who are not in a position to purchase the properties they occupy

Measures to tackle residential displacement

Social Equity Toolkit Part 1: Measures to tackle residential displacement

This section outlines eight tools that can be applied by governments or communities to protect and foster residential affordability and summarizes multiple additional tools for further consideration.

- Community land trusts
- Inclusionary zoning
- Just-cause eviction ordinances
- Community benefits agreement
- Linkage Fees
- Right-to-stay
- Homeownership protection policies
- Rent controls/ stabilization

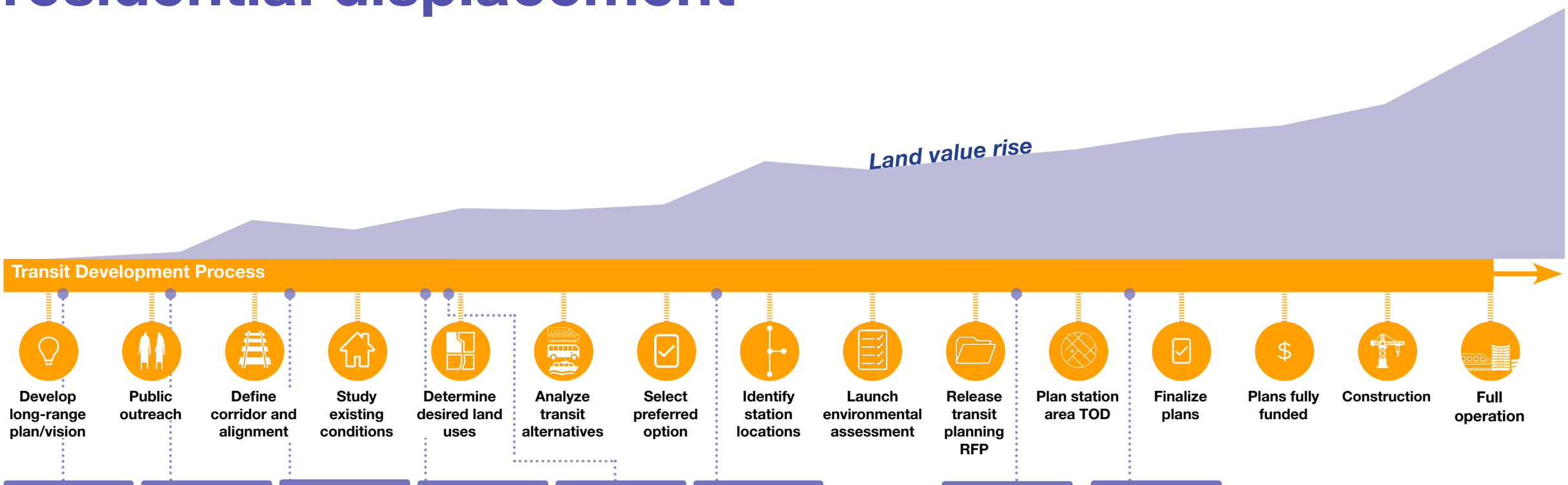
ADDITIONAL TOOLS

What do we mean by measures to tackle residential displacement?

Residential measures can protect residents against displacement or eviction in the face of increased prices and real estate speculation across a community. In general, the specific tools aim to emphasize protecting housing affordability, producing new affordable stock, preserving and creating key community amenities and services, and protecting people from unjust evictions. These tools can work together as part of a package of measures to support existing residents.

The timeline on the next page shows that, even if land values rise in step with transit system development, implementing the right measures at the right time can ensure that vulnerable populations are protected from the unaffordability, displacement, and wholesale cultural change that often occur without policy intervention.

Timeline of measures to tackle residential displacement



Community land trusts

Actions

Dedicate land stock to affordable housing measures

Outcomes

Gives people opportunity to buy property in areas that are otherwise unaffordable

Allows for ownership and stability

Rent controls / stabilization

Actions

Controls rental yields

Outcomes

Establishes new legal rights for tenants

Directly affects affordability on neighborhood scale

Maintains local affordability

Just-cause eviction ordinances

Actions

Create new legal rights for tenants, protect against evictions

Outcomes

Allows for future tenant protection

Promotes rental stability

In combination with code enforcement, can support equality

Homeownership protection policies

Actions

Protection for homeowners combined with grants to support repairs / rehabilitation

Outcomes

Can improve housing stock

Secures the benefits of homeownership by helping residents stay in and keep homes

Linkage fees

Actions

Impose charges on new development to support affordable housing

Rates vary

Can be avoided through affordable development

Outcomes

Amasses funding for affordable development

Inclusionary zoning

Actions

Allow property incentives for developers who include affordable housing

Outcomes

Developers can receive extra floor area allowance and other incentives

More affordable housing stock

Community benefits agreement

Actions

Seeks agreement between government, developer and community group on proposed development

Highlights community needs / desires in face of change

Outcomes

Allows for open discussion and negotiation

Right-to-stay

Actions

Developers or landlords must provide existing residents living options in same location if complex being redeveloped

Outcomes

Existing tenants not displaced due to development

Affordable living options retained

Community land trusts

Measures to tackle residential displacement

What is a community land trust?

Nonprofit community land trusts (CLTs) maintain long-term or permanent affordability of property by separating ownership of land from the building(s) on it. Utilizing strong government or not-for-profit (NFP) support, the trust aims to make homeownership and rental much more affordable than typical market rate. CLTs come in many forms, but generally function as follows.

An organization purchases land and maintains stewardship in perpetuity to immunize the land from external market forces. It provides long-term (typically 99-year) leases to residents and business owners and offers them a share of the profits when they sell. The remainder is invested back into the CLT. The CLT typically works with communities to determine the optimal use(s) for land and enforces these among leaseholders through legally binding covenants. CLTs are usually managed by boards, and a majority of members live on or around the CLT-owned land.

The trust provides residents with the prospect of affordable homeownership, which would otherwise be unattainable for local low-income residents. Alternatively, CLTs can enforce rental guidelines ensuring properties on the land are affordable.

When should CLTs be implemented?

The earlier the better. Some of the most successful CLTs were made possible thanks to early foresight by trust leadership, who purchased parcels of land prior to price increases. The further along in the transit-oriented development process, the higher the land value, and the more difficult acquisition becomes.

What works well?

- Provides access to homeownership to low- or moderate-income individuals
- The board structure facilitates direct participation of community members in the management of land
- Strong record of success—roughly 250 CLTs in the US, accounting for nearly 10,000 housing units

What are the unintended consequences?

- Community stigma towards allocated land for affordable housing
- Removing parcels of land from the market may drive up the price of adjacent land
- Creates a “second-class” homeownership model, whereby residents do not enjoy the full benefits of homeownership

What are the challenges?

Can lead to NIMBYism from surrounding residents

Land in desired areas is often difficult and/or expensive to obtain

Requires a high level of funding from the government

Urban Land Conservancy
Denver, Colorado

Timing is key: banking an ample supply of land before prices rise too high enables long-term affordability.

The Urban Land Conservancy (ULC) is a nonprofit community land trust that provides affordable housing and other community amenities. Through its $15 million TOD fund (an innovative revolving loan fund developed with help from public, private, and nonprofit partners), Urban Land Conservancy purchases land near existing and planned transit stations and sells building rights to partners who commit to using the land for community benefit, including affordable housing.

ULC’s model has proven highly successful: Since its founding, ULC has purchased 19 properties in and around Denver, most of which are located near transit. Through these property investments, ULC has preserved the affordability of hundreds of rental homes and maintained operation of schools and nonprofit community centers.

The land’s location in close proximity to transport nodes also ensures services, facilities, education, and employment opportunities are accessible to residents. Encouraging an affordable ongoing lifestyle rather than just an affordable place of residence.

(Left to right) An affordable housing and retail project by Studio Completiva, Mile High Vista at West Colfax, Denver, Colorado

Rent control/stabilization

What is rent control or stabilization?

Rent control policies exist in various forms but generally prohibit or limit allowable increases in rent that landlords may charge. These policies are typically enforced through a locally established authority.

To be most effective, the authority should provide ample information educating the public about these regulations and tenants' rights, as well as respond to tenant and landlord disputes.

As part of a rent control policy, cities should prohibit or limit rent increases due to needed rehabilitation, renovation, or mortgage and debt service (capital improvements), which serve to maintain basic levels of housing habitability.

Rent stabilization measures can not necessarily control housing quality or habitability, and there are issues with permanence, landlord compliance, and tenant education. However they can ensure that renters are not subjected to unaffordable price increases due to increased land interest in a community and subsequent market increase.

When should rent control or stabilization be implemented?

In many cities, rent control or stabilization policies may already be in effect. However, they may not apply to new units, even those in low- or middle-income areas. While timing is not directly tied to any specific point in the development process, the introduction of new rent stabilization measures will likely require a lengthy legislative process.

What works well?

- Establishes new legal rights for tenants
- Directly affects affordability on neighborhood scale
- Maintains local affordability
- Empowers tenants
- Stops landlords acting unfairly and displacing residents to drive up rent

What are the unintended consequences?

- Permanence and loopholes
- Affordability controls are not tied to specific residents, no way to be sure those who need it most get it
- Limited scope, some state legislation prevents rent control on certain housing types
- Often criticized by the real estate market

What are the challenges?

Landlords making false eviction allegations

Loopholes in exceptions to rent control

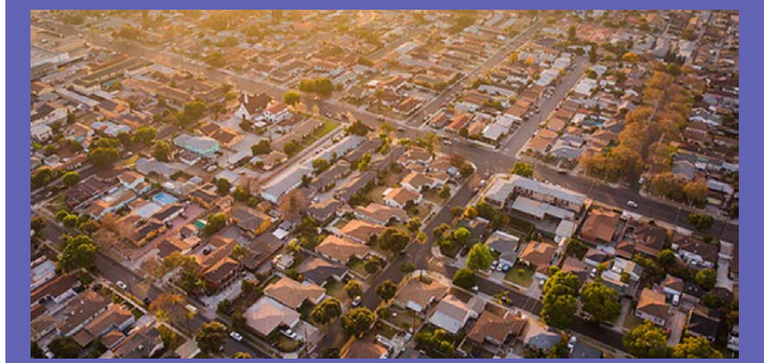
A large amount of property, especially new property, can be exempt

Los Angeles Rent Stabilization Ordinance (LARSO)

Los Angeles, California

The City of Los Angeles has a Rent Stabilization Ordinance (RSO) that protects tenants from excessive rent increases, while at the same time allowing landlords to increase rent each year by a fair amount.

Many rental properties in the City of Los Angeles are under rent control, although major exemptions include buildings completed after 1978, single lot homes, government funded units, and luxury units.



Just-cause eviction ordinances

Measures to tackle residential displacement

What are just-cause eviction ordinances?

Just-cause eviction ordinances legally enforce a list of "just causes" for tenant eviction to prevent unfair landlord practices. The planning policy enables and regulates tenant protections through formal legal processes. Without adequate ordinances, landlords can legally evict residents for loose reasons, often to obtain higher rates for the housing which is unaffordable to current residents.

Even in circumstances where eviction may be warranted, just-cause ordinances can aid vulnerable groups and assist in the relocation process.

This tool can be deployed successfully at scale but requires significant government engagement and enforcement.

When should just-cause eviction ordinances be implemented?

While just-cause eviction ordinances are always valuable to lower-income residents with limited resources to relocate, they become particularly critical once real estate values have risen beyond the means of the average long-time resident. Tenant harassment and unjust evictions are well-documented practices that arise when landlords can fetch higher rents than they are earning with existing tenants. As such, just-cause ordinances should be implemented when real estate speculation first begins.

What works well?

- Allows for future tenant protection
- Creates new legal rights for tenants and protects against evictions
- Promotes rental stability
- Supports equity when utilized with code enforcement

What are the unintended consequences?

- Ordinances are only effective when tenants know their rights
- Landlords can still use "buy-out" offers to encourage tenants to move out of their units

What are the challenges?

Requires city-wide application and enforcement	**Lack of acceptance by landlords**	**Still at risk of price increases due to upgraded stock and value**

Just Cause for Eviction Ordinance
San Francisco, California

The City of San Francisco, California, provides just-cause eviction protection for tenants living in rent-controlled units. The City identifies 16 just causes, including failure to pay rent, substantial damage to the unit, illegal uses, unapproved subtenants, sale or demolition of a building, and others.

If any of the clauses that cause forced relocation are met, the tenant has the right to relocation payments, which are honored under these circumstances or for those who are evicted with less than 20 days' notice. The City also provides technical assistance in the form of counselors and written information to help tenants know their rights and abilities with unjust eviction attempts by landlords.

Homeownership protection policies

Measures to tackle residential displacement

What are homeownership protection policies?

A suite of financial assistance policies exist to support low-income or struggling homeowners, allowing residents at risk of displacement due to rising living costs to stay in their homes despite external market pressures.

Designed to alleviate financial strain on homeowners, these policies include tax relief which can inflate with a changing market or grants and loans to cover repairs.

These policies help to maintain local ownership of property when applied correctly and help to stabilize existing neighborhood residential markets and encourage homeownership.

Complementary policy: Foreclosure assistance provides funding to homeowners at risk of foreclosure. It is in the same family as the homeownership protection policies and can be applied alongside these or interdependently.

While direct financial incentives or alleviation are not prioritized in this document, we acknowledge they can be beneficial when contextually appropriate and are sometimes required.

When should homeownership protection policies be implemented?

These policies can be implemented by City government during the middle to late stages of gentrification. However they are beneficial to any existing homeowners at any stage of the development process.

What works well?

- Secures the benefits of homeownership by helping residents stay in and keep homes despite changing landscape
- Supports repairs and rehabilitation, can improve housing stock when combined with grants
- Prevents displacement due to unaffordable housing rates and taxes

What are the unintended consequences?

- Deferred or low interest loans can be a burden to pay off for low-income households
- Programs are costly to administer and reliant on funding
- One-time payment does not alleviate the pressures of high ongoing living costs

What are the challenges?

Requires high levels of government funding	**Only help homeowners**	**Beneficiaries not updating their details and receiving undue ongoing benefits**

Homeownership protection policy
Philadelphia, Pennsylvania

Philadelphia's Longtime Owner Occupants Program (LOOP) allows for discounted property taxes for homeowners who have lived in their homes for 10 years or more who are experiencing a significant increase in their property assessment from one year to the next, and other criteria.

LOOP allows homeowners to receive coupons for tax discounts to decrease ongoing costs. The approved application and subsequent discounting lasts for 10 years, personal details of house occupants, income and other contributing factors must be updated regularly to allow for accurate information and fair distribution of these benefits.

Linkage fees

Measures to tackle residential displacement

What are linkage fees?

Linkage fees are charges levied on developers to offset some of the costs incurred by governments as a result of new development. While typically used to pay for roads, parks, and other infrastructure, some cities use linkage fees to pay for affordable housing units either on- or off-site.

Fees and conditions are be subject to state jurisdiction and planning ordinances.

When should they be implemented?

It is crucial that linkage fees are made clear in planning phases of precinct and transit-oriented development to avoid developers finding loopholes in the planning process to avoid fees.

What works well?

- Draws on private sector contributions
- Partially relieves government burden to provide amenities

What are the unintended consequences?

- Places additional financial burden that could deter development or increase prices for other buyers
- Many developers will pay fees to avoid including affordable housing on-site
- Can place the onus on the government or organizations to facilitate affordable housing

What are the challenges?

Developers can build without including affordable housing

Loopholes and exemptions

Community and developer stigma towards affordable housing

Los Angeles proposed linkage fees

Los Angeles, California

The City Council of Los Angeles recently voted unanimously to approve an affordable housing linkage fee applicable to all new commercial and residential developments citywide. The legislation proposes rates of $5 per square foot for non-residential/ commercial use and $12 per square foot for new residential use, though planners have proposed a tiered system as well.

The fee was initially proposed over 2 years ago by Los Angeles Mayor Eric Garcetti and has since received strong opposition from business groups and academics, believing it would slow the development process and fuel the current housing crisis.

The funds received from the fees are expected to draw $75-$92 million annually, enough to build roughly 1,500 affordable units per year.

Inclusionary zoning

Measures to tackle residential displacement

What is inclusionary zoning?

Inclusionary zoning is designed to leverage private development to create new opportunities for affordable housing units. Under inclusionary zoning legislation, a city grants developers an additional floor area bonus should they set aside a designated percentage of units either in or near a market-rate housing development as affordable (typically based on local median area income). The intent is to promote socioeconomic diversity in changing communities, while directly combating gentrification by allowing long-time residents to remain in their home neighborhoods. Inclusionary zoning policies are typically voluntary, though some cities have mandatory inclusionary zoning in certain districts.

Tying affordable housing development to market-rate construction passes much (though not all) of the expense of affordable housing to the private sector. Especially in high-rent, high-demand districts, the extra floor area bonus can be a powerful incentive to developers eager to reap the benefits of building more market-rate units.

When should inclusionary zoning be implemented?

The entire process of implementing inclusionary zoning, from mapping the district, determining specific requirements, opening a housing lottery, and selecting tenants, can take multiple years. Therefore, starting the process early in the transit development timeline is key to ensuring ample affordable units in a TOD project.

What works well?

- Passes much of the expense of affordable housing development onto the private sector in a mutually beneficial arrangement
- Particularly in high-demand districts, density bonuses are powerful incentives to build affordable housing

What are the unintended consequences?

- Affordable housing seen as burden on developers
- Zoning needs to be applied prior to planning starts
- Market rate to affordable proportions (e.g. 80/20 zoning) can lead to a majority high income area and lead to higher costs of living
- Definition of “affordable” often excludes the lowest-income residents

What are the challenges?

Stigma towards affordable housing

Viewed as over-regulation by developers

Only works in very high-demand districts

Inclusionary zoning

New York City, New York

Launched in 2005 under former Mayor Michael Bloomberg, New York City’s Inclusionary Housing Designated Areas Program granted developers an additional floor area bonus if they set aside 20% of units either in or near a market-rate housing development as affordable (below 80% area median income). Under Mayor Bloomberg’s tenure, the program created nearly 3,000 affordable units in seven years and required that these units remain affordable in perpetuity. While most of these can be found in just two neighborhoods, these areas have witnessed a particularly rapid escalation in real estate costs and widespread gentrification, so these affordable units have allowed many residents who would otherwise have been displaced to remain in their neighborhoods. Remaining in gentrifying neighborhoods has created challenges for lower-income tenants, who may struggle to find affordable access to daily expenses (groceries, childcare, and other necessities) in higher-income neighborhoods.

Bloomberg’s program was strictly voluntary, so its effects were limited beyond a handful of extremely in-demand neighborhoods. In 2016, under Mayor Bill de Blasio, New York City Council passed Mandatory Inclusionary Housing (MIH), which requires inclusionary units in all new rezonings and private zoning applications that meet certain criteria. MIH features multiple levels of affordability and currently requires the highest percentage set aside for any major US city. The impacts of MIH remain to be seen as there have only been a limited number of larger rezonings in New York since its passage.

Community benefits agreement

Measures to tackle residential displacement

What is a community benefits agreement?

A community benefits agreement (CBA) is a project-specific agreement between a developer and a broader community coalition that outlines the project's contribution to a community, often in exchange for community support.

A CBA is frequently structured as an agreement between a local government and developer. A CBA crafted according to best practices empowers communities in the development process and is legally binding by signatories, ensuring developers uphold the agreement. CBAs can cover a range of issues important to communities. This section of our report focuses on residential displacement, and a later section focuses on how CBAs can work for businesses and cultural spaces.

CBAs can be quite broad in scope. Measures to protect communities from residential displacement can span from funding for housing programs, tenant relocation assistance, housing allotments, or affordable housing funding and development. The geographic and financial scope of CBA's can vary widely. While financial incentives are often favored by developers to alleviate the need to dedicate land to other programs, initiatives such as housing and recreation can have long-term positive benefits on community.

When should CBAs be implemented?

Since CBAs are agreements with developers, they are unlikely to come into play until after a developer has initiated the approval process on property acquisition and development. To negotiate effectively, communities should organize early in the development consultation phase to determine local demands and develop a productive relationship with developers.

What works well?

- Residents have ability to influence and shape development as well as future funding allocation in the neighborhood
- Protects residents and business owners from being disadvantaged by new development
- Can safeguard local jobs, schools, businesses, and housing against adverse effects
- Can identify clear funding sources and timelines for the provision of agreed community benefits

What are the unintended consequences?

- Often only small portion of community involved
- Difficult to assess the benefits of a CBA until the long term, e.g., 10 years into the future when all development has occurred
- Power ultimately in hand of governments

What are the challenges?

Not necessarily representative of entire community

Requires facilitation and oversight of implementation by government

Community may be opposed to any development

Community benefits agreement
Boston, Massachusetts

A Community Benefits Agreement (CBA) was created as part of the extension of Boston's light rail and associated real estate development. The CBA created for the new development includes affordable housing, local jobs, workers rights, small business initiatives, community resources, open space, arts and culture, public safety, and participatory planning in the redevelopment.

The Union United Coalition includes an array of community members such as activists, business owners, residents, and special interests who have direct input into the creation of the CBA.

The broad scope of terms within the agreement allowed for a more holistic community approach, covering social, physical, and environmental aspects of society responding to a range of interest groups as well as overall desires. This involvement by the community helped the residents to embrace the development as a positive change to the existing landscape and helped increase the quantity of affordable housing around the new stations.

Right-to-stay

Measures to tackle residential displacement

What is Right-to-stay?

Right-to-stay policies obligate developers to offer existing tenants of a proposed development site new apartments at a comparable rate in the new proposed building, ensuring existing residents can live in the same location despite building changes imposed by landlords or developers.

Typically, right-to-stay policies ensure developers or landlords keep a percentage of rental apartments under city rent controls or affordability ordinances to prevent displacement of existing residents and ensure ongoing affordability in the new complex.

This policy enables tenant protections through the development processes. Without right-to-stay, developers and landlords can legally evict residents for the sake of new development and personal financial gain. While just-cause evictions ordinances may ensure tenants are financially compensated for abrupt movement, they can be relocated elsewhere without sufficient warning and are not ensured local living arrangements.

This tool can be deployed successfully at scale but requires significant government engagement and enforcement.

When should right-to-stay be implemented?

Right-to-stay policies are always highly valuable to ensure ongoing housing security and permanence in location. These debates are typically in light of new proposed development in which existing residents request to maintain their current location.

Ideally, these policies should be implemented early to avoid later loopholes and disagreements, however they will be useful to tenants at any stage.

What works well?

- Ensures existing residents can live in the same location despite building changes imposed by landlords or developers
- Promotes affordable housing over personal financial gain by developers
- Keeps rental market at a local scale

What are the unintended consequences?

- Can be the subject of ongoing debate and negotiations
- Avoided by developers and landlords due to lack of revenue
- Quality of new apartments is hard to regulate

What are the challenges?

Unfavorable to developers who might be seeking high-income tenants

Does not ensure consistent apartment size / quality

Requires city wide application and enforcement

Trinity Plaza Apartment Building

San Francisco, California

In 2005, after a lengthy two-year battle between tenants and the landlord, the existing residents of Trinity Plaza apartments successfully obtained security in the apartment block's future.

The negotiated agreement will ensure the landlord must put 360 out of the proposed 1,700 rental apartments intended to be developed under the regulations of the City's rent control ordinance.

While rent control in San Francisco is typically only applicable to certain buildings, including those developed before 1979, this agreement has ensured the new development will be inclusive of existing residents.

Existing residents have the potential to gain higher-quality residences with plans for increased amenity, apartment space and common areas.

Negotiations throughout the process were difficult but ultimately successful for residential affordability.

Social Equity Toolkit summary

Measures to tackle residential displacement

The measures selected for this document were chosen as options that would cover a breadth of issues and loopholes without excessive overlap in purpose. These tools focus mainly on government strategies, requiring policy implementation to protect homeowners and renters in the face of new development and inflated land prices in neighborhoods. While not all these tools will be applicable to every context of transit-oriented development, together they can create an all-encompassing and secure outlook for tenants renting or owning property in a changing region.

The tools on the following page outline some additional measures to tackle residential displacement. These measures were not selected as the primary focus of this document because some of the main attributes of these additional tools are covered by previously highlighted tools. For example, a guaranteed right to housing attorney may not be needed if just-cause eviction ordinances and appropriate governance are in place to avoid these needs for further legal help.

Tool	Description	Examples	Governance	Benefits	Challenges	Time frame	Government funds required
Community land trusts	Dedicated government or NFP owned land stock for affordable housing creation	T.R.U.S.T, South Los Angeles, California Clinton Housing Development Company, NYC, New York	Government, neighborhood, or not-for-profit	Can benefit residents and businesses as well as the wider community	Relies on NFP or government funding to obtain and oversee land	As early as possible; once implemented it is an ongoing resource	Predominantly upfront funding required
Rent controls/ stabilization	Control rental yield through established legal rights mandating inflation on rental properties by real estate market	Berkeley, Los Angeles and Santa Monica rent controls, California	City government	Provides residents with ongoing affordable housing without the risk rises in rental costs	Requires policy to be implemented	Passing new policy and monitoring ongoing success	No funds required beyond administration costs
Just-cause eviction ordinances	Legal rights for rental tenants, protection against unjust evictions	Just Cause for Eviction Ordinance, San Francisco, California	Government	Ensures eviction is just and must go through a legal process	Loopholes, eviction can still be justified for minor causes	Ideally implemented before occupancy but can be deployed at any stage. Ongoing policy	No funds required beyond administration costs
Home-ownership protection policies	Financial assistance policies existing to support low-income homeownership	LOOP, Philadelphia, Pennsylvania Prop 13, Los Angeles, California	Government	Protects homeowners	Some policies allow for one-off payments or discounts but do not provide for recurring costs	Varied in nature and application. The earlier the better	Annual funds required
Linkage fees	Fees imposed on residential and/or commercial development	LA's Affordable Housing Linkage Fee on new commercial and market-rate residential, Los Angeles, California	City planning policy	Encourages affordable housing creation and lower costs for developer	Developer opposition and stigmatization of affordable housing	Policy applied prior to development, costs ongoing with all development	No funds required beyond administration costs
Inclusionary zoning	Legislation granting developers additional floor space or height in exchange for inclusion of affordable housing	Inclusionary Zoning, New York City, New York Measure JJJ, Los Angeles, California	State or city planning policy	Encourages diverse housing stock, encourages mixed-tenure communities	Increases high rise development Developers see as a burden	During re-zoning process	No funds required beyond administration costs
Community benefits agreement	Agreement between government, developers and the community on proposed development	Union United CBA, Boston, Massachusetts Staples CBA, Los Angeles, California	Individual developments, neighborhood, or city-wide	Gives the community input into the planning process	Negotiation between council, developer and community. May not be a long-term solution	Planning prior to development, implemented upon development	No funds required beyond administration costs
Right-to-stay	Obligates developers to offer existing tenants new apartments at comparable rates in the new proposed building	Trinity Plaza Apartment Building, San Francisco, California	Individual developments, city planning policy	Protects existing tenants right-to-stay	Difficult to negotiate, done one a case by case basis	When developer is seeking permission to build	No funds required beyond administration costs

Additional tools

Measures to tackle residential displacement


26th Street Affordable Housing, Santa Monica, California


Peabody Organisation's Silvertown Housing, West London


First right of refusal legislation

Tool	Description	Examples	Governance	Benefits	Challenges	Time frame
Efficient housing models	Housing developments utilize efficient technology and layout to provide money saving initiatives such as passive heating and cooling to lower electricity costs. Open floor plans allowing for flexible in room configuration with users' changing needs	26th Street Affordable Housing, Santa Monica, California Nightingale, Brunswick co-living models, Australia	Building standards	More sustainable building Lower long-term operating costs Flexible floor plans allowing for changing user needs Smaller housing requires less energy and upkeep	Build costs higher than typical affordable housing Standards often need enforcement	Part of the design process and implemented physically during construction Buildings can be retrofitted with these features but it is very costly
Guaranteed right to housing court attorney	Allows low-income residents to dispute unjust landlord claims or eviction claims through the support of a government-funded housing court attorney	New York City (As of August 2017)	Government	Helps low-income residents fight landlord harassment and eviction	Tenuous funding sources	Anytime, though it is likely to be implemented as reaction to displacement crisis
Co-op ownership models / limited-equity cooperatives	Applicable to residences or businesses. Shared ownership model of a property, instead of units being separately owned	Peabody Organization, UK	Co-op owners, Residents, Business	Member-owned, profits distributed evenly internally, fosters social interaction and provides a platform for community voices to be heard	Democratic nature of the model is time consuming and can cause internal issues	Can be established in new or existing properties
First-right-of-refusal laws for tenants and nonprofits	Allows tenants and NFP to purchase land before releasing property to the open market	First Right of Refusal program, Washington DC Omnibus Budget Reconciliation Act 1990, US Congress	Government, Realtors	Provides protection from the open market and greater opportunity to purchase property	May not be safeguarded from pricing increases	When property goes to market and could be utilized by low-income family or affordable housing development
Condominium conversion regulations	Involving the process of converting multifamily rental properties into condominiums. Imposed restrictions limit ability to do this without just reason or to allow inclusion of affordable housing in resale, to ensure rental market is retained		Government, Developers	Ensures ongoing rental market is preserved where possible	Not favorable by developers due to potential profit in resale price	Ideally procedural regulations are imposed as early as possible to ensure rental affordability is retained

Measures to protect businesses and cultural spaces

Social Equity Toolkit Part 2: Measures to protect businesses and cultural spaces

This section outlines five tools that can be applied by governments to protect and foster commercial affordability and summarises multiple additional tools for further consideration.

TOOLS FOR GOVERNMENT

- Commercial zoning regulations
- Lease-to-own programs
- Allocated arts and culture space
- Community benefits agreement

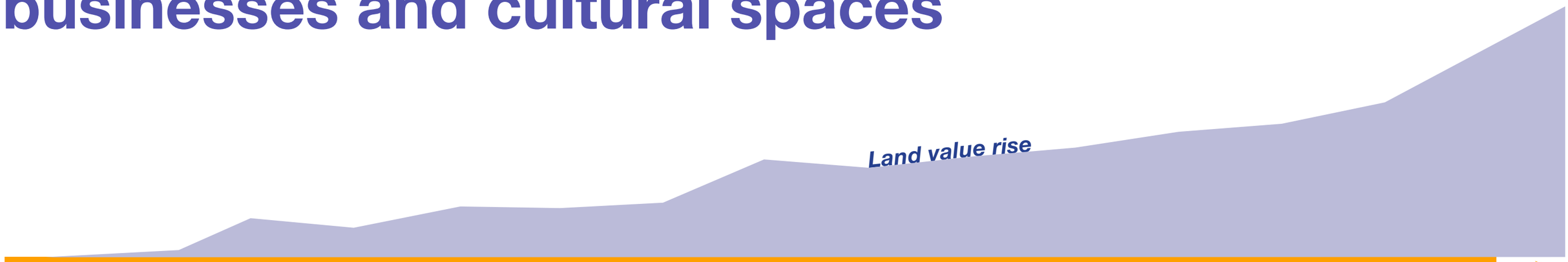
ADDITIONAL TOOLS

What do we mean by measures to protect businesses and cultural spaces?

Transit development can create new commercial activity, giving residents more choice and creating employment opportunities. These benefits can be life-changing for depressed communities, but small and local businesses and cultural spaces can also be pushed out by this change. New businesses may also cater to a wealthier clientele, diminishing the supply of affordable goods and services in a neighborhood.

Measures such as commercial zoning regulation can ensure affordable development is retained in these areas or taxed if not accumulating funds for much needed infrastructure elsewhere. Community Benefits Agreements can also ensure the existing local economy is insulated from market forces. These agreements can be complemented with arts and cultural space programs which safeguard property for cultural and creative uses and help to retain neighborhood character and talent despite the shifts in physical landscape and occupancy.

Timeline of measures to protect businesses and cultural spaces



Transit Development Process

- Develop long-range plan/vision
- Public outreach
- Define corridor and alignment
- Study existing conditions
- Determine desired land uses
- Analyze transit alternatives
- Select preferred option
- Identify station locations
- Launch environmental assessment
- Release transit planning RFP
- Plan station area TOD
- Finalize plans
- Plans fully funded
- Construction
- Full operation

Commercial zoning regulations

Actions

Zoning to protect small businesses, heritage, cultural spaces

Guidelines can be mandatory or recommended, depending on the terms defined by local government

Outcomes

Protection for small businesses

Allocated arts and culture space

Actions

Allocate space for community cultural expression

Program can vary from educational, community, cultural, employment to recreational

Relies on community desires

Outcomes

Ensures there are spaces for expression of local culture, and retains local art forms

Lease-to-own programs

Actions

Provide financial and technical assistance to commercial tenants who are not in a position to purchase the properties they occupy

Intended to safeguard business owners from rapid growth in rental prices

Outcomes

Safeguards businesses against rising rental prices

Retains local small business and community character

Community benefits agreement

Actions

Establish an agreement between government, developers and local community

Highlights community needs / desires in the face of change

Legally binding

Outcomes

Allows for open discussion and negotiation

Commercial zoning regulations

Measures to protect businesses and cultural spaces

What is commercial zoning regulation?

Often associated with the provision of affordable housing units, zoning can also be leveraged in a number of different ways, for example, to preserve small businesses that lend character to a neighborhood. Implemented at the local government level, inclusionary zoning policies can form an important tool. For instance, zoning codes may specify a minimum number of store fronts per building frontage, or they may cap the square footage of individual commercial spaces. These types of requirements can ensure the creation of space for small businesses to operate while deterring big-box retailers from locating in new buildings. Additionally, cities can establish permitting criteria favorable to small, locally owned businesses in districts zoned as commercial corridors. Doing so can foster an environment of commercial diversity and avoid an oversaturation of chains or an overly monotonous commercial landscape.

When should it be implemented?

Zoning regulations must be in place before the development approvals process in order to apply to new construction. Given the lengthy process for enacting changes to zoning codes, cities choosing to employ this tactic should begin as early as possible, either in the inception or precinct planning phases of transit development.

What works well?

- Preserves spaces for small businesses while ameliorating competition from multinational chains
- Explicitly regulates the commercial landscape of neighborhood business corridors
- May still enable larger businesses with conditions

What are the unintended consequences?

- Laborious regulations seen as a burden on developers
- Zoning needs to be applied prior to planning starts
- Loopholes in government / developer relationships push boundaries

What are the challenges?

Stigma against perceived anti-developer policies

Government being persuaded by developers

Lack of firm enforcement by government

Zoning for small businesses
San Francisco, California

The San Francisco Planning Code seeks to curb 'formula retailers' by mandating extra layers of regulations and approvals in certain zoning districts that do not apply to smaller or locally owned businesses.

Section 303.1 of the San Francisco Planning Code defines "formula retailers" as "a type of retail sales activity or retail sales establishment that has eleven or more other retail sales establishments in operation, or with local land use or permit entitlements already approved, located anywhere in the world," as well as other forms of standardization such as merchandise selection and corporate aesthetics.

Allocated arts and culture space

Measures to protect businesses and cultural spaces

What does allocated arts and culture space mean?

Nonprofit and informal cultural and artistic groups—particularly smaller, neighborhood-based ones—become especially vulnerable to displacement in a gentrifying area.

Cities and nonprofits have employed a number of tactics to maintain affordable spaces for these groups, including grant funding, dedicating public facilities exclusively for artistic uses, small-scale community land trusts for arts organizations, repurposed underutilized public and private spaces, and inclusive programming.

When should these spaces be implemented?

In contrast to zoning or a community benefits agreement, the allocation of space to arts organizations is not necessarily tied to the development process. Therefore, arts preservation efforts may typically not take place until prices have risen significantly enough to severely threaten the community's sustainability.

What works well?

- Strong emphasis on community participation
- Non-specific in nature, scope for variety of projects and programs
- Preserves space for arts organizations and artists
- Provides platform for social cohesion
- Can become a component of a CBA

What are the unintended consequences?

- Usually requires strong government support
- Program often nonprofit requiring volunteers or government funding to oversee / regulate
- Requires upkeep, maintenance and ongoing support

What are the challenges?

Space could be redeveloped and highly profitable

Requires a proactive community body / interest

Arts and culture spaces can be socially or culturally exclusive

Reimagining the Civic Commons
Chicago, Detroit, Memphis, Philadelphia, Akron

"Reimagining the Civic Commons" is a $40 million grant program designed to equitably distribute the benefits of urban revitalization across all communities through the targeted reinvention of common civic assets.

Artist Theaster Gates is leading the charge to revitalize sections of Chicago's South Side through the reactivation of a former bank as an art and media gallery and archive, and a former powerhouse into an artist training and work space.

Community Arts Stabilization Trust (CAST)
Oakland, California

Long a bastion of affordable and diverse living, in recent years Oakland has seen land prices soar as San Francisco becomes increasingly unaffordable. Oakland's thriving arts scene is struggling to sustain itself under these circumstances. As a nonprofit real estate holding company in the arts, CAST's mission is "to create stable physical spaces for arts and cultural organizations to facilitate equitable urban transformation." To achieve this goal, CAST uses philanthropic funding to purchase buildings and lease them to arts organizations for seven years. During this time, they provide technical support to tenant organizations to help them learn about property acquisition and financial management. After seven years, they offer the property to the tenant at a reduced rate so they can own their own space and maintain independence from the whims of the real estate market.

Lease-to-own programs

Measures to protect businesses and cultural spaces

What is a lease-to-own program?

Lease-to-own (or "buy your building") programs offer financial and technical assistance to commercial tenants to purchase the properties they occupy. In doing so, the business owners are safeguarded from rapid growth in rental prices, ensuring the long-term sustainability of locally owned businesses and helping to maintain local character.

Such interventions are a response to landlords of commercial properties imposing unexpected, non-negotiable, and unaffordable rent increases on their tenants.

When should it be implemented?

While small business economic development initiatives may be beneficial to any business owner, lease-to-own programs work best—and are most necessary—in high-rent, high-demand districts where commercial tenants face high risk of displacement. Accordingly, lease-to-own programs may be implemented in a neighborhood that is already showing signs of gentrification.

What works well?

- Offers businesses protection from rent increases and displacement
- Provides business owners with a vested stake in their neighborhoods
- Helps maintain local character and prevents infiltration of big-box retailers

What were the unintended consequences?

- Building ownership not necessarily the best investment for some small businesses—could lead to default and vacancies
- May be ineffective in very high-rent districts, where cost to buy is too high and landlords are hesitant to sell

What are the challenges?

Requires capital funding from government

Low barriers to entry may offer ownership to risky buyers

Landlords unwilling to sell in high-demand markets

Economic Development Loan Fund

Salt Lake City, Utah

To spur economic development at the neighborhood level, the city of Salt Lake City, Utah offers very low-interest loans to small businesses through its Economic Development Loan Fund. These loans are designed to help businesses that may not qualify for more traditional financing channels to acquire their buildings or the land they occupy, as well as smaller expenses such as rehabilitation, landscaping, or equipment. To foster unique local character, the City evaluates applications based on how they "help revitalize neighborhoods and have a positive economic impact in Salt Lake City."

Community benefits agreement

Measures to protect businesses and cultural spaces

What is a Community Benefits Agreement?

A community benefits agreement (CBA) is a project-specific agreement between a developer and a broader community coalition that outlines the project's contribution to a community, often in exchange for community support.

A CBA is frequently structured as an agreement between a local government and developer. A CBA crafted according to best practices empowers communities in the development process and is legally binding by signatories, ensuring developers uphold the agreement. CBAs can cover a range of issues important to communities. This section focuses on the role of a CBA in protecting businesses and cultural spaces, while an earlier section focuses on housing protections.

CBAs can be quite broad in scope. Measures to protect businesses and cultural spaces can span from additional funding for business support programs to construction of community facilities (e.g., schools or recreational facilities), local hiring commitments, funding for jobs training programs, or open space contributions. While financial incentives are often favored by developers to alleviate the need to dedicate land to other programs, initiatives such as business support and recreation can have long-term positive benefits on community.

When should CBAs be implemented?

Since CBAs are agreements with developers, they are unlikely to come into play until after a developer has initiated the approval process on property acquisition and development. To negotiate effectively, communities should organize early in the development consultation phase to determine local demands and develop a productive relationship with developers.

What works well?

- Involves community in the planning process
- Can protect existing community assets, such as local jobs, schools, and businesses against adverse effects
- Can create new community assets
- Legally binding

What are the unintended consequences?

- Provides short term solutions, including funding, but does not always ensure ongoing affordability
- Facilities, programs, or employment are not necessarily monitored or maintained
- CBAs can often offer funding and local employment in the construction process, but they are not necessarily the best tool for long-term programs

What are the challenges?

Once development starts plans can change

Jobs created may not always be ones that are desirable or suitable

Jobs may only be for the term of project, causing a slump after its completion

"Staples CBA" Los Angeles Sports and Entertainment District
Los Angeles, California

This large development project includes a hotel, 7,000-person theater, convention center, housing complex, plazas, and offices in Downtown Los Angeles, adjacent to the Staples Center.

The CBA guaranteed up to $150 million of spending on amenities. The CBA included parks, affordable housing requirements, job opportunities targeting low-income residents, and parking guarantees in the midst of the large sporting development. It was a stand-out example for CBAs with extensive consultation and commitments to a coalition of over 30 community groups.

Social Equity Toolkit summary

Measures to protect businesses and cultural spaces

Commercial development is normally attracted to new transit investment. New commercial activity can give residents more choice and create employment opportunities. These benefits can be life-changing for depressed communities, but small and local businesses and cultural spaces can also be pushed out by this change, enacting some of these measures and involving the community in the planning and implementation process is essential.

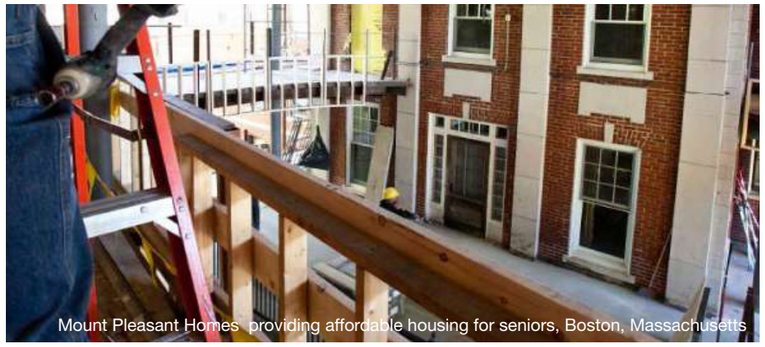
Much like the residential measures, these tools are generally implemented through government authority. However, in some cases governments can transfer governance of the measure to not-for-profit or local groups. Tools such as community benefit agreements can tie the needs of a community into many components of a transit-oriented development, but community benefits need to be proactively negotiated to ensure they are accepted by developers and valued by existing residents. Allocating arts and culture space can also preserve community groups, communal social space, and cultural expression, which promote neighborhood character and relationships.

Some additional tools are listed in the table on the next page. While the measures discussed on this page are not exhaustive, they provide a range of responses that are appropriate to the timeline and scope of transit-oriented development. Every case requires different tools, however those listed on the adjacent page can respond to a broad range of issues.

Tool	Description	Examples	Governance	Benefits	Challenges	Time frame	Government funds required
Commercial Zoning Regulations	Zoning to protect small businesses, heritage, cultural spaces	Inclusionary Zoning, New York City	City planning policy, strategic planning, local government	Encourages diverse housing stock and mixed-tenure communities	Affordable housing seen as a burden on developers	Zoning in planning stages prior to any development	No funds required beyond administration costs
Community Benefits Agreement	Agreement between government, developers, and the community on proposed development	Union United CBA, Boston, Massachusetts Staples CBA, Los Angeles, California	Individual developments, neighborhood, or city-wide	Gives community input into planning process	Negotiation between council, developer, and community May not be a long-term solution	Planning prior to development, implemented upon development	No funds required beyond administration costs
Allocated Arts and Culture Space	Space and program designated to cultural and artistic expression in the local community fostered by city and developer support	Community Arts Stabilization Trust (CAST), Oakland, California	Government, not-for-profit	Program allows the community to contribute to the development and have sense of ownership	Often requires initial and ongoing funding	Any time in development, often short term projects	Potential upfront funding required
Lease-to-Own Programs	Financial and technical assistance for commercial tenants who are not in a position to purchase the properties they occupy	Economic Development Loan Fund, Salt Lake City, Utah	Local government, federal government, private entities	Protects from rent increases and displacement, helps maintain local character	Requires dedicated commitment at all levels of government Low barriers to entry may offer ownership to high-risk buyers Landlords unwilling to sell in high-demand markets	May be implemented after a neighborhood starts showing signs of gentrification, but before prices rise significantly	Potential annual funding required

Additional tools

Measures to protect businesses and cultural spaces


Mount Pleasant Homes providing affordable housing for seniors, Boston, Massachusetts


Infill Development Proposal, Toronto

National Cooperative Bank (CDFI) for Meadowlink

Tool	Description	Examples	Governance	Benefits	Challenges	Time frame
Land / housing stock ownership transfer	Transfer of public housing to Community Housing Providers who might be more local and effective	Unison Housing, Melbourne, Australia	Government, not-for-profits	Provides new affordable housing stock and NFP opportunity to create community housing	Requires a high level government support Cost are still leveraged	Implemented when land available / willing to be transfer by government to the housing provider
Infill incentives	Financial tax incentives offered to develop vacant land or rehabilitate existing structures	Phoenix, Arizona Tacoma, Washington	Government	Makes infill development more appealing and financially enticing with incentive	Requires financial support	Prior to proposed development
Resident-owned community development finance institutions (CDFIs)	Provides credit and financial services to people and communities not served by mainstream banks and lenders	Boston Community Capital Chicago Community Loan Fund Florida Community Loan Fund	Private organizations	Allows residents with unfavorable past financial patterns to borrow money Allows community organizations to borrow money	Some practices may have harsher loan conditions and repayment rates Can cause more financial burden	Anytime a need arises Many organizations already exist and are ready for use
First-right-of-refusal laws for tenants	Allows renters to have the first shot to buy the home they are living in should the owner decide to sell	First Right of Refusal program, Washington DC (helping preserve nearly 1,400 units over past 10 years) Omnibus Budget Reconciliation Act 1990, US Congress	Government policy	Allows protection from open market and opportunity to buy	May not be safeguarded from pricing increases	When property goes to market

WRAP-UP

Conclusion

This Social Equity Toolkit offers a range of measures that help enable development and preserve communities. It is a practical guide to implementing the best practices in equitable development. The key is identifying when in the timeline of development these practices are best applied. With timely coordination and careful planning, cities can ensure that existing residents and business owners are not priced out of their homes and stores, even if market-rate land values rise precipitously.

The 21st century has seen a new urban renaissance. The global middle class has swelled world cities. Managing this growth is a significant challenge. The convergence on cities has unparalleled potential to stimulate economic development, support cultural diversity, reduce impact on the environment, and enhance quality of life. But the benefits of city living are not always equitable.

Transit-oriented developments often exclude existing residents from the benefits of urbanization, and—by gentrifying transit-rich urban neighborhoods—can displace low-income people from their communities. The legislators, planners, and developers who shape cities thus need to proactively manage the dislocating forces of gentrification.

This balance between growth and disruption epitomizes the modern city. Transit-oriented developments enhance amenities, improve mobility, and house more people. But the demand for this urban living can dislocate communities who are already there. This tension doesn't have to be destructive. The opportunity to grow can also bring the power to protect if the right measures are in place. That is the aim of our work. We hope this guide will help governments and community leaders understand where, how, and when cities can deploy locally appropriate tools to facilitate development without displacement.

Arup understands these challenges. We shape successful transit systems through our uniquely integrated capability in transport, buildings, digital, planning, and advisory services. But it takes more than good ideas to drive equitable community outcomes. Our technical knowledge comes with a deep understanding of city governance and urban policy implementation—and we offer our advice independently. We are owned by our employees and have a long history in city-shaping infrastructure projects and social development. This Social Equity Toolkit of measures for development without displacement channels both our values and skills to help shape a better world.

APPENDIX 1

DEVELOPMENT WITHOUT DISPLACEMENT: GLOBAL CITIES

APRIL 2019

ARUP

Displacement on a global scale

Development-induced displacement is not limited to the United States. Cities across the globe struggle to grow and change while still maintaining affordable housing and lifestyles. This appendix broadens the scope of *Development without Displacement* to examine the unique local and national conditions that have led to urban displacement and inequities internationally. Specifically, it is divided into four sections:

1. England
2. South Africa and African Cities
3. Australia
4. Hong Kong

With divergent histories, contexts and local policy frameworks, each of these countries and cities seeks to achieve development without displacement in different ways. For example, in England, a focus on "good growth" for the country's cities and burgeoning metropolitan regions, alongside a "localism" agenda, has led to intensive efforts towards community-driven planning processes. Meanwhile, South Africa, seeking to redress historic spatial injustices wrought by apartheid, is attempting to racially and socioeconomically integrate central urban neighborhoods through inclusionary zoning and government-backed loans. With growing competition for space and housing prices climbing rapidly in major cities, Australia is seeking to release vast portions of its heavily regulated crown land in the vicinity of metropolitan areas to accelerate housing production. And while the Hong Kong government offers limited policy-based protections against displacement, it seeks to leverage its innovative Rail + Property TOD model to build affordable housing in buildings owned by MTR, its public transport authority.

In spite of the differing contexts in which they are implemented, these policies can offer valuable lessons for cities in other countries that are struggling with equitable development policies. This appendix intends to help illuminate the range of measures cities can implement in developing their own DwD frameworks.

1: ENGLAND

Source: Lorenzo Spoleti

England's housing crisis is well documented, with demand outstripping supply in many parts of the country and housing becoming increasingly unaffordable.

Consistent with the principles of "good growth", government, practitioners and developers are seeking to capitalise on the TOD potential that transport hubs can bring. Specifically, the English government is working to harness the potential for transport projects to deliver higher-density development with good access to local services and employment opportunities. Similarly, transport schemes are being promoted where they can be shown to unlock growth in terms of jobs and housing. Such examples include the Crossrail (the Elizabeth Line) in Greater London and Northern Powerhouse Rail in the North of England.

However, similar to its impacts in other countries around the world, TOD in England often leads to increases in surrounding land and property values. While recognising that change and evolution of the built environment is an ongoing and continuous process, and not seeking to limit this, this research contends that urban growth need not come at the expense of existing communities. Through understanding the interrelationships between transport, housing, social change and displacement, English policymakers, transport sponsors and developers are becoming more equipped to address the drivers of these complex processes before displacement occurs. This chapter details some of the most effective policy interventions currently in use in England.

At the national, city and local levels across England, there is an increased focus on the importance of achieving good growth. The precise definitions vary, but most are centred on delivering inclusive and affordable homes, working in partnership with citizens and businesses, ensuring communities are well-connected to the labour market, and promoting the economic sustainability and vibrancy of places. The provision of high-quality transport systems is an important component, enabling local communities to collectively benefit from growth.

This chapter identifies best-practice tools available in the English context that can be used to maximise the benefits of development for all, thereby minimising displacement of existing communities.

The tools presented have several aims but generally they seek to influence or bring about one or more of the following outcomes: protecting housing affordability, increasing the supply of affordable homes, protecting and creating key community facilities, and working with people to ensure their voices are heard in the development process. These tools can be used individually or collectively as a package of measures to help realise inclusive growth.

Source: Ron Porter

English Social Equity Toolkit

Social Value Act

Applicable to the public sector, requires authorities to consider how services might improve an affected area's economic, social and environmental wellbeing

The Green Book

Guidance published by Her Majesty's Treasury to help policymakers, public transport sponsors, private developers and transport investors determine whether their programme, policy or project will achieve policy objectives and offer value to the government

Community land trusts

Not-for-profit, community-based organisations that aim to further the social, economic and environmental needs of a community by acquiring and managing land as a way to provide genuinely affordable housing, as well as other key community assets

Estate regeneration ballots

London policy requiring that estate regeneration plans that either involve the demolition of social housing or require funding from the Greater London Authority undertake a ballot with residents on the development proposals

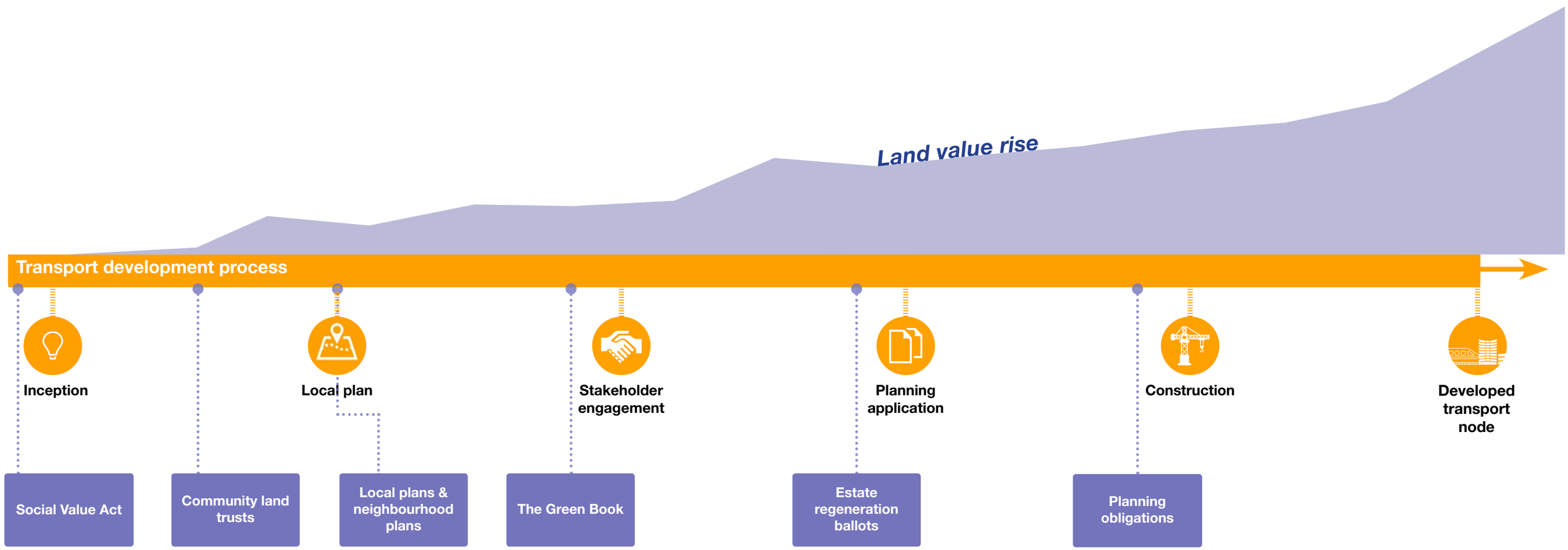
Local plans and neighbourhood plans

Set out priorities for the development and land use in a specific local authority or neighbourhood area

Planning obligations

Enable local authorities to require developers to deliver public goods in the form of financial contributions, specific infrastructure improvements or a minimum number of affordable homes, among others.

Social Equity Toolkit timeline



2: SOUTH AFRICA AND AFRICAN CITIES

Cities across Africa are growing at unprecedented rates. According to the World Economic Forum, each day approximatively 2,000 people make their way from rural areas to seek opportunity in Africa's burgeoning cities. This exodus, coupled with regional migration and natural population growth, has exacerbated Africa's housing needs to crisis proportions. The rate of housing provision simply cannot keep up with new demand for accessible and affordable housing.

Many newcomers are forced to settle in informal settlements or in neglected inner-city buildings, where informal slumlords convert unused office space and apartments through illegal subdivision to accommodate far more people than the buildings are designed to accommodate. While such conditions are inadequate and in many cases unsafe, this informal response to housing provision has at least provided new city dwellers with an opportunity to live in well-connected and accessible locations as they seek new livelihoods in growing and gritty cities.

City authorities and local governments have also had to respond to the need for housing, with low-cost housing consistently being a top issue in politics and legislation. For example, since the fall of apartheid in 1994, South Africa has embarked on one of the largest housing provision programmes globally, which promises free housing to the poor and unemployed. Since its inception more than 20 years ago, South Africa's mass housing programme has shifted focus from housing provision to housing facilitation, with the range of subsidy and partnership programmes becoming more sophisticated and characterized by increasing delivery options. While the programme began as a singular approach that provided fully built housing units along with land ownership to low- or zero-income families, it has broadened its scope to include rental housing, community partnerships and obligations being placed on the private sector to be a co-provider of housing opportunities. These responses have largely been driven by the inability of government to continue funding the programme of free housing in the face of economic downturns and frustration of a housing backlog that seems insurmountable.

The early push for mass housing provision in African cities, and especially in South Africa, was carried out with little alignment to transport provision programmes. The urgency to provide housing to the urban poor has meant that both government and private developers have favoured cheaper land in the periphery of cities instead of aligning housing provision with supportive transport. As a result, low-income households spend up to 40% of their total household incomes on daily commutes. These decisions—along with already sprawling cities, and in the case of South Africa, apartheid policies of segregation that created enduring inequality—have made recent plans to implement mass transport programmes more complex and expensive.

Thus, many poor people are already located further away from opportunity. For the last two decades, city authorities, while officially disapproving of illegal and informal occupation, have turned a blind eye to these housing solutions, acknowledging the inadequacy of formal provision to cater for all housing needs.

However recent trends and a renewed energy in regenerating inner cities and neglected downtowns have placed the urban poor in positions of increasing uncertainty. As inner-city office buildings and opulent old apartment blocks are renovated into trendy lofts, studios and coffee shops for a new generation of young professionals, the urban poor are again being pushed out to the city periphery, where the difficulties of accessing jobs and education lock many families in generational cycles of poverty.

At the same time, many African cities are implementing new mass transport programmes, with bus rapid transport being a popular choice. Inner cities are the favoured focus for initial phases, as they are dense enough to support such systems, and they promote economic sustainability.

While these programmes are critical and long overdue in providing reliable and affordable city connectivity, their flip side is virtually inevitable increases in inner-city rents and property values. African cities and city authorities are beginning to acknowledge these unintended consequences but are still a long way from developing a coherent response and appropriate range of tools to deal with these effects in a manner that protects the right to the city for all.

Communities themselves are fighting back, with illegal occupation of prime land becoming a growing feature in cities, numerous high-profile court cases fighting evictions and the sale of public lands and the growing call from the political left for the amendment of South Africa's constitution to allow for the redistribution of land from the rich to the poor without compensation. This call in particular has been met with stiff opposition in some quarters and sparked a renewed debate about questions of property rights as a marker of economic emancipation and transformation across South African society.

This chapter presents some of the existing tools in African cities to prevent displacement and highlight their efficacy and shortcomings through real- world case studies, with a focus on South African cities.

Responding to the challenge in the African context

The Social Equity Toolkit in an African context focuses on the available tools and processes to prevent residential displacement. There are very few tools, if any, at present that address the displacement of commercial and not-for-profit enterprises, even though small and community-owned businesses face the same challenges from gentrification and unaffordability as the residents of the communities they serve.

The African Toolkit is also framed by the acknowledgement that mass transport is far less developed compared to cities on other continents, with most cities still in the planning phase of public transport initiatives.

This means that a richness of tools to tackle displacement has not yet emerged and that successfully implemented case studies are few and far between. Thus, the examples provided are mainly in the planning stages, and a full analysis and evaluation of their impacts and effects is not possible at this time.

Nevertheless, the African toolkit and accompanying case studies highlight the unique opportunity to assess how well cities and authorities have drawn on global lessons and outcomes, with a view to both pre-empt the challenges of transport development and displacement, but also to exploit the opportunities that transport provision presents to restructure Africa's sprawling and unequal cities.

The winter of 2017 saw the Cape Town neighbourhood Bo-Kaap erupt in street protests reminiscent of the apartheid era, with residents airing their frustrations with the City, whose sales of publicly owned land within their district continues to push costs up in one of the few remaining areas where lower-income communities still live on the doorstep of the city centre.

African Social Equity Toolkit

People's Housing Process

South Africa's Department of Human Settlements introduced the People's Housing Process as a means for low-income communities to self-organise to exercise a degree of control over the type of housing provided to them and reduce timelines of provision. Communities, often assisted by not-for-profit organisations, instigate a plan for housing provision on public land, with the state contributing land costs and applicable subsidies augmented by community savings and cash or in-kind not-for-profit contributions. Similar approaches under different names exist in other cities such as Nairobi.

Inclusionary housing

Inclusionary zoning refers to legislation obligating developers to allocate a minimum of 20% of housing units in new developments as rent-controlled, based on affordability criteria for low-income tenants. Additional floor space, height or bulk service contributions are offered in exchange but are negotiated on a case-by-case basis. This policy is in the early stages of implementation in some South African cities, and policy is also being developed in Kenya and Ghana.

Rental Housing Act, 1999

South Africa conveys legal rights to rental tenants, as well as informal and illegal occupiers of land, that offer protection against unjust evictions through the Rental Housing Act, 1999. To prevent opportunistic land grabbing and protect the rights of landowners, conditions such as providing proof of long-term occupation of land are required. In contrast, other cities such as Addis Ababa offer no protections to informal settlers or tenants, and transport development projects result in mass evictions and slum clearing. In recent years these practices have generated widespread unrest and revolt.

Community Benefits Agreement

By law, private developers must engage with communities and demonstrate how new development will benefit wider or adjacent existing communities, often providing community facilities or improvements to bulk infrastructure supply as a benefit. Major criticisms have been levelled against this tool, as it is sometimes seen as a means for influential community members to secure personal or partisan political benefits as an incentive for agreement to development.

The right to shelter

The South African constitution and Bill of Rights obligate the state, but not private developers, to offer occupants decent housing if they are evicted or driven out by new development, even if they are informal settlers, as long as they can prove long-term occupation. Criticisms of this right have been that the obligation does not specify the type of shelter or proximity of the new housing provision in relation to the original place of residence and often results in social disruption, isolation from work and opportunities and the severing of community ties.

Finance Linked Individual Subsidy Programme

In South Africa, Finance Linked Individual Subsidy Programme is an initiative that offers state-subsidised commercial bank loans to help facilitate greater middle-income homeownership, specifically for those who do not qualify for low-cost housing subsidies but who would not be eligible for fully commercial home loans without support. In other Sub-Saharan African cities, such protection policies are non-existent.

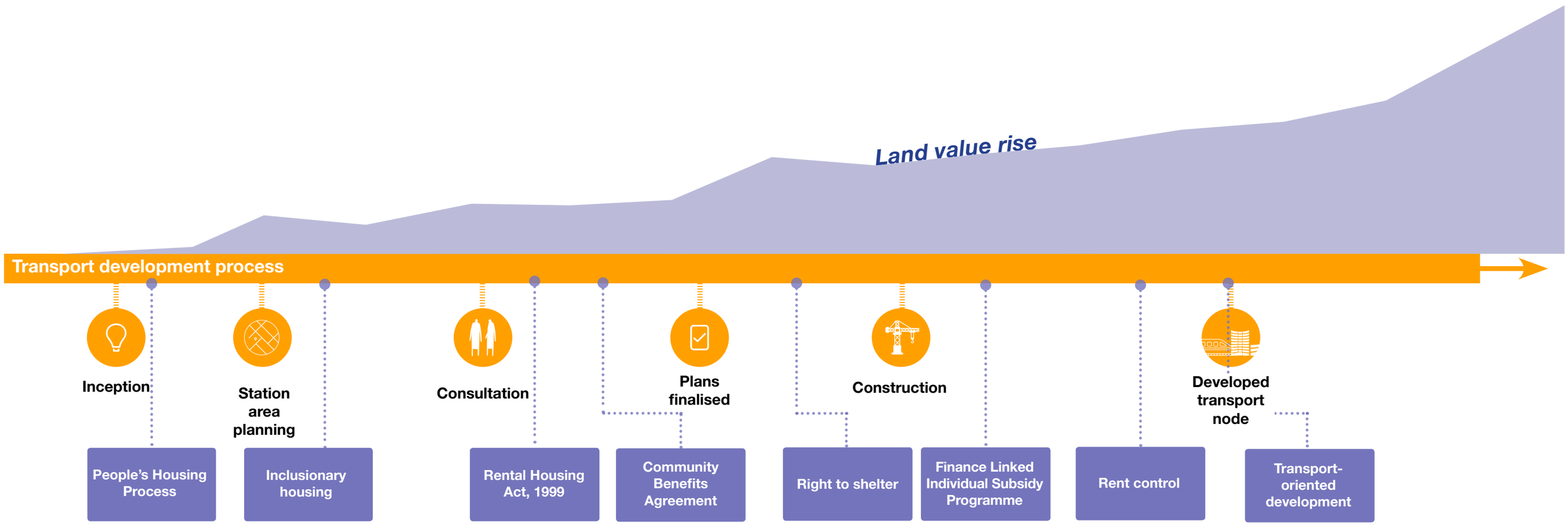
Rent control: Social Housing Regulatory Authority

At present, only rentals deemed "social housing" are rent-controlled in South Africa, with rents set centrally by the Social Housing Regulatory Authority (SHRA). Private developers can build social housing subject to the approval and continuous oversight of SHRA. SHRA has been criticised as only catering to a small segment of the housing market and determining rental costs at a national level, which does not consider locational differences in affordability and incomes.

Transport-Oriented Development

Transport-oriented development (TOD)—an increasingly popular development strategy referring to new communities developed around transport nodes—is emerging as a key strategy in African cities to support mixed-use, mixed-income development. Cities use TOD a counter measure to city sprawl and a means to address spatial inequality and a lack of well-located housing and integrated work, recreation and education opportunities for the urban poor. Its emergence as a tool of choice is driven by the reality that many cities across Africa are developing mass transport systems and plans. TOD is thus seen as having the potential to significantly restructure cities and promote compaction and densification.

Social Equity Toolkit timeline



3: AUSTRALIA

Source: Lorenzo Spoleti

Unaffordability in Australia is the centre of ongoing debate. This trend is reflected in major Australian cities such as Melbourne and Sydney, spurred by growing population pressures and a demand for housing that vastly outstrips supply. Not only has this increased high national rates of homelessness, but it has also displaced whole communities in the face of increased urbanisation and development pressures. With a large decrease in peri-urban and rural farming and agricultural professions in the Australian landscape, there has been a significant shift towards urban living, with 90% of Australia's population now residing in urban areas. Placing high pressure on metropolitan and urban-fringe regions, once low-income and undesired areas are now becoming highly sought-after, with expensive residential developments pushing out existing residents and displacing communities into areas of poorer accessibility, amenity and opportunity.

This means that, despite available regional land and affordable rural living options, pressures on cities to deliver equitable housing stock and infrastructure remains a significant issue. We see evidence of this in Melbourne's Metropolitan Growth Boundary, continually being flexed over time to encompass the demand for urban living and planning requirements. This too is occurring in the nation's most populous city, Sydney, whereby a shift from a mono-centric to a poly-centric model, as outlined in the Greater Sydney Commission's "A Metropolis of Three Cities", has enabled further alterations to land zoning to allow for fast-paced urban development. Such actions initiate intense competition around available land, especially in areas where infrastructure promises residents access to jobs and services.

The key focus of this chapter is to examine the policy measures currently in place in Australia that address residential affordability. Alongside a rapidly expanding urban population, heavy investment in infrastructure is stimulating renewal in urban areas. In the face of significant regeneration, affordability mechanisms are essential in ensuring that the fabric of existing communities can be sustained and prosper in the midst of change. If robust measures to address affordability are not implemented and enforced, not only will this result in insufficient housing stock that is affordable for prospective residents, but it will also lead to the displacement of existing residents due to gentrification, altering the community aesthetic and culture of Australia's cities.

Australian Social Equity Toolkit

Unlocking supply

Releasing undeveloped crown land to increase housing availability

Energy-efficient fit-outs and builds

Long-term savings and environmental benefit through energy-efficient building construction and operation

Inclusionary zoning

Regulations or incentives for a dedicated portion of new developments to be designated for affordable housing

Rent-to-own models

Financial and technical assistance for commercial tenants who are not in a position to purchase the properties they occupy

Fit-for-purpose housing models

Innovative housing typologies that prioritise community, sustainability and affordability

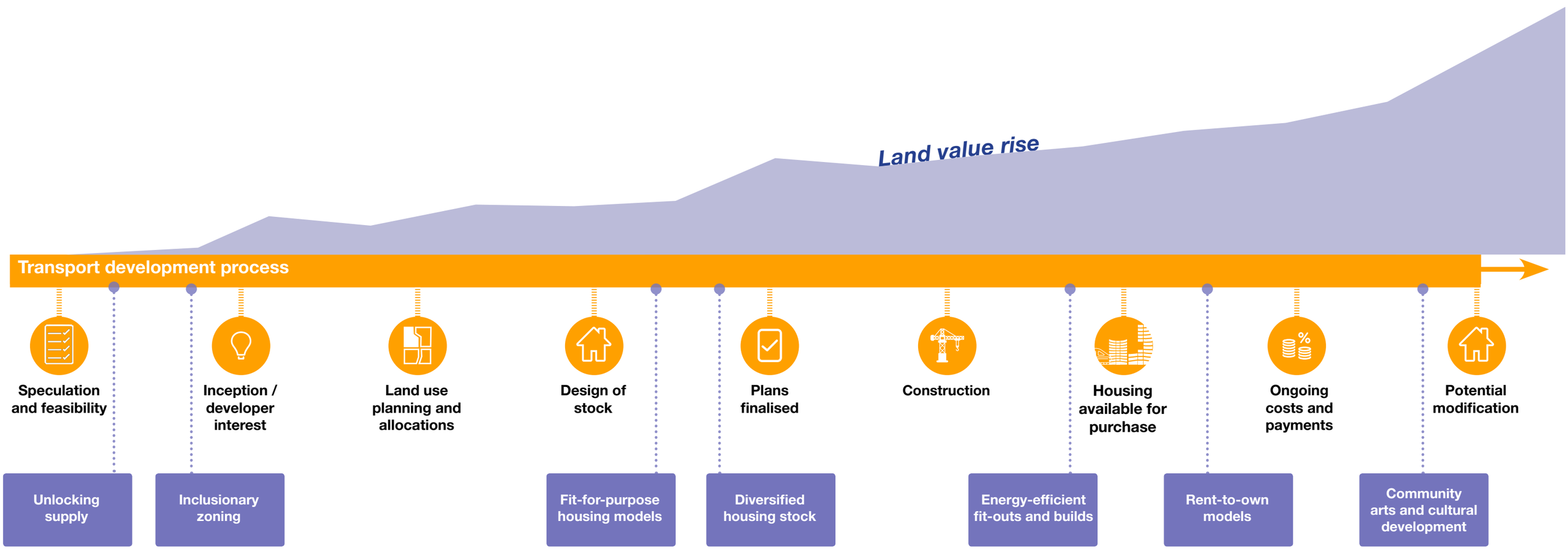
Community arts and cultural development

Promotion of local cultural institutions and programming to maintain and improve social and cultural fabric

Diversified housing stock

Accounting for medium-density housing typologies

Social Equity Toolkit timeline

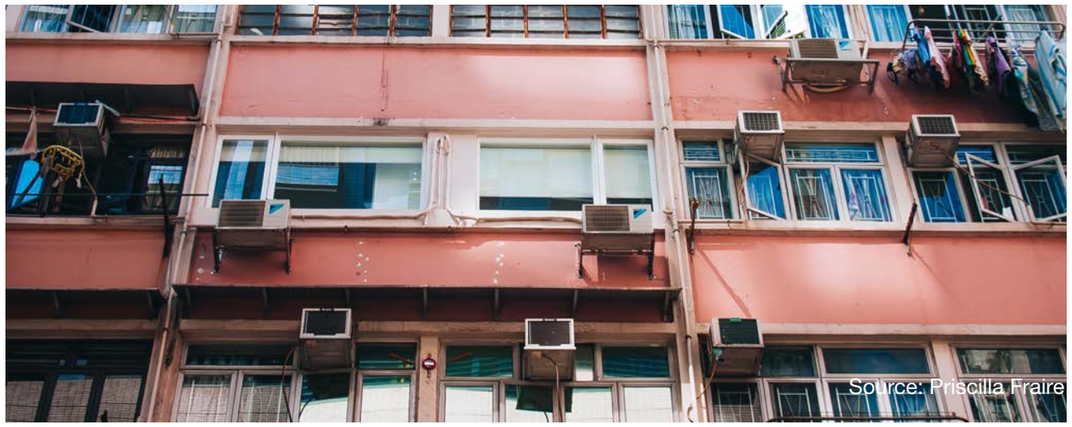


4: HONG KONG

Among the primary economic powerhouses in the Asia-Pacific Region, Hong Kong's economy and population are undergoing continual growth. Yet Hong Kong is one of the most compactly settled cities in the world. Due to an expansive network of national parks, conservation zones and environmentally sensitive areas, some 7.4 million people are squeezed into approximately 15 percent of Hong Kong's landmass. Thus, property prices in Hong Kong rank among the world's most expensive.

Owing largely to these space constraints, Hong Kong is no stranger to issues of development-induced displacement. As demands for living and working space continue to outpace supply, and as land values continue to climb higher, high-profile development and redevelopment projects are increasingly met with opposition due to perceived negative impacts on local communities.

However, compared to the other cities and countries profiled in this report, Hong Kong has yet to develop a robust system of policies to protect residents or businesses against displacement. While some tools are under development, their application to date has been fairly limited. Thus, this chapter explores some of the prevailing displacement issues in Hong Kong, presents specific case studies of areas that have experienced displacement and cultural change and highlights the emerging toolkit of government policies designed to address displacement.



Source: Priscilla Fraire

Transport-induced displacement

Hong Kong's real estate market operates under the "Rail + Property" (R+P) model, one of the world's most sophisticated TOD practices. Under this framework, rail stations not only serve a transport purpose, but they also explicitly pave the way for new development: the Hong Kong government grants land development rights adjacent to new or existing rail stations to Mass Transit Railway (MTR), the local transport authority, which works with developers to build mixed-use buildings—incorporating retail, office, educational, residential, and other uses—atop new stations. MTR then uses a portion of revenue from new developments to fund further rail construction. While this model has allowed Hong Kong's development to thrive in its compact setting, it has also brought about varying levels of displacement.

Transport-induced displacement can be observed along and/or near MTR lines and stations. These areas are likely to be transformed into valuable developments, which inevitably result in higher land values and property prices. For instance, since the opening of the South Island Line (East) in December 2016, a dramatic increase in property prices around its stations has occurred. Flat prices in South Horizons have leapt from an average of HK$13,320 (£1,300) per square foot to HK$15,300 (£1,500) over the course of just one year (SCMP, 2017). In a 2016 interview, a Southern District councillor said that rent for a 900 square-foot shop has tripled from HK$20,000 (£1,900) to HK$60,000 (£5,750) since the start of the construction of the line.

On the one hand, new MTR lines generate positive economic impacts, such as investments in infrastructure and the creation of new shops, jobs and housing units. On the other hand, smaller business owners are often unable to afford new rents and are forced to relocate elsewhere. If this trend continues in the coming years, the threat of displacement can be expected to intensify.

Urban renewal-induced displacement

Through the Urban Renewal Authority (URA), the Hong Kong government works to rejuvenate neighbourhoods by restoring dilapidated buildings, promoting environmentally sustainable design and mobility and preserving historically significant structures. The URA represents a key government strategy to boost the local economy and address the city's housing shortage.

However, numerous case studies indicate that urban redevelopment projects often result in displacement; by increasing the desirability of renewal areas, these projects can drive residents into less desirable neighbourhoods or areas further out from the city centre. Once redevelopment projects commence, speculation for buildings surrounding the station pushes the cost of living higher until prices become unattainable for long-time residents.

Social Equity Toolkit timeline

Flat-for-flat scheme

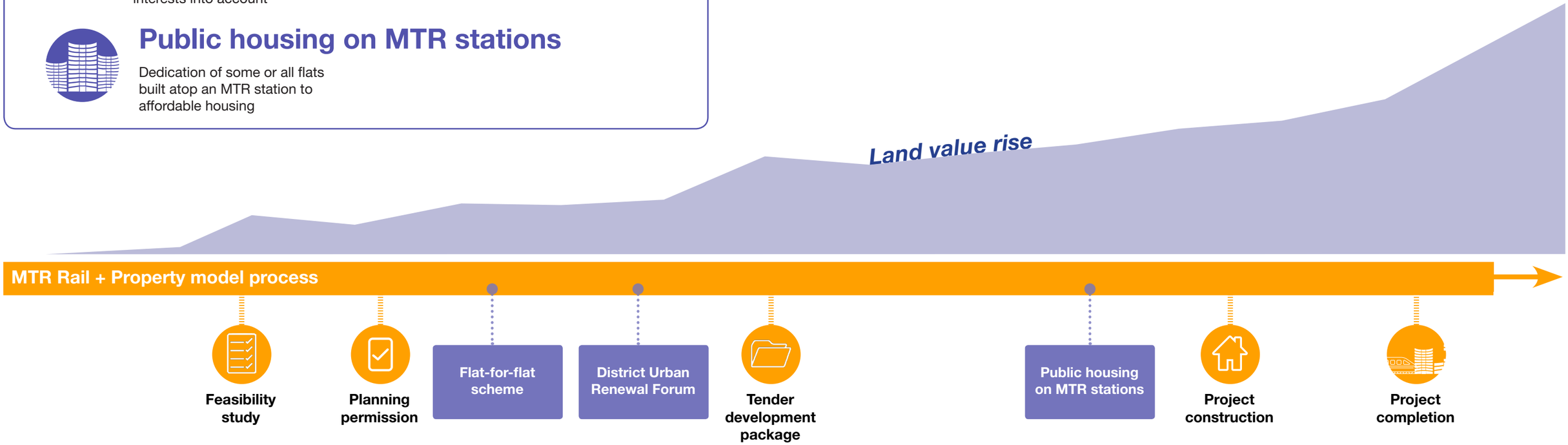
Compensation to displaced residents with a nearby flat to maintain community cohesion in the face of redevelopment and relocation

District Urban Renewal Forum

Public platform designed to ensure that urban renewal projects take local character and interests into account

Public housing on MTR stations

Dedication of some or all flats built atop an MTR station to affordable housing



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