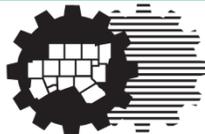


Transportation and Gentrification: A Toolbox for Positive Neighborhood Change



Prepared by the North Central
Texas Council of Governments
Transportation Department

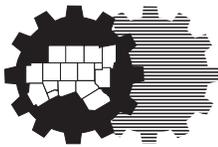


What is NCTCOG?

The **North Central Texas Council of Governments** (NCTCOG) is a voluntary association of, by, and for **local governments** within the 16-county North Central Texas Region. The agency was established by state enabling legislation in 1966 to assist local governments in **planning** for common needs, **cooperating** for mutual benefit, and **coordinating** for sound regional development. Its purpose is to strengthen both the individual and collective power of local governments, and to help them recognize regional opportunities, resolve regional problems, eliminate unnecessary duplication, and make joint regional decisions – as well as to develop the means to implement those decisions.

North Central Texas is a 16-county **metropolitan region** centered around Dallas and Fort Worth. The region has a population of more than 7 million (which is larger than 38 states), and an area of approximately 12,800 square miles (which is larger than nine states). NCTCOG has 229 member governments, including all 16 counties, 167 cities, 19 independent school districts, and 27 special districts.

NCTCOG's **structure** is relatively simple. An elected or appointed public official from each member government makes up the **General Assembly** which annually elects NCTCOG's **Executive Board**. The Executive Board is composed of 17 locally elected officials and one ex-officio non-voting member of the legislature. The Executive Board is the policy-making body for all activities undertaken by NCTCOG, including program activities and decisions, regional plans, and fiscal and budgetary policies. The Board is supported by policy development, technical advisory and study **committees** – and a professional staff led by **R. Michael Eastland**, Executive Director.



NCTCOG's offices are located in Arlington in the Centerpoint Two Building at 616 Six Flags Drive (approximately one-half mile south of the main entrance to Six Flags Over Texas).

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NCTCOG's Department of Transportation

Since 1974 NCTCOG has served as the Metropolitan Planning Organization (MPO) for transportation for the Dallas-Fort Worth area. NCTCOG's Department of Transportation is responsible for the regional planning process for all modes of transportation. The department provides technical support and staff assistance to the Regional Transportation Council and its technical committees, which compose the MPO policy-making structure. In addition, the department provides technical assistance to the local governments of North Central Texas in planning, coordinating, and implementing transportation decisions.

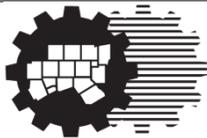
Prepared in cooperation with the U.S. Department of Transportation (Federal Highway Administration and Federal Transit Administration) and the Texas Department of Transportation.

The contents of this report reflect the views of the authors who are responsible for the opinions, findings, and conclusions presented herein. The contents do not necessarily reflect the views or policies of the Federal Highway Administration, the Federal Transit Administration, or the Texas Department of Transportation.

Transportation and Gentrification: A Toolbox for Positive Neighborhood Change



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ABSTRACT

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Subject: economics, integrated land use and transportation, social equity, sustainable development

Date: February 1, 2019

Source of Copies: North Central Texas Council of Governments

Number of Pages: 24

Rapid growth of the North Texas region and renewed interest in urban neighborhoods has led many in the Dallas – Fort Worth metropolitan area to question what can be done to mitigate gentrification, which is perceived by many as negative. The definition, the causes (including the role of infrastructure), and the indicators of gentrification are briefly explored in this document, along with general and specific approaches for addressing it. While the issue is intertwined with larger societal challenges, various levels of government can employ strategies focused on housing market affordability and ensuring equitable public engagement proactively leads to inclusive revitalization and not gentrification.

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I. Introduction

As the North Central Texas region’s population and workforce continue to grow, demand for development in new and existing communities is expanding. The North Central Texas Council of Governments (NCTCOG) is highly involved in investment of transportation infrastructure to support this growth and development. A central goal of NCTCOG’s long-range transportation plan, Mobility 2045, is to “encourage livable communities which support sustainability and economic vitality.” The continued regional success of achieving this economic vitality, however, may not always produce equitable outcomes for all North Texas residents. Consequently, this success has created concern over a type of neighborhood change commonly known as gentrification.

NCTCOG has produced this document as a guide on methods for alleviating the negative outcomes associated with gentrification. It is critical to understand that this document will not provide a single “magic bullet” solution to the complex issue of gentrification; rather, it will offer a toolbox of options that will require the collaboration of multiple levels of public and private entities to address the problems associated with gentrification. The underlying cause of these problems is tied to larger societal issues related to a history of inequality in the United States. It is beyond the scope of North Texas local governments and private groups to address all of these overarching societal issues, but by exploring the options set forth in this document, entities in North Texas can mitigate their local impact and move forward regionally to a more equitable form of neighborhood revitalization.



Multi-level collaboration is critical to solving the challenges of gentrification



This paper will:

- ◆ *Explore the meaning and implications of gentrification for North Texas.*
- ◆ *Summarize a variety of policy/legislative examples and programs implemented across the country.*
- ◆ *Provide a resource guide on strategies that various levels of government may use to best facilitate positive equitable outcomes for all residents and businesses potentially affected by gentrification.*

II. Economic Impacts of Transportation Investments

Central to concerns over neighborhood change may be the effects of new public investments such as transportation infrastructure and other public facilities. Although large public infrastructure investments have historically had a profound effect on the communities where they occur, these effects are not consistently positive or negative, and vary greatly with the scale and socioeconomic forces acting on the location. While new roads, airports, bridges, transit, and other transportation infrastructure typically have a very positive impact on the regional economy, there may be different impacts at the neighborhood level.

A fundamental value of transportation improvements is the increased accessibility to land, which in turn can increase land value. However, how land value changes depends on the context. For example, commercial properties located at the intersection of a highway off-ramp and an arterial road will value that location much more than single-family homes, which are typically negatively affected as they get closer to a highway right-of-way. Similarly, a multi-family residential development may see an increase in value from being near a rail station platform, but no value appreciation from being near the rail alignment further from a station. Furthermore, increased access may change the market value of a property, but does not create or significantly alter the overarching demand for a certain type of real estate development. In a location where significant demand for new development is already occurring or is very near other areas with significant demand, a new transportation amenity can affirm existing demand. However, if the neighborhood market for new development is already challenging, transportation amenities alone may struggle to overcome weak demand.

Transportation investments can positively impact communities, but this must be considered in the context of overall community condition. Displacement of people and buildings will occur when investments physically move buildings for right-of-way, but it is unclear if these

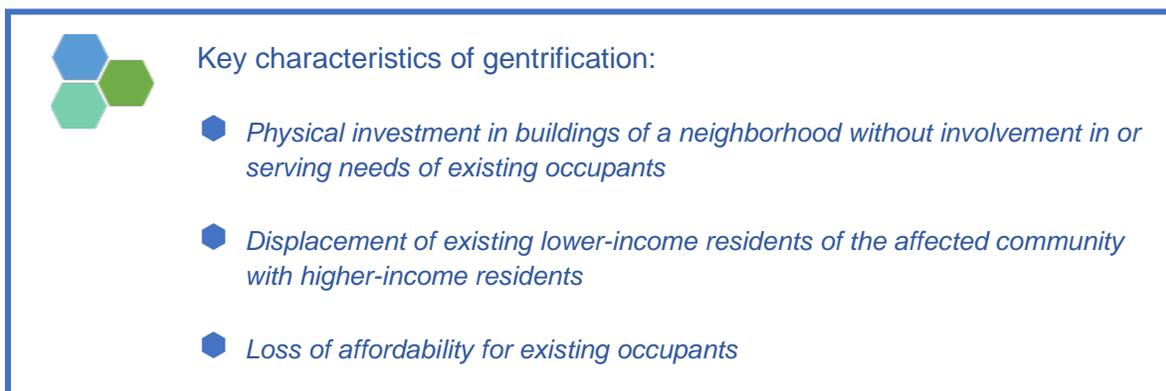
same investments will predictably influence a localized real estate market and economically displace others beyond the project site. Neighborhood change is shaped by a variety of national, regional, and local influences carried out by public and private participants and is difficult to generalize. Understanding the meaning and context of gentrification along with the strategies for correcting or preventing its negative effects will reveal the difficulty of trying to draw simple conclusions regarding the role of public infrastructure investment in gentrification.

III. Gentrification

Defining Gentrification

The term gentrification was coined by Ruth Glass in 1964 when describing the phenomenon of middle-class housing replacing working-class housing in London. “Many of the working class quarters have been invaded by the middle class - upper and lower... Once this process of 'gentrification' starts in a district it goes on rapidly until all or most of the working class occupiers are displaced and the whole social character of the district is changed.”¹ The Brookings Institution Center on Urban and Metropolitan Policy and Policy Link describe gentrification similarly: “Gentrification is the process by which higher-income households displace lower-income residents of a neighborhood, changing the essential character and flavor of that neighborhood.”²

As a Metropolitan Planning Organization, we have a legal responsibility to address this situation and advance improvements. Since the term was coined, gentrification has evolved into an intricate and controversial topic due to the complex historical background of housing policies, zoning practices, and ongoing social injustices. While these injustices carry serious implications, it's acknowledged that these embedded socioeconomic issues require a concerted national effort to be solved and are beyond the scope of this paper. Instead, this paper will focus on the three identifiable characteristics of gentrification listed below. These will be considered in the context of



Key characteristics of gentrification:

- *Physical investment in buildings of a neighborhood without involvement in or serving needs of existing occupants*
- *Displacement of existing lower-income residents of the affected community with higher-income residents*
- *Loss of affordability for existing occupants*

potential preventative or mitigation efforts by public and private entities, particularly for gentrification that may be a result of transportation investments.

Indicators of Gentrification

It is important to separate the interests of businesses from residents. It is also critical to inventory the needs of renters from homeowners. While gentrification occurs on a neighborhood scale, it is important to consider city and regional influences when identifying indicators of gentrification. Although numerous methods are used to assess potential changes, there is no single indicator to signify whether gentrification will occur within a neighborhood. This leaves it up to cities and regions to identify and focus on multiple indicators such as demographic shifts, displacement of original residents, and neighborhood change. Displacement can occur from higher rents or inability for fixed-income owners to pay higher property taxes.

Displacement is one of the most commonly cited indicators of gentrification. The most vulnerable to displacement are minorities, seniors, those with disabilities, and other economically disadvantaged groups. Displacement in a gentrifying or gentrified community can occur in various degrees, including direct displacement,³ involuntary displacement³ (also known as secondary displacement), indirect displacement, and exclusionary displacement.⁴ These forms of displacement are summarized in Exhibit 1. To develop a comprehensive approach to preventing gentrification, all forms of displacement must be considered when investing or reinvesting in historically disadvantaged neighborhoods.

EXHIBIT 1. Forms of Displacement

Various Stages of Displacement	
Direct Displacement	Occurs when unfavorable programs or policies cause the displacement of a demographic or ethnic group
Involuntary Displacement	Refers to displacement of original residents who would prefer to stay in the neighborhood but cannot afford to due to an increase in rental and housing prices (e.g., property taxes)
Indirect Displacement	Caused by an interruption of physical or social resources due to increasing retail prices and displacement of social networks
Exclusionary Displacement	Occurs when a gentrified neighborhood becomes unaffordable or undesirable for future low-income residents due to increased prices and neighborhood changes

Many assessments use demographics to evaluate gentrification within a neighborhood, including various income measures, housing values, home ownership, rental pricing, education levels, employment, and population. Other studies have suggested that geographical proximity of gentrifying neighborhoods to central business districts and other high-income neighborhoods can be used as an indicator. Since there is no single demographic indicator guaranteed to determine whether gentrification is occurring or may occur, a combination of demographic indicators along with a detailed local assessment of the neighborhood should be considered. Local assessments benefit greatly from stakeholder engagement through community outreach.

Neighborhood change refers to a shift in the overall character and culture of the neighborhood. This can include changes in the social dynamics of a community, drastic land use transformations, or new developments that do not serve the affordability or other needs of the original residents. Often, this neighborhood change results in a barrier to resources for many low-income residents. Examples include disruption of social networks, displacement of small businesses integral to the local community, or a surge in unaffordable retail options that is inconsistent with community needs. These neighborhood changes could ultimately result in the indirect displacement of the existing residents as they experience significant loss of vital resources.

Gentrification vs. Revitalization

Historically, some projects labeled “revitalization” were intentionally used to displace and disempower targeted communities. In light of historical and present-day concerns about such practices, it is critical to distinguish gentrification from revitalization. Exhibit 2 compares the two.

EXHIBIT 2. Comparison of Gentrification and Revitalization

Gentrification	Revitalization
Physically upgrades the housing stock	Creates affordable options for original residents while providing an upgrade to the housing stock
Displaces original residents with affluent households	Maintains affordable housing options and creates employment opportunities for existing residents through commercial upgrades
Changes the character of a neighborhood and disrupts social networks	Retains the character of the neighborhood while offering physical upgrades to housing stocks and streetscapes, and enhances social components and connectors of the community

Neighborhood revitalization can be positive and inclusive although historically, the U.S. has struggled to achieve this outcome consistently. The urban renewal projects and the early development of the interstate highway system in the 1950s and 1960s displaced residents, often in low-income communities. As a result, negative societal effects have persisted over time. Today, gentrification from modern private sector revitalization projects still tends to displace low-income residents, who in turn relocate into neighboring communities or those similar to the un-gentrified state of the previous neighborhood. It is critical that revitalization plans strive to maintain the existing residents of the community by facilitating their participation and addressing their needs in the planning and development process.

IV. Mitigating Unintended Consequences of Gentrification

Strategies to mitigate gentrification aim to facilitate revitalization and avoid displacement. Revitalization and displacement occur in the context of a market for real estate development dictated by the economic framework created through both public policy and private investment. Therefore, mitigation strategies encompass private investment in real estate and public regulations and subsidies for development. Particularly important are regulations and subsidies related to the market demand for walkable and mixed-use development that honors community character.



There are three general approaches around which strategies to facilitate a market that supports revitalization and avoids displacement may be grouped. First is creating a supply of new affordable housing. This focuses on tools to increase the supply of housing that suits the demographic profiles of both existing residents and new residents. Second is maintaining the

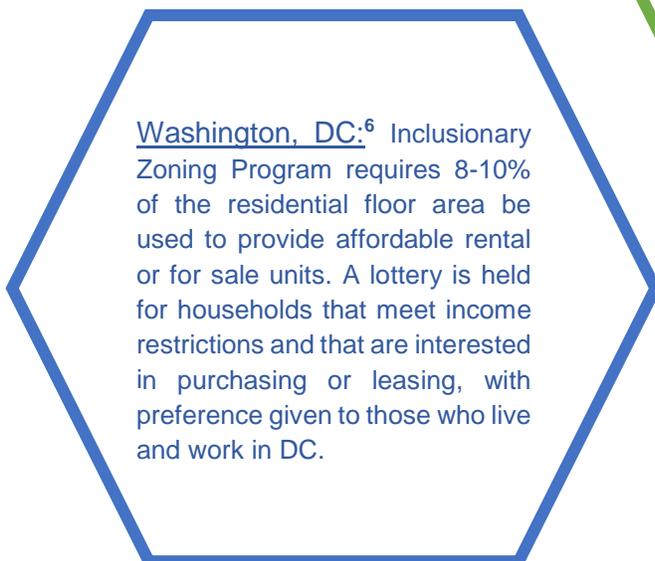
supply of existing affordable housing. Revitalizing housing that already serves the current market while finding ways to increase density can be more cost effective to the public. Third, and perhaps most important, is empowering disadvantaged communities. This requires recognizing where disinvestment has historically occurred and working with community members to identify and implement equitable strategies for re-investing in those areas. A selection of tools/strategies are presented in the main text of this paper. (See Appendix A: Action Toolbox for a brief summary of more tools and strategies.)

Creating Affordable Housing

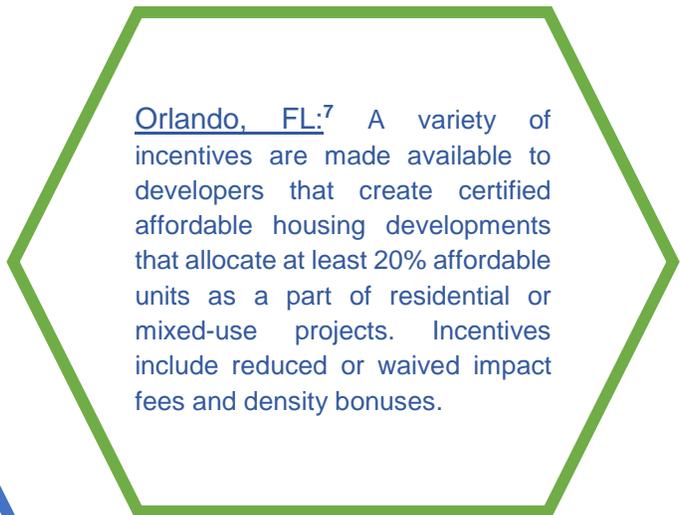
Leveraging growth for positive neighborhood change means providing new housing for new and existing residents. Municipal policy should favor an increase in the housing supply by reducing the regulatory barriers to housing development, favoring denser development, and using public funds to build housing the private market has failed to provide. The following tools are just a few of the options for supporting an increase in new mixed-income housing. More tools are listed in Appendix A: Action Toolbox.

Inclusionary Zoning

Inclusionary zoning requires or incentivizes the inclusion of affordable housing in new development as a percentage of residential square footage or number of new housing units. Inclusionary zoning policies can be implemented for new developments or major renovations



Washington, DC:⁶ Inclusionary Zoning Program requires 8-10% of the residential floor area be used to provide affordable rental or for sale units. A lottery is held for households that meet income restrictions and that are interested in purchasing or leasing, with preference given to those who live and work in DC.



Orlando, FL:⁷ A variety of incentives are made available to developers that create certified affordable housing developments that allocate at least 20% affordable units as a part of residential or mixed-use projects. Incentives include reduced or waived impact fees and density bonuses.

substantially increasing the cost of housing. Under the Texas Local Government Code,⁵ municipalities are prohibited from requiring a maximum on the sale price of privately-produced housing units or residential building lots. This has often been interpreted as a ban on all inclusionary zoning. However, housing advocates point out that

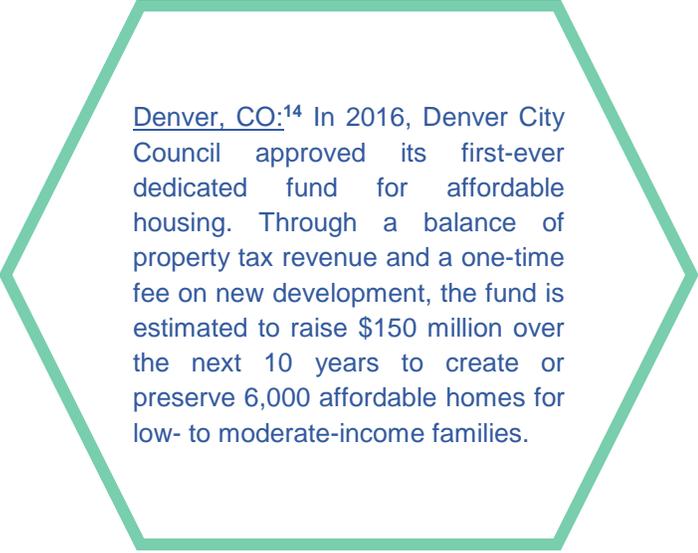
it may only apply to fee simple housing transactions (home buyers) and not leases (renters).⁶ The law is clear that inclusionary zoning requirements can be implemented in the form of incentives rather than requirements. Texas also provides exclusions to the law in the form of Homestead Preservation Districts, which will be discussed later in the paper. Examination of existing policy and possible legislative changes are two groups of strategies needing exploration.

Locally, the City of Dallas is the region's only city with inclusionary zoning. Section 51A-4.900 has been part of the city's zoning code since the 1990s and provides a density bonus for developers of affordable housing units. However, according to city documents as of 2016, no developers have used this zoning provision.⁹ Outside of its zoning ordinance, Dallas has seen more success with incentivizing new affordable units through its 2005 Tax-Increment Financing Districts Mixed-Income Housing Policy.¹⁰ Dallas plans to continue updating its zoning ordinance in support of affordable housing incentives.

Housing Trust Funds

A housing trust fund is a dedicated source of funding that provides loans and grants to finance, acquire, or develop affordable housing. Housing trust funds are established on a national, state, county, or city level. A trust fund should provide a continuous source of financing for housing projects that is not subject to the annual budget changes of a government entity. Funding sources are typically appropriations of public funds, unencumbered fund balances, private gifts, and other public grants.

While the City of Dallas Comprehensive Housing Policy recommends the creation of a housing trust fund,¹¹ North Texas does not currently have a housing trust fund sponsored by a government entity. However, private non-profit organizations such as The Real Estate Council (TREC)¹² have leveraged private capital in recent years to create or rehabilitate



Denver, CO:¹⁴ In 2016, Denver City Council approved its first-ever dedicated fund for affordable housing. Through a balance of property tax revenue and a one-time fee on new development, the fund is estimated to raise \$150 million over the next 10 years to create or preserve 6,000 affordable homes for low- to moderate-income families.

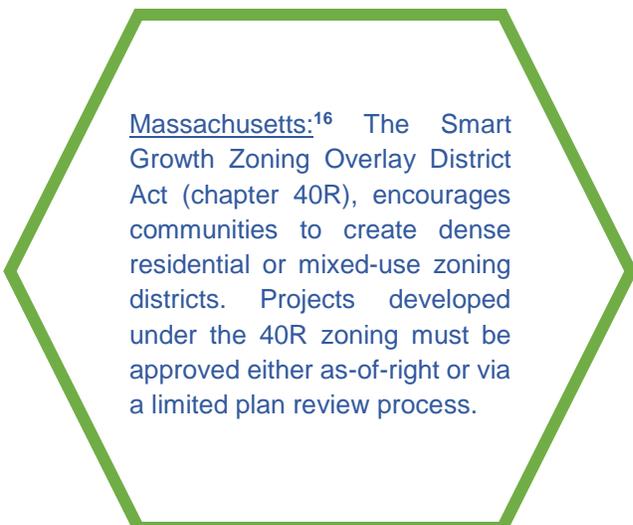
housing in the City of Dallas and Collin County. The Texas Housing Trust Fund, established in 1991 to create affordable housing, was recently appropriated \$10,443,402 in general revenue funds for fiscal years 2018 and 2019 for use across the state.¹³ Given the national challenge of

affordable workforce housing in urban areas, numerous other regions have leveraged housing trust funds.

By-Right Zoning

By-right zoning refers to development that is permitted under current zoning laws and is approved administratively, where public hearings and city council action are not required. This is significant to increasing the supply of housing as it streamlines the development process, reduces development delays, and eliminates the risk that property may be denied approval based on negative public opinion. To expand by-right zoning, cities should conduct neighborhood planning and establish a desired community vision for growth that is codified into an ordinance before development is initiated. By-right zoning can enable denser, mixed-use development and reduce affordability barriers such as density limits, parking requirements, lengthy permitting, and complicated zoning approvals, all of which may unduly add to the cost of developments.¹⁵

North Texas has a growing demand for walkable urban development but a relatively short supply of land zoned appropriately in all communities. Establishing more areas zoned for dense, mixed-income housing can better enable developers to add to the housing supply in the region. This can reduce overall housing prices, make housing more affordable, and lower the pressure to displace existing neighborhoods. Numerous cities in North Texas already offer developers zoning with by-right approval for dense mixed use; however, this needs to expand beyond small districts and become a default zoning paradigm rather than a confined occurrence.



[Massachusetts](#):¹⁶ The Smart Growth Zoning Overlay District Act (chapter 40R), encourages communities to create dense residential or mixed-use zoning districts. Projects developed under the 40R zoning must be approved either as-of-right or via a limited plan review process.

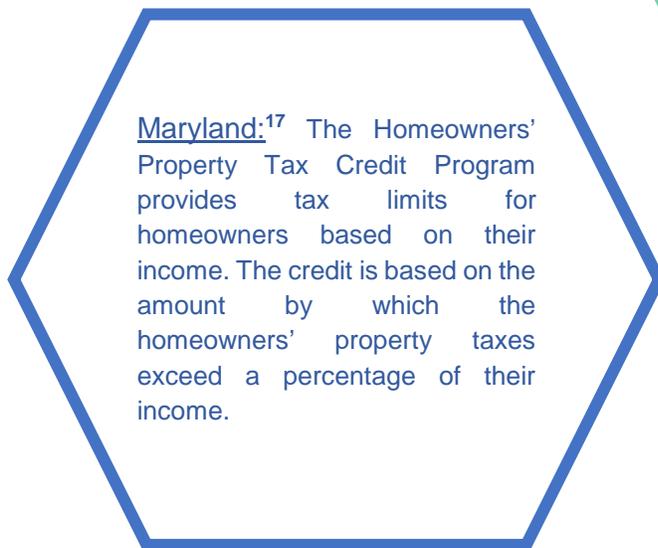
Maintaining Affordable Housing

Important to creating revitalization without displacement is keeping housing and commercial space affordable to its current tenants and owners. Creating new development is critical and will occur with growth; however, building new for-sale housing at a lower price point is often difficult without large subsidies. Existing housing becomes more affordable as it ages and can also be a target for redevelopment. Pressure to capitalize on the increasing land value in close-in neighborhoods can result in owners forced to sell or redevelop at the expense of existing tenants. Strategies for maintaining a mixed-income housing supply focus on reducing the

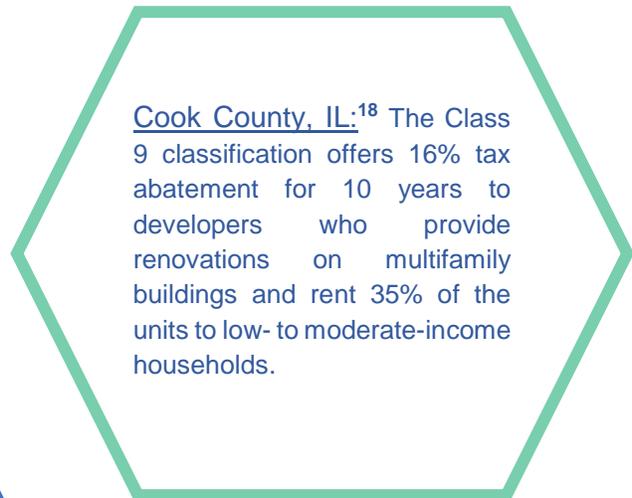
pressure to sell and increase the incentives to keep current tenants and owners. In addition to the three topics discussed below, more tools for maintaining affordability are listed in Appendix A: Action Toolbox.

Property Tax Strategies

Increasing property taxes are challenging the ability of North Texas to maintain affordable neighborhoods as property owner costs are also passed to tenants. A comprehensive solution to address citizen concerns over rising taxes on all property is beyond the scope of this report. Progress towards a long-term property tax solution requires a broader analysis of the fiscal efficiency and tax resources of Texas entities with taxing authority, especially state funding for education. However, interim solutions to encourage stable neighborhoods



Maryland:¹⁷ The Homeowners' Property Tax Credit Program provides tax limits for homeowners based on their income. The credit is based on the amount by which the homeowners' property taxes exceed a percentage of their income.



Cook County, IL:¹⁸ The Class 9 classification offers 16% tax abatement for 10 years to developers who provide renovations on multifamily buildings and rent 35% of the units to low- to moderate-income households.

in disadvantaged communities focus on tying owner/renter income to their property tax rate. Additional tax reductions could also be applied to qualifying affordable housing projects. Examples above from Maryland and Chicago illustrate this principle and further documentation can be found in the resources section of this

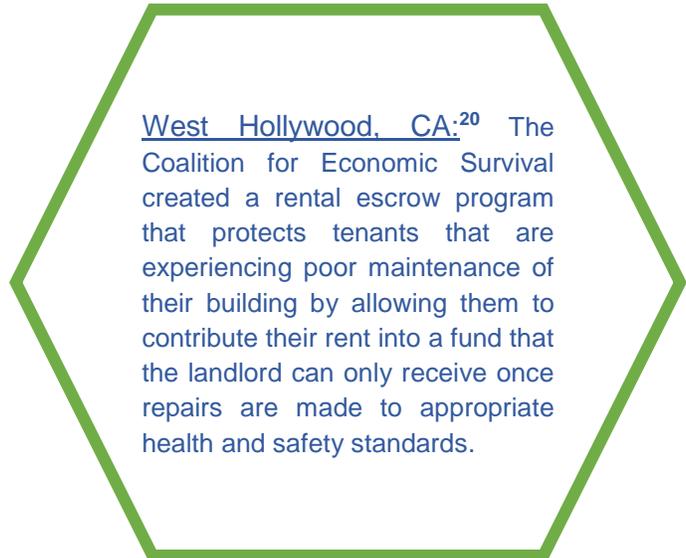
report.

Jurisdictions in Texas are already allowed to offer a number of exemptions or reductions in property taxes for a variety of categories, including homeowners who are over 65, have disabilities, and/or are veterans; charitable organizations; and community land trusts; or for homeowners simply declaring the property as their principal residence for that year. Additionally, if multi-family properties are developed using Low Income Housing Tax Credits, owners may apply to have their taxes calculated with a lower capitalization rate to reflect the lower revenue earned on income-restricted properties. While these exemptions and reductions can be beneficial

to a select group of properties, they may not benefit the vast majority of owners and renters to a large enough extent to offset rising tax values. An exemption that is sensitive to the income of occupants/owners may be needed to mitigate larger displacement.

Renter Protections

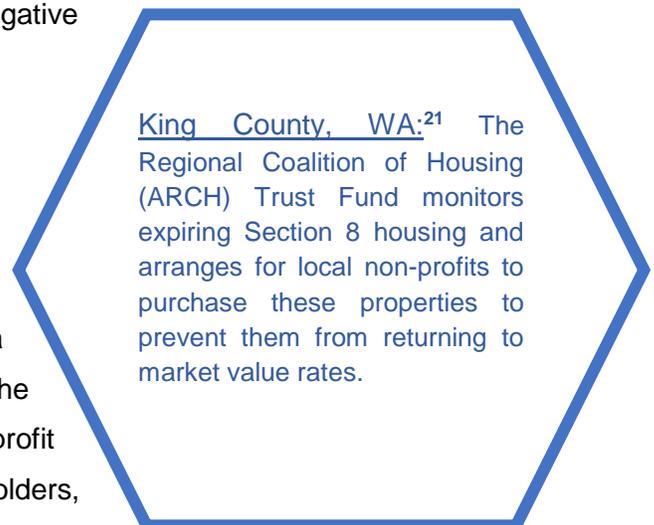
There are a variety of options to protect low-income renters from experiencing displacement. These largely aim to expand the right of tenants to access housing at a specific price point. Nationwide, some common strategies include rent control that limits the amount a landlord can increase rent, “just cause” eviction control, and tenant right of first refusal. Texas law pre-empts city governments from using rent control through the same law prohibiting mandatory inclusionary zoning. Current Texas law provides the standard protections for renters from unfair practices by landlords. One option for cities is to establish networks of information for tenants to ensure protection laws are enforced.



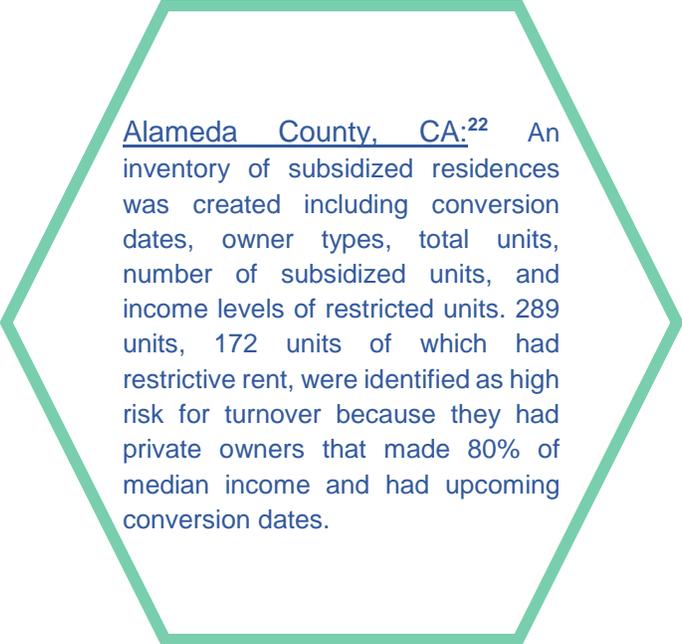
Code enforcement can both offer the means to improve affordable housing but can also be an impetus for displacing tenants via rent increases to pay for improvements. Cities and tenant groups should work to continually keep properties up to code to avoid larger financial impacts from deferred maintenance. Relationships between community-based organizations and city code enforcement are important to mitigate negative outcomes from code enforcement.¹⁹

Preservation of Subsidized Housing

Preventing subsidized housing turnover can be critical in preventing large-scale displacement in neighborhoods experiencing price increases. Maintaining subsidized housing within a city can be a challenging task that may need the combined effort of residents, legal services, non-profit housing agencies, national resources, local stakeholders,



government housing agencies, and elected representatives. Resident groups, non-profits, and local housing authorities can attempt to purchase the buildings, but this approach will require early identification of buildings susceptible to becoming unaffordable. Another approach is to provide government initiatives or facilitate partnerships with landlords to prevent subsidized housing turnover.



Alameda County, CA:²² An inventory of subsidized residences was created including conversion dates, owner types, total units, number of subsidized units, and income levels of restricted units. 289 units, 172 units of which had restrictive rent, were identified as high risk for turnover because they had private owners that made 80% of median income and had upcoming conversion dates.

Especially problematic to Texas is a growing trend of landlords discriminating against tenants based on source of income. In 2015, the Texas legislature passed section 250.007 of the Local Government Code, which prohibits cities from enacting ordinances to ensure that landlords accept HUD Housing Choice Vouchers as payment for rent. This action significantly reduced the supply of housing available to low-income households. Outside of changing the law, cities are still allowed to use financial incentives to encourage property owners to accept HUD Housing Choice Vouchers as is recommended in the Dallas Comprehensive Housing Policy.¹¹ Here is an example where legislative solutions may be necessary.

Community Empowerment

Perhaps most significant to revitalizing a community and avoiding economic displacement is a process that should be fundamental to any democracy: empowering its citizens through participation. In North Texas, the legal and procedural mechanisms for this to happen are already in place. These strategies include using planning to establish community visions, giving community members a voice in future development, and setting up a community-led investment process. Adding a community empowerment focus to select areas of planning and land development can translate to a more stable neighborhood.

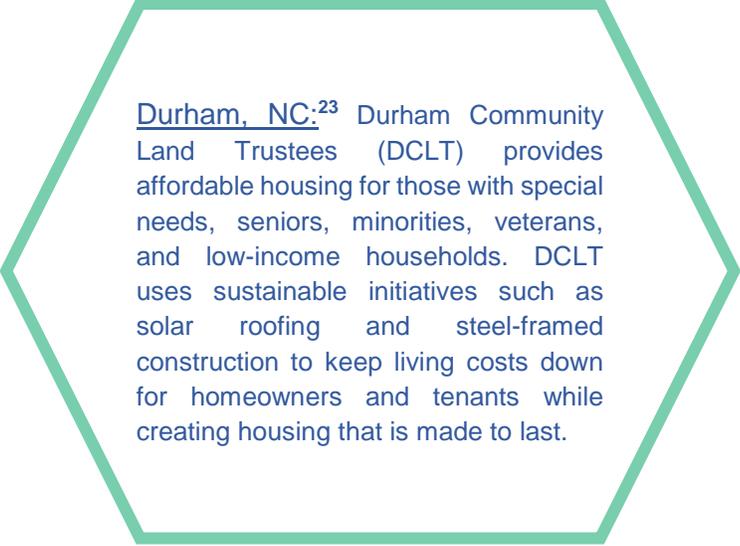
Community Benefit Agreements

A community benefit agreement (CBA) is generally a contract between groups or coalitions representing the community and developers. Community organizations and coalitions

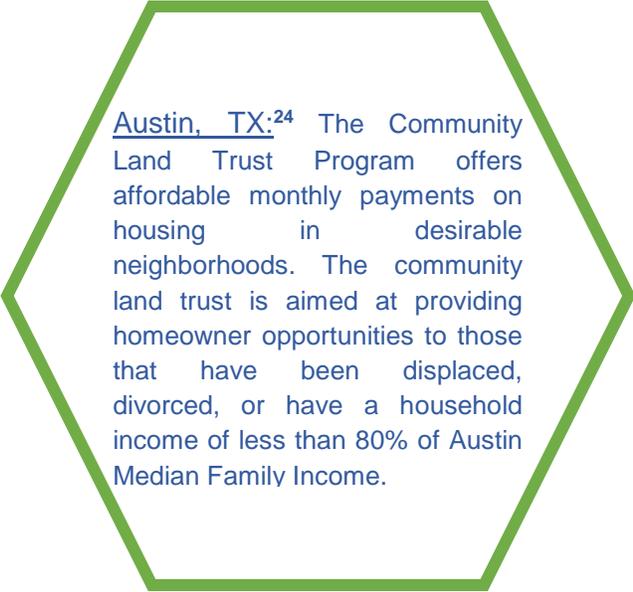
negotiate community benefit agreements on specific projects with developers and in turn ensure community support. This is usually paired with developer government benefits such as TIF funds or other revenues. Community benefit agreements allow communities to participate in the development process while ensuring developers are meeting the needs of the current residents of the neighborhood.

Community benefit agreements would be new for North Texas neighborhoods. Conceptually, these agreements are not far from the way existing non-profit community groups use a level of city authority through improvement districts. A CBA is more publicly-driven in association with a specific project, to formalize input from the community on new development. A CBA is also different in its focus on benefits

beyond just infrastructure, to include things like local hiring requirements and living wages for all jobs associated with the development. The core concept of organizing stakeholders and leveraging city approval power to ensure developers and community members work in harmony has already occurred in select parts of North Texas and could be expanded to ensure more equitable developments.



Durham, NC:²³ Durham Community Land Trustees (DCLT) provides affordable housing for those with special needs, seniors, minorities, veterans, and low-income households. DCLT uses sustainable initiatives such as solar roofing and steel-framed construction to keep living costs down for homeowners and tenants while creating housing that is made to last.



Austin, TX:²⁴ The Community Land Trust Program offers affordable monthly payments on housing in desirable neighborhoods. The community land trust is aimed at providing homeowner opportunities to those that have been displaced, divorced, or have a household income of less than 80% of Austin Median Family Income.

Community Land Trusts

These programs provide affordable homeownership opportunities by allowing households to purchase a home while relieving the purchaser of the land expense through leasing from the community land trust (CLT). Typically, the trust is run by a non-profit, community-based corporation with place-based membership and an elected board with a charitable commitment to use and steward land on behalf of local communities. CLT can be paired with programs such as sweat-equity

that offer an opportunity to renters that cannot afford a down payment or closing costs on a house, to replace that cost with their labor. These programs are useful in land banking areas and can be funded through non-profit organizations. Community land trust opportunities are a way to create community and empower homeowners within a neighborhood.

Within North Texas, the King Foundation, a non-profit charity focused on Dallas-Fort Worth, West Texas, and Arkansas, has recently established a funding effort for a community land trust focused on the historic Tenth Street neighborhood in Dallas.²⁵ While community land trusts are not prevalent in our region, they are gaining ground as recently recommended in the Dallas Comprehensive Housing Policy.¹¹ The City of Austin has implemented CLT efforts and Houston is studying the feasibility of implementing a program.²⁶

Neighborhood Plans

Neighborhood planning entails a cooperative effort among developers, the city, and residents. Cooperative planning creates an opportunity for residents to play a role in the reinvestment and development of their communities while encouraging economic development. It is critical that cities identify their vulnerable neighborhoods and proactively engage those communities to promote and manage growth before the growth manages them. Neighborhood planning is not a new tool for North Texas. Rather, it's the concept of approaching neighborhood plans with a focus on equitable outcomes so that all the tools listed in this document and beyond can effectively be applied.

Through the use of community mapping, demographic shifts can be used to inform revitalization plans. Community mapping can take the form of hand-drawn maps



Somerville, MA:²⁷ Preparing for the future extension of the MBTA Green Line, the Union Square Neighborhood Plan examines growth opportunities and resulted in an ethical and well-honed plan that represents the community's needs and wishes.



Fort Worth, TX:²⁸ The Como/Sunset Heights Neighborhood Empowerment Zone Strategic Plan outlines a vision, goals, plan framework and implementation strategies to achieve the aspirations of residents and stakeholders of the Como neighborhood. The plan will serve as a guiding document that provides general direction to Como stakeholders, developers and investors.

or maps generated by Geographic Information Systems (GIS) to provide community-scale support for social and economic change. Community mapping can be a vital tool in providing monitoring of neighborhood change, identifying development opportunities, expanding community support systems, organizing and advocating for policy change, tracking program success, and sharing outcomes.²⁹



Recommended Multi-Strategy Tool: Homestead Preservation Districts

Through the combined use of Homestead Preservation Districts (HPD) and Tax Increment Reinvestment Zones (TIRZ), the City of Austin is able to generate a dedicated revenue stream that is required by Texas law to be reinvested in the district for the development and preservation of affordable housing. These investments must be spent to support households at or below 70% of the median family income (MFI), with at least half of the revenue dedicated to households below 50% MFI and at least 25% of the revenue dedicated to those at or below 30% MFI.

Chapter 373A of the Texas Local Government Code authorizes cities meeting certain criteria to create an HPD where a city may set up a homestead land trust, a land banking program, and a reinvestment zone specifically for creating affordable housing in this zone. Essentially, this is a special type of tax increment finance district which commits its funds to affordable housing and may be used in combination with a community land trust. The current law specifies that the district meet criteria for population and demographics, and applies to cities with a population of 750,000 or more. Within the past two years, the City of Austin has implemented one district and has plans to add two additional districts to the areas of most gentrification concern.

Implementation of the variety of tools involved in HPDs allows cities to create diverse plans for communities. HPDs have the ability to create and maintain affordable housing while offering community empowerment opportunities. It is critical when implementing the districts to involve the public in the development of the neighborhood. Combined with the variety of tools discussed in this paper, HPDs help enable Texas cities to provide affordable housing while offering socially equitable plans.

City of Austin: <https://austintexas.gov/page/homestead-preservation-districts>

HPD Local Government Code: <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.373A.htm#373A>

V. Conclusion

Revitalization should create and maintain affordable housing, reinvest in neighborhoods, and facilitate community support and empowerment. Achieving revitalization without displacement requires governments at all levels to place a focus on including the voice of disadvantaged communities in decision making to better support equitable policies. Equally

important is a focus on the market for housing. The current North Texas housing market has robust demand for high-end housing, but simultaneously is struggling to develop new entry level workforce housing in appropriate locations. Effective and significant progress at creating revitalized and equitable neighborhoods in North Texas will take a combined effort of public and private groups across the region. Key recommendations for each government stakeholder include:

Cities:

- Proactively plan at the neighborhood level to zone for new growth with input from community members.
- Prioritize planning and empowering the community in historically disadvantaged neighborhoods and areas prone to gentrification based on local analysis.
- Evaluate the feasibility in implementing community land trusts and Homestead Preservations Districts.

Counties:

- Coordinate with city governments to facilitate planning and match county funded implementation with city neighborhood plan recommendations.

The Regional Council of Governments:

- Facilitate discussion, coordination, education, and training on best practices to support equitable revitalization of neighborhoods and prevention of negative impacts of gentrification.
- Support other levels of government in implementing relevant strategies.
- Develop a regional transportation council policy statement and legislative program support.
- Facilitate a pilot program associated with large transportation investments in candidate gentrification locations.

The State of Texas:

- Continue support for Homestead Preservation Districts.
- Expand the legal capacity for Texas cities to implement tools like inclusionary zoning and ordinances requiring acceptance of federal housing vouchers.
- Increase funding available to support workforce, mixed-income, and affordable housing.
- Explore options for alleviating property tax burdens based on occupant's household income.

By understanding and moving towards implementation of the resources introduced in this guide, North Texas can promote livable communities which support sustainability and economic vitality while mitigating the negative effects of gentrification.

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VII. Appendix A: Action Toolbox

Policy/Strategy Tool**	Action			Public Implementation*			
	Creates Affordable Housing	Maintains Affordable Housing	Encourages Community Empowerment	State	Region	County	City
By-right zoning	🟢						⬛
Community Benefit Agreements	🟢	🟢	🟡				⬛
Community Land Trusts	🟢		🟡				⬛
Community Mapping			🟡		⬛	⬛	⬛
Developer Impact/Linkage Fees	🟢	🟢					⬛
Homestead Preservation Districts	🟢		🟡	⬛			⬛
Housing Incentive Programs	🟢						⬛
Housing Trust Funds	🟢	🟢		⬛		⬛	⬛
Inclusionary Zoning	🟢			⬛			⬛
Just Cause Eviction Control		🟢					⬛
Land Banking	🟢					⬛	⬛
Limited-Equity Ownership		🟢	🟡				⬛
Neighborhood Plans			🟡		⬛		⬛
Neighborhood Empowerment Zones	🟢		🟡				⬛
One-for-one Affordable Unit Replacement		🟢					⬛
Property Tax Exemptions		🟢		⬛		⬛	⬛
Real Estate Transfer Tax		🟢					⬛
Rent Control		🟢					⬛
Tenant Right of First Refusal		🟢					⬛

*Entity that can implement or can/must assist with implementation.
 **Policy/Strategy tool definitions are reiterated on pgs. 20-23.

Tool Descriptions and Reference Links

By-right zoning

Development permitted “by-right” under current zoning laws is approved administratively, where public hearings and city council action are not required. By-right zoning confers community approval of development because zoning standards are already approved by the community.

Resource – Congress for the New Urbanism – Public Square Journal:

<https://www.cnu.org/publicsquare/2016/12/07/how-get-right-zoning-right>

Community Benefit Agreements

Generally a contract between groups or coalitions representing the community and developers.

Community organizations and coalitions negotiate community benefit agreements on specific projects with developers and in turn ensure community support. Resource – Partnership for

Working Families: <http://www.forworkingfamilies.org/resources/policy-tools-community-benefits-toolkit>

Community Land Trust

Community land trusts are non-profit, community-based organizations designed to ensure long term affordability by maintaining permanent trust ownership of land while individual homeowners own the structure. Resource – Community Land Trust Network: <http://cltnetwork.org/>

Community Mapping

Mapping a community tells the story of a neighborhood through data and visualizations. It is key to understanding the assets and challenges of the community such as vacant lots, decaying buildings, and socioeconomic needs of the community. Community mapping should be conducted annually. Resource – Policy Link Equitable Development Toolkit:

<http://www.policylink.org/sites/default/files/community-mapping.pdf>

Developer Impact/Linkage Fees

Fee specifically allocated to community benefits such as affordable housing, small business assistance, job training, or other community programs. These fees are usually implemented by city ordinances. Resource – Grounded Solutions Network:

<https://inclusionaryhousing.org/designing-a-policy/program-structure/linkage-fee-programs/>

Homestead Preservation Districts

Homestead Preservation Districts and Reinvestment Zone (HPD), Chapter 373A of Texas Local Government Code, authorize cities meeting certain criteria to create a homestead preservation district where a city may set up a homestead land trust, a land banking program, and a reinvestment zone specifically for creating affordable housing in this zone. Resource – City of Austin: <https://austintexas.gov/page/homestead-preservation-districts>

Housing Incentive Programs

Public funds or development bonuses used to incentivize the production of new housing units in strategic areas such as infill neighborhoods. Private non-profit groups can also incentivize new housing in infill areas through sweat equity programs which offer an opportunity to replace a down payment or closing costs on a house with manual labor, usually during home construction. Habitat for Humanity is an example of using sweat equity in place of housing costs (<https://www.habitatbroward.org/homeownership/sweat-equity/>). Housing incentive programs are useful when paired with land banking areas and non-profit organizations working to create community and empower homeowners within a neighborhood. Resource – Policy Link Equitable Development Toolkit: <http://www.policylink.org/sites/default/files/infill-incentives.pdf>

Housing Trust Funds

A housing trust fund is a dedicated source of funding that provides loans and grants to finance, acquire, or develop housing for people working low wage jobs, seniors and others with disabilities, young families, and others that live off a low income. Resource – Center for Community Change: <https://housingtrustfundproject.org/>

Inclusionary Zoning

A land use policy that requires or incentivizes developers to make a percentage of residential square footage or units in a new and/or renovated development affordable. Resource – Texas State Affordable Housing Corporation: <https://www.tsahc.org/blog/post/the-basics-of-inclusionary-zoning>

Just Cause Eviction Control

Prevents landlords from improperly evicting tenants and ensures intimidation of tenants is not used. “Just Cause” eviction controls are widely used in many cities and states across the country but are most important and advanced in rent-controlled markets where a vacancy allows

a landlord to reset rent at a market rate. Resource – Policy Link Equitable Development Toolkit:
<http://www.policylink.org/sites/default/files/real-estate-transfer-taxes.pdf>

Land Banking

Public entities acquiring land at strategic locations to ensure future development of the land serves the highest and best use of land or provides equitable development such as affordable housing before the market drives up the price of land. Resource – Center for Community Progress: <http://www.communityprogress.net/land-banking-faq-pages-449.php>

Limited-Equity/Cooperative Ownership

Typically business corporations in which residents share ownership of a building and share decision-making via a democratic process which can result in reduction of individual owner cost. Resource – Policy Link Equitable Development Toolkit:
<http://www.policylink.org/sites/default/files/limited-equity-housing-cooperatives.pdf>

Neighborhood Plans

Local plans should consider potential growth scenarios and recommend implementation strategies to accommodate new housing and commercial development with an equity focus. Neighborhood plans should consider use of all listed tools in their communities.

Neighborhood Empowerment Zones

A neighborhood empowerment zone (NEZ) is an economic development tool available exclusively to Texas cities in the Local Government Code, Chapter 378. They allow for different economic development incentives and programs such as waived development fees, sales tax rebate agreements, property tax abatements, and others. (see page 196 of TML Economic Development Handbook)

https://www.tml.org/p/2017EconomicDevelopmentHandbook_FINAL.pdf

One-for-one Affordable Unit Replacement

Existing affordable housing units are replaced on a one-for-one basis as measured by the number of bedrooms or the gross floor area. Resource – Metropolitan Area Planning Council:
[http://www.mapc.org/wp-content/uploads/2017/11/One-for-One-Affordable-Housing-
Replacement-Ordinances.pdf](http://www.mapc.org/wp-content/uploads/2017/11/One-for-One-Affordable-Housing-Replacement-Ordinances.pdf)

Property Tax Exemptions

Allowing lower-income households to deduct a determined amount from their property taxes to allow them to keep their existing home. Resource – State of Texas:

<https://comptroller.texas.gov/taxes/property-tax/exemptions/index.php>

Real Estate Transfer Tax

Also known as an anti-speculation tax, this is a tax applied to the sale of properties when they are “flipped,” bought and re-sold in a short period of time, unless they make a certain level of improvements to the property. Resource – Policy Link Equitable Development Toolkit:

<http://www.policylink.org/sites/default/files/real-estate-transfer-taxes.pdf>

Rent Control

Protects tenants in privately-owned residential properties from excessive rent increases by using city ordinances to mandate reasonable and gradual rent increases while at the same time ensuring landlords receive a fair return on their investments. Laws can vary by number of times in a year a landlord can increase rent and the amount rent can increase once units become vacant. Resource – Policy Link Equitable Development Toolkit:

<http://www.policylink.org/sites/default/files/rent-control.pdf>

Tenant Right of First Refusal

This establishes the right of commercial and residential tenants to have first claim to purchasing a property if the owner should seek to sell the property. In an aggressive anti-displacement policy scenario, this would include public funds to assist qualifying low-income renters in purchasing their building or home. Resource – Washington D.C.: <https://ota.dc.gov/page/tenant-opportunity-purchase-act-topa>

VIII. Appendix B: Additional Resources

Policy Link Equity Tools

<http://www.policylink.org/equity-tools/equitable-development-toolkit/all-tools>

Urban Displacement Policy Tools

<http://www.urbandisplacement.org/policy-tools-2>

Managing Neighborhood Change: Anti-Displacement Strategies Toolkit

<https://www.mapc.org/resource-library/managing-neighborhood-change-anti-displacement-strategies-toolkit/>

What about Housing? A Policy Toolkit for Inclusive Growth

<https://groundedsolutions.org/housing-policy-toolkit/>

NCTCOG Mobility 2045: Social Considerations Chapter

<https://www.nctcog.org/trans/plan/mtp/2045>

Relevant Policies in Mobility 2045:

EJ3-001: Evaluate the benefits and burdens of transportation policies, programs, and plans to prevent disparate impacts and improve the decision-making process, resulting in a more equitable system.

EJ3-002: Balance transportation investments across the region to provide equitable improvements.

PI3-003: Use strategic outreach and communication efforts to seek out and consider the needs of those traditionally underserved by the transportation planning process.

SD3-003 – Plan for land use-transportation connections, including a variety of land uses from natural areas to the urban core connected by multimodal transportation Options through strategies such as smart zoning, green infrastructure, affordable housing, preservation of agricultural land, healthy communities, economic development tools, and innovative financing, etc.

