Chapter 5: Strategies for Minimizing and Mitigating Displacement

What is Displacement?

As high demand for homes drives up housing costs and increases pressure for higher density redevelopment, many residents and policy makers are concerned about the potential for displacement. This term refers to instances where a household is forced or pressured to move from their home against their wishes. Displacement can have a life-changing negative effect on households that are directly impacted. It can also disrupt the social fabric and networks of trust and support that exist within a community.

Some strategies for encouraging housing production and increasing the housing supply can result in increased physical displacement pressure for current residents. At the same time, inaction in the face of rising housing costs also results in economic displacement pressure, when rents rise so high that tenants can no longer afford to stay in their homes.

For housing actions plans funded by Commerce, RCW 36.70.600(2) requires local governments to *"(d) consider strategies to minimize displacement of low-income residents resulting from redevelopment and strategies of the plan."*

This chapter defines three types of displacement (physical, economic and cultural) and reviews displacement risk assessment methods. This is followed by a discussion of engagement strategies most effective for anti-displacement efforts. Finally, a selection of anti-displacement strategies addresses each type of displacement. For those looking to take a deeper dive into this topic, a list of resources at the end of this chapter includes policy toolkits and academic publications related to anti-displacement work.

Displacement and Gentrification

The words "displacement" and "gentrification" often are used interchangeably. But they describe two distinctly different processes. As described above, displacement is something that happens to individual households who are forced or compelled to move away from their residences. Gentrification, on the other hand, is something that happens to a place. A gentrifying community is undergoing a demographic and socioeconomic transformation, whereby a previously lower-income neighborhood experiences an influx of more affluent residents. In many cases, these new residents also differ from the previous residents by race, ethnicity, culture, educational level and typical profession.

Displacement can and does occur in neighborhoods undergoing gentrification. However, the two processes are not necessarily linked because all neighborhoods change over time. Residents may move away voluntarily to seek job opportunities, go to college or a new school, start a family, retire or any other reason.

Many planners and policymakers are concerned that new investments or development in a neighborhood can trigger gentrification and, as a result, also increase economic and cultural displacement pressure. Pro-active strategies to address these pressures and support more housing stability among existing residents can play an important role in promoting equitable growth for new and existing residents.

Types of Displacement

Displacement occurs when a household is forced or pressured to move from their home against their wishes. Three categories of displacement are described below.[24] While these descriptions focus primarily on the displacement of households, small businesses, organizations and institutions can be displaced.

Physical Displacement

Physical displacement typically occurs with an eviction or lease termination.[25] Various circumstances can lead to physical displacement, including a property owner's choice to demolish an existing residence to enable the construction of new buildings on the same site. Owners may also choose to rehabilitate an existing residence or building. For example, strong demand for housing can encourage property owners to upgrade or refurbish existing rental buildings with new finishes to increase rents and attract higher-income tenants. A third cause of physical displacement is the expiration of covenants on rent- or income-restricted housing. When covenants expire, the building owner can raise the rent for a unit, making it unaffordable to a low-income tenant.

When a city adopts strategies, such as an upzone, to encourage more intense housing development, it also increases the chances that current residents in the affected neighborhood will be physically displaced to make way for redevelopment. The areas may have low levels of investment, many renters, and be seen as "in need of redevelopment." Residents in these neighborhoods generally have lower incomes, are renters and are more vulnerable to displacement than those in established stable neighborhoods that may not be considered for upzones.[26] This can lead to exacerbating inequities that already exist.

Short-Term Rentals and Displacement

Websites like Airbnb, VRBO and HomeAway have created a thriving market for short-term rentals that did not exist a decade ago. This has resulted in an increased physical displacement risk for long-term renters in communities that have recreational appeal. Property owners can evict or end the lease of long-term tenants to capitalize on greater profits from short-term renters. This problem is magnified when individuals or companies buy multiple properties to use exclusively as short-term rentals.

An increase in the number of short-term rentals in a community also reduces the supply of housing available for long-term use. This increasing competition for the remaining units contributes to rising rents and housing prices. As a result, short-term rentals can also lead to increased economic displacement.

In communities with high demand for recreational travel, even newly built homes can cater to the vacation home and short-term rental market. This does nothing to support housing affordability or availability for local residents.

Below we describe strategies for regulating the short-term rental market to minimize displacement pressure.

---

[24] The descriptions are adapted from text in the City of Seattle's Mandatory Housing Affordability Final Environmental Impacts Statement, Chapter 3: Housing and Socioeconomics (2017). This study includes an in-depth analysis of historic indicators of displacement in Seattle as well as projections of potential displacement under three different rezone and housing policy scenarios.

[25] Foreclosure is another form of physical displacement experienced by many homeowners who fall on difficult economic times. This chapter focuses on other forms of displacement that can potentially result from the impacts of a housing action plan. More information on foreclosure prevention is available from the Washington State Foreclosure Fairness Program on Commerce's website.

[26] Although this is often the case, there are exceptions to the rule. Looking nationally, the city of Minneapolis and the state of Oregon enacted widespread zoning changes that impact all low-density residential neighborhoods. In both cases, adopted legislation mandates that all residential areas permit duplex and other missing middle housing types (Minneapolis Municipal Code 521.10, https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2001).

Economic Displacement

Economic displacement occurs when pressures of increased housing costs compel a household to relocate. Market-rate housing costs are largely driven by the interaction of supply and demand in the regional housing market. Lower-income households living in market-rate rental housing are at greater risk of economic displacement when housing costs increase. Even homeowners can be at risk of economic displacement when property tax bills increase significantly.

Vulnerability to economic displacement can disproportionately impact communities of color. Across Washington state, communities of color experience higher rates of housing cost burden when compared to white, non-Hispanic households. Cost burden is when a household is paying more than 30% of its income for housing and utilities. This disparity is even wider for African American households.[27] These disparities have roots in a history of housing discrimination, continued by policies such as exclusionary zoning, as discussed in Chapter 1 within the section titled How is Housing Policy Related to Race and Inequality?

Cultural Displacement

Cultural displacement occurs when people choose to move because their neighbors and culturally related businesses and institutions have left the area. The presence (or absence) of these cultural assets can influence racial or ethnic minority households in their decisions about where to live, more than for broader populations. The same segregation and discrimination challenges that may limit access to job and educational opportunities may also limit access to housing for these communities.

For example, if neighboring households or community serving businesses within a racial or ethnic community experience direct or economic displacement, other households within the same racial or ethnic community may face increased pressure to relocate due to cultural factors. Since cultural anchors, gathering spaces, arts organizations, businesses and religious institutions often are not widespread in alternative locations, the presence of these cultural assets often can have added importance to racial or ethnic minority households in their location decisions. Cultural displacement can be reasonably assumed to accelerate or amplify the impacts of other displacement pressures, specifically for racial and ethnic minority populations.

Displacement Risk Assessment

As discussed above, some residents are at much greater risk of displacement than others. Identifying these groups of residents and the circumstances that shape their vulnerabilities is an important first step in identifying the most relevant and effective strategies for minimizing and mitigating displacement. Commerce's Guidance for Developing a Housing Needs Assessment provides information about resources to support displacement risk mapping on page 36.

[27] HUD, Comprehensive Housing Affordability Strategy (CHAS) Table 9, based on 2012-2016 American Community Survey (ACS) Estimates.

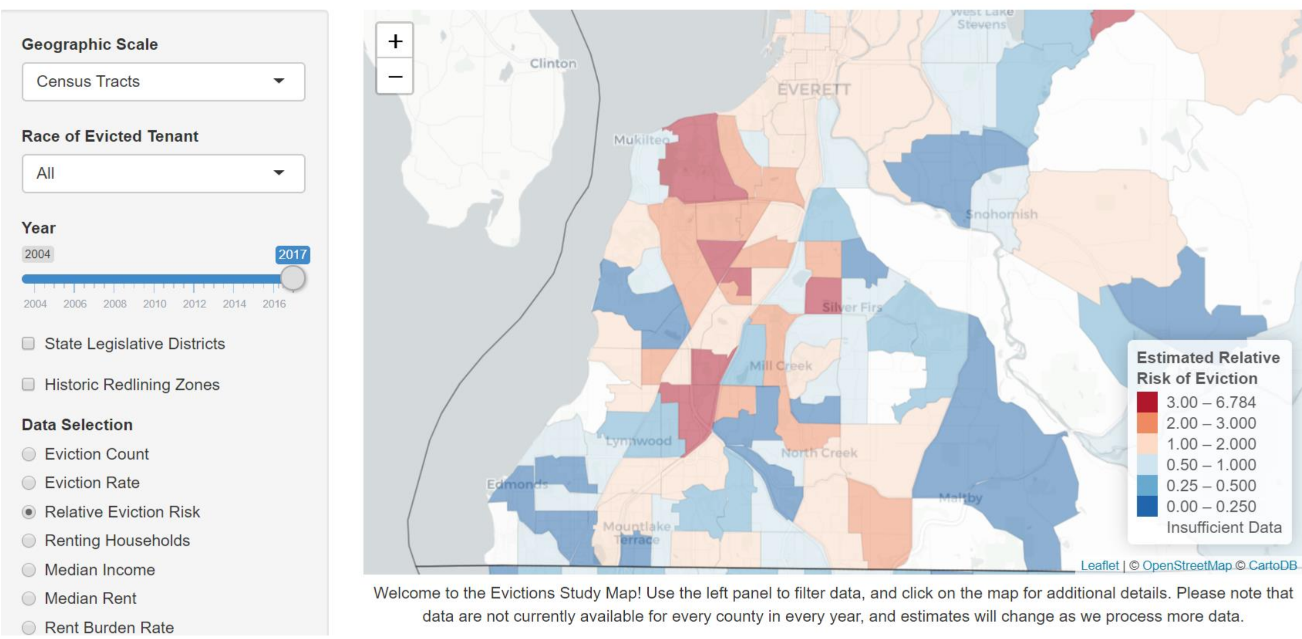
Public agencies should supplement mapping and quantitative tools by engaging directly with potentially affected communities and the organizations that provide services there. This combination of information will help policymakers select strategies most likely to support housing stability and address the unique vulnerabilities residents face.

Resource: The Evictions Study

The Evictions Study is a great new resource for communities in King, Pierce, Snohomish and Whatcom counties. It maps data about evictions by selected geography (down to census tract scale), risk factors that contribute to housing instability such as cost-burden, and relative eviction risk by race of tenant. See the below screenshot of conditions in Snohomish County.

Insights from this research reveal large-scale trends at the state level, as well as census tract level analysis for neighborhood studies. Findings from this study supported advocacy efforts for changes in Washington state law that provide stronger protections for renters facing displacement and eviction pressure (see PD- 9: "Right to Return" Policies for Promoting Home Ownership for details). Locally, the tool might identify neighborhoods for proactive anti-displacement outreach or evaluate if city-level renter protections need strengthening.

The Urban Displacement Project developed a similar tool focused on displacement risk. It provided academic and legal support for anti-displacement policy in San Francisco. Residents who live in census tracts identified as undergoing "extreme displacement pressure" are now prioritized for placement in new income-restricted housing projects.



Source: The Evictions Study, 2020. (Website screenshot. See: https://evictions.study/)

Proactively Addressing Displacement

Housing is personal, and displacement is disruptive for many aspects of a resident's life. Engaging with community members can be difficult around such sensitive issues. Remember that residents at risk for displacement fall in the "prioritize" corner of the Stakeholder Prioritization Chart, as they will be highly impacted but often have little power or influence over the process. Reversing this trend is critical to building community trust and fostering inclusive growth.

Risk assessment analysis, as discussed above, can identify priority neighborhoods for anti-displacement work. These neighborhoods should be areas of focus for early engagement around issues of community adaptation to economic change. Early engagement with residents of vulnerable communities encourages constructive dialogue for self-advocacy. Consider the below priorities when developing your engagement plan, as detailed in the guidance provided in Chapter 2: Community and Stakeholder Engagement. [28]

1) **Act early.** Market factors that lead to displacement are often predictable. For example, housing prices rise with public investment in neighborhood improvements or new employers moving to the area. Anti-displacement efforts are most effective the earlier they are implemented in the timeline of community change.

2) **Set goals and monitor progress.** Visioning and goal-setting exercises, which should be incorporated into a community engagement plan, should not be one-time events. Market and demographic indicators can track and measure community change and its alignment with established neighborhood priorities. Visible metrics, such as online dashboards, can spotlight progress (or lack thereof) and clarify a focus for policy implementation. A community advisory committee that includes residents vulnerable to displacement should be integral to this process.

3) **Capture benefits of new development.** Regulatory tools can leverage increased private investment to meet established goals. This might take the form of inclusionary zoning (see Strategy A-5 Inclusionary Zoning discussed in Chapter 4) or community benefit agreements that integrate greenspace or reserve commercial spaces for valued local businesses within new residential development sites.

These actions will not eliminate displacement. Hopefully, however, they will shift power dynamics, avoid unnecessary conflict and improve relationships between public actors and residents. When implemented early and effectively, proactive engagement helps foster inclusive growth for changing communities.

---

[28] These priorities are adapted from the work of Lisa Bates for the city of Portland, "Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification," (2013), https://beta.portland.gov/sites/default/files/2020-01/2-gentrification-and-displacement-study-05.18.13.pdf.

Case Study: Urban Land Conservancy

This Denver-based development organization proactively purchases land in the Denver metro area to preserve its affordability for future generations. The preservation of both residential and commercial assets for community-focused purposes enables affordable housing projects and non-profit organizations to remain within a city experiencing rapidly rising property values. By taking a proactive approach to acquisition, each Urban Land Conservancy property contributes to long-term community stability. Many of its investments precede light rail expansion and leverage this public asset for low-income residents. Organization leadership focuses on “in-placement” rather than “anti-displacement” as a tribute to its focus on early action for promoting community stability.

The Urban Land Conservancy purchased a prime housing site in one of Denver’s neighborhoods ahead of light rail expansion, offering income-restricted housing for neighborhood residents.

Source: Urban Land Conservancy, "Park Hill Village West," (2017), https://www.urbanlandc.org/2017-snapshot/.

Strategy Descriptions

Displacement is a complex problem with many contributing causes, so it is not surprising that there is a wide variety of anti-displacement strategies in use today. The strategies in this chapter are organized based on the primary type of displacement they seek to address: physical, economic or cultural. Some of these measures are proactive and aim to prevent or minimize displacement. Other strategies recognize that displacement cannot always be prevented and aim to mitigate its effects for households. Exhibit 49 below summarizes the strategies detailed in this chapter. The strategies are grouped by type and each individual strategy is associated with a unique letter-number label (such as “PD-1”).

Exhibit 49: Summary Table of Anti-Displacement Strategies

Type of Displacement	Strategy
Physical Displacement Strategies	PD-1: Strategic Acquisition and Financing of Existing Multifamily Housing
	PD-2: Support Third-party Purchases of Existing Affordable Housing
	PD-3: Notice of Intent to Sell / Sale Ordinance
	PD-4: Foreclosure Intervention Counseling
	PD-5: Mobile Home Park Preservation and Relocation Assistance
	PD-6: Mobile Home Park Conversion to Cooperative
	PD-7: Tenant Relocation Assistance
	PD-8: Just Cause Eviction Protections
	PD- 9: “Right to Return” Policies for Promoting Home Ownership
	PD-10: Regulating Short-term Rentals
Economic Displacement Strategies	ED-1: Community Land Trusts
	ED-2: Need-based Rehabilitation Assistance
	ED-3: Down Payment Assistance
	ED-4: Property Tax Assistance Programs
Cultural Displacement Strategies	CD-1: Grants/Loans to Directly Support Small Businesses
	CD-2: Financing Ground Floor Commercial
	CD-3: Preservation Development Authorities (PDA) and Ports
	CD-4: Commercial Community Land Trust
	CD-5: Community Benefits/Development Agreements
	CD-6: Micro-retail and Flexible Cultural Space Design
	CD-7: Business Incubators, Co-working Spaces and Artisan/Makers Spaces

Strategies to Address Physical Displacement

This category includes strategies to preserve affordable housing to prevent the displacement of residents. It also includes tenant protections that reduce the likelihood of evictions or foreclosures, and mitigation strategies to help low-income tenants with relocation when it cannot be avoided.

PD-1: Strategic Acquisition and Financing of Existing Multi-family Housing

To better retain affordable housing, cities, counties and housing authorities can catalog naturally occurring affordable housing and housing with income restrictions or covenants that are about to expire. Some of this information could be found in the HNA or with further analysis of HNA data. Cities, counties and housing authorities may then identify funds to acquire existing multifamily buildings that serve low- or moderate-income residents to avoid displacement of residents. Selected properties should be likely targets for redevelopment with residents otherwise unable to afford to stay in the neighborhood or projects with expiring affordability contracts. Alternatively, public funds can support private or non-profit owners of buildings with expiring affordability covenants, as discussed in the next strategy. This practice preserves existing communities and retains long-term affordable housing stock.

Examples: Highland Village Apartments in Bellevue; Multi-agency effort to preserve 337 units of expiring Section 8 senior housing across Washington

PD-2: Support Third-party Purchases of Existing Affordable Housing

Community-based organizations, non-profits and community land trusts can be important property owners within a neighborhood. Using public resources to empower trusted institutions can preserve or create affordable housing and space for community-serving organizations and businesses.[29] Municipal and other funds can assist these institutions in land and property acquisition efforts that preserve affordable housing and prevent displacement within a neighborhood.

Examples: SCIDpda partnership with Seattle Office of Housing; Oregon public-private affordable housing preservation initiative

PD-3: Notice of Intent to Sell / Sale Ordinance

A "Notice of Intent to Sell" ordinance requires owners of multifamily buildings to provide official notification to tenants and local housing officials. This ordinance can apply specifically to properties with rents at or below certain income levels. The notice gives public authorities the opportunity to plan for a potential purchase in the interest of preserving housing that serves low- or moderate-income residents. It also acts as a mitigation measure for residents, providing additional time to prepare for a potential need to move.

Rental protections: SB 5600

Renter protections help avoid or slow the process of displacement for individual households by providing access to legal resources or more time and/or resources to find another place to live.

In Washington state, the relationship between landlords and tenants is regulated in part by the **Residential Landlord-Tenant Act** (RCW 59.18). The 2019 passage of SB 5600 includes several amendments to this Act that strengthen tenant protections in several ways.

First, landlords are now required to provide 14-day notice before evicting tenants based on overdue rent, as opposed to the previous 3-day requirement. Landlords are also now required to provide clear information on tenants' rights, obligations and options (such as low-cost legal support and how to acquire materials in multiple languages) through a standardized notice to vacate; to give tenants 60-day notice, rather than the current 30 days, before increasing their rent (with some exceptions); and to provide 120-day notice to renters before ending their tenancy due to building changes such as demolition or rehabilitation.

[29] Authorized in RCW 35.21.685

A related strategy uses existing databases, such as the National Housing Preservation Database (NHPD) and PolicyMap, to identify properties with expiring income-restricted covenants. These resources empower cities to proactively identify units for preservation as affordable to low-income households. Puget Sound Regional Council is anticipating an update to its regional subsidized housing database in 2021 that will incorporate information about expiring affordability covenants.

Examples: Seattle and Burien legislation

PD-4: Foreclosure Intervention Counseling

Foreclosure intervention counselors serve as intermediaries between homeowners and financial institutions to advocate for at-risk homeowners in need of budgeting assistance, refinanced loan terms or repaired credit scores. Cities can use affordable housing funds to support these programs, or community land trusts can step in to purchase foreclosed property, helping to restore ownership for residents.

Examples: State Foreclosure Fairness Program, HomeSight Foreclosure Assistance Program, Oregon Homeownership Stabilization Initiative

PD-5: Mobile Home Park Preservation and Relocation Assistance

Mobile home parks can be prime locations for higher density redevelopment in communities with strong demand for new housing. However, they also provide relatively affordable housing to residents in lower-income brackets. Therefore, some communities use strategies to preserve mobile home parks and avoid displacing residents. One example of policy language addressing this issue is King County's "Skyway-West Hill Land Use Subarea Plan." Housing policy in this plan specifically states that King County should prioritize "the preservation of existing mobile home parks" and stipulates that "any proposal to redevelop an existing mobile home park include evaluation and mitigation of residential displacement impacts." [30]

In some cases, displacement of mobile home park residents cannot be prevented. The Washington State Department of Commerce offers a manufacture/mobile home relation assistance program that provides financial resources to assist displaced residents, particularly those who meet low-income thresholds. This is a mitigation measure that should be used only in circumstances where preventive actions to preserve mobile home parks are unsuccessful.

PD-6: Mobile Home Park Conversion to Cooperative

A community investment program for mobile home parks offers financial tools enabling mobile home park residents to organize and purchase the land that serves their community. Mobile home parks often house moderate- and low-income residents, and this program, which operates as a co-op, protects residents from unexpected rent increases over time. It also empowers residents to complete much-needed deferred maintenance projects.

The Washington State Housing Finance Commission, in partnership with Resident Owned Communities (ROC) Northwest and ROC USA, offers the financial tools and expert guidance for manufactured-housing ("mobile-home") communities to become self-owned cooperatives. The commission works in partnership with ROC USA

[30] King County, "Skyway-West Land Use Subarea Plan, King County Comprehensive Plan," (2019), https://www.kingcounty.gov/~/media/Council/documents/CompPlan/2020/transmittal-docs/AttF.ashx?la=en

to provide financing for the purchase, and sometimes improvement, of the property. This financing means a bank loan with favorable terms for the cooperative.[31]

PD-7: Tenant Relocation Assistance

Upzoned neighborhoods may see an increase in demolition of existing housing units to build newer, higher-density housing types. This process displaces existing tenants who then incur moving costs. Local governments, authorized by WAC 365-196-835 and detailed in RCW 59.18.440, can pass an ordinance that requires developers, public funds or a combination of the two to provide relocation funds for these displaced tenants. Tenants at or below 50% of the county median income, adjusted for family size, qualify for available funds. Resident relocation assistance as a result of public action is required, with details outlined in RCW 8.26.

Example: Seattle legislation

PD-8: Just Cause Eviction Protections

Washington state requires that tenants receive at least 20-day notice when asked to leave a property. However, state law does not require landlords to provide an explanation for the demand.[32] This is particularly disruptive for those without longer-term lease agreements, such as month-to-month tenants. Local jurisdictions can pass just cause eviction protections that mandate that landlords provide tenants a legally justifiable reason when being asked to vacate. Legally justifiable reasons may include failure to pay on time or meet terms of the lease agreement, sale of the building or the owner's desire to assume occupancy of the unit. This protection does not avoid displacement, but it promotes rental stability and provides legal recourse for residents who are asked to vacate without reasonable justification.

Examples: Burien and Seattle legislation

PD- 9: "Right to Return" Policies for Promoting Home Ownership

A "right to return" policy works to reverse the effects of past physical displacement by providing down payment assistance for first-time homebuyers who can prove that they have been victims of displacement. Programs may prioritize cases of displacement by direct government action.

In Portland, priority is given to residents of certain neighborhoods whose property, or whose parents' property, was seized through eminent domain, which has historically impacted communities of color and low-income residents at disproportionate rates. Northeast Portland is one qualifying neighborhood, where displacement from public urban renewal projects in the early 2000s contributed to a dramatic decrease of the neighborhood's historically Black community.[33]

Example: Portland Housing Bureau

PD-10: Regulating Short-term Rentals

Many communities have adopted short-term rental (STR) regulations to reduce their impact on displacement and housing affordability. A first step is to track STR activity by requiring registration and reporting from owners of these units. Policy regulations should prioritize actions that reduce the likelihood of converting long-term rentals into STRs. Some examples include:

---

[31] Washington State Housing Finance Commission, https://www.wshfc.org/mhcf/manufactured.htm
[32] RCW 59.18.200, RCW 59.18.220
[33] Portland Housing Bureau, North/Northeast Neighborhood Housing Strategy, Displacement in North and Northeast Portland

- Restrict short-term rentals to zones allowing tourist accommodations (e.g., City of Chelan).
- Set caps on the number of allowed short-term rentals per host (e.g., Seattle, Okanogan-Methow).
- In a residential zone, limit the number of nights a short-term rental can be rented to guests annually (e.g., Bend, Oregon). This helps minimize the ownership of property purely for use as a full-time short-term rental.
- In a residential zone, permit short-term rentals within an owner-occupied residence.
- Require permanent resident occupancy for a period of time prior to the unit being offered for short-term rental.

In addition, as a mitigation measure, STRs can be charged transient rental or hotel taxes, with revenue contributing to anti-displacement initiatives.

The regulation of short-term rentals can be complex and involve establishing an annual license or permit, standards for the protection of guests and/or standards for the protection of neighbors. There may also be a need for added code enforcement resources.

To learn about short-term rental regulations, a few resources include the following:

- Sustainable Economies Law Center: Regulating Short-Term Rentals: A Guidebook for Equitable Policy, March 2016, by Eskandari-Qajar, Yassi and Janelle Orsi
- Dinatale, Sadie, University of Oregon: Assessing and Responding to Short-term Rentals in Oregon, 2017
- MRSC: 12 Examples of Short-Term Vacation Rental Regulations, 2017

Example programs: Kirkland, Chelan and Seattle in Washington; Cannon Beach and Bend in Oregon

Strategies to Address Economic Displacement

These are proactive strategies focused on making residents more economically resilient and less vulnerable to rapidly rising housing costs.

ED-1: Community Land Trusts

A community land trust (CLT) is a non-profit organization, owned by a collective of community members, which buys and holds land within a neighborhood. It may raise funds through public or private sources to build structures on this land to be used for community purposes or to be sold to low- or moderate-income residents. These building occupants pay a monthly land lease fee to the trust, which maintains ownership of the land itself. CLTs build community wealth by cooperatively owning land and provide affordable housing within a neighborhood. They also prevent displacement by keeping ownership of the land and property out of the private market and ensuring that new development serves community goals such as housing affordability. Public policy can support CLTs by land donation or contributing funds for land acquisition.

Examples: Homestead in Seattle, Proud Ground in Portland, Kulshan in Bellingham, Home Trust of Skagit County

ED-2: Need-based Rehabilitation Assistance

Rehabilitation projects for existing housing that serves low- and moderate-income residents encourages community longevity. Need-based rehabilitation assistance helps low-income, disabled or senior residents make needed home repairs and safety upgrades by offering favorable financing terms or time-limited tax abatements to qualified homeowners. Projects that address weatherization and energy efficiency improvements can improve long-term affordability for the homeowner by reducing monthly energy costs.

- Affordable housing funds can be used to directly provide loans or to partner with non-profit organizations specializing in this type of work.
- RCW 84.37 and RCW 84.38 provide for property tax deferral for homeowners with limited incomes.
- Local housing web sites may also provide information about state and local programs for home repair assistance and help with energy bills.

Examples: Seattle Home Repair Loan Program, Washington state Low-Income Weatherization Program, Rebuild Together, Piece by Piece Atlanta

ED-3: Down Payment Assistance

Some renters desire long-term investment in a neighborhood through home ownership. Saving enough money for a down payment can take years for many households. Economic displacement pressures can push these households to relocate long before their savings accounts are sufficient for a home purchase. Down payment or assistance programs proactively address this barrier by offering no-interest or low-interest capital for qualified buyers. These programs typically pair with home ownership education courses to encourage financial preparedness for participants. Many programs target first-time home buyers. Home ownership is not the best fit for all households, but many renters pay a mortgage-equivalent in rent and desire the added stability offered by ownership.

Examples: Washington State Housing Finance Commission (WSHFC) down payment assistance and homeownership education programs; city programs in Seattle, Bellingham and Tacoma

ED-4: Property Tax Assistance Programs

Certain neighborhoods experience dramatic increases to property values that result in proportional increases to property tax values. Longtime residents who own their home but wish to stay in their neighborhood but struggle to keep up with these cost increases can be helped through a property tax assistance program. This currently exists in Washington for widows and widowers of veterans, but other states have introduced programs that offer this assistance to low-income, elderly, or disabled homeowners as well. Maryland's program extends this benefit to renters who often bear the burden of property tax payments through increased rental rates.

Examples: Department of Revenue Veterans Program, Tennessee property tax relief program, Maryland homeowner and renter assistance programs

Strategies to Address Cultural Displacement

Strategies addressing cultural displacement preserve business and cultural anchors to maintain the physical spaces that support place-based social networks. These actions protect, foster and minimize physical displacement of existing businesses or anchors and provide for appropriate and affordable commercial/cultural space in new development.

Success stories tend to use multiple strategies to achieve affordable commercial and community space in new development, and at least one nonprofit is usually involved. The Liberty Bank Building layers multiple tools and strategies to support Black-owned businesses in the Central Area of Seattle. Among a host of affordable housing grants and loans, grants from the Capitol Hill Housing Foundation and KeyBank support business development and help maintain affordable commercial rent. Capitol Hill Housing, a nonprofit developer, has set forth a path to Black ownership of the building. In the meantime, commercial units are condos owned by Capitol Hill Housing. The hope is that businesses will eventually own their own spaces.[34]

Similarly, a host of funding sources financed Plaza Roberto Maestas, a transit-oriented mixed used development with affordable housing, affordable commercial space, community center and childcare center. Notably, an Enterprise Community Partners grant enabled El Centro de la Raza, a nonprofit property owner, to build its capacity to manage and operate the retail space and cultural center.

CD-1: Grants/Loans to Directly Support Small Businesses

Small businesses and cultural anchors, especially in areas with high displacement risk, may struggle to invest in their space and keep up with rent. Washington state law establishes local governments' authority to support businesses:

Economic development programs. "It shall be in the public purpose for all cities to engage in economic development programs. In addition, cities may contract with nonprofit corporations in furtherance of this and other acts relating to economic development" (RCW 35.21.703 and, for counties, RCW 36.01.085).

Restrictions on city/county funds. Washington's prohibition against using general government funds for gifts or loans to private parties for economic development (State Constitution, Article 8, Section 7) is often cited as a barrier to supporting businesses and cultural anchors. It can be hard to justify how funding the business or organization provides "necessary support of the poor and infirm." Instead of using this prohibition to take affordable commercial space off the table, communities are getting creative about how to support their important spaces by using federal and private funds—which have greater flexibility than general city/county funds—and a variety of partnerships described below.

Federal and private funds. Federal and private funds, without the stringent restrictions on general city/county funds, can pay rent and operating costs. The city of Seattle's Office of Economic Development's Small Business Tenant Improvement Fund uses private money and federal funds (outside of the city's general fund) to support small and Black, indigenous, and people of color (BIPOC)-owned businesses where there is a high risk of displacement. A limited-liability company, overseen by the city but not a city entity itself, manages a federal tax credit program and investor fee revenues.

Seattle uses federal CDBG funds for its Small Business Stabilization Fund and recently shifted further CDBG funds here to better support businesses impacted by the coronavirus pandemic. Seattle's Cultural Facilities Fund also aids organizations and businesses with initial rent or building improvements.

Community lenders. Seattle also connects small and entrepreneurial businesses with community lenders. These loans are flexible for meeting a range of needs. Sharia-compliant loans—where no interest is charged and fees are based on profit—are important for businesses who are prohibited from paying interest on loans for religious reasons.

CD-2: Financing Ground Floor Commercial

Because of state restrictions on city/county funds, financing the commercial space can be more challenging than the affordable housing on the upper floors. However, cities and counties can use federal and private funds. Seattle used federal CDBG funds to support the Liberty Bank Building redevelopment, which includes affordable commercial space and community amenities on the ground floor. Using the federal funds avoids

[34] See All-In Cities, Tenant/community opportunity to purchase

the state restrictions; however, CDBG's regulatory process and compliance is challenging, especially for smaller projects that can't absorb that cost.

CD-3: Preservation Development Authorities (PDA) and Ports

Partnering with PDAs and ports can also offer flexibility in providing affordable commercial and arts spaces. PDAs, as quasi-public corporations, serve and are accountable to the public and administer public funds, while having the flexibility of a corporation. PDAs are particularly useful for developing and maintaining the ground floor space for commercial and arts activities and leasing to businesses and nonprofits. Ground floor improvement costs can otherwise be insurmountable to individual businesses and nonprofits. A sampling of PDAs include:

- The Africatown-Central District Preservation and Development Association partnered with Capitol Hill Housing, The Black Community Impact Alliance and Byrd Barr Place to develop The Liberty Bank Building in Seattle's Central District. Africatown and Capitol Hill Housing are PDAs; they use traditional housing funds to finance the housing aspects of their projects, but they also raised funds to finance the commercial space. The Capital Hill Housing Foundation, a 501(c)(3) nonprofit, raises funds to support the PDA.
- The Seattle Chinatown-International District Preservation and Development Authority (SCIDpda) develops and manages property and supports economic and community development. They manage over 200,000 square feet of commercial space for small businesses, nonprofits and service providers. SCIDpda has been working in Chinatown-International District for over 40 years.
- The Pike Place Market PDA owns and manages properties in the Pike Place Market historic district, preserving space and supporting small and marginal businesses. It has been operating since 1973.
- The Town of Twisp created the Twisp Public Development Authority to purchase property in 2009 and develop the business incubator TwispWorks. It is transferring ownership to the TwispWorks Foundation over time.

Resource: Structure for Stability: Recommendations for Developing Affordable Community-Based Cultural Space (Seattle, 2019)

CD-4: Commercial Community Land Trust

Like the community land trusts (ED-1) mentioned above, these nonprofit corporations secure and maintain access to land for public benefit, in this case, to preserve affordable commercial space. Preservation of existing affordable business and cultural space is often more useful than new construction, especially when considering the economics of nonprofit arts organizations that may need specialized physical spaces and micro-businesses that struggle to afford rents in new construction. Land trusts can help preserve existing affordable space or increase affordability in new space.

- The Africatown Community Land Trust acquires, develops and maintains land in the Seattle area for Black communities. With Capitol Hill Housing, it will jointly own a portion of the 24th and Union (Midtown Center) property and development.
- Community Arts Stabilization Trust (CAST) is a nonprofit real estate development and holding company that maintains affordable space for arts nonprofits in San Francisco. Its first projects included acquiring two buildings for arts organizations at risk of displacement, stabilizing the rents, offering the organizations the opportunity to purchase the buildings in seven to 10 years and building into the deed a restriction that the buildings could only be used by arts nonprofits.

Resources: Commercial Community Land Trusts

CD-5: Community Benefits/Development Agreements

Development agreements, or community benefits agreements, are voluntary, negotiated contracts between a developer and a city/county that specify the public benefits the development will provide and each parties' responsibilities. They can achieve affordable housing, affordable commercial space, community gathering space and other public amenities. For example, developers can agree to build out the ground floor space for small businesses and cultural anchors, making it more affordable for them to get into a new space, and then gradually afford market rent over time. The Delridge Grocery Co-op was able to lease space in a new building with "lower-than-normal startup costs" because of the development agreement laying out the need for this type of commercial space.

Resources: HIP Tool: Development Agreements

CD-6: Micro-retail and Flexible Cultural Space Design

Preservation of existing affordable space is typically most effective for maintaining affordability, but if you must build new or adapt a space, design the ground floor with nontraditional commercial uses in mind. Making a flexible space for a range of businesses (e.g., restaurants, micro-retail) and arts organizations will reduce initial move-in/tenant improvement costs. Seattle's The CAP Report: 30 Ideas for the Creation, Activation and Preservation of Cultural Space collects building and land use code strategies to consider when designing cultural commercial space (e.g., redefining smaller arts spaces as mercantile, not assembly spaces, to avoid expensive building code requirements).

CD-7: Business Incubators, Co-working Spaces and Artisan/Makers Spaces

These types of shared work spaces allow businesses, artists/artisans and nonprofits to pool resources in a shared space and spark collaboration. They are typically run by nonprofit organizations.

- Mighty Tieton is an artisan business incubator in Tieton, Washington. Businesses share warehouse space, marketing platforms and shipping and fulfillment services.
- TwispWorks is a nonprofit-run campus in Twisp, Washington, that offers space for businesses, nonprofits, artists, craftspeople and community members.
- OlyMEGA is a nonprofit organization that runs a makerspace—a shared work space with tools—in downtown Olympia for "makers, engineers, geeks and artists." FabLab Tacoma, Yakima Maker Space and Spokane CREATE! are similar spaces throughout the state.
- Black & Tan Hall in Hillman City, Seattle, is a cooperatively owned performing arts venue and restaurant.
- The Hillman City Collaboratory in Southeast Seattle is a co-working space offering affordable office space to nonprofits.
- Spokane's uWorkSpace is a coworking space with meeting rooms.

Others

Other strategies, including some that could be adapted for small business and cultural anchor support, include:

- Racial equity impact assessment and business support during public infrastructure construction (e.g., Seattle Department of Transportation and Sound Transit toolkits)
- Business relocation and business planning assistance when physically displaced (e.g., WSDOT Non-Residential Relocation Assistance Program)
- Cooperative Ownership Models - Equitable Development Toolkit
- Worker-owned Cooperatives
- HIP Tool: Affordability Covenants (adapted for small businesses)
- Rental Relocation Assistance (adapted for small businesses)

- Healthy food business development

Additional Resources

Take a deeper dive into anti-displacement work happening across the country with these policy toolkits and topic-based reports:

- All-In Cities Toolkit offers policies, actionable strategies and resources for anti-displacement.
- Grounded Solutions Network's policy toolkit includes information and policies on inclusive growth.
- New York's Association for Neighborhood & Housing Development created an inventory of anti-displacement policy tools, featuring proposals for rental protections and creative tax initiatives.
- The Evictions Study – A detailed study of eviction trends and patterns by county in Washington state. Also, an interactive map showing estimated relative risk of eviction by neighborhood in King, Pierce, Snohomish and Whatcom counties.
- Urban Displacement Project – Among the many resources on this website is an interactive mapping tool that shows all the anti-displacement policies in place by jurisdiction across the entire San Francisco Bay Area. It also shares research and case studies with a focus on California, New York and Portland. See also a great literature review on the relationship between public investment and displacement and gentrification.
- Detailed analysis of evictions in Seattle with the Losing Home report, produced by the Seattle Women's Commission and the King County Bar Association. Policy recommendations are found on pages 76-84.
- Seattle's The CAP Report: 30 Ideas for the Creation, Activation, and Preservation of Cultural Space gathers strategies to foster cultural spaces vulnerable to development-driven displacement.
- Value Capture Financing in Washington is a Puget Sound Regional Council report documenting various strategies associated with transit-oriented development communities. The report documents creative funding mechanisms for capturing increased property values for community reinvestment.
- Gentrification and Residential Mobility in Philadelphia documents trends of displacement and how, for lower-income households, this leads to relocation into neighborhoods with poorer access to resources.