

DEMOCRATIC DEVELOPMENT FOR THRIVING COMMUNITIES

Framing the Issues, Solutions, and Funding Strategies
to Address Gentrification and Displacement



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California Funders Working Group on
Gentrification and Displacement

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ABOUT THE WORKING GROUP

The **California Funders Working Group on Gentrification and Displacement** (CA FWGGD) is a working group of funders committed to addressing gentrification and displacement issues in California and nationally. The working group has been led by a planning committee including: Alexandra Desautels, The California Endowment; Yolanda Hippensteele, Nile Malloy, and Dennis Quirin from Neighborhood Funders Group; Luke Newton, Common Counsel Foundation; Amy Kenyon, Ford Foundation; and Nina Bohlen, Smart Growth California/Funders' Network for Smart Growth and Livable Communities (TFN).

The working group formed out of ad-hoc and informal discussions in 2014-2015 in response to community organizations' efforts to engage philanthropic leaders more to address the housing crisis. Around 20 philanthropic staff participated in these initial meetings, including representatives from affinity groups (Neighborhood Funders Group, Smart Growth California, and Northern California Grantmakers), as well as funding institutions including Ford Foundation, California Community Foundation, The California Endowment, The California Wellness Foundation, Liberty Hill Foundation, The San Francisco Foundation, Common Counsel Foundation, Silicon Valley Community Foundation, and Enterprise Community Partners.

In July 2015, the working group convened a day-long gathering of over 70 funders and field leaders in order to begin to develop a shared analysis of the problems and solutions for gentrification and displacement in California communities. Building from this convening, the CA FWGGD developed an action-oriented learning community of funders and field leaders who have met regularly to share knowledge and better align responses to the crisis. The working group is now moving into a new phase of work that will result in the creation and capitalization of a collaborative fund. The fund is being designed in consultation with community leaders to advance racial and economic equity and community health in California's cities, with a focus on supporting community-driven policy solutions to the crisis of gentrification and displacement while equalizing voice, influence, and power in the political process from local to statewide levels.

The working group and the funding initiative are hosted and staffed by Neighborhood Funders Group (NFG), in close alignment with NFG's national Democratizing Development Program.

ABOUT NFG

Founded in 1980, **Neighborhood Funders Group** (NFG) works to build the capacity of philanthropy to advance social justice and community well-being. With a network of 90 institutions and over 900 participants, NFG organizes alignment and collaboration within the field of place-focused philanthropy, develops leaders within its national base of members, and encourages the support of policies and practices that advance economic, racial, gender, and social justice. NFG is one of the few vehicles for grantmakers to engage across issues, geographies, communities, and strategies. For more information, please visit www.nfg.org.

ACKNOWLEDGEMENTS

This report is the result of collaboration between the California Funders Working Group on Gentrification and Displacement (CA FWGGD), field leaders, and academics who came together in the summer of 2015 to make sense of gentrification and displacement, and the impact on communities in California. Martha Matsuoka from the Urban & Environmental Policy Institute at Occidental College, in collaboration with Manuel Pastor of the Program for Environmental and Regional Equity (PERE) at USC, presented at the CA FWGGD convening in the summer of 2015 to lay the initial outline of a framework that situated gentrification and displacement in the context of unequal power and policies for change. Through a series of discussions and meetings, the CA FWGGD developed a shared analysis of gentrification and displacement, and began discussions about strategies for advancing community and democratic development. These discussions have shaped and refined the framework into a tool for ongoing funder engagement and strategic discussions.

Special thanks to the planning group of the CA FWGGD: Alexandra Desautels, The California Endowment; Yolanda Hippensteele, Nile Malloy, and Dennis Quirin from Neighborhood Funders Group; Luke Newton, Common Counsel Foundation; Amy Kenyon, Ford Foundation; and Nina Bohlen, Smart Growth California/Funders' Network for Smart Growth and Livable Communities (TFN). Alex Desautels and Nile Malloy deftly and strategically led the process and discussions, integrating a diverse range of funders as well as field leaders. The report is grounded in neighborhood and regional experience and analysis generously shared by Gilda Haas, Dr. Pop; Dawn Phillips, Causa Justa :: Just Cause; and Tony Roshan Samara, Urban Habitat; along with Peter Kuhns from Alliance of Californians for Community Empowerment (ACCE) and Sam Tepperman-Gelfant from Public Advocates, who demonstrate what power building looks like.

Deep appreciation and thanks to Manuel Pastor, Jennifer Ito, and the PERE team for the insights about power, urban systems, development, and policy. Their generosity in data and analysis fuels many important social movement research efforts, including this one. Many other researchers and academics have also committed years and decades to understanding gentrification and displacement. Much appreciation for Karen Chapple and Miriam Zuk at UC Berkeley and Paul Ong and Anastasia Loukaitou-Sideris at UCLA for their work on the Urban Displacement Project's up-to-date data and analysis in the Bay Area and Los Angeles.

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Image: Causa Justa :: Just Cause, Communities for a Better Environment. Oakland United Town Hall. Photo by Kate Sorensen



EXECUTIVE SUMMARY

This report builds on previous work from the organizing, academic, and philanthropic sectors to present a framework for philanthropy to consider in strategically addressing gentrification and displacement. While the analysis presented here emerged out of discussions about the housing crisis and neighborhood change now underway in strong housing markets in California, this framework intends to illuminate and inform neighborhood changes occurring across a range of cities and regions across California and throughout the U.S.

New public and private investments in cities—from housing to transportation to parks and open space—have triggered changes in property value, speculation, and development in neighborhoods, particularly those historically ignored and suffering from long-term urban disinvestment. Unfortunately for low-income, working poor, and working class communities across the country, these investments tend to do more harm than good. The gentrification of these neighborhoods creates a new housing crisis that threatens the ability of long-time residents to afford housing and shelter, maintain an economic foothold in their neighborhood, preserve family and community ties, and organize together for community stability and change.

This framework identifies four mutually reinforcing systems that define the process of gentrification, displacement, and neighborhood change. These include market-driven development, government policy, structural racism, and unequal power dynamics. The role of government in development has shifted from a regulator and distributor of wealth and public goods to one focused on providing favorable

conditions for capital investment in cities. Power held by developers and investors outweighs the limited power of longtime residents to participate in and influence the market, engage in policy decision-making, and shape the public policy debates based on their own lived experiences. Therefore, addressing gentrification and displacement requires addressing the unequal power relations between low-income communities and the economic and political elite that now define development decision-making.

The report asserts that the same drivers that facilitated gentrification and displacement can be interrupted and/or redirected toward more inclusive development goals.



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Key components of this agenda include:

- 1 stabilization of vulnerable neighborhoods (as a necessary first step for community-driven development);
- 2 community-defined development that meets community needs and reflects community values;
- 3 community ownership of land and housing infrastructure; and
- 4 power building at the community level to influence and direct policy and development.

Specific policy approaches are addressed in some detail.

For funders committed to building long-term resilience and vibrancy in underserved communities, there is no single magic solution or policy approach. However, this report suggests that resourcing power building strategies to address gentrification and displacement—and development more broadly— represents a strategic approach that pushes beyond housing as a single issue and creates opportunities to build broad strategic coalitions.

Our analysis advises funders to support strategies that:

- ▶ build power from the ground up
- ▶ nurture strategic collaborations
- ▶ build statewide infrastructure
- ▶ address systemic racism
- ▶ connect to broader movement building goals.



A number of foundations and philanthropic initiatives around the country are grappling with the scale and urgency of displacement pressures in their communities. We hope this report will serve to support these colleagues in understanding a range of policy and investment choices to address gentrification and displacement, and to advance community-driven development that grows the capacity of low-income people to gain the power they need to define the conditions that shape their lives.

Graphic: Adapted from
Right to the City.

INTRODUCTION

Purpose of this report about

GENTRIFICATION & DISPLACEMENT

- ▶ Present a framework for understanding the root causes, policy and power dynamics
- ▶ Illustrate how public policy solutions reinforce and complement each other
- ▶ Provoke discussion among funders about strategies and priorities

For low-income, working poor, and working class communities across the country, a new housing crisis threatens the ability of long-time residents to afford housing and shelter, maintain an economic foothold in their neighborhood, preserve family and community ties, and organize together for community stability and change. New public and private investments in cities—ranging from housing to transportation, parks, and open space—have triggered changes in property value, speculation, and development in neighborhoods, particularly those historically ignored and suffering from long-term urban disinvestment. Having borne the brunt of disinvestment and racial segregation, these neighborhoods in cities and regions across the country (and particularly in California) now capture national headlines for their rapidly escalating housing prices; displacement of residents; and economic, political, physical, demographic, and cultural transformation that disrupts individual and community stability and well-being.

Today, the cost of an average California home is about two and a half times the average national home price, and average monthly rent in the state is about 50% higher than in the rest of the country.¹ Renters need to earn 3.6 times the state's minimum wage to afford the average monthly asking rent of \$1,889 in California, and the state needs 1,541,386 more affordable rental homes to meet the needs of its lowest income renters.² While cities such as San Francisco, Oakland, and Los Angeles appear most frequently in the media, non-coastal cities such as Sacramento and Fresno have also experienced the economic pressures created by rising housing prices and decreasing wages. Community stability throughout California is at risk.

Yet in the face of the latest wave of housing crisis, communities are challenging the assumption that gentrification and displacement are inevitable and a “normal” evolution of their neighborhoods and communities. Resident and tenant-led organizing campaigns are building power and influence to ensure that policies—and the rules of the game—recognize housing as a right and public good rather than simply as a market-based investment strategy.

1 California Legislative Analyst's Office. California's High Housing Costs: Causes and Consequences. March 2015. Available at: <http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx>

2 Confronting California's Rent and Poverty Crisis: A Call for State Reinvestment in Affordable Homes. (n.d.). Retrieved November 6, 2016, from <http://chpc.net/resources/confronting-californias-rent-poverty-crisis/>

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Emerging community-based strategies recognize that gentrification and displacement are urban processes driven by policy choices and decisions that privilege poorly regulated profit-driven housing and development. These strategies recognize the role of the public sector and policy in creating neighborhood conditions, and as the key levers to redirect government and public sector resources to redress long-term disinvestment in neighborhoods while meeting immediate and long-term community needs. At the same time, tenant organizers and tenants facing housing insecurity know well that addressing the housing crisis starts first with keeping people and affordable housing in neighborhoods, and that stabilizing people in place is the necessary precondition for communities to come together to determine visions for longer-term development. Additionally, what begins with

organizing around housing leads to democratic and community processes to identify priorities and pathways to quality jobs and economic development, equitable transportation and built environments, affordable and healthy community food systems, education, arts, and systems of justice that allow communities to survive and thrive.

But it takes power. Gentrification and displacement are fundamentally the product of policy and unequal power—power that currently rests in the hands of market-driven development actors, and not in the hands of the communities that bear the brunt of the housing crisis. Shifting policy requires tenants and residents to be organized and have sufficient power to hold local officials accountable to decisions that impact them and their communities. Power is also needed to critique the dominant narratives that frame gentrification and displacement as “neighborhood revitalization.” Raising the voices of tenants and their organizations most impacted by gentrification and displacement tells a different story—one that connects individual housing experiences to systemic factors of racism and neoliberal policies that prioritize market-driven development over public good.

Funders have begun discussions to understand root causes and solutions for the crisis occurring in many urban neighborhoods in California and across the country. Their work is informed and guided by the leadership of tenant organizing groups such as ACCE, Causa Justa :: Just Cause, Urban Habitat, Public Advocates, and others in The Right to the City Alliance, as well as recent research on gentrification and displacement. Through a series of discussions over the



Data: see footnote #2

past two years, funders along with their field partners have developed a shared working analysis of gentrification and displacement, understanding root causes, policy options, and the power necessary to shift urban development to meet neighborhood and community needs.

This report captures these discussions and establishes a collectively defined framework for philanthropy to consider in strategically addressing gentrification and displacement. The purpose of this report is to:

- ▶ Present a **framework for understanding** the root causes, policy, and power dynamics that produce gentrification and displacement.
- ▶ Illustrate **how public policy solutions reinforce and complement each other**, and how they can **come together** to change conditions and advance an agenda of development without displacement.
- ▶ Provoke **discussion among funders** about strategies and priorities that:
 - » Are grounded in the experiences of impacted neighborhoods.
 - » Ensure that vulnerable residents and communities have tools and support in order to remain in their neighborhoods.
 - » Build power in communities so that impacted residents and local small businesses have the ability and capacity to intervene directly in the systemic and structural processes of gentrification that impact them.

This framework builds on organizing, academic, and philanthropic work in the field. Strong leadership by community-based organizations in low-income and working class neighborhoods combined with academic research in the fields of gentrification, displacement, urban development, housing, economic development, and public health provides a solid basis for funders to develop comprehensive and strategic investments at the neighborhood, regional, or statewide levels. While the genesis of this framework emerged out of discussions about the housing crisis and neighborhood change underway in California's strong housing markets in the San Francisco Bay Area and Los Angeles, this framework intends to illuminate and inform neighborhood changes occurring across a range of California cities and U.S. regions, as well as places that have not yet experienced the level of housing crisis as seen in these major metropolitan areas but are facing housing and economic pressures and neighborhood change. What follows is a broad framework for funders working across the U.S.

MAKING SENSE OF GENTRIFICATION AND DISPLACEMENT: DEFINITIONS AND SYSTEMIC CONDITIONS

Definitions of gentrification and displacement represent a range of starting points and theoretical assumptions. This framework uses definitions developed by Causa Justa :: Just Cause³, an organizing and advocacy organization that builds grassroots power and leadership to create strong, equitable communities in the San Francisco Bay Area.

- ▶ **GENTRIFICATION** is “a profit-driven racial and class reconfiguration of urban, working-class and communities of color that have suffered from a history of disinvestment and abandonment... Gentrification is an urban development process that “involves the social, economic, and cultural transformation of historically disinvested urban neighborhoods.”

- ▶ **DISPLACEMENT** is “the outmigration of low-income people and people of color from their existing homes and neighborhoods due to social, economic, or environmental conditions that make their neighborhoods uninhabitable or unaffordable.”

These definitions reflect four mutually reinforcing systems that define the process of gentrification, displacement, and neighborhood change. The first is the capitalist market-based system that often pits private property rights against community visions and community ownership. Wealthier residents are drawn to urban amenities created by new investments in public transit, open space, and other improvements driving demand for housing. As a result, longtime residents experience market-driven demographic, cultural, social, and political transformation in their neighborhoods and struggle to keep a foothold in their communities.

Second is the role of government and public policy in driving development. Neoliberalism has transformed the role of government from a regulator and distributor of wealth and social and public goods, to one focused on providing favorable conditions for capital investment in cities. Within the context of privatization, deregulation, free trade, declining public investments, and the expanding role of the private sector, housing is viewed in the context of supply and demand, rather than a public good. Limited public resources increasingly incentivize and benefit the private sector at the expense of public spending directed toward community needs.

³ Causa Justa::Just Cause. Development without Displacement. Resisting Gentrification in the Bay Area. 2014.

Image : Steve S.L.M.,
“gentrification:” / flickr



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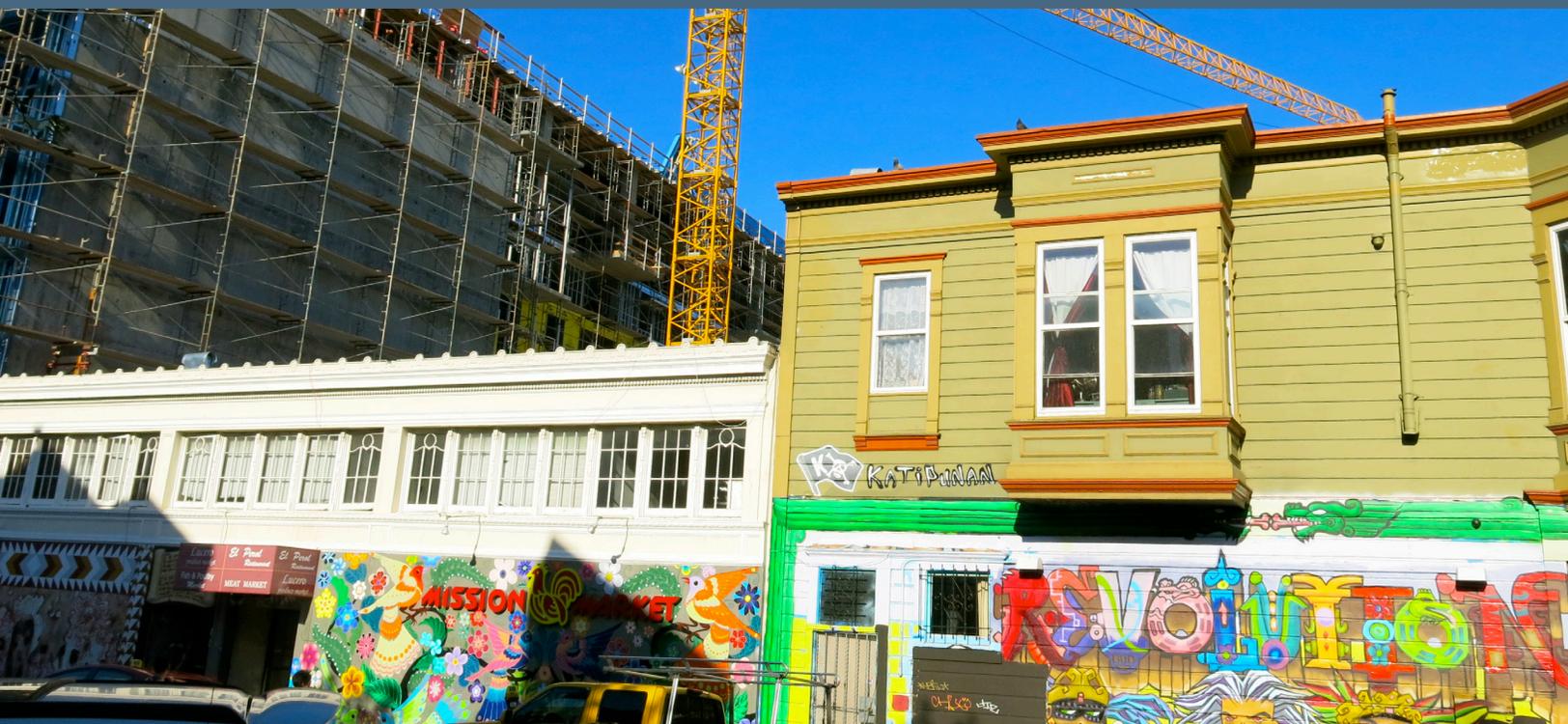


Image : torbakhopper "revolution with VIDA crane lifter: west mission San francisco" / flickr

Third, this market-driven system of development without regulatory protections and public sector supports for vulnerable residents is rooted in and reinforced by structural racism, which has produced racially segregated neighborhoods that have experienced decades of disinvestment, poverty, low-wages, environmental degradation, poor health, high levels of incarceration, and a lack of education and employment options. Housing and building stock in neighborhoods experiencing long-term disinvestment and redlining is replaced by new development, increasing pressure on formerly affordable neighborhoods and leaving low-income, working poor, and working class households trapped in their current housing situations without options for mobility or facing the threat of displacement. Institutionalized racism plays out in the marketplace as well, denying people of color access to financial resources (such as mortgages and loans), education, and other services, causing a racial wealth and credit gap. Structural racism also locks out the participation, knowledge, and

leadership of long-term neighborhood residents and people of color, reinforcing the lack of democratic structures and processes to define policies that directly impact them.

The interlocking systems of market-driven development, neoliberal government, and structural racism result in and depend upon vulnerable communities having unequal power to influence projects (in the marketplace), influence policies (in the political landscape), and frame the debates (in telling the story). Increasing housing and economic insecurity caused by gentrification and displacement further exacerbates the already unequal power that residents, particularly the lack of influence tenants have in determining the policies that affect their lives and communities. The result: power held by developers, investors, and the wealthy outweighs the limited power held by longtime residents to participate in and influence the market, engage in policy and decision-making, and shape the public policy debates based on their own stories and lived experiences.

DRIVERS OF NEIGHBORHOOD CHANGE

In the context of the market, institutional racism, unequal power, and neoliberal public policies, neighborhood conditions are defined by “drivers” that influence development and neighborhood change. As the mechanisms for facilitating gentrification and displacement, “drivers” can be shifted by public policy decisions to result in alternative housing and development outcomes. These drivers represent three key dynamic and mutually related processes: the movement of capital, the movement of people, and public policies and investments.⁴ Examples of these drivers are listed below to illustrate how, with policy change, they can intervene in these processes and become levers for achieving community-driven development agendas. These include:

- ▶ **LONG-TERM URBAN DISINVESTMENT** which has created racially and economically segregated neighborhoods in central cities that experience concentrated poverty, low wages and educational attainment, poor health, and environmental degradation.
- ▶ **URBAN REINVESTMENT** triggers improvements in these areas, prompting increased land and housing values, higher housing costs, and ultimately transformations in a neighborhood. For example, increased public and/or private investment in transportation, infrastructure projects such as highways and bridges, and green infrastructure such as parks, open space, and river restoration can have positive and/or negative impacts on places.

- ▶ **MARKET-DRIVEN INVESTMENT** drives speculation in the housing market, particularly in the urban core where older housing stock is purchased, renovated, and flipped for higher values. Ensuring tenant protections for long-term residents and preserving affordable and accessible housing supports the ability of residents to resist threats of displacement and remain in their communities.
- ▶ **ECONOMIC RESTRUCTURING, DEVELOPMENT, AND DEINDUSTRIALIZATION REFLECT ECONOMIC AND COMMUNITY DEVELOPMENT PRIORITIES.** Incentivizing the location of technology firms and their workers, for example, results in racial and class transformation of neighborhoods as the creative class drives the demand for housing (as well as office and workspaces) in central cities and threatens the displacement of low-income, working poor, and working class residents.
- ▶ **INCREASING HOUSING INSECURITY AND VULNERABLE HOUSING TENURE** experienced by renters in need of affordable, accessible, and long-term housing. These communities have less ability to withstand rising housing costs and face increasing pressures of displacement.

⁴ Zuk, M, A.H. Bierbaum, K.G. Chapple, A Loukaitou-Sideris, P Ong, and T Thomas. 2015. “Gentrification, Displacement and the Role of Public Investment: A Literature Review. University of California Berkeley Institute of Urban and Regional Development; 2015.” Federal Reserve Bank of San Francisco, Community Development Investment Center. <http://www.frbsf.org/community-development/files/wp2015-05.pdf>. (accessed February 10, 2017)

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- ▶ **RISING INEQUALITY IS REFLECTED NOT ONLY IN THE DEMOGRAPHIC OF A NEIGHBORHOOD, BUT ALSO IN POWER RELATIONS.** Rising costs of housing and property values put the housing market increasingly out of reach for renters and longtime residents of urban core neighborhoods. Rising economic inequality is reflected in the growing concentration of income and wealth in the hands of a few, and the power of elite moneyed interests in shaping the rules of the market and development in neighborhoods.
- ▶ **SEGREGATION/RESEGREGATION** processes reflect public policy decisions and market responses that define neighborhoods by race and income. New investments in urban core neighborhoods and ensuing race and income changes result in mixed population neighborhoods shifting toward single race populations.
- ▶ **LAND USE PLANNING** institutionalizes assumptions about land uses, density, and land values for future growth and development. The power of zoning decisions, for example, may prioritize higher density in urban core neighborhoods to build affordable housing. But without requirements for affordability and protections for tenants and long-term residents, land use changes can drive displacement.
- ▶ **TRANSPORTATION AND INFRASTRUCTURE INVESTMENTS** (including parks and open space) trigger new development and raise property values in neighborhoods that have experienced long-term disinvestment. Without protections, long-time residents and tenants face increasing pressures of gentrification and displacement.
- ▶ **THE ROLE OF GOVERNMENT** has shifted its responsibility and authority in regulating and distributing wealth and public goods to a role focused on providing favorable conditions for capital investment and development. Housing decisions are made in terms of market-driven supply and demand rather than public good.
- ▶ **DEMOGRAPHIC CHANGES** occur at the regional as well as neighborhood levels, driven by shifts in the economy and in the housing market. New housing seekers interested in urban amenities such as public transit, parks, open space, etc. move into urban core areas, facilitated by higher incomes. Demographic changes in historically disinvested neighborhoods fuel resegregation by race and class.
- ▶ **INCREASING CRIMINALIZATION OF LONG-TERM RESIDENTS, PARTICULARLY OF HOMELESS INDIVIDUALS AND YOUTH OF COLOR,** have resulted in demographic shifts in neighborhoods. It has also excluded residents and the homeless from participating in organizing for change.
- ▶ **DOMINANT NARRATIVES THAT REINFORCE DRIVERS OF CHANGE** set the framework and reinforce assumptions about development. For example, the dominant narrative currently assumes unregulated and profit-driven development as the “standard” for growth, and that gentrification and displacement are naturally occurring aspect of cities and regions.

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How these drivers impact a neighborhood depends on policy choices and who has the power necessary to win and implement policy changes. For example, since the 1920s, cities have passed rent control and tenant protection policies to support residents in shifting housing markets. By the 1990s however, privatization policies increased the power of the private housing industry while shrinking the public sector, resulting in the weakening and elimination of rent control laws. This enabled property owners to pull units out of the rental market and evict tenants. Shifting these drivers of urban development is necessary for intervening in the processes that displace people from their homes. The same drivers that have facilitated gentrification and displacement can be interrupted and/or redirected toward community-driven development goals. The impact and outcomes of these drivers are, however, ultimately a function of competing agendas, policy decisions, and power relationships.

Image : Heather Wilson,
PICO National Network



POWER AND COMPETING DEVELOPMENT AGENDAS

What will it take to redirect the drivers of neighborhood development to address community needs now and into the future? Addressing gentrification and displacement requires addressing the unequal relations between low-income, working poor, and working class communities that struggle to remain and thrive in their neighborhoods, and the economic and political decision makers that define development through public policy. Understanding gentrification and displacement as a process defined by these unequal power relationships helps not only explain why conditions in neighborhoods exist, but also who is responsible. A power analysis also illuminates the competing values and development agendas defined respectively by unregulated market-driven development and community-driven development where housing is seen as a right and a public good.

Since the 1980s, the dominant development agenda prioritizes deregulated private and for-profit housing development. Key values and objectives undergirding this agenda are: 1) housing as a for-profit commodity and the reliance on the private sector to serve as primary driver of economic growth; 2) housing as a vehicle for private sector investments and government supported subsidies, illustrated by the rise in investor owned rental properties and increased speculation in housing markets; 3) reducing and eliminating public protections as well as regulations such as rent control laws, tenants' rights, and homeless rights. In California, for example, the passage of state laws such as the Ellis Act and the Costa-Hawkins Act give greater power to property owners and landlords, limiting the power of local rent control laws and the ability of local government to pass tenant protection policies. Public and private sector transportation and infrastructure investments without public protections also serve to support and facilitate this agenda.

By contrast, investing in a community-driven development without displacement agenda reflects values that prioritize community needs and long-term development in neighborhoods. Key components of this agenda are:



- 1) stabilization of vulnerable neighborhoods, a necessary first step for community-driven development in the longer term;
- 2) community-defined development that meets community needs; reflects community values, knowledge, and vision; and builds infrastructure that supports neighborhood culture and social networks;
- 3) building power at the community level in order to influence and direct development policy.

The graphic representation of the framework (on the next page) illustrates the competing agendas and narratives that shape development policy. Existing policies and proposed new policies can be evaluated by the degree to which policies—either by outcomes or the values of proponents—reflect these competing agendas.

POWER BUILDING IN PLACE: FRAMING COMMUNITY DEVELOPMENT ISSUES AND SOLUTIONS

SYSTEMIC CONDITIONS

Systemic conditions define the underlying context for development, gentrification, and neighborhood change. These are mutually reinforcing and function together.

STRUCTURAL RACISM CAPITALISM UNEQUAL POWER RELATIONS

DRIVERS OF NEIGHBORHOOD CHANGE

The following drivers influence neighborhood change and development. The impact and outcomes of these drivers are ultimately a function of competing agendas, policy decisions, and power relationships.

Long term urban disinvestment	Land use planning for development
Market driven reinvestment	Transportation and infrastructure investments
Deindustrialization/economic restructuring	Financially constrained public sector
Vulnerable housing tenure and security	Demographic change
Rising inequality	Criminalization and legal structures/processes
Segregation/resegregation	Dominant narrative that reinforces drivers of change



AGENDA

Stabilize communities through affordable and accessible housing, tenant and homeless rights and protections

Community driven development without displacement and development of strong neighborhood and regional infrastructure

Community power building based on community needs, knowledge, and leadership in policy change and implementation.

OUTCOMES

Housing security

Economic well-being and stability

Investment and development without displacement

Strong social networks and neighborhood and regional infrastructure

Vibrant and healthy neighborhoods for all

More equal power relations

POLICY APPROACHES

Influencing drivers of neighborhood change requires choices about public policy. Because these policy choices reflect competing values and agendas, power building strategies are necessary to win policies that shift the outcomes of drivers of neighborhood change to ensure community stabilization and longer term community driven development without displacement.

POWER BUILDING FOR SYSTEMIC AND TRANSFORMATIVE CHANGE

Community Stabilization Policies that protect and support renters and low-income homeowners, e.g. rent control, anti-eviction laws, no net loss policies, condo conversion regulations, tenants' rights, homeless rights, small business protections/support.

Affordable Housing Preservation Policies that preserve affordable housing and take housing and land out of the speculative market, e.g. surplus land policies, land trusts, Section 8, 1-1 replacement, protection of affordable housing near TODs, housing finance programs, maintenance/code enforcement.

Affordable Housing Production Policies that facilitate and expand affordable housing production e.g. inclusionary zoning, redefinition of affordability, CBAs, housing trust funds, affordability requirements in TOD, etc.

Community Planning Policies that frame and inform community planning processes and planning efforts defined and led by community needs, community knowledge, and community leadership

Community Economic Development Policies that stabilize and support economic development that meets current needs and future development vision of residents. Policies that stabilize and support workers, small businesses, and community and nonprofit commercial uses.

Tax and Fiscal Policies for Community Stability and Development that stabilizes communities and facilitates community driven development, e.g. landlord taxes, reducing/ freezing property taxes for long-time residents, fees for the National Housing Trust Fund, higher relocation costs for landlords.

Community Ownership Policies that support the control of housing and land through democratic structures and processes, e.g. land trusts, housing co-ops, worker-owned co-ops.

Disinvestment / Destabilization Policies that facilitate land speculation, eviction, and market-driven housing.

Unregulated Market and Profit Driven Housing Preservation Policies that incentivize market driven housing and land speculation; projects / initiatives that prioritize market rate housing.

Unregulated Market Driven Housing Production Policies that facilitate investment in/profit from the production of market rate housing.

Top Down Planning Policies that facilitate and support planning efforts without public and community engagement, knowledge, leadership.

For Profit Economic Development policies and approaches that prioritize for profit and market driven economic development.

Tax and Fiscal Policies for Market Driven Development that promote land speculation and market driven development, privatize housing markets, fuel tenant evictions, privilege luxury and market driven housing, etc.

For Profit /Market Driven Ownership of land, housing, development.

AGENDA

Housing as an unregulated for-profit commodity

Development for profit and speculation

Private sector driven and government supported investments and subsidies

Reduction of and absence of rent control laws/tenant rights/homeless rights and other public protections and regulations

Power held by elites

OUTCOMES

Housing insecurity and homelessness

Economic inequality and instability

Decline in social networks, neighborhood, and regional infrastructure

Cities and neighborhoods for the elite

Concentration of wealth, power, and growing inequality

POLICY APPROACHES TO CHANGE THE LANDSCAPE

Redirecting drivers of neighborhood change requires policy approaches that shift priorities and development outcomes. Which policies will redirect the drivers of development to advance an agenda for neighborhood development without displacement? Which policy solutions result in immediate and short-term protections for at-risk tenants, as well as medium and long-term solutions that promote development without displacement? What strategies ensure that policies are implemented and enforced?

The following policy approaches represent possible interventions to shift the drivers of neighborhood change and move a community-driven development agenda. The examples are provided to illustrate a range of possible policy actions and are not meant to be exhaustive. The policy approaches are not mutually exclusive and must be strategically advanced based on the particular context and change underway in each neighborhood. However, for many neighborhoods already undergoing gentrification and displacement pressures, community stabilization and housing preservation policies must be a high priority in order to prevent displacement and enable residents to stay in their neighborhoods.⁵

⁵ See Causa Justa :: Just Cause, Development without Displacement for a method of assessing gentrification stages and policy approaches applicable to specific stages of gentrification. See pgs. 59-82.

1 COMMUNITY STABILIZATION

Policies that support and protect tenants and low-income homeowners, e.g. rent control, anti-eviction laws, no net loss policies, condo conversion regulations, tenants' rights, homeless rights, and small business protections/support. Policies that support and protect tenants as well as protect existing affordable housing stock. See also Affordable Housing Preservation approaches below.

2 AFFORDABLE HOUSING PRESERVATION

Policies that preserve affordable housing and take housing or land out of the speculative market, e.g. surplus land policies, land trusts, Section 8, 1:1 replacement, protection of affordable housing near transportation oriented development (TOD), housing finance programs, and maintenance/code enforcement. Depending on the ability to pass and implement these policy approaches, they can also be deployed as more immediate community stabilization approaches (see above).

3 AFFORDABLE HOUSING PRODUCTION

Policies that facilitate and expand housing production, e.g. inclusionary zoning, redefining affordability, affordability requirements in transportation oriented development (TOD) projects, and community benefits from major infrastructure projects. Related projects/initiatives that result in housing production such as project specific community benefit agreements (CBAs), establishment of housing trust funds to finance new development, etc.



Image: Right to the City Alliance. Photo by Julie Pautsch of Lawyers Committee for Better Housing in Chicago.

4 COMMUNITY PLANNING AND DEVELOPMENT

Policies that frame and inform community planning processes and planning efforts defined and led by community needs, knowledge, and leadership. For example, policies that require and allow for community knowledge, participation, and leadership in the development of General Plans, Community Plans, Specific Plans, and other planning tools and efforts such as zoning for affordable housing near transit.

5 TAX AND FISCAL POLICIES FOR COMMUNITY STABILIZATION AND LONG-TERM DEVELOPMENT

Policies, regulations, and programs that stabilize communities, facilitate community-driven development, and shift power relations. For example, taxes on luxury housing, landlord taxes, reducing/freezing property taxes to protect long-time residents, fees to create resources for the National Housing Trust Fund, and policies that set higher relocation costs for landlords.

6 COMMUNITY ECONOMIC DEVELOPMENT

Policies that stabilize and support economic development that meets the current needs and future development vision of residents, including pathways for quality and stable jobs. Policies that stabilize and support workers, small businesses, and community or nonprofit commercial uses.

7 COMMUNITY OWNERSHIP

Policies and related initiatives that support and facilitate community-visioned and community-owned projects and development efforts, e.g. community land trusts, housing co-ops, and nonprofit ownership. While community-owned projects, like affordable housing development projects, may not currently produce a solution at the scale necessary to address current or future housing needs, community ownership projects spur investment and support by decision makers and stakeholders to demonstrate and advance a community-driven development agenda.

FUNDER STRATEGIES FOR CHANGE

Because policies, decision makers, and power relations may differ from place to place, the policy solutions presented here may vary depending on the political and economic landscape of the neighborhood/region. There is no one magic solution to address the gentrification and displacement processes underway. Similarly, no single policy approach can stand alone. Recognizing and supporting efforts that achieve long-term community stability and community-defined and owned development requires immediate as well as long-term strategic decisions and investments based on the following principles:

- ▶ **COMMUNITY STABILIZATION IS THE FIRST STEP TO LONGER-TERM DEVELOPMENT**
Policy approaches that stabilize communities and preserve affordable housing will help people stay in place and build capacity and power to figure out how to develop their neighborhoods in the longer term.
- ▶ **INVESTMENTS IN LONG-TERM, COMMUNITY-DRIVEN DEVELOPMENT**
Through community planning, residents can influence and set policy for longer-term development that meets their communities' vision and goals for the future, including community control and leveraging of public land to capture permanent value, e.g. community land trusts. Community and nonprofit ownership projects that model alternative development strategies require policy approaches to achieve scale and ongoing monitoring to ensure implementation.
- ▶ **POWER BUILDING STRATEGIES ARE NECESSARY TO ADVANCE A COMMUNITY-DRIVEN DEVELOPMENT AGENDA FOR SYSTEMIC AND TRANSFORMATIVE CHANGE**
None of the policy approaches can be achieved without exercising and building power to change the narrative and win policies that redirect drivers of urban development and neighborhood change. Funder strategies must be informed by where the opportunities to build power are. Policy approaches should be chosen strategically and campaigns designed by leadership where policy solutions and planning approaches are rooted in community experiences and knowledge. Power building strategies centralize the role of organizing and civic engagement as necessary for long-term solutions and shifts in power. This commitment to building power involves supporting organizing across various sectors and forces for change—including youth, workers, parents, elders—as well as organized groups representing community, labor, environmental, academic institutes, media, planners, policy advocates, legal organizations, and others.

For funders committed to building long-term resilience and vibrancy in marginalized and underserved communities, developing power building strategies to address gentrification and displacement (and development more broadly) represents a strategic approach that pushes beyond housing as a single issue and creates opportunities to build broad and strategic collaborations. The issues of housing and home intersect with a wide range of issues related to transportation and the built environment, schools and education, economic and workforce development, as well as the arts and culture. Supporting power building

related to housing, gentrification, and displacement serves as a fulcrum to support other strategies as well.

Ensuring that power building strategies are able to win policy and change drivers of development require the following funding approaches.

1 BUILD POWER FROM THE GROUND UP⁶

Funders and partners/grantees in the field identify four key elements that define power building approaches critical to stabilizing neighborhoods and advancing community-driven development.

» ***Involve directly impacted residents and prioritize efforts to reach out and engage them.***

Funder strategies must be informed by opportunities to build power. Organizing and civic engagement are necessary for long-term solutions and shifts in power. This requires a commitment to supporting organizing across various sectors and forces for change—youth, workers, parents, elders—as well as organized groups representing community, labor, environmental, academic institutions, media, planners, policy advocates, legal advocates, and others.

» ***Support impacted residents to understand their individual conditions as related to broader structures and systems.***

Deep and sustained base building efforts that link local individual experiences to broader neighborhood and regional dynamics can also build a common understanding of how state policies such as Costa-Hawkins and the Ellis Act impact local and individual conditions. This requires organizing at the individual, neighborhood, regional, and state levels.

» ***Organizing to scale.***

Strategic power building efforts must be rooted in community experience and knowledge, and a collectively developed analysis of problems and solutions. Through coalitions, neighborhood-based organizing expands its reach to other neighborhoods and in this manner can achieve a regional scale. This approach is particularly relevant for housing related campaigns where gentrification and displacement is easily visible at the neighborhood level but is driven by a regional economy and housing markets. Groups like Causa Justa :: Just Cause, Faith in Action Bay Area, and the Urban Habitat Program, for example, recognize that the impacts of the regional housing market are felt particularly in specific neighborhoods and cities around the Bay Area. Their coalition, Regional Tenants Organizing Network (RTO), involves 19 organizations from six counties represented at the RTO, and 15 of these are engaged in community organizing directly.

⁶ Drawn from discussion with funders and field leaders at the August meeting of the California Funders Working Group on Gentrification and Displacement. August 10, 2016 in Oakland, CA.

- » ***Provide ongoing and long-term support to local and regional anchor organizations to build the capacity and leadership of residents to develop a vision for their future.***

Whether it is a campaign to win rent control, anti-eviction laws, or protect the rights of residential tenants, small business tenants, or the homeless, deep and sustained community organizing and power building are necessary. They are needed to ensure people can remain in their homes and development meets the economic, environmental, and social needs of their communities.

Building power from the ground up requires flexible and long-term funding to support community initiated and driven efforts, and to develop allies and form coalitions. While long-term funding is a familiar refrain among grantees, maintaining a holistic perspective on how gentrification and displacement is experienced on the ground requires funding that recognizes and lifts up intersectional issues such as housing, immigration, employment, arts and culture, and gender discrimination. Progressive proposals to win fiscal and housing reforms such as overturning Costa-Hawkins and the Ellis Act will undoubtedly provoke developers and powerful property owner associations who oppose efforts to strengthen tenant rights and support affordable housing. Building a base strong enough to overcome such opposition and counter with a vision of community-centered policies will require deep investment and long-term funding for anchor base building groups to engage in research, organizing, coalition building, deep education, and leadership development among its membership and coalitions.

Additionally, a strong base of progressive power is also necessary for inside-outside strategies needed to move decision makers, allies, public offices, and agencies to respond affirmatively to community-driven agendas. For example, when the Clean Up Green Up campaign pushed on the City of Los Angeles to establish Environmental Justice zones, they found an ally in Councilmember Jose Huizar and worked with him to organize the rest of the Council to vote in support of the Clean Up Green UP Ordinance.

2 SUPPORT STRATEGIC COLLABORATIONS

Within California, several community-based organizations and coalitions have organized around a broad agenda of inclusive development and growth. In Los Angeles, the Alliance for Community Transit-Los Angeles (ACT-LA) coalition involves community-based development organizations (e.g. East LA Community Corporation, Koreatown Immigrant Workers Alliance), community organizing groups (e.g. Alliance of Californians for Community Empowerment [ACCE], LA Voice PICO), community development groups (Los Angeles Neighborhood Land Trust, Esperanza Community Housing Corporation, Little Tokyo Service Center), environmental organizations (Natural Resource Defense Council, LA County Bicycle Coalition, Pacoima Beautiful), labor organizations (LAANE, Jobs to Move America), and others. Rather than a focus on a singular issue or campaign, this diverse and powerful coalition is anchored

in its mission to create “just, equitable, sustainable transit systems and neighborhoods for all people in Los Angeles.” Funding for grassroots groups to engage in coalitions and collaborations is important; so is funding for the coalitions themselves to provide support for the “connective tissue” that brings all groups together.

3 BUILD STATEWIDE INFRASTRUCTURE

Statewide organizing infrastructure is needed to support to support and consolidate power built locally and regionally to drive statewide change. Currently, there is a big gap in the existing statewide infrastructure around housing related issues, yet effective statewide models exist and lessons can be drawn from them. California Calls and the California Environmental Justice Alliance (CEJA) are examples. Both are differently structured with distinct missions and strategies, but both illustrate strong community-based, grassroots-driven networked organizations that have come together to set a shared agenda for building statewide power. These forms of bottom-up organizing are more critical now than ever as important organizational vehicles able to turn protest into policy through organization, resources, and leadership. Building a statewide infrastructure made up of these sorts of organizations facilitates strategic analysis to build and transform power, influence policy, and generate changes in narrative and culture. Successful strategies are built upon knowledge and experience with power building and growing strong leadership capacity through community organizing, coalition building, advocacy, research, communications, storytelling, and media.

Taken together, these considerations are central to strategic power building approaches that will effectively address issues of gentrification and displacement. At the same time, power building strategies must be rooted in two fundamental arenas. The first is the recognition of and intervention in the system of racism that plays a fundamental role in defining community and value in policy and planning. Centering race and place, and connecting them to power building, is not new in the philanthropic arena. While discussion is often focused on discrimination, segregation, and public health outcomes resulting from racially based policies, there is less attention paid to dismantling the structural and institutionalized racism that is at the root of these racialized conditions. The #BlackLivesMatter movement raises important strategic considerations that recognize race as a social construct, and racism as a system that reinforces racial group identity and affords one group power over another in the social hierarchy. In the field of public health, strategies such as research, training, and community-engaged advocacy that are anchored in an anti-racist framework recognize that racialized development patterns must also include and acknowledge explicit strategies that address racism, not simply racial inequities.⁷ Work by the Akonadi Foundation highlights investments and grantmaking containing the following elements:⁸

7 Jee-Lyn García, J., & Sharif, M. Z. (2015). “Black Lives Matter: A Commentary on Racism and Public Health.” *American Journal of Public Health*, 105(8), e27–e30. <https://doi.org/10.2105/AJPH.2015.302706>

8 Akonadi Foundation. Approach. <https://akonadi.org/akonadi/approach/> (accessed 5/16/17)

- ▶ Making racial justice an explicit and direct focus;
- ▶ Providing long-term investments to organizations that are developing or advancing an analysis of structural racism and that are committed to proactive racial justice action;
- ▶ Encouraging local innovation and success;
- ▶ Helping people come together to share how they think, talk, and strategize about racial justice;
- ▶ Supporting the interconnected strategies of building power, shaping policy, and transforming culture; and,
- ▶ Nurturing cross-generational leadership.

Secondly, power building strategies must be situated in and connected to broader movement building goals and strategies.

Community organizing is a fundamental tenet of power building strategies but may not necessarily aim toward broader social movement goals such as dismantling institutional racism or rectifying patterns of unequal power. Investing in power building strategies that have larger systemic goals and link with broader social movements creates the necessary conditions for local organizing to “scale up” its power and “stretch out” to engage new constituents and resources in that effort.

Deepening relationships with community-based frontline organizations and field partners will expand funders’ understanding of issues and strategies. This will require funders to develop trust with field partners and providing general operating funding that allows community-based anchor groups to push boundaries, test, and design their own community-driven strategies. In their 2011 report “Transactions, Transformations, Translations: Metrics that Matter for Building, Scaling and Funder Social Movements,” the USC Program for Environmental & Regional Equity (PERE) documented the challenges facing funders and their grantees in sorting out new relationships as well as metrics for measuring progress in a movement building framework.⁹ The report also points to redefining relationships between the funder and the field to co-create goals (and metrics) that reach beyond individual organizations, and with coalitions so that strategies are more than the sum of its parts. This is a key point also made by the Akonadi Foundation in their “ecosystem” grantmaking approach to movement building:¹⁰

Foundations can be most effective when they know how to balance the changing roles required of them in movement building—when to be a catalyst, supporter, messenger or silent partner...which requires thoughtfulness and respect for grantees, as well as being well-informed by stakeholders.

9 Manuel Pastor, Jennifer Ito, Rachel Rosner. 2011. *Transactions, Transformations, Translations: Metrics that Matter for Building, Scaling and Funding Social Movements*. USC Program for Environmental & Regional Equity. October 2011.

10 Akonadi Foundation. *Ecosystem Grantmaking Report*. Retrieved from <http://akonadi.org/resource/ecosystem-grantmaking/>

CONCLUSION

In developing sustained and impactful strategies, the promise of place-based initiatives ultimately lies in the people who live there and the power they wield to change conditions in their communities. This report presents a framework that lays out the importance of community power building and policy as well as investment choices to address gentrification and displacement, and advance community-driven development. But funders—and their grantees and allies—must grapple with important and strategic questions about next steps. What and where are the opportunities and challenges of shifting local, regional, and statewide power? What investments and policies are necessary to create the conditions for people to stay in place? How can funding support long-term, community-driven agendas and goals, rather than those that perpetuate the least common denominators framed by developers? How can funders invest in the “ecosystem” so a community can grow and be sustained?

The next four years will test the ability of progressive funders to sustain the gains they have invested in and to engage moderate and conservative funders to build upon these wins. Recognizing the current movement moment—defined by the Trump Administration as well as the #BlackLivesMatter, immigrant rights, climate justice, youth, economic justice, LGBTQ, women’s rights, racial justice, and police accountability movements—draws clear value lines and raises immediate questions about how investments can create the conditions for people to stay rooted in place, organize to create those places, reframe the debates, and define the futures of their communities. Doubling down on the commitment to stabilize and build neighborhood-based power and community infrastructure is critical. Reaffirming and expanding funder investments in anchor organizations and their coalitions continues the trajectory for building healthy and inclusive neighborhoods in California, and provides much needed leadership for the nation as well. ■

Image : Chris Goldberg / flickr

