

Attachment D

Key Issue/Policy: Reducing Potential Risk of Displacement

Issue Area: Cities, housing organizations and individuals have raised concerns about the potential for involuntary renter displacement associated with the transit oriented growth pattern in Plan Bay Area, especially in the region's low and moderate income neighborhoods. While cities have actively supported planning and funding for PDAs, investments in neighborhoods with transit access and urban amenities may increase rents and result in a net loss of unrestricted affordable housing. At the same time, low-income neighborhoods are in need of investments and increasing income diversity that can support a broader range of services and amenities as well as provide economic mobility.

Key Considerations: The Plan's goal is to house the region's current and future population without displacement. The Plan's sustainability strategy is to increase affordable housing near transit. The Plan has assessed the potential risk of displacement by location based on areas of major growth where people pay more than half of their income in rent. This includes approximately 30,000 households or about 1 percent of the total Bay Area households. Displacement risk does not affect all or even the majority of PDAs. However, the effectiveness of the Plan relies on the social, cultural and economic vitality of our existing neighborhoods, which could be disrupted through displacement.

Displacement risk can be primarily addressed by increasing resources for the creation and preservation of affordable housing (as described in Attachment C "Affordable Housing") and improving economic opportunities for current residents.

To ensure that growth and investments support vertical mobility for existing residents rather than horizontal displacement, the One Bay Area Grant (OBAG) program provides a framework for local government and Congestion Management Agencies (CMAs) to adopt appropriate neighborhood stabilization and affordable housing policies through the OBAG-related Priority Development Area Investment and Growth Strategies. The success of this effort will require monitoring and appropriate revisions as well as the development of additional regional initiatives. These initiatives will need to recognize the unique qualities of each neighborhood and the need for policy interventions that are locally defined.

In March 2012, MTC and ABAG launched the HUD-funded Bay Area Regional Prosperity Plan. The Prosperity Plan is envisioned as an implementation component of Plan Bay Area. The Prosperity Plan's Housing Initiative will support capacity-building and knowledge sharing, community-response, policy and tool development, and funding analysis activities across the region to address the potential risk of displacement of low- and moderate income households.

Recommendation:

1. Target neighborhood stabilization investments, including housing rehabilitation, small site acquisition and land banking, in the allocation of projects funded by the Transit Oriented Affordable Housing (TOAH) fund. All of these uses are currently eligible for funding.
2. Based on local input gathered in the CMA's Investment and Growth Strategies and ABAG's housing development and policies inventory over the next 24 months, ABAG/MTC will provide a menu of affordable housing and anti-displacement policies for consideration in the next round of One Bay Area Grant funding. This strategy will provide the flexibility to address unique local conditions as well as incentives for local jurisdictions to guide and direct resources to affordable housing production.
3. Consider implementing and funding best practices with regard to neighborhood stabilization and anti-displacement efforts that emerge from research projects funded by the HUD Regional Prosperity Grant