DISPLACEMENT DUE TO GENTRIFICATION: MITIGATION STRATEGIES

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Introduction

This study focuses on the strategies and tools that can be used to mitigate displacement caused by gentrification, and enable the benefits that are inherent in a gentrifying area to be better utilized by the residents indigenous to the area. As a specific case study, the Atlanta neighborhood of Oakland City is studied. An understanding of these strategies and tools will allow the area to be proactive in addressing residents’ needs before they intensify into a social dilemma. This research is important to the neighborhood of Oakland City as there are many low income residents, and the community is likely to face gentrification pressures in the future. Prevention techniques will be discussed in anticipation of gentrification within this neighborhood.

The second chapter describes the methodology used in this study. I conducted an extensive analysis of previous and current approaches to address gentrification, in conjunction with relevant neighborhood studies; and neighborhood organizations and plans. The third chapter presents a study-specific review of the pertinent literature, studies, and previous analyses on the subjects of gentrification, displacement, and planning tools and techniques. Much of the literature available indicates that there are particular strategies that can reduce the negative effects of gentrification; and that community involvement in the earliest stages is key to the achievement of this end. A description of the case study neighborhood Oakland City and further rationale for the implementation of anti-displacement measures in that area is provided in the fourth chapter. The fifth chapter presents an examination of the tools and strategies in the context of the case study.
Hypothesis

With careful planning and community mobilization, neighborhoods can make gentrification processes work to their benefit and forestall displacement.

Gentrification can have both favorable and unfavorable consequences. It is a common occurrence in revitalization efforts, but can strain individual families and businesses with fewer resources. At times, there can even be mixed views on the matter within a single community. Immergluck writes that while some original homeowners may fear rising home prices because of the corresponding tax increases, others may welcome price appreciation and the increased financial equity it brings (Immergluck, 2009). And Vigdor continues that some current residents, those living in the neighborhood before gentrification began, may dislike the local shop being driven out by rising rents, yet welcome the arrival of a major chain store (Vigdor, 2002).

Efforts should not be focused on halting gentrification, but instead on controlling the process and making it work for the community. The appropriate response by local governments should be to maximize the benefits of gentrification while minimizing the negative consequences to the community’s original residents (PolicyLink).

These gentrification benefits should be accessible to all, including those who had resided in the particular area prior to the onset of the neighborhood gentrifying, and those who desire to remain within that same area during and after the gentrification. However, the likelihood for the costs of these improvements, along with speculation, to reduce the ability of lower income residents to continue to retain their properties; because of higher taxes for property owners; increased rents and leases for renters; and increased costs of new amenities; is a critical issue that warrants significant
attention. And with the application, implementation of proper social, development, and economic strategies and tools, many residents desiring to remain in their properties during and following gentrification would be able to.
Methodology

Analysis of pertinent strategies and tools assumes that displacement of indigenous residents in the Oakland City case study is an unwanted consequence that can result from gentrification. Though opposing arguments about the nature of the effects of gentrification exist, for the purposes of this study, displacement is directly affected by gentrification. Moreover, Atlanta’s economic and political actions concerning gentrification demonstrate a similar correlation to the displacement of low income residents.

This report presents a synthesis, not a critique by the author. Resources used for this investigation include; review of books, articles, and papers related to gentrification and displacement; and review of information that was compiled for the livable centers initiative (LCI) of which the case study community is a part.

This study involved analysis of the background research available on this topic. Also policies and programs being utilized at different governmental levels were reviewed. Additionally, background research on how various areas have attempted to alleviate or prevent displacement due to gentrification was conducted.
Literature Review

Definition of Gentrification

Gentrification is a loaded term, carrying with it both positive and negative connotations. Some define it in terms of the transitions and tensions in the community composition and demographic (Vigdor, 2002). Whereas, other definitions focus on the urban revitalization in the form of renewal, rebuilding, and/or restoration that accompany the influx of middle-class or affluent people into deteriorating areas ("gentrification", 2011). For the purposes of this research paper, gentrification is defined as the physical and economic upgrading of low-income areas associated with the inflow of higher income people often resulting in the involuntary displacement of lower income residents.

Definition of Displacement

Wright et al defines displacement due to gentrification, as development forces that cause people to move from their current residence. These forces may include land clearance; residential demolition; vacating buildings; investment that makes housing unaffordable for current residents; and rising taxes and rent (1995). Newcomers moving into previously vacant units or original residents moving for other reasons do not constitute displacement. (Kennedy & Leonard, April 2001)

Indicators that may lead to gentrification

Throughout the literature reviewed, a number of reasons leading to gentrification of inner city areas were discussed. Among them were; rapid job growth; housing market shifts; proximity to urban amenities; proximity to transportation; and public sector policies and investment.

This section will briefly talk about those indicators.
Research from the 1970s and 1980s indicated that job growth was a leading activator of gentrification in urban areas (Kennedy & Leonard, April 2001). In addition to downtown areas, job growth can also cause similar effects in peripheral areas (Kennedy & Leonard, April 2001). As an example Kennedy and Leonard describe how the growth of Silicon Valley as an employment hub seemed to have been a major cause of gentrification in San Francisco’s Mission District and other neighboring areas.

There are various ways in which the housing market can affect gentrification. One way is due to a constrained housing supply when there are more people looking for homes then there are homes available (London, Lee, & Lipton, 1986). Additionally, the supply constraint can affect affordability. Affordability becomes an issue when the increasing expense of homes in more desirable neighborhoods leads people to consider lower cost neighborhoods as an alternative (London, et al., 1986).

Another trigger is the opportunity for lucrative investments in gentrifying or potentially gentrifying areas (Kennedy & Leonard, April 2001; London, et al., 1986). In this way developers seek out locations that require minimal investments, but are likely to return substantial profits. This can also be affected by what some authors describe as “rent gaps”; when “the potential difference between the value of the property before and after renovation is so large that capital moving back into the neighborhood would hasten gentrification” (Kennedy & Leonard, April 2001).

The proximity to urban amenities is frequently a generator of gentrification as well. Living near amenities like downtown entertainment and venues tends to be a draw for many (Kennedy & Leonard, April 2001). Moreover, households less likely to have children, e.g. artists, young professionals, empty-nesters, and gay and lesbian
households, are less inclined to be deterred by higher crime rates and lower schools ratings, when seeking better access to vibrant culture and street life; ethnic and racial diversity; and distinctive architecture (Kennedy & Leonard, April 2001).

Transportation and traffic are also factors that can contribute to gentrification. Longer commutes, increased traffic congestion, and deteriorating infrastructure can all add to the impetus to live closer to work, which in turn plays into the housing constraints discussed earlier (Kennedy & Leonard, April 2001). New residents often want to be able to walk to work, join public transportation, and/or even reverse commute to suburban jobs to avoid traffic.

Another gentrification stimulant is the policy put forth by the public sector. Though, often indirect, these policies can include neighborhood revitalizations, direct investments, tax expenditures, and zoning regulations (Zisser, 1985). The revitalization efforts usually have a goal of attracting middle and high income residents to lower income areas and/or credits for indigenous residents to make home and area improvements (Zisser, 1985).

In conjunction with all of these predictors, Wyly and Hammel’s analytical surveys also suggest that gentrifying areas seem to be populated by fewer highly educated professionals and by more working class residents who spend higher percentages of their incomes on housing (Elvin K. Wyly & Hammel, 1998).
Tools and Strategies for Managing Gentrification

Understand the context in which the gentrification is taking or may take place

The driving factors

By taking the time and consideration to understand the context in which gentrification may take place, a shared understanding of current conditions can be established. Issues include: current property conditions and property valuation trends; renter and homeowner assessment; employment statistics; relevant community organizations; affordable housing; proposed development; and, current pertinent policies. Knowledge of these and other context-specific information enables more in-depth analysis and communication of germane matters. This understanding supports decision-making and consensus-building and translates into improved policy development and organizing.

Get organized at various levels

Create forums

Empower local residents to determine course of development

The organization of residents is imperative to their control of neighborhood planning processes. Residents and local community groups must effectively organize in order to assure the consideration of their concerns and issues before development progresses. This can often entail direct negotiations between the developer and community organizations. Some community organizers suggest that
when major developments are proposed, city governments should withhold support until the developer reaches an agreement with the community (Wright, et al., 1995).

**Develop a unified vision and plan – for an acceptable outcome of gentrification process**

Creating a plan and vision for a community is important. Focused plans and studies aid in community improvement efforts. Whether spearheaded by city agencies and/or funded by local and national foundations, joint visioning and planning efforts can generate shared short and long term plans, as well as fruitful, working relationships and partnerships. “A plan’s development can be used strategically as an organizing and unifying tool, as a negotiating tool, as a funding document, as a political litmus test, as a touchstone for the future, and as a performance measurement tool” (Kennedy & Leonard, April 2001). Moreover, documents like comprehensive plans can be used to determine progress and success.

**Community Land Trusts**

**Provide secure, affordable access to land and housing for community members and future residents**

A community land trust is a private, nonprofit organization created to provide secure, affordable access to land and housing for community members. They can preserve or develop land for uses that can benefit the community. In particular, CLTs attempt to meet the needs of those least served by the prevailing market. In a gentrifying area, a community land trust can create permanently affordable owner-occupied housing in order to prevent the displacement of residents. The CLT separates the ownership of land and housing; holding the land permanently, while the
buildings can be owned by those who use them. The organization of a CLT includes occupants of the CLT housing as well as any other concerned local residents (PolicyLink).

Cooperative ownership models

Create a strong linkage between people and place by helping to ensure that residents are direct stakeholders in and beneficiaries of local business activity

Community Development Corporations

Community Development Corporations are nonprofit entities established by local stakeholders like residents, business owners, service providers, etc. who aim to revitalize their community. CDCs typically acquire and/or develop commercial real estate to stimulate the community’s economy and provide retail services. Shareholder participation in CDC projects is a strategy of allowing residents to have a voice in the development process and partner with the CDC and other investors. This enables residents to increase their financial assets and build security (PolicyLink).

Community Benefits Agreement

A community benefits agreement (CBA) is a contract between a developer and a community group setting forth a range of benefits the community will receive from the development project (Gross, LeRoy, & Janis-Aparicio, 2005). A CBA helps to ensure that residents affected by the development share in the benefits, thereby strengthening the local economy. This tool is a mechanism to enforce mutually beneficial objectives like local hiring and training; affordable housing; environmental
remediation; funds for community programs; and, political support for the development itself.

Local hiring

Community Workforce Agreement

A community workforce agreement (CWA) is a project labor agreement between a contractor and local labor organizations for project construction. This binding agreement can be used to set standards for pay and benefits; quotas for local hiring; and terms for community interests. The agreement focuses on specific community needs, and often includes accountability evaluations.

Empowerment Zone*, Opportunity Zone

The Department of Housing and Urban Development defines an Empowerment Zone as tax incentives for businesses to locate in, and hire residents of, economically disadvantaged areas. These disadvantaged, low income areas can benefit from the tax incentives provided to businesses in the boundaries of the empowerment zone. Businesses operating in empowerment zones receive a variety of tax incentives for any employees who live within the zone boundaries. The empowerment zone could potentially strengthen the health and wealth of the community ("Empowerment Zones," 2011).

An Opportunity Zones offers significant local, state, and federal incentives for the redevelopment of blighted areas. Under the program, the state can apply an opportunity zone designation to any parcel that is within or adjacent to an area with a poverty rate of

* UPDATE: On Friday, December 17, 2010, the President signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Public Law 111-312). Sections 753 and 754 of this law extend the designations of all three rounds of federally-designated Empowerment Zones and the District of Columbia Enterprise Zone, retroactively, from December 31, 2009, through December 31, 2011.
15 percent or higher. Businesses located in an opportunity zone that hire at least two employees may receive an annual income tax credit of $3,500 for each job they create (Georgia Department of Community Affairs, 2010).

**Educate public**

**Home ownership programs**

Home ownership programs that provide education and economic resources to help lower income residents to purchase their homes can be administered by financial institutions, city administrations, and/or nonprofit organizations.

**Renter and Homeowner Advocates and Advisors**

This type of organization or individuals works with residents to inform them of their rights and assist them in negotiations with the developers and owners of buildings planning to invest in the area (Wright, et al., 1995).

**Legal rights**

There are Community Development Block Grant (CDBG) laws for funding proposals that work in conjunction with the Uniform Relocation Act ("Community Planning and Development," 2009). These laws were introduced in 1988 and 1989 in an effort to strengthen the guidelines for CDBG funding. Sections of the laws mandate that every CDBG proposal should have an anti-displacement plan ("Title 24--Housing and Urban Development,").

**Right of First Refusal**

Using this strategy, current residents and community development corporations would be given the first option to purchase a property being sold by the
property owners planning to sell it. This could also be utilized in situations where
property owners decide to convert a rental building into condominium. In this instance
the owner would be obliged to offer the tenant the right of first refusal to purchase their
property (Wright, et al., 1995).

Implement regulatory and policy measures at the various levels

Regulate the Private Housing Market

Using specific types of market/rent control policies

Rent control or rent stabilization laws protect renters from
excessive rent increases in gentrifying areas (Wright, et al., 1995). These regulations
can restrict landlords’ ability to raise rents and the rate at which rents are increased
(Wright, et al., 1995). Displacement greatly affects renters since rents tend to be low in
disinvested areas with poor housing stock, and rise dramatically with increased
investment (PolicyLink). In this manner, rent control maintains affordable housing in the
midst of gentrification, allowing the indigenous tenants the opportunity to remain.

Zoning and Land Use Controls

“Just as some suburbs limit the influx of lower income and minority
people through restrictive zoning regulations, some activists have fought for zoning and
land use controls which limit the influx of development associated with gentrification”
(Wright, et al., 1995). These types of ordinances can include zoning and land use
clauses that help to preserve affordable housing and neighborhood businesses (Wright,
et al., 1995).

Housing Code Enforcement
**Eviction Controls**

Eviction controls are typically laws that protect renters from being unjustly evicted. These may include, but are not limited to provisions for a minimum period of notification prior to eviction and options to appeal the eviction process (PolicyLink; Wright, et al., 1995). This helps to ensure that landlords can only evict for suitable reasons like failure to pay rent or destruction or misuse of property. Eviction controls can be a useful tool in promoting tenant stability and preventing undue displacement.

**Community Reinvestment Act of 1977**

This act requires federal agencies that supervise financial institutions to encourage them to help meet the credit needs of communities in which they are located. The supervising federal agency must assess a financial institution's record of service to the local community in regards to equitable lending, investments, etc. services. The financial institution must prepare a CRA statement for each of the communities it serves. Community groups can organize and negotiate a CRA agreement with the banks or savings institutions in the community to help reduce displacement by providing more affordable and accessible financing for investments within their community. The CRA can be used as a tool by community groups to secure loans to construct, buy, or improve homes; to establish neighborhood businesses; and to support community institutions. Moreover, access to banking services connects residents to the financial mainstream through checking accounts, investment methods, and financial advice. (PolicyLink)

*Include affordable housing*
Property Tax Relief and Rent Subsidies

Also known as “circuit breakers”, property tax relief programs help to limit the amount of property taxes paid based on the total income of the household (Wright, et al., 1995). Through this program, the state sets a maximum percentage of income that a household is expected to pay in property taxes or offers refunds to those whose property taxes are deemed too great. Similarly, rent subsidies are administered to renters in the form of vouchers or based on income assessments (PolicyLink). Preserving affordable housing using this method helps to maintain neighborhood stability and a mix of income levels, and prevents indigenous residents from being displaced.

Limited Equity Housing

A limited equity housing cooperative (LEHC) is a type of rent-controlled housing owned by residents, and that has a limited return from resale that can be receive from the housing (Wright, et al., 1995). In this corporation each member owns a share in the value of the building and land (PolicyLink). Like community land banks, LEHCs take property off the real estate market to preserve affordability. Cooperative properties allow lower income people who might be forced out by rent increases or sales to remain in their apartments. Moreover, the construction of new cooperatives units can enable residents at risk for displacement to remain within the community (Wright, et al., 1995).

Real estate transfer taxes (RETTs) to fund affordable housing and other equitable development
Also called “real property transfer taxes”, RETTs can be used to fund affordable housing or other community benefits. They can raise additional revenue with the influx of investment since they are based on property sale prices (PolicyLink). Moreover they can be an effective deterrent for housing speculation. This strategy can help to control the processes that may lead to displacement by stabilizing rents, home prices, and property taxes. To do so properties can be taxed based on the amount of time held, or the percent of profit from sales (PolicyLink). Furthermore, taxes may be increased for lots and buildings left vacant (Wright, et al., 1995).

Preserve Affordable Housing

Low Income Housing Preservation Act 1995

Under the Low Income Housing Preservation Act of 1995 tax incentives can be provided to preserve low income housing (PolicyLink). As a strategy, this act provides for the maintenance of existing affordable units which, if not preserved, could mean a significant displacement of people unable to afford the increased rents of these units without the federal subsidies (PolicyLink).

Nonprofit-owned affordable housing development

Many CDCs use non-profit ownership to control housing and other property in their communities. In this “land banking” method, housing unit affordability can be preserved by taking them out of the market and putting them into non-profit ownership (Wright, et al., 1995). The CDC can elect to either sell the property or hold it if proposed development may displace residents.

Community Land Trust (CLT)/Community Land Bank
Community Land Trusts and Banks are specific types of nonprofit affordable housing initiatives. In a community land trust affordable access to land and housing for community members is secured on a long term basis by a nonprofit corporation; while a community land bank can be either long or short term (Wright, et al., 1995). Both acquire and maintain a collection of permanently affordable owner-occupied housing in gentrifying communities where the cost of housing is otherwise being driven beyond the means of local residents.

**Lease-Purchase Home Ownership Arrangement**

In this strategy, a house is purchased and rehabilitated by an organization that then leases it to a low income family at an affordable rent (Wright, et al., 1995). After a given period, during which credit improvement and saving could occur, this renter has the first option to buy the house (Wright, et al., 1995). By enabling families who would otherwise be unable to afford or qualify for a mortgage to become homeowners; and giving local residents priority, displacement can be reduced.

**Minimum of 1-to1 replacement of affordable housing**

Another federal regulation (Code of Federal Regulations – Title 24, Part 42, Subpart C 375, Requirements Under Section 104(d) of the Housing and Community Development Act of 1974) stipulates that for every federally subsidized housing unit to be destroyed, a new housing unit must first be built to replace it (Wright, et al., 1995). This regulation was passed during the Reagan administration. It was pushed by public housing activists to preserve public housing and prevent public housing authorities around the country from selling or tearing down units. In Atlanta there was a concentrated effort to eliminate all of its large public housing projects, in
favor of the creation of mixed income developments that included market-rate houses and apartments alongside a reduced number of public housing units; mixing higher income residents with lower income ones. However there was growing concern that the number of affordable housing units created did not equally replace the amount demolished. (Pyatok, Jones, Pettus, & Woodbridge, 1995)

**Urban Infill**

Urban infill is another possible method of reducing displacement that allows for the preservation of existing affordable housing. By reusing and repositioning vacant, obsolete, or underutilized buildings and sites, it increases the density and intensity of use in previously developed sites. Reuse of blighted properties can help reduce crime and renew the sense of community. Also, infill can bring about jobs, public amenities, and residents to the area, generating additional tax revenue (PolicyLink). Infill development can make use of infrastructure and development that is already in place in some areas. And this in turn, may allow a greater number of residents to be located in close proximity to transit and employment, thereby reducing their transportation expenses and leaving more funds for them to finance their housing (Haughey, 2001). Moreover, incentives for developers can make infill development more attractive and feasible.

**HOME Program**

The HOME program and funds have a number of requirements which can reduce the displacement of low income residents. HOME funded projects must preserve the affordability of the project for a specified number of years based on the amount of funds used in the rehabilitation or construction. (Wright, et al., 1995)
Leverage Market-Rate Development

Incentivize market-rate development for developers to include a percentage of below-market rate units in new developments

Inclusionary zoning

Another tool that can be used by municipalities to maintain adequate affordable housing is inclusionary zoning. Inclusionary zoning requires that a portion of the housing units in new residential developments be made affordable to people with low to moderate incomes. Often in return, developers receive incentives such as density bonuses, zoning variances, expedited permitting, and cost offsets like parking space reductions and fee reductions. In this regard, the real estate market can be used to advance affordable housing goals since affordable units are only generated if private residential development is occurring in the community. (PolicyLink)

Housing Tax Credits

Low income housing tax credits enable developers to rehabilitate or build low income housing. Tax credits can be claimed for qualified expenditures like low-income housing units placed on the market. A minimum percentage must be set aside in order to qualify for the tax credit. Additionally there are stipulations on the income of the tenants, and the rent applied to them. (Wright, et al., 1995)

Low Income Tax Increment Financing District

Tax Increment Financing Districts (or Tax Allocation Districts as they are typically called in Atlanta) can be created for the development of affordable
housing. Wright discusses how the city of Chicago’s Department of Housing created its first tax increment financing district that created new affordable housing units as a part of the Stewart Homes development in the South Side of the city (1995).

**Land use policies that require fees from new development to enable others to develop subsidized affordable housing**

**Jobs-to-Housing Linkages/Commercial Linkage**

Laws linking downtown development to the support of economic development have also been successful measures (PolicyLink). These types of regulations require developers of new commercial properties to pay fees (often determined by the square footage of development) to support affordable housing or other local needs (PolicyLink). Some programs give developers the option to instead construct the affordable units. Construction of office or retail space can attract higher income people to an area, resulting in a higher demand for housing (Wright, et al., 1995). Additionally this higher demand can lead to increased costs, and displacement of low income residents and some local businesses (Kennedy & Leonard, April 2001). Linkage strategies are useful in garnering community benefits that can include anti-displacement.

**Economic Development and Income-Raising**

Traditional economic development strategies, such as business assistance programs and loan funds, can help a neighborhood’s businesses take
advantage of new markets presented by gentrification and transition more successfully as the neighborhood changes (Kennedy & Leonard, April 2001).
Case Study

Oakland City background

For this paper, the Oakland City neighborhood in Atlanta, Georgia was selected as a case study. Oakland City is located in the southwest part of Atlanta within Fulton County. It is part of the land that was originally settled in the 1820’s, after acquisition from the Creek Indians. Incorporated as a city in 1894, Oakland City was later annexed into the 10th ward of Atlanta in 1910. ("Oakland City Community Organization, Inc.,")

Oakland City stretches into census tracts 13121.0061, 13121.0062, 13121.0065, 13121.006601, and 13121.006602. However because only census tracts 13121.0062 (tract 62) and 13121.006602 (tract 66.02) are majority comprised of Oakland City, only statistics from those will be discussed.

Tract 62 has 420 households and 27% of these households make less than $25,000 a year. The median income is $34,457 compared to the city's median, $50,243. 39% of the households make over $50,000 a year. This tract is home to some of the oldest housing in the city. Many of the buildings are over 60 years old. With 43% unit vacancy rates, 45% of the occupied units are renter-occupied (U.S. Census Bureau, 2000).

Tract 66.02 has 344 households and 53% of these households make less than $15,000 a year. The median income is $14,052. 8% of the households make over $50,000 a year. This tract also contains older housing stock, with many of the buildings being over 60 years old. With 43% unit vacancy rates, 89% of the occupied units are renter-occupied (U.S. Census Bureau, 2000).
In 1997 concerned Oakland City residents joined together with Sandtown neighborhood residents to form the Sandtown and Oakland City Community Development Group which later separated to better serve their specific neighborhoods. The Oakland City Community Organization, Inc (OCCO) was thus incorporated in 2000 to “promote the common good and general welfare of the community”. (“Oakland City Community Organization, Inc.”)

Oakland City is part of neighborhood planning unit (NPU) S. The neighborhood planning unit is a citizen advisory council that makes recommendations to the Mayor and City Council on zoning, land use, and other planning issues; enabling citizens to actively participate in planning as well as receive city government information. (“Neighborhood Planning Units,” 2011) Additionally, a segment of Oakland City is included in the Oakland City-Lakewood livable centers initiative (LCI). As a participant in the LCI program Oakland City should be involved in comprehensive planning of future land use patterns, transportation and circulation options and implementation strategies for the area surrounding the Oakland City and Lakewood-Fort McPherson Metropolitan Atlanta Rapid Transit Authority (MARTA) Stations. The Livable Centers Initiative is a regional program administered by the Atlanta Regional Commission (ARC) aimed at encouraging increased residential development, mixed-uses and connectivity around transit and activity nodes. Moreover the program seeks to directly link transportation improvements to “smart growth” planning and land use while adhering to LCI goals. (City of Atlanta Bureau of Planning et al., 2004)

The Oakland City neighborhood was designated as a Local Historic District in April 2003 and listed on the National Register of Historic Places in November of the
same year for its historic residential and community landmark structures from the early to mid 20th century. (City of Atlanta Bureau of Planning, et al., 2004)

Why Oakland City

As a case study, Oakland City is appropriate for a number of reasons. There is an abundant housing supply, much of which is deteriorated and/or abandoned. Elevated foreclosure rates have exacerbated the low cost of housing, which in turn is fueling the decline of property values. As a part of NPU S, planning efforts for the area include residential enhancement, and stabilization of the housing stock through preservation, rehabilitation and infill development. (City of Atlanta Bureau of Planning, et al., 2004) And according to the Oakland City Community Organization, changes in the form of new development, community enhancement, and property improvement by new residents, have been occurring in the area. ("Oakland City Community Organization, Inc.") In addition, a portion of the area is within the Renewal Communities district, an initiative established by the 2000 Community Renewal Tax Relief Act, which encourages public and private collaboration to generate economic development in distressed communities.

Oakland City is located within one mile of the Atlanta University Center and also in close proximity to the downtown Atlanta area. This has created some development pressures on the area. In addition, there is a proposed Beltline Transportation Corridor that would run along the northeast boundary of the neighborhood. This proposed development is a new greenway and transportation network connecting many metro Atlanta areas, and promoting urban and economic revitalization (City of Atlanta Bureau of Planning, et al., 2004). Immergluck writes that speculation in anticipation of this
proposal has directly resulted in escalating property values in residential and commercial areas. His study found that the NPU in which Oakland City is located had experienced greater home price increases between 2000 and 2006 than any other NPU (Immergluck, 2009). This could likely make Oakland City more attractive to urban professionals and other potential gentrifiers.

Prior to the conception of the BeltLine, this neighborhood suffered from significant disinvestment and exhibited much lower home prices than most other neighborhoods in the city. In 2000, the median home value for the two tracts in Oakland City was $56,000, compared to the citywide median price of $55,000 (U.S. Census Bureau., 2000). But when the BeltLine proposal was publicized, property values in those tracts began to rise rapidly in comparison to the rest of the city. By the 2005 to 2009 period, the median sale price rose to $112,500, which was a 105 percent increase, compared to a 57 percent increase citywide (U.S. Census Bureau., 2000). Speculative investors rush into these neighborhoods and buy cheap, often dilapidated, properties. In many cases, they will resell the properties at significantly higher prices, with buyers anticipating added value from the transit improvements and amenities expected in the future. This speculation can drive prices out of the range of affordability for many of the long-time residents in Oakland City, as well as many surrounding neighborhoods.

The Lee Street Corridor, which passes through and goes along the eastern edge of Oakland City, is a major arterial road that is heavily utilized. There is also prime access to both the Oakland City and Lakewood-Fort McPherson MARTA Stations that have been seeing increased ridership over the past few years (City of Atlanta Bureau of Planning, et al., 2004). Furthermore the Oakland City Park, to be renamed the Rev.
James Orange Park at Oakland City, is anticipated to undergo rehabilitation, modification, and expansion through the purchase of abandoned and blighted housing (Georgia Tech School of City and Regional Planning Fall 2010 Studio, 2010). Oakland City’s unique neighborhood characteristics, exemplified by its 2003 historic district designation, also speak to the neighborhood’s attractiveness to new residents.

Additionally, the closing of the nearby Fort McPherson military base in late 2011 will affect the neighborhood’s future development. This adjacent 488 acre property directly south of Oakland City has garnered intent developer interest with the announcement of the base closure. The eventual reuse of the site enables the prospect of better connectivity to Campbellton Road as well as reconnecting this future community with the adjacent existing neighborhoods. Also, redevelopment of the base will potentially “create a new identity for Campbellton Road as a gateway to Southwest Atlanta” and the redeveloped base (Georgia Tech School of City and Regional Planning Fall 2010 Studio, 2010). Moreover, the future Fort McPherson redevelopment provides the opportunity to add a new street network in this part of the corridor. This new network would provide valuable connections to support new development. And because of the considerable impact of the base redevelopment, Georgia STAND UP, a community organization engine, and the Georgia Institute of Technology City Planning Studio have are also involved in with the Oakland City community and surrounding areas.

These factors together with the involvement of Georgia Stand Up and the Georgia Institute of Technology’s City Planning Studio make Oakland City a pertinent case study.
Analysis

An assessment of Oakland City using the aforementioned predictors of gentrification, indicate that Oakland City may indeed find itself under gentrification pressures in the future. Moreover, there is concern among residents regarding potential displacement of current lower and middle income residents as a result of projected new development. In anticipation of these pressures and concerns, applicable strategies and tools to mitigate displacement will be analyzed.

Oakland City residents and its organizations can use a variety of strategies to improve the area without fueling displacement.

- First and foremost, the Oakland City residents must evaluate the context specific to the neighborhood. The high amount of foreclosures have caused an increase in vacant and abandoned properties, which in turn have been contributing to blight and increased crime rates. Also, the existing housing conditions, property ownership, along with economic trends must be assessed. The employment rate for the area is currently below Atlanta’s rate, and future employment needs should be considered in relation to new development. In light of these conditions, targeted workforce training should be provided through partnerships with organizations. Additionally, the related plans, policies, and zoning currently in effect should be identified.

- Synchronous with context determination, Oakland City residents should maintain existing and create new organizations, like a community development corporation (CDC) and a community housing development organization (CHDO).
These would facilitate bringing residents together to discuss the future of the neighborhood, together with organization, infrastructure, and technical expertise. Being a well organized community will help residents resist the many threats of displacement arising in the future. The Oakland City Community Organization is presently the only community association.

- Oakland City can better control the gentrification process, reducing the negative consequences on the community if they unify and create a vision for the area’s future. In addressing gentrification, these issues should be included in the plan: methods of garnering resident participation and effectively disseminating information; rental housing analyses; homeownership; the type of economic development needed; social services to support the current community; provision of applicable community and commercial amenities; transition strategies to enable residents to remain in place; and, unifying old and new residents (Kennedy & Leonard, April 2001).

- The Atlanta Community Land Trust Collaborative can assist Oakland City in creating their own neighborhood community land trust that would take title to land in and around the BeltLine, creating and sustaining a stock of affordable homes (Georgia Tech School of City and Regional Planning Fall 2010 Studio, 2010). This could help to strengthen local home values and maintain long-term affordability for residents wanting to remain in the area. An organization like this could also guide communities in the planning, creation, and management of
individual community land trusts. In a similar manner, an Oakland City CDC could use the Atlanta/Fulton County Land Bank Authority to hold foreclosed properties at a lower development cost for future the development of affordable housing (Georgia Tech School of City and Regional Planning Fall 2010 Studio, 2010). Additionally a local nonprofit organization could make use of the federal Neighborhood Stabilization Program (NSP) to help stabilize Oakland City through the purchase and redevelopment of foreclosed and abandoned homes and residential properties (Georgia Department of Community Affairs, 2011d).

- Oakland City has a prime opportunity to benefit from the community benefits agreement negotiations going on with both the Fort McPherson Local Redevelopment Authority (LRA) and the BeltLine Partnership. Oakland City community leaders have recently joined together with neighboring community representatives that will be affected by the closing and subsequent redevelopment of the base, to create the McPherson Action Community Coalition (MACC). MACC is a nonprofit coalition that provides another avenue for community input on the Fort McPherson redevelopment. The Atlanta BeltLine Partnership is also working with communities to establish community benefits agreements that will produce amenities and services specific to residents needs ("Atlanta BeltLine Overview," 2011). Because separate community benefits packages will be developed for individual BeltLine projects, continued community involvement is especially important.
• Moreover a percentage of all revenues from the BeltLine tax allocation district will be set aside for the BeltLine Affordable Housing Trust Fund (BAHTF). The BAHTF will be used to provide grants to develop and preserve affordable housing, down payment assistance for lower income homebuyers, and funds for property acquisition for future affordable housing (Sherriff, 2011).

• Housing counseling and home ownership education programs and sessions should be offered to the public to inform them of what is taking place, and what their response options might be. The Georgia Dream Homeownership Program provides free homebuyer education through a partnership with local entities to help homebuyers take a comprehensive look at the home buying process and home ownership responsibilities (Georgia Department of Community Affairs, 2011b). Additionally, training and education on purchasing and renovating foreclosed and vacant homes might be provided. Many local agencies under contract with the Georgia Department of Community Affairs also provide free foreclosure prevention counseling ("Housing Counseling: Georgia," 2011).

• Regulatory and policy measures can be applied at various levels. At present the area is primarily zoned for single and multi-family residential, with a few zones of commercial and industrial (City of Atlanta GIS Division, 2011). Zoning and land use amendments might be proposed in conjunction with planned development. Additionally the 1977 Community Reinvestment Act (CRA) can be utilized to open a dialogue with local financial institutions about the sufficiency or
insufficiency of neighborhood access to capital and financial services. If the community develops explicit equitable development goals, they can be negotiated into specific CRA criteria.

- The preservation and inclusion of affordable housing is a key strategy for stemming unwanted displacement. One plan would be to include a limited equity housing formula in an established land trust organization lease policy that would enable control of the amount of equity that a member may take out of the unit, while keeping the price affordable for other low-to-moderate income people (PolicyLink). Another option is the real estate transfer credit, since Georgia currently has an established excise tax on transactions involving the sale of property. The Local Redevelopment Authority could be required to include provisions for stabilizing the housing situation in the applicable communities (Georgia Tech School of City and Regional Planning Fall 2010 Studio, 2010). And the redirected and/or increased revenue derived could be used to provide affordable housing. Yet another approach, via Georgia homeowner tax relief credits, provides homeowners with property tax relief on their county, school, state, and city property taxes. This credit gives eligible homeowners property tax relief that is equivalent to an additional homestead exemption (Georgia Department of Revenue - Local Government Services Division, 2011). Similarly rent subsidies can be obtained through the Housing Choice Voucher Program. Program participants pay approximately 30 percent of their adjusted income toward rent; and the difference between the gross rent which includes an
allowance for utilities, and 30 percent of the tenant's adjusted income, is paid monthly by the Georgia Department of Community Affairs (Georgia Department of Community Affairs, 2011c).

- The national HOME Program supports affordable housing initiatives at both the state and local government levels through the Georgia Housing and Finance Authority and the Georgia Department of Community Affairs (Georgia Department of Community Affairs, 2011b). One such initiative is the Georgia Dream Homeownership Program which makes purchasing a home more affordable by offering fixed, low interest rate mortgage loans, as well as down payment and closing costs assistance to eligible borrowers. In order to take advantage of the Community Housing Development Organization (CHDO) Operating Assistance Program supported by the HOME Program, Oakland City must establish a local CHDO. Herein, the DCA provides operating assistance to state-certified CHDOs to sustain an organization capable of future housing development activities.

- Leveraging market rate development is another anti-displacement measure. For instance an inclusionary zoning regulation in the locality might require developers to make a percentage of their residential units affordable in return for specific density increases. There is also a low income housing tax credit; a federal subsidy used to finance the development of affordable rental housing for low income households through federal and state tax credits given to owners of
qualified rental properties who reserve all or a portion of their units for low
income tenant occupancy. Under the Georgia Development Impact Fee Act, local
governments may impose exactions on developers to help finance the expansion
of their infrastructure systems through an impact fee system for the specific types
of facilities and infrastructures listed in the law (Georgia Department of
Community Affairs, 2011a). These fees could be used to support affordable
housing or other community benefits.

- Job credits are available for areas designated by the Department of Community
  Affairs as Opportunity Zones (OZ). Oakland City could be designated an
  Opportunity Zone (OZ) since it is within and adjacent to census block groups with
  15% or greater poverty where an enterprise zone or urban redevelopment plan
  exists. As an OZ the neighborhood would undertake redevelopment and
  revitalization to qualify for Georgia’s maximum state job tax credit of $3,500 per
  job. This incentive is available for new or existing businesses which create two or
  more jobs and are credits which can be taken against the business’s income tax

- A Community Workforce Agreement is another viable opportunity for the Oakland
  City Community, as this type of contractual agreement would be applicable with
  the BeltLine project construction as well as the Fort McPherson base
  redevelopment.
Conclusion

As an economic phenomenon, gentrification is not a process that can be or necessarily should be stopped altogether. It can bring with it increases in the local tax base that can improve the quality of and access to local public goods and services; improved employment opportunities; a decrease in the urban concentration of poverty; as well as increased commercial and residential investment spurring development (Vigdor, 2002). One state-wide housing and economic development research group in Pennsylvania, advises against the use of anti-displacement strategies that restrict the development market. These types of strategies often discourage any development from occurring in deteriorated neighborhoods. Rather, strategies which encourage low-income development without restricting the flow of the open market should be promoted.

There are numerous tools and strategies that can be employed to deal with displacement spurred by gentrification. These strategies range from providing public education to obtaining local and federal funding; and from creating community benefits agreements to requiring developer exactions. But, the foundation of many of these actions is community involvement and organization. And all require the community to be proactive and persistent. Another key factor is the application of relevant strategies to a particular locality. Specific strategies are more beneficial within certain areas. While some may prove detrimental as a result of wasted time, energy, and funding. To this end, a thorough understanding of the area to which the tools will be applied is paramount. And this can be accomplished by carrying out extensive community mapping and studies. This in-depth understanding should foster the creation
of plans that can tackle the problem. Implementation of suitable plans is the next step. Through funding from aforementioned sources as well as others, this can bring the carefully crafted plans to fruition.

The negative implications of gentrification, like displacement, can be ameliorated while enhancing the positive ones. Outcomes like distributional equity and socioeconomic integration should be fostered by developing a better understanding and implementation of applicable tools and strategies.
Further Study

Though there are a great deal of strategies and tools to mitigate displacement due to gentrification, some of these could undergo improvements to increase their effectiveness. The strategies as a function of government regulations might use more straightforward language to aid in the public consideration. Additionally, more detailed and stronger language in residential involvement stipulation must be required, or the requirement of and outside, non-governmental community support organization (Keating, 2000). Conversely, greater and stauncher governmental requirements could be levied on the potentially gentrifying developers.

In future studies the availability of more extensive and conclusive quantitative data would enhance the comparative analyses. Moreover much of the data from literature on gentrification seemed inconsistent, inconclusive, and frequently contradictory.

The use of the information garnered in this report for use by specific organizations and public officials in Oakland City and other neighborhoods undergoing, or at risk of similar gentrification pressures is recommended. This collection of tools should also be applicable in slightly disparate locations and situations. Furthermore, insight in this subject matter can play a role in future policy aimed at creating more just, equitable, and promising neighborhoods.
Figure 1. Neighborhoods of Atlanta (Source: Atlanta Development Authority)
Abandonment Risk Score

# and percent of home foreclosures; # and percent of homes financed by a subprime mortgage related loan; # and percent of homes in default or delinquency
Figure 3. Oakland City Neighborhood map  (Source: City of Atlanta GIS)

Figure 4. Tract map  (Source: City of Atlanta)
Figure 5. Southwest Atlanta BeltLine (Source: BeltLine, Inc., 2010)
Figure 6. Tract 66.02 Household Income  (Source: New York Times)

Figure 7. Tract 66.02 Home Value  (Source: New York Times)
Figure 8. Tract 62 Household Income  (Source: New York Times)

Figure 9. Tract 62 Home Value  (Source: New York Times)
### Characteristics of Tract 62 and Tract 66.02

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<tr>
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<th>Tract 62</th>
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<tr>
<td>Median household income</td>
<td>$34,457</td>
<td>$14,052</td>
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<tr>
<td>% owner occupied</td>
<td>55.5</td>
<td>11.3</td>
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<tr>
<td>% renter occupied</td>
<td>44.5</td>
<td>88.7</td>
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<tr>
<td>Median owned value</td>
<td>$105,700</td>
<td>$86,800</td>
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<tr>
<td>Median rent</td>
<td>$1,135</td>
<td>$520</td>
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<tr>
<td>SMOCAPI &gt;25.0%</td>
<td>84</td>
<td>86.7</td>
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<tr>
<td>GRAPI &gt;35%</td>
<td>61</td>
<td>56</td>
</tr>
<tr>
<td>% vacant housing units</td>
<td>43.3</td>
<td>42.9</td>
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<tr>
<td>% commuting to work by public transport</td>
<td>24.9</td>
<td>72.2</td>
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<tr>
<td>% professional occupations</td>
<td>12.3</td>
<td>10.2</td>
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<tr>
<td>% bachelor's degree or higher</td>
<td>9.6</td>
<td>8.4</td>
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(Source: U.S. Census Bureau, 2005-2009 American Community Survey)

*SMOCAPI = Selected Monthly Owner Costs as a Percentage of Household Income
*GRAPI = Gross Rent as a Percentage of Household Income

### Table 2. Median Household Income (Source: US Census Bureau)

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<td>Oakland City – tracts 62 and 66.02</td>
<td>16,250</td>
<td>22,500</td>
<td>27,500</td>
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<td>Atlanta – city wide</td>
<td>26,123</td>
<td>39,999</td>
<td>53,853</td>
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### Table 3. Median Home Value (Source: US Census Bureau)

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<tr>
<td>Oakland City – tracts 62 and 66.02</td>
<td>42,500</td>
<td>55,000</td>
<td>112,500</td>
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<td>Atlanta – city wide</td>
<td>90,100</td>
<td>168,400</td>
<td>264,800</td>
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