Residential Preferences for Affordable Housing Developments in Gentrifying Neighborhoods

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Of all census tracts in each city:

- **Gentrified**
- **Did Not Gentrify**
- **Not Eligible to Gentrify**

<table>
<thead>
<tr>
<th>City</th>
<th>Gentrified</th>
<th>Did Not Gentrify</th>
<th>Not Eligible to Gentrify</th>
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</thead>
<tbody>
<tr>
<td>Sacramento, CA</td>
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<td>Austin, TX</td>
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<td>Portland, OR</td>
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</tbody>
</table>

Source: Governing Magazine
Gentrification and Displacement in U.S. Cities

Higher-income and higher-educated residents move into historically marginalized neighborhoods with low property values and many vulnerable residents.

- Housing costs rise
- Upgrade of residential and commercial buildings

Vulnerable residents displaced

Cultural character of neighborhood transformed
Seattle Racial Covenants and Redlining

**Eastlake Deed**: Said lot or lots shall not be sold, conveyed, or rented nor leased, in whole or in part, to any person not of the White race; nor shall any person not of the White race be permitted to occupy any portion of said lot or lots or of any building thereon, except a domestic servant actually employed by a White occupant of such building.
Racial Segregation in Austin, Texas

Source: Eliot Tretter
Types of Displacement

• Direct
• Indirect
• Cultural
Albina Neighborhood,
Inner North/Northeast Portland
Figure 2: North/Northeast Portland Racial and Ethnic Demographic Change, 1990-2016

U.S. Census Bureau, Social Explorer. African American, White, and Asian categories refer to non-Hispanic only. “Hispanic origin” refers to all Hispanic origin categories.
Austin task force trumpets ‘right to return’ policy to fight gentrification
– Austin Statesman, Nov. 28, 2018

Right to Return Home
– Portland Observer, 2014
Cities with neighborhood-based residential preference policies

• San Francisco
• Oakland
• Portland
• New York

Cities developing policies

• Austin
• Seattle
• Denver
• Others
New York City

• 1988: Residential preference policy adopted. Applies to 30% of units. Qualified residents receive preference for city-funded or administered affordable housing in their community district, via city affordable housing lottery

• 2002: City increases policy to 50% of units.

San Francisco

Neighborhood Resident Housing Preference

- Applies to 40% of units in each newly-leased affordable housing developments of 5+ units funded or administered by the city.
- Preference to qualified residents who live within ½-mile of the development or within the development’s supervisor district.
- 2016: HUD denies use of policy in HUD-funded project in historically black and gentrifying neighborhood (Western Addition) on grounds it would limit equal access to housing and perpetuate segregation.

Anti-Displacement Preference Policy

- Adopted in response to HUD objections. Applies to HUD-funded projects.
- Residents in 6 high displacement neighborhoods receive a preference.
Summary of N/NE Portland Preference Policy

**Tier 1**
Families who owned property taken by City of Portland through eminent domain for urban renewal.

**Tier 2**
Applicants with highest points.

1. Applicant’s current or former address is in one of three neighborhoods designated on color-coded map.

2. Applicant’s parents/guardians/grandparents have residential ties to the neighborhoods.
Outstanding Issues

• When and how can residential preference policies be structured to comply with the Fair Housing Act?

• To what extent should the Fair Housing Act take into account restorative justice principles and a right for persons of color to return or remain in historically marginalized communities that are undergoing gentrification and increases in access to opportunity?