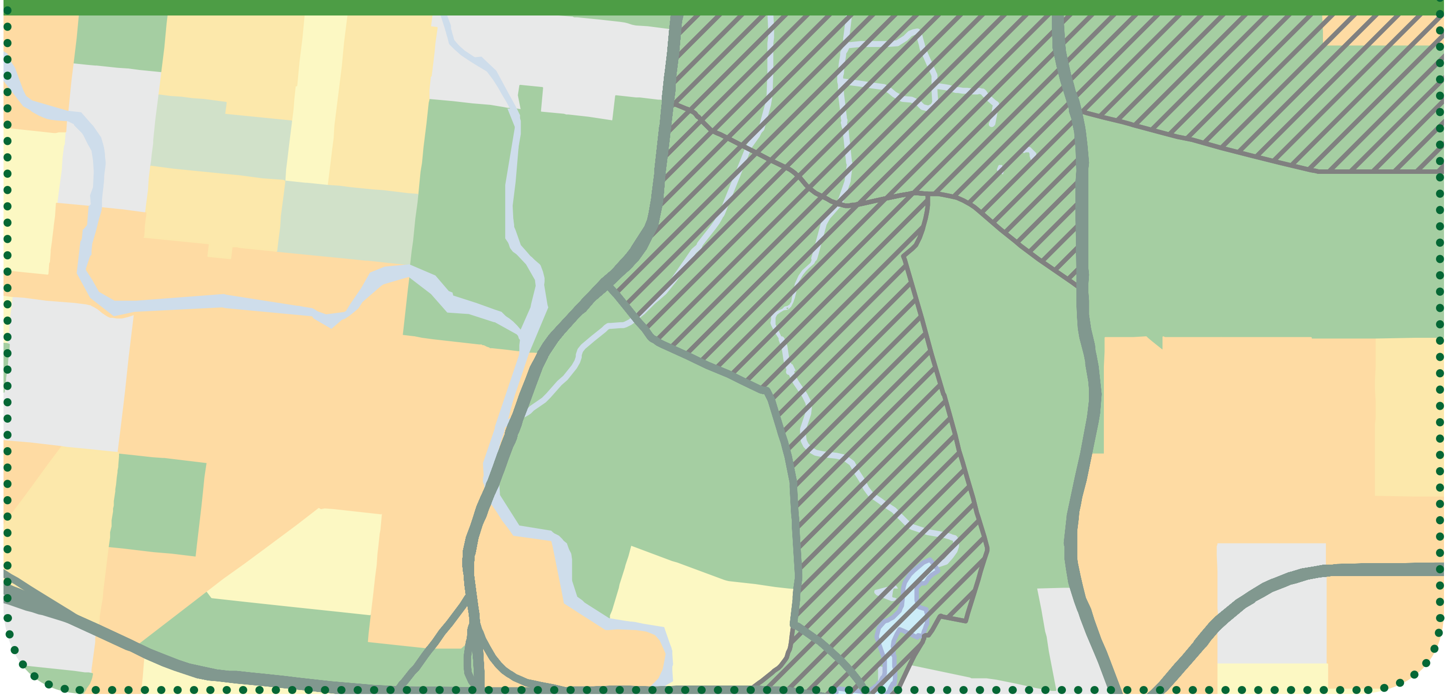
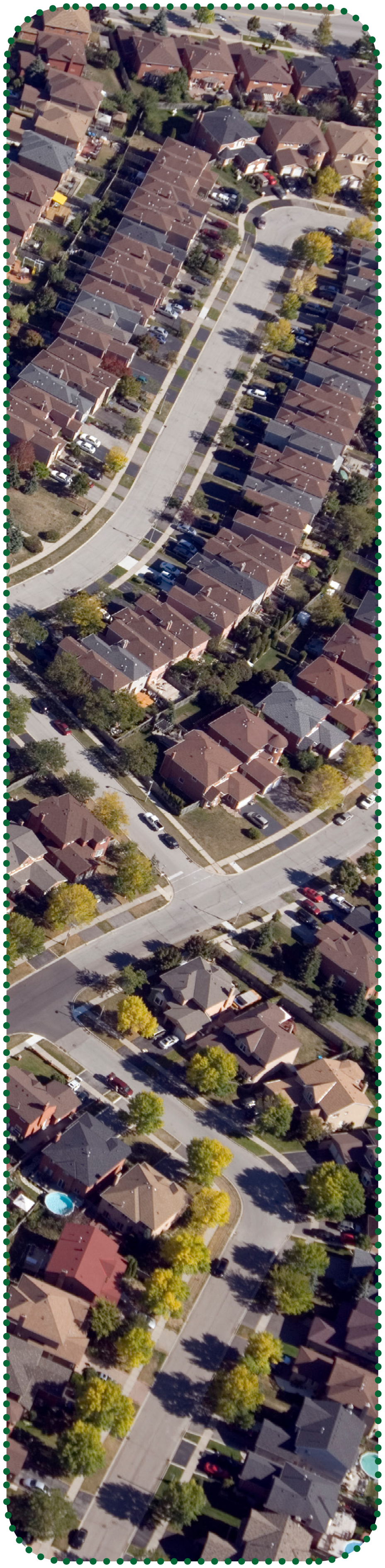
NALCAB

Guide to

Equitable Neighborhood Development





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Introduction

Ana loves her neighborhood in Northeast Portland. She is proud to call it home. The Cully neighborhood wasn't always a great place to live. Gang violence and the fear of stray bullets meant kids had to go home early in the summertime. The Sugar Shack, a "men's club" across the street from where she lived, was another source of anxiety for her parents. They didn't let her and her sister walk in the neighborhood alone.

Today, the neighborhood is changing. A coalition of nonprofits bought the black-and-white checkered building that once housed the Sugar Shack with plans to repurpose the structure to house organizations that do community-serving work. The Cully neighborhood is safer than when Ana was growing up, and kids there now move around the neighborhood with a freedom that Ana didn't have.

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Residents of the Mission Trails Mobile Home Community on San Antonio's near south side also loved where they lived. When two big, yellow rezoning signs went up outside the mobile home park, residents grew concerned. About a year before, a $271 million ecosystem restoration and recreation project along an eight-mile stretch of the San Antonio River was completed. Mission Trails was one of several high-poverty neighborhoods along the river that was transformed into prime real estate by this major public investment. After the yellow zoning signs went up, residents organized

These stories not only describe distinct experiences of neighborhood change, but also reflect much larger macro-economic trends.

Similar stories are playing out in neighborhoods across the U.S., affecting tens of millions of lives for better and worse.

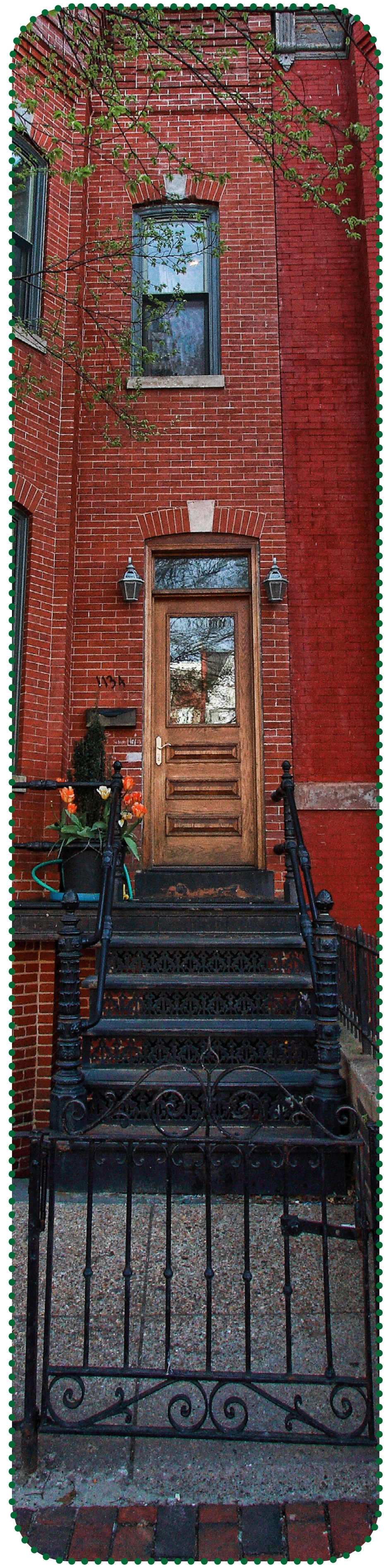
to gather information and protect their homes. Despite these efforts, the property was rezoned and sold to a private developer. All the residents were evicted to make way for the construction of a luxury apartment complex.[1]

These stories not only describe distinct experiences of neighborhood change, but also reflect much larger macro-economic trends. Similar stories are playing out in neighborhoods across the U.S., affecting tens of millions of lives for better and worse. Places as diverse as Portland, San Antonio, Durham, and Sacramento are seeing significant reinvestment and development in inner-city neighborhoods. In most cases, new development both follows and attracts new residents. Often, newcomers are more affluent than existing residents, or at least better positioned for upward economic mobility. Given the relationship between class and race in our country, this dynamic is usually—but not always—one in which wealthier whites move into communities that, primarily, people of color have called home.

The injection of capital into low-income communities creates opportunities and challenges for the individuals, families, small businesses, and community-based institutions that reside and operate in these areas. As in Ana's neighborhood in Portland, communities can become safer. Long-desired amenities, such as grocery stores, may finally arrive. As property values increase, those that own their homes can build wealth. But if incomes don't rise in step with the appreciation of the real estate market (which has been the case for large segments of the U.S. population since the 1970s[2]), housing becomes less affordable and residents—particularly renters—can't keep up with housing costs. And if a developer sees an opportunity to make money targeting a wealthier demographic, as in the case of Mission Trails, residents are involuntarily, and sometimes forcibly, displaced. As people move in and out of neighborhoods, the community-based institutions and small businesses that were once central to the identity of their neighborhood must change their purpose or close their doors. When a neighborhood changes, its culture can be lost.

"Neighborhood revitalization" and "gentrification" are sometimes used interchangeably, but they are not the same. "Revitalization" describes the process of investment in neighborhoods that have gone through periods of disinvestment or stagnation, often leading to negative socio-economic and real estate market trends. Revitalization is needed in order to improve the quality of life for the people who live, work, and worship in these low- and moderate-income neighborhoods that face major challenges. Typically, revitalization is led by public investments which leverage private-sector investment.

The National Association for Latino Community Asset Builders (NALCAB) defines "gentrification" as: *a type of neighborhood change in which real estate*



gen•tri•fi•ca•tion

a type of neighborhood change in which real estate price appreciation leads to involuntary displacement and significant cultural change

The consequences of gentrification for low- and moderate-income families can be dramatic and long-lasting.

price appreciation leads to involuntary displacement and significant cultural change. What starts as successful neighborhood revitalization can become gentrification, even if that is not the original intention.

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Affordability, or more precisely, the relationship of combined housing and transportation costs to household income, is a fundamental driver of where people live. And where we live plays an important role in shaping our economic opportunities.[3,4] We know from research that areas with greater economic and racial diversity favorably impact the economic opportunities for children and families. We know that stable, affordable housing that provides access to employment, educational institutions, and health care resources is critical for building wealth and economic mobility.

The consequences of gentrification for low- and moderate-income families can be dramatic and long-lasting. Just as we know that access to diverse neighborhoods with growing economic and educational opportunities can shape the trajectory of a child in a profoundly positive way, we also know that housing instability and limited access to quality educational opportunities can shape the rest of a child's life in negative ways. The impacts on small businesses, especially those that rent their commercial space, can be equally devastating.

Gentrification can have important political and economic implications. Many legal battles over voting rights have focused on traditionally minority neighborhoods that are now experiencing significant change. The prospect of entire communities being dispersed by the pressure of gentrification may fundamentally alter the calculus around minority voting power.[5]

The negative experiences of the residents of the Mission Trails Mobile Home Community in San Antonio are part of a long and traumatic history of the displacement of low-income neighborhoods, particularly minority communities. The story of the displacement of the Chavez Ravine

community in 1950s Los Angeles to make way for Dodger Stadium is still told today. In Williamsburg, Brooklyn, the Puerto Rican community is fighting to remain in the neighborhood and preserve their culture in the face of intense displacement pressures.

These examples, and many more like them, engender very reasonable suspicion, and even fear, in low- and moderate-income communities that begin to see revitalization. The fear of gentrification can drive residents to organize in opposition to a specific project without a full understanding of the larger capital flows and market dynamics influencing development. These confrontations too often become zero-sum fights that seldom end well, in which an individual developer seeks to move forward with a project and community members seek to protect a building or a site that comes to represent the community they know and love.

The fear of gentrification can drive residents to organize in opposition to a specific project without a full understanding of the larger capital flows and market dynamics.

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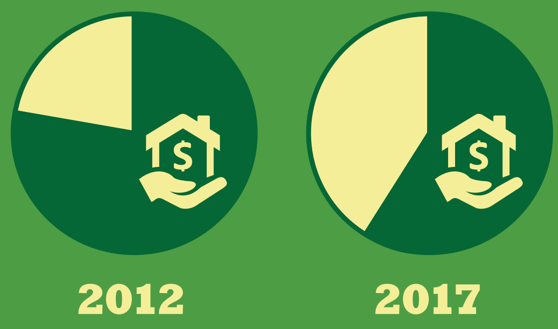
Housing affordability and gentrification are not just problems for poor families in high-cost cities. In many markets, increasing real estate prices are resulting in an affordability gap for many moderate-income households, and particularly those headed by people of color. Since the onset of the Great Recession, the prospects for economic mobility have dimmed for a broad segment of the population. The St. Louis Fed reports that while total, inflation-adjusted net worth in the U.S. in 2012 had returned to 87.5% of its level in 2007, the inflation-adjusted net worth of Black and Latino families with two- or four-year college degrees in 2012 was at 31.3% of the 2007 level.[6] A 2016 study from Harvard's Joint Center on Housing Studies documents increases in the number of cost-burdened



The Housing Opportunity Index has dropped

from **77.5%** in the 1st quarter of 2012

to **59.4%** in the 2nd quarter of 2017

illustrating a growing affordability challenge among moderate-income homeowners

These trends present the U.S. economy with a fundamental and long-term challenge: the people who are the demographic future of our nation are not well positioned to lead our economy.

households among both low- and moderate-income renters.[7] The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) measures the percentage of homes sold in more than 220 metro areas that would be affordable to a family earning the local median income. The HOI has dropped precipitously from 77.5% in the first quarter of 2012 to 59.4% in the second quarter of 2017, illustrating a growing affordability challenge among moderate-income homeowners.[8]

These trends present the U.S. economy with a fundamental and long-term challenge: the people who are the demographic future of our nation are not well positioned to lead our economy. Failure to effectively build wealth and create access to opportunity for large segments of our population will become an increasingly critical macroeconomic risk for the country. Housing affordability and equitable neighborhood development are at the crux of this challenge.

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Gentrification is not the inevitable result of investment in a neighborhood. For many community residents, gentrification appears to be the result of uncontrollable private sector investment. In fact, the flood of interest from private developers and investors that drives gentrification is often catalyzed by public policies or major public investments, which both require decisions by elected leaders. When public sector decision-making is informed by market data, historical context, and community voice, more equitable policies and investments can be made.

Policies and investments aimed at revitalization and growth can be balanced with policies and investments that address the needs and opportunities of low- and moderate-income people and other populations that are potentially vulnerable in an appreciating real estate market. Moreover, it is important to remember that neighborhood revitalization can create asset-building opportunities for residents. Public policy and effective social sector action can help ensure that long-time residents benefit from revitalization. While

this may be daunting for individual community members, community-based organizations can play a key role in informing public policy and supporting residents. Yes, but how?

Gentrification is not the inevitable result of investment in a neighborhood.

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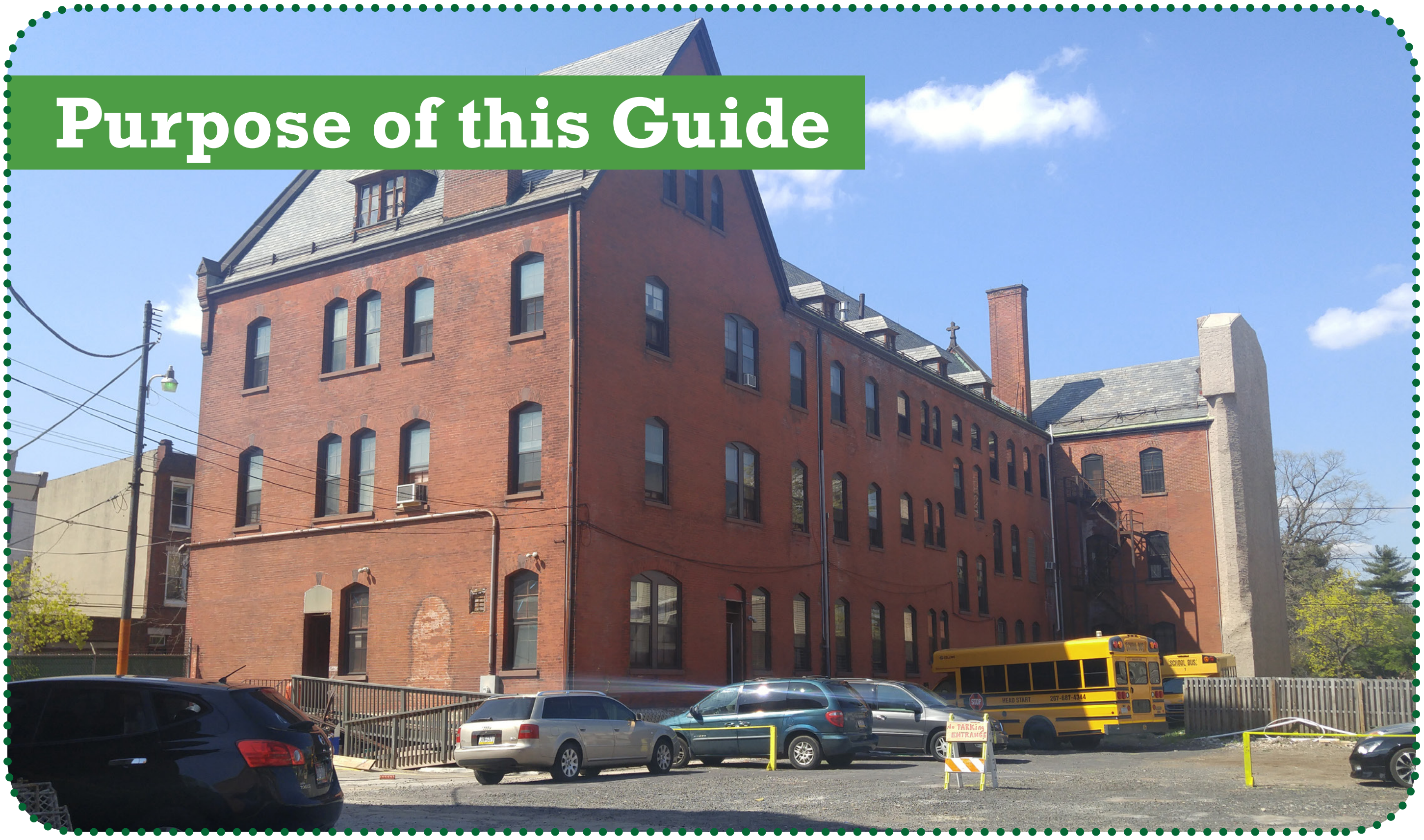
[8] National Association of Home Builders/Wells Fargo Housing Opportunity Index. http://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx

Purpose of this Guide



NALCAB provides technical assistance and support to community-based organizations and local governments.

Our services include conducting real estate market and policy analyses to help communities anticipate neighborhood change and develop equitable neighborhood development plans.

To contact us about our services, please email us at **programs@nalcab.org**

The purpose of this guide is to help community members and community-based organizations understand and anticipate changes in their neighborhoods. Preventing displacement and creating asset building opportunities for low- and moderate-income communities requires community organizing, real estate strategies, and policy strategies based in an understanding of local market dynamics.

This guide provides tools and methods for analyzing socio-economic, demographic, and real estate data and projecting the impacts that market activity will have on vulnerable communities. Many of the tools are free and easy to use. Our hope is that communities and community-based organizations will use the tools to create data-driven, local solutions for equitable neighborhood development that can be used to organize and build support among community members, funders, elected officials, municipal agencies, and developers.

The primary focus of this guide is on analyzing and anticipating neighborhood changes as they concern low- and moderate-income residents. However, understanding the challenges and opportunities facing minority-, women-, and immigrant-owned small businesses in changing neighborhoods is also important for organizations concerned with equitable development. Many of the tools and methods that we use to inform residents can also be applied to a small business analysis. The section on *Impact and Implications for Small Businesses* discusses this topic in more detail.

Principles of Equitable Neighborhood Development

Intentional policies and practices to promote equitable neighborhood development are necessary to prevent involuntary displacement and ensure that low- and moderate-income people and small businesses share in the benefits of appreciating real estate markets.

NALCAB defines equitable neighborhood development as policies and practices that reflect the following principles:

- Ensure transparency and public accountability in decision making
- Promote public participation that addresses disparities in access for different populations, includes community organizing efforts, and incorporates education for all stakeholders
- Value and balance both the experiences of community members and technical expertise
- Ensure that public policy and public-sector investment advance a public interest
- Advance economic security and mobility for low- and moderate-income communities by increasing access to affordable housing, transportation options, good jobs, high-quality education, resources for healthy living, and opportunities for wealth creation
- Be data-driven
- Respect local history and culture
- Acknowledge and address legacies of racial/ethnic inequality
- Promote resiliency for the built environment and for vulnerable populations
- Connect to broader planning efforts, including those related to housing, transportation, economic development, and health

National Association for Latino Community Asset Builders

www.nalcab.org

Development and Displacement in Context

Mercedes Márquez is a practitioner-advocate who has worked as a civil rights litigator, Housing Director and Deputy Mayor of Los Angeles, and President Obama's HUD Assistant Secretary for Community Planning and Development. She is a community member, deeply connected to the legacy of Mexican grandparents who after working in the fields, settled in San Francisco's Mission District.

by Mercedes Márquez

We undertake work to sustain our communities and create opportunity for our families within both national and local contexts. Federal policy and funding choices fundamentally define the local landscape of policy options because federal funding is usually the primary source of a local government's community and economic development investment.

In 2015 the U.S. Department of Housing and Urban Development (HUD) issued the Affirmatively Furthering Fair Housing (AFFH) Rule pursuant to the Fair Housing Act of 1968. The rule, and the Assessment of Fair Housing (AFH) required by the rule, are meant to create a framework for integrating community development programs with fair housing policy at the local government level. The thrust of the affirmative duty to further fair housing, which is a hallmark of the Fair Housing Act, is meant to harness not only federal funding and policy mandates but also to guide local government powers and resources to reverse the forced isolation of communities of color from opportunity.

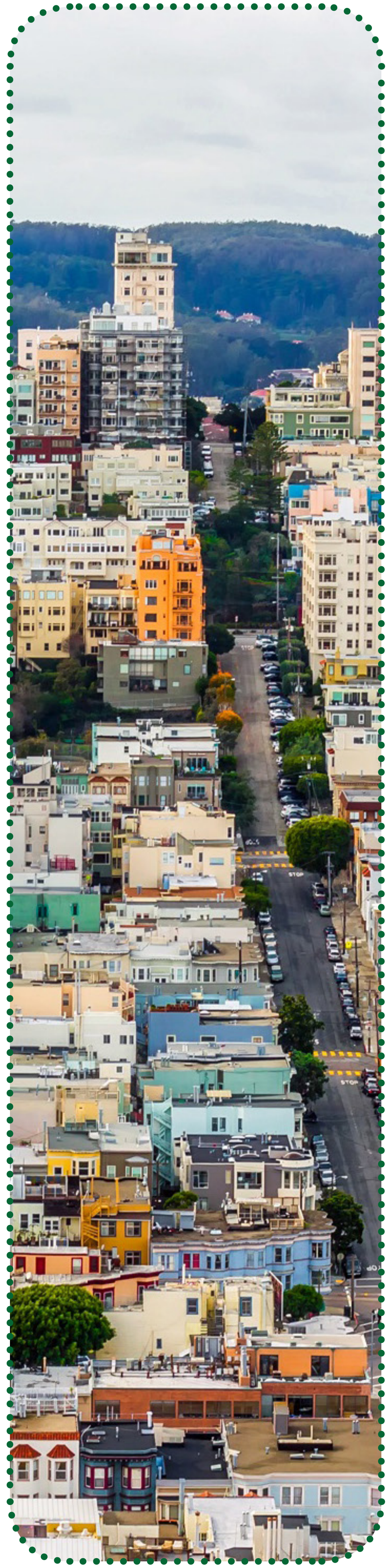
Fair housing considerations directly impact the ability of federal funding to be applied to anti-gentrification and anti-displacement strategies in neighborhoods with historic concentrations of poverty. It is imperative that neighborhood advocates and community housing and economic development practitioners become fluent with the regulatory requirements of both the

AFFH and the HUD Consolidated Plan process. The required assessments and data sets provided by HUD are meant to create transparency and a meaningful opportunity for communities to impact local decision making. The addition of localized data will increase the influence of local advocacy.

The use of data and mapping deepens the quality and range of community-based advocacy. A neighborhood view allows us to more precisely define and communicate the connections, phasing, and clusters of investments, and the capital needed, to build healthy neighborhoods and sustain culture. Data and mapping tools also help us forecast the demographic and market changes that characterize displacement and gentrification.

Ongoing multi-sector dialogues examine data, present research, debate promising strategies, and seek to influence the policy direction and investment strategies that will be adopted by governments at all levels. For several years prior to the issuance of the AFFH rule, dialogues meant to consider the possible contours of a new regulation were held around the country, through different sponsors, and included multiple sectors and interest groups. It was a robust, thoughtful, and even emotional debate that analyzed the strategies that might most effectively lead to a racially integrated society. The consideration of several strategies has included a thread of tension between the two leading strategies — Mobility and Place-based Investment. Mobility strategies seek to ensure that low-income individual families of color have access to neighborhoods with high-performing schools, low crime rates, and other amenities. These neighborhoods, referred to as Neighborhoods of Opportunity, are majority white, middle- to upper-middle-class neighborhoods. There is an expanding body of research that reflects that poor children of color who moved to low-poverty neighborhoods are doing better financially and academically as adults — with higher earnings and a higher percentage of college attendance. Place-based Investment strategies, conversely, seek to transform existing neighborhoods of color through capital and other investments to create opportunity and preserve cultural heritage. This type of investment has also produced positive results through examples of innovative neighborhood stabilization, such as transit adjacent mixed-use housing with community-based retail and transformed public housing communities.

The clear answer is to support both strategy types, and HUD addressed the tension between the two strategies in the AFFH, embracing a balanced approach. HUD acknowledges the gains made by children of color who move to high-opportunity neighborhoods and has sought to support the building of affordable housing and the use of Section 8 vouchers in low-poverty areas, particularly in neighborhoods with high-performing schools. HUD has also endorsed capital investment in neighborhoods of concentrated poverty. In this instance, however, HUD, through the AFFH and the Consolidated Plan process, has attempted to compel its grantees to make targeted investments



The U.S. Department of Housing and Urban Development (HUD) encourages cities to stop using federal community development funds in ways that "spread the money around"—like peanut butter.

Despite billions of dollars of investment in poor communities, and decades of civil rights litigation, the United States remains a nation overwhelmingly segregated by race and class.

where leverage and impact can be specifically measured. Plainly, they encourage cities to stop using federal community development funds, such as Community Development Block Grants (CDBG), in ways that "spread the money around"—like peanut butter.

Why would tension between these different approaches develop? The tension arises because, despite billions of dollars of investment in poor communities, and decades of civil rights litigation, the United States remains a nation overwhelmingly segregated by race and class. Tension arises out of the urgent need and commitment to "get it right," while competing within a generationally underfunded community development system. Community development practice maintains a commitment to racial equity and racial integration. A racial equity agenda seeks to eliminate racially discriminatory barriers that impede access to opportunity while actively preserving the culture of communities of color. Equity and integration goals are mutually inclusive, but tension can exist at the strategy level.

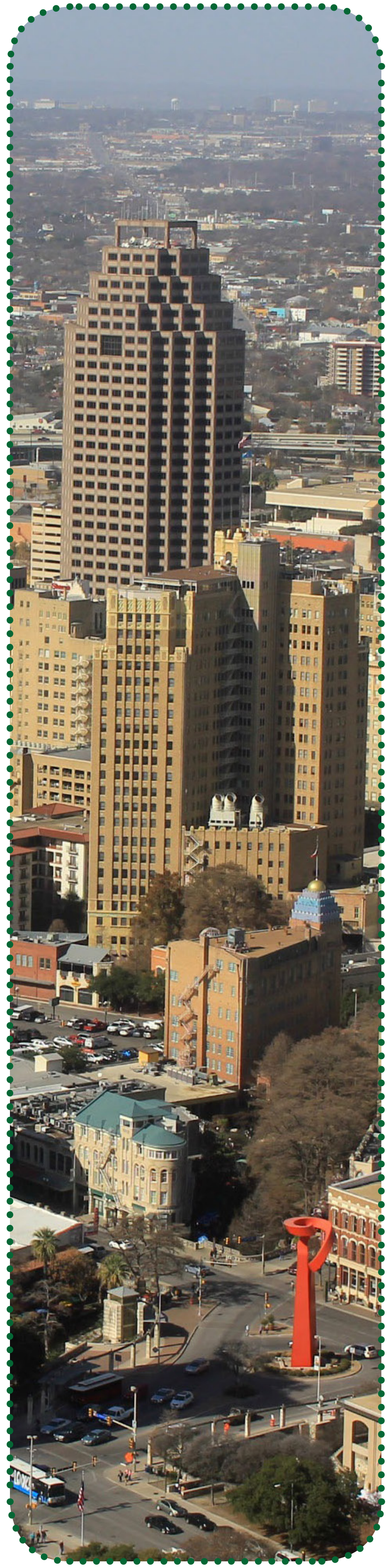
Though the national discourse was open, at the borders of the policy exchanges community-based groups sometimes expressed a sense of discomfort. Community folk—la comunidad—appreciate the mobility programs and research and feel proud of those kids who are succeeding in low-poverty neighborhoods, and hopeful about their prospects for a better life. There is solid support both for the right to housing choice and the right to stay.

A deep chord was unintentionally and silently struck when, on occasion, the argument would be made, for purposes of discussion, that most of the federal community development funding should be committed to low-poverty communities to support mobility investments and away from place-based investments in communities of color. In many markets around the country, communities of color that have persevered through historic disinvestment are now facing gentrification and displacement pressures. The disinvestment that resulted from systemic discrimination forms, in no small measure, the context

of market vulnerability in these neighborhoods. Moreover, gentrification, displacement, and extreme housing unaffordability are direct threats to the ability of a community to gather its own strength to support the success of its people. Other communities, meanwhile, continue to drown in violence, disinvestment, and abandonment. To compound matters, the existing U.S. economy is producing a growing income gap, dramatically increasing poverty and further limiting access to the middle class. These fact patterns and market trends threaten the sustainability of culture in communities of color.

Democracy is place-based. Building our own power bases is about the right to self-determination and the American promise that if a people commit to the democratic values of participation, their voices matter and will eventually be heard. That community-centered development organizations exist and have built community assets is the culmination of decades of commitment and work toward inclusion in the nation's democracy—from securing the right to vote to electing authentic representatives so that a community might finally receive funding to build capacity and establish organizations that will begin to unravel the devastation of generations of disinvestment and discrimination. Our justice struggles are intersectional. The federal Voting Rights Act is about insuring that the franchise power of communities of color is protected so that they can effectively participate in the political process. Voting rights cases remain active throughout the country to defend against district boundaries that keep people of color from the opportunity to elect their own representatives. Our history of community building is foundational to the development of policies and investment strategies that promote equity through diverse economic opportunity, cultural preservation, and racial and ethnic integration.

As both local and national community development and civil rights strategies continue to be designed and studied, the interaction between equity and integration policies and strategies must be considered. Now that national fair housing and community development policy and planning have become more integrated, we must decide what the integration we are fighting for looks like. Is our work creating a "melting pot" model that might absorb our culture or are we creating a woven model—un tejido—where the design thoughtfully respects and relies on the vibrancy of the different colored threads? Whether we are community development practitioners, academics, litigators or community members, the intentional design of mutually supportive outcomes must be our goal.



Influencing Local Government

This Guide seeks to support the work of advocates as they engage with government decision makers to design policies and commit to investments that are specifically meant to ensure that our neighborhoods remain vibrant cultural centers with significant affordable housing options and strong community-based local businesses. This section focuses on understanding the capacity of local government and on strategies that can help community organizations succeed at the local government level beyond single policy wins, and be acknowledged as independent and subject matter experts for their communities. Discussion about how to influence local government toward neighborhood sustainability necessarily takes place within the context of the aftermath of the Great Recession, the general economic health of cities, and the capacity of local government to deliver innovation.

This section focuses on understanding the capacity of local government and on strategies that can help community organizations succeed at the local government level beyond single policy wins, and be acknowledged as independent and subject matter experts for their communities.

The real estate-based Great Recession (2007-2009) triggered dramatic decreases to local government budgets. As neighborhoods around the country struggled with the negative impacts of abandoned and foreclosed homes, local elected officials cut city services, implemented worker layoffs and furlough programs, and incentivized early retirements. Despite macroeconomic data analysis signaling the end of the recession, many neighborhoods of color and city governments have not rebounded. Latinos lost approximately 50 percent of our wealth in the recession and the staff ranks of local community development programs remain thin. Community development programs are overwhelmingly delivered with federal dollars. The serious decline in federal allocations has proportionately cut local program administration

funding. Local general fund dollars are most often first rededicated to public safety agencies and to city services that depend almost entirely on local funding, such as parks and libraries. Of course, prior to the Recession, cities were already facing serious financial issues.

A 2015 study of the National Resource Network, "Hidden in Plain Sight" defined "economically challenged cities" to be those cities with unemployment rates of 9 percent or above and/or with more than 20 percent of adults living in poverty. Nationally, about 30 percent of cities are classified as economically challenged. For example, in California, even after the national economy began to recover in 2013, 40 percent of the state's cities remained economically challenged, with Latinos comprising 54 percent of the populations of those places. In many cities, the problem is compounded by fiscal challenges — budget deficits and dangerously low fund balances relative to annual expenditures. The municipal pension crisis and bankruptcy filings/receiverships by cities whose residents are majority of color were evidenced in San Bernardino, California, and Detroit, Michigan.

A myriad of long-term challenges has produced a crisis of capacity in local government. The federal funding scheme places legal responsibility for complying with grant funding requirements on local government grantees. The pressure to meet disbursement deadlines, particularly when an agency is understaffed, has created risk-averse environments more often first focused on getting money safely out of the system than in leveraging investment outcomes. The compliance mindset can lead to the passive management of resources. The hallmark of a passive development program is that by design, local government actors wait for deals to be presented — often without having articulated local priorities or having adopted internal leverage targets beyond the basic underwriting criteria for individual projects.

Passive development — while creating a "lost opportunity environment" — also engenders the kind of deal-by-deal approach that leaves funding decisions vulnerable to political pressure. In this setting, private developers and investors are free to employ their resources to focus the local regulatory process on the public policies and major public investments they require to move their individual development proposals forward. Lacking historic context and neighborhood data analysis, there is a risk for the tacit acceptance that gentrification and displacement are the natural and unavoidable outcomes of progress.

In the past decade, the federal government acknowledged the critical lack of local capacity and the corresponding underperforming local program designs. Federal agencies embraced transparency, data-driven policymaking, and capacity building. Sizeable investments were made to support the areas of community and economic development, homeless policy, fair housing, transportation, and resiliency, among other areas, with data sets, consumer-friendly map templates, and other tools. Most of these tools

are web based and available to the public. HUD continues to invest in technical assistance models that broaden the understanding of financial stewardship beyond compliance responsibilities to include crosscutting, high- leveraged, multi-year planning. HUD deepened its commitment by requiring local government to incorporate the data sets and mapping into the Consolidated Plan and the Assessment of Fair Housing.

The deficits in public sector capacity can frustrate good will between local government and communities. Nonetheless, it is vital to our work as advocates and community organizations that we always remember that people make up the government. A significant percentage of the individuals who work in community development agencies across government often also feel frustrated by the anemic deployment of planning and capital investment resources. Moreover, as more community members are elected to local government positions, our sphere of influence grows. How do we support our elected representatives to secure equity investments and how do we successfully shift the work of community development staff from passive development models to an intersectional strategic investment model?

One of the most important responsibilities of local government is to engage the public about its needs and priorities, and to respond with tailored policy and program strategies. Federal community engagement program requirements offer flexibility to meet local needs, making such programs a good starting point to couple the depth and specificity of local data analysis with new federal data planning requirements.

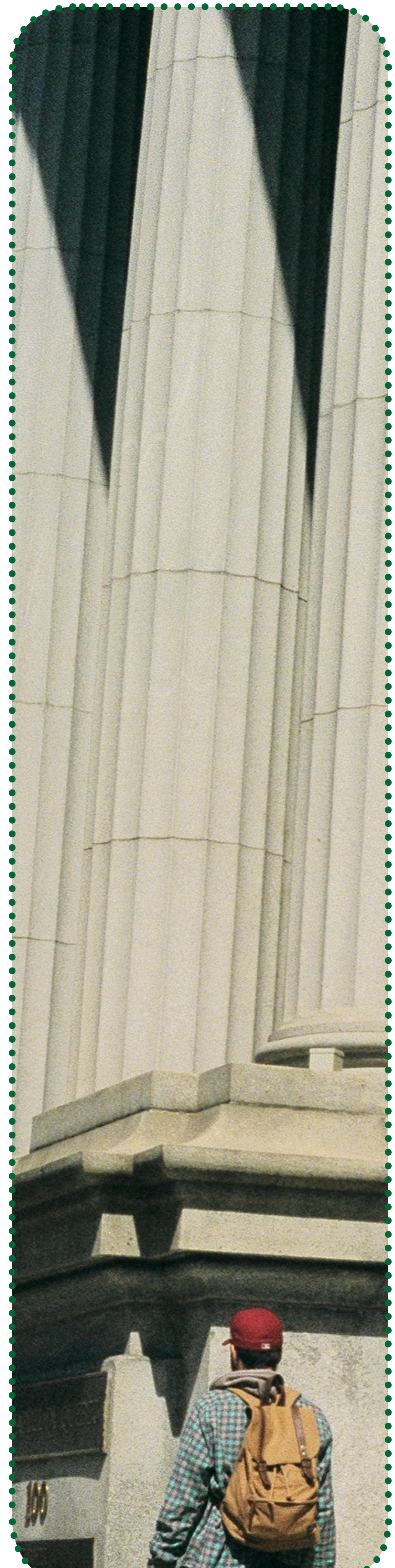
Timing is important. Concurrent with the adoption of a data analysis strategy, it is helpful to create a matrix of the critical dates for all the important planning obligations that a city has with the federal and state government, from the commencement of community engagement to the final adoption of each plan. It is equally helpful to become familiar with the eligibility requirements for the relevant competitive funding opportunities that apply to the needs in a given community. The optimal outcome would be that the most critical analysis would have been completed before city staff initiates the community engagement process. Here it is important to know that the Assessment of Fair Housing must be submitted at least one year prior to the submission of the Consolidated Plan to HUD.

The strategic objective is to reach agreement with local government that the analysis advocates and community organizations present is correct and to establish it as the platform from which the policy debate moves forward toward multi-year leveraged solutions. In other words, we need to help local government independently validate our analysis so that community development agencies can adopt our data points and integrate them into their own policy priorities and funding recommendations. Elected officials can request that our data be reviewed and that a written report be prepared. We should expect to share the data we have in formats that will make it easier

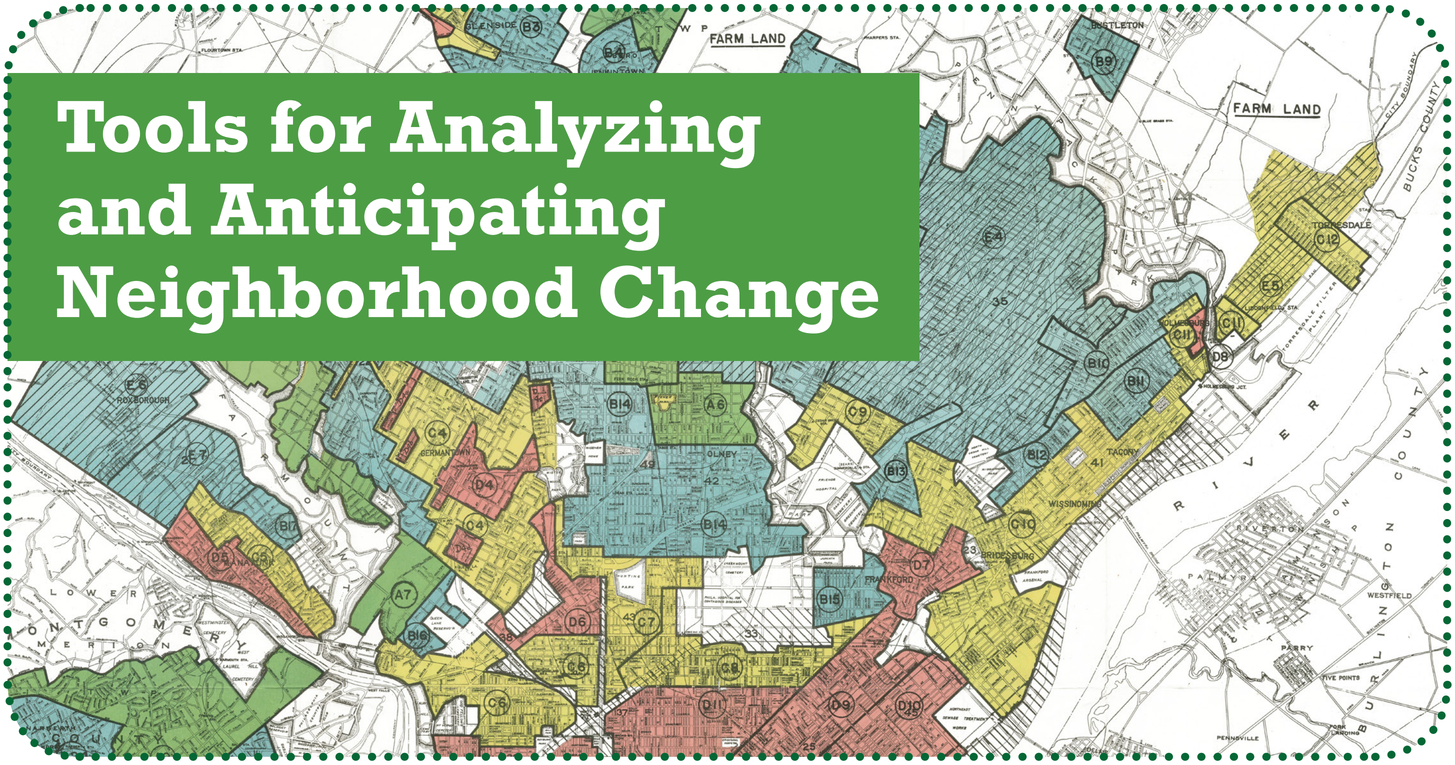
for city staff to perform the review. Once we have attained an independent validation of our analysis, we can cite the official city record as fact and use our mapping to illustrate our policy position. The successful validation of our analysis establishes both the credibility of the community effort and builds the positive reputation of our elected official.

This leads directly to the design and adoption of changes to a city's model of development. Passive development models necessarily draw narrow definitions of underwriting criteria, essentially limiting the project review — of an affordable housing project, for example — to the accuracy of the project proforma. Data-driven investment models define underwriting criteria more broadly. Decisions to preference transit orientation along a specific commercial corridor or the preservation of affordability through the targeted purchase of rent-stabilized apartments also qualify as underwriting standards. Just as important, once a city begins to preference its investments in line with data analysis, its leaders can begin to measure themselves against targets established through a data-driven process. All the while elected representatives begin to understand the difference and to expect real outcomes. This can open new vistas of policymaking, including the commitment to leverage funding beyond a city's federal grants through bond initiatives and/or competitive grants.

As community advocacy embraces the use of sophisticated data analysis as a cornerstone of national community development work, it might be important to reach agreement about the basic elements of the equity frame of neighborhood development from which we will begin to work. For example, we might reach agreement that a neighborhood sustainability analysis minimally includes the areas of affordable housing, non-profit services, small business support, employment, and cultural preservation investment. This would permit us to leverage victories in other cities as evidence of the soundness of our policy approach. Over time, this strategy could establish the minimum requirements of what would qualify as a sound neighborhood sustainability analysis.



Tools for Analyzing and Anticipating Neighborhood Change



Tools in this Guide

A. Neighborhood Change Survey

B. Neighborhood Trend Analysis

C. Mapping the Neighborhood Trend Analysis

D. Tracking and Mapping Investment

E. Affordability Gap Analysis

F. Policies and Incentives by Income Bracket

G. Equitable Neighborhood Development Recommendation Chart

Putting equitable development principles into practice requires organizing, policy, and investment strategies that are based on knowledge about how and why neighborhoods change over time, including data-driven projections of how real estate market activity and the location of residents vulnerable to displacement pressures might shape neighborhoods moving forward. ***To anticipate neighborhood change, NALCAB uses the following process:***

1. Identify the factors that cause neighborhoods to change by
   - drawing on local knowledge about how politics, economics, history, and culture shape development and population movements in a community, and
   - collecting, analyzing, and mapping socioeconomic, demographic, housing, and investment data.
2. Analyze the factors causing change to understand where development and real estate price appreciation are likely to occur in the future.
3. Anticipate the impact and implications of real estate market changes for low- and moderate-income households.

This part of the guide provides tools, methods, and resources to facilitate the analysis of neighborhood change. **Please note, all links to resources were active as of January 2018.**

Identifying Catalysts for Neighborhood Change

Across the communities that our members serve, NALCAB has found that some mix of the following factors usually drive neighborhood change:

- Proximity to neighborhoods that are experiencing significant demographic change and housing price appreciation.
- Catalytic public and private investments.
- Housing affordability, namely, low-cost housing stock adjacent to or near amenities, opportunities, and/or higher-cost neighborhoods.
- Access to amenities and opportunities, including but not limited to
    - commercial districts,
    - public transit,
    - employment nodes,
    - recreational opportunities,
    - diversity and culture,
    - public policies and incentives.
- Availability of property for development.

• • •

No single factor will account for where development occurs and what form it takes. Understanding and communicating how multiple factors together drive neighborhood change can be made easier through visualizing the data you collect in maps. There are many good mapping tools available, including some free and low-cost options (see the **Mapping Resources** on this page for a few of our favorites). Free tools are limited in their customizability. If you can find the resources, creating customized maps based on the data you collect locally can be powerful. If you don't have the internal capacity for mapping, good partners to engage for this work include:

- Local universities and colleges
- Other non-profit organizations
- Private planning firms
- Research centers
- NALCAB

Gathering Local Knowledge

Use local knowledge to identify what is driving housing demand, development, and population movements at the local level. Local knowledge

Mapping Resources

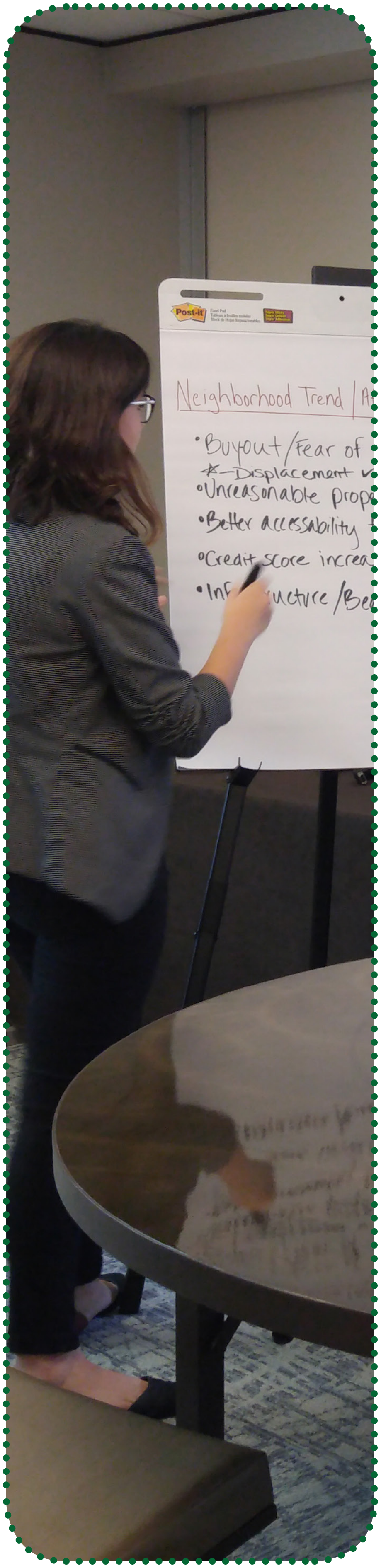
PolicyMap—Online mapping tool with data on demographics, economics, housing, and more. Includes ability to define custom geographies and do basic analyses. There are free and paid subscription versions. https://www.policymap.com

HUD CPD Maps—Free online mapping tool. Includes a variety of economic, housing, demographic and other data. *https://egis.hud.gov/cpdmaps/*

Google Earth Pro—Free software that offers historical and high resolution images, and the ability to import shape-files, images, and addresses. There is a web-based version that does not require a download, but does not offer all of the same functionality. *https://www.google.com/earth/*

ArcGIS—Offers desktop or online mapping software. Includes access to data created by ESRI and other GIS users. A subscription is required for full use. *https://www.arcgis.com*

QGIS—Free open source desktop software for GIS mapping. *http://www.qgis.org*



should inform and be informed by the data analyses provided in subsequent sections of this guide. As a good practice, multiple iterations of data analysis, mapping, and consultation with community members and technical experts should be used to determine what combination of factors drives market activity and demographic change in your region.

To collect local knowledge, survey community stakeholders, including:

- Residents
- Small business owners and operators
- Non-profit and for-profit housing developers
- Representatives of cultural institutions
- Staff of local non-profit service providers
- School teachers and administrators
- Staff of city agencies
- Major institutions (for example, hospitals and universities)

Tool: Neighborhood Change Survey

NALCAB conducts surveys of our members to better understand how and why the communities they serve are changing. A sample survey, which can be adapted for use in your community, can be found on **Worksheet A**.

Analyzing Socioeconomic, Demographic, Housing, and Investment Data

Collect, analyze, and map socioeconomic, demographic, housing, and investment data, as well as information about local policies that impact development, to understand how and why neighborhoods have been changing. The data you collect and analyze can and should be informed by local knowledge about what causes neighborhoods to change in your city. This guide contains tools and methods for collecting and analyzing data on the factors that we have found to cause change in the communities our members serve.

Market Appreciation and Demographic Trends

One element of anticipating real estate market activity and demographic changes in neighborhoods is to look at past trends across neighborhoods and consider how those trends might continue or spread to other areas. The tool on the following page provides a mechanism for doing this using data available through the U.S. Census. It can also be replicated with other any other data available locally or at a national level.

Tool: Neighborhood Trend Analysis

There are a variety of academic and practitioner-based studies that attempt to measure changes commonly associated with gentrification (see the **Selected Studies of Gentrification and Displacement** on this page). This tool combines elements of these studies to measure how neighborhoods have changed in ways that might indicate displacement has already occurred, or might occur if trends continue. It measures changes over time in housing prices and demographics using five indicators from the Decennial Census and American Community Survey (ACS). For Decennial Census going back to 1970, the data comes from the *Longitudinal Tract Data Base* (LTDB) created by a team at Brown University. The Brown team recalculated 1970-2000 Census data to fit into Census Tract boundaries from the 2010 Census. This allows for the comparison of data over time for a consistent geography. Despite some of the limitations of Census and ACS data (see the **Limitations of Census Data**), they provide a consistent and nationally replicable tool for tracking changes across time. All indicators are taken at the Census Tract level. Changes at the Tract level are compared to changes occurring at the regional level. This helps point to whether neighborhood-level changes are the result of regional trends or if something else is driving them. Additional data can be used to build on this analysis as needed—more on this below.

The indicators that comprise the neighborhood trend analysis are:

- **(1) Median Owner-Occupied Home Value and (2) Median Gross Rent**—to show how real estate prices have changed.
- **(3) Median Household Income**—to show if real estate price appreciation correlates with increases in household income.
- **(4) Population 25 years or older with at least a bachelor's degree**—to show whether increases in median household income are from higher paid newcomers moving into a Census Tract, or existing residents being paid more, since higher educational attainment broadly correlates to higher incomes, and relatively few individuals achieve higher education credentials after the age of 25.
- **(5) Race/Ethnicity**—to show whether demographic shifts are due to changes in the racial/ethnic composition of Census Tracts. This is good indicator of whether increasing incomes are due to newcomers to a neighborhood or improvements for existing residents. It is also important given the racial/ethnic aspect to gentrification discussed in the introduction.

Worksheet B has a blank table and step-by-step instructions to do the Neighborhood Trend Analysis. Table 1 is an example of the Neighborhood Trend Analysis for San Antonio, Texas.

Selected Studies of Gentrification and Displacement:

Lei Ding, Jackelyn Hwang, and Eileen Divringi (2015) – Gentrification and Residential Mobility in Philadelphia

Lisa K. Bates (2013) – Gentrification and Displacement Study: Implementing an Equitable Inclusive Development Strategy in the Context of Gentrification

Karen Chapple (2009) – Mapping Susceptibility to Gentrification: The Early Warning Toolkit

Lance Freeman (2005) – Displacement or Succession? Residential Mobility in Gentrifying Neighborhoods

Limitations of Census Data

Margins of error. Since the ACS is a survey of a sample of the population (as opposed to the census, which is a count of every person in the country), there are margins of error for the data. Depending on the size of these margins, they can obscure both the direction and magnitude of trends.

Undercounting low-income individuals and minorities. Low-income people and minorities are often undercounted by the Census. "Hard-to-count" populations include undocumented individuals and those living in conditions that may not meet local code, such as overcrowding.

Time lag. The full Census is conducted every ten years. More recent data from the ACS take time (about 9 months to a year) to be released by the Census Bureau. Real estate activity, especially in hotter markets, can move much faster. This means that data from the Census Bureau may be missing important recent trends by the time it is released.

Table 1: Real estate price appreciation and demographic changes from 2000-2010 for Census Tract 1919, San Antonio, Texas.

Indicator	Census Tract 1919			City of San Antonio, TX		
	2000	2010	% Change	2000	2010	% Change
Median Owner-Occupied Home Value	$40,008	$59,300	48.2%	$79,207	$94,869	19.8%
Median Contract Rent	$282	$501	77.7%	$481	$551	14.6%
Median Household Income	$11,798	$26,316	53.7%	$39,420	$38,029	-3.5%
Education						
Population 25 years or older with at least a Bachelor's Degree (%)	4.9%	8.2%		21.8%	23.7%	
Population 25 years or older with at least a Bachelor's Degree or higher (#)	151	267	76.8%	153,343	188,109	22.7%
Race/Ethnicity of Residents:						
Total Population	4,992	4,844	-2.9%	1,153,294	1,286,512	11.6%
Hispanic or Latino (% of total population)	67.8%	69.0%		58.4%	62.4%	
Hispanic or Latino (#)	3,383	3,342	-1.2%	673,825	802,677	19.1%
White non-Hispanic (% of total population)	5.8%	11.3%		32.2%	27.6%	
White non-Hispanic (#)	292	547	87.3%	371,062	355,394	-4.2%
Black or African American non-Hispanic (% of total population)	25.4%	19.0%		6.8%	6.3%	
Black or African American non-Hispanic (#)	1,269	922	-27.3%	77,976	81,129	4.0%
Asian non-Hispanic (% of total population)	0.1%	0.0%		1.9%	2.2%	
Asian non-Hispanic (#)	5	0	-100.0%	21,426	27,924	30.3%

Source: U.S. Census Bureau data accessed via Brown University LTDB

NALCAB, in partnership with the Texas State University Institute for Government Innovation, has created a Geographic Information System (GIS) model to map the neighborhood trend analysis for all urban areas in the U.S.

NALCAB is working on putting an interactive map of this model online. In the meantime, if you are interested in a map of the neighborhood trend analysis for your city, contact NALCAB at **programs@nalcab.org**.

Analysis:

Compare the percent changes in Census Tract 1919 to the overall changes in the City of San Antonio. Has the tract changed in different ways, or at a faster rate, than the city?

- The table shows that Census Tract 1919 has seen faster changes in real estate prices and demographics than the City of San Antonio as a whole. Median Home Value and Median Contract Rent increased by 48% and 78%, respectively, in the tract over the 10-year period. This was far faster than the rate of increase for the city (20% and 15%, respectively). Median Household Income increased 54% in the tract. In comparison, the Median Household Income for the city decreased by 3.5%. The number of college-educated residents increased by 77% in the tract, but only by 23% in the city. And racially, the tract lost Hispanic/Latino and African American residents and gained White residents, while opposite trends were occurring in the city.

Using the data and mapping tools in this guide will help you understand if these housing and demographic trends are likely to continue.

Compare the housing prices and demographic indicators in the Census Tract to the City of San Antonio.

- While housing prices increased more rapidly in tract 1919 than in the city overall, home values and rents in 2010 were still lower than the city-wide medians.
- Similarly, while trends show this is changing, median household income in 2010 was still lower in tract 1919 than the city, as was the proportion of college-educated residents.

All of this shows that Census Tract 1919 underwent faster appreciation of real estate values and incomes than what happened at the regional level, as well as educational and racial changes that indicate higher incomes might be the result of new, higher-income, residents moving into the tract as opposed to existing residents increasing their incomes. Despite these changes, housing was still affordable relative to other neighborhoods and lower-income households still lived in the tract in 2010. Using the other data and mapping tools in this guide would help us understand if these trends are likely to continue, and, if so, what the impact of these changes might be on the low- and moderate-income households living in tract 1919.

Tool: Mapping the Neighborhood Trend Analysis

Mapping the neighborhood trend analysis for all Census Tracts in a region is an important tool for identifying where real estate and demographic changes are happening.

Worksheet C has instructions for how to create a map of the neighborhood trend analysis.

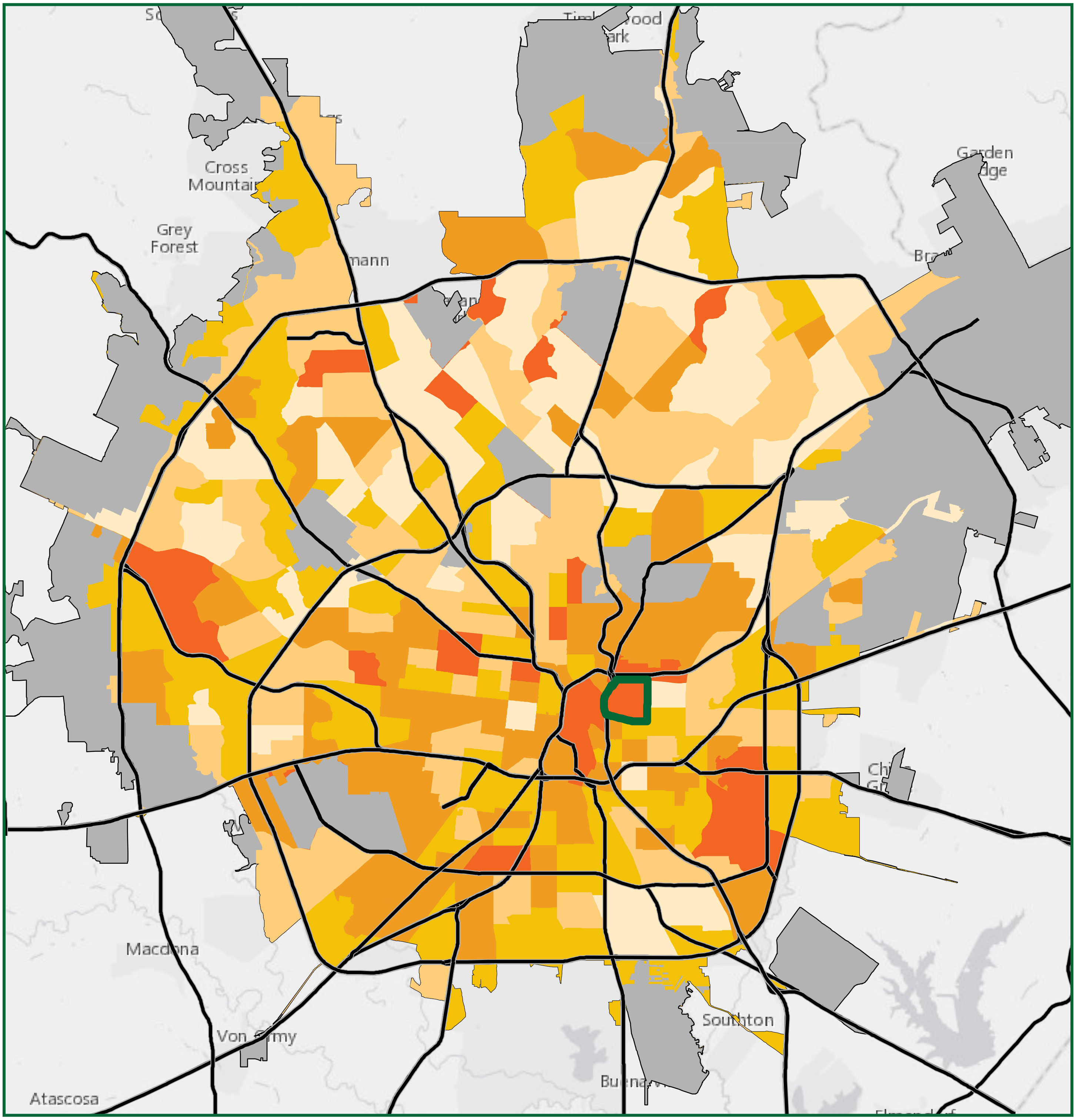
Resources

American FactFinder – Website for finding and downloading Census data. The Advanced Search function allows users to search for data at a variety of geographies. *https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml*

Brown University Longitudinal Tract Database (LTDB) – Provides Census data from 1970-2000 in the 2010 Census Tract boundaries, to allow for more accurate comparisons across decades. *https://s4.ad.brown.edu/Projects/Diversity/Researcher/LTDB.htm*

Map 1: Neighborhood Trend Analysis

City of San Antonio, 2000-2010



Source: U.S. Census 2000 – 2010,
City of San Antonio

N

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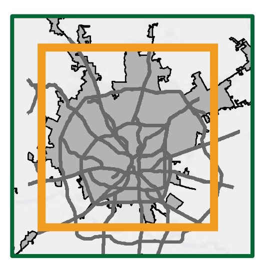
Miles

Neighborhood Change Score

- 0
- 1
- 2
- 3
- 4

- Highways
- Census Tract 1919
- Urban Area



Description:

On Map 1, the numbers in the legend (Neighborhood Change Score) correlate to the number of Census indicators for which a Census Tract had a faster rate of change than the City of San Antonio overall. For example, Census Tract 1919 (outlined in a thick green line) has a score of 4, which means that it had a faster rate of increase than the city for the following indicators (you can confirm this in Table 1):

- Median Home Value OR Median Contract Rent
- Median Household Income
- Population 25 years or older with at least a bachelor's degree
- Number of White, non-Hispanic, residents

Analysis:

Look for where Census Tracts have changed faster than the city in all indicators. Are there any patterns in where tracts are changing the fastest? In San Antonio, it's clear that there is a concentration of price and demographic changes in the downtown area, near the center of the map (to the west of Census Tract 1919). For a map of your city, you would use what you know about your community, as well as the other data and mapping tools in this guide, to think about the following:

- what has been causing a Tract or group of Tracts to change,
- whether you anticipate continued changes, and
- what the implications might be for low- and moderate-income households living in those areas or adjacent areas.

Other Data to Track

In addition to the five Census indicators listed above, the neighborhood trend analysis can be used to look at trends for any other data you have that measures an indicator across multiple years for the same geography.

Some additional data to measure can include the following (instructions for where to find these data are located on **Worksheet B**):

- Number of housing units to show if the supply of housing has been increasing or decreasing.
- Renter- and owner-occupied housing units to show if the proportion of renters and homeowners has changed.
- Home sales prices to show if the prices of homes are increasing or decreasing, and how fast.
- Demographics of homebuyers to see who is moving into a neighborhood.

Public and Private Investment

Experiences in cities across the country suggest that significant demographic and economic changes in neighborhoods are often driven by catalytic investments made or facilitated by public entities, which then attract subsequent investment from private actors. By tracking and mapping the location of large investments and clusters of smaller investments, connections can be drawn between investments and price and demographic changes in neighborhoods.

Tool: Tracking and Mapping Investment

Worksheet D includes guidance on what information to collect for the investments and developments you track, a sample spreadsheet for organizing your data so that it can be mapped, and instructions for how to map your data using online tools.

Below are two kinds of major public and private investment to track and guidance on where to find information. For many of the Federal sources of funding, data on the location of funded projects is available via the Internet. For data on investments made with local funds, it is likely you will need to contact individuals in government agencies to request information about the location of projects receiving funds.

Housing and Other Real Estate Development, including both large housing, commercial, and mixed-use developments, as well as concentrations of property sales and rehabilitations.

Sources of Funding	Where to Find Information
Low Income Housing Tax Credits (LIHTC)	There are two online mapping tools that have data on the location of housing developments that have received tax credits: • *HUD Geospatial Data* • *National Housing Preservation Database*
Community Development Block Grants (CDBG) and HOME Investment Partnerships Program (HOME)	• *HUD CPD Maps* – search for your city or county, and under “layers” select “Activity and Property Locations” then “CDBG” • *Consolidated Annual Performance and Evaluation Reports (CAPERs)* – recipients of CDBG and HOME are required to submit annual reports on their accomplishments and progress towards the goals they set for expending these funds
Municipal Bonds (Affordable Housing Bonds)	• This information will be kept by the local government entity issuing the bonds. To find out what bonds have been issued in your community, use an Internet search engine and search using the term “affordable housing bond” and the name of your city or county. To find out exactly where investments have been made, it may be necessary to contact the agency responsible for administering the bond funds to request these data. • Example: *City of Austin Housing Bond*

Sources of Funding	Where to Find Information
Development Incentives	• Similar to municipal bonds, this information will be kept by the local government entity offering the development incentives. To find what incentives are offered in your community, use an Internet search engine and search using the term "development incentives" and the name of your city or county. To find out exactly where incentives have been granted, it may be necessary to contact the agency responsible for managing the incentives to request these data. • Example: *City of Phoenix Community and Economic Development Incentives*
Housing Trust Funds – funds established by local and state governments to finance affordable housing	• Information on where housing trust funds are invested will be kept by the entity that manages the trust fund. Use an Internet search engine and search using the term "housing trust fund" and the name of your city or county. To find out where exactly the trust has invested funds, it may be necessary to contact the entity responsible for managing the trust fund to request these data. • Example: *Denver Dedicated Affordable Housing Fund*
Private Market Actors	• Building permits that contain information on the type and total value of construction. This data will be kept by the municipal agency charged with issuing building permits. Use an Internet search engine and search using the term "building permits" and the name of your city or county. • Local realtors will have knowledge of the volume of property sales in different parts of a community as well as trends in sales prices • *Home Mortgage Disclosure Act* data contains information on home purchase and rehabilitation loans made by Census Tract • In some cities, organizations may already be tracking development activity. For example, the Downtown Seattle Association tracks and maps downtown development projects and publishes this information using an *interactive map* on their website.

Transportation Infrastructure, including public rail, bus lines, and roads

Sources of Funding	Where to Find Information
Federal, state, and local government revenues	• Local governments and transit agencies are required to develop long-range plans to guide how they will invest federal and state transportation funds. These documents provide a guide for understanding where and how local governments plan to invest their transportation funding in the future. To find these plans, use an Internet search engine and search using the term "long-range transportation plan" and the name of your city, county, or local transit agency. Example: *Los Angeles Metro Long-Range Transportation Plan* • Transportation funding will be included in the annual budgets developed by local governments and transit agencies. To find these budgets, use an Internet search engine and search using the term "budget" and the name of your city, county, or local transit agency. To find out the location of specific transportation projects receiving funds, it may be necessary to contact the agencies responsible for managing and expending transportation funds to request these data. Examples: *Miami-Dade County FY 2017-18 Budget* and *Washington Metropolitan Area Transit Authority FY2018 Proposed Budget*
Municipal Bonds (Infrastructure Bonds)	• This information will be kept by the local government entity issuing the bonds. To find out what bonds have been issued in your community, use an Internet search engine and search using the term "infrastructure bond" and the name of your city or county. To find out exactly where investments have been made, it may be necessary to contact the agency responsible for administering the bond funds to request these data. • Example: *Renew Atlanta 2015 Infrastructure Bond*

Sources of Funding	Where to Find Information
Community Development Block Grants	• *HUD CPD Maps* – search for your city or county, and under "layers" select "Activity and Property Locations" then "CDBG" • *Consolidated Annual Performance and Evaluation Reports (CAPERs)* – recipients of CDBG are required to submit annual reports on their accomplishments and progress towards the goals they set for expending these funds

Affordability

Housing affordability affects where individuals live. It also determines, in part, where developers focus their efforts. If profit is a motivating factor for a developer, they will look to areas where land is relatively cheap and enough demand, or the potential for enough demand, exists for them to purchase, develop, and rent or sell their product at a profit. Understanding how market dynamics differ across a city matters when determining what equitable development strategies will fit a particular neighborhood. The data tool in this section is designed to analyze housing affordability for different populations.

Tool: Affordability Gap Analysis

The Affordability Gap Analysis calculates who can afford the cost of housing based on their income. The tool can be used for homeowner or rental housing. It can measure affordability in a single development, a neighborhood, or an entire city. Depending on the availability of data, affordability can be calculated for individuals based on a variety of factors, including their occupation, family size, education level, etc.

Worksheet E contains blank tables for doing the homeowner and renter affordability gap analysis, along with step-by-step instructions for finding and analyzing data. Tables 2-5 are examples of the Affordability Gap Analysis for a high-cost market (San Francisco, California) and a relatively low-cost market (San Antonio, Texas).

Table 2: Renter Affordability Gap Analysis, San Antonio (2017)

Occupation	Median Income	30% Monthly Median Income	1 Bedroom Average Rent	Affordability Gap
Food Prep Worker	$27,596	$690	$768	($78)
Computer Programmer	$74,149	$1,854	$768	$1,086

Table 3: Renter Affordability Gap Analysis, San Francisco (2017)

Occupation	Median Income	30% Monthly Median Income	1 Bedroom Average Rent	Affordability Gap
Food Prep Worker	$35,041	$876	$2,412	($1,536)
Computer Programmer	$94,151	$2,354	$2,412	($58)

Description:

- Column 1 (Occupation) shows two occupations, one low paying, one high paying.
- Column 2 (Median Income) shows the average income for each occupation in 2017.
- Column 3 (30% Monthly Median Income) shows 30 percent of the monthly income for each occupation.
- Column 4 (1 Bedroom Average Rent) shows fair market rent for a one-bedroom apartment in each city in 2017.
- Column 5 (Affordability Gap) shows the difference between the fair market rent and 30 percent of monthly median income.

Analysis:

What do these tables tell us about whether rental housing is affordable in these cities? Looking at the first row of Table 2, the data shows whether a Food Prep Worker in San Antonio, who on average makes $27,596 per year, can afford a one-bedroom apartment in the city at the fair market rent. For this analysis, we have used the industry standard for housing affordability, which is defined as a person using 30 percent or less of their monthly income for housing-related costs ($690 for the Food Prep Worker). The fair market rent for a one-bedroom apartment in San Antonio is $768. This is $78 more than 30 percent of the Food Prep Worker's monthly income, i.e. there is an affordability gap of $78 dollars. Therefore, a one-bedroom apartment at the fair market rent is not affordable to the average Food Prep Worker in San Antonio—for it to be affordable, they would need to earn at least $78 more per month. In contrast, a one-bedroom apartment at the fair market rent is affordable to a Computer Programmer earning an average salary of $74,149 (there is an affordability *surplus* of $1,086). In the high-cost city of San Francisco, neither the Food Prep Worker nor the Computer Programmer can afford to rent a one-bedroom apartment at that city's fair market rent of $2,412. They face affordability gaps of $1,536 and $58, respectively.

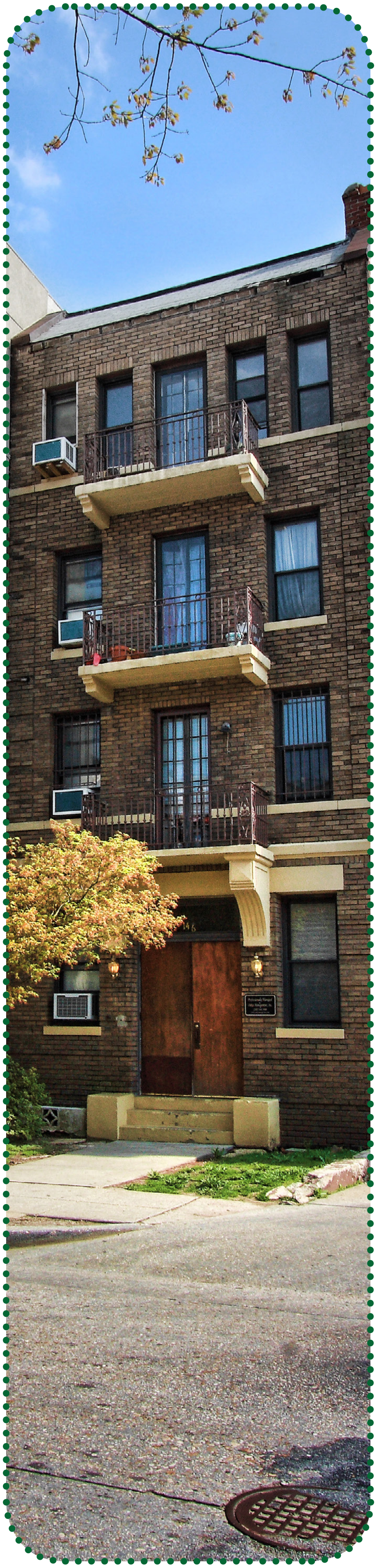


Table 4: Homeowner Affordability Gap Analysis, San Antonio (2017)

Occupation	Median Income	Median Home Price	Annual Income Needed	Affordability Gap
Food Prep Worker	$27,596	$198,000	$57,824	($30,228)
Computer Programmer	$74,149	$198,000	$57,824	$16,325

Table 5: Homeowner Affordability Gap Analysis, San Francisco (2017)

Occupation	Median Income	Median Home Price	Annual Income Needed	Affordability Gap
Food Prep Worker	$35,041	$1,050,000	$306,641	($271,600)
Computer Programmer	$94,151	$1,050,000	$306,641	($212,490)

Description:

- Column 1 (Occupation) shows two occupations, one low paying, one high paying.
- Column 2 (Median Income) shows the average income for each occupation in 2017.
- Column 3 (Median Home Price) shows the median home price in each city in 2017.
- Column 4 (Annual Income Needed) shows the income needed to afford a home at the median price. Again, the definition of affordability used in this example is that no more that 30 percent of monthly income is spent on housing-related costs, which in the case of homeownership includes mortgage principal and interest, insurance, and property taxes.
- Column 5 (Affordability Gap) shows the difference between the income needed to afford a home at the median sale price and the actual average incomes of each occupation.

Analysis:

What do these tables tell us about whether owning a home is affordable in these cities? Looking at the first row of Table 4, the data show whether a Food Prep Worker in San Antonio, who on average makes $27,596 per year, can afford to purchase a home at the median sale price. The median home price in San Antonio is $198,000. A person would need to earn at least $57,824 a year to be able to afford a house at this price without being cost burdened (i.e. without paying more than 30 percent of their income towards housing). This is $30,228 more than the average Food Prep Worker's annual income, i.e. there is an affordability gap of $30,228 dollars. Therefore, homes sold at the median price in San Antonio are not affordable to the average Food Prep Worker—for a median-priced home to be affordable, a Food Prep Worker would need to earn at least $30,228 more per year. In contrast, a home sold at the median price is affordable to a Computer Programmer earning an average salary of $74,149 (there is

an affordability *surplus* of $16,325). In the high-cost city of San Francisco, neither the Food Prep Worker nor the Computer Programmer can afford to purchase a home at that city's median sale price of $1,050,000. They face affordability gaps of $271,600 and $212,490, respectively.

• • •

The Affordability Gap Analysis can be used to measure housing affordability for any category of housing or population group for which data is available. For example, the Affordability Gap Analysis can be used to:

- Calculate affordability for people based on characteristics other than their occupation, including by race/ethnicity, age, or family structure.
- Calculate the affordability of a specific neighborhood or housing development. Instead of using fair market rents and home prices for an entire metropolitan area, you can use the rents or sales prices from a particular neighborhood or a specific development.

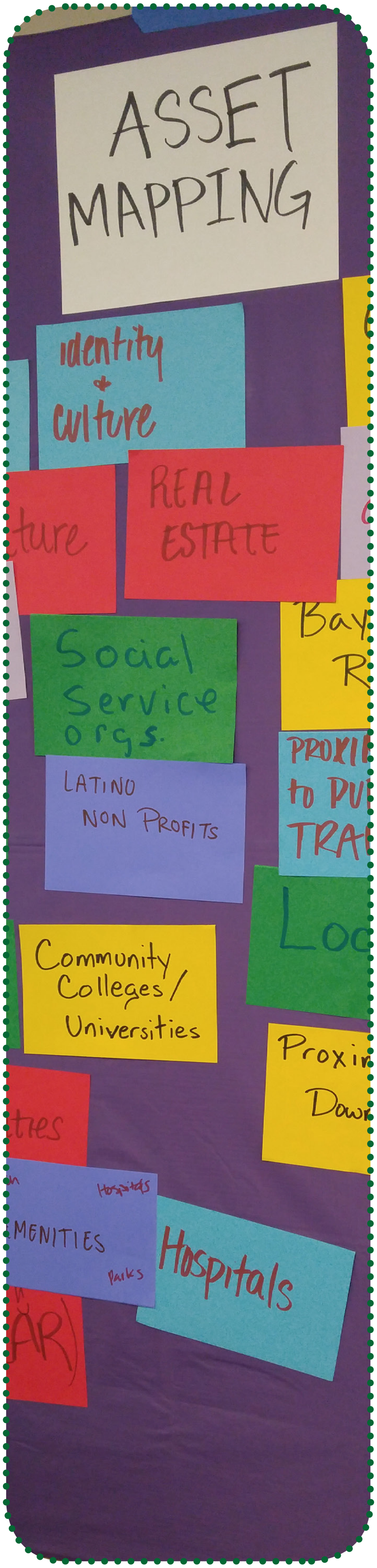
Worksheet E includes guidance on where to find additional data on income and housing prices.

Resources

Family Budget Calculator – The Economic Policy Institute (EPI) developed a calculator to measure the income a family needs to attain an adequate standard of living in different metropolitan regions. http://www.epi.org/resources/budget/

Paycheck to Paycheck – The National Housing Conference's (NHC) Paycheck-to-Paycheck tool compares average earnings of different occupations to the affordability of homeownership and rental housing in a variety of metropolitan areas. *https://www.nhc.org/paycheck-to-paycheck/*

Living Wage Calculator – Created by Dr. Amy K. Glasmeier at MIT, this calculator estimates the wage needed for families to afford typical living expenses in states, counties, and metropolitan statistical areas across the US. *http://livingwage.mit.edu*



Access to Amenities and Opportunities

Access to amenities (parks, grocery stores, etc.) and opportunities (good schools, employment, etc.) is an important driver of real estate market activity. Cultural assets are particularly important in low-income communities. Understanding which assets exist in and around a neighborhood, and how those assets impact housing demand and real estate market activity, is crucial to developing equitable neighborhood development strategies.

Asset mapping is a method of visually demonstrating the location of a community's strengths and resources, including amenities and opportunities. Involving as many community members as you can in the asset mapping process will help to ensure you are capturing all the elements that make a community strong and vibrant. Below are some of the assets to identify in your community:

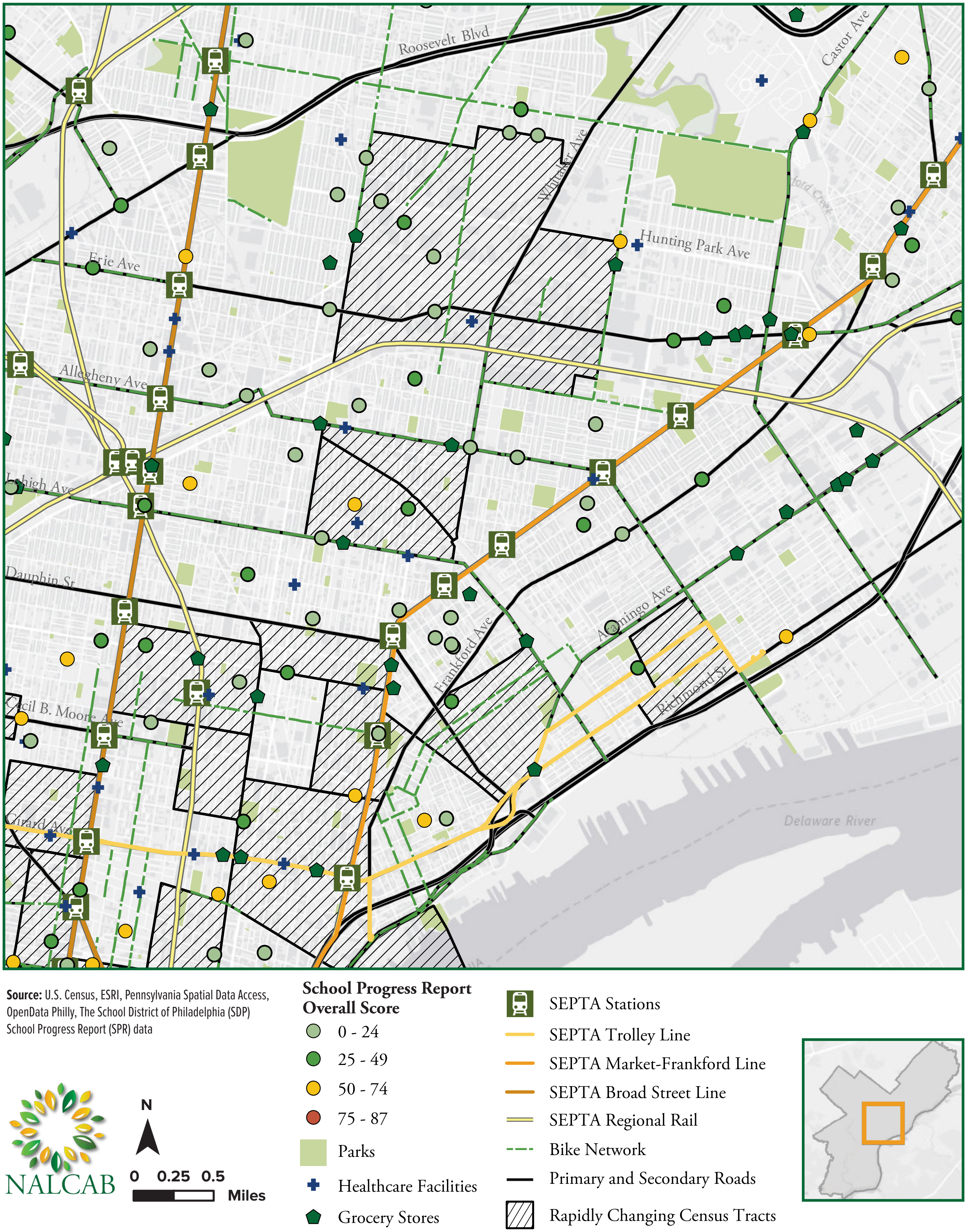
Assets:

- Residents, including those with particular skills, knowledge, or experience
- Community-serving small businesses
- Vacant land and buildings
- Land and buildings owned by public entities
- Land and buildings owned by nonprofits
- Financial institutions
- Development incentive zones
- Healthcare facilities
- Educational institutions
- Public transportation routes and stations
- Subsidized housing
- Historical monuments
- Social service providers
- Cultural institutions
- Civic groups
- Places of worship
- Parks and recreational facilities
- Grocery stores
- Major employers
- Commercial corridors

Map 2 is an example of asset mapping in an area of Philadelphia, Pennsylvania.

Map 2: Amenities and Opportunities

Philadelphia, PA



Source: U.S. Census, ESRI, Pennsylvania Spatial Data Access, OpenData Philly, The School District of Philadelphia (SDP) School Progress Report (SPR) data

NALCAB

Healthcare facilities not only provide access to healthcare; they also represent a concentration of employment opportunities for workers with a range of skill levels. Housing demand in nearby areas is often quite strong.

Resources

Participatory Asset Mapping Toolkit – The Advancement Project created a set of toolkits for conducting participatory action research. One of these resources is a guide for designing and implementing a participatory asset mapping process. *http://www.healthycity.org/cbpar-toolbox/*

Place Matters Toolkit – A joint project of City Lore and the Municipal Art Society, this toolkit provides guidance to help identify, promote, and protect places with cultural and historical significance to a community. *http://www.placematters.net/node/13*

Description

Map 2 shows the location of the following assets in the neighborhoods north and east of downtown Philadelphia:

1. Public Schools, categorized by the progress score given them by the School District of Philadelphia. The darker shaded dots indicate schools with higher scores.
2. Healthcare facilities, which provide access to medical care as well as employment opportunities for workers at a range of skill levels
3. Grocery stores and parks
4. Transportation assets, including rail lines and stations, roadways, and bike paths

The map also includes "Rapidly Changing Census Tracts" which are those Census Tracts that had faster than average increases (when compared to the Philadelphia Urban Area) over the ten-year period of 2000-2010 in the Census indicators that comprise the Neighborhood Trend Analysis: median home value or median rent, median household income, number of residents 25 years and older with at least a bachelor's degree, and number of non-Hispanic White residents.

Analysis:

What assets does this part of the city have? Map 2 shows that large sections of this part of Philadelphia have good access to public transportation, particularly the neighborhoods adjacent to the Market-Frankford and Broad Street rail lines. Grocery stores, health care facilities, and parks are spread out across the map. The quality of schools in this part of the city (according to the one metric used) varies widely. When conducting this analysis for your community, consider what drives housing demand in your city and identify where those assets exist and are likely to attract investment. To do this, it can help to also look at where market changes have already been happening by including the Neighborhood Trend Analysis, as we have done on Map 2.

Policies and Incentives

Public policy and development incentives shape where and how development happens and who it benefits. In order for equitable development to take place, there must be balance between economic growth-oriented policies and policies to prevent displacement, preserve residential and commercial real estate affordability, and connect low- and moderate-income households and small-businesses to economic opportunities.

Tool: Policies and Incentives by Income Bracket

Worksheet F has a table for organizing local policies and incentives by the income level of their beneficiaries. This tool can be used to measure the balance between policies that incentivize development for higher-income households and policies that support low- and moderate-income households. To determine who benefits from a policy or incentive, review public documents that include targeting restrictions and eligibility criteria, including the policies themselves, incentive program guidelines and manuals, applications, etc. In addition, review public materials (budgets, reports, etc.) that document the amount of public funds dedicated to these programs and incentives.

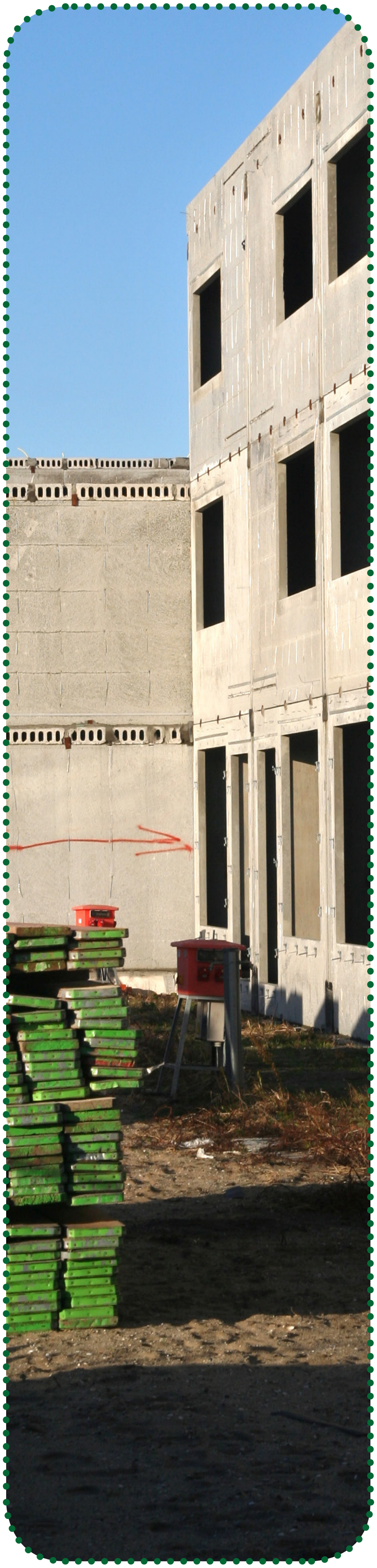
To find relevant policies and incentives, search for economic development incentives and real estate development incentives at the state, county, and city levels. Search for the city and county agencies that oversee planning and development, zoning and land use, contracts and procurement, grants administration, economic development, housing, community development, transportation, public works, water and sewer systems, and budgeting and finances.

Resources

PolicyLink Equitable Development Toolkit – Includes twenty-seven tools for reversing patterns of segregation and disinvestment, preventing displacement, and promoting equitable revitalization. *http://www.policylink.org/equity-tools/equitable-development-toolkit/about-toolkit*

The NHC Housing Policy Guide – Created by the National Housing Conference (NHC) to be a resource for information about affordable housing policies and programs at the federal, state, and local levels. *https://www.nhc.org/nexus-policy-guides/*

Housing Development Toolkit – Released by the White House in 2016, this toolkit outlines strategies local governments can use to remove barriers to housing affordability. https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf



The list below highlights some of the types of policies and incentives that impact development, economic opportunity, displacement, and affordability. The list also includes links to an example of each type of policy in a U.S. city.

Policy/Incentive/Program	Example
Rent control/stabilization	City of Los Angeles *Rent Stabilization Ordinance*
Inclusionary zoning	Somerville, Massachusetts *Inclusionary Housing Zoning Ordinance*
Fee waivers for development	City of San Antonio and San Antonio Water System *Impact Fee Waiver*
Tax abatements, exemptions, and credits	City of Philadelphia *Property Tax Abatements and Exemptions*
Tax-increment financing	City of Chicago *Tax Increment Financing*
Low-cost loan programs	City of Cleveland *Economic Development Loan Program*
Grant programs	Miami-Dade County *Mom and Pop Small Business Grant Program*
Local hire ordinances/initiatives	Seattle *Priority Hire Ordinance*
Procurement policies that favor small, local, and/or minority- and women-owned businesses	Housing Authority of the City of Milwaukee *Emerging Business Enterprise Program*
Public land disposition policies	San Francisco *Surplus City Property Ordinance*
Community benefits agreements	Columbia University *West Harlem Community Benefits Agreement*

Development Opportunities

The availability of land and buildings for development helps determine if development can occur in a neighborhood at a scale that can significantly impact real estate prices. Below is guidance on identifying two types of property that may be targeted for development.

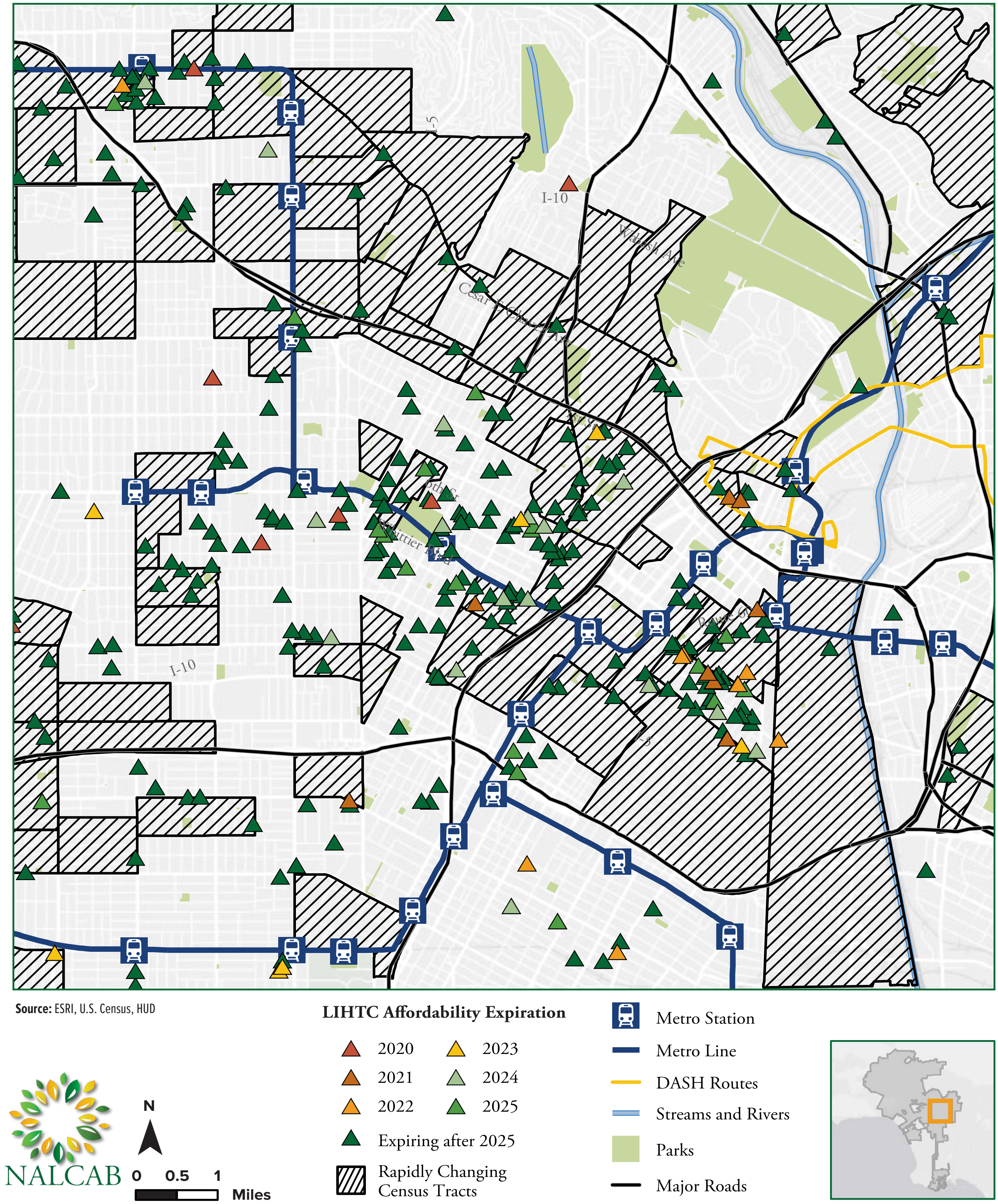
Vacant land and properties. The availability of vacant land or buildings may present opportunities for development, especially in cities that incentivize market rate development on vacant parcels. There is a variety of methods for finding vacant land and buildings, including:

- Property tax appraisal districts, which may have categorizations for undeveloped land.
- *HUD and the US Postal Service*, which track and aggregate vacant buildings by Census Tract.
- Cities with online inventories of vacant land, maintained either by government agencies or non-profits. For example:
  - The City of Pittsburgh maintains an *online map* of all vacant publicly owned parcels that are for sale by the city.
  - New York City maintains an *online database* of all vacant publicly owned land. The database includes the property addresses and the city agency that has jurisdiction over the property, among other data.

Subsidized properties with expiring affordability covenants. Many types of subsidized affordable housing have limits on the amount of time they must be kept affordable to certain income levels. Once those affordability restrictions are lifted, owners can choose to raise housing costs to whatever price the market will support. In areas with high housing demand, the potential for higher profits is an incentive for owners to renovate buildings and raise rents, or sell properties to an entity that will do so. Map 3 is an example of this analysis for Los Angeles, looking specifically at Low Income Housing Tax Credit (LIHTC) properties.

Map 3: LIHTC Properties with Expiring Affordability Covenants

Los Angeles, CA



Source: ESRI, U.S. Census, HUD

Description:

Map 3 shows properties in and around downtown Los Angeles that were financed with Low Income Housing Tax Credits (LIHTC) and have affordability restrictions that have the potential to expire between 2020-2025 (at the end of their 15-year initial compliance period). After the initial compliance period, these properties might be at risk of conversion to market rate housing by the owner. Whether that happens will depend on many factors, including additional affordability restrictions on the units, who owns the property, and the location of the project. Map 3 also shows the location of assets, including Metro lines and stations, bus routes, rivers, and parks. Also shown on the map are Rapidly Changing Census Tracts, which indicate areas that experienced real estate price appreciation and demographic changes indicative of gentrification between 2000-2010.

Analysis:

What subsidized properties with expiring affordability covenants in this part of Los Angeles might be most attractive, based on their location, to developers looking to convert them to market rate housing? On Map 3, there are multiple LIHTC properties near Metro stations and in Rapidly Changing Census Tracts, which points to increasing demand for housing. As part of your analysis to understand which properties are at-risk of losing affordability, you would want to find out who owns these properties, what other affordability restrictions they have, and what the owners plan to do with them after all restrictions are lifted.

Resources

National Housing Preservation Database (NHPD) – The Public and Affordable Housing Research Corporation (PAHRC) and the National Low Income Housing Coalition (NLIHC) created this database, which includes data and information (including a mapping tool) on federally-subsidized housing properties. *http://preservationdatabase.org*

HUD Geospatial Data – Datasets and shapefiles provided by HUD, including information on Low-Income Housing Tax Credit and HUD-Insured Multi-Family properties. https://egis-hud.opendata.arcgis.com

Anticipating Market Activity and Price Appreciation

Once you have collected and analyzed the data on housing and demographic trends, public and private investment activity, affordability, assets, public policies, and development opportunities, put it all together to anticipate where future development and investment might occur. Use the questions below to guide your analysis.

What parts of your community have experienced the following?

- Housing prices increasing faster than the regional average
- Household incomes, educational attainment, and the percentage of white households relative to non-white households increasing faster than the regional average
- A concentration of public and/or private investment

Do any of those neighborhoods, or neighborhoods adjacent and accessible to those areas, have any the following characteristics?

- Housing that is affordable relative to other parts of the region
- Proximity to assets like cultural institutions, jobs, parks, good schools, transit lines, and small business corridors
- Availability of land or buildings that could be purchased by developers looking to construct or rehabilitate housing or commercial space

Are there any policies or incentives in place that do the following?

- Help developers that want to build or renovate properties for market-rate housing or commercial spaces?
- Help developers that want to build or preserve affordable housing or affordable commercial spaces in those neighborhoods?
- Protect existing residents and business owners from involuntary displacement?

Impact and Implications for Low- and Moderate-Income Households

Neighborhood change brings opportunities and challenges to communities. It is important to understand how market activity might lead to displacement for some individuals and families while also creating asset-building opportunities for others. Identifying what the risks and rewards of neighborhood change might be, and for who, will help you develop equitable development goals and solutions that prevent displacement and spread the benefits of development more equitably.

Asset-building Opportunities

Neighborhood change can create opportunities for low- and moderate-income households to build wealth. Asset-building opportunities in changing neighborhoods include the following:

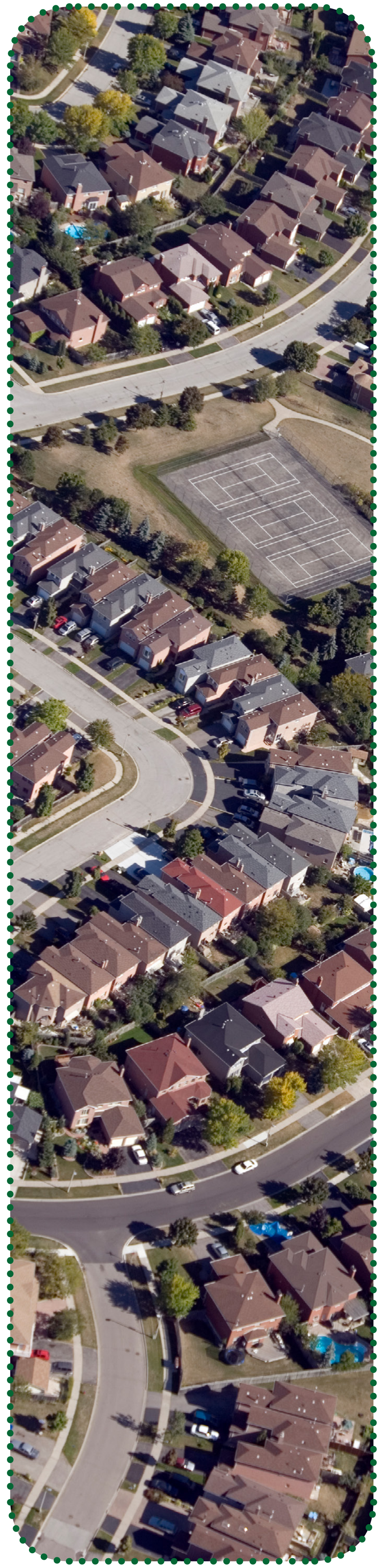
- New homeownership opportunities, if investment and development take the form of affordable housing opportunities.
- Increased equity for homeowners as property values rise.
- Quality jobs, if investment and development attract new economic opportunities that are accessible to low- and moderate-income individuals.

Vulnerability to Displacement

A major concern in changing neighborhoods is the potential for displacement of low- and moderate-income individuals and families from their homes and communities. Unaffordable or inadequate housing threatens quality of life and can lead to involuntary displacement and, in the extreme case, homelessness. There is extensive research that demonstrates the connections between housing instability and negative social outcomes in the areas of health, youth educational performance, and economic mobility.

To implement strategies to prevent displacement, it is important to understand and anticipate real estate market activity and identify where vulnerability to displacement exists before people start losing their homes. The tools in this guide provide a basis for conducting an analysis of where real estate market activity will put upward pressure on prices. Combining that analysis with data that show the location of vulnerable populations and housing stock is one way to identify where vulnerability to displacement is most pressing.

On the following page are examples of vulnerable populations and vulnerable housing stock. Other kinds of vulnerability may exist that are unique to your community.



Vulnerable Populations include the following categories:

- **Income-Based Vulnerability**—Households with low- and moderate-incomes have more limited housing choices relative to upper income households, and are more vulnerable to market changes.
- **Physical and Mental Health-Based Vulnerability**—Households with individuals that have physical disabilities or mobility impairments have unique housing needs (i.e. concerns with accessibility, first floor access, etc.), which can significantly affect their quality of life and/or severely constrain their housing options. Households with a member that suffers from a chronic debilitating illness or mental disability may also face housing-related barriers. These challenges can be compounded for low- and moderate-income households, but are not limited to any income segment.
- **Social Vulnerability**—A variety of social factors can impact access to housing. Formerly incarcerated individuals experience well-documented barriers to quality housing. Family size can significantly constrain housing choices, particularly in the rental market. Households with undocumented members also face barriers.
- **Discrimination and Fair Housing Concerns**—The Fair Housing Act protects people from discrimination based on their race, color, national origin, age, sex, family type, religion, and disability. Despite legal protections, housing discrimination occurs all too frequently. Additionally, a variety of other populations, including same-sex couples, face discrimination and are not protected by federal, state, or local laws. Furthermore, housing discrimination tends to increase in tighter markets when demand for housing outpaces supply, giving owners and sellers more leverage.

Vulnerable Housing Stock includes the following categories:

- **"Naturally occurring affordable rental housing" located in, or adjacent to, neighborhoods experiencing price appreciation**—A significant portion of rental housing affordable to low- and moderate-income households is market-rate housing, meaning it has no government subsidy. This is also the category of lower cost housing that typically has the greatest quality concerns. Owners who invest little in the upkeep of their rental properties can afford to charge lower rent. Owners will typically increase rents as they see evidence that housing values are increasing. In neighborhoods experiencing price appreciation, "naturally occurring" affordable rental housing is highly vulnerable to rapid price increases.
- **Mobile home communities in appreciating neighborhoods**—Mobile home communities are particularly vulnerable to real estate market price appreciation. Typically, the owner of a mobile home community owns the land, utilities, and other infrastructure improvements, but leases

these to a household that owns or rents their own mobile home. Undeveloped land can be particularly attractive to developers. When a mobile home community is sold to an investor who intends to develop the land for a different purpose, the entire community can be subject to dislocation.

- **Subsidized rental units with expiring affordability covenants**— Privately owned housing units that have been financed using government subsidies have affordability covenants, or time-limited requirements that dictate they only be leased to households below a specified income level. Subsidized housing is subject to minimum housing quality standards and are typically inspected by a government agency prior to being leased to a tenant. When covenant periods end, owners may choose to increase rents or sell the property. This can lead to dramatic rent increases when affordability covenants expire on units located in appreciating neighborhoods.
- **Expiring project-based Section 8 contracts**—Another form of subsidy, project-based Section 8, is a direct rental subsidy paid to a private owner of multifamily rental housing property to cover a portion of the rent for low-income tenants during a given contract period (often five years). All rental units under Section 8 contracts are subject to minimum housing quality standards. When the contract ends, if the owner chooses not to renew the contract, tenants will be left to pay the full rent on their own or they will be displaced.
- **Homeownership and rapidly rising tax obligations**—Housing units that are owned by a low- or moderate-income household can be subject to increased housing costs due to rising tax obligations and insurance costs, particularly in jurisdictions that do not have tax exemptions or rate increase caps to protect homeowners from rising tax burdens.
- **Housing in significant disrepair**—Beyond rising tax burdens, homeowners must also contend with the costs of maintenance and upkeep. The older a home, the more likely a property owner will need to invest significantly in maintenance. When market demand is stimulated, code enforcement and the cost of home maintenance can become mutually reinforcing challenges, creating pressure on homeowners to consider selling.
- **Housing in environmentally sensitive areas, including flood zones**—Housing can be vulnerable if located in areas that are subject to natural or human-made environmental disasters. The importance of resiliency and adaptation applies to both housing and infrastructure. As the climate continues to change and extreme weather events increase in frequency, this will become an even more urgent concern.

Some of the tools and methods in this guide can be used to analyze and anticipate how neighborhood change might affect small businesses.

Impact and Implications for Small Businesses

Research into the impacts of neighborhood change and gentrification on minority-, women-, and immigrant-owned small businesses is limited. One reason for the limited research is a lack of good data. Some of the tools and methods in this guide can be used to analyze and anticipate how neighborhood change might affect small businesses. But more data needs to be collected locally to really understand which small businesses are vulnerable to displacement and what support they need to keep their doors open. As a guide to thinking through this challenge, NALCAB has drawn from the experiences and expertise of member organizations that serve small businesses in order to identify factors that can make small businesses vulnerable to displacement in the face of increasing real estate prices. These include:

- **Dependence on clients that live in the surrounding immediate community**—The demographic changes that accompany gentrification can pose challenges for small businesses that serve low- and moderate-income clients that live near the business. As people move in and out of neighborhoods, community-serving small businesses experience changing demand patterns. This can force small business to relocate, close, or offer different products to meet changing demand.

Small business loans are subject to high transaction and underwriting costs relative to potential earnings for lenders. Due to this, traditional lenders are less likely to offer small business loans.

- **Small business owners that rent space**—Many small business owners do not own their property. In changing neighborhoods, commercial rents—like residential rents—might increase as landlords see an opportunity to make more profit or meet increased tax obligations. Small businesses that do not have a binding lease or operate in jurisdictions without legal protections for tenants are particularly vulnerable to sudden rent increases or eviction. Additionally, not owning the property in which their business operates is a challenge for business owners who want to make improvements to their physical space in order to grow their business or adapt to changing demand.
- **Limited access to capital**—Small business loans are subject to high transaction and underwriting costs relative to potential earnings for lenders. Due to this, traditional lenders are less likely to offer small business loans. This makes it more difficult for small businesses to access the capital necessary to grow and maintain a business. When this financial disconnect is combined with a lack of familiarity with the legal system, tax law, local codes, and standard accounting practices, business owners are left vulnerable to unanticipated costs and predatory business dealings.
- **Informality**—Gentrifying neighborhoods might have stricter regulations and enforcement of licensing requirements for businesses. This can inhibit the ability of informal, street-based businesses to operate. Informal business owners who are unable to access, or cannot afford, the necessary documentation might face criminal charges and fines.
- **Prioritization of national brands as tenants**—Commercial land owners are often drawn to businesses such as banks or national retail chains that can sign long-term leases and pay high rents. This dynamic can limit the retail space available for small businesses.

Not owning the property in which their business operates is a challenge for business owners who want to make improvements to their physical space in order to grow their business or adapt to changing demand.

Equitable Development Solutions: Moving from Data to Action

To implement solutions and achieve your equitable neighborhood development goals, strategies that use community organizing, real estate development, service provision, and policy advocacy are all necessary.

An equitable approach to neighborhood development must be data-driven. The tools in this guide provide the foundation for using public data to analyze and anticipate neighborhood change, including market activity, displacement vulnerability, and asset-building opportunities. This analysis should inform equitable development goal and solution setting at the local level, as well as the design and implementation of strategies to reach those goals and solutions.

To implement solutions and achieve your equitable neighborhood development goals, strategies that use community organizing, real estate development, service provision, and policy advocacy are all necessary.

- **Community Organizing and Engagement**—Meaningful engagement with the people who live, work, and worship in a neighborhood forms the foundation of any equitable approach to neighborhood development. Community organizing is a critically important strategy to build the collective voice and influence of residents and small business owners in planning, development, and investment decisions. Effective organizing efforts must include education and training to prepare residents and business owners to participate in decision-making processes (i.e. planning commission meetings, Consolidated Planning process, development of neighborhood plans, etc.) as well as to prepare public servants and private market actors to participate in meaningful public engagement processes.

  Organizing should provide community members with data, knowledge of public processes, and a sense of solidarity by building an understanding of how their circumstances relate to those of their neighbors, all of

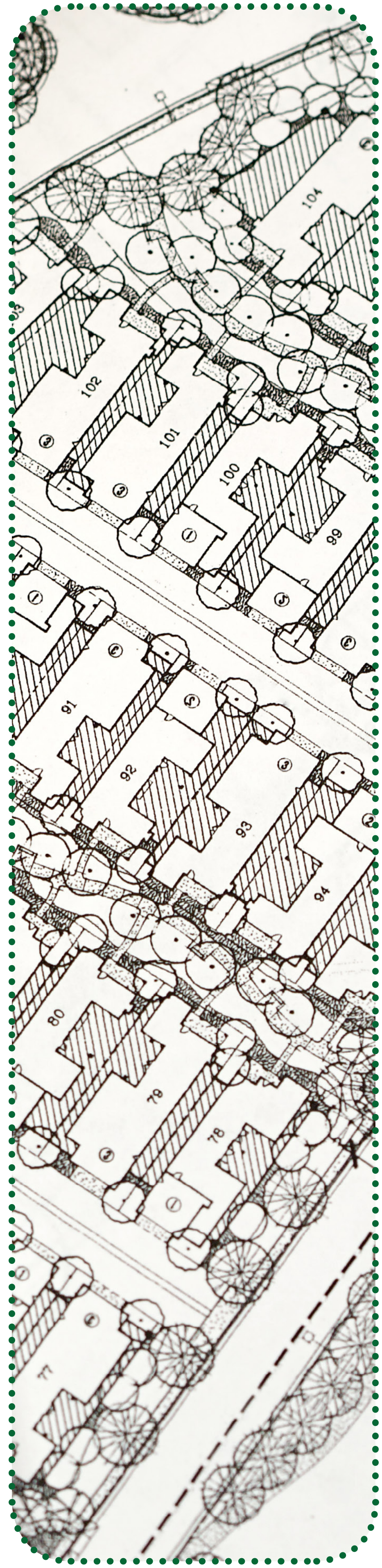
which allow them to powerfully participate in decisions that will impact their community. In many instances, educating public officials and private market actors, and building trust with them, can be an effective way to exercise the power built through organizing efforts, especially in the context of demonstrated community mobilization.

Community organizing strategies can include ongoing meetings at a regular time and place; distributing informational flyers; a community survey; door-to-door engagement; making presentations at churches, small business associations, and other community-based institutions; planning charrettes; training on specific issues of interest; and social media engagement. It is important to remember that while social media and online outreach can be enormously efficient and effective with segments of the population, these strategies are likely to leave out other segments of the community. Language and cultural differences can be a barrier to effective organizing and it is critical that organizing teams reflect the populations they seek to serve, linguistically and culturally. Community residents are often effective organizers, especially when teamed with content experts.

Community organizing and building grassroots leadership is an integral component of the community development model developed by the East LA Community Corporation (ELACC), which primarily works in Boyle Heights and Unincorporated East Los Angeles. As part of their organizing work, ELACC has developed an Affordable Housing 101 curriculum to train community members and grassroots leaders in the economics of affordable housing development.

Latino Economic Development Center (LEDC), based in Washington, D.C., helped to organize the Coalition for the Fair Redevelopment of Wheaton, a group of small business owners, nonprofits, and residents, in response to a proposed redevelopment of downtown Wheaton, MD. The redevelopment proposal caused concern among community small business owners, who were worried about disruptions caused by construction and the possibility of rent increases. The Coalition, which fought to ensure that redevelopment benefitted the community, succeeded in getting Montgomery County to fund key planning studies and to pass small business financial assistance legislation.

- **Community Services**—Residents and small businesses need access to services and resources that respond to their needs and support them in accessing opportunity. Community-based organizations with long-term relationships in their communities reflect the communities they serve and deliver culturally relevant services. These embedded organizations are disproportionately important for serving distinct ethnic/racial communities and achieving equitable outcomes. The following types of community services help prepare community residents and entrepreneurs for accessing credit and capital, and utilizing those resources effectively.



They are important for ensuring that low-income residents and small businesses can participate equitably in neighborhood development:

» Education, counseling, and financial products to build financial capability

» Workforce development services

» Consumer protection services, including legal support to help tenants navigate leases, understand their legal rights, avoid eviction, and fight housing discrimination

» Technical assistance with asset building efforts, including homebuyer counseling and small business development services

Hacienda Community Development Corporation, based in Portland, OR, developed a partnership with a small business legal clinic at Lewis and Clark University. The partnership helps small business owners negotiate contracts, leases, and other legal agreements.

- **Real Estate Investment and Lending**—The implementation of equitable development projects and neighborhood plans ultimately requires the investment of capital by real estate developers and lenders. Increasing capital flow in a neighborhood often requires community-based institutions to work with banks and other capital providers to structure deals, mitigate potential risks, and clearly define social impacts. Community Development Corporation (CDCs) and Community Development Financial Institutions (CDFIs) are non-profit institutions that specialize in real estate development and lending, respectively.

Ownership structures have implications for the long-term affordability of housing and commercial properties, and the ability of property owners to build wealth. The range of ownership models include individual ownership, ownership by a non-profit such as a CDC, or cooperative ownership models including Community Land Trusts and limited equity coops.

Over twenty years, Norris Square Community Alliance (NSCA) has developed over 150 units of affordable housing for rent and sale in the Norris Square and West Kensington neighborhoods of Philadelphia. The organization has redeveloped a vacant commercial building into an early childhood education center and has plans to turn another large vacant building into a new community center. NSCA also owns about 20 vacant lots throughout the Norris Square neighborhood, which they will develop into affordable rental and homeownership housing over the next several years.

The Mission Economic Development Agency (MEDA) is a certified CDFI with a community loan fund, the Adelante Fund, through which they provide loans to San Francisco small-businesses that cannot get a loan from a traditional bank. Every Adelante Fund loan recipient receives pre- and post-closing technical assistance from MEDA's Business Development Program.

- **Local Policy Strategies** — Local policy plays an important role in making a neighborhood more capital-ready, defining how development can happen, and shaping what impact neighborhood change has on low- and moderate-income residents and small businesses. Equitable development policies promote the principles of equitable development presented earlier in this toolkit. The following are descriptions of types of policy strategies that can be implemented by municipalities, including some relevant examples. Policies can be implemented through diverse means, including a direct act of local elected officials (a city council resolution for example), a ballot initiative, amendment of existing codes (such as planning or zoning codes), a directive by a municipal agency (the leadership of which is typically appointed by elected officials), or a budgetary process.
  - » *Transparency and public participation requirements* — This can include requiring public posting and/or public comment periods for public actions. This is common for planning and zoning actions, but can be applied to a wide range of public actions. Many sources of federal funds, including block grants from the US Department of Housing and Urban Development (HUD) require local governments to publicly post how the federal funds will be used and require public participation efforts.
  - » *Public access to data* — This can include making data about public actions or investments available, especially in a form that can be analyzed. In many large cities, crime data has been made available through online portals that allow users to search and map crime.
  - » *Protection of vulnerable populations* — This can include policies that target specific populations such as tenant protections and policies to protect the homeless as well as policies aimed at geographic locations, such as gentrifying neighborhoods or areas in need of revitalization.
  - » *Rent control* — There is a long history of rent control in high-cost cities throughout the US, however it has been ended in some states. Typically, a public authority or rent control board sets the maximum rent for certain housing units.
  - » *Incentives for the private sector to produce affordable housing or other public benefits* — This can include policies that establish development incentives such as fee waivers or risk mitigation mechanisms for private lenders such as loan guarantees or loss reserves. Once

Some cities with strong real estate markets require private developers to create affordable housing or public facilities to balance the impacts of their new development efforts.

Policies to allow waivers or reductions of requirements such as minimum lot sizes, height, architectural control, off-street parking, historic designations, etc. can be crucial to allow the development of new affordable housing.

authorized, an appropriation of funding is necessary to carry out these policies.

» *Waivers of planning, zoning and/or building code requirements*—A wide range of locally-established codes and regulations can increase the cost of housing or prohibit construction entirely. Policies to allow waivers or reductions of requirements such as minimum lot sizes, height, architectural control, off-street parking, historic designations, etc. can be crucial to allow the development of new affordable housing. Enterprise Community Partners published a useful guide entitled *Bending the Cost Curve* available *here*.

» *Requirements of private sector*—Moving beyond incentives, some cities with strong real estate markets require private developers to create affordable housing or public facilities to balance the impacts of their new development efforts. Inclusionary housing policies are examples of policies in this category.

» *Criteria for the utilization of public land and other assets*—Policies can define how public land and other assets can be sold or used, including establishing criteria that can be reflected in Requests for Proposals or sales (i.e. a requirement that a public purpose, such as affordable housing, be addressed in the development plan for a property sold by a public agency).

» *Right of first refusal*—Most common in high cost markets, cities can require that the tenants of multifamily rental housing have the first opportunity to purchase the building they live in at market rate, if the owner chooses to sell. In Washington, DC, for example, tenants have formed cooperatives to purchase their buildings for more than twenty years under the City's Tenant Opportunity to Purchase Act

(TOPA). Rights of first refusal can also be provided to non-profit organizations or housing authorities in the sale of public land.

» *Investing in non-profit capacity*—An effective non-profit sector is crucial to the implementation of equitable development solutions. Public policies that enhance the capacity of non-profits to organize, build affordable housing, preserve small businesses, etc., are important, particularly those that incentivize and support collaborations and collective impact models.

» *Appropriation of funding to implement any of the policies above*—Appropriations, or making funding available from a public entity, is an important policy area in and of itself. Many policies cannot be implemented without funding. The criteria established in a structured funding process (requests for proposals or grant application process) will powerfully shape how that funding is used and special attention should be paid to established criteria and the relative weight these criteria receive in deciding how to award funding.

Property tax policies deserve special consideration because of their place-based impact, their complexity, and the scale at which they shape real estate markets. Many different actors are critical to local property tax policies. Local property tax rates are typically made up of numerous individual taxes implemented by diverse taxing authorities (City, County, school districts, community colleges, special taxing districts, utilities, etc). Achieving a meaningful change to the overall tax rate can often require action from more than one taxing authority, each with a different decision-making structure. State law, including state constitutional law, frequently defines what can and cannot be done in local taxation. As such, state legislatures and state-wide elected officials have a role in influencing property tax structures. Appraisers and tax collectors have significant influence on local tax policy and also wield significant power in how they implement tax policies.

It is similarly important to recognize the important role of federal policy in influencing local housing and community development policy and practice. Federal block grant funding is often the primary source of funding that local governments have available to pursue community development investments and the requirements that those federal funds carry shape any activity that they touch. The Community Development Block Grant (and other associated smaller programs such as HOME and HOPWA), the McKinney-Vento Act Continuum of Care funding to address homelessness, and funding provided to local housing authorities under Section 9 and Section 8 of the Housing Act are three critically important sources of funding from the US Department of Housing and Urban Development. In order to receive this funding, local governments must engage in a public process resulting in the development

Organize your goals and solutions, and communicate how they address the market dynamics, challenges, and opportunities identified in your analysis.

of plans that define how local agencies will use these funds. These include the Five-Year Consolidated Plan, the Continuum of Care Plan and the Five-Year Public Housing Agency Plan. The links below are useful for understanding these important planning processes.

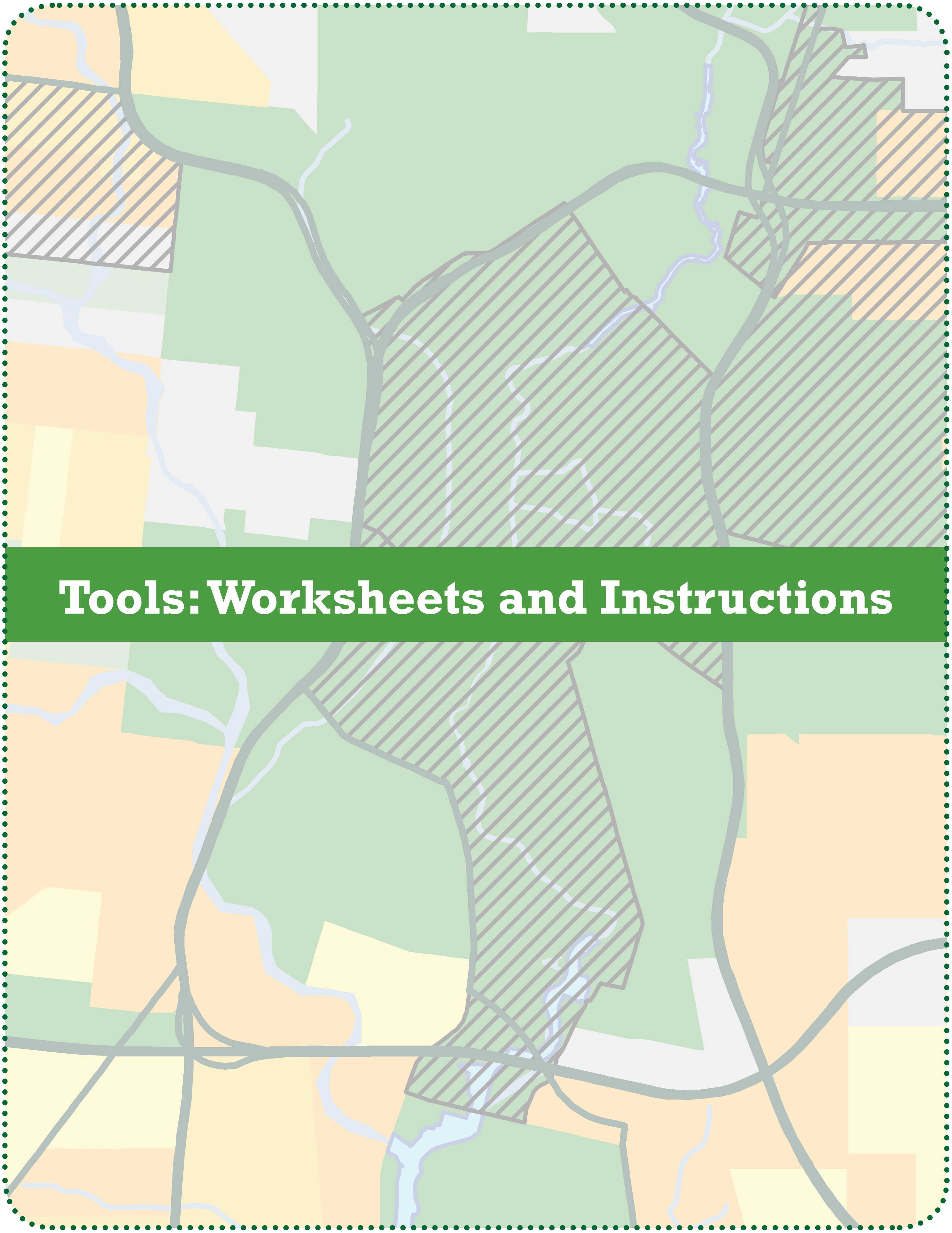
- *Consolidated Plans*
- *Continuum of Care Program*
- *Public Housing Agency Plans*

Tool: Equitable Neighborhood Development Recommendation Chart

Worksheet G includes an Equitable Neighborhood Development Recommendation Chart to organize your goals and solutions, and communicate how they address the market dynamics, challenges, and opportunities identified in your analysis.

For example, in a neighborhood with diminishing affordable housing stock, an equitable neighborhood development **goal** might be *to preserve and expand the supply of rental housing affordable to household earning below the median income.*

To achieve that goal, one possible **solution** might be *to take inventory of all publicly-owned and vacant or underused land in the neighborhood and develop a process for that land to be transferred to non-profit affordable housing developers for the construction of permanently affordable rental housing.*



Tools: Worksheets and Instructions

Neighborhood Change Survey

This questionnaire addresses how participants understand and assess neighborhood change and gentrification.

Name: ______________________________

E-mail: ______________________________

Address: ______________________________

Community Stakeholder Role: Check all that apply.

- ☐ Resident
- ☐ Small Business Owner
- ☐ Housing Developer
- ☐ Non-Profit Service Provider
- ☐ School Teacher or Other Administrative Staff
- ☐ City Staff
- ☐ Other(s): ______________________________

If applicable, has your organization had to modify your programs and/or lines of businesses in response to demographic, economic, cultural, and/or other changes in the communities you serve?
Please check one: ☐ Yes ☐ No

If you answered yes, please describe what programs have been modified and why:

•••

Perceptions

1. How do you define gentrification?

2. How can you tell whether gentrification is occurring in a neighborhood? Please provide specific examples.

3. Do you collect any information or track any indicators related to gentrification and displacement?
   ☐ Yes ☐ No

   If yes, please explain what indicators you track and/or what information you collect:

Neighborhood Change

Please identify a neighborhood or community that is changing and answer the following questions.

1. Neighborhood.

Area/Neighborhood Name(s) (if applicable): ______________________

City/Town: ______________________ State: __________

Geographical Boundaries (streets, highways):

2. Catalyst for change. What was / is the catalyst for change? Check all that apply.

- ☐ Public investment (e.g., transit). Please specify: ______________________
- ☐ Major employer moving ☐ in or ☐ out (please check one)
- ☐ Major institution (hospital, university, etc.) moving ☐ in or ☐ out (please check one)
- ☐ Historic preservation designation
- ☐ Public and/or private real estate development (residential, commercial, and/or mixed-use)
- ☐ Pressure from other areas (e.g., spillover from adjacent areas)
- ☐ “Creative class” moving in (artists, tech sector workers, architects, designers, etc.)
- ☐ Public policies. Please specify: ______________________
- ☐ Other(s): ______________________

Please provide a brief description for each catalyst identified:

3. Economic impact of investments in neighborhood

a. ***Target markets of investments made / being made.*** What segments of the market were/are the primary targets of investments made in the neighborhood (i.e. who was/is the intended clientele for new housing, businesses, etc.)? Check all that apply. (For mixed-income developments, please check all income levels targeted).

- ☐ Existing neighborhood residents
- ☐ Persons/households living outside neighborhood
- ☐ Extremely low income persons/households (up to 30% of Area Median Income—AMI)
- ☐ Very low income persons/households (30-50% of AMI)
- ☐ Low income persons/households (50-80% of AMI)
- ☐ Moderate income persons/households (80-120% of AMI)
- ☐ High income persons/households (120% of AMI and above)
- ☐ Other(s): ____________________

Please provide a brief description of the investment(s) and target market segment(s) identified:

b. ***Jobs.*** Who has gotten / is getting the temporary and/or permanent jobs created by investments in the neighborhood? Check all that apply.

- ☐ No significant new job creation has taken place / is taking place.
- ☐ Existing neighborhood residents
- ☐ Persons/households in adjacent or nearby neighborhoods
- ☐ Persons/households in other parts of the city/region
- ☐ Section 3 residents (HUD Section 3 Definition)
- ☐ Extremely low income persons/households (up to 30% of Area Median Income—AMI)
- ☐ Very low income persons/households (30-50% of AMI)
- ☐ Low income persons/households (50-80% of AMI)
- ☐ Moderate income persons/households (80-120% of AMI)
- ☐ High income persons/households (120% of AMI and above)

- ☐ Minorities
- ☐ Persons with less than a high school diploma or GED
- ☐ Persons with a high school diploma or GED
- ☐ Persons with an Associates or Trade School degree
- ☐ Persons with a Bachelors degree
- ☐ Persons with a Graduate Degree
- ☐ Other(s): ____________________

Please provide a brief explanation of what jobs have been / are being created and who has been / is being hired to fill them:

c. ***Businesses.*** What businesses have benefitted / are benefitting from the investment(s) made / being made in the neighborhood? Check all that apply.

- ☐ Locally-owned businesses (of any size)
- ☐ Minority- and/or women-owned businesses (of any size)
- ☐ Section 3 businesses. Check all that apply. (HUD Section 3 Definition)
  - ☐ Business that are owned by Section 3 residents
  - ☐ Businesses that employ Section 3 residents
- ☐ Regional businesses not headquartered locally
- ☐ National and/or international businesses not headquartered locally
- ☐ Micro-enterprises
- ☐ Small- and medium-sized businesses
- ☐ Large businesses
- ☐ Other(s): ____________________

Please provide a brief description of the types of businesses identified:

4. *Assets in the neighborhood*

What are the assets of the neighborhood you have identified that have made it attractive for investment?

- ☐ Proximity to attractive neighborhoods (e.g., downtown)
- ☐ Historic buildings/architecture
- ☐ Culture (e.g., museums, theaters)
- ☐ Entertainment (e.g., bars, restaurants, nightclubs)
- ☐ Access to transit
- ☐ Access to employment
- ☐ Amenities (e.g., parks)
- ☐ Relatively inexpensive housing
- ☐ Vacant land
- ☐ Other(s): ____

Do you know who owns the assets in your neighborhood? Please check one: ☐ Yes ☐ No

5. *Neighborhood change*

Please indicate if the following characteristics of the neighborhood have changed / are changing, and describe what those changes look like.

a. ***Residents.*** Have the following characteristics of the neighborhood's residents changed significantly / are they changing? Check all that apply.

- ☐ Race/ethnicity
- ☐ Age
- ☐ Nationality
- ☐ Language(s) spoken
- ☐ Income
- ☐ Family-type (single, young couples—with or without children, families with children, etc.)

- ☐ Educational attainment
- ☐ Occupation
- ☐ Other(s): ______________________________

Please provide a brief description for each change identified:

b. ***Mobility.*** If the characteristics of the neighborhood's residents have changed / are changing, please indicate how these changes have taken / are taking place. Check all that apply.

- ☐ A significant number of new residents have moved in / are moving in from other areas
- ☐ A significant number of residents have moved out / are moving out to other areas
- ☐ No significant in/out movement of residents has occurred / is occurring

If significant numbers of people have moved / are moving in and/or out of the neighborhood, what factors have pulled/pushed people into/out of the neighborhood / what factors are pulling/pushing people in/out? Check all that apply.

- ☐ Housing costs
- ☐ Housing discrimination (based on race, gender, age, disability, sexual orientation, etc.)
- ☐ Public infrastructure (streets, sidewalks, sewage/drainage, etc.)
- ☐ Neighborhood amenities (parks, grocery stores, etc.)
- ☐ Entertainment/attractions (e.g., bars, restaurants, nightclubs)
- ☐ Culture (e.g., museums, art, food, ethnicity)
- ☐ Proximity to job opportunities
- ☐ Access to public transportation
- ☐ School quality
- ☐ Public safety
- ☐ Access to healthcare facilities (clinics, hospitals, special services, etc.)
- ☐ Other(s): ______________________________

Please provide a brief description for each factor identified:

c. ***Housing.*** Have the following characteristics of the neighborhood's housing changed significantly / are they changing? Check all that apply.

- ☐ Cost to purchase a home
- ☐ Cost to rent a home
- ☐ Housing cost-burden (the percent of a households income used to pay rent or mortgage)
- ☐ Number of households that are cost-burdened (pay more than 30% of income for housing)
- ☐ Amount of available housing for rent
- ☐ Amount of subsidized housing
- ☐ Physical conditions of the houses, apartments and condominiums
- ☐ Other(s): ____

Please provide a brief description for each change identified:

d. ***Commercial and other amenities.*** Have the following characteristics of the neighborhood's commercial and/or other amenities changed significantly / are they changing? Check all that apply.

- ☐ Business turnover (length of operation, change in ownership, etc.)
- ☐ Costs of operating a business
- ☐ Types of stores (e.g., mom-and-pop vs. national chains)
- ☐ Types of products/services being offered by businesses
- ☐ Costs of products/services being offered by businesses
- ☐ Demographic profile of business owners (race, age, gender, nationality, etc.)
- ☐ Built environment (strip malls vs. high-density mixed-use vs. big box stores, etc.)
- ☐ Commercial vacancy: ☐ increase or ☐ decrease (please check one)
- ☐ Number of operating businesses: ☐ increase or ☐ decrease (please check one)
- ☐ Existing and/or physical conditions of parks

- ☐ Cultural amenities (museums, theaters, food, ethnicity etc.)
- ☐ Who the businesses/amenities primarily cater to (who the clients/users are)
- ☐ Other(s): ______________________________

Please provide a brief description for each change identified:

e. ***Culture.*** Has the cultural identity of the neighborhood changed / is it changing? How? Check all that apply.

- ☐ Presence of cultural institutions
- ☐ Types of food and other products being sold in stores and restaurants
- ☐ Public events, festivals, and celebrations being held
- ☐ Cultural norms
- ☐ Change in cultural diversity: ☐ increase or ☐ decrease (please check one)
- ☐ Other(s): ______________________________

Please provide a brief description for each change identified:

Neighborhood Trend Analysis Instructions

Step 1: Select a period of time to analyze

- Years with available data include 1970, 1980, 1990, 2000, 2010 and 2011-2015 (or most recent year available through the ACS)
- Please note that the current Census Race/Ethnicity category of "Hispanic or Latino" was not used in 1970. It first appeared on the 1980 Census.

Step 2: Identify the geographies to analyze

- Search by **Address** using American FactFinder: *https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?ref=addr&refresh=t*
  - » For Census Tract: Use the **Geography Name** that correlates with the **Census Tract** Geography Type
  - » For Urban Area: Use the **Geography Name** that correlates with the **Place within State** Geography Type. In the **About** column, click info symbol to find Code for **Place (FIPS)** to use for **Step 3**.
- Download maps for your City/Town: *https://www.census.gov/geo/maps-data/maps/2010tract.html*

Step 3: Download data for each indicator and each year

- Census data for 1980-2010 provided by Brown University
  1. Visit *https://s4.ad.brown.edu/projects/diversity/Researcher/LTBDDload/DataList.aspx*
  2. From the **Select a file type** drop-down menu, select **Full**.
  3. From the **Select a year** drop-down menu, select **Year**.
  4. Click **Download Standard Data Files**.
  5. Repeat number 2-4 for **Sample** file type.
  6. Filter data by **State**, **County**, and **Place** (using Place (FIPS) code found in Step 2)
  7. Find data for indicators by using codes provided in table [below] for **All Census Tracts** within chosen **Place** within **State** identified in **Step 2**.
- Census data for after 2010 using American FactFinder
  1. After identifying the geography in Step 2, click on geography name to add to **Your Selections** and close pop-up window.
  2. From the **Refine your search results**, search for each indicator by **Table Name** provided in table on the following page.
  3. Select **Dataset** with 5-year estimates for selected year of analysis and click **Download**

Indicator	Brown University LTDB (1970-2010) Code	ACS 5-Year Estimates Table Name
Total Population	POPXX	B01003
Median Household Income	HINCXX	B19013
Population 25 years or older with at least a Bachelor's Degree	COLXX	B15003
Median Owner-Occupied Home Value	MHMVALXX	B25077
Median Contract Rent	MRENTXX	B25058
Race/Ethnicity	HISPXX; NHWHTXX; NHBLKXX; ASIANXX	B03002

Note: With the Brown LTDB codes, the XX stands for the last two digits of the relevant year. For example, Median Household Income in 1990 would have the code HINC90.

Step 4: Input data into table and calculate percent changes

- If using Census data for 1980-2010 provided by Brown University for Urban Area identified on Step 2 or if using ***multiple census tracts:***
    - » After downloading data in Step 3, find indicators for selected Year of analysis for **All Census Tracts** within the defined area
    - » For Population 25 years or older with at least a Bachelor's Degree and Race/Ethnicity, find the **Sum of All Census Tracts** for selected Year.
    - » For indicators with median values (Median Household Income, Median Owner-Occupied Home Value, and Median Contract Rent), find the weighted median for each Census Tract and take the Sum of All Weighted Medians to derive the weighted median for the entire area of analysis. Use the formulas below to get the weighted median for a Census Tract
        - Weighted Median Household Income Tract1 = [Median Income Tract1 x (# of Households Tract1/ Total Households in All Census Tracts)].
        - Weighted Median Owner-Occupied Home Value Tract1 = [Median Home Value Tract1 x (# of Owner-Occupied Units Tract1/Total Owner-Occupied Units in All Census Tracts)].
        - Weighted Median Rent Tract1 = [Median Rent Tract1 x (# of Renter-Occupied Units Tract1/Total Renter-Occupied Units in All Census Tracts)].
        - See the example on the next page for how to calculate the weighted median for multiple Census Tracts:

Example: Weighted Median Household Income for Multiple Census Tracts

[Weighted Median Income for Census Tract 1101 = Median Income for Tract 1101 x (# of Households in Tract 1101/Sum of Households in Census Tracts 1101, 1103, 1105, 1106, and 1107)]
[$16,030.76 x (1,602/5,206)] = $4,932.49

TRTID10 (Census Tract ID)	County	Tract	placefp10 (Census Place ID)	HINC00 (Median Household Income, Year 2000)	HH00 (# of Households, Year 2000)	Weighted Median Household Income (Year 2000)
48029110100	Bexar County	Census Tract 1101	65000	$16,030.76	1,602	$4,932.49
48029110300	Bexar County	Census Tract 1103	65000	$18,072.00	1,057	$3,669.27
48029110500	Bexar County	Census Tract 1105	65000	$10,871.00	669	$1,396.99
48029110600	Bexar County	Census Tract 1106	65000	$14,011.00	1,193	$3,210.76
48029110700	Bexar County	Census Tract 1107	65000	$12,781.72	685	$1,682.19
					5,206	$14,892
					Total Households in All Census Tracts	Weighted Median Household Income for Year 2000

- If using Census data for after 2010 through American FactFinder for Urban Area or for Census Tract identified on Step 2:
  - » After downloading data in Step 3, find indicators for selected Year of analysis.
- Once all of Year 1 and Year 2 data has been found and input into table, calculate the percent change for each of the indicators. Calculated as follows:
  [(Year 2 – Year 1)/Year 1] x 100 = % Change
  - » Example: Census Tract percent change for Median Household Income between 2000-2010
    [(26,316 – 17,119)/17,119] x 100 = 53.7%

Step 5: Analysis

- Compare the percent changes in Census Tract to the overall average changes at the Urban Area level. Take note of those tracts that have seen faster real estate price appreciation and faster rates of demographic change than the region. Using what you know about your community, think about what might be causing these changes. (Comparing the Census Tract to the larger Urban Area helps to control for the possibility that changes are due to larger regional trends beyond the control of local actors working alone.)
- Take note of the pace and magnitude of change. This impacts the urgency of action and also determines what tools residents and cities can use to keep housing affordable. The faster the rate of change in real estate prices, the less time low-income renters and homeowners, and the organizations that serve them, have for planning and responding.

Other Data to Track

In addition to the five Census indicators listed above, the neighborhood trend analysis can be used to look at trends for any other data you have that measures an indicator across multiple years for the same geography. Additional data to track include the following:

Indicator	Source(s)
Total Occupied Housing Units	Brown University LTDB (1970-2010) Code: HUXX ACS 5-Year Estimates Table Name: DP04
Owner- and Renter-Occupied Housing	Brown University LTDB (1970-2010) Code: OWNXX; RENTXX ACS 5-Year Estimates Table Name: B25003
Demographics of new homebuyers	Home Mortgage Disclosure Act (data on home loans by Census Tract): *https://www.consumerfinance.gov/data-research/hmda/explore*

Neighborhood Trend Analysis

Indicator	[Census Tract]			[Urban Area}		
	Year 1	Year 2	% Change	Year 1	Year 2	% Change
Median Owner-Occupied Home Value						
Median Contract Rent						
Median Household Income						
Education						
Population 25 years or older with at least a Bachelor's Degree (%)						
Population 25 years or older with at least a Bachelor's Degree or higher (#)						
Race/Ethnicity of Residents:						
Total Population						
Hispanic or Latino (#)						
Hispanic or Latino (% of total population)						
White alone (#)						
White alone (% of total population)						
Black or African American alone (#)						
Black or African American alone (% of total population)						
Asian alone (#)						
Asian alone (% of total population)						

Mapping the Neighborhood Trend Analysis

Procedure using ArcMap software (for a free alternative to ArcMap, try QGIS)

1. Download data and shapefiles
   i. To download data, see Step 3 of **Worksheet B Neighborhood Trend Analysis Instructions**
   ii. Download Census Tract shapefile
      1. Visit *https://www.census.gov/geo/maps-data/data/tiger-line.html*
      2. From the Year tab, select **2010**.
      3. To expand the download menu, click **Download**.
      4. Under **Download by File Type**, click **Web Interface**.
      5. In the **Select Year** drop-down menu, select **2010**.
      6. In the **Select a layer type** drop-down menu, select **Census Tracts**.
      7. Under **Census Tract (2010)**, from the **Select a State** drop-down menu, select a state. From the **Select a County** drop-down menu, select a county.
      8. Click **Download**.
   iii. Download Urban Area shapefile
      1. If using the Urban Area geography, visit *https://www.census.gov/cgi-bin/geo/shapefiles/index.php?year=2010&layergroup=Urban+Areas* and click **Download national file**.
      2. If using the Place within State geography, follow steps for downloading Census Tract shapefile, on Step 6 select layer type **Places**.
2. Join table data to Census tract, using the **GEOID**.
3. Open Attribute Table in ArcMap, under **Table Options** on menu select **Add Field**. Name field "**perc_[variable]**" and for **Type** select **Double**. Repeat for each variable to calculate percent change.
4. To calculate the percent change for each variable for the period of time you want to analyze: Right click the field you created in the previous step and select **Field Calculator**, use the following calculation:

   ((([MRENT90]-[MRENT80])/[MRENT80])*100

   All percent changes are calculated in the same way. Replicate the above example for all other indicators.
5. Use the spatial join function to join each Census Tract to the Urban Area it is within.
6. To calculate percent change for the Urban Area, see Step 4 of **Worksheet B Neighborhood Trend Analysis Instructions**
7. Compare Census Tract percent change to the percent change at the Urban Area level. For each variable where a given Census Tract's percent change was greater than the percent change of the Urban Area, create a new field and give that census tract a score of 1. If the Census Tract's rate of change was lower than the Urban Area rate of change, give that tract a score of 0.
8. If analyzing 4 indicators, possible scores ranged from 0 – 4 where are score of 0 indicates a low level of neighborhood change and 4 indicates a high level of neighborhood change.
9. Symbolize your map using different colors to show the neighborhood change scores.

Tracking and Mapping Investment Instructions

Step 1: Collect data

- Collect the following information to track capital flow into a community. This worksheet includes a sample spreadsheet for organizing your data. Save the spreadsheet as a "CSV (comma delimited)" file.
  - » Project name and address
  - » Names of owners and developers
  - » Total cost of project and amounts/sources of funding, including any public incentives
  - » Development type (residential, mixed use, industrial, park, transit, etc.)
  - » Construction type (new construction, rehabilitation, etc.)
  - » Year built or anticipated completion date
  - » Development details for housing or commercial properties: number and types of units, rents or sales prices, affordability restrictions

Step 2: Map data using online tools

- PolicyMap's Data Loader (subscription required)
  - » Visit: https://www.policymap.com/dataloader
  - » Select Create New Dataset and then the Upload Spreadsheet of Points option
  - » Follow steps and instructions for importing file.
  - » For tips to help set up your data before uploading into PolicyMap, visit: *https://www.policymap.com/2012/02/how-to-setup-your-data-file-for-the-policymap-spreadsheet-data-loader/*

- BatchGeo (no subscription required)
  - » Visit: *https://batchgeo.com/*
  - » Copy-paste your data, or drag-and-drop your CSV file, into the box in the middle of the window, then click "Map Now"
  - » BatchGeo also has a sample spreadsheet you can use to organize your data. The link to download the spreadsheet is on their website.

Step 3: Analysis

- Where are there concentrations of public and private investment? Based on what you know about your city or region, why might those patterns exist? Are there local or state policies that have contributed to investment being concentrated in certain areas? Did an event or specific development begin a trend of investment in an area?
- Look at how concentrations of investment correlate to areas of the city that have seen significant increases in real estate prices and demographic shifts. Use what you know about your community to think about whether the investment trends are a cause or consequence (or both) of the price and demographic shifts.

Tracking & Mapping Investment

Project_Name	Address	City	State	Fund_Source	Prop_Type	Const_Type	Description
Example: Confluence Park	*310 W. Mitchell*	*San Antonio*	*TX*	*Public*	*ParkRec*	*New Construction*	*New park on San Antonio River*
Example: San Antonio Botanical Garden	*555 Funston Pl*	*San Antonio*	*TX*	*Private*	*Specialty*	*Expansion*	*Additional 8 acres*

Affordability Gap Analysis Instructions

Step 1: Data collection for both Renter and Homeowner analysis

- Find **occupation**: select the occupations to analyze in one of the following ways
  - » Use U.S. Bureau of Labor Statistics (BLS) data to determine what occupations are most prevalent in your metro area: *https://www.bls.gov/oes/current/oessrcma.htm*
  - » Select occupations that are of relevance to your organization or community
- Find **median income**: use the National Housing Conference (NHC) Paycheck to Paycheck Tool to find median incomes by occupation for your metropolitan area
  - » Access the NHC Paycheck to Paycheck tool here: *https://www.nhc.org/paycheck-to-paycheck/*
  - » Find your metropolitan area and the occupations you selected in step 1a.

Step 2: Housing cost and income needed to afford housing

- For Renters, calculate monthly median income and find rents:
  - » **30% Monthly Median Income**, calculate 30 percent of monthly income by dividing annual median income by 12 and then multiplying the result by 0.30
  - » **Average Rent**, use local data sources to find average rents for the specific housing development or the area you want to analyze. Possible sources of local data on rents include:
    - Local landlords and tenants
    - Advertisements online (Craigslist.org, Apartments.com) and in newspapers
  - » Optional: find rents for different sizes of apartments and add columns to the table or use multiple tables
- For Homeowners, find median home price and calculate annual income needed:
  - » **Median Home Price**, use local data sources to find home prices for the specific housing development or the area you want to analyze. Possible sources of local data on home prices include:
    - Local real estate agents and associations of realtors
    - Listings on websites (Zillow.com, Realtor.com)
  - » **Annual Income Needed**, calculate the annual income needed to afford a home at the median price listed by following the instructions provided by NHC (here: **http://www.nhc.org/wp-content/uploads/2016/08/Conduct_Your_Own_NHC_Paycheck_Analysis.pdf**) and using the tool created by NALCAB (see **Worksheet E Affordability Gap Analysis**)

Step 3: Calculate the affordability gap

- For Renters, subtract 30% of Monthly Median Income from the Average Rent amount to get the affordability gap. A negative number indicates that the rent is not affordable to a person making that income.
- For Homeowners, subtract the Annual Income Needed amount from the Median Income to get the affordability gap. A negative number indicates that the home price is not affordable to a person making that income.

Other ways to use the Affordability Gap Analysis

Calculate affordability for people based on characteristics other than their occupation. If you know the income level of a particular group of people, simply replace the "Occupation" column with a different label and do the same calculations. Below is a table of example indicators via the U.S. Census Bureau on income levels for different categories of persons:

Median Income in the Past 12 Months (Inflation-Adjusted Dollars)
White
Black or African American
Hispanic or Latino Origin (Of Any Race)
White Alone, not Hispanic or Latino
Family Income by Family Size
Household Income by Age of Householder

ACS 5-Year Estimates Table S1903

Affordability Gap Analysis Worksheet

Renter Affordability Gap Analysis

Occupation	Median Income	30% Monthly Median Income	Average Rent	Affordability Gap

Homeowner Affordability Gap Analysis

Occupations	Median Income	Median Home Price	Annual Income Needed	Affordability Gap

Instructions for Calculating the Annual Income Needed for the Homeowner Affordability Gap Analysis

Use the NHC Paycheck to Paycheck instructions and the following tables to help calculate the annual income needed to afford a home at a given sales price.

NHC instructions: *http://www.nhc.org/wp-content/uploads/2016/08/Conduct_Your_Own_NHC_Paycheck_Analysis.pdf*

Step 1

1. Home Purchase Price:	
2. Interest Rates:	
3. Property Taxes & Property Insurance:	
Estimated monthly tax and insurance rate. Insert a number ranging from **.0015 (low-cost area) to .0025 (high cost area)**	

Step 2

1. Determine the Mortgage Amount	
% Down Payment Amount:	
Mortgage Amount:	

2. Calculate Monthly Principal and Interest	
Life of Loan (in years)	
Number of Payments per Year	
Total Number of Payments	
Monthly Principal and Interest	

3. Principal, Interest, Taxes, Insurance (PITI)	
Monthly Homeownership Costs	

4. Annualize Total Housing Costs	

5. Calculate Income Needed to Qualify for the Loan	
Percent of Annual Income	
Annual Income Needed	

Policies and Incentives by Income Bracket

Policy Analysis

Programs/Policies/ Incentives/Service Providers	Area Median Income Category				
	0-30% AMI *(extremely low-income)*	**30-50% AMI** *(very low-income)*	**50-80% AMI** *(low income)*	**80-120% AMI** *(moderate income)*	**120%+ AMI** *(market rate)*

Two ways to complete the table:

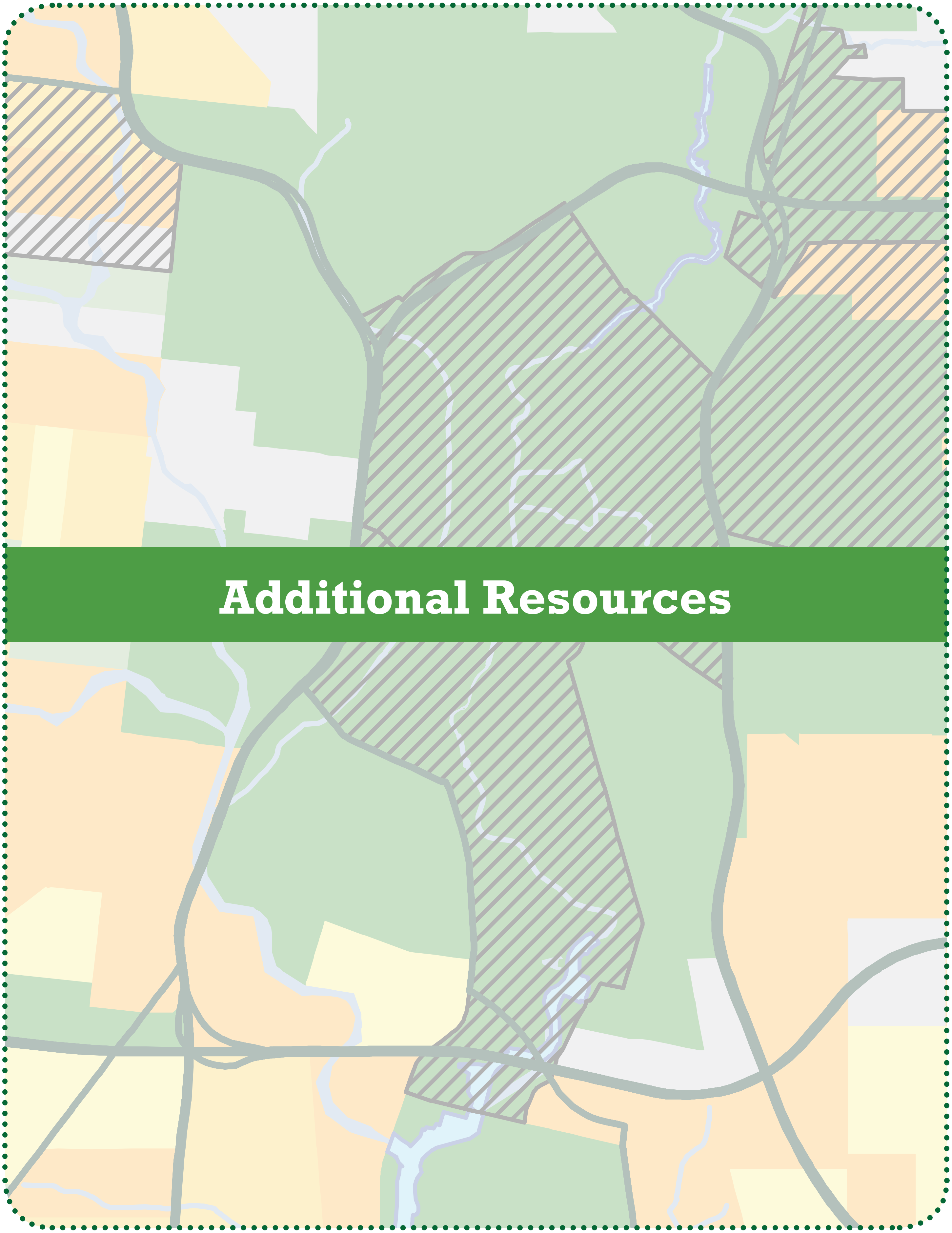
1. Mark with "X" the AMI category that benefits from each Program/Policy/Incentive/Service Provider
2. Enter the dollar amount of incentives provided or budgets of projects/programs that benefit each income category

Equitable Neighborhood Development Recommendation Chart

Use the table below as a guide for organizing your equitable development solutions. Below are instructions.

- **Goal:** What is the primary and overarching purpose of the equitable development solution you are proposing?
- **Key market observations:** What are the key data and evidence that illustrate the challenges and/or opportunities that your solution addresses?
- **Objectives:** What specific objectives will your solution achieve? These should be more concrete than the overall goal.
- **Existing resources:** What policies, programs, funds, partners, and other resources already exist in your market that can be leveraged to implement your proposed solution? Identifying these resources will help you build on existing opportunities and resources, as well as identify where resource and capacity gaps exist.
- **Recommended solution:** What solution do you recommend implementing to address the challenges and/or opportunities identified by the data and evidence? These solutions can be policies, real estate development strategies, programs, services, etc.
- **Timeline and next steps:** What are the next steps you will take to implement the recommended solution? What is your timeline for implementation?

Goal	Key Market Observations	Objectives	Existing Resources	Recommended Solution	Timeline and Next Steps



Additional Resources

Data Resources

American FactFinder – Website for finding and downloading Census data. The Advanced Search function allows users to search for data at a variety of geographies.

Brown University Longitudinal Tract Database (LTDB) – Provides Census data from 1970-2000 in the 2010 Census Tract boundaries, to allow for more accurate comparisons across decades.

Family Budget Calculator – The Economic Policy Institute (EPI) developed a calculator to measure the income a family needs to attain an adequate standard of living in different metropolitan regions.

Home Mortgage Disclosure Act – The Consumer Financial Protection Bureau (CFPB) makes home mortgage data available at the Census Tract level. Data includes type of loan, amount of loan, race/ethnicity of applicant, and whether the loan was approved/denied.

HUD Geospatial Data – Datasets and shapefiles provided by HUD, including information on Low-Income Housing Tax Credit and HUD-Insured Multi-Family properties.

Living Wage Calculator – Created by Dr. Amy K. Glasmeier at MIT, this calculator estimates the wage needed for families to afford typical living expenses in states, counties, and metropolitan statistical areas across the US.

National Housing Preservation Database (NHPD) – The Public and Affordable Housing Research Corporation (PAHRC) and the National Low Income Housing Coalition (NLIHC) created this database, which includes data and information (including a mapping tool) on federally-subsidized housing properties.

Neighborhoods by Numbers: An Introduction to Finding and Using Small Area Data – A major publication provided by the Center for Community Progress that serves as a guide to understanding and using local and national datasets to shape community decision-making.

Paycheck to Paycheck – The National Housing Conference's (NHC) Paycheck-to-Paycheck tool compares average earnings of different occupations to the affordability of homeownership and rental housing in a variety of metropolitan areas.

TIGER/Line Shapefiles – Shapefiles from the U.S. Census Bureau (includes Census Tracts, roads, water boundaries, etc.)

Using Data to Assess Fair Housing and Improve Access to Opportunity: A Guidebook for Community Organizations – A guide provided by the Urban Institute that describes different types of data and how to think strategically about using data on demographics, segregation, housing, land use, disability, education, employment, environment, health, and public safety.

Zillow – Zillow's real estate database offers *datasets* for mapping and *snapshots* that provide overviews of market trends at different geographies.

Mapping Resources

ArcGIS Online – Online mapping tool that offers basic analysis capabilities and access to content shared by ESRI and other GIS users. Public accounts are free to use, but a subscription is required for complete use.

Google Earth Pro – This free desktop download offers historical imagery, high resolution images, and the ability to *import* shapefiles, images, and addresses. There is also a web-based version that does not require a download, but currently does not offer all of the same tools.

Loveland Technologies – A site that provides basic parcel data for counties across the United States including estimated property value, tax rate, and lot size. Additional data includes Census and ACS indicators at the regional and tract level, and federally-owned land

Mapping Inequality: Redlining in New Deal America – Access to Home Owners' Loan Corporation (HOLC) maps produced in the 1930s, made available through the Digital Scholarship Lap at the University of Richmond. Scans of the original maps are available for all cities included on the site. Most cities also have polygons and georectified images of maps that can be used in GIS analysis

PolicyMap – An online mapping tool with data on demographics, economics, housing, and more. The site also includes custom geography drawing and basic analysis capabilities. There are public and paid subscription editions. Data directory can be found here and can be filtered by category and subscription availability.

QGIS – Open source mapping software. Users can create, edit, and map geospatial information for free.

HUD CPD Maps – Online mapping tool created by the U.S. Department of Housing and Urban Development (HUD). Allows users to map a variety of transportation, environmental, demographic, economic, and housing data.

Policy Resources

7 Policies That Could Prevent Gentrification – By David Price. This article from Shelterforce includes policy proposals drawn from recent studies and articles to prevent or mitigate gentrification in the Boston area.

Housing Development Toolkit – Released by the White House in 2016, this toolkit outlines strategies local governments can use to remove barriers to housing affordability.

The NHC Housing Policy Guide – Created by the National Housing Conference (NHC) to be a resource for information about affordable housing policies and programs at the federal, state, and local levels.

PolicyLink Equitable Development Toolkit – Includes twenty-seven tools for reversing patterns of segregation and disinvestment, preventing displacement, and promoting equitable revitalization.

Smart Growth Implementation Toolkit – A step-by-step guide provided by Smart Growth America for how to examine the policies, codes, zoning regulations and development requirements that can impact how a community grows.

State Policy Blueprint and Primer on Equitable Policy Design – Prosperity Now has developed two powerful new tools — the *State Policy Blueprint* and the *Racial Equity Design & Advocacy Primer* — to help your campaign or coalition engage in equitable policy design and advocacy to ensure financial security and pathways to prosperity for all.

Gentrification and Displacement Resouces

Asian American & Pacific Islander Anti-Displacement Strategies – This report by National CAPACD and CNHA provides case studies that demostrate the complex challenges of displacement and equitable development, as well as highlight the innovative work happening in response to neighborhood change.

Displacement or Succession? Residential Mobility in Gentrifying Neighborhoods – By Lance Freeman. This article examines demographic change and the role displacement plays in gentrifying neighborhoods.

Gentrification and Displacement Study: Implementing an Equitable Inclusive Development Strategy in the Context of Gentrification – By Lisa K. Bates. This study examines gentrification and displacement in Portland, Oregon.

Gentrification and Residential Mobility in Philadelphia – By Lei Ding, Jackelyn Hwang, and Eileen Divringi. This research by the Federal Reserve Bank of Philadelphia and Princeton Univerity looks at the mobility rates, credit scores, and final destinations of residents in gentrifying neighborhoods in Philadelphia .

In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement – This report from the Urban Institute explores strategies used by nonprofit organizations, for-profit developers, and city agencies to ensure low-to-moderate-income residents can live in revitalizing neighborhoods.

Managing Gentrification – This Urban Land Instiute report considers the many ramifications of gentrification and its relationship not only to housing but also to jobs, transportation, and education.

Mapping Susceptibility to Gentrification: The Early Warning Toolkit – By Karen Chapple. A toolkit for predicting neighborhood gentrification in the San Francisco Bay Area.

The Urban Displacement Project – Researchers at UC Berkeley, UCLA, and Portland State University created interactive maps of displacement and gentrification in Southern California, the San Francisco Bay Area, and Portland, Oregon. Their analysis includes regional data on housing, income, and other demographics, which they use to understand where gentrification and displacement are happening and where they are likely to occur in the future.

Other Toolkits and Data Resources

Building American Cities Toolkit – The Center for Community Progress created this toolkit to help practitioners think through strategies and identify specific tools to help improve a city's built environment.

Building Healthy Places Toolkit – A toolkit from the Urban Land Institute that outlines evidence-supported opportunities for enhancing health and community outcomes in real estate developments.

Center for Transit-Oriented Development – A collaboration among three organizations: Center for Neighborhood Technology, Reconnecting America, and Strategic Economics. This collaboration provides resouces related to transit-oriented development (TOD), including:

- The *National TOD Database*, a database that provides economic and demographic information for every existing and proposed fixed guideway transit station in the U.S.

- An action guide for *Mixed-Income Transit-Oriented Development* (MITOD) to help practitioners identify the most appropriate and effective planning tools for achieving MITOD in their transit station area
- A *Housing and Transportation Affordability Index* that provides a comprehensive view of affordability that includes both the cost of housing and transportation at the neighborhood level
- A *Resource Center* that includes case studies, research, technical, and policy documents on topics related to transit-oriented development.

50-State Property Tax Comparison Study – An annual report produced by the Lincoln Institute of Land Policy, which compares property tax data from various cities.

Participatory Asset Mapping Toolkit – The Advancement Project created a set of toolkits for conducting participatory action research. One of these resources is a guide for designing and implementing a participatory asset mapping process.

Place Matters Toolkit – A joint project of City Lore and the Municipal Art Society, this toolkit provides guidance to help identify, promote, and protect places with cultural and historical significance to a community.

The Miami Affordability Project (MAP) – A project of the University of Miami's Ofice of Civic and Community Engagement. This project is an interactive online map centered on the distribution of affordable housing and housing needs in the greater Miami area.

NALCAB

Guide to Equitable Neighborhood Development

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