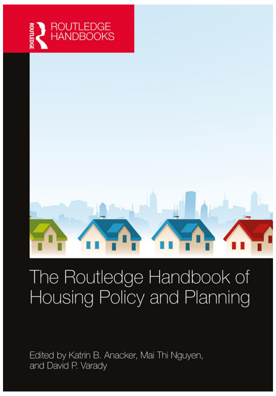

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Preventing Gentrification-Induced Displacement in the U.S.

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PREVENTING GENTRIFICATION-INDUCED DISPLACEMENT IN THE U.S.

A Review of the Literature and a Call for Evaluation Research

Miriam Zuk

Introduction

Despite over 50 years of scholarly research and debate (see the chapter authored by Dennis Gale), the processes of gentrification and displacement have continued to be highly contested in their definitions, causes, impacts, and potential policy responses. Gentrification is generally understood as the transformation of a working-class or vacant area of a neighborhood into middle-class residential or commercial use (Lees et al. 2013). Although in its origin the term "gentrification" inherently implied the displacement of working-class households, past and present discussions have centered on the influx of middle- and upper-class people into low-income neighborhoods (Glass 1964). Displacement can be a precondition or consequence of gentrification, and often occurs in neighborhoods where gentrification is nowhere in sight (e.g., due to a natural disaster). Due to the complex trajectories of households and neighborhoods alike, scholars continue to debate the scale and extent of the relationship between gentrification and displacement (Freeman 2005; Wyly et al. 2010).

This chapter reviews the academic and practitioner literatures on the causes, consequences, and policy responses to displacement in the U.S. I adopt the three-pillar framework of anti-displacement policy emerging from practitioners: stabilization, production, and preservation, while exploring the limited literature on the effectiveness of certain strategies. The chapter concludes with a call for more evaluation research as the demand for anti-displacement strategies continues to grow in U.S. cities.

Residential Displacement: Drivers, Scale, and Impacts

Residential displacement has become one of the key concerns of redevelopment and gentrification (Florida 2017). Yet displacement can also be driven by disinvestment in either housing (e.g., poorly maintained housing) or neighborhoods (e.g., decaying infrastructure) as well as regional housing market trends and exclusionary markets or practices. As characterized by early displacement scholars Grier and Grier (1978), disinvestment-related displacement occurs when the value of a property does not justify investing in its maintenance, thereby resulting in decay and abandonment. Reinvestment-related displacement, on the other hand, refers to cases where investments in a neighborhood result in increased rents to a point where it is profitable for landlords to sell the property or to raise the rent, forcing tenants to leave, and replacing them with higher-income tenants, thereby resulting in gentrification. Grier and Grier (1978) note, however, that disinvestment and reinvestment-related displacement are interrelated. Similarly, Marcuse (1985, 1986) argues that the disinvestment of urban neighborhoods creates vacant land ripe for investment through gentrification. From this perspective, gentrification may happen long after displacement has occurred.

The mechanisms of displacement can take on many forms. One of the most commonly recognized forms of displacement is landlord actions such as formal evictions. Desmond and Shollenberger (2015) argue that formal evictions processed through the court system are only part of a repertoire of landlord actions that can induce a tenant to leave. Informal evictions, which can include harassing, removing parking, cutting off utilities, or asking for untenable rent increases, are often "less expensive and more efficient than formal evictions" (2015, 1754). Although moves resulting from informal evictions may appear to be voluntary, such moves are in fact responsive to the conditions imposed by landlords. The authors argue that forced displacement is endemic to poor communities and not confined to gentrifying neighborhoods.

An overheated regional housing market is another driver of displacement that may or may not be related to investment. For instance, increased competition for housing may drive up rents independent of any investment in an area, displacing households that cannot afford to pay the increased rent. Furthermore, and especially in jurisdictions that do not have rent regulations, rent hikes can be a simple strategy used by landlords to remove a tenant that may require little paperwork or legal repercussions. Finally, Marcuse (1985) introduced the concept of exclusionary displacement to encompass situations where a household cannot move into a neighborhood based on conditions that are beyond their control (e.g., cost or discriminatory practices). When considering displacement from an exclusionary lens, its scale increases dramatically. When taking into account landlord discrimination against Housing Choice Voucher holders, neighborhood resistance to development, zoning restrictions on density, and the differing costs of neighborhoods.

A number of studies have attempted to quantify the scale of displacement in different neighborhoods and cities across the U.S. Yet given the challenge of "measuring the invisible" (Atkinson 2000, 163), or estimating how many people have either moved out of a neighborhood or been prevented from moving in, one can begin to understand the wide range of estimates that have been undertaken. For example, Zuk et al. (2018) reviewed ten studies on gentrification-induced displacement and found that between 5 and 30 percent of all moves resulted from displacement, which varies considerably among regions, cities, neighborhoods, and socioeconomic groups. Exclusionary displacement was consistently found in the form of increasing rents, resulting in a shift toward in-movers who were higher income, more likely to be non-Hispanic White, and with a higher degree of educational attainment than incumbent residents and out-movers. Less consistent was the evidence on direct displacement resulting from gentrification. The authors determined that the inconclusive evidence may be due to some definitional issues such as the omission of disinvestment-related displacement that may precede gentrification as described by Marcuse (1985), as well as methodological shortcomings in the reviewed studies. In addition to the evidence for exclusionary displacement, Ding et al. (2016) found that residents with low credit scores who moved from gentrifying neighborhoods were more likely to move to a lower income neighborhood compared to their origin neighborhoods than residents with low credit scores of non-gentrifying neighborhoods.

While the scale of displacement, especially associated with gentrification, is still unclear, the social impacts of displacement have received increasing attention. A number of studies document the detrimental effects of evictions on residents' mental and physical health (Burgard et al. 2012; Desmond and Kimbro 2015; Pevalin 2009). In their analysis of national survey data on low-income mothers, Desmond and Kimbro (2015) found that low-income mothers who had been evicted in the previous year experienced more material hardship, were more likely to suffer from depression, reported worse health for themselves and their children, and reported more parenting stress than similar mothers who were not evicted. Similarly, Marcus and Zuk (2017) found that displaced low-income households from the high-cost San Francisco Bay Area in California experienced a high rate of homelessness following forced moves. Displaced households moved to neighborhoods with fewer health care resources, greater environmental and safety concerns, and fewer job opportunities on average, leading to longer, more costly commutes.

Preventing and Mitigating Gentrification-Induced Displacement

A wide variety of affordable housing and community development interventions have been discussed in the practitioner and advocacy literature on anti-displacement. Numerous toolkits provide a wide range of anti-displacement strategies, yet there is little research on the effectiveness of different policies, especially as it pertains to reducing displacement (Greater Communities Collaborative 2007; Haughey and Sherriff 2010; Metropolitan Area Planning Council 2015; Pollack et al. 2010). In his overview of strategies to preserve and expand affordability in gentrifying neighborhoods, Lubell (2016) organizes a framework that includes six components: (1) preservation of affordable housing, (2) tenant protections, (3) social inclusion, (4) revenue generation for affordable housing, (5) incentives that increase the production of affordable housing, and (6) property acquisition for the preservation of affordability. Since gentrification and displacement can be traced to rising income inequality, many advocates and policymakers also include a series of strategies to help households build their wealth in their suite of anti-displacement strategies (Chapple 2017).

The following sections discuss anti-displacement strategies circulating in the practitioner literature grouped into three categories: first, neighborhood stabilization (including renter protection); second, production of affordable housing; and third, preservation of existing affordable rental housing.

Neighborhood Stabilization

As rents typically increase in gentrifying neighborhoods, advocates often point to the need for tenant protection, rent regulation, and other strategies to ensure that current residents are able to stay in the changing neighborhood. These can range from providing rental assistance and tenant counseling to proactive code enforcement and requiring landlords to have a just cause when trying to evict tenants. Neighborhood stabilization strategies can be loosely grouped into people-based versus place/housing unit-based strategies, and between those that are preventative versus those that are responsive (Table 22.1). In the following text I provide brief explanations and examples of these various

Table 22.1 Framework for Organizing Neighborhood Stabilization Strategies.

	Preventative	*Responsive*
People-based strategies	• Landlord anti-harassment protections • Just cause for evictions ordinances • Rental assistance • Tenant counseling	• Relocation benefits • Right to return policies • Evictee or neighborhood preference policies in housing subsidies • Tenant right to counsel
Place/housing unit-based strategies	• Condominium conversion restrictions • Rent regulation • Right of first refusal • Community land trusts • Proactive code enforcement	• Vacancy control in rent regulations • No net loss and one for one replacement

Source: author, based on Cash (2016).

strategies, followed by an in-depth review of the literature on rent control, one of the most commonly used and contentious anti-displacement strategies.

People-Based Strategies

Among preventative, people-based strategies, there are a number of policies and programs meant to either limit the ability of landlords to push tenants out of their homes, or help tenants meet requirements to stay. Just cause eviction ordinances limit the reasons for which landlords can evict tenants and are often adopted along with rent regulation to reinforce one another. Although some cities may pursue one without the other due to political feasibility, little is known about the effectiveness of either of these strategies in isolation (Hegarty 2017). In an effort to prevent landlords from pushing out tenants through informal means, a number of jurisdictions have also adopted anti-harassment protections. For example, New York City's anti-harassment policy was adopted in 2008 and prohibits landlords from interrupting utilities and other tactics used to push tenants out (*NYC Local Law 2008/007* 2008). On the tenant side, many nonprofits and some jurisdictions attempt to keep residents in their homes by providing short-term rental assistance to prevent evictions due to nonpayment of rent. Finally, there is counseling to help tenants both know their rights and seek resources.

People-based strategies that are responsive rather than preventative include relocation benefits and right of return policies. Relocation benefits, frequently used by government agencies when acquiring properties through eminent domain (*Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs* 1970) are also beginning to be attached to certain evictions cases. For example, in San Francisco landlords are required to compensate tenants who receive no-fault evictions such as owner move-ins (*Tenants Rights to Relocation for No-Fault Evictions* 2006). In rapidly gentrifying, high-cost cities, relocation benefits may be insufficient to help tenants find homes in the same city or neighborhood. Right of return policies seek to guarantee displaced tenants the ability to move back into redeveloped properties and mixed-income developments (e.g., HOPE VI). Yet researchers have found limited rates of return due in part to numerous eligibility requirements (Chaskin and Joseph 2015; Joseph and Chaskin 2012). In a new expansion of the concept for the North/Northeast neighborhood of Portland, Oregon, that aims to attract displaced residents and to stabilize the existing African-Americanneighborhood, the right of return policy gives preference for public subsidy to residents who can demonstrate the risk of being displaced from or prior residence in the neighborhood of themselves, their parents, or even grandparents (Korn 2017).

Place/Housing Unit-Based Strategies

Place/housing unit-based strategies give tenants a chance to stay in their units even if a landlord wants to cease being the owner. Several jurisdictions have developed policies to give tenants the first right of refusal for purchasing the property. Perhaps the best known of these is Washington, DC's Tenant Opportunity to Purchase Act (TOPA), which has been the catalyst of preserving thousands of affordable homes (Gallaher 2016; Harrison Institute for Public Law 2006).

Other jurisdictions have limited landlords' ability to convert multifamily rental to ownership units through condominium conversion controls. Following waves of condominium conversions in the late 1970s and 1980s as well as the early 2000s, numerous jurisdictions have begun to regulate the process and now limit the number of possible conversions each year (Chambers 2006). Jurisdictions have adopted a diversity of criteria to limit the conversions, using vacancy rates or the proportion of rental housing units, or have limited the number of conversions to a percentage of total rentals or an absolute number. Condominium conversion controls are widespread in coastal regions of California, with over 67 percent of cities in the Bay Area and 27 percent of cities in Los Angeles County having some form of condominium conversion controls (Crispell et al. 2017). Crispell et al. (2017)

also documented a number of loopholes in policies found in the Bay Area that limit their ability to stabilize communities, although the effectiveness of this strategy has remained understudied.

Rent Control

Rent control or stabilization solutions may emerge when rents begin to increase (Minton 1997). A number of rent control models are discussed in the literature. For example, Lind (2001) identifies five main types of rent control along two dimensions. The first dimension distinguishes between rent control that covers rent changes for sitting tenants and rents generally. The second dimension is whether the aim is to protect the tenants against rents higher than market levels or against sudden large increases in rents, or to keep rents permanently below market levels in attractive areas. The first generation of rent controls sought to keep rents temporarily or permanently below market level (Arnott 1995). Such rent freezes or ceilings are still considered by jurisdictions today (Kinney 2016; Krisel 2017). Rent control models most common in U.S. cities, however, involve protecting sitting tenants only by de-controlling units upon vacancy, and allow annual increases due to inflation and/or cost increases. The primary goal of these models of rent control is to secure tenancy for current residents.

A number of scholars have looked at the ways in which rent control may impact the local housing market (Ambrosius et al. 2015) by affecting the number of new housing units that are produced (McFarlane 2003; Sims 2007), overall rental prices (Kutty 1996), housing maintenance (Kutty 1996), and even neighborhood racial, ethnic, and socioeconomic composition (Glaeser 2003; Sims 2011). Yet only a handful of studies have looked at the impact of rent control on mobility, turnover in units, and displacement in U.S. cities.

Clark and Heskin (1982) found that mobility rates of renters in the City of Los Angeles significantly declined by 14 percentage points in the two years after adoption of rent control in 1979. Gyourko and Linneman (1989) analyzed rental units in New York City, based on the Housing Vacancy Survey (HVC), and found significantly longer tenure length of residents in apartments that were rent-controlled versus not. Ault et al. (1994) arrived at similar findings, even after controlling for a diversity of factors at the individual, housing unit, and neighborhood levels.

Newman and Wyly (2006) analyzed displacement rates in New York City using five samples of the HVC between 1989 and 2002. They found that current residency in a rent-controlled unit did not significantly predict the rate of displacement from the previous place of residence; i.e., renters who were displaced from their previous home were not more likely to end up in a rent-controlled unit. In a follow-up study Wyly et al. (2010) found that residents in rent-controlled units were less likely to have been displaced from their previous residence in the 2005 and 2008 survey samples. The authors hypothesized that this finding was a result of the tight housing market where middle-class households aggressively compete for rent-stabilized units, thereby disadvantaging lower-income displaced residents. Finally, Diamond et al. (2017) analyzed the impacts of an expansion of rent control in the City of San Francisco in 1994. Utilizing a unique proprietary dataset of individual mobility, as well as parcel level assessor and transaction data, the authors found that the expansion of rent control increased the probability that renters stayed in their home by 20 percent.

In sum, these studies show that rent control ordinances significantly reduce household turnover, most likely due to both the cap on rent increases as well as just cause for eviction protections, which each of the cities also had in place. Yet, the combined effect, in addition to unintended consequences or an evaluation of a tenant's decision to move, has yet to be thoroughly analyzed.

Production of Affordable Housing

Developing new affordable housing is often included in the strategies considered for combating displacement to ensure that low-income residents are not priced out of neighborhoods. Cities have a number of tools at their disposal to influence the production of affordable housing, including fiscal strategies to generate resources for development, land use policies to incentivize or prioritize certain types of developments, and public investments that can be tied to housing affordability requirements. In general, affordable housing strategies can be categorized into those that generate funds to produce units or those that generate or incentivize the production of units. As shown in Figure 22.1, the other dimension of affordable housing strategies is whether units are funded by leveraging the market or through public investment. In the following text I discuss both dimensions and provide greater depth on recent debates about the relative benefits of developing subsidized versus market-rate housing and their impacts on displacement.

Generating Funds

Numerous jurisdictions across the U.S. have attempted to leverage market activity to generate funding for affordable housing through impact fees, as well as fees developers pay in lieu of developing units as part of inclusionary housing programs (discussed later). Impact fees, also known as linkage fees, on new market-rate housing developments have been traditionally used to fund infrastructure, but are now applied to fund new affordable housing development. These fees are especially common in Californian cities where the courts limited the ability of jurisdictions to impose inclusionary requirements (Palmer/Sixth Street Properties L.P. v. City of Los Angeles 2009). For example, over 20 percent of cities in the Bay Area have impact fees (Urban Displacement Project 2017). The nexus between new market-rate housing and the need for affordable housing is based on the idea that every resident who moves into a market-rate home will generate a need for services typically provided by employees paid less than the median income (Strategic Economics and Vernazza Wolfe Associates 2015).

Similar to housing impact fees, commercial impact/linkage fees, also known as jobs-housing balance fees, charge per square footage of commercial or retail space developed, with the logic that these developments create low-wage jobs for people who need affordable housing. One example of such

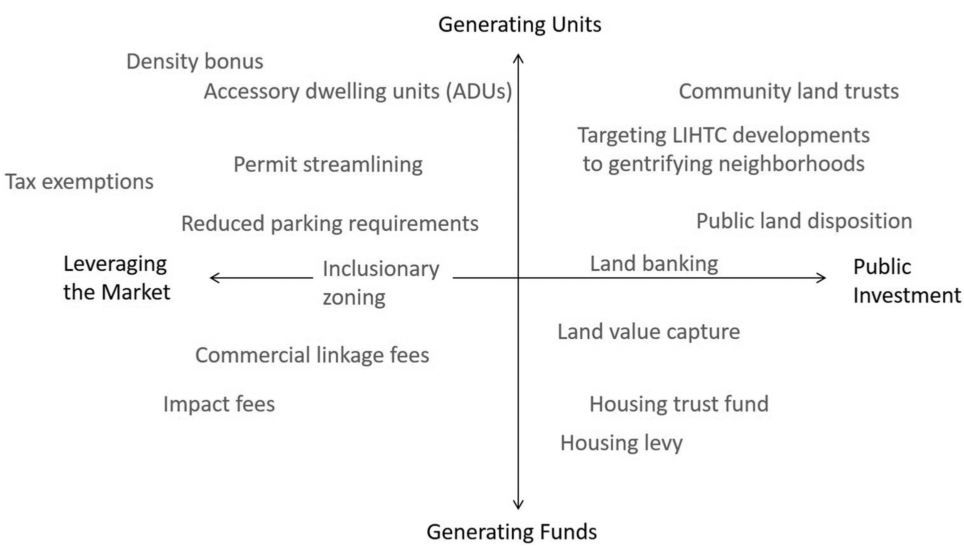

Figure 22.1 Framework of Affordable Housing Strategies.

Source: author, based on Cash and Dow (2017).

linkage fees is Boston's commercial linkage fee program. Established in 1983, the program generated over \$51 million between 2006 and 2015, contributing to the creation of 2,181 affordable units (Boston Municipal Research Bureau 2015).

Jurisdictions also use their taxing powers to either generate funds or incentivize affordable housing development. There are a variety of tools, including property tax exemptions for owners of subsidized housing; property taxes to generate funding for affordable housing and the creation of a housing trust fund; and tax increment financing (TIF) districts to borrow against future improvements in land value. Examples of these tools include Portland's property tax exemptions for new developments that reserve a certain percentage of units for low- or very low-income tenants (City of Portland n.d.). Seattle's Housing Levy, on the other hand, has used property taxes to fund the development of over 12,500 affordable apartments, provide homeownership assistance to more than 900 first-time low-income homebuyers, and provide emergency rental assistance to more than 6,500 households since its passage in 1981 (City of Seattle 2017). Furthermore, the City of Portland has used its redevelopment authority to create TIF districts, which is the city's primary local funding source for affordable housing projects. In 2015 the City Council increased the TIF set aside for affordable housing from 30 percent to 45 percent (Templeton 2015).

Finally, cities have used their assets and investments to subsidize the development of affordable housing. Affordable housing advocates are beginning to push jurisdictions to dedicate a portion of their land for affordable housing (Hickey and Sturtevant 2015; Lane and Seifel 2015). The Fulton County/City of Atlanta Land Banking Authority, for instance, prioritized the transfer of land for affordable housing development, enabling affordable housing developers to acquire tax-delinquent properties at below-market prices for development of affordable housing (Sage Computing Inc. 2009). Between 1990 and 2009, the authority had facilitated the transfer of 50 to 100 properties per year. Cities may also engage in land banking, acquiring land that they later open up for affordable housing development. For instance, Portland's transit agency, TriMet, pursued land banking when trying to stabilize gentrifying neighborhoods around its light rail expansion (Zuk and Carlton 2015).

Generating Units

Perhaps the most commonly used and cited strategy for generating units by leveraging the real estate market is the creation of inclusionary zoning requirements on market-rate developments, also known as below-market-rate zoning (Freeman and Schuetz 2016; Hickey 2014). Inclusionary zoning programs are widespread—approximately 500 jurisdictions in 27 states and Washington, DC, have policies in place (Hickey et al. 2014). Inclusionary zoning often emerges in real estate markets that are experiencing significant growth and development, as evidenced by rising rents.

Advocates of inclusionary zoning often cite California as a success story because many cities have adopted ordinances. For example, over 70 percent of jurisdictions in the San Francisco Bay Area have inclusionary ordinances (Crispell et al. 2017). Inclusionary zoning policies have generated a large number of units of subsidized affordable housing. Nationally, Mallach and Calavita (2010) estimated that between 129,000 and 150,000 units had been produced through these programs, mostly in California, Massachusetts, and New Jersey. Yet research shows that the proportion of below-market units resulting from inclusionary policies is modest in comparison to the demand or even to the production of subsidized units from other funding sources, for example the Low-Income Housing Tax Credit (LIHTC) program. Powell and Stringham (2005) estimated that inclusionary housing policies in the Bay Area produced enough housing to meet only 5 percent of the affordable housing need. Freeman and Schuetz (2016) compared the production of subsidized housing from inclusionary policies to those funded by the LIHTC program in California, Boston, Washington, DC, and New York City, finding wide variability between jurisdictions, from a low of one inclusionary unit for every 25 LIHTC units produced in New York City to a high of four inclusionary units for every five LIHTC units developed in the Washington, DC, suburbs.

Some jurisdictions choose to incentivize affordable housing units through density bonuses, allowing developers to build at higher densities in exchange for affordable units. Density bonuses provide strong incentives in cities where there is interest in developing at greater densities or in taller buildings than what is permitted under the existing zoning code. In California, where the state passed a density bonus law in 1979, Garde (2016) found density bonuses to be the third most popularly used incentive among developers, behind the reduction of site development standards and direct public subsidies. The Grounded Solutions Network surveyed 187 incentive programs around the country and found that after density bonus incentives, 44 percent of programs provided zoning variances, 69 percent provided fee reductions, and 37 percent provided fee waivers to incentivize the development of affordable housing (Thaden and Wang 2017). However, without a strong housing market, incentives alone may not be sufficient to produce affordable units (Schwartz et al. 2012). For example, the City of Cambridge, Massachusetts, has had a voluntary inclusionary zoning program since the 1980s that offers density bonuses, but failed to produce any units in over a decade until it became mandatory in 1998. By 2010 this program had produced 385 affordable rental and for-sale homes (Schwartz et al. 2012).

The Debate Between Market-Rate and Subsidized Housing

The debate over the relative importance of subsidized and market-rate housing production in alleviating the current housing affordability crisis continues to preoccupy policymakers, developers, and advocates, especially in strong market cities. In their review of affordable housing strategies in strong markets, Freeman and Schuetz (2016) concluded that "most state and local programs have produced relatively small numbers of affordable units, and so are unlikely to substantially meet the demand for below-market-rate housing" (228). Similarly, the California Legislative Analyst's Office concluded that given the limited funding and high cost of development in California's coastal communities, perhaps the best approach to limiting displacement was to build more market-rate housing to reduce the cost of existing units and allow for the filtering process to meet demand for lower-income residents (Uhler 2016).

Yet, as Zuk and Chapple (2016) showed in their analysis of the relationship between housing production and displacement in the San Francisco Bay Area, the production of subsidized affordable housing was twice as effective at reducing displacement pressures when compared to the production of market-rate housing. Furthermore Zuk and Chapple found that the construction of market-rate housing in the 1990s led to both lower median rents and higher rent burden for low-income households. Other studies in non-US contexts have identified the spillover effects of market-rate housing developments that may add to increased housing costs (Brunes et al. 2016; Kurvinen and Vihola 2016; Ooi and Le 2013), indicating that further research is necessary to determine if and by how much the production of market-rate housing impacts housing costs and displacement rates of lower-income households.

Preservation of Existing Affordable Rental Housing

In many built-out neighborhoods experiencing gentrification pressures, there may be little room for new development. Furthermore, the cost of new development in strong housing markets can make the production of new subsidized housing at scale prohibitively costly. Therefore, strategies for preserving affordable rental units may be more cost-effective and feasible to counteract displacement forces in such communities. The preservation of affordable housing implies the loss of supply, which is caused by three factors: first, the expiration of affordability restrictions on federally subsidized affordable housing; second, increasing rents in non-subsidized affordable housing; and third, the loss of affordability in rent-restricted housing. In the following text I discuss each of these phenomena before exploring the programs emerging to preserve affordability.

In regard to the expiration of affordability restrictions on federal subsidized affordable housing, many federal subsidies, such as the U.S. Department of Housing and Urban Development's (HUD) project-based Section 8 program and the LIHTC program provide public subsidies on privately owned properties. Owners who receive these subsidies agree to restrict rents for low-income tenants for a fixed period of time. At the end of the period owners are offered the option to renew their contracts or exit the programs. Nearly 500,000 subsidized units are at risk of losing their affordability in the next five years, spanning a range of programs, though the majority receive project-based Section 8 subsidies (National Housing Preservation Database 2017; see Figure 22.2).

Lens and Reina (2016) found that project-based Section 8 properties whose affordability restrictions expired between 2000 and 2010 were located in low-opportunity neighborhoods that were experiencing improvements, indicating a higher tendency of property owners in gentrifying neighborhoods to exit the subsidy program. They further found that LIHTC properties set to expire between 2010 and 2020 were in higher opportunity neighborhoods than new and active LIHTC properties. Other researchers have also found that properties in areas with high price appreciation have higher odds of opting out of their rental subsidy (Ellen and Weselcouch 2015; Ray et al. 2015; Reina and Begley 2014). Independent of the changing nature of these neighborhoods, the loss of affordability restrictions can lead to displacement when tenants are unable to afford units after they lose their affordability restrictions.

Due to the scarcity of housing subsidies, most low-income households end up in unrestricted low-cost housing (also called naturally occurring affordable housing [NOAH]) that is poorly maintained by property owners and is located in low-opportunity areas (Schmidt et al. 2013). In regions with high and increasing costs, the availability of the NOAH stock has been rapidly decreasing as rents continue to increase and incomes have stagnated for many moderate- and low-income

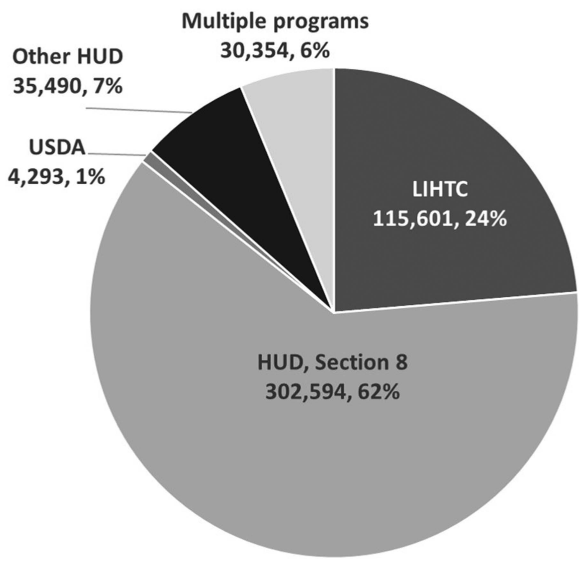

Figure 22.2 Publicly Supported Rental Homes With Expiring Affordability Restrictions Within Five Years by Funding Stream.

Source: author, based on **National Housing Preservation Database (2017**).

households, resulting in non-subsidized housing that has become increasingly unaffordable. Nearly half of the nation's 100 largest metropolitan areas experienced absolute declines in their stocks of low-rent units between 2005 and 2015. Due to the growth in construction of high-rent multifamily units, 88 percent of metropolitan areas experienced decreases in the shares of low-rent units as well. Thus, there has been a severe and worsening mismatch of demand and supply, with the number of low-income renters far outstripping the number of available low-rent units, with real gross rent lower than $800 per month (Joint Center for Housing Studies of Harvard University 2017).

Finally, for rent-controlled units in jurisdictions with vacancy decontrol (i.e., where landlords can set rents at market rate once a unit is vacated) turnover can mean a significant loss of affordability, especially in neighborhoods with increasing rents. Although little research has documented this loss of affordability, in part due to limited data, Zuk et al. (2017) estimated that between 2010 and 2015, nearly 50 percent of the rent-controlled housing stock in the five Bay Area cities with rent control (i.e., Berkeley, East Palo Alto, Oakland, San Francisco, and San Jose) turned over, thereby reducing their affordability. The differential rates of eviction from rent-controlled units versus non-controlled units, however, has not been documented and requires additional research.

Finally, property owners may be motivated to exit the rental market when faced with regulations, resulting in a net loss of affordable units. In the overheated San Francisco market, the Eviction Defense Collaborative documented a 70 percent increase in owner move-in evictions between 2003 and 2016, with the greatest concentration in the gentrifying Mission District (Eviction Defense Collaborative 2016). Furthermore, Diamond et al. (2017) found that the expansion of rent control in 1994 resulted in a 15 percent reduction in supply due to owners converting to condos/tenancies in common (TICs) or otherwise removing units from the rental stock.

Preserving Affordable Housing

Preservation of affordable housing includes extending the affordability of either subsidized or unsubsidized rental units that are at risk of becoming unaffordable to low-income households. For subsidized rental housing, preservation refers to renewing a subsidy when they are due to expire. For unsubsidized rental housing, preservation usually refers to nonprofit developers purchasing rental units at risk of becoming unaffordable, investing to rehabilitate the units while also keeping rents at levels that are affordable to low-income residents (Schwartz et al. 2016).

Many preservation strategies fall into the same funding categories as production strategies, which also allow funds to be used for rehabilitation and subsidizing units. The LIHTC program, for instance, provides tax credits for acquisition and rehabilitation projects. Of the over 2.4 million low-income units in the LIHTC portfolio, tax credits provided to 900,000 units were used for acquisition and rehabilitation purposes (U.S. Department of Housing and Urban Development 2017). In addition to federal funding, a number of local jurisdictions have created funds specific to preservation. For instance, Alameda County in California's A1 bond measure, passed in 2017, will allocate $425 million for a Rental Housing Development Program that includes preservation. The City of Oakland passed Measure KK in 2016, which will allocate $100 million for anti-displacement and affordable housing preservation projects. As of this writing, over $16 million has been awarded for acquisition and rehabilitation of existing buildings for the preservation of 297 affordable housing units (Byrd 2017).

Williams (2016) highlights several non-governmental investment funds that seek to preserve the affordability of units that have an expiring subsidy (e.g., Avanath, New Generation Fund, and Housing Partnership Equity Trust). In 2000, the MacArthur Foundation started the Window of Opportunity: Preserving Affordable Rental Housing initiative, which aims to preserve 300,000 privately owned subsidized affordable units by 2020 (Schwartz et al. 2016). The initiative invests in preservation-themed loan funds, develops business practices around preservation, and works on federal policy, among other strategies. Although it achieved many of its goals it found that it was not on track to preserve the 300,000 subsidized affordable units by 2020 nor did it accomplish the creation of new federal incentives for preservation. One potential reason for the shortfall was that the initiative excluded for-profit owners, who it estimates control approximately 85 percent of the privately owned affordable housing stock.

Yet, the majority of low-income renter households live in non-subsidized units. Although many federal resources can be used to acquire, rehabilitate, and convert non-subsidized units into subsidized ones, the resources tend to be better suited for large buildings, whereas many NOAHs are in smaller buildings (Abdelgany 2017). To address this challenge, the City of San Francisco created its Small Sites program, an acquisition and rehabilitation loan program launched in 2014 that assists nonprofit and for-profit entities to buy small housing developments of five to 25 units and restrict their rents for the life of the project. Beginning with a $3 million pilot program, the city increased the budget to $75 million in 2017, with new funding sources coming primarily from the City's housing trust fund, in-lieu fees from the inclusionary zoning program, and bond funds. As of this writing, 137 units are on the path to preservation (Harris 2017). Other cities are experimenting with their inclusionary zoning programs to acquire existing units and stabilize them rather than producing new units. For example, Hickey (2015) discusses examples from New York City; Boulder, Colorado; Montgomery County, Maryland; Chapel Hill, North Carolina; and Edina, Minnesota, where developers are allowed to convert existing, market-rate units to deed-restricted, affordable units in lieu of developing new affordable units. Hickey found that these options may be attractive to developers that already own existing market-rate units in an area characterized by high development costs.

In addition to providing loans and funding mechanisms for acquisition and rehabilitation, policymakers and practitioners are considering a range of incentives, education, and other opportunities to preserve affordable rental units. For example, the Minnesota Preservation Plus Initiative identified a range of smaller interventions to meet the needs and challenges of landlords to maintain low rents (Schmidt et al. 2013). Among the interventions the authors of the initiative identified are local government rent subsidies such as Denver's new voucher equity program (Abello 2018), conditioning second mortgages or debts on landlord's commitment to keep rents affordable, and property tax discounts in exchange for property owners keeping rents below market rate, among others. In addition, the authors encouraged cities in Minnesota to use existing rent licensing programs as a potential entry point to more effectively communicate with property owners about existing programs and regulations. Due to the recent emergence of efforts around preservation, little research has evaluated the scale or effectiveness of these strategies.

Conclusions and a Call for More Evaluation Research

Despite significant data and methodological challenges in measuring the extent of displacement, most scholars agree that gentrification at minimum leads to exclusionary displacement and may involve direct displacement as well. To address the key concerns of urban redevelopment in the twenty-first century, policymakers, practitioners, and activists are adopting strategies to prevent or respond to displacement pressures. As discussed earlier, anti-displacement strategies can be largely categorized into three groups: first, neighborhood stabilization; second, production of affordable housing; and third, preservation of existing affordable rental units. There is a wide range of anti-displacement and affordable housing policies. Some policies, such as inclusionary zoning, have been adopted in many places; other policies, such as rent control, have been adopted in very few places.

Very little evaluation research has been conducted on the relative effectiveness of anti-displacement strategies. While some policies may have clear, trackable results, such as those that fund affordable housing developments, others such as education campaigns on tenants' rights may be less tangible and more difficult to track. Many scholars and activists have discussed the loopholes or lack of implementation of anti-displacement policies, making it important to analyze the effectiveness of the policies and their implementation rather than simply tracking whether a jurisdiction has them or not (Crispell et al. 2017). Given the nuances of policies and the growing concern about gentrification and displacement, assessing the effectiveness of anti-displacement strategies on a systematic basis is a difficult yet important direction for future research.

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