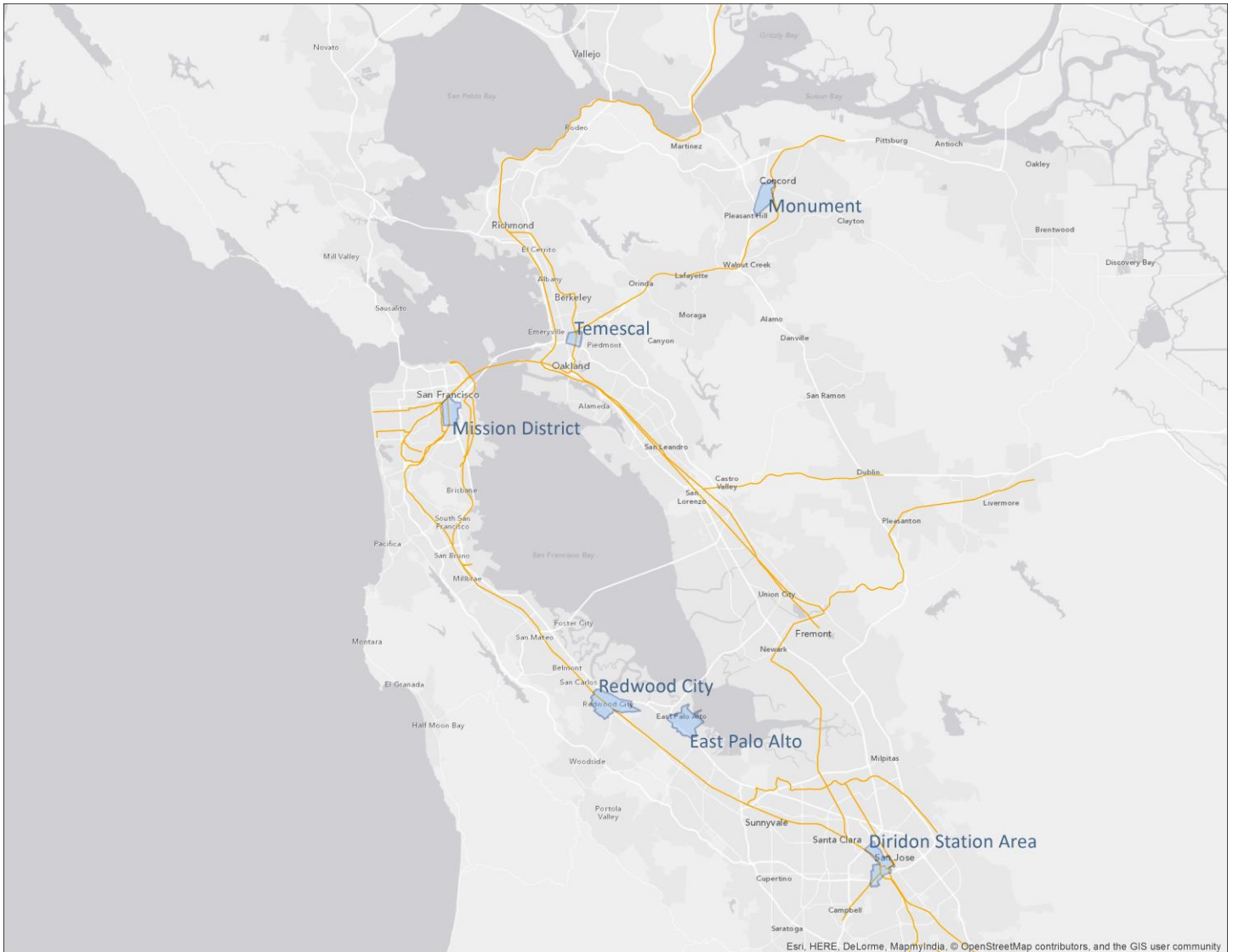


# Residential Displacement in the Bay Area: A Regional Perspective



May 2014

Workshop in Regional Analysis: Understanding Transit Investment-Induced Displacement

Department of City and Regional Planning

University of California, Berkeley

**Mission District, San Francisco**

**Temescal, Oakland**

**Diridon Station, San Jose**

**Redwood City**

**East Palo Alto**

**Monument, Concord**

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# Table of Contents

<b>ACKNOWLEDGMENTS</b>	<b>1</b>
<b>EXECUTIVE SUMMARY</b>	<b>4</b>
<b>INTRODUCTION AND METHODOLOGY</b>	<b>7</b>
<b>1 THE MISSION DISTRICT, SAN FRANCISCO</b>	<b>8</b>
1.1   INTRODUCTION	11
1.2   DEMOGRAPHIC CHANGES	11
1.3   ISSUES	12
1.4   CONCLUSION	17
<b>2 TEMESCAL, OAKLAND</b>	<b>17</b>
2.1   INTRODUCTION	18
2.2   ECONOMIC DEVELOPMENT	19
2.3   HOUSING STUDY	20
2.4   INTERVIEWS	21
2.5   CONCLUSION	23
<b>3 DIRIDON TRAIN STATION, SAN JOSE</b>	<b>25</b>
3.1   GETTING TO THE JOBS-HOUSING BALANCE: NO LONGER SILICON VALLEY'S 'BEDROOM COMMUNITY'	26
3.2   CHANGES AND TRAJECTORY	26
3.3   URBAN VILLAGE STRATEGY: POISED FOR ECONOMIC AND DEMOGRAPHIC CHANGE	27
3.4   AFFORDABILITY REQUIRES HIGHER PAYING JOBS	29
<b>4 REDWOOD CITY</b>	<b>31</b>
4.1 INTRODUCTION	32
4.2   TRAJECTORY OF CHANGE	32
4.3   ISSUES	34
4.4   CONCLUSION	2
<b>5 EAST PALO ALTO</b>	<b>39</b>
5.1   INTRODUCTION	2
5.2   SUSCEPTIBILITY TO DISPLACEMENT	2
5.3   THE WESTSIDE	3
5.4   A CITY STRAPPED FOR CASH	5
5.5   THE JOBS-HOUSING MISMATCH	5
5.6   SECONDARY DWELLING UNITS	6
5.7   CONCLUSION	6
<b>6 MONUMENT, CONCORD</b>	<b>8</b>
6.1   CONCORD IN CONTEXT	46
6.2   HOUSING PRICE TRENDS OVER TIME: A GROWING BURDEN	47
6.3   CHALLENGES TO AFFORDABLE HOUSING PRODUCTION	51
6.4   RECOMMENDATIONS	52
6.5   CONCLUSION	53
<b>7 POLICY RESPONSES TO GENTRIFICATION AND DISPLACEMENT</b>	<b>54</b>
7.1   REGIONAL PROBLEMS, LOCAL AUTHORITIES	54

7.2   CARROTS, BUT NO STICKS	54
7.3   REPRESENTING THE NINE COUNTIES	54
7.4   POLICIES	54
7.5   THINKING OUTSIDE THE BOX	56
7.6 CASE STUDY: SAN JOSE	56
<b>CONCLUSION</b>	<b>59</b>
<b>REFERENCES</b>	<b>59</b>
<b>APPENDIX</b>	<b>63</b>

# Executive summary

This report analyzes neighborhood change over thirty years in neighborhoods within six cities: San Francisco, Oakland, San Jose, Redwood City, East Palo Alto, and Concord. These cities were chosen due to their focus on transit-oriented development (TOD) as a strategy for growth. As TOD becomes nearly synonymous with sustainable development there is a growing emphasis to densify and create transit-accessible neighborhoods. Low-income communities living in these planned development areas are increasingly concerned about the potential impacts of TOD planning, particularly on residential displacement.

This report is a product of our studio class, *Workshop in Regional Analysis: Understanding Transit Investment-Induced Displacement* in the Department of City and Regional Planning at the University of California, Berkeley. This study is meant to assist in the development of the Regional Early Warning System (REWS) for displacement toolkit that the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) are developing as part of their Regional Prosperity Plan. The Department of Housing and Urban Development (HUD) Sustainable Communities Initiative grant is funding this project as part of their larger goal to promote regional planning through the integration of transportation, affordable housing, and equity policies. The case studies represent cities at vastly different stages of the displacement process. The differing neighborhood characteristics that are presented in the case studies will aid in a broader analysis of TOD-induced displacement. Additionally, the case studies provide concrete examples of how existing policy tools may assist municipalities in creating equitable TOD and economic development.

## **The Mission District, San Francisco**

The Mission District is a historically working-class neighborhood in San Francisco, which has seen dramatic racial and ethnic changes, and income increases during the past twenty years. Perceptions of the neighborhood have shifted dramatically. Crime has decreased, trendy restaurants and bars have flourished, and housing prices have risen sharply. The Latino population, which several decades ago comprised nearly half of neighborhood residents, has fallen somewhat, and the white population has increased.

Residential displacement has been a prime concern in the neighborhood for over a decade, since before the dot-com boom of 1998-2001. Rental evictions have consistently been higher in the Mission than elsewhere in San Francisco, and community-based organizations have played an active role in City politics and planning. They supported a successful planning effort in 2003 to protect industrial lands in the Mission from being converted to housing and other uses, for the purpose of preserving industrial jobs employing less-educated residents. They also supported changes to the City's inclusionary housing ordinances around that same time, which made inclusionary housing requirements mandatory for more developments than before. In spite of these efforts, housing prices in the Mission have risen even more than in other parts of San Francisco.

As households move and rental unit prices are "vacancy decontrolled" back to market rates, and as other low-income households that would otherwise move in are priced out, these signs suggest that lower-income households will continue to decline as a share of the neighborhood population. The construction of new affordable housing, more needed than ever, is at a virtual standstill due to the elimination throughout California in 2011 of the primary source of affordable housing funding, redevelopment agencies. The market

is not likely to provide enough housing, due to a stable political consensus opposing density in spite of apparently unprecedented housing price increases and widespread concern about housing costs. One voter-approved referendum limiting housing near the City waterfront in 2013 and another will be voted on this year. For the foreseeable future, it seems inevitable that the Mission, like the remainder of San Francisco, will continue becoming less affordable, less diverse, and more exclusive.

### **Monument, Concord**

Concord, located in the central part of Contra Costa County, has historically been a working class suburb. Concord recently implemented the Downtown Concord Specific Plan where the focus will be on increasing housing, pedestrian mobility, and commercial activity around the Downtown Concord BART station. The Monument, a community located adjacent to Downtown Concord and that has a large low-income Latino immigrant population, has largely been left out of the Downtown Concord planning process. How the Downtown Concord Specific Plan will affect the Monument community is unclear, but without adequate safeguards in place, Monument residents are at the risk of potential displacement.

The following key themes will be presented in the case study of the Monument:

- Most of the Monument residents are renters and without mechanisms in place to protect tenants, issues like language barriers and immigration status make them vulnerable to the whims of landlords who may seek to replace them with higher-income tenants.
- Investor purchases of properties in the Monument are a concern because landlords seeking to maximize profit often defer maintenance, reducing the quality of life for tenants. Furthermore, as home values rebound, Monument residents will be excluded from homeownership, and the potential for eventual “flipping” may lead to displacement of residents, and eventually change the character of the community.
- Even with policies in place to promote affordable housing production, there isn’t enough political will to follow through with these policies when faced with developers who may not want to build affordable units. Some Concord officials support the idea that the city is “naturally affordable” and thus don’t require development of units to target low-income residents.

### **Diridon Train Station, San Jose**

The City of San Jose is looking to change its image as the ‘bedroom community’ of Silicon Valley to a place of robust economic growth in the region. In achieving this vision, San Jose’s recently updated its general plan – Envision 2040 – has taken a ‘jobs first’ approach and is emphasizing economic development over the provision of housing. Key to this strategy is the City’s Urban Villages Plan, a vision to create 70 mixed-use urban villages throughout the city that will be hubs for job growth and high-density residential development. However, with the loss of redevelopment and challenges to inclusionary zoning policies, there is no mechanism to ensure that affordable housing will be developed in these areas. In this report, the San Jose case study focuses on the Diridon Station Area, located near 2 major urban villages in the City – the Alameda and West San Carlos. While close in proximity, these 2 areas are experiencing development and economic growth at very different rates. With the priority of mixed-use, high-density development in the urban villages, previously affordable areas are feeling the pressures of rising rents and opportunistic landlords. Further compounding the stressors related to housing cost, is the regional issue of growing inequality and the fact that the ability for low-wage workers to live and work in San Jose is becoming increasingly out of reach.

### **Redwood City**

Redwood City is a boomtown. The once quiet Peninsula community is getting noisy as city officials try to build a robust downtown. They are betting on a strategy that draws wealth from the surrounding Silicon Valley economy, and so they have suspended many planning restrictions in the downtown area to incentivize development. Affordable housing is not a priority. We show the shortcomings of planning policy in Redwood City and estimate the mismatch between the low-wage jobs and market-rate housing that will likely be created by development.

### **East Palo Alto**

East Palo Alto is a small city also located on the San Francisco Peninsula. A “majority-minority” city for the last few decades, EPA was a home to African Americans seeking homeownership opportunities during the fifties and sixties as they were excluded and priced out of other suburbs. In the last few decades the city has gradually lost its African American population and is now a majority-Latino city.

East Palo Alto has a strong activist community and city government dedicated to preserving and incentivizing the production of affordable housing. The city has or is considering the an array of policies that include Just Cause Eviction ordinances, inclusionary housing, new housing impact fees, legalization of secondary dwelling units, and anti-tenant harassment laws. Despite these positive traits, the city still faces significant challenges. While census data did not reveal typical indicators of residential displacement, the city possesses many characteristics typical with neighborhoods that have experienced significant neighborhood change. These characteristics include, a high renter population, high percentage of households living in overcrowded units, a high percentage of the population under rent and mortgage burden, and low-median income wages with in the city, especially when compared to neighboring cities. East Palo Alto’s location near affluent cities and the Silicon Valley economic boom also contribute to these housing pressures. The inability for EPA to control housing policies of bordering jurisdictions that are not constructing enough housing to meet demand for any income level leaves the city with few options.

### **Temescal, Oakland**

This case study carefully examines census data and conducts historic and archival research. Paired with information gathered during interviews with various organization representatives, local advocates and city officials, this case study aims to identify common indicators of local neighborhood change within census study tracts 4010 and 4011. Within the study area, MacArthur BART is to be developed as a mixed-use, transit-oriented development (TOD) project in order to revitalize this underutilized part of North Oakland.

As part of the methods utilized in the study, we conducted fieldwork that included a survey within a half-mile radius of the study site. Within that half-mile, multiple addresses were noted that indicated clear signs of neighborhood change. Overall, change is incremental in the neighborhood, but this one-time melting-pot is becoming increasingly exclusive.

# Introduction and Methodology

The real estate market in the San Francisco Bay Area is among the hottest in the country, and with rising home prices comes the threat of displacement. Depending on the physical, social, and economic environments of each neighborhood in the region, this process may drive some people to leave their homes as rents skyrocket while also preventing others from moving into neighborhoods that have grown less and less affordable. Public investment is a key determinant of these processes. Regional planning strategies that emphasize transit-oriented development (TOD) often lead to significant investment in California's low-income communities, where residents may be vulnerable to displacement and exclusion from the benefits of growth.

To better understand how this process unfolds in the region, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) asked our class to collect and analyze neighborhood-level data, and to carry out research in collaboration with local community-based organizations (CBOs). Our findings are intended to lay the groundwork for the Regional Early Warning System for Displacement (REWS) toolkit that ABAG and MTC are developing as part of their Regional Prosperity Plan. The goal of the plan, funded by a U.S. Department of Housing and Urban Development (HUD) Sustainable Communities Initiative grant, is to incorporate policies to promote affordable housing, economic development, and equity in a regional framework. Based on the experiences of the neighborhoods studied in this report, the REWS toolkit should help Bay Area communities characterize change taking place in their communities and respond with effective tools to protect against displacement.

Above all, this was a study of neighborhood change. We asked: How has (dis)investment, both public and private, shaped neighborhoods in the region? How do these neighborhoods look different today than they did a decade or two ago? How have developments in one community affected those surrounding it? What policies have accelerated or slowed displacement? How have residents responded to the changes?

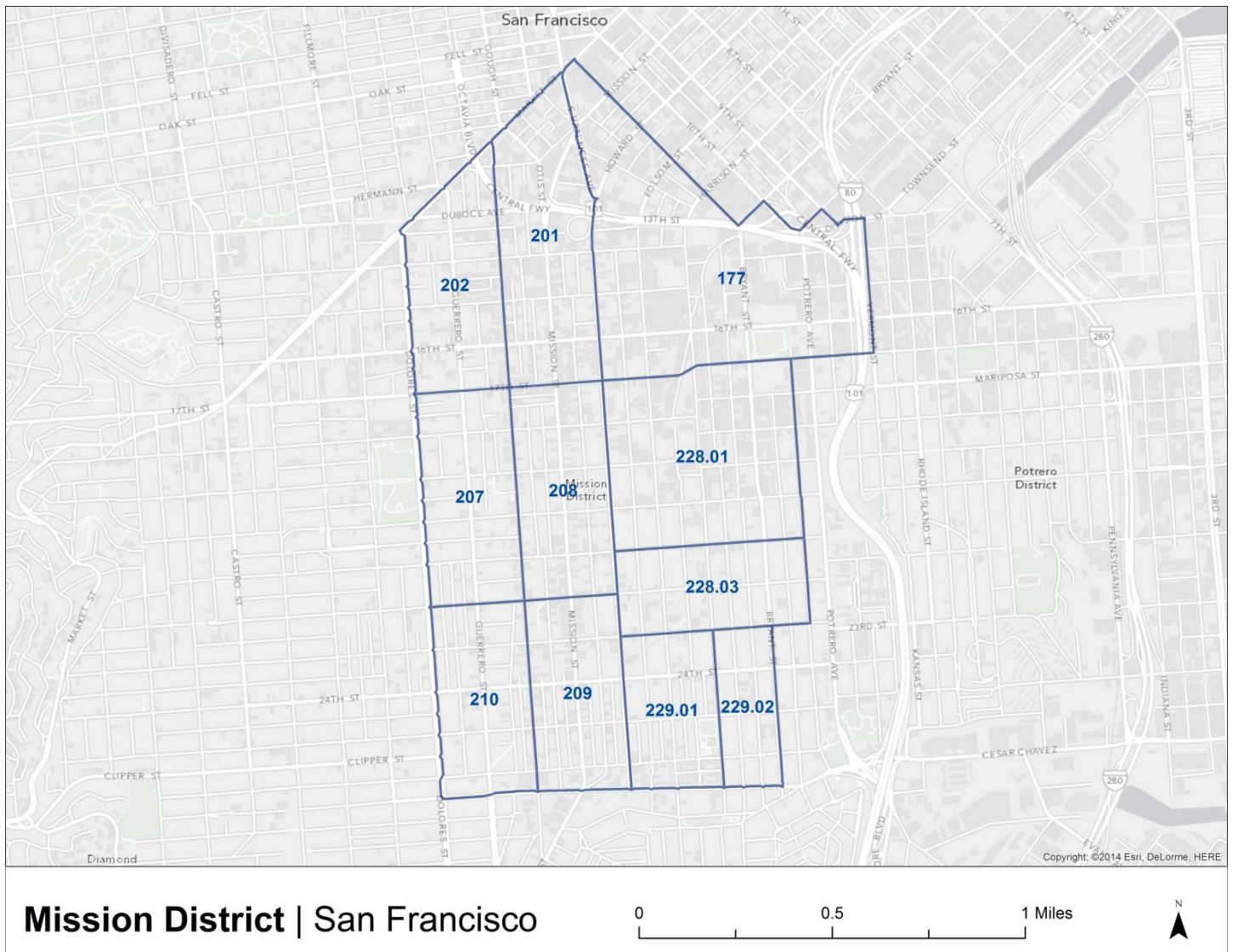
We examined the following areas to answer the above questions, producing a case study of each: East Palo Alto; the Mission District in San Francisco; Redwood City; Diridon and West San Carlos in San Jose; Temescal in Oakland; and the Monument in Concord. Although these communities are scattered throughout the Bay Area, they are connected in a regional economy. Taking this regional lens, we conclude with an attempt to tie them together and consider the potential for regional anti-displacement policies. At the same time, we must stress that each neighborhood is subject to a different set of forces, and the student teams employed case-specific methods as appropriate in each location. The narratives that emerged in this report are thus unique to each neighborhood.

Most prior investigations into displacement lack a long-term timeframe. In order to better understand the generational processes of change, our research in each neighborhood looks back to 1980, and up to the present. Additionally, we drew from multiple data sources, both quantitative and qualitative. These included demographic figures, real estate metrics, spatial statistics, archival research, first-person interviews, and fieldwork. Workshops with partner community-based organizations guided the research along the way. We hope that by utilizing multiple sources of information we can add more dimensions to the study of displacement and identify those sources of data most relevant to discussions about it.

The CBOs helped guide our research but this report should not be understood as a direct reflection of their opinions. We are responsible for any misinterpretations, shortcomings, or omissions it contains. As mentioned earlier, this report is the foundation for a longer-term effort to create the REWS toolkit. We hope that our work will be useful to researchers, policy-makers, and community members as they respond to the current dynamics surrounding displacement in the Bay Area at a time when greater nuance and understanding is surely needed.



# 1 The Mission District, San Francisco



Christina Blackston, Edward Graves, Jonathan Plowman

Census Tracts Studied: 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, 229.02

Partner Organization: People Organizing to Demand Environmental & Economic Rights 8

## 1.1 | Introduction

The Mission District is located in the southeastern region of San Francisco. It has recently been a primarily Latino neighborhood with an industrial character. The Mission District is served by multiple bus lines and two BART stations, 16th Street Mission and 24th Street Mission, which provide accessibility to the greater region. Recently, the neighborhood has become a high demand area, seeing an influx of high-income residents. This has prompted concern about gentrification and displacement of existing residents that has received national attention.



Image 1.1 Mission Street

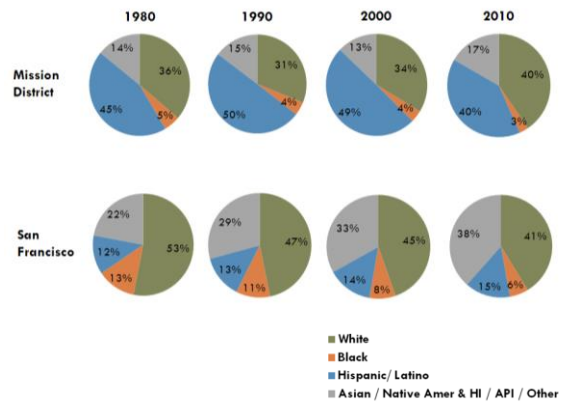


Figure 1.1 Racial Change, Source: U.S. Census Bureau, ACS

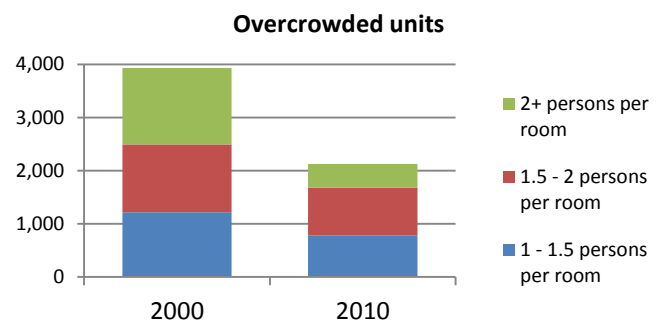


Figure 1.2 Overcrowding, Source: U.S. Census Bureau, ACS

## 1.2 | Demographic Changes

Since 1980, the Mission District has seen significant changes in racial composition, overcrowding, educational attainment, and median income. Between 1980 and 2010, the Latino population decreased from 45% to 40% while the white population increased from 36% to 40% (Figure 1.1) (GeoLytics, 2012). Overall, the population of the study area swelled by about 18%, from 1980 to 2000 then declined slightly in 2010 (GeoLytics, 2012). This is perhaps related to a decrease in the amount of overcrowding in the study area as overcrowding was almost 50% lower in 2010 than in 2000 (Figure 1.2) (GeoLytics, 2012).

There were significant shifts in educational attainment from 1980 to 2010. The percentage of residents aged 25 or older with a bachelor's degree or higher increased from 12% to 39%, and the percentage without a high school diploma decreased from 62% to 36% in the same period (Figure 1.3) (GeoLytics, 2012).

As may be expected, an increase in median income accompanied the increase in educational attainment in the study area. Median household income in the Mission District has risen significantly from 1980 to 2010, even as median household income in San Francisco was flat from 2000 to 2010 (Figure 1.4) (GeoLytics, 2012).

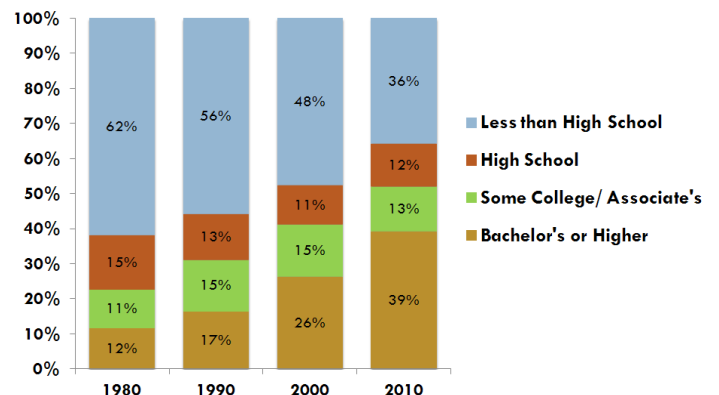
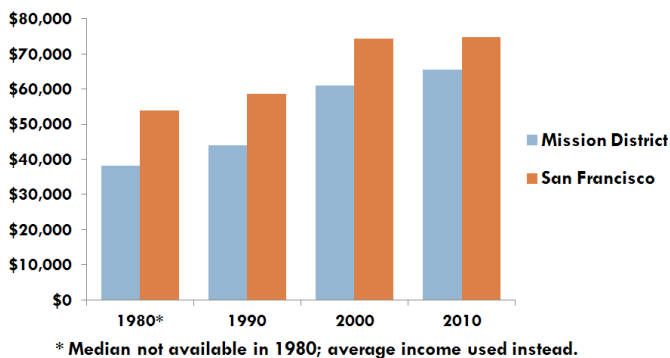


Figure 1.3 Educational Attainment, Source: U.S. Census Bureau, ACS



**Figure 1.4. Median Income, Source: U.S. Census Bureau, ACS**

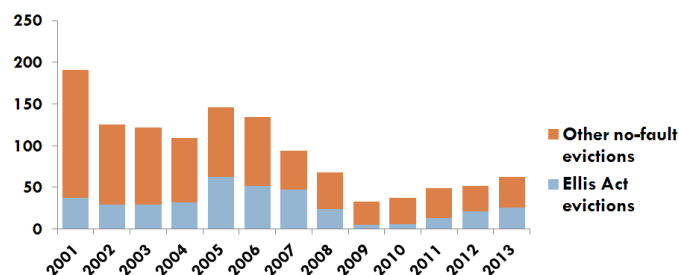
Despite high demand for the area, the Mission District has failed to see significant increases in its housing stock, thereby exacerbating pressures on existing housing. This lack of new development was a common concern among the stakeholders we interviewed. One stakeholder spoke of the difficulty for obtaining approvals for new buildings because of the lengthy environmental impact review process, which sometimes caused developers to walk away from projects. Private sector interviews suggested that transportation investments, including tech shuttles, have made existing property more appealing and more expensive (Stakeholder M3, 2014).

Another stakeholder expressed concern about the fragmentation of bureaucracy in the city, as the permission to build must be obtained from a number of different departments. The success of San Francisco's inclusionary housing ordinance might be limited because zoning restrictions make it difficult to develop enough total units on a property to support the number of affordable units required. Potential policies that could help to reduce gentrification and displacement include a city fund to subsidize neighborhood-serving businesses that are at risk of displacement as well as raising building height limits to seven or eight stories and constructing more workforce housing (Stakeholder M5, 2014).

Themes from our interviews included an in-lieu fee for development and rent control. One stakeholder expressed concern about letting developers opt-out of building affordable housing (Stakeholder M2, 2014) while a developer said that zoning restrictions made it difficult to develop affordable housing on-site (Stakeholder M5, 2014). There was a difference in opinions from the public and private sector about the effectiveness of rent control in San Francisco. A stakeholder from the private industry

stated that rent control makes it difficult for some building owners to afford the maintenance needs for their buildings (Stakeholder M3, 2014). An interviewee from the public sector suggested that rent control might be one of the ways to make the Mission more affordable and expressed skepticism that building more housing will make the Mission more affordable (Stakeholder M4, 2014). In contrast, an affordable housing provider remarked that thousands of families are on waiting lists for affordable units (Stakeholder M5, 2014).

Another highly public issue in the Mission has been Ellis Act and other no-fault evictions as seen in Figure 1.5, that have occurred so that landlords may covert rental units to condominiums. These buildings are either turned into ownership units or the whole building is taken off the market for 5 years if the owner wishes to re-enter the rental market. Either outcome means that the already scarce supply of housing is strained further and renters are displaced from their current housing.



**Ellis Act** evictions permit landlords to exit the rental housing business.  
**Other 'no-fault'** evictions allow renovation or owner's family move-in.

**Figure 1.5 Ellis Act and Other Evictions, Source: SF Rent Board, SF Board of Supervisors Budget and Legislative Analyst**

One interviewee expressed the belief that ultimately the Rent Board and the Board of Supervisors have more authority over evictions than the Planning Department. However, because the Planning Department has authority over land use it could restrict the conversion of rental properties to ownership properties (Stakeholder M4, 2014).

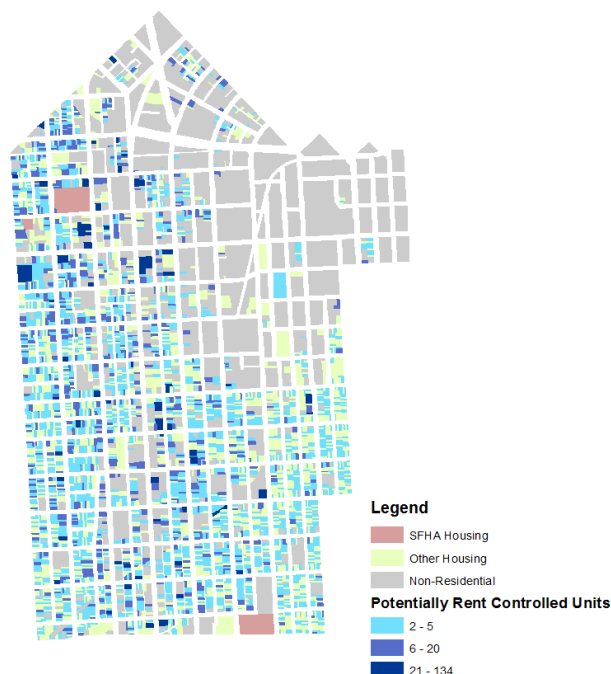
### 1.3 | Issues

#### Advocacy and Rent Control

In order to understand more about how housing has been protected in the Mission as well as changes that took place between the first dotcom

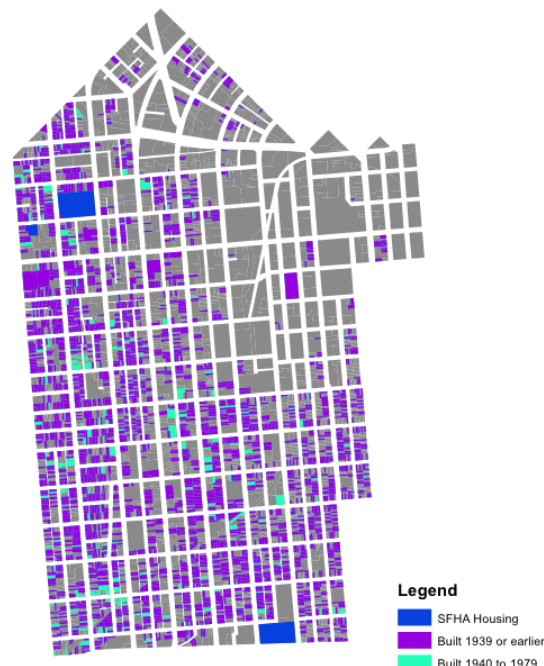


boom and the present dotcom boom, we analyzed parcel data and conducted interviews. San Francisco's rent control laws protect tenants in multi-unit buildings that were built in June 1979 or before, and are rental properties. Figure 1.6 shows the number of potentially rent-controlled units from the parcel data.



**Figure 1.6. Potentially Rent-Controlled Units, Data Source: ABAG**

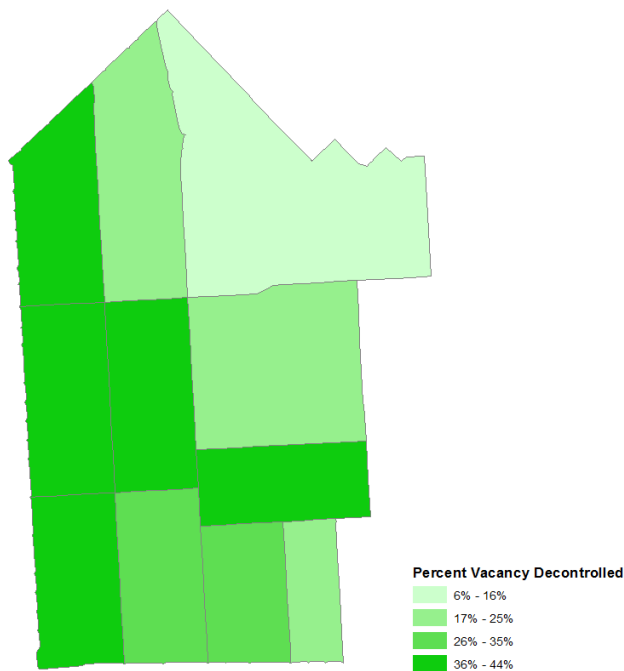
These are estimated by identifying parcels that contain a building with two or more units, built 1978 or before, and identified as “apartment” or “flat” in the ABAG parcel data (ABAG, 2005). Housing units that are condominiums, tenancies-in-common, or otherwise not rented, are not rent controlled, however this number was not available. Approximately 68% of units in the Mission census tracts are potentially rent-controlled. It appears that most of the rent-controlled units are smaller buildings with 2-5 units per parcel. Rent-controlled units built 1939 or earlier are likely to be preserved because of historic value. We found that 89% of potentially rent-controlled units were built in 1939 or earlier. This indicates that most of the rent-controlled buildings in the Mission are unlikely to be demolished or removed from the rental market (Figure 1.7) due to city and state regulations on preservation of historic buildings.



**Figure 1.7. Year Built for Potentially Rent-Controlled Units, Data Source: ABAG**

Figure 1.8 estimates the minimum percent of housing that was vacancy decontrolled between 2000 and 2010, by census tract. For a conservative estimate, we assumed that all units not subject to rent control turned over in tenancy during 2000-2010. We subtracted the number of these units from the number of households that moved in. The result is the minimum number of potentially rent-controlled units that were vacancy decontrolled. The map shows that there is a high amount of vacancy decontrol in the western and central portion of the Mission district. This analysis is important because under rent control laws a landlord is able to reset rent when a new tenant moves in. Our analysis suggests that a significant number of units had rent increases over the past ten years.

In the second portion of our analysis we wanted to understand the differences between advocacy work and development in the first dotcom boom during the late-1990s to early 2000s and similar activities today. From an interview with Stakeholder 6 we learned that during the first dotcom boom residents were concerned with the conversion of industrial space into office space in the northeast portion of the Mission, as that meant less space for the factories in which many residents were employed.



**Figure 1.8. Year Built for Potentially Rent-Controlled Units,**  
Source: ABAG, U.S. Census Bureau, ACS

At that time, industrial space was also being converted into live-work lofts, without adhering to inclusionary zoning requirements. Apartments were also being converted into tenancy-in-common units, meaning that those properties were taken off of the rental market, without contributing to the overall supply of affordable housing. During that time, the Mission Anti-Displacement Coalition (MAC) organized to halt these displacement activities for two years in the Mission while the San Francisco Planning Department undertook a neighborhood study of the area (Stakeholder M6, 2014). This study resulted in the Eastern Neighborhoods Plan (ENP). A stakeholder from city government worked on the ENP and said that a major focus of it was to protect industrial lands in the Northeast Mission Industrial Zone (NEMIZ) in order to preserve production, distribution and repair (PDR) uses in the City and the employment opportunities they provided. This stakeholder noted that insufficient protections for industrial uses was a weakness of the plan (Stakeholder M4, 2014).

While the first dotcom boom mostly brought smaller firms to the city, we now see large firms moving in. These businesses will demand more space for offices as well as housing for employees. During the first dotcom era, funding and staff were

available to Mission Housing when it spearheaded MAC. Today, the organization has fewer resources. One stakeholder postulated that the “velocity of change” is faster today than the previous dotcom boom, just as the community’s capacity to respond has diminished (Stakeholder M6, 2014).

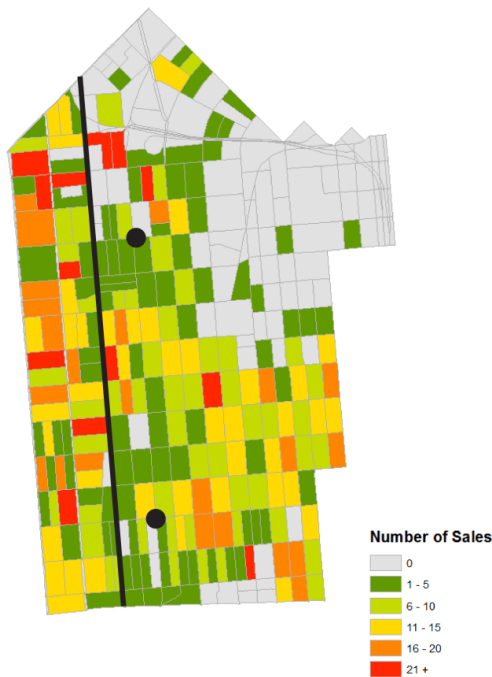
### Property Sales and Investment Analysis

We examined trends in changes over time of sales and building permit data to identify spatial characteristics of investment in residential property. This information has the potential to demonstrate how outside pressures and public investments over time impact patterns of private investment in the Mission District.

Sales data was taken from the first quarter of 2003 through the fourth quarter of 2013 from DataQuick, (DataQuick, 2014). We joined the data to a shapefile containing San Francisco parcels and converted to point data using ArcGIS (ABAG, 2005). These points, which each represent a sale, were spatially analyzed and visualized at different geographies through spatial joining. Building permit data from the San Francisco Planning Department, spanning from 1981 to 2013, were analyzed similarly (San Francisco Planning Department, 2014).

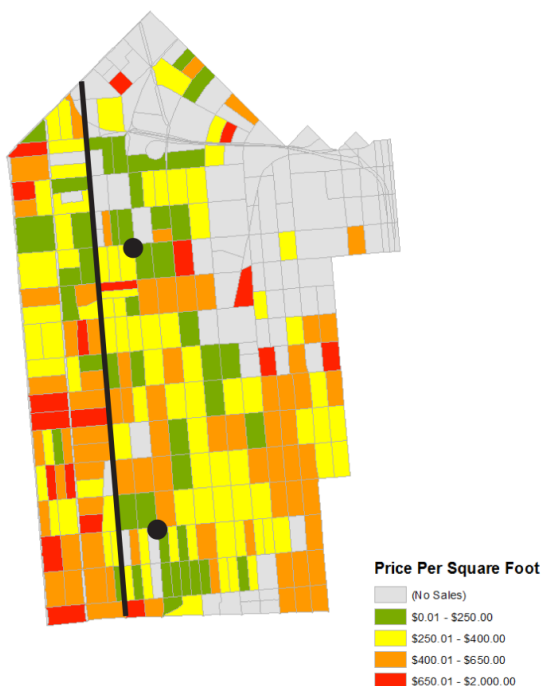
The black line in Figures 1.9 through 1.12 represent the Valencia Streetscape Project. This \$6.1M project completed in 2010 expanded and beautified sidewalks, resurfaced and restriped the street with bike lanes, and provided other infrastructure improvements (City of San Francisco, n.d.). The 16th Street and 24th Street Bay Area Rapid Transit (BART) stations are marked by black dots.

As Figure 1.9 shows, there are a higher number of residential sales in the northwest and central-western portions of the Mission, likely representing a greater concentration of new construction in the area. The northwestern concentration may be related to the intersection of higher density housing stock in conjunction with proximity to higher income neighborhoods to the west.



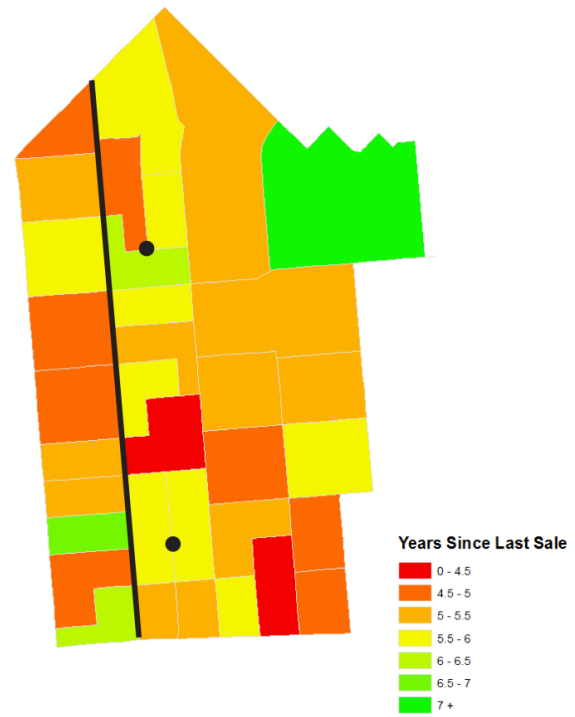
**Figure 1.9 Number of Residential Sales by Block, 2003 – 2013**

Figure 1.10 shows a slightly different pattern in average sales prices per square foot, with the largest cluster of high prices seen in the southwest. This may represent adjacency to an established higher-income community, Noe Valley, resulting in greater stability in the real estate market and less turnover, seen as a lower number of sales, in conjunction with sustained higher prices.



**Figure 1.10 Average Residential Sales Price per Square**

Figure 1.11 shows a weak spatial trend in the average number of years since a property was last sold. An area where sales are less recent exists immediately on either side of Mission Street, particularly in proximity to the two BART stations in the neighborhood.

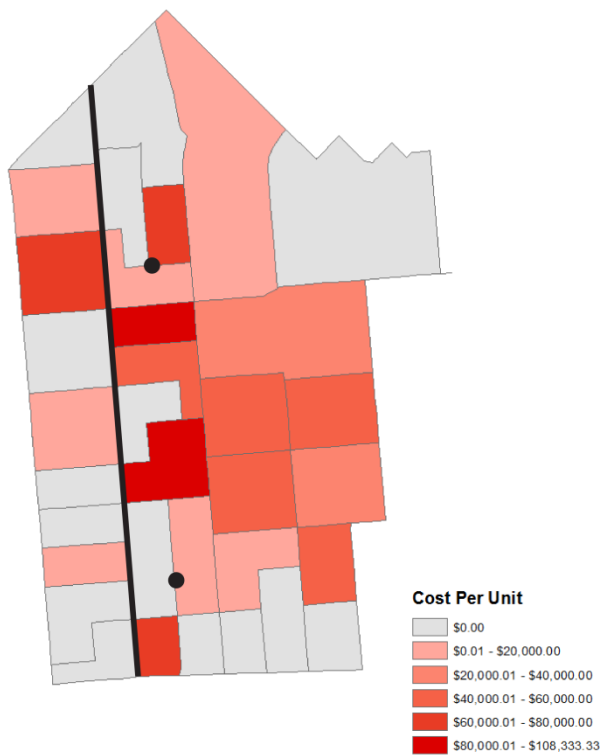


**Figure 1.11 Average Number of Year since Last Sale by Block Group, 2013**

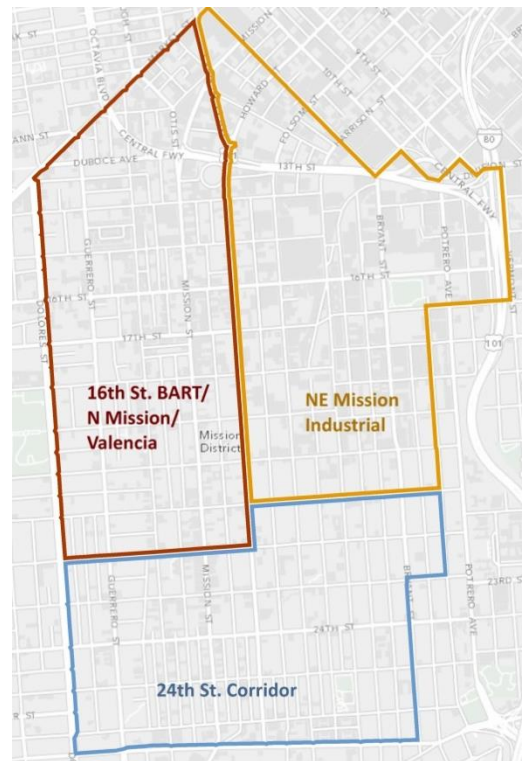
In contrast, Figure 1.12 shows the average cost per unit for residential building permits, taken as a proxy for the scale of investment put into property in the neighborhood. This demonstrates a cluster of higher costs per unit near Mission Street, with a second area of higher-cost-per-unit permits roughly occupying the central-eastern portion of the neighborhood. These higher price-per-square-foot sales are possibly related to a concentration of new construction – a subject for further research.

### Commercial Analysis

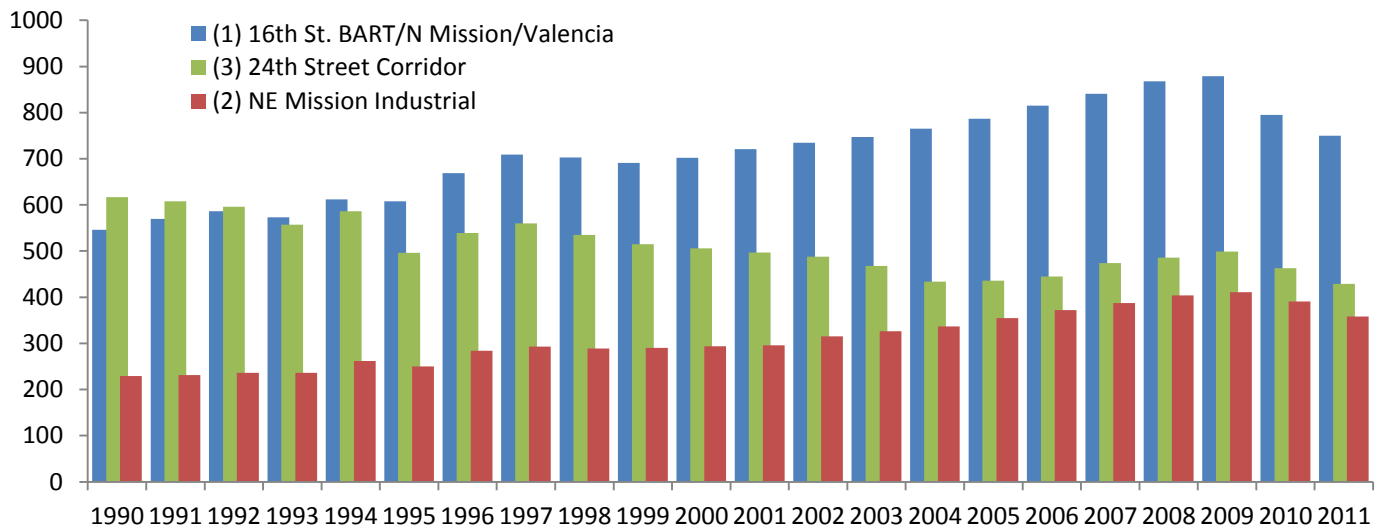
In order to understand how gentrification may put pressure on retail businesses, we evaluated data on commercial establishments from the National Employment Time-Series Database (NETS), a proprietary database and divided the study area into analysis zones (Figure 1.13) (Walls & Associates, 2013).



**Figure 1.12. Average Cost of Residential Building Permit per Unit, 1981 – 2013**



**Figure 1.13 Commercial Analysis**



**Figure 1.14. Number of Retail Businesses, Source: National Employment Time-Series (NETS) database**

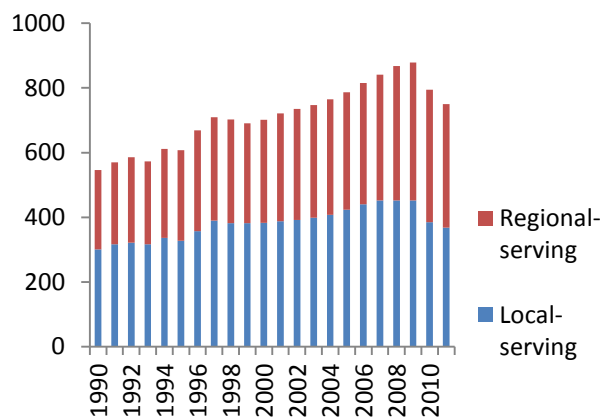
In 1990, there were more retail businesses in the 24th Street corridor neighborhood than in the 16th Street BART / North Mission / Valencia neighborhood. Since then, the number of retail businesses has steadily declined in the 24th Street corridor and steadily increased in the 16th Street BART / North Mission / Valencia neighborhood.

Today there are about twice as many businesses in the 16th Street BART / North Mission / Valencia neighborhood as in the 24th Street corridor (Figure 1.14).

One interpretation of this data is that commercial spaces previously used by retail have been

converted to other uses, such as non-profits and performance and arts venues. Another interpretation is that more retail spaces have become vacant. Additionally, the businesses there may face problems due to neighborhood gentrification, customer dislocation and increased wage costs for their workers. They are less likely to face problems of competition for retail space and high commercial rents than their 16th street area counterparts. Asked about how different parts of the Mission have experienced change differently, Stakeholder 1 identified the 24th and Mission neighborhood as one that has maintained its character more than others, keeping a high percentage of Latino-owned retail businesses (Stakeholder M1, 2014).

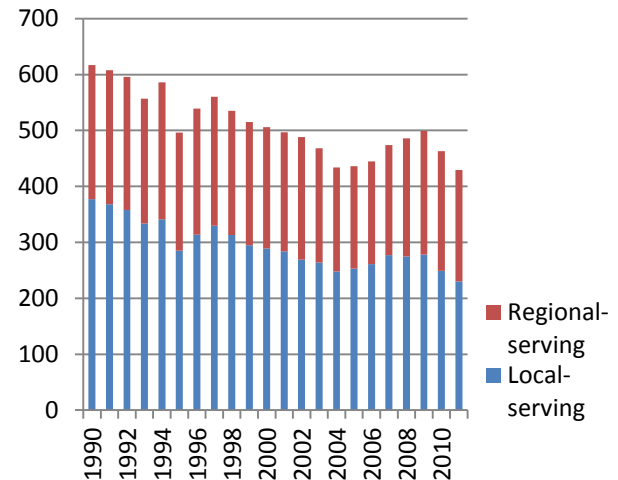
When we divide retail businesses based on their North American Industrial Classification System (NAICS) code into businesses that are more likely to serve local markets (such as markets, drug stores, and hardware stores) and businesses more likely to serve regional markets (such as department stores and furniture stores), we see that growth in the 16th Street/North Mission/Valencia neighborhood has occurred in both local and regional serving businesses (Figure 1.15).



**Figure 1.15. 16th St. BART/N Mission/Valencia Businesses, Source: National Employment Time-Series (NETS) database**

By contrast, the 24th Street corridor has seen a decline among local-serving businesses (Figure 1.16). This suggests that changes in the 16th Street/North Mission/Valencia neighborhood may be spurred both by changes in the local resident population and in the neighborhood’s capacity to draw customers from the region. For example, this

corridor is a night-life destination where people from outside come to visit restaurants and bars. Changes in the 24th Street corridor, by contrast, appear to be more related to changes in the local residential population, because most of the changes can be attributed to declines among local-serving businesses.



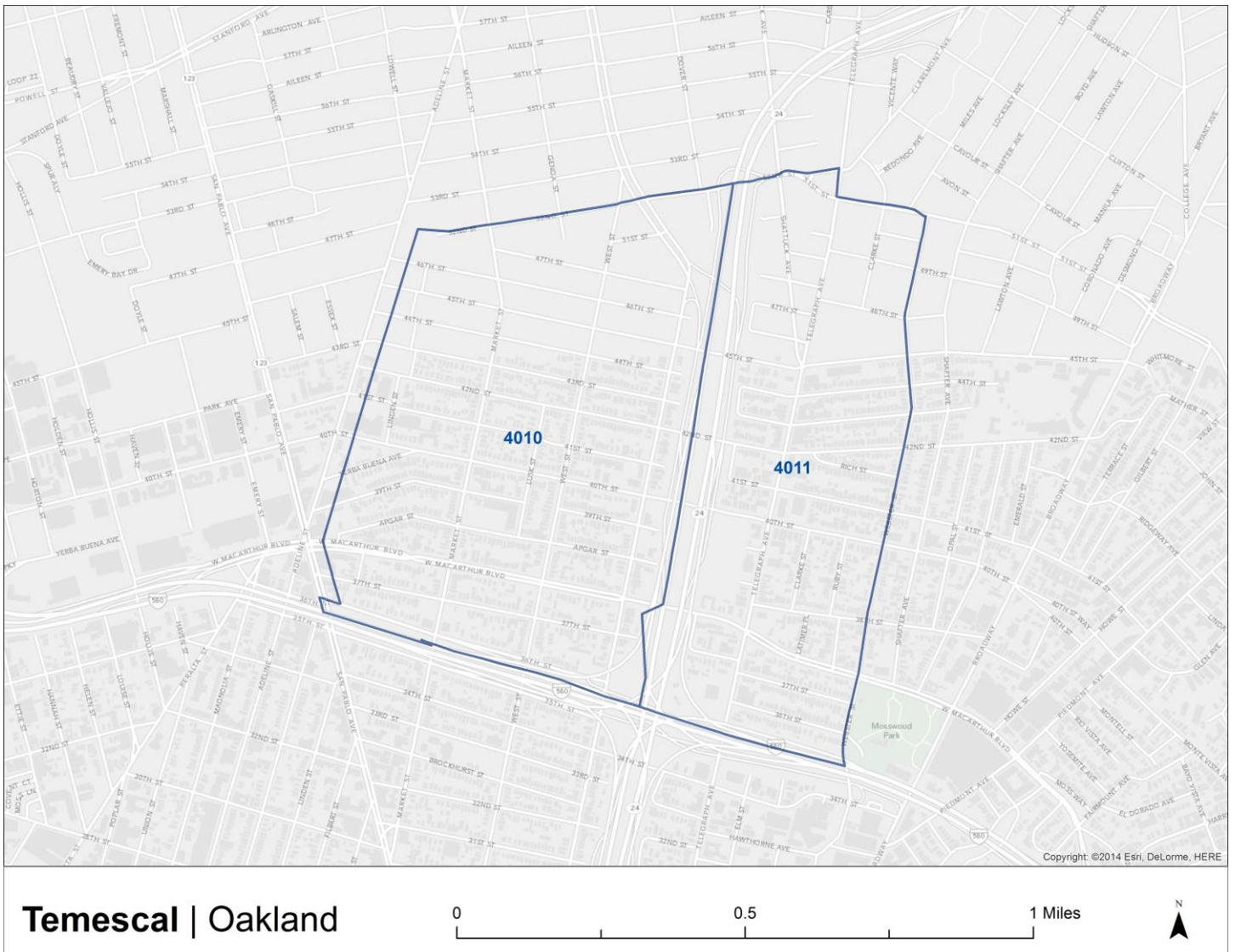
**Figure 1.16. 24 St. Corridor Businesses, Source: National Employment Time-Series (NETS) database**

## 1.4 | Conclusion

The Mission district case study demonstrates the demographic and commercial changes that can occur in a high-demand location with walkability, accessibility and access to amenities in the center of an expensive region where the housing supply has not kept pace with demand. Though stakeholders brought up similar concerns across interviews, the solutions were often contradictory, and show the complexity in the Mission District that is not contained by the local context. This emphasizes the need for thinking about housing and affordability at the regional level.



## 2 Temescal, Oakland



Julian Collins, Carlos Recarte, Maira Sanchez  
Census Tracts Studied: 4010 and 4011  
Partner Organization: Causa Justa::Just Cause

## 2.1 | Introduction

This portion of the report carefully examines census data and conducts historic and archival research in the MacArthur BART Station Area. Paired with information gathered during interviews with various organization representatives, local advocates and city officials, this research endeavors to identify common indicators of local neighborhood change near the MacArthur BART within census study tract areas 4010 and 4011. The planned development for MacArthur BART is to be developed as a mixed-use, transit-oriented development (TOD) project proposed at revitalizing this underutilized part of North Oakland.

The census data that was analyzed indicates that neighborhood change rippling from MacArthur BART is creating a shift in the demographic composition of the area, in terms of age, levels of income, increase in levels of education and the increase of non-family households. However, despite the physical proximity of both tracts, the nature of and levels of change are very distinct. Namely, we see tract 4011 accounting for a disproportionate amount of the type of changes listed above.

In very general terms, the data outlines that tract 4010, west of MacArthur BART, is an area that consists of mainly stable family households that have witnessed a fairly consistent decrease in income and education levels since the 1980's. The racial composition of this area has also stayed relatively stable with African Americans constituting most of the population in the tract. This tract is mainly comprised of older single-family home structures, of which a little less than three-fourths have been occupied for ten years or longer. In addition, the housing stock in this area has maintained nearly 40% owner occupancy since the 1980s.

On the other hand, tract 4011, East of MacArthur Bart is experiencing a palpable transition and perhaps some aspects of gentrification. This area has witnessed a steady increase in income and education since the 1980s. Unlike its neighboring census tract, the racial composition in 4011 has changed quite a bit with an overall decrease in the African American population and an increase in white residents in the same time period. The vast majority of the housing stock in the tract is multiple

unit structures. In addition, non-family households are most common in the area with almost 40% of residents moving in 2005 or later.

Aside from the census data, the interview information provides a contextual understanding of the change happening in the area. The interview information will be further discussed below, however some general themes that inform the neighborhood narrative should be mentioned. Interviews with a range of actors from affordable housing developers, community-based organizations (CBOs), city officials, local business owners, etc. highlighted the complexity of change in the area. The neighborhoods that comprise the tracts are all experiencing change, however, the form and nature of the change varies dramatically. As one stakeholder from a neighborhood CBO put it, change, "...can vary from block to block". The interviews also highlight the diverse interests and types of investments stakeholders have in the area and how that is impacting or has the potential to affect change in the neighborhoods that make up both tracts. Affordable housing developers are looking for ways to fund their projects and bring density to the area in an effort to remedy housing shortages without really going into detail in terms of how this could in and of itself contribute to displacement. On the other hand, local CBOs like Phat Beets, a North Oakland accessible food advocacy organization, are not only questioning their own role in gentrification, but also point out the lack of dialogue between different stakeholders and residents and how this can drive or exacerbate displacement.

The distinct nature of change in the neighborhoods that is revealed through census data and interviews is also corroborated by our fieldwork in the areas in and around the Temescal neighborhood. When driving around we noticed that many structures were either being renovated or adding units. This points to an area not changing by building up or developing in a traditional way, but rather bringing in capital and through the form of renovations and unit additions that will attract more residents to the area. In short, while change is happening in many areas within the tracts, the nature and level of that change has a wide range and is manifested in very distinct ways.

To further comprehend the site, our team conducted a small-scale study using qualitative and quantitative methods. The purpose of the small-scale study is to encapsulate the physical and economic changes that the neighborhood is experiencing. We chose to study the retail history of Telegraph and the residential family homes in the area. The following will provide information regarding our methods and findings from our fieldwork. The methods for the short-term study consisted of studying existing rental prices, walk study throughout the site, interviews and overall comparison of pricing across the neighborhood within a 1/2-mile radius.



Image 2.1

## 2.2 | Economic Development

### Interviews

Interviews were conducted with experts on the history of Oakland and Temescal in particular. We concluded that the history of Temescal's demographic face, as well as the local economy was an especially prominent element to making sense of the Temescal witnessed today.

### Findings

During interviews with Oakland historians, we found that Temescal has a long history with the Bay Area's immigrant population. Interviews revealed that the earlier parts of Temescal's development fostered a neighborhood much different than the one we see now.



Image 2.2

### Businesses

The Temescal business corridor marks the beginning and the end of an era. Telegraph Avenue is the center from which Temescal's character and charisma permeate into the broader community. Once the sole location of family owned, Mom & Pop shops, the corridor has been reordered to suit a trendy, hip plethora of retail and dining.



Image 2.3

In attempts to market itself, Temescal's business corridor has a distinctly vintage feel. As it has managed to hold on to several of its original stores and dining facilities, a fuse of new and old, trendy and traditional have formed neighborhood where many backgrounds feel comfortable. However, the high prices in stores near the core node of 51<sup>st</sup> and Telegraph might foster "retail exclusion" (Williams and Windebank 2002).

## 2.3 | Housing Study

Due to the economic shifts of the study area, our research team analyzed the shifting housing pattern of the neighborhood. The steps we took consisted of gathering Zillow rental information, walking study of single-family homes into multi-unit structures, and parcel information through City of Oakland assessor's office.

### Zillow price survey

We used Zillow.com to gather information regarding recently purchased homes, as well as whether the property had been foreclosed on at any point.

Figure 2.1 details the location of homes recently sold and on the market homes within the study area. We gathered information from 2011-2014. Assessing the information we conducted a small walking study where single-family homes were subject to multi-unit conversion.

### Walking Study

Our study consisted of walking as well as driving within the neighborhood. The method of our small scale walking study consisted of noting the address of homes that appeared aesthetically altered in comparison to neighboring homes.

### Parcel Information and Utilization and Tracking Change

The approach of gathering the necessary information to analyze the overall investment in a building consisted of dividing the building

improvements to the land value acquired through Zillow. We used a common metric, the relationship of assessed improvement value to assessed land value, and the Zillow. Complete results of this survey are available in **Table B1 on page XX** in the Appendix. Our neighborhood showed disproportionately large improvement values relative to land values, suggesting a pattern of reinvestment.

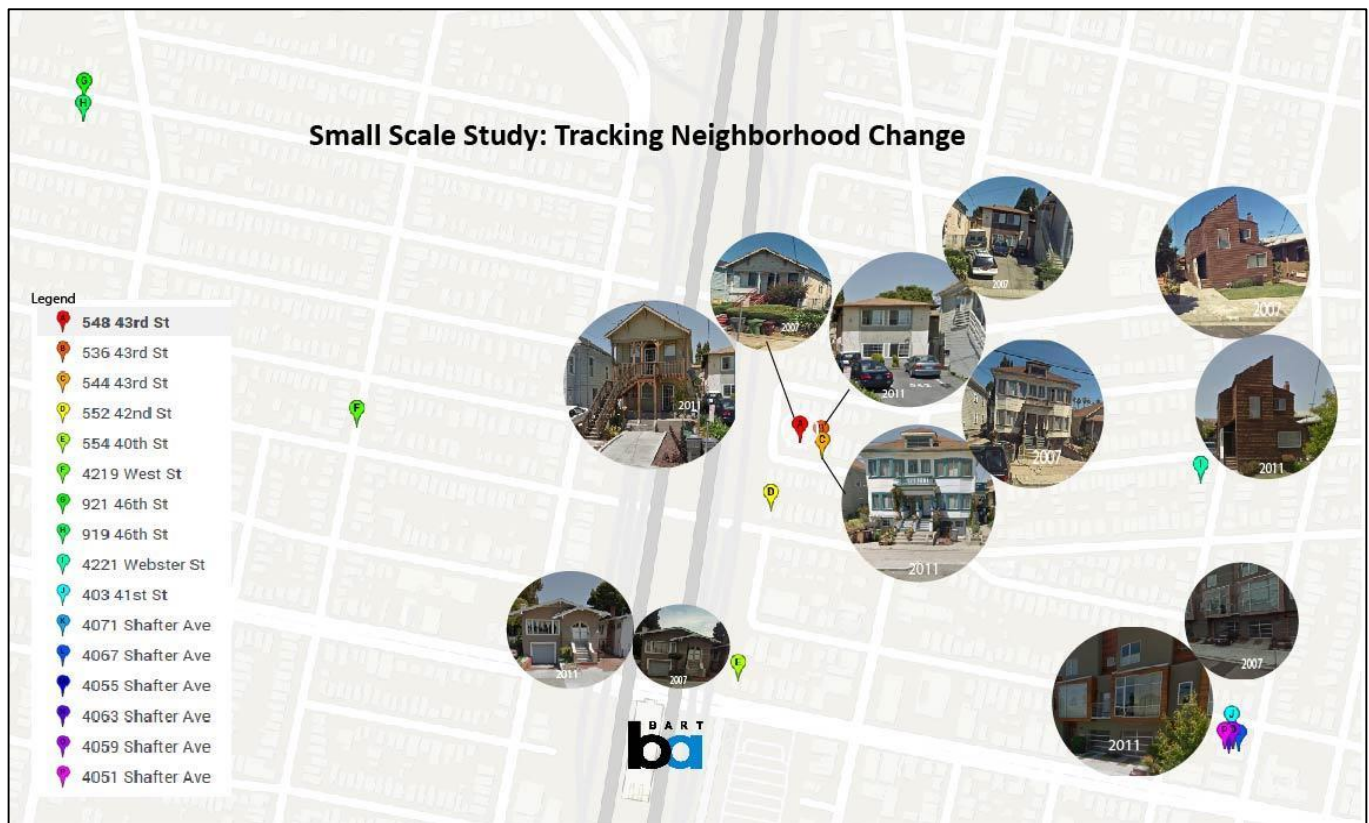
## Findings

1. Tracking the necessary information to compare the usage of the parcel and property was achieved by collecting images that depict a story of change. The map in Figure 2.1 shows the changes from most of the properties between the years of 2007 and 2011. These years were chosen since they create an age buffer between post and pre-recession. It should also be noted that several of the homes that have been converted into units were purchased on short sale following the foreclosure crisis.
2. From the images provided above, we noted that 43rd, Street was the street with the most investment.
3. Investment in the area is gradual. Similar to the business corridor on Telegraph the changes are gradual in nature and thus difficult to track.

## Conclusion to short term study

We found that there is investment in the area that is small in scale but creates a greater impact. Our visual observation suggests the disruption of a family community into one of students and single professionals. It is also clear that the neighborhood is gradually becoming more exclusive.





**Figure 2.1: Small Scale Study: Tracking Neighborhood Change**  
**2.4 | Interviews**

Our interviewees described a neighborhood in flux, THAT IS constantly recreating itself to accommodate both old-timers and newcomers. They also suggested that the city and BART have been largely ineffectual actors in helping to stabilize the neighborhood.

### **The identity of a neighborhood in flux**

Temescal has always been a melting pot, with both a stable base of long-term residents and a constant influx of new immigrants. But as an interviewee from a community-based organization pointed out, one of the biggest factors in gentrification is that many newcomers do not understand or care to understand what currently exist in the neighborhoods they want to move into and inevitably change. To add to this, long term residents also sometimes fail to recognize the larger systemic and structural forces that cause problems within their communities and often welcome increased law enforcement and gentrifying forces simply as a way to get rid of the “problem”, i.e. street violence, drugs, and homelessness.

As he stated, “A realtor trying to sell a property would say it’s diverse, walkable, etc. But someone

fed up with the neighborhood, in favor of gentrification would say it dangerous, and home to troubled youths”. In that vein he goes on to state, “It’s like, people don’t know the history of the neighborhood that they’re moving into, [The Black Panther Party originated down the street, and how MLK founded one of the local churches] but once they get here, they want to change it”.

Another manifestation of this tension about how to reconcile the old and new appears in the local discussion about the neighborhood’s commercial identity. As one key informant told us, there is a strong interest in being seen as the alternative to Downtown and Jack London in terms of neighborhood events. The BID is largely responsible for events that are considered a trademark of the area such as farmers markets and now in pursuit of a nightlife (i.e.: night clubs).

Meanwhile, south of the 580 freeway, the neighborhood is in flux in a different way, with an impoverished and uprooted population direly in need of transitional housing, particularly single room occupancy hotels. Here there is little or no connection to the other ‘well invested’ areas nearby.

The neighborhood transition puts some local organizations in interesting positions in terms of their role as simultaneously being a gentrifying force as well as one that tries to work against it. One respondent spoke openly about the role and process of farmer's markets being not only a sign of neighborhood change, but also how they tend to exclude the people they intended to support. For instance, more than just being a food justice organization now, Phat Beets works to connect different stakeholders and community members to have open dialogues about their neighborhoods in order to find common ground and build more cohesive places to live.

The same respondent offered several methods in trying to combat unchecked gentrification. He ended that interview with noting that his organization is not anti-development but rather would like to be a force that promotes..."racial justice and economic development without displacement. Development should be for the people who live there, not the people you want to attract".

### Ineffectual city

Thus far, the actions of the City, BART, and its developer, BRIDGE, have done little either to help the neighborhood define a new identity, or to help it preserve its melting-pot character.



As one interviewee from the City pointed out, Oakland has struggled to create economic development at MacArthur BART station. Redevelopment funds played an important role in project viability, but currently, the project is in search for private partnerships and 'anchor/destination retail' tenants to encourage other businesses to move in and assure the financial security of the project. Also, due to the lack of support from the City of Oakland for economic development in its pocket neighborhoods, the Temescal BID has taken the initiative to encourage retail, housing and a sense of 'neighborhood'.



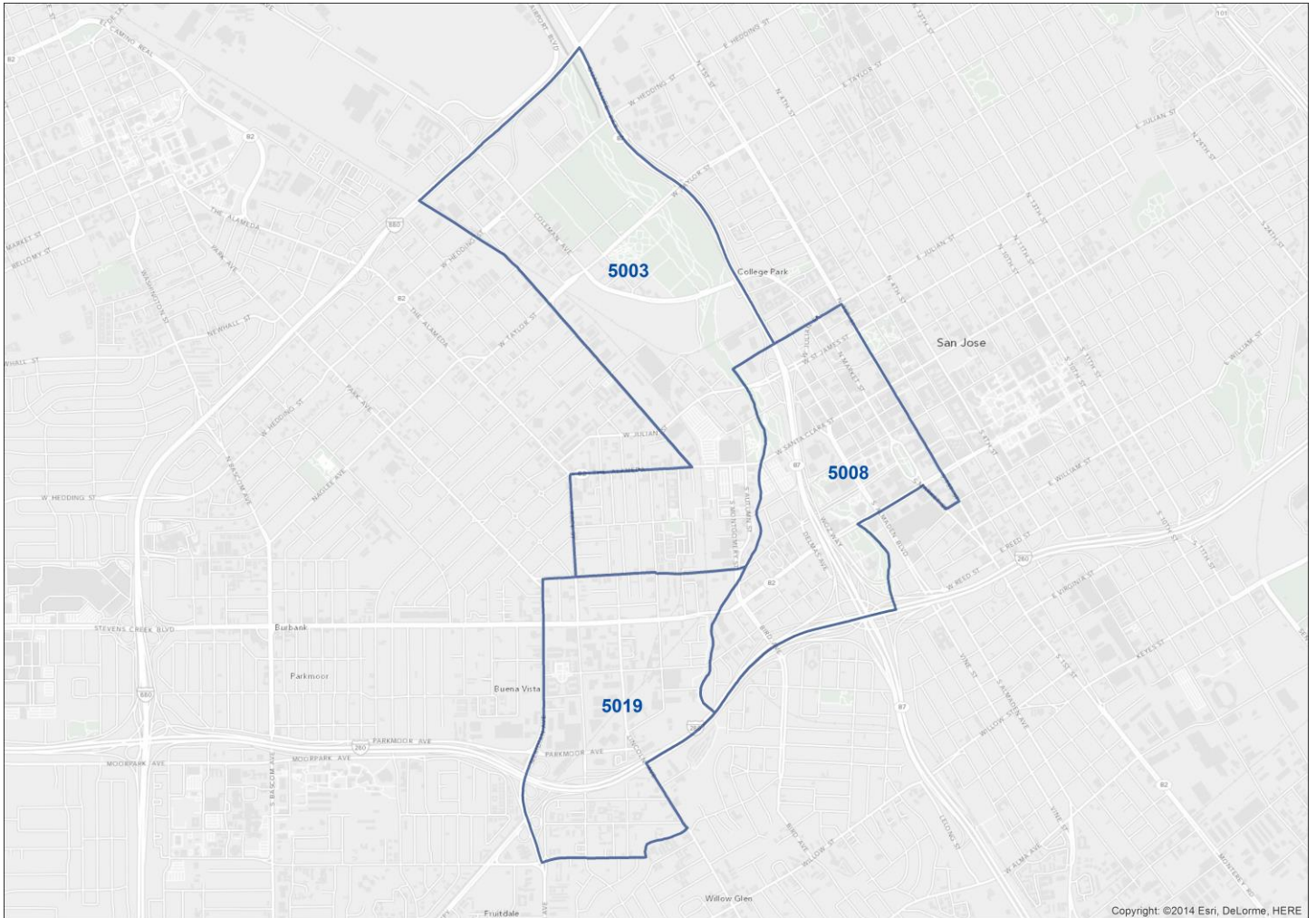
BRIDGE Housing is managing the development project in the MacArthur BART station area. According to one interviewee, BRIDGE sees itself as a catalyst in the area, but cannot concern itself with its role in making the area less affordable after the development is complete. The philosophy of BRIDGE is to bring in economic development to an area where demand is high, as it is in Oakland. BRIDGE argues that bringing in more economic activity to a place that is calling for it can make it more inclusive and that that is precisely BRIDGE's mission: to spur economic activity through development while keeping the areas they build in accessible through BMR units. Then, city and state governments should work with affordable housing developers more actively and meaningfully to ensure that buildings that are developed to increase access and inclusivity do not set off exclusionary processes in the vicinity. Thus, BRIDGE is also playing a contradictory role: like the community-based organization described above, its mission is inclusion, but it may be inadvertently acting as an agent of gentrification.



## 2.5 | Conclusion

Based on the data, we have concluded that Temescal is a constantly changing neighborhood. Changes in its demographic face have been fueled by the influx of a high-income earning, highly educated, younger population. The neighborhoods and communities in our study area have all changed in very distinct ways, and our research highlights, through quantitative and qualitative methods, that the level and nature of change experienced spans a wide spectrum. The research also seems to hint that although Oakland is experiencing palpable signs of change, the manner in which it manifests can be difficult to pinpoint. The study area demonstrates that the nature of change in cities can vary widely and is not always limited to "traditional" development-fueled change.

### 3 Diridon Train Station, San Jose



#### Diridon Station Area | San Jose

0 0.5 1 Miles



Hannah Clark, Mar Velez, David Von Stroh  
Census Tracts Studied: 5003, 5008, 5019  
Partner Organization: Working Partnerships USA



### 3.1 | Getting to the Jobs-Housing Balance: No Longer Silicon Valley's 'Bedroom Community'

San Jose struggles to protect affordability for low-income residents and provide living wage jobs that have the ability for advancement. The City of San Jose is situated in a unique historical and economic context within Silicon Valley. Previously, San Jose promoted itself as the housing 'hub' for the region. From the 1950s onward, San Jose saw huge growth in the conversion of orchards to single-family homes (and thus lots of sprawl). Subsequently, light-industrial land (mainly the canneries near to downtown San Jose) was converted to higher-density housing (Stakeholder SJ2, 2014). The Alameda urban village has been the site of many of the conversions of former canneries to high-end housing and condos, such as Plant 51.



Image 3.1: Plant 51 in San Jose

San Jose's historical role in providing affordable housing elevates the current importance of keeping housing affordable for the many low-income workers and residents of the Silicon Valley. However, the city is quickly moving to capture the economic opportunities that come with being a part of the booming tech region. In order to do this the City is eagerly providing greater flexibility for commercial activity. (City of San Jose, 2011) What this means is that economic development has taken highest priority for San Jose. The official guiding document that outlines San Jose's growth plan outlines their jobs first approach. In it the City states the need to focus on economic growth.

#### **Focused Growth:**

"Strategically focus new growth into areas of San José that will enable the achievement of City goals for economic growth, fiscal sustainability and environmental stewardship and support the development of new, attractive urban neighborhoods. The Plan focuses significant growth, particularly to increase employment capacity, in areas surrounding the City's regional Employment Center, achieve fiscal sustainability, and to maximize the use of transit systems within the region." (City of San Jose, 2011)

This is also affirmed by the City's support for commercial development.

#### **Employment and Residents:**

"The Plan recognizes that all existing employment lands add value to the City overall and therefore preserves those employment lands and promotes the addition of new employment lands when opportunities arise. The drive behind this strategy is to be able to build a land value capture system where the market and commercial development is the drive for increasing development, including housing." (City of San Jose, 2011)

### 3.2 | Changes and Trajectory

To understand the future trajectory of the neighborhoods in the Diridon Station Area, we conducted interviews with stakeholders to analyze change in the local context. Our interviews provided insight into two key changes and policies that influence the area:

- San Jose's focus on improving their jobs-housing balance
- San Jose's Urban Villages Plan, a key strategy under the City's updated general plan – Envision 2040

These two themes came up in almost every interview we conducted, and while they are citywide in scope, they directly affect the neighborhoods around Diridon Station and those existing communities. In close proximity to the Diridon Station Area are two of the major urban



villages envisioned by the City of San Jose –the Alameda and West San Carlos. With the priority of mixed-use, high-density development in the urban villages, previously affordable areas are feeling the pressures of rising rents and opportunistic landlords. Further compounding the stressors related to housing cost is the regional issue of growing inequality and the fact that living and working in San Jose is increasingly out of reach for low wage workers (Head, 2014).

### 3.3 | Urban Village Strategy: Poised for Economic and Demographic Change

The Urban Village strategy is the current place-making tool and housing-commercial model in San Jose. In order to achieve their vision of economic and job growth across the City, San Jose is largely relying on its Urban Villages Plan: a key policy piece of Envision 2040. The City of San Jose defines Urban Villages as:

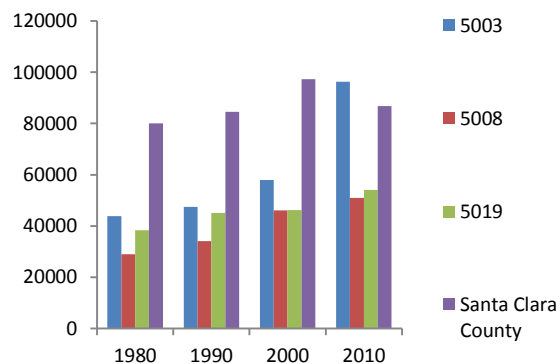
“...active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth attractive to an innovative workforce and consistent with the plan’s environmental goals. Urban villages will enable location of commercial and public services in close proximity to residential and employee populations, allowing people to walk to services while also providing greater mobility for the expanding senior and youth segments of the population....” (City of San Jose, 2014)

When discussing this strategy with senior members of the city’s Planning and Housing Departments, they emphasized the city’s view that Urban Villages would allow San Jose to play ‘catch-up’ with surrounding cities in the Silicon Valley (Stakeholder SJ1, 2014; Stakeholder SJ2, 2014). Brilliot and Chen were referring to the overarching vision of San Jose’s general plan in promoting job and economic growth, and placed Urban Villages as the key strategy in achieving this goal.

#### The Alameda

The Alameda is one of the City’s most developed Urban Villages. Located within a historic quarter of San Jose, the Alameda now offers a range of full service amenities along with “funky” charm that is attractive to residents. As described a stakeholder in San Jose’s Planning Department, the Alameda has good bones, good bones for a great place.” The area has undergone the process of building a mixed use strategy where there are small businesses lined along the streets. Most of these businesses are small restaurants and boutique shops. The area holds much foot traffic and has multimodal streets complete with bike lanes. Moreover, the Alameda is located fairly close to Diridon Station. The accessibility to local mass transit as well as regional transit makes the Alameda a target for development and investment by businesses interested in becoming a part of their economic growth strategy. It is important to look at the demographic changes that have happened over time and that are presently dominating the Alameda. These suggest the displacement of low-income residents by these newcomers that also may link displacement to the changes that have been implemented through the City’s Urban Village strategy. The Alameda is within our 5003 Census tract study area. Figure 3.1 shows how this tract has risen in median income since 1980. In fact, it is the Census tract that most steadily shows median income growth—and by a large margin, from a little over \$40,000 to close to \$100,000 in median income per year.

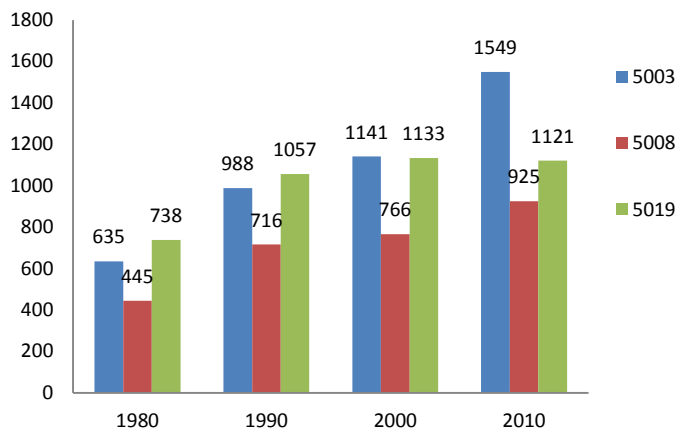
This same trend can be seen in median monthly



**Figure 3.1: Median Income by Census Tract vs. Santa Clara County**

rent, shown in Figure 3.2. Along with a rise in median income there has also been a rise in

monthly rent in same Census tract 5003 along the thirty-year trajectory. This matching trend suggests that renters in the area have incomes that are growing along with rising rents. This leads us to believe that those who can no longer afford the rising rents must move out of the Census tract.



**Figure 3.2: Census Tracts: Median Monthly Rent, Source: Census Bureau**

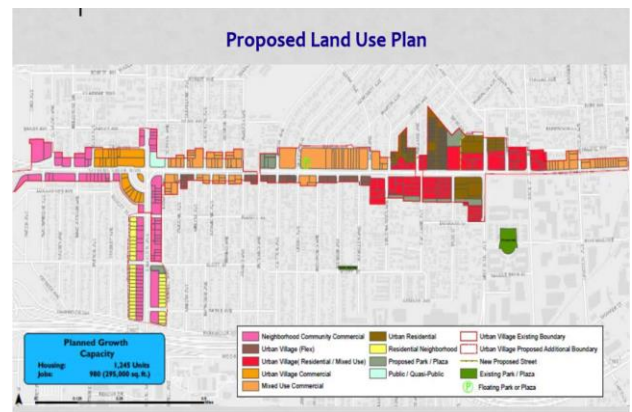
As one of the more developed urban villages, it is clear that the Alameda is now fully gentrified and that many low-wage working people have been displaced. This is the trend that we foresee in the West San Carlos Urban Village.

### West San Carlos

According to city staff, West San Carlos is also a prime candidate for a successful Urban Village. West San Carlos is located in an area that is facing economic pressures on all sides. West San Carlos is a pocket in which lower-income residents look to find more affordable housing, between more affluent areas to the southwest (the Alameda) and the east (Santana Row). A staff member in the Planning Department described the street as “the most practical street in the area” (Stakeholder SJ1, 2014). By this he acknowledges the centrality of the street as it is very practically located near bus transit and is positioned in an area close to other attractions in the City.

However as can be seen by the land use map in Figure 3.3, the West San Carlos Area is being zoned for the mixed use and smart growth strategy that characterize the Urban Village model. A large

portion of what is being planned is commercial, retail, including some neighborhood commercial uses. If it complies with the urban village and growth strategy, most of the housing built in this area will be market rate. As a Bay Area developer told us in an interview, building affordable housing will be challenging when cities are looking to the jobs market to determine where and how much of any housing can be built.



**Figure 3.3: Proposed Land Use Map of West San Carlos**

Census tract 5019 in which West San Carlos is located has had a fairly steady median income level over the past thirty years, as can be seen in the Figure 18. The median income is right under \$60,000, making this area a middle class neighborhood with a substantial low-income population. While income has been stable, there has been an increase in rent, particularly from 1980 to 1990. From then on the rents have stayed steady while the last census in 2010 actually shows a drop in the rental market in the area. However, it is likely that the steadfast West San Carlos area will be experiencing pressure due to the exhausted affordability options in nearby areas.

Affordable housing seems more and more difficult to assure as the City has determined that its planning strategy will be driven by an economic, specifically jobs growth plan. It is clear that the Urban Villages strategy is a tool by which to carry out this strategy. Although this is mentioned in the San Jose Envision 2040 which outlines the City of San Jose’s growth plan and goals, our understanding of the implications of a “jobs first”

approach came from our interviews with stakeholders who are affected by the housing market. From developers to city officials to community-based organizations, our interviews offered a deeper understanding of the complex issue of creating and funding affordable housing for the rapidly growing city of San Jose.

### **The Ban on Building Housing**

In one stakeholder interview, a housing developer expressed his enthusiasm for building additional housing in the City of San Jose. This developer discussed a townhouse project built in the mid-2000's as one that "has developed nicely," and expressed how building affordable housing in the Bay Area in general has been a long-standing challenge (Head, 2014). However, there is an eagerness to build housing in San Jose because the city is experiencing an economic growth spurt that can make housing attractive and profitable. In the interview, the developer expressed concern about the halt on home building since the city adopted the hard and fast rule that no additional housing will be built before commercial development (Stakeholder SJ6, 2014). While this stakeholder expressed a strong interest in building housing in San Jose, his firm is not currently pursuing any developments due to the City's 'freeze' on building permits. He views the City's strategy as a manner of driving up land values through the commercialization of neighborhoods, so that the taxes on these properties can pay for themselves through systems such as value capture (Stakeholder SJ6, 2014).

### **3.4 | Affordability Requires Higher Paying Jobs**

It is clear that affordable housing itself is not enough to avoid the displacement of low-income residents. Affordable housing construction must be accompanied by jobs that offer living wages. The City of San Jose is facing not only a deficit in affordable housing, but also a lack of employment that will help keep tenants afloat. The *Silicon Valley Business Journal* writes that "while San Jose rents and single-family home prices are still generally lower than notoriously expensive cities like Palo

Alto, costs of living still far exceed average wages for many area workers" ("Jobs vs. housing," 2014).

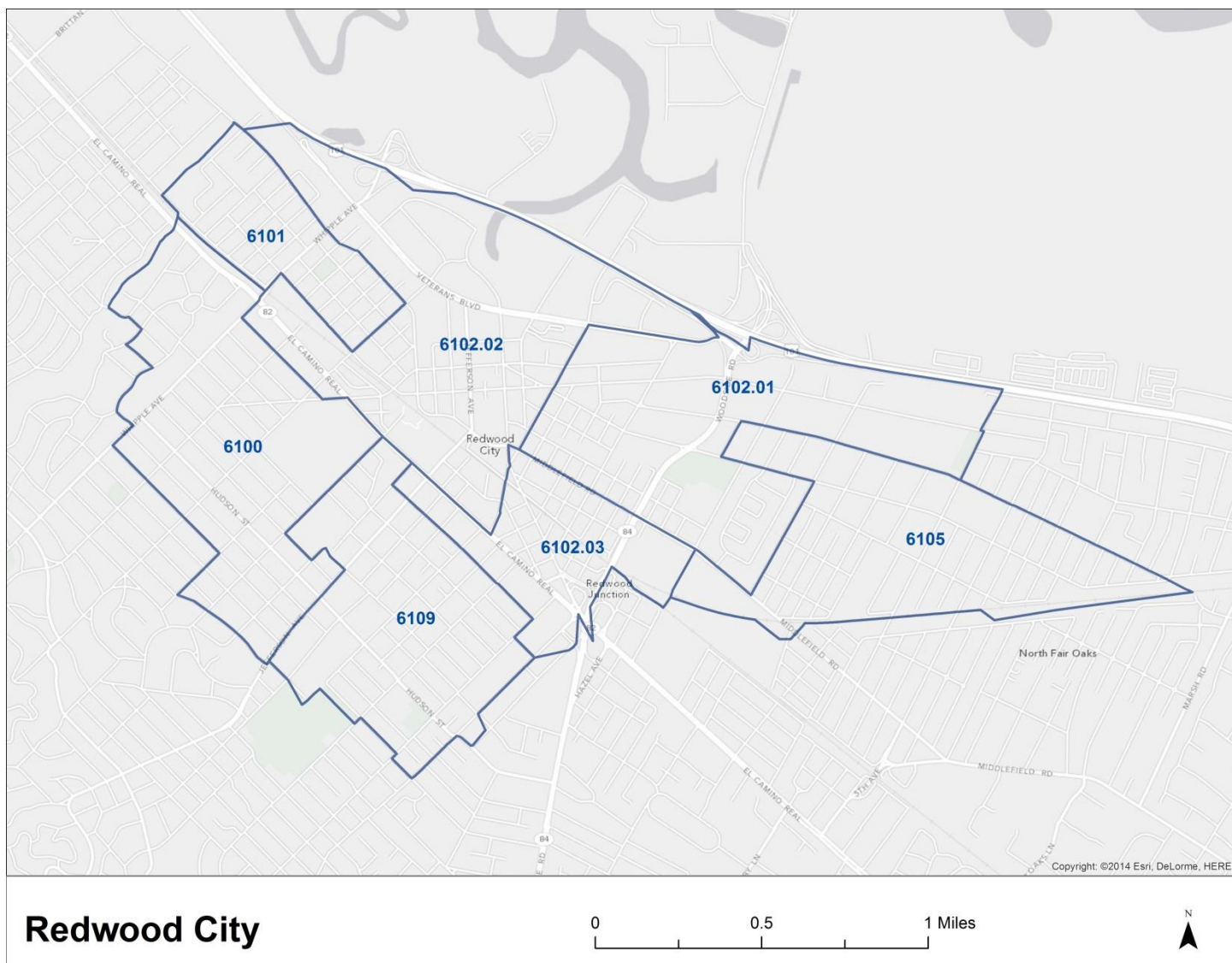
Well-paid jobs lead to economic strength and resilience for low-income residents, contributing to a sound strategy for long-term affordability as well as economic growth. The challenges of building affordable housing are coupled with challenges for low-income earners to make a living and sustain a good quality of life.

A local service provider highlighted that some of the selling points of urban villages that attract both businesses and residents—walkability and increased livability—could be key drivers in pushing out existing residents unless anti-displacement and affordable housing mechanisms are put in place (Stakeholder SJ5, 2014). One stakeholder from a regional non-profit emphasized that

"...while the urban villages are key infill development projects, there are unintended consequences of the strategy, as the influx of wealth and jobs will likely only attract more. People have realized that sprawl development doesn't make sense for a whole host of reasons. But the other piece is that we don't have money to build Caltrain and light-rail everywhere. There are only so many transportation dollars and it is important to be strategic on how these are spent..." (Stakeholder SJ4, 2014)

As Urban Villages focus development around transit, it is of extreme importance that investments take equity into account. While these critiques of the Urban Villages strategy have originated outside of San Jose city government, in our interviews people working within the city recognized the current deficiencies of urban villages in promoting equitable city and regional development. They are now looking towards strategies such as strengthened rent control, tenant relocation services, and a proposed housing impact fee to mitigate the pressures of displacement and gentrification in these areas (Chen, 2014).

## 4 Redwood City



Julia Ehrman and Alex Kowalski

Census Tracts Studied: 100, 101, 102.1, 102.2, 102.3, 103.2, 105, 107, 108

Partner Organization: Peninsula Interfaith Action



## 4.1 Introduction

Redwood City is on a path toward immense change. Located on the southeastern edge of the San Francisco Peninsula in the affluent San Mateo County, the city of more than 75,000 residents is currently the site of an intense economic development scheme. The foremost goal behind this effort is to put to rest the old moniker “Deadwood City,” which has been used over the past several decades by locals to characterize the moribund downtown area. With revitalization, city officials envision their downtown as a new hub for entertainment and commerce in the region and as a home to more wealthy residents (City of Redwood City, 2011). This vision, however, is not necessarily in harmony with Redwood City’s historic role as a home for low- and middle-income families on the Peninsula. As city officials try to insert their town into the thriving Silicon Valley economy, policies are needed to ensure that its current low- and moderate-income residents receive some of the benefits of development and are still able to afford to live there as the cost of living rises. This case study explores provisions for affordable housing in the current development scheme in Redwood City to assess potential displacement pressures.

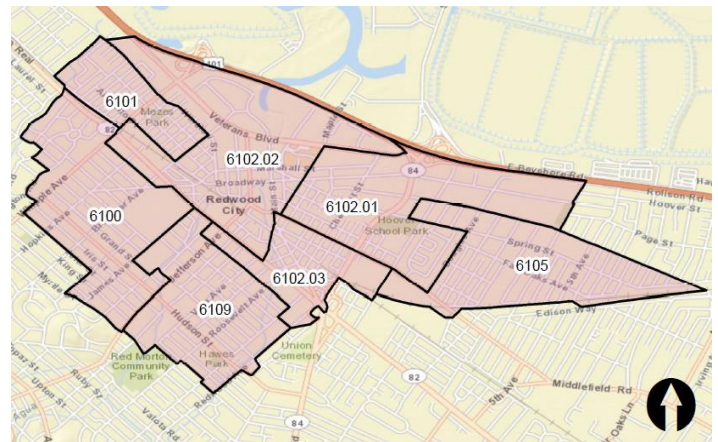
The analysis proceeds as follows: We begin with an overview of Redwood City today, placing a particular focus on history and future of development in the downtown area. We next talk about the downtown development plan and examine the issues it will create in terms of displacement. We then review the affordable housing policies currently in place and evaluate the types of jobs that are likely to be created as the city grows. We find a need for affordable housing construction to accommodate future increases in the low-wage workforce. Redwood City risks displacing and excluding low-income earners if it does not put in place stronger supports for affordable housing construction.

## 4.2 | Trajectory of Change

### Overview

To understand the potential for displacement associated with economic development in Redwood City, we analyzed the changes in the downtown area relative to the local and regional context. We studied seven census tracts. These tracts were chosen because they are within one mile of the Caltrain

station, which is the focal point of development. In fact, this station may be considered an emblem of the city’s efforts to tap into the regional economy: The biggest income gap between two neighboring Caltrain stations less than three miles apart occurs between Redwood City and Atherton, according to a study cited by KQED (M. Green, 2013). Census figures show that Redwood City’s median household income in 2010 was \$75,231, compared with \$85,648 for the San Mateo County. This figure, though, obscures the larger income discrepancy between Redwood City and neighboring communities like Atherton. Of the 20 incorporated cities in San Mateo County, Redwood City has one of the lowest median income levels (“Social Explorer,” n.d.).



**Figure 4.1 Redwood City Study Tracts**

There are also significant income disparities between different Redwood City neighborhoods. There are lower income communities immediately surrounding downtown and to its southeast, and much wealthier neighborhoods to the northwest and in the hills. Tract 102.2 encompasses the downtown area as defined by the city in its Downtown Precise Plan (DTPP) quite exactly, and we treat the census and city designated boundaries interchangeably when discussing downtown. In 2010, six out seven of our study tracts have average incomes significantly below the city median of \$75,281, ranging from \$30,080 in tract 102.2 to \$57,581 in tract 101. Tract 100 is an outlier with a median income of \$83,879.

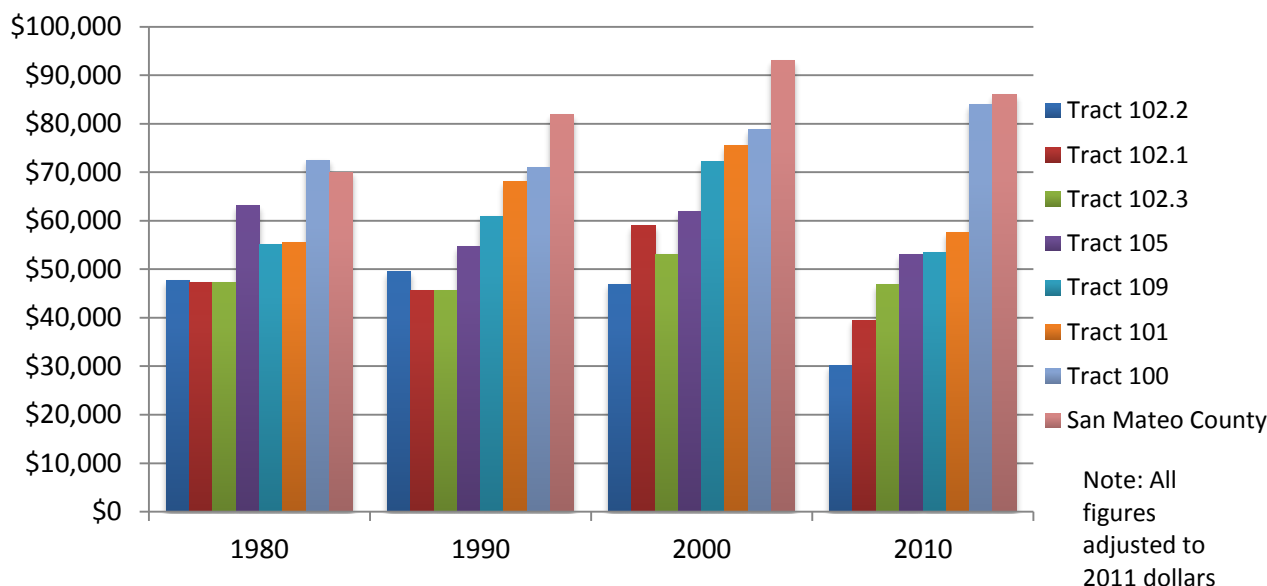
Income disparities mirror racial demographics. The population of Latino residents in these seven census tracts has increased overall from 27 percent to 59 percent of the total from 1980 to 2010, but these changes vary significantly by tract, with Latino residents overrepresented in lower income tracts. In

keeping with this trend, these lower income tracts have a higher proportion of minority residents compared to the city as a whole, where just 39 percent are Latino.

As Redwood City strategically attracts wealthy employers, employees, and developers to its

become vulnerable to being displaced from what is now one of the most affordable cities on the Peninsula. The high proportion of minority residents exacerbates this vulnerability, as language barriers, racism, and discrimination lead to weaker representation in city politics. When we evaluate income distribution over the past three decades, we

**Figure 4.2 Median Household Income Levels in Redwood City Study Area by Tract Compared to San Mateo County, 1980-2010**



downtown, the surrounding neighborhoods may

see that disparities have grown alongside regional prosperity. As seen in Figure 4.2, the gap in household income between San Mateo County and Tract 102.2 has increased relative to the other tracts in Redwood City. Redwood City's low-income residents are not sharing in regional success.

### The Downtown Precise Plan

The downtown area has seen an especially severe income decline, which poises it for reinvestment. While the census tract that encompasses Redwood City's downtown has historically housed few residents – the city's poorest among them – there are plans to substantially increase the housing supply through market rate development. This raises questions about how residents in surrounding low-income census tracts will fare as the economy shifts to keep pace with the surrounding boom.

Adopted in 2011, the DTPP is the guiding framework for the economic revitalization of Redwood City. It introduces a number of incentives intended to jumpstart activity by reducing restrictions on development. Local officials hope that an influx of

investment dollars will make Redwood City desirable to the high-tech sector in Silicon Valley. The strong transportation connectivity via Caltrain, the Dumbarton Bridge, and El Camino Real make it an especially ripe location. The DTPP is centered on bolstering commercial life downtown and bringing restaurants, shops, and housing that supports the lifestyle of these workers. This can be characterized as a classic transit-oriented development (TOD). This strategy will be enhanced by Redwood City's history as the oldest city on the Peninsula, which has endowed it with art deco theaters and other pieces of historic architecture. If the DTPP is successful, more people will be able to live and work in the area and more families will want to take trips downtown.

What does the DTPP look like? Here it bears repeating that local officials want to do away with the "Deadwood City" title. The enthusiasm around this rebranding is evident in the film noir produced by Mayor Jeffrey Gee and pictured above in which they bury a plaque inscribed with "Deadwood City" in the foundation of a new building (City of Redwood City, 2014a). They will do whatever they can to avoid scaring off developers with burdensome restrictions

and to attract higher-income households with disposable income to support a new consumer economy downtown. Conversations with stakeholders revealed that the strategy of development could be characterized as a “trickle down” approach in which the presence of higher income residents is believed to benefit lower income residents. The DTPP thus justifies overriding regulations or restrictions that apply to the rest of the city. By doing so, the DTPP creates a zone of exception in the downtown area where policies that are meant to address social concerns of the municipality as whole do not hold force. For example, density and zoning restrictions have been removed or minimized in the DTPP, nullifying the effect of a density bonus ordinance that is intended to incentivize affordable housing. The plan adopts a form-based code, privileging a New Urbanism

**The 2014 State of the City Movie:  
“Where is Deadwood City?”**



aesthetic that will support nightlife and fine dining.

**Image 4.1 Redwood City 2014 State of the City Movie: “Where is Deadwood City?”**

Importantly, there is very little housing downtown at the moment, about 830 units, according to the 2010 Census. Our review shows that about 240 of these units are affordable but this high proportion reflects the fact that these units were erected under Redevelopment and that they were built downtown at a time when no one else wanted to live there (San Mateo County Department of Housing, 2012). With new development, Redwood City is hoping that at least 2,500 units will be constructed there. There are already about 1,300 units slated for construction in the vicinity, though not one appears guaranteed to be affordable. In fact, almost all of them are described as luxury. Additionally the plan calls for 500,000 square feet of office space, 300,000 square

feet of which have already been built (City of Redwood City, 2014b).

Considering all of the above, the availability of affordable housing is an ongoing concern among residents in Redwood City. Housing advocates and community organizers are wary that that development downtown will increase unaffordability, and there are signs that this is already happening. Community service providers report that many lower income families are struggling to afford to stay in their homes, doubling up with extended families and passing down real estate between generations because purchasing new homes are not within reach. Maintaining ownership in this way is one anti-displacement strategy that is being employed by residents, but Redwood City is an increasingly renter dominated market. Recently, evictions of houseboat residents in Pete’s Harbor removed close to 200 units of the city’s affordable housing stock. As the population increases and the economy shifts to attract a regional market, tenant protections and subsidized affordable housing development is critical to maintaining the affordability of Redwood City for middle and low income people on the Peninsula.

While there have been few instances of direct displacement related to development downtown, community organizations are responding to the risk associated with the changes and the need to preemptively put in place measures to protect against the displacement that is likely to occur.

## 4.3 | Issues

### Weak Provisions for Affordability

A lack of affordable housing in the context of the Redwood City’s current growth trajectory will contribute to displacement pressures. As will be shown in the subsequent section, there is already a shortage of housing to accommodate downtown workers. The short supply will put pressure on the prices of existing units downtown, which will create spillover demand in adjacent neighborhoods and push rent upwards. The neighborhoods adjacent to downtown are currently accessible to low-income earners, but this state will change because of rising rents. While affordable housing is frequently cited as a key concern in the City’s general plan, there are no policies explicitly driving its construction. Furthermore, the DTPP makes no provision to

include affordable housing, and there are no mechanisms in place to extract revenue for affordable housing from profitable ventures in the downtown core.

The city has already seen a significant spike in housing development since 2011, the year that Redevelopment was dissolved and the DTPP was adopted (McKeag, 2013). Following the dissolution of Redevelopment, Redwood City community organizations have pushed the city council to pass an inclusionary housing ordinance to harness some of the gains of development for the city's low income population and ensure that 15 percent of all new units are below market rate. The city council has repeatedly struck down this ordinance on the basis of the Palmer Decision, a court ruling that severely undermined the power of California cities to mandate affordable housing development. Palmer upholds the Costa-Hawkins Act, which guarantees landlord's rights to set the initial rental rate of proprietary units, thereby disallowing inclusionary zoning in market rate developments. Anecdotally, interviews suggest the city council is generally uncooperative on passing affordable housing legislation because of fear that any regulation will be harmful to economic development goals. As evident in the General Plan, planners in Redwood City advocate for prioritizing development to meet market demand on the basis that it will support affordable housing development down the line.

Reviewing the General Plan's Housing Element, fifteen of the twenty-four implementation goals relate to affordable housing. Of these, inclusionary zoning, a commercial linkage fee, or a housing impact fee have the greatest potential to bring new affordable units to the city alongside market rate development. Inclusionary zoning is hotly contested and has not passed. The Redwood City Planning Department was responsible for completing a study on the potential for a commercial linkage fee to provide funds for affordable housing to the city by 2011 (City of Redwood City, 2009), but this study has not been initiated. At public meetings, community members have expressed support for exacting fees on developers, but the legislation remains very weak (Redwood City Planning Department, 2013). Site improvement fees are in place, but fee exemptions in the downtown area limit the revenue they provide to the city since the majority of development is happening in that area. Furthermore, fee exemptions for affordable developments are not effective downtown, due to general exemptions in the DTPP.

A density bonus ordinance has been adopted as an incentive to build affordable housing, but it is similarly restricted in its impact by the fact that the density limit was removed in the DTPP. Just two developments on the outskirts of the downtown area are reported to have taken advantage of this ordinance (21 Elements, 2014).

An inclusionary housing ordinance would be the strongest tool for channeling some of the development momentum into affordable housing, especially in the downtown area. As mentioned, the battle for inclusionary housing is ongoing, and seemingly hindered by Palmer, which may soon be overturned in a state bill. The city is currently in the process of updating its housing element, and inclusionary housing remains a key debate. The current housing element applies until June 2014. 21 Elements, a coalition of 21 Peninsula governments undertaking a planning alignment process, has recently reported on Redwood City's progress towards the housing goals that are delineated in the housing element. While the housing element sets quantified goals for affordable housing development and identifies the parties responsible for investigating progressive policy opportunities, remarkably few of these specific goals have been met.

While Redwood City prides itself on having met its RHNA land allocation, the record of affordable housing construction is lacking. In fact, while the housing element committed the city to providing subsidies for affordable housing downtown and along major corridors, no subsidy was allocated in 2012. Additional policies to support low-income housing without necessarily building more of it include flexible zoning for "alternative" housing models, an accessory dwelling units ordinance and revision of development standards for secondary units, and a program to provide assistance to first time homebuyers who may eventually "move up" into market rate housing. The city also distributes funds to support rehabilitation of some low income housing for both renters and owners. These actions are important, but they are weak protections in the face of a rapidly changing housing market.

### **Jobs/ Housing Mismatch**

A lack of mechanisms to promote the construction of affordable housing downtown will be particularly problematic if Redwood City's economic development strategy succeeds, given the types of



jobs that will likely be created. An increase in restaurants, shops, and entertainment venues will bring many low-wage jobs. Without an adequate housing supply for those who will hold these jobs, the New Urbanism principles of walkability, diversity, and sustainability that are guiding development downtown will be negated as more workers commute by car. Likewise, the carbon emissions that are saved by transit-oriented development will be offset by any increased traffic on the roadways.

To evaluate the degree to which job creation in downtown Redwood City will affect demand for affordable housing, we projected the number of low-wage workers who will choose to live downtown by 2025. The results show that at least 296 new affordable units will need to be constructed to accommodate the low-wage workforce.

Our analysis began with an estimation of job growth in Redwood City in the next 10 years, based on employment forecasts for each city in the region from the Association of Bay Area Governments (ABAG). In a 2009 report, ABAG predicted that Redwood City would add more than 12,000 jobs between 2010 and 2025. The majority of this growth was expected to occur among financial services and professional jobs, but all industries other than agriculture were expected to experience double-digit growth.

For the purposes of this study, we narrowed the ABAG projections to the downtown area. We used the Census Bureau's Longitudinal Employer-Household (LEHD) data, which contains information about the types of jobs found within a specified area, to evaluate the industry composition downtown. As table 2 shows, about 2,754 new jobs are expected

downtown. Not all new employees will live downtown. Some will choose to stay at their current homes and commute to work. To account for place of residence, the projections were further narrowed so that they show the share of the workforce that will opt to live near where they work. Three scenarios were created in this step: one based on the current share of downtown employees who live downtown (0.4 percent); another using the current share of Redwood City employees who live in Redwood City (8.8 percent); and a third using a share derived from a survey of Californians' living preferences (25 percent) (Nelson, 2011). Table 3 contains the results. The first and second scenarios are clearly too low, and cannot account for imminent growth. The third scenario better accounts for the preferences of Californians, one-third of whom said they would pay more to be able to walk to where they work, a portion that was even higher among low-income earners. To account for just twenty five percent of new workers living in the downtown, 688 new units will be needed.

Finally, we used the California Regional Economies Employment Data, which contains average annual wages in San Mateo County at the detailed industry level, to determine which of these anticipated jobs would be low paying. The industries were broken down into more granular categories and the share of each located downtown was again calculated using LEHD data. Annual household wage for a family of three was imputed by multiplying the average annual wage by the numbers of jobs per household (1.5). All jobs paying less than the 80 percent of the median household income for a family of three in San Mateo County in 2014 (\$81,450) were designated low income. Forty-four percent of all jobs projected downtown will be low-income.

**Table 4.1 Projected Job Growth in Downtown Redwood City from 2010 to 2025 by Industry**

Industry	Change in Employment from 2010 to 2025	Share of Redwood City Jobs Located Downtown in 2011	Projected Jobs Downtown by 2025
Agriculture and Natural Resources Jobs	0	0.16	0
Manufacturing, Wholesale and Transportation Jobs	1440	0.16	230
Retail Jobs	1250	0.25	307
Financial and Professional Services Jobs	4610	0.1	479
Health, Educational and Recreational Service Jobs	2670	0.31	820
Other Jobs	2460	0.37	919
Total	12430	0.22	2754

**Table 4.2: Scenarios for New Employees Living in Downtown Redwood City by 2025**

Industry	Projected Jobs Downtown by 2025	Scenario 1 (0.4 percent)	Scenario 2 (8.8 percent)	Scenario 3 (25 percent)
Agriculture and Natural Resources Jobs	0	0	0	0
Manufacturing, Wholesale and Transportation Jobs	230	1	20	57
Retail Jobs	307	1	27	77
Financial and Professional Services Jobs	479	2	42	120
Health, Educational and Recreational Service Jobs	820	3	72	205
Other Jobs	919	4	81	230
<b>Total</b>	<b>2754</b>	<b>11</b>	<b>242</b>	<b>688</b>

Source: ABAG; U.S. Census Bureau

**Table 4.3: Projections of Low-Wage Employees Living in Downtown Redwood City by 2025**

Industry	Employed Living Downtown by 2025 in Scenario 1	Employed Living Downtown by 2025 in Scenario 2	Employed Living Downtown by 2025 in Scenario 3
Retail Trade	1	29	77
Educational Services	0	4	12
Arts, Entertainment, and Recreation	3	59	166
Accommodation and Food Services	0	2	7
Other Services (excluding Public Administration)	1	12	33
<b>Total</b>	<b>5</b>	<b>106</b>	<b>296</b>

Source: ABAG; U.S. Census Bureau; California Department of Housing and Community Development; California Regional Economies Employment Data

The results, shown in Table 4, indicate that 296 affordable units may be needed downtown to house low-wage workers. This projection makes up about 12 percent of the 2,500 units desired as part of the DTPP, which is close to the 15 percent allocation that would have been required under redevelopment. It would also account for about 26 percent of the city's Regional Housing Needs Allocation (RHNA) of low-income housing for 2014 to 2022.

It is important to note that these figures are definitely low for several reasons. The wages are imputed from San Mateo County averages, which are likely to be skewed by high-income earners elsewhere in the county. Similarly, because the county cost of living is high, even those who earn above "low-income" wages will likely struggle to afford housing. Additionally, if economic development is successful in Redwood City, more jobs may be created than are currently forecast. The city's strategy specifically targets the low-wage

retail, arts and entertainment, and food industries, which means these industries may also experience outsized growth, thus boosting demand for affordable housing

In light of these projections, the absence of policies to ensure that any affordable units are built in downtown Redwood City poses a problem.

#### 4.4 | Conclusion

Should the city succeed in its economic development goals, there will be a mismatch between housing supply and job growth that goes against the core of sustainable development. As our analysis has shown, there are no mechanisms in the DTPP to mitigate this imbalance. Despite a stated commitment to developing an affordable city, these sentiments lack substantiation in action. Stronger legal provisions are needed to make these commitments enforceable.

Affordable housing provisions elsewhere in the city are not sufficient to protect low-income residents against displacement pressures, or to ensure that new low-wage workers are able to reside close to their place of employment. An increasingly unaffordable downtown commercial center will not serve the needs of lower income community members, and continue to exclude these residents from the benefits of economic growth. On its current path, Redwood City runs the risk of becoming increasingly segregated and inaccessible to the workers who will form that foundation of its new economy.

While affordable housing is critical, the jobs/housing analysis that we present also highlights the need to address low wages. In the wealthy Peninsula, weak earnings among workers who provide essential services occupations challenges their ability to meet basic needs. Along with housing policies, city governments in the region should adopt living wage policies to ensure that all inhabitants share in the region's prosperity.

## 5 East Palo Alto



Authors: Sydney Céspedes and Logan Harris  
Census Tracts Studied: 6118, 6119, 6120, & 6121  
Partner Organization: Peninsular Interfaith Action

## 5.1 | Introduction

East Palo Alto (EPA) is located on the San Francisco Peninsula in the heart of Silicon Valley. It is a small city with a population of 29,126, bordered by the affluent cities of Palo Alto and Menlo Park. A young city, EPA was incorporated in 1983 despite critics that believed the city would not generate enough revenue to sustain itself. Incorporation prevailed despite numerous lawsuits from special interest groups seeking to frustrate and halt the process (Cheng, 2012). East Palo Alto residents are proud of their rich history of community activism and in their struggle to achieve self-determination (Stakeholder EPA3, 2014).

The city represents a pocket of affordability to residents who are otherwise excluded from settling in the affluent region due to the high cost of housing. Housing affordability has always been a pressing issue for the residents of EPA. After the city's founding, one of the first actions of the city council was to impose a rent freeze ordinance while the council sought to pass rent control legislation. Since the passage of the 1988 Ordinance to Stabilize Rents and Establish Good Cause Evictions, the city council has gone on to pass a host of policies for the construction and preservation of affordable housing.

The 1988 ordinance was updated in 2010 with the Rent Stabilization and Just Cause Eviction Ordinance to protect tenants from arbitrary evictions and rent hikes. The city has a Below Market Rate Housing Program, enacted in 2002, requiring that at least 20% of residential units in all new buildings be made available to people making 30% of the area median income. The Condominium Conversion Ordinance allows the city to deny conversion "upon lack of reasonable alternative housing opportunities" and to impose an affordable housing mitigation fee to partially offset the loss of affordable housing (City of East Palo Alto, 2012). Finally, the city is in the process of drafting a secondary dwelling unit ordinance to assist residents in the legal conversion of garages and storage buildings into livable apartments.

Despite these legal protections, residents, advocates and even city officials remain concerned with housing affordability and residential displacement. The economic recession and the foreclosure crisis stripped wealth in communities of color across the nation and greatly impacted the city of EPA

(Stakeholder EPA1, 2014). Many stakeholders we interviewed cited the termination of redevelopment funds in 2011 as a huge loss for affordable housing production (Stakeholder EPA3, 2014; Stakeholder EPA4, 2014; Stakeholder EPA7, 2014). Now, as the Silicon Valley job market booms, housing pressures are intensifying for residents across the region. With so little affordable housing available, it is the low-income that will be most affected.

This case study will examine the city characteristics, policy decisions and the city's context within the region in order to understand the susceptibility to residential displacement. Given the relatively small size of EPA, we examine the entire city instead of focusing on a specific neighborhood.

## 5.2 | Susceptibility to Displacement

A historically African-American community, from 1980 to 2010 the City of East Palo Alto saw a huge racial demographic shift, experiencing a decrease in African American residents and a major increase in Latino residents, as shown in Figure 5.1. This "majority-minority" city is now home to a diverse population of Latino, African American, Asian and Pacific Islander (API), and White residents.

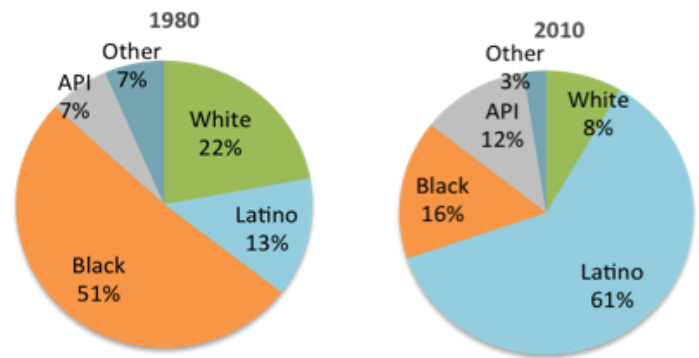


Figure 5.1. East Palo Alto Race/Ethnicity, 1980-2010

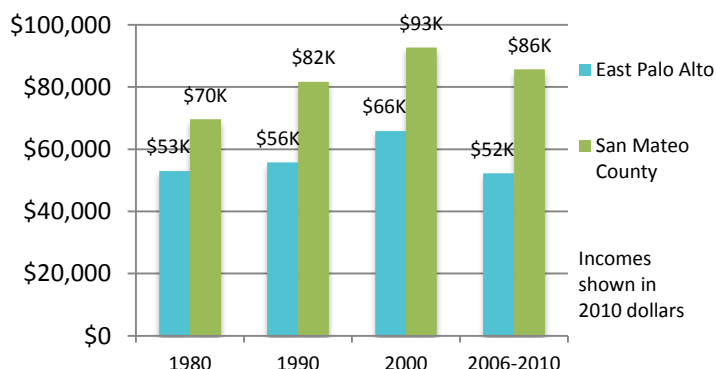
African Americans and Whites have declined in both the share of population and in absolute numbers. One interviewee, a long time resident active in city politics, attributed the out-migration of African Americans in part to the Savings and Loan Crisis of the 1980s and the crack-cocaine epidemic, which fueled high rates of violent crime in the city. (Stakeholder EPA3, 2014; Cheng, 2012).

The city as a whole however, has experienced tremendous population growth. From 1980 to 2010 East Palo Alto's population grew by 72% while San Mateo County's grew by 22%. As mentioned above,

EPA’s population growth is largely due to the influx of Latinos, which in 2010 accounted for 61% of the population. The city’s dramatic growth may also be attributed to EPA’s prime location and to the limited affordable housing opportunities in San Mateo County and in the surrounding jurisdictions.

EPA has not undergone demographic shifts typically associated with gentrification and residential displacement. Nevertheless, the city possesses several key economic and housing characteristics associated with high susceptibility to displacement. Already saddled with high rent/mortgage burdens and overcrowding, growing housing prices continue to put economic strain on East Palo Altans. The fact that housing costs remain lower than the surrounding region indicates a high potential for displacement.

Incomes in East Palo Alto are significantly lower than in San Mateo County, and have been so consistently since 1980. As shown in Figure 5.2, real incomes have actually decreased in EPA since 1980. According to the California Employment Development Department, the annual income needed in San Mateo County to rent a two-bedroom fair market apartment is \$71,800, a significantly higher figure than EPA’s estimated \$52,000 average income in 2006-2010 (Hepler, 2014a).



**Figure 5.2 East Palo Alto and San Mateo County Income, 1980-2006-2010**

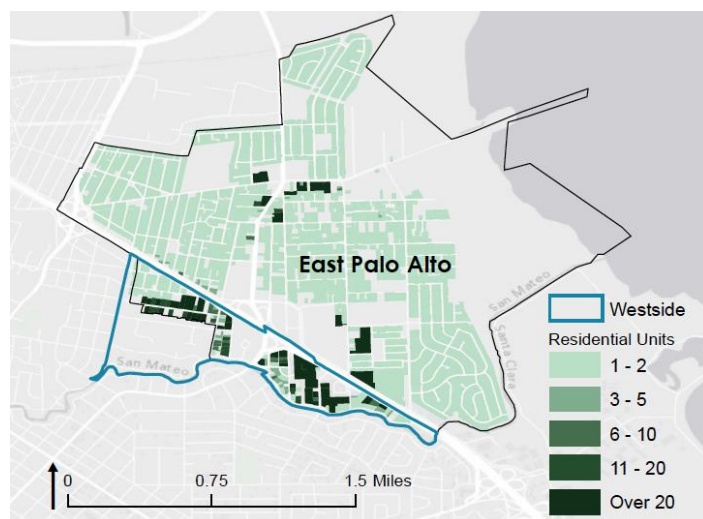
Housing tenure in East Palo Alto has not changed significantly over the past 30 years. From 2006-2010 56% of households in EPA rented rather than owning their homes. This tenure split is nearly the inverse of San Mateo County, where 57% of households are owners. A higher renter population is traditionally more susceptible to displacement.

While real incomes have decreased, rent and home prices have gone up. Home prices in East Palo Alto are much lower than in San Mateo County, although current sales prices still put homeownership out of reach for most residents of East Palo Alto. Housing prices in East Palo Alto fell very sharply during the recession, but are now rising again quite steeply. From 2012 to 2013, prices rose by 46% in East Palo Alto, compared to 24% in San Mateo County.

With low incomes and high housing costs, East Palo Alto residents face significant housing cost burdens. In 2006-2010 more than half of renter households were cost burdened, meaning that 35% or more of their incomes went towards housing costs. Mortgage burdens have climbed steadily, and are estimated at 49% in 2006-2010.

One method East Palo Altans are using to cope with high housing costs burdens is by living with family members or renting out rooms, as indicated by the high percentage of overcrowded units. About 37% of households live in conditions considered overcrowded or extremely overcrowded. In addition to doubling or tripling up, the tight housing market has led to the unlawful conversion of garages into living quarters. The issue of secondary dwelling units will be described in more detail later in this chapter. High housing cost burdens in the midst of a regional economic boom have residents and advocates wary of the potential for displacement.

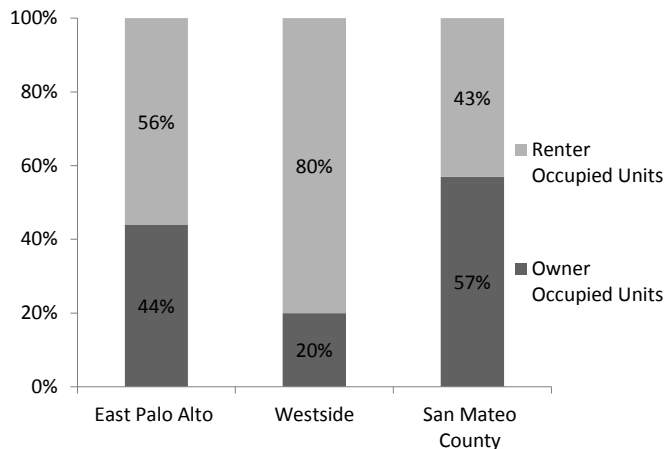
### 5.3 | The Westside



**Figure 5.3 Residential Unit Type in East Palo Alto**

The neighborhood known in East Palo Alto as the Westside is located in the southwestern part of the city, separated from the rest of EPA by Highway 101.

The area contains the majority of the city's multifamily rental housing stock, and in 2014 was home to 22% of the population while comprising just 8% of city land. (*General Plan Update*, 2014). As shown in Figure 5.4, 80% of Westside households are renters – a significantly higher proportion than the rest of the city.



Source: 2006-2010 American Community Survey.

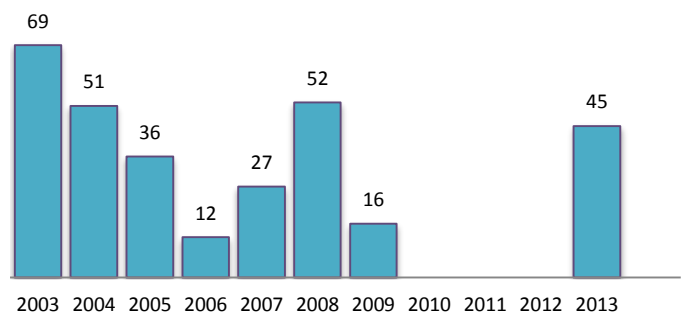
**Figure 5.4 East Palo Alto and San Mateo County Housing Tenure, 2006-2010**

Over half of the city's rent controlled units are located on the Westside, the majority of which are owned by a singular landlord, Equity Residential. Due to the unique characteristics of this neighborhood, the city is currently drafting a Westside Area Plan along with its General Plan update. EPA's concern and heavy involvement in the neighborhood date back to 2008 when the city and Page Mill Properties, the former owner of a great deal of multifamily housing stock on the Westside, were involved in approximately eleven lawsuits.

Just a year after Page Mill Properties began purchasing buildings in the Westside in 2006, tenants began complaining of harassment and steep rent hikes (Berstein-Wax, 2010). In 2007 the company evicted 71 people. In 2008 another 99 people were evicted, an eviction rate 7.5 times greater than that of the rest of San Mateo County (Berstein-Wax, 2009). When Page Mill defaulted on its loans and went into foreclosure in 2009, Wells Fargo took over the properties. Wells Fargo then sold its properties to Equity Residential, the largest publicly traded landlord in the United States, in December of 2011. After this acquisition, Equity Residential now owns about two-thirds of the city's rent controlled apartments.

The sale to Equity Residential occurred despite objections from both residents and the city. Suspicion surrounding Equity only grew as the company issued 706 three-day eviction notices in the first 6 months of managing the apartments (LeVine, 2014). Tenant organizers see the excessive use of three-day notices as a harassment tactic. According to an interview with a local service provider, tenants who had previously been accustomed to paying rent on the 10th or 15th when their paychecks came in, now receive three-day notices on the 2<sup>nd</sup> of the month. (Stakeholder EPA10, 2014) This is despite the fact that rental leases often generally state that late fees will not be charged until the 4<sup>th</sup> or 5<sup>th</sup> of the month. Equity ceased reporting three-day eviction notices when the Rent Stabilization Board made these figures publically available, and their management has claimed that they are only required to report unlawful detainers, or actual eviction notices (LeVine, 2014).

Official evictions in EPA as recorded by the San Mateo County Sheriff's office, shown in Figure 5.5, only reflect instances in which the sheriff was called in to evict a tenant. This data does not reflect the number of eviction notices distributed, or households that many have left on their own after receiving a notice. Zero evictions are shown from 2010-2012, during the time that properties were changing hands from Page Mill to Wells Fargo to Equity. However, our community partners indicated this did not reflect the actual experience of tenants in EPA, and that many households were in fact issued eviction notices and left during this time.



**Figure 5.5 Official evictions recorded by Sheriff**

The city was notified in 2013 that Equity was illegally painting curbs red in an effort to reduce parking (J. Green, 2013). Limited parking is a huge problem for the city due in part to the prevalence of unlawful secondary dwelling units. Once garages are converted into apartments, homeowners park their



cars in the street. Additionally, tenants of secondary units also park in the streets or curbs. The city is not well served by public transit and most residents work outside of EPA. In addition to painted curbs, an interviewee explained that Equity has begun to charge for parking spaces causing further strain on residents (Stakeholder EPA10, 2014). Residents have complained that family members using their paid parking spots have had their vehicles towed. Many households have more than one employed member and thus multiple cars. Tenant advocates see this manipulation of parking supply, one of EPA's precious commodities, as a form of harassment. (Stakeholder EPA10, 2014).

Our partner organization expressed concern over "soft evictions" a term used to describe tenants that leave due to this type of harassment. In response to this harassment, the City Council unanimously passed a tenant protection ordinance April 1, 2014 to protect tenants from harassment and to further restrict demolitions (LeVine, 2014). Additionally, the ordinances provide relocation benefits for displaced tenants and protection for undocumented tenants by prohibiting landlords from requiring proof of citizenship. Equity is currently challenging this bill, which needs to go through second vote before it is made into law (LeVine, 2014).

## 5.4 | A City Strapped for Cash

Economic development is a high priority in East Palo Alto. In a conversation with a city official, the development of the Four Seasons Hotel and the opening of IKEA were cited as two major redevelopment victories (Stakeholder EPA4, 2014). These two developments are not without controversy. The construction of the Four Seasons Hotel resulted in the demolition of "Whiskey Gulch," a neighborhood in EPA that had previously housed many liquor stores and bars. The hotel is located at the edge of East Palo Alto, separated from the wealthy community of Palo Alto by a small creek and freeway. Additionally, the hotel's construction resulted in the displacement of some residents as well. According to our CBO partner, members of their organization have complained that hotel security has asked them to leave the café and other public seating area around the Four Seasons. This has created a feeling of alienation of local residents. One member of city staff weighed the cost and benefits of the Four Seasons Hotel. According to this staff person, the Whiskey Gulch was previously

burdened by crime, vermin and dilapidated buildings. The interviewee expressed the belief that most tenants were happy to leave the area and received assistance and benefits to do so, relocating to nearby cities like Redwood City and San Carlos. Yet this interviewee acknowledged that despite the benefits, no one likes moving and the residents lost a city center where the community could gather.

According to the same interviewee, the Ravenswood Specific Plan will hopefully address this issue. The completion of the Ravenswood plan, a transit oriented development strategy aimed at redeveloping the Ravenswood District, intends to "transform the intersection of University Avenue and Bay Road into a new "downtown" for East Palo Alto" (City of East Palo Alto, 2013; Stakeholder EPA4, 2014).

Despite these redevelopment efforts, East Palo Alto has been operating at a budget deficit for a number of years as a result of the decrease in the city's property tax revenue due in part to the foreclosure crisis. The city has slashed budgets and laid-off a number of government workers in an attempt to lower the budget deficit. Most recently the city considered outsourcing its police services in an effort to save money. Before incorporation, EPA relied on the Sheriff's county police force. The proposal was short-lived, however, as residents and advocates voiced their concerns at a city council hearing. One of the reasons the city incorporated was in response to mistreatment from the county government and so residents could have a voice in their own affairs (Eslinger, 2014). The city's deficit problem is a challenge to affordable housing goals. Government cutbacks could mean a reduced capacity for the city to address tenant harassment and other housing issues.

## 5.5 | The Jobs-Housing Mismatch

East Palo Alto has used nearly all the policy tools at the city's disposal to preserve and encourage the construction of affordable housing. Unfortunately, bordering cities have been less than enthusiastic in providing their share of housing. As the nation has been slow to recover from the recession, the Silicon Valley region continues to flourish, rapidly producing more jobs and consequently contributing to the regional job-housing mismatch. Neighboring cities such as Menlo Park and Palo Alto have among the highest job-housing unit ratios in Silicon Valley, at 1.96 and 3.13 respectively (Hepler, 2014b).



Despite this imbalance, which contributes to higher housing costs for most income levels, cities are unwilling to provide their fair share of affordable housing. EPA has little recourse against local jurisdictions' inaction. Facebook's Menlo Park expansion is an example of this jobs-housing tension.

In 2012 the city considered suing Facebook over its proposed expansion. According to our stakeholder, EPA did not agree with consultants' analysis that the project would have minimal impact. The city believed that Facebook workers would likely seek housing in relatively affordable EPA, instead of in Menlo Park where housing is scarce and expensive; and that the expansion would have significant traffic impacts, particularly on University Avenue. An interviewee from the city staff indicated that the EPA did not have the capacity to address the Facebook expansion as their legal team at the time was stretched thin dealing with eleven lawsuits from Page Mill (Stakeholder EPA1, 2014). As a result, EPA settled with Facebook. While Palo Alto and Menlo Park received \$142 million and \$3.9 million respectively in total compensation mitigate traffic impacts, East Palo Alto received a mere \$200,000 (Esinger, 2011).

At the same time that the city was in negotiations with Facebook, the San Mateo County Superior Court by civil rights law firms Public Advocates Inc. and the Public Interest Law Project, sued Menlo Park on behalf of Youth United for Community Action (YUCA), Peninsula Interfaith Action (PIA), and Urban Habitat ("Public Advocates," 2012). Menlo Park had failed to adopt a housing element in over 20 years, and from 1999-2007, the city did not grant any building permits for lower income housing (Ciria-Cruz, n.d.). Menlo Park settled the lawsuit and agreed to adopt a Housing Element, including a commitment to facilitate construction of 2,000 homes accessible to the very low-, low-, and moderate- income households (Ciria-Cruz, n.d.). Its first Housing Element in decades was adopted in May 2013. Shortly after, Palo Alto updated their Housing Element in an effort to avoid legal repercussions.

While the adoption of Housing Elements by local jurisdictions is a step in the right direction, it still falls short of responding to the real housing need. Housing Elements are documents that lay down plans but they are not legally binding. A regional approach is needed to address housing needs. 21 Elements is a County-Wide Housing Element Update

that attempts to consider planning on a regional scale. One of the results of 21 Elements is the development of new housing impact fees studies by individual cities. East Palo Alto, for instance, is considering a \$22-\$44 per-square-foot fee for rental and owner housing (Hepler, 2014a). The challenge with these types of collaboration is that ultimately cities are not obliged to adopt new housing impact fees or they can decide to implement much lower fees than what is recommended.

## 5.6 | Secondary Dwelling Units

As mentioned several times throughout this chapter, secondary dwelling units (SDUs) are a huge concern in East Palo Alto. These living units are generally converted from garage units, basement units or sometimes exist separate from the single-family home. There are several problems associated with SDUs. As discussed earlier, limited parking has become a huge issue due in part because of SDUs. Currently SDUs are not legalized and thus are unregulated.

As a result, many East Palo Altans are living in unsafe and hazardous conditions. Several efforts to legalize these dwelling units as a method to address safety issues and as a way to increase affordable housing (Stakeholder EPA1, 2014; Stakeholder EPA4, 2014). It is unclear if legalization would help resolve these issues, however. First, residents might be put off by having to pay for permits and fees in order to legalize their units. Second, it is likely that rent control will not apply to most SDUs, as single-family homes are not rent controlled (Lagos, 2014). Rent control may apply however, if SDUs are added to duplexes or small multi-unit buildings. Landlords of single-family homes with SDUs who upgrade their units are likely to raise rent to cover the costs. Finally, it is also highly unlikely that the city of East Palo Alto will issue a massive sweep to crack down on regulating SDUs as the city is not interested in displacing current tenants. One method EPA can use in motivating residents to legalize their units is by providing a temporary amnesty.

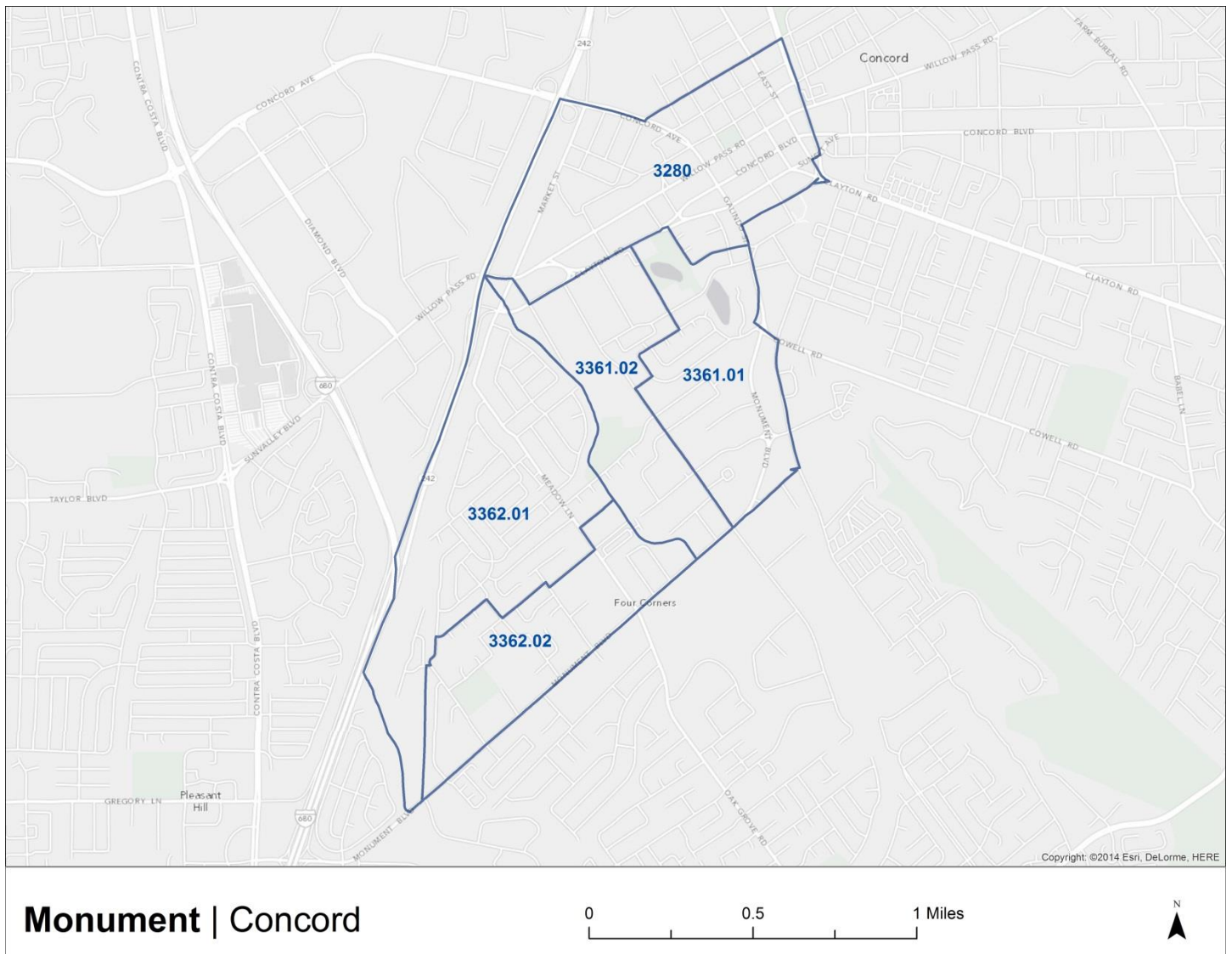
## 5.7 | Conclusion

East Palo Alto is unique in its government's commitment to improving the city for the residents who live there. While the data we looked at did not show signs of displacement, on the ground interviews told a different story. Activists and city officials alike

recognized the housing crunch and the potential impacts on their communities if action is not taken. EPA is recognized as community that welcomes low-income residents, a very different story than their neighboring cities. As one city official put it, “When people leave, they’re not moving somewhere else in San Mateo County, they’re going to Tracy, Manteca, the Central Valley” (Stakeholder 5, EPA). Displaced residents are also displaced from the region.

The rich activism that led to the city’s founding in 1983 can be used as a great force for better, equitable regional planning. Currently Urban Habitat, Peninsula Interfaith Action (PIA) and Youth United for Community Action (YUCA) are gearing up to assist the city in its preparation of the Westside Area Plan. As the federal government invests in regional planning, this coalition and activists concerned with residential displacement will need to turn their attention to statewide policies.

## 6 Monument, Concord



Authors: Celina Chan and Viviana Lopez

Census Tracts Studied: 3280, 3361.01, 3361.02, 3362.01, 3362.02

Partner Organization: Monument Impact

## 6.1 | Concord in Context

At first glance, the city of Concord may easily be dismissed as a sleepy suburban enclave. Located in the heart of Contra Costa County, it was primarily settled in the decades following World War II, as returning veterans viewed the small-town feel and verdant land that expanded to the foothills of Mount Diablo as a desirable and inexpensive place to settle. As its population grew exponentially over the next several decades, the land was quickly consumed by sprawling single-family homes.

The city continuously prioritized policies that promoted auto-dependency, accommodating its growing population by facilitating access between housing subdivisions and the highway through the expansion of thoroughfares and widening of streets. Though BART opened its Downtown Concord station in 1973, it has largely remained underutilized. The city's development of office parks downtown was instead paired with the dedication of funds for the construction of parking garages around the periphery of the commercial corridor (Dymond, 2000).



**Image 6.1** One of the partially occupied office buildings in Downtown Concord

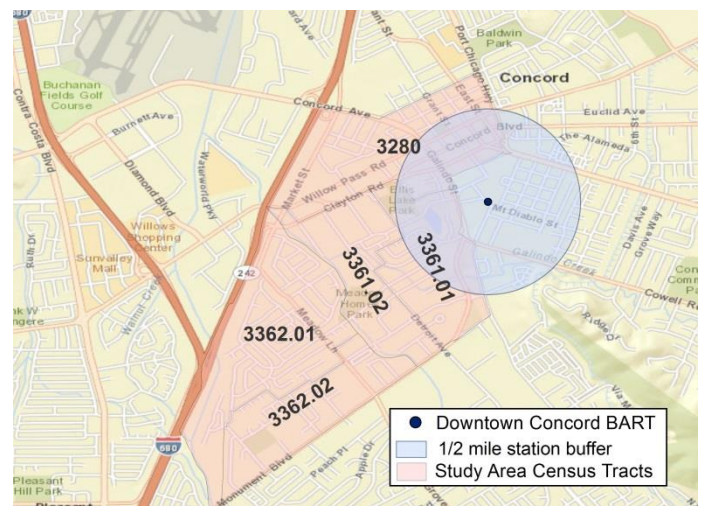
The city failed to link the BART station to its commercial and residential nodes. Office tenants began to leave Concord in the 1980s, and the once booming downtown now holds empty office buildings and underutilized storefronts. Without other incentives to attract new residents or visitors to the city, Concord has watched its neighbors in the region prosper, while its own tax base lags behind and its population growth stagnates.

## Opportunity in the Downtown Concord Specific Plan

Since 2012, Concord has been working to craft a new Downtown Specific Plan that will implement strategies to promote new downtown investment (City of Concord, 2014). At the heart of the plan is the Downtown Concord BART station, which the City envisions will be the vehicle to attract new economic activity to Concord. To this effect, the City has created a half-mile buffer around the BART station, where it plans to improve pedestrian access and intensify land uses to create an environment conducive to attracting new residents, jobs, and businesses to its core. In particular, Concord officials hope that by promoting housing density within the PDA, the city will attract a new demographic to Concord, enabling it to spur economic growth and to join its neighbors to share in the prosperity of the Bay Area region.

## The Monument Community

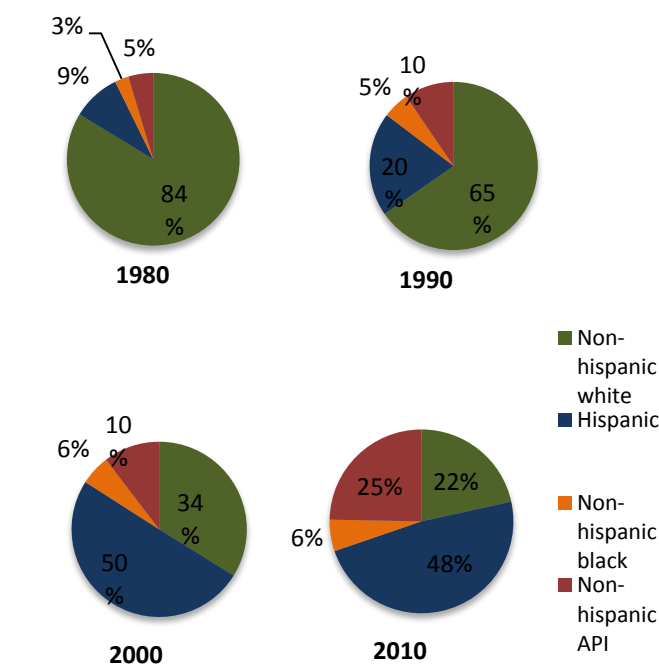
While the City focuses on improving the built environment to appeal to outsiders, it simultaneously is choosing to turn a blind eye to its most vulnerable residents who are struggling to stay in place. The Monument neighborhood in Concord is a 3.8 square mile area largely bounded by I-242 and Monument Boulevard, a central city artery that connects the highway to downtown (Figure 6.1).



**Figure 6.1.** Map of the Monument study area and the Downtown Concord PDA

As the most densely populated area in Concord, Monument Impact estimates that the population is close to 40,000 -- substantially higher than the 2010 ACS estimate of 24,000 -- due to the large

undocumented population that calls Monument home (Monument Impact, 2014). The majority of residents are immigrants from Central America and parts of Asia, or first generation Americans. They tend to have low educational attainment and are low-income. While the City as a whole was approximately 50 percent Non-Hispanic White in 2010, **Figure 6.2** shows that the Non-Hispanic white population in the Monument has been in decline since 1980, and has been replaced by a growing Latino/Hispanic population. In 2010, 48 percent of residents in the Monument community identified as Latino/Hispanic. The Asian population has been growing quickly as well, increasing from 10 percent of the population to 25 percent between 2000 and 2010.

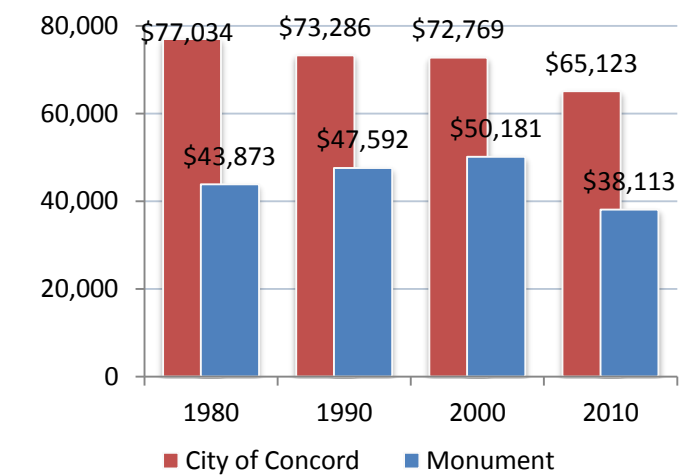


**Figure 6.2. Racial and ethnic composition of Monument residents, 1980-2010, Source: U.S. Census Bureau.**

### 6.2 | Housing Price Trends Over Time: A Growing Burden

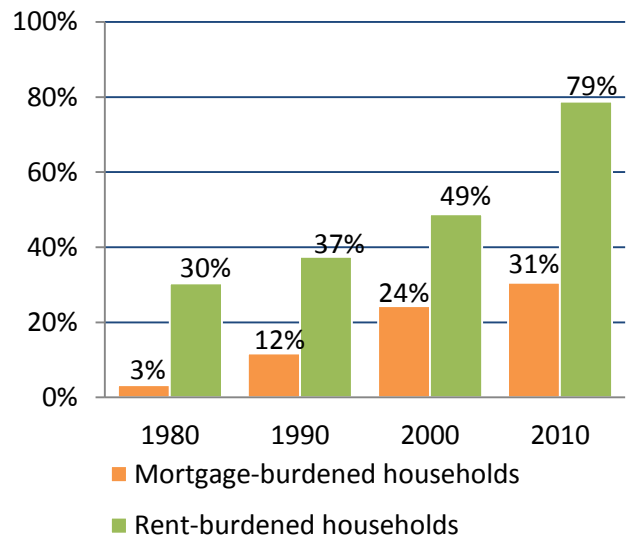
While the household incomes of Monument residents have remained stagnant since 1980 when adjusted to 2010 USD, rental costs have increased fairly significantly, and recently the gap between income and median rents has been increasing at an even faster rate. Incomes declined between 2000 and 2010 by 18 percent (**Figure 6.3**), but during that

same time period, the median gross rents increased by 15 percent, from \$948 in 2000 to \$1,069 in 2010.



**Figure 6.3 Median Household Income, Monument & Concord**

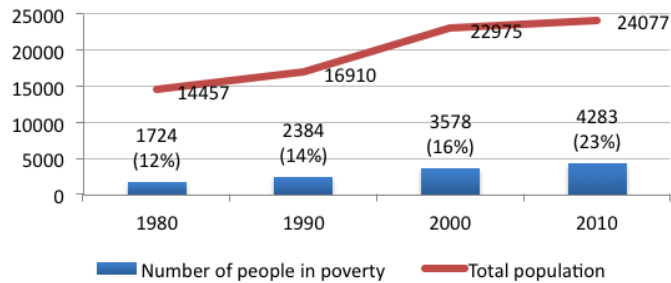
As a result of these contrary trends, the percentage of rent-burdened households in the Monument has increased as well. While in 2000 there were 2,928 overburdened renter households, that figure increased to 4,734 in 2010, meaning that 4 out of 5 renter-occupied households (79 percent) are paying more than 35 percent of their income towards rental costs (**Figure 6.4**). Moreover, almost one in four residents in the Monument were living below the federal poverty line in 2010 (Figure 6.5).



**Figure 6.4 Housing Cost burden Monument 2010**



**Number of people in poverty in the Monument vs total population**



**Figure 6.5. Monument population and percentage of population below the federal poverty level, Source: U.S. Census Bureau**

Even though the rate of overburdened households increased between 2000 and 2010, census data appears to show that there was a decline in the number of renter- and owner-occupied units that are overcrowded. Stakeholders who work closely with community residents, however, tell a different story. Several different stakeholders have recounted a similar narrative about overcrowding in the Monument. According to them, it is not uncommon for multiple families to live under the same roof. In some shared apartments, families sleep in separate bedrooms, but according to one stakeholder, it's also not uncommon for families to also share rooms or occupy living room spaces.

### Homeownership Trends in Concord

Homeowners occupy the majority of housing units in Concord. As might be expected, many of Concord's homeowners were hard hit by the foreclosure crisis and economic recession of the mid-2000s. Citywide, approximately 60% of Concord's housing stock is composed of single-family homes, and a comparable 60% of homes are owner-occupied; but following the trend that took place across the United States, there was a shift away from owner-occupancy and toward renter-occupied households. While the total housing stock in Concord increased by 6% between 2000 and 2012, the owner-occupied rate dropped by 5%, while renter-occupied units increased by 7%.

**Table 6.1: Housing Tenure and Vacancies, Concord**

	2000	2010-2012	% change
<b>Owner-occupied</b>	63%	60%	-5%
<b>Renter-occupied</b>	37%	40%	7%
<b>Occupied</b>	44,020	44,492	-5%
<b>Vacant</b>	1,063	3,533	68%
<b>Total units</b>	45,083	48,025	6%

**Source: U.S. Census Bureau, 2000 SF1 QT-H1, 2006-2010 ACS DP-4**

The Monument community presents a very different housing picture. Though multi-family residential housing only amounts for 3.5% of dedicated land-uses citywide, the majority of this type of zoning can be found within the Monument community. Altogether in fact, almost 85% of the housing stock in the Monument consists of multi-family units. Meanwhile, 53% of the detached single-family homes in the entire Monument corridor are located specifically within census tract 3280, the tract that -- since at least 1980 -- has had the lowest rate of owner-occupancy, and that experienced the lowest number of foreclosures between 2006 to 2009. Overall, 68% of housing units in Monument are renter-occupied.

One commonality between Monument and the City is the rise in vacancies over the last decade. Vacant units in the Monument increased from 3 percent to 11 percent of the entire housing stock, and though its units comprise 18 percent of the City's total housing stock, the vacancies in the Monument were approximately 28 percent of the total citywide.

**Table 6.2 Shifts in Housing Tenure, 2000-2010 Monument**

	2000	% total	2006-2010	% total
Renter-occupied	6,000	74%	6,011	68%
Owner-occupied	1,886	23%	1,810	21%
Vacant	249	3%	991	11%

8,135 8,812 +8%  
**Sources: 2000 SF1 Census, 2010 ACS**

## Foreclosures and Investor Purchases

An analysis of foreclosure data collected from the height of the housing crisis revealed that like much of California, Concord and the Monument community were hit hard by the decline of the housing market and the economic recession.

Dataquick analysis revealed that there were 2,401 foreclosures in Concord between 2006 and 2009. In other words, 5% of the housing units in Concord experienced a change of ownership due to foreclosure in those three years. The overall foreclosure trend is similar in the Monument. Of the approximate 8,821 housing units in the five census tracts, there were 421 foreclosures in just 3 years, which equals approximately 5 percent of the all units in the Monument, or up to 18 percent of all owner-occupied units<sup>10</sup>. Note that the overall number was probably much higher, as the three years only represent a snapshot of the entire crisis that lasted for arguably at least five to seven years (and more when considering the lingering effects of the economic recession).

So how is it possible that rents are rising as fast as they are, while vacancies increased by such an alarming rate during the same time period? Why did rent burdened households increase by thirty percentage points while mortgage burdened households increased only by six percentage points? Why might the Census have estimated that overcrowding decreased by as much as 48% between 2000 and 2010?

A news article published by SFGate in February 2014 begins to illuminate some of these answers. In a blog post entitled “Oakland, Concord among top cities to flip to hipsters,” author Anna Marie Elwert promotes the concept of “home flipping,” whereby a homebuyer purchases a property with no intent to occupy it (Erwert, 2014). Instead, the objective is to resell the property quickly, and at a higher price than what was originally paid for it. The article goes on to provide a four-step “how-to” info-graphic, attributed to RealtyTrac that explains the process:

1. Identify hot hipster housing market with good profit on flip.

2. Find foreclosure homes or other bargain buys.
3. Rehab to hipster tastes.
4. List + market the home. Close the deal.

Monument’s zip code, 94520, is specifically listed as the target “hipster flip” location. Other attributes required to make the list include a high number of 20-34 year-olds as well as access to mass transit, and median home prices that are no more than five times the median income of the neighborhood.

Though the article glorifies the home-flipping potential of markets like 94520, in reality the population segment for which this kind of transaction is possible is very exclusive. While down the road it might indeed result in homeownership opportunities for the gentry, low-income residents living in disinvested communities such as those in the Monument are unlikely to reap any benefit. In practice, home flipping is not as common and the process is not as simplistic as the 4-step info-graphic implies. According to RealtyTrac, there were 37 flips in the Monument zip code in 2013, but a closer look at the properties that underwent foreclosure in the Monument census tracts between 2006 to 2009 reveals that although the incidence of foreclosures has decreased, the effects of the crisis still impact the residents and especially tenants of the Monument community.

One impact of the crisis can be measured by the rise and fall of home prices, which tells a parallel story about the loss of assets among homeowners in the Monument who purchased properties in the height of the bubble, versus those who benefited from its decline. **Table 6.3** shows that while many of the homebuyers obtained loans at the height of the housing bubble, the price of the properties at foreclosure resale decreased by as much as 60%. Propertyradar data reveals that 90% of the homeowners who experienced foreclosure between 2006 and 2009 had obtained their original loan between 2004 and 2007. Although the data does not include information about the race and ethnicity of the homebuyers, a rough estimate indicates that prior to foreclosure individuals or families with Hispanic surnames owned approximately 230 of the homes. Of the current owners, that figure has declined to 55. Meanwhile, an analysis of current owners reveals that 78% of all the acquired properties are owned by people who do not live in the home. In addition, 42% of the properties were acquired through all-cash offers.

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<sup>10</sup> I used the 2000 and 2010 average of all units (8,474) and of owner-occupied units (1848+421) as proxies to estimate the rate of units in foreclosure.

Together, these indicators suggest that there is a high prevalence of investor-owned properties in the Monument.

**Table 6.3: Monument home prices per square foot**

(median)	House type	
	Condo	SFR
Original loan	\$232,000	\$428,000
(Unit size)	900 sf	1,182 sf
PSF\$	\$258	\$362
REO resale \$	\$93,000	\$226,000
% change	-60%	-47%
PSF\$	\$103	\$191
Current est. value	\$155,586	\$349,905
% change Recovery	67%	55%
PSF\$	\$173	\$296

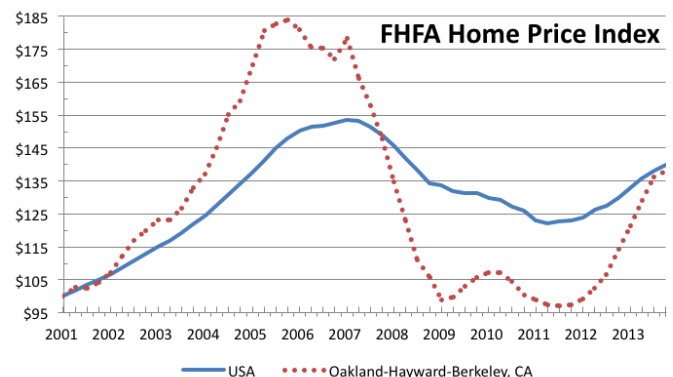
Source: DataQuick foreclosure data, PropertyRadar.com

Studies have shown that investor owners tend to value cash flow and equity returns above property maintenance. The uptick in vacancies in the Monument reflected in the 2000 Census and 2006-2010 ACS data might be attributable to investors who willingly have abandoned properties rather than invest in needed upgrades or repairs. While the abandonment of properties is not uncommon in communities hard-hit by the foreclosure crisis, many more tenants who rent from absentee landlords are forced to live in substandard conditions caused by lack of maintenance or poor property management. This is certainly the case in the Monument, where several stakeholders have identified a severe bed bug infestation that plagues the multi-family units where low-income residents live.

According to a stakeholder interviewed from a tenants' rights advocacy organization, the bed bug infestation has been a problem in the Monument for almost two years. The City's reluctance to address the issue stems from a refusal to acknowledge it as a public health concern, placing responsibility on individual landlords while simultaneously refusing to hold them accountable through citations. Several stakeholders have mentioned that tenants in the Monument do not feel well represented by local elected officials. Pushed by the continued backing from a tenants' rights advocacy organization, the City of Concord enacted a policy in late March of 2014 enabling code enforcement to issue citations to landlords

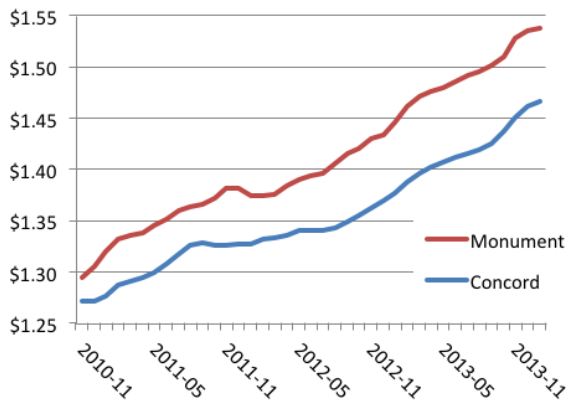
who refuse to mitigate the bed bug issue in their buildings. Still, because code enforcement is managed by the local police department, many tenants who are undocumented immigrants and unfamiliar with their legal rights, remain fearful about drawing attention to themselves, for fear of deportation or that unsanctioned living conditions like overcrowding, if discovered, will lead to eviction.

Stakeholders have indicated that evictions due to foreclosure are no longer a problem, but without mechanisms in place to safeguard against rent spikes and to protect tenants against unfair evictions, tenants' residential stability is tenuous, at best. Homebuyers and investors that have acquired foreclosed properties in the Monument paid rock-bottom prices; but as Table 6.3 above indicates, the values are slowly beginning to recover. The Federal Housing Finance Administration FHFA chart shows the extent to which house values rose and fell during the economic crisis, and it also demonstrates that values are again on the rise.



**Figure 6.6. FHFA home price index**

The rent per square foot for zip code 94520 is now higher than the City's overall per square foot cost (Figure 6.7). As the "Flip to Hipsters" storyline promotes, investors in the 94520 zip code can purchase a house and earn profit, because the rent rates demanded by the market are higher than monthly mortgage costs. According to RealtyTrac, the estimated monthly mortgage payment in the Monument is \$1,079, while the average rent for a three-bedroom house is \$1,740. While the rents in many multi-family rentals may not be quite so high, the rise of investor-ownership certainly does explain the increased pressures that rent-burdened households in the Monument are experiencing.



**Figure 6.7. Average rent per square foot for the Monument and Concord, Source: Zillow**

Several stakeholders from both sides of the fence confirmed this anecdote. One stakeholder from a service organization confirmed that it's increasingly becoming commonplace for residents to pay upwards of \$1,500 for a small, rundown apartment in the Monument. Another stakeholder who owns a large apartment complex on the edge of the neighborhood spoke without qualms about his intention to continually mark up rents in the complex he owns. While this developer certainly warrants competitive rates in return for his investment into the property, he is also not bashful about his motivations and interests. Even though he believes BART in downtown Concord to be a "waste of money," this developer doesn't hesitate to use his complex's proximity to BART as a marketing tool, aiming to "cater to the laptop crowd" that commutes via BART to work in San Francisco. Though the complex is located within the Monument community, this developer has willfully dissociated the complex from the Monument, and he proudly describes how he "got rid of... the 99% Latino" population that formerly lived in the complex. Ultimately, this developer plans to convert the units into condominiums and sell them once the market picks up again.

This developer's intention demonstrates the potential for neighborhood change in the Monument community, moving towards more expensive rental housing and catering to a more highly educated, higher wage earning demographic.

### 6.3 | Challenges to Affordable Housing Production

Like the rest of the Bay Area, there has not been enough new housing production in Concord to

meet the needs of current and potential residents. From 2007-2014, very few units have been built in Concord and of these units built within this timeframe, almost all are above moderate-income housing. Concord has fallen short of its regional housing needs allocation (RHNA) for 2007-2014. In addition, there is recognition that there is a shortage of very low- and low-income housing units in Concord. In the 2010 Housing Element plan, the City conducted an analysis of the previous plan from 2003 and found that despite the land available for affordable housing, the City did not produce enough units in the very low-, low-, and moderate-income categories. However, in the same time frame, the City did produce twice the amount required for above-moderate income housing units.



**Image 6.2 A Luxury Apartment Complex Located in Downtown Concord**

The City of Concord has policies that have been put in place recently in order to encourage development. The Concord housing element includes two overlay zones for Concord - an affordable housing overlay zone and a transit station overlay district. The transit station overlay district has only been in effect since August 2012 and was created to promote increased residential density and commercial activity within a half-mile of the perimeter of the Downtown Concord BART station. The development code for the transit station overlay district specifies that the maximum density of the base district can be increased up to 25% for residential projects.

As a result of efforts from prominent housing advocacy organizations in the East Bay, the Concord 2010 Housing Element included an affordable housing overlay zone. This overlay zone was put in place to incentivize affording housing development

and to encourage affordable housing developers to build developments in areas of Concord where multifamily residential housing is permitted. The city implemented the affordable housing overlay zone by incorporating an affordable housing incentive program into its zoning code. This program allows for additional incentives for projects that include affordable units and allows for additional density bonuses. Under the eligibility guidelines for this program, a rental project must have at least 40% affordable units - at least 20% must be affordable to very low-income households while at least another 20% must be affordable to very low or low-income households.

Aside from the affordable housing incentive program, the zoning code outlines the parameters for the inclusionary housing requirement and the density bonus program. Instead of providing inclusionary units in a project, developers have the option of paying in-lieu fees. These fees will go into a city general fund dedicated to affordable housing and it can also be used for administering affordable housing programs. Development incentives for inclusionary housing can include one or more of the following: financial assistance, density bonus, and expedited processing of an application.

Despite having policies in place to promote housing production, whether it's affordable or market-rate housing, a very low supply of housing is being built in Concord. This is due to several reasons. First, some of the vacant lots located in the Downtown Concord PDA are tied up in the redevelopment process and the city is waiting for the state to determine their fate. The City is considering reserving two of the parcels for mixed-income housing, but the feasibility will be determined by the state's willingness to return the parcels to the city at no- or low-cost.

Even if housing production starts to pick up in Downtown Concord, the City's desperation for any kind of development may result in acquiescence to the preferences of a developer who may opt to exclude affordable housing from the development, despite the incentive measures in place. Second, there is a perception that Concord is "naturally affordable" due to the lower rental costs in Concord compared to other parts of the Bay Area such as San Francisco. According to a City staff member, Concord has plenty of the "affordable" type of product and what it is missing is the "market-rate type of product." There seems to be a

discrepancy among city officials between the acknowledged low supply of affordable housing in Concord and what Concord really wants, which is more economic development and housing, especially market-rate housing. According to one City stakeholder, Concord wants the downtown area to be a "robust economic engine that operates 24/7 with residents living there and enjoying the amenities of downtown". This requires drawing in new residents who can afford to live in these potential market-rate developments and who would want the type of lifestyle that would require a downtown to be bustling 24/7. Lastly, the policies in place don't have teeth to them. Even though they are incorporated into the city's housing element and development code, which gives them more authority, the local city governance lacks the political will to address the affordable housing situation.

## 6.4 | Recommendations

For a long time, Monument residents lacked a voice and weren't included in the city's decision-making process. These issues have largely been influenced by the demographic characteristics of Monument residents, which discourage them from interacting with local officials. It has been easy for elected leaders to ignore the needs of a group that doesn't demand change.

However, the situation isn't entirely bleak. There is promising grassroots organizing that is happening in Concord. A tenants' rights advocacy organization is currently trying to "create a culture of fighting back" and "build a tenants' rights movement" in Concord. While Concord doesn't have the longstanding history of tenant organizing that San Francisco, Oakland and East Palo Alto has, a few local and national organizations are starting to work with Monument residents to advocate for changes. For a community that has historically been afraid to speak up about injustices, strengthening the advocacy and organizing capacity of these residents is the first step to building a stronger voice for Monument residents. Monument residents and organizations that serve Monument residents were not an integral part of the Downtown Concord planning process due to the disconnect between development in downtown and its implications for Monument residents. In order for Monument residents to be part of the conversation, residents need to build a stronger voting block and organize



themselves to get elected officials to pay attention to their needs. In order to advocate for better housing conditions and prevent displacement, elected officials need to be interested in what is going on in the Monument and be willing to take steps to make changes.

Currently, Concord does not have any tenant protection policies in place. In order to prevent displacement, the city should enact a rent stabilization policy as well as a just cause eviction ordinance. There is also no system in place at the city level to track evictions in Concord. Similar to San Francisco, the City of Concord should create and manage a database to track evictions. In addition, in June 2014, Concord will begin the process for updating its housing element. In order to incentivize affording housing development, it is important that the city keeps the affordable housing overlay zone in its new housing element update.

Though bank lending has retrenched and credit restrictions dampen the homebuyer market, Concord should redouble its efforts to promote first-time homeownership for low- and moderate-income homebuyers by increasing its marketing efforts while also looking for funding streams to help increase its available funding.

Although the Monument community is located close to Downtown Concord, residents of the Monument don't take BART. Key stakeholders have stated that Monument residents are transit dependent but do not ride BART. Instead, Monument residents rely on the County Connection bus service, which is operated by the Central Contra Costa Transit Authority (CCCTA) (Central Contra Costa Transit Authority, 2012). County Connection's high ridership rates reflect residents' reliance on the bus to access their jobs in neighboring suburbs. While the City seeks to promote increased ridership of BART, it should also continue to support and expand alternative transit modes, like bus routes and bike paths that provide critical access to jobs for residents in the Monument.

## 6.5 | Conclusion

Multiple stakeholders who were interviewed as part of this case study expressed that the diversity of residents is one of the City's key strengths. In recent decades, the Monument has served as a point of arrival for immigrants to the Bay area that

search for better opportunities. Like so many of its neighbors in the region, the loss of affordability of housing in Concord and especially in the Monument is threatening to fundamentally change the character of the city and displace residents who already have limited access to housing choices.

But unlike many of the other cases undertaken in this study, Concord is at a critical juncture where it can alter its trajectory by electing to protect its most vulnerable community. If Concord officials truly value diversity, they will safeguard measures to allow all residents to prosper from the economic growth that results from the downtown plan.

## 7 Policy responses to gentrification and displacement

### 7.1 | Regional problems, local authorities

As this report is meant to contribute to a discussion about issues of residential displacement in the San Francisco Bay Area, it is important to assess the impact that two important regional government agencies – the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) – can have on these problems.

Gentrification and residential displacement are regional scale problems that are related to a shortage of housing. One challenge that the MTC and ABAG face in developing policies to respond to gentrification and displacement is that most of the policy decisions that directly influence housing affordability are in the hands of local governments, particularly city governments. City governments control zoning, the issuance of development permits, and environmental review of development – processes that profoundly influence how much housing is built. City governments also control the construction of subsidized affordable housing units that can provide lower-income households with homes at prices they can afford; inclusionary housing ordinances which require developers to build or fund more affordable housing; and rent control and eviction protection ordinances, which protect renters from unfair evictions and large increases in rent. As regional governing bodies, the MTC and ABAG can encourage city governments to implement certain policies, but they cannot force them to do so.

### 7.2 | Carrots, but no sticks

The MTC is responsible for the distribution of certain transportation funding to each county's Congestion Management Agency (CMA). One way that MTC can encourage city governments to implement policies is to make the distribution of this funding conditional on the actions of local governments. For example, the One Bay Area Grant (OBAG) program is distributed based on a formula that considers each county's past housing development and plans for future housing, in addition to their population. This rewards counties

that are doing more to meet the housing needs of the Bay region.

The MTC and ABAG are also deeply involved in the designation of areas near public transit services where increased housing development is planned, areas termed "Priority Development Areas". This is intended to reduce overall driving by providing more housing opportunities in locations where it is easy for residents to walk, bike, and ride public transit. This policy of reducing vehicles miles travelled through transit-oriented development (TOD) and "smart growth" is mandated by State law (California SB 375). The MTC and ABAG distribute grants and otherwise assist local governments to make these plans. With this assistance, they may also be able to request that local governments implement policies intended to prevent or reduce residential displacement and address problems of gentrification that often accompany these growth strategies.

### 7.3 | Representing the nine counties

The MTC and ABAG are representative democratic bodies in which decisions are made collectively by representatives of all nine Bay Area counties (Alameda, Contra Costa, Marin, Napa, Solano, Sonoma, Santa Clara, San Francisco, and San Mateo). Residents in each county have different opinions about transportation, urban form, housing development, and the environment. No policy can be implemented by the MTC or ABAG without winning the support of these representatives of all parts of the San Francisco Bay region.

### 7.4 | Policies

When people discuss how governments should address problems of gentrification and residential displacement, the policies they recommend generally fall into one of several categories:

#### **Legal protections for tenants**

In a completely free housing market, landlords may raise the rent that tenants pay to whatever price they believe the market will bear. When there is not enough housing in a desirable location like an urban center with a rich assortment of amenities,

housing prices are determined by the highest bidder. Lower-income households may be displaced from their homes or excluded from locating in these areas due to high prices. They are then left to find housing in less attractive and less convenient locations – sometimes far outside the urban center, where they face very long commutes to jobs and other opportunities and amenities.

Legal protections for tenants establish rules that change this. Rent control laws limit how much landlords are allowed to raise rents, allowing tenants to remain in units that otherwise might increase in price beyond their ability to pay. Restrictions on eviction establish reasons for which landlords are allowed to evict tenants – such as the nonpayment of rent or the violation of the rental contract – and restrict their ability to evict tenants for other reasons, such as their inability to pay high rents.

Rent control laws have been used in communities such as San Francisco and Berkeley with significant effects on the housing market. A large number of households who otherwise might have been evicted have been able to remain in housing units, paying rents they can afford.

One downside of rent control laws is that they may lead to lower supplies of housing, raising housing costs in the long run. This happens because the owners of rental properties receive less profit from their rental units, and this gives real estate developers less incentive to build housing.

To address this problem, many communities have implemented rent control on older housing units, while making new housing units exempt from rent control laws. This way, the incentive to develop new housing is not reduced. However, cities with such laws may face difficult decisions when the supply of undeveloped land where new housing can be built becomes scarce. They must then decide between continuing to develop housing by building up rather than out – which will result in the demolition of older, rent-controlled units – and limiting new housing development – which will preserve the rent-controlled units, but increase housing costs in general.

### **Subsidized housing**

The second strategy commonly used to address problems of housing affordability is to develop affordable housing – homes which the government

subsidizes so that they can be rented or sold at lower prices to low-income households.

Policies that support the construction of affordable housing have had significant effects in cities where housing is expensive. They have given many households opportunities to live in high-quality housing in desirable locations.

The main challenge to affordable housing is inadequate funding to meet the need. Each affordable housing unit costs around \$300,000 to build. In the Bay Area, hundreds of thousands of families are technically eligible for affordable housing units because they have low incomes – defined as less than 80% of the area median income (AMI). However, subsidized housing units are available for only a fraction of these households, and households may wait on waiting lists for affordable housing units for many years, and the waiting lists are often closed for years at a time.

### **Easing development restrictions**

The third strategy that may be used to address problems of housing affordability is to lower housing prices by increasing the supply of housing.

In the Bay Area cities where housing costs are the highest, local zoning laws limit the amount of housing that can be built. These limits take many forms, including maximum building heights, maximum floor-area ratios (FARs), and requirements for parking and open space that reduce the area on a lot that can be developed. Modifications to these laws can incentivize the private sector to build more housing by increasing profitability.

Even where housing is legally allowed, real estate developers must sometimes navigate long and complex permitting processes before building. Local governments may provide regulatory tools to slow down or stop development projects. Processes such as environmental review and the issuance of conditional permits may be conducted in ways that significantly slow development and increase risks to housing developers. This increases the costs that are paid by the developers, costs which are often passed on to households in the form of more expensive housing. Streamlining development approval processes and making them more transparent and predictable can help to increase the supply of housing.

One disadvantage of this market-based approach to lowering housing costs is that it is highly dependent on market timing. Even when restrictions on development are removed, in times when developers perceive declining demand for housing, they will not build. They will build only when they feel demand is strong and profits are likely. Furthermore, it does not guarantee the development of affordable units.

## 7.5 | Thinking outside the box

More creative solutions may be needed to address the crisis of housing affordability facing the Bay Area. One such solution would be minimum wage laws that set wage levels based on the cost of housing.

Most affordable housing policy aims at providing a supply of housing that is priced at below-market rates. However, this approach permanently creates a situation in which we have two markets for housing rather than dealing with the underlying economic inequalities that make necessary this sort of policy. An alternative is to focus on raising wages for low-income workers so that a two-market system for housing is no longer needed. This gets closer to treating the causes rather than the symptoms of housing inequality. A metric could be developed to ascertain what minimum threshold of wages one must earn in a given city in order to afford to live in that city without specially provided affordable housing. This metric would inform what minimum wage rates should be in each city based on the overall cost of living, of which housing is the biggest component. At present, low-income service sector jobs in many expensive communities are filled by workers who commute long distances from areas where they can afford housing, because the local supply of affordable housing is not sufficient. This strains our regional transportation systems (transit and highways), contributes to air pollution through increased emissions of private cars, and isolates these workers from their families and training opportunities, further cementing cycles of poverty. If particular communities are more expensive to live in because of housing prices, then higher-income customer bases can afford the increased cost of services and food there through the impact of higher minimum wages.

Transportation, housing, and wages are all tied together and should be dealt with through a unified policy. In order to avoid the current lowest-

common-denominator competition between cities and counties, this should be implemented through a state level mandate. Currently there is some coordination of affordable housing policy with transportation policy in California SB 375. But this fails to make an impact because the incentives offered by this legislation are very weak and few penalties exist, leaving the state and metropolitan planning organizations powerless to affect much change.

Rather than an incentive, this should be a mandate that requires all local jurisdictions to conduct regular studies (updated at least every three years) that measure the number of housing units needed by low-income workers in that jurisdiction, the number of existing affordable units (through either part of the two-market system), the number of these units taken up by workers commuting to other jurisdictions, the number of low-income workers commuting in to the jurisdiction and living elsewhere, the cost burden on the regional transportation system caused by these commuters, and the minimum wage necessary for affording housing in the free market in that jurisdiction. Then this legislation should give each jurisdiction a menu of three options: 1) Provide the full number of affordable housing units the study shown was needed; 2) Implement a minimum wage equal to that calculated in the study; or 3) If the jurisdiction wishes to continue to rely on in-commuters to fill local jobs, contribute an amount to the regional transportation system equal to the cost burden calculated in the study to subsidize these workers commuting in from afar.

## 7.6 Case study: San Jose

### **A City's response post-Redevelopment**

San Jose is viewed as the 'bedroom community' of Silicon Valley. Historically, the city's land use policies have promoted the development of single-family homes, sprawling out across San Jose's former orchards and farmlands (Guevara, 2014). With Redevelopment, the City of San Jose also had a history of promoting the development of affordable, low-income and extremely low-income housing (Stakeholder SJ3, 2014) -- largely through the efforts of grassroots activists pushing the city to invest in these types of housing (Guevara, 2014). However, with the update of San Jose's General Plan – Envision 2040 – the city is turning away from

a robust housing policy, and looking towards improving its jobs to housing balance through a variety of economic development strategies. A key policy for economic development in San Jose is the city's newly initiated Urban Villages strategy, with a goal of creating 70 'urban villages' across the city that will be centers for mixed-use development – attracting jobs and high-density housing. Urban Villages are designated by the city, and areas are rezoned to promote mixed-use and infill development. San Jose is putting a lot of energy behind this policy, encouraging commercial development in any of the 70 urban villages and prioritizing select areas for high-density residential development. According to Wayne Chen, Director of Housing Policy and Planning for the City of San Jose, the city sees housing as a 'fiscal loser,' and only viable in areas that have been rezoned under the Urban Villages Plan (Stakeholder, 2014).

### **No mechanisms for affordable housing**

If Redevelopment was still in place in California, the plan for high-density housing in mixed-use urban villages would seem promising for increasing housing affordability in the city. However, with the loss of Redevelopment in 2012 and additional funding reductions, the City of San Jose currently has no mechanisms for citywide affordable housing development and specifically in these newly designated urban villages. In a memorandum to the San Jose City Council from the Housing Department in May 2013, Housing Director Leslye Corsiglia outlined the challenges facing San Jose in regards to the provision of affordable, low-income and extremely low-income housing:

"The City's ability to respond to the future need for affordable homes has been severely challenged by funding reductions from all sources. The most detrimental impact was the elimination of redevelopment in 2012, which generated as much as \$40 million in the City's Low and Moderate Income Housing Fund annually." (Corsiglia, 2013)

The Housing Department goes on to state that additional losses in federal and state funding further reduced the City's ability to continue to produce affordable and low-income housing at its previous levels.

### **A housing impact fee**

Since November 2012, the City of San Jose has been exploring policy and regulatory options to leverage funds to support the development of affordable and low-income housing. Currently, the San Jose Housing Department is conducting a nexus study to assess if leveraging a housing impact fee is feasible in the City. In her proposal for the nexus study, Housing Director Corsiglia writes:

"...the City needs to prepare a nexus study to examine the impacts of residential development in the City on the need for affordable housing, and provide evidence of a reasonable relationship between the need for affordable housing and the type of development. A nexus study could examine to what extent the construction of new housing in the City produces residents new to the area who would, in turn, need services in the community that was provided by lower-wage workers such as restaurant wait staff, hair stylists and gardeners. Those support workers, in turn, would need places to live at prices reasonable for their wages, increasing the local demand for affordable housing. To the extent that a reasonable relationship can be shown between the new development and the resulting need for new affordable housing, a fee can be justified." (Corsiglia, 2013)

In June 2013, the San Jose City Council approved a nexus study to be conducted by the Housing Department and a private consultant. The results of this study are anticipated to be released in May 2014 (City of San Jose, n.d.). Showing an essential nexus between new development and the need for a housing impact fee is just one step in the process of getting such a fee approved by San Jose City Council. If adopted, a housing impact fee would greatly enhance the chances for the provision of affordable and low-income housing in the City.

### **Other policy options**

While the Housing Impact Fee appears to be gaining the most traction in San Jose as a part of the housing affordability puzzle, through their Stakeholder interviews, the researchers of the San Jose Case Study explored additional policy options that could capitalize on the expected growth and increase in land values particularly around the proposed Urban Villages in San Jose. The rezoning proposed under the Urban Villages strategy could



potentially create an increase in land values with the inclusion of high-density residential and commercial uses. While still in the preliminary discussion phase, the concept of applying value capture mechanisms, in conjunction with zoning for higher density, could be utilized to capitalize on the increase in land values associated with high density residential development. However, it was stressed that in order for such a policy to function at its maximum benefit, rezoning should not take place until there is a value capture policy or mechanism (Chen, 2014). Additionally, through the interviews, the concept of implementing commercial linkage fees to ensure that San Jose businesses support the low-wage workers they employ was discussed as a viable strategy to take some pressure off of affordable housing developers (Stakeholder M4, 2014).

Like many Bay Area cities, San Jose is grappling with the challenges of finding sufficient funding for affordable and low-income housing with the loss of redevelopment. San Jose has historically been a leader in providing affordable housing, and the community expects that the city will find policy mechanisms to provide for affordable housing in residential and commercial development. As San Jose sees the continued pressures of rising housing costs, the City may be a Bay Area leader in confronting these immense challenges.

# Conclusion

Each case study in this report presented a different picture of neighborhood change within the larger San Francisco Bay Area region. Although each neighborhood is unique, displacement and housing affordability are major concerns in all neighborhoods.

Each city has different political dynamics and different policies for growth. While local jurisdictions retain significant control over affordable housing development and related regulations, they are nonetheless embedded in a larger regional framework. Indeed, each city is responding to its regional position through its local policies. For example, cities like Concord, San Jose, and Redwood City are focusing efforts on creating booming downtown areas that are located close to transit options. Concord and Redwood City both aim to draw new residents to their downtown areas to spur commercial revitalization. Alternately, San Jose is using a “jobs first” strategy to develop commercial vitality. While cities like Oakland, San Francisco, and East Palo Alto have strong anti-displacement measures in place, other cities like Redwood City and San Jose lack local policies that preserve housing affordability.

This report recommends a set of local and regional policies to prevent displacement and to preserve affordability for new and existing residents. These include:

- Local tenant protection policies, including rent stabilization and just cause eviction ordinances.
- Local policies that promote the production of affordable housing units and ease restrictions for affordable housing development.
- Local and regional development strategies that highlight equity concerns.
- A living wage policy for low-income workers

Gentrification and displacement are not new issues. Affordability, connectivity, economic opportunities, and commercial life all influence the desirability of a neighborhood for new and long time residents. As the region grows, it is essential to create political structures that ensure equitable access and opportunity for all Bay Area residents. In order to ensure this, we contend that protections against displacement are needed at the local and regional level. Especially in relatively affordable cities, displacement from one community can mean displacement from the region as a whole. Action must be taken to preserve the existing affordable housing stock and produce new affordable housing.

This report is part of a larger study to create a Regional Early Warning System for Displacement toolkit. We are hoping that this research will serve as a starting point for a larger body of research that will aid the Metropolitan Transportation Commission and the Association of Bay Area Governments in developing their Regional Prosperity Plan.

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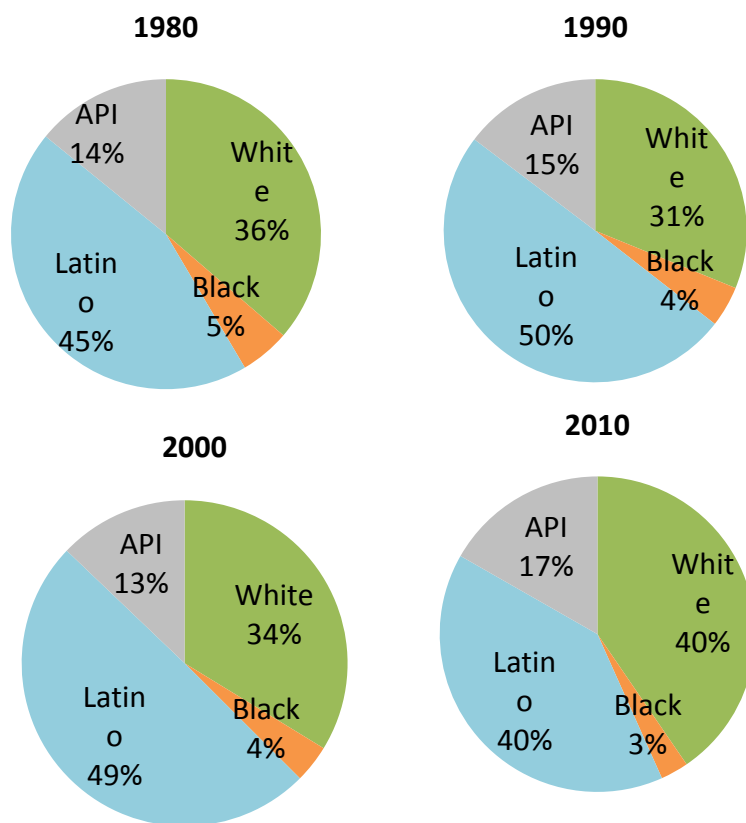
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# APPENDIX

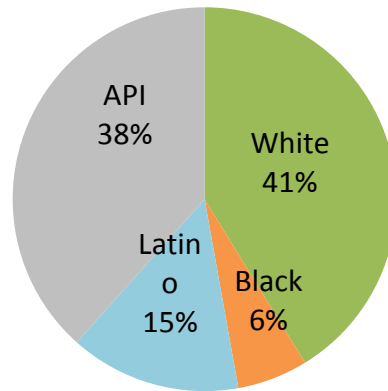
Each group explored multiple data points related to gentrification and displacement, not all of which were considered central to the stories developed in the neighborhood case studies. Additional data points are included here for reference. Demographic and housing data are derived from U.S. Census data compiled by Geolitics. Data labeled with a “2006-2010” date is from the 2006-2010 American Community Survey, while other data points are from the Decennial Census. Data on housing and rental prices is reported by zip code, and comes from Dataquick or Zillow, and is labeled in the graphs it appears in. Owing to some irregularities in the Geolytics data, as well as some cases in which zip code level data did not allow for relevant analysis at the scale of our study sites, the information included here is not identical for each case study.

## Appendix A: Mission District Neighborhood Data

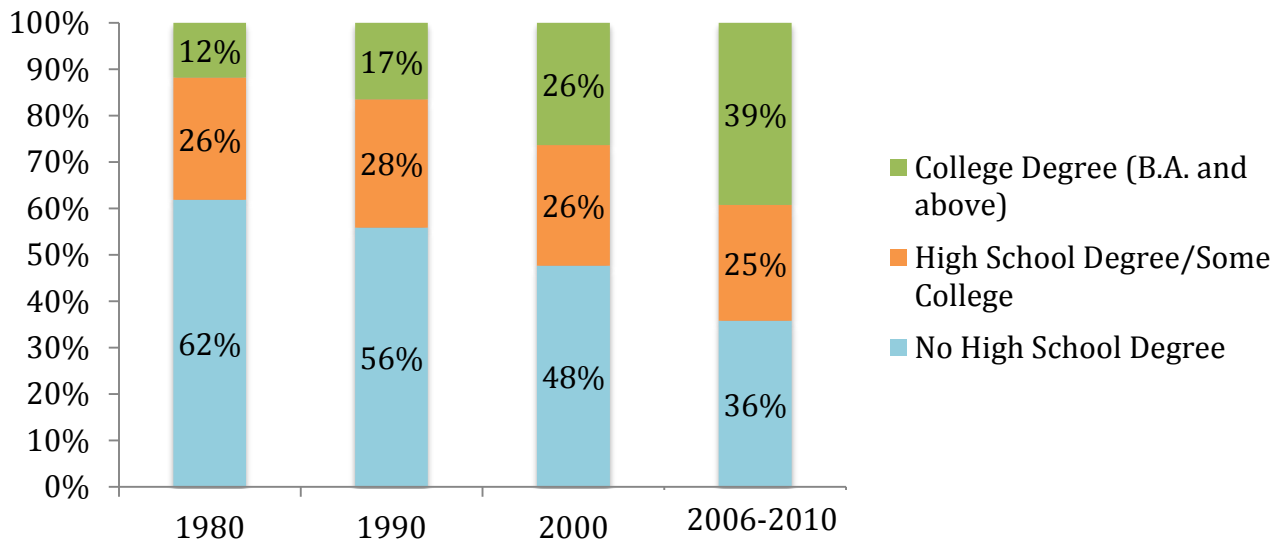
Figure A1: Mission District Race/Ethnicity by Percent, 1980 – 2010



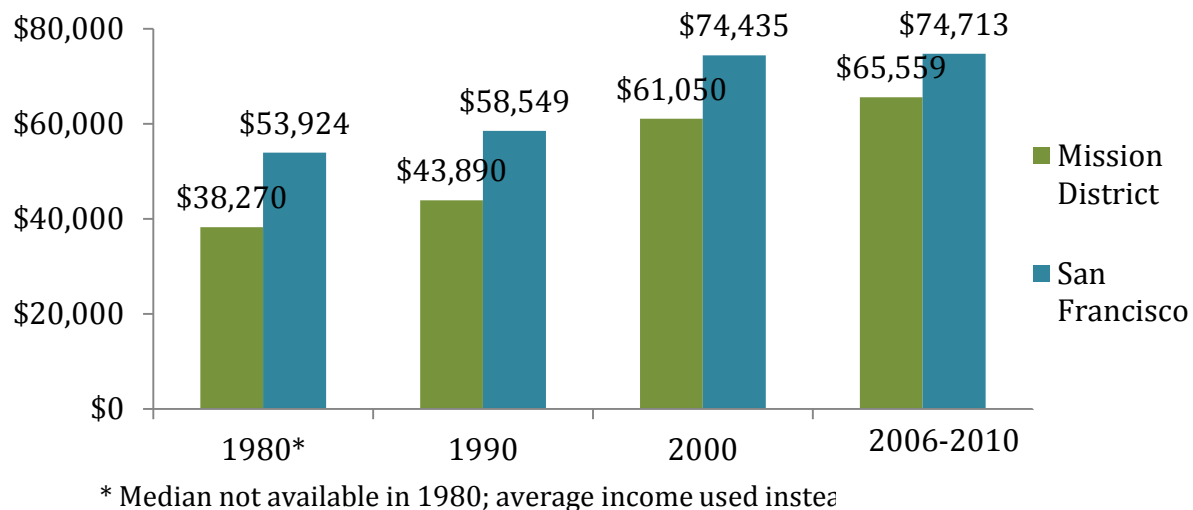
**Figure A2: San Francisco Race/Ethnicity by Percent, 2010**



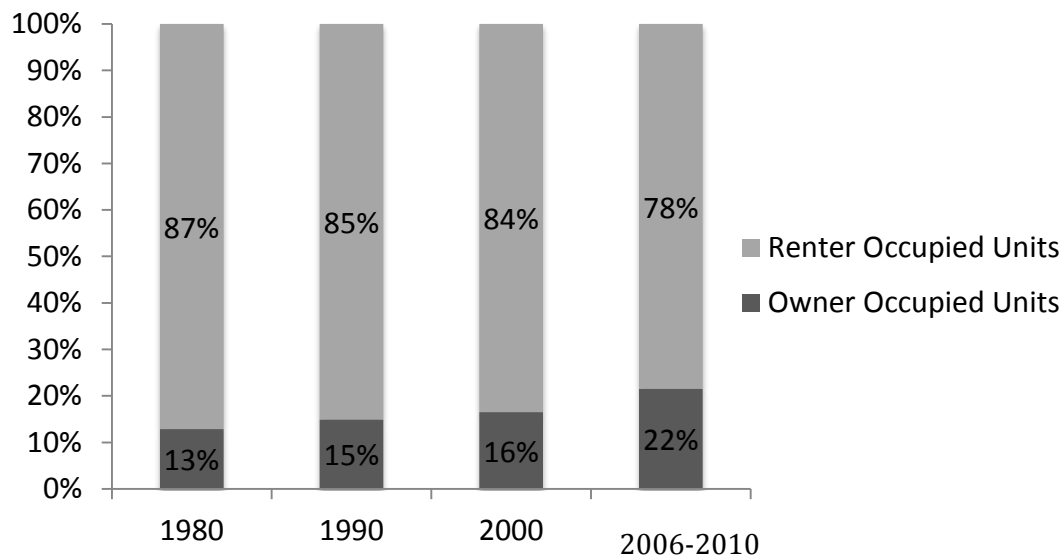
**Figure A3: Mission District Educational Attainment by Percent, 1980 - 2010**



**Figure A4: Mission District and San Francisco Average Median Income, 1980 – 2010 (2010 dollars)**



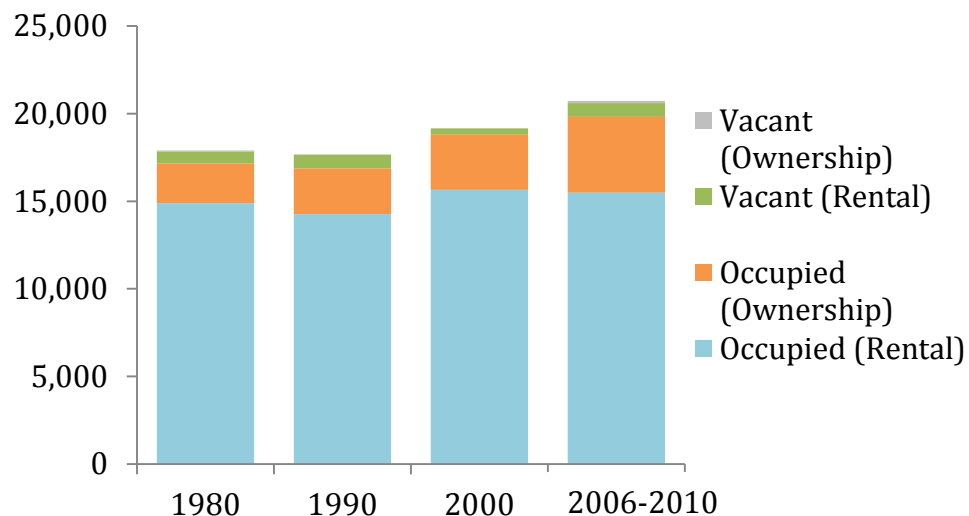
**Figure A5: Mission District Housing Tenure by Percent, 1980 - 2010**



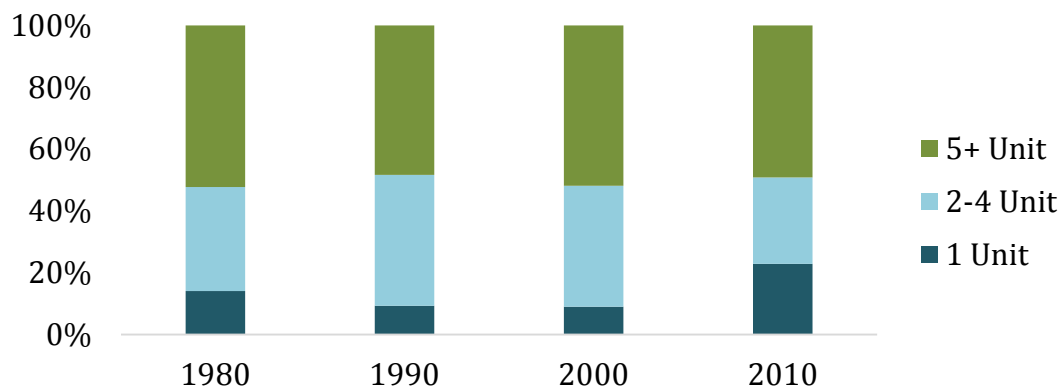
**Table A1: Mission District Percent of Householders who Moved in in Last 5 Years, 1980 - 2010**

1980	62%
1990	55%
2000	53%
2006-2010	88%

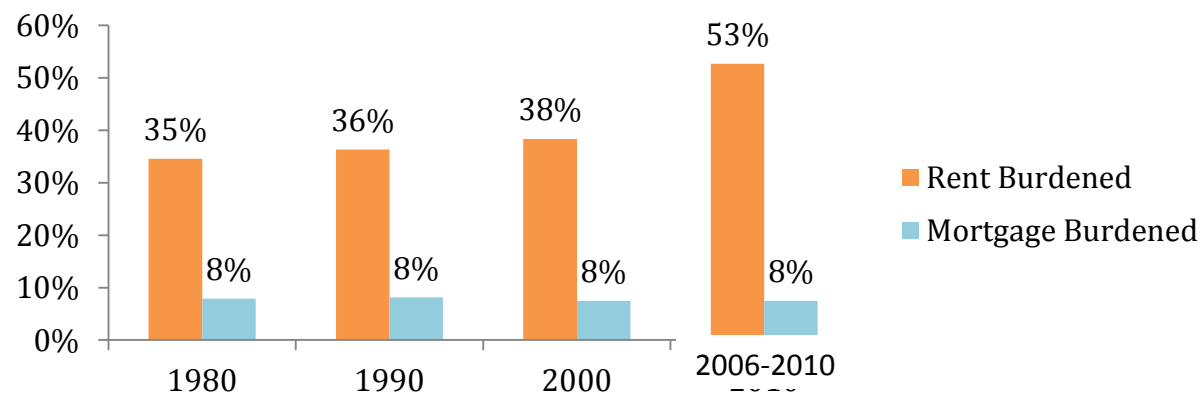
**Figure A6: Mission District Housing Units and Vacancies, 1980 - 2010**



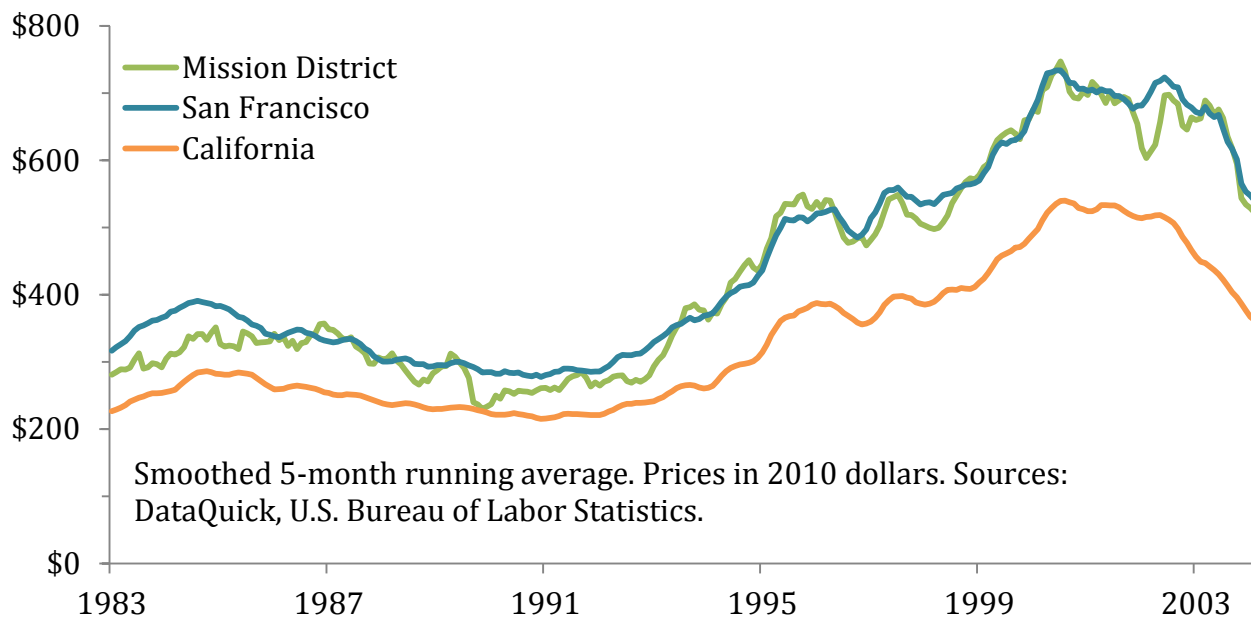
**Figure A7: Mission District Residential Building Type by Percent, 1980 - 2010**



**Figure A8: Mission District Housing Cost Burden by Percent of Households, 1980 - 2010**



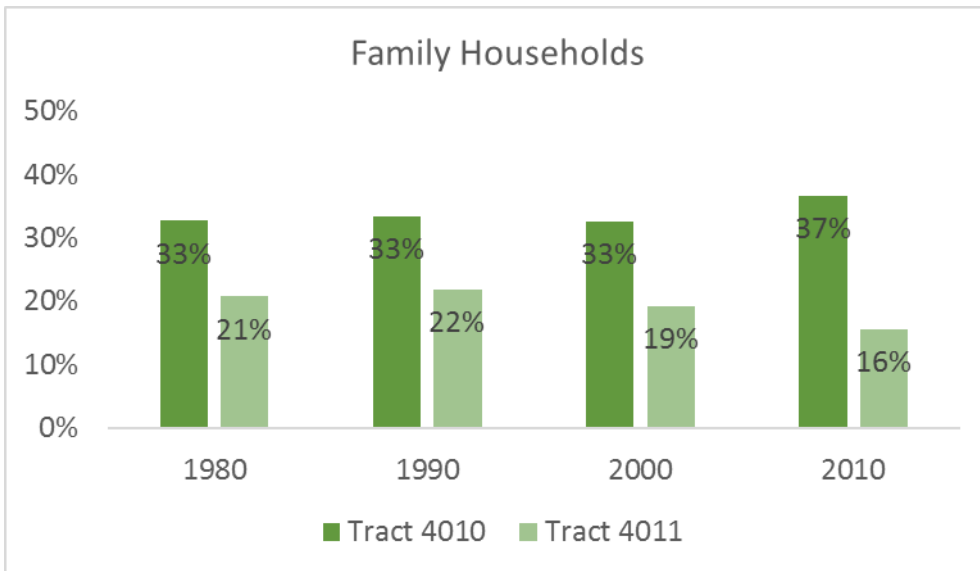
**Figure A9: Mission District Average Sales Price per Square Foot, 1988 - 2008**



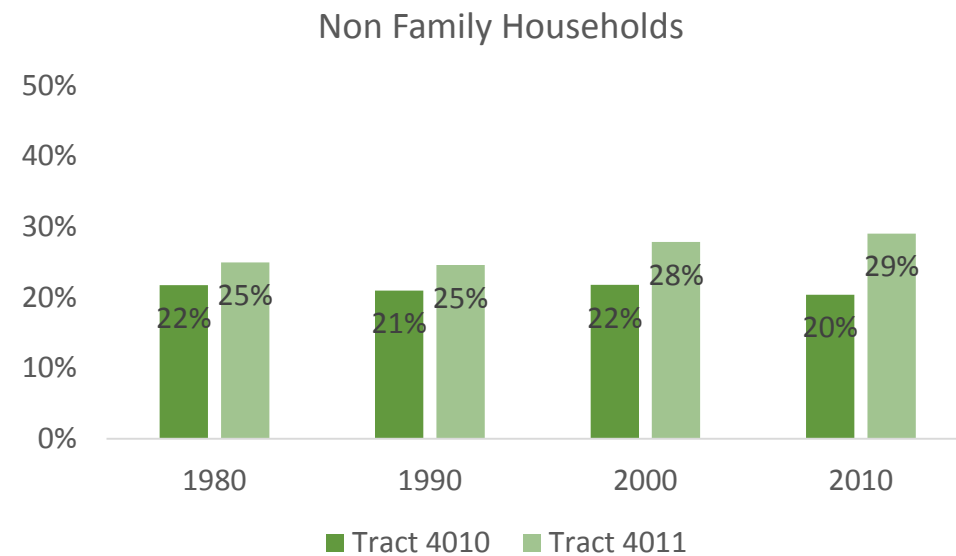
## Appendix B: Temescal Neighborhood Data

**Figure B1: Temescal Family Households by Percent, by Tract, 1980-2010**

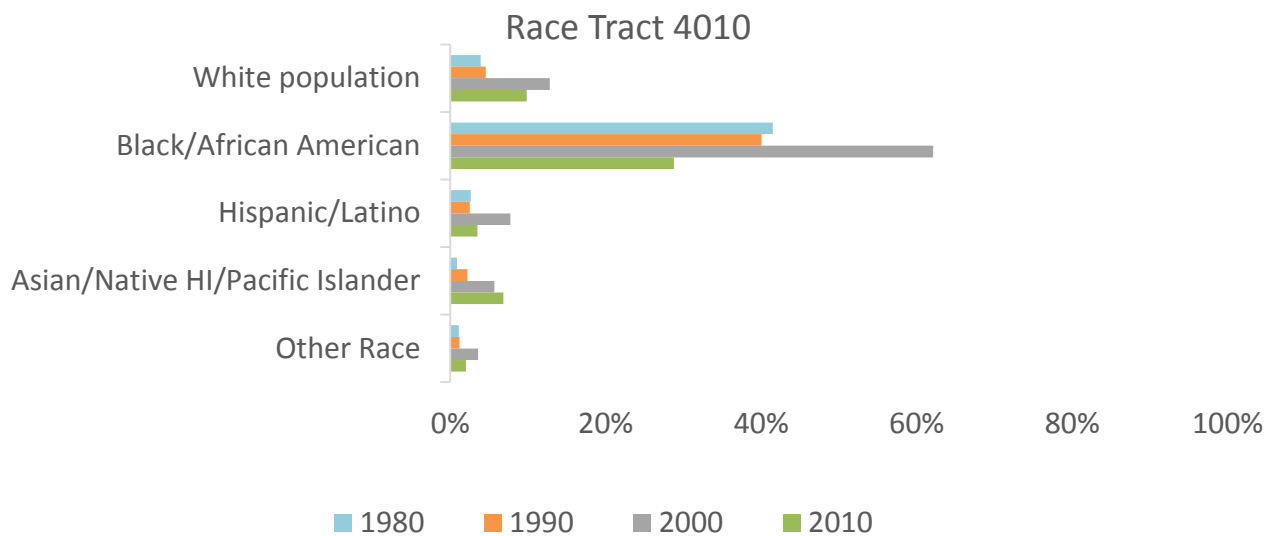




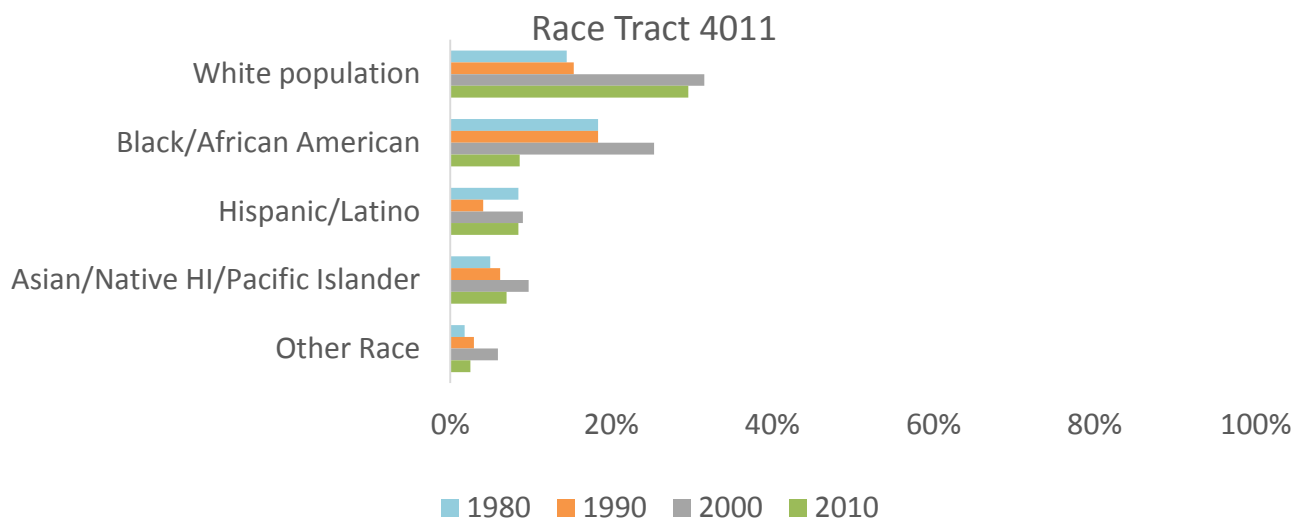
**Figure B2: Temescal Family Households by Percent, by Tract, 1980-2010**



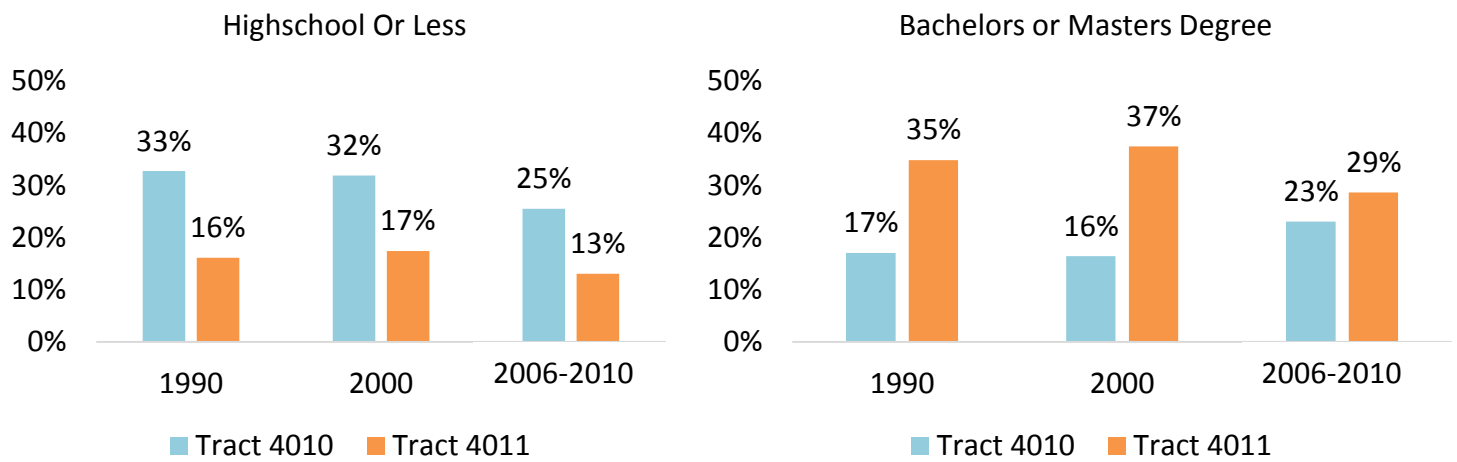
**Figure B3: Temescal Race/Ethnicity by Percent, Tract 4010, 1980-2010**



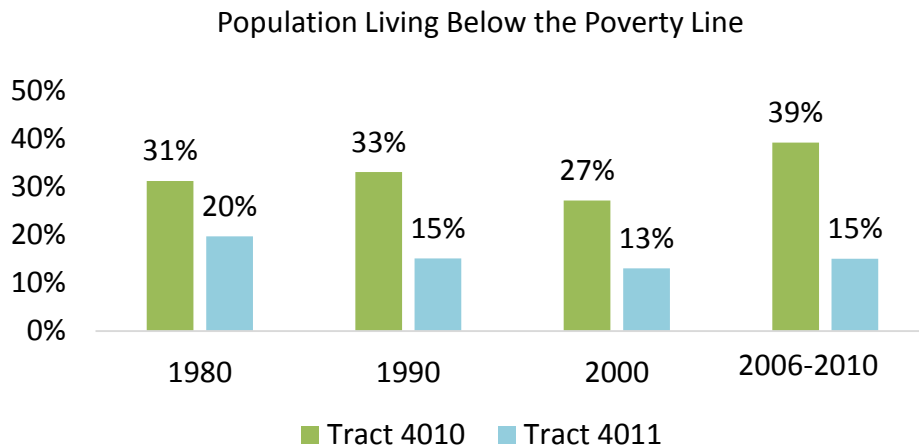
**Figure B4: Temescal Race/Ethnicity by Percent, Tract 4010, 1980-2010**



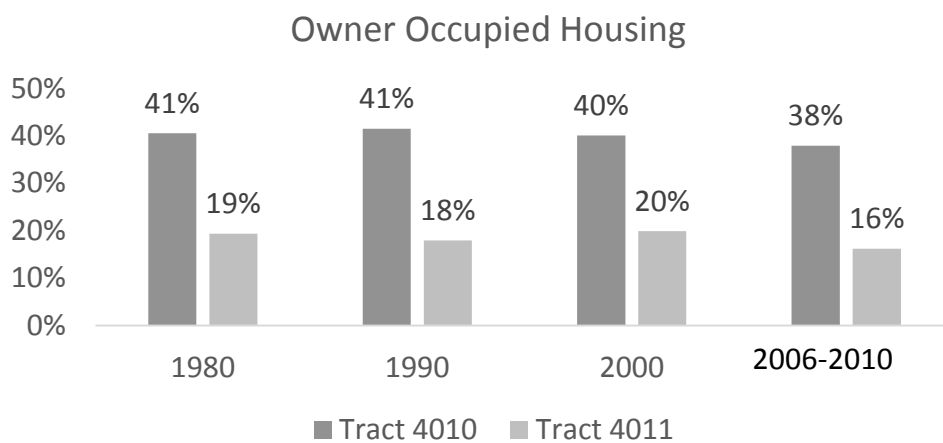
**Figure B5: Temescal Educational Attainment, by Percent, by Tract 1990-2010**



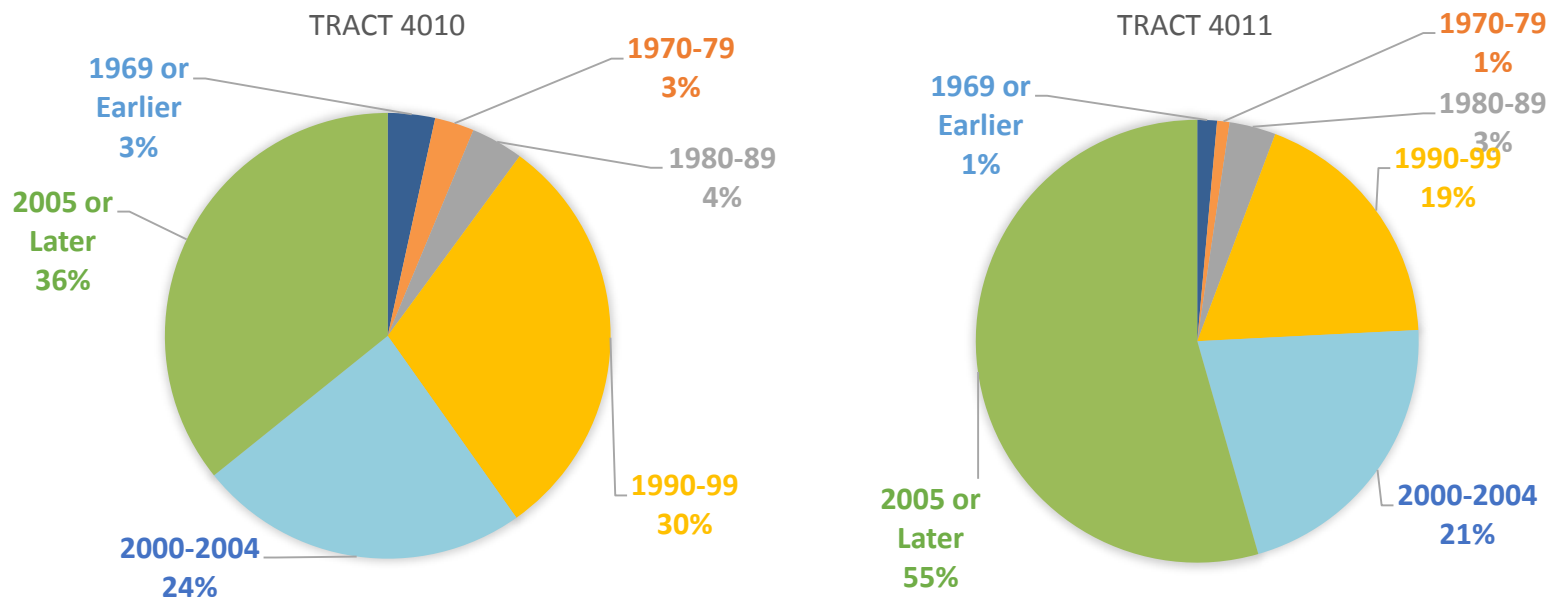
**Figure B6: Temescal Poverty Rate, by Tract 1980-2010**



**Figure B7: Temescal Owner Occupied Housing by Percent, by Tract 1980-2010**



**Figure B8: Temescal Year Householder Moved in by Percent, by Tract 2006-2010**



**Table B1: Zillow Price Survey**

Street Number	Street Name	APN	Land Value	Improvements	Utilization
528	43rd st	12101300800	\$38,029	\$24,689	0.649215073
536	43rd St	12109510	\$52,073	\$286,719	5.50609721
544	43rd st	13109511	\$24,888	\$175,337	7.045041787
548	43rd st	13109512	\$79,500	\$185,500	2.333333333
548a	43rd st				2.333333333
548b	43rd st				2.333333333
548c	43rd st				2.333333333
554	40th st	12101213	\$58,037	\$135,419	2.333321846
552	42nd st	131096152	\$51,504	\$20,233	0.392843274
4129	West St	1210177	\$99,057	\$231,134	2.333343429
921	46st	13117135	\$97,500	\$227,500	2.333333333
919	46st	13117134	\$97,500	\$227,500	2.333333333
919	46st	13117136	\$97,500	\$227,500	2.333333333
4221	Webster St	1310972	\$126,990	\$296,310	2.333333333
<b>Townhomes</b>					
414	40th St	12100729	\$138,000	\$322,000	2.333333333
414	40th St	12100731	\$115,484	\$269,463	2.33333622
414	40th St	12100738	\$138,000	\$32,000	0.231884058
414	40th St	12100730	\$46,012	\$372,178	8.088715987
414	40th St	12100741	\$125,787	\$293,504	2.333341283
414	40th St	12100743	\$138,000	\$320,000	2.31884058
414	40th St	12100732	\$45,073	\$374,113	8.300157522
414	40th St	12100737	\$138,000	\$322,000	2.333333333
414	40th St	12100739	\$128,626	\$300,127	2.333330742
414	40th St	12100740	\$41,929	\$324,951	7.750029812
414	40th St	12100744	\$46,122	\$383,662	8.318416374
414	40th St	12100747	\$26,205	\$103,461	3.948139668
414	40th St	12100748	\$20,964	\$79,430	3.788876169
414	40th St	12100749	\$37,500	\$87,500	2.333333333
414	40th St	12100733	\$125,485	\$292,807	2.333402399
414	40th St	12100734	\$138,000	\$322,000	2.333333333
414	40th St	12100735	\$138,000	\$322,000	2.333333333
414	40th St	12100736	\$128,626	\$300,127	2.333330742
414	40th St	12100745	\$138,000	\$322,000	2.333333333
414	40th St	12100742	\$138,000	\$322,000	2.333333333

**Table B1: Price Zillow Survey, cont.**

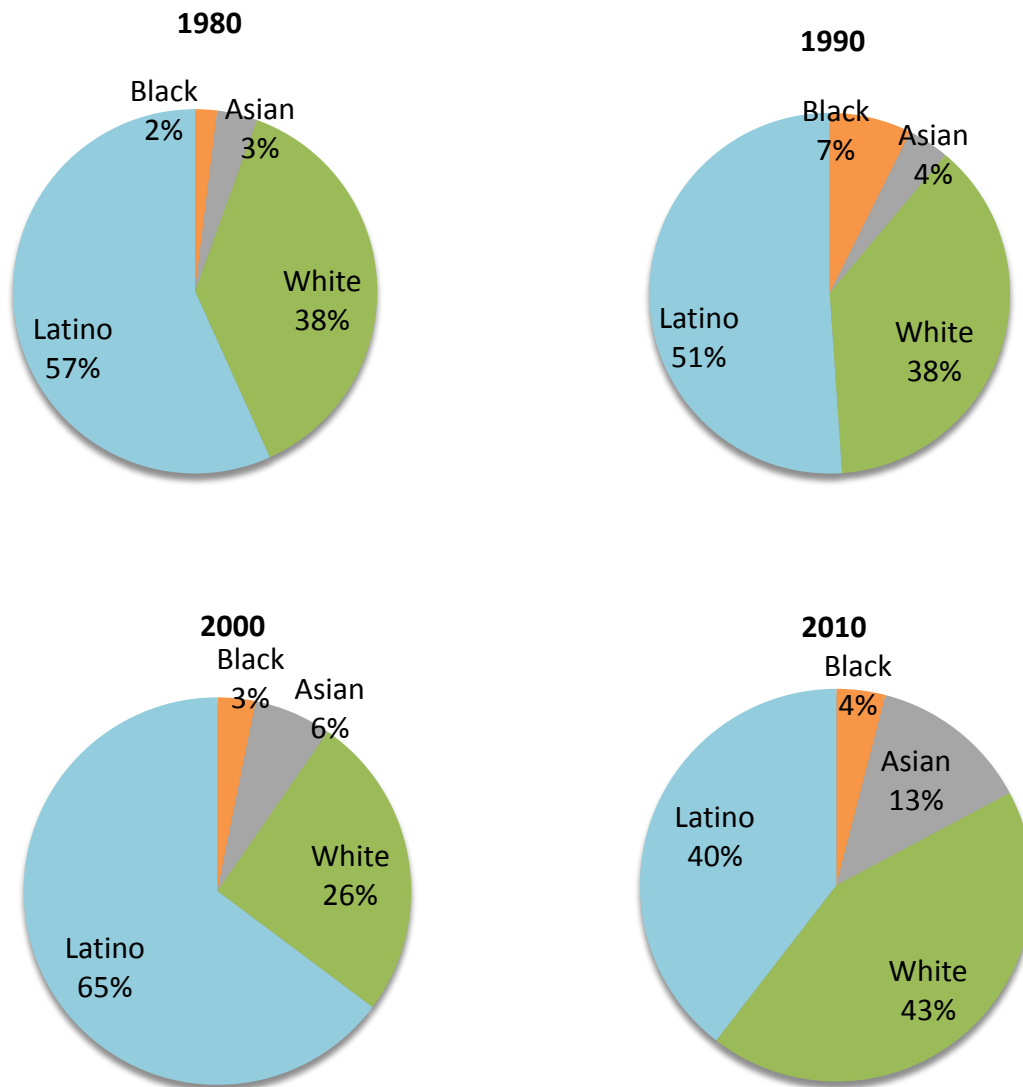
Street Number	Street Name	APN	Land Value	Improvements	Utilization
414	40th St	12100746	\$138,000	\$322,000	2.333333333
403A	41st St	12100719	\$163,500	\$381,500	0.428571429
403C	41st St	12100721	\$163,500	\$381,500	0.428571429
403B	41st St	12100720	\$163,500	\$381,500	0.428571429
403D	41st St	12100722	\$135,000	\$315,000	0.428571429
4071	Shafter Ave 1	12100718	\$163,500	\$381,500	0.428571429
4067	Shafter Ave	12100723	\$172,548	\$402,612	0.428571429
4055	Shafter Ave	12100726	\$163,500	\$381,500	0.428571429
4063	Shafter Ave	12100724	\$163,500	\$381,500	0.428571429
4059	Shafter Ave	12100725	\$163,500	\$381,500	0.428571429
4051	Shafter Ave	12100727	\$163,500	\$381,500	0.428571429

## Appendix C: San Jose Diridon Station Neighborhood Data

**Table C1: Total Population Diridon Station Area, City of San Jose, and Santa Clara County 1980-2010**

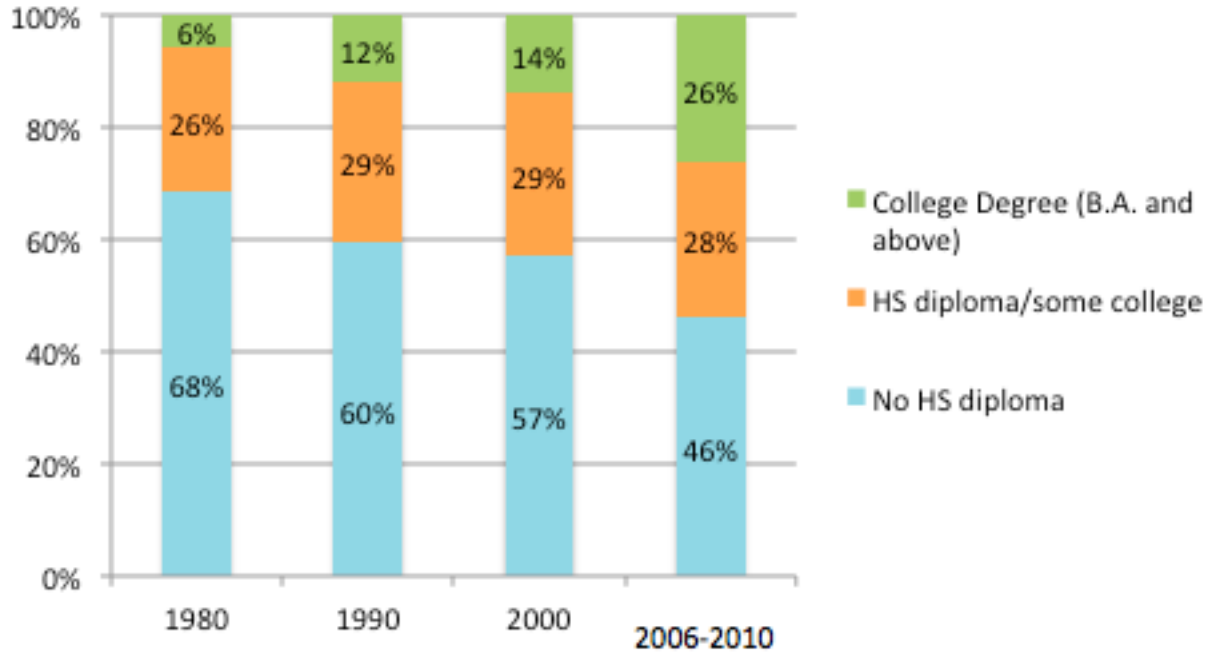
Year	Study Area Tracts	San Jose	Santa Clara County
1980	7,668	629,442	1,295,071
1990	7,133	782,248	1,497,577
2000	7,761	894,943	1,682,585
2010	10,381	945,942	1,781,642
Percent Change 1980-2010	35%	50%	38%

**Figure C1: Diridon Station Area Race/Ethnicity by Percent, 1980 – 2010**

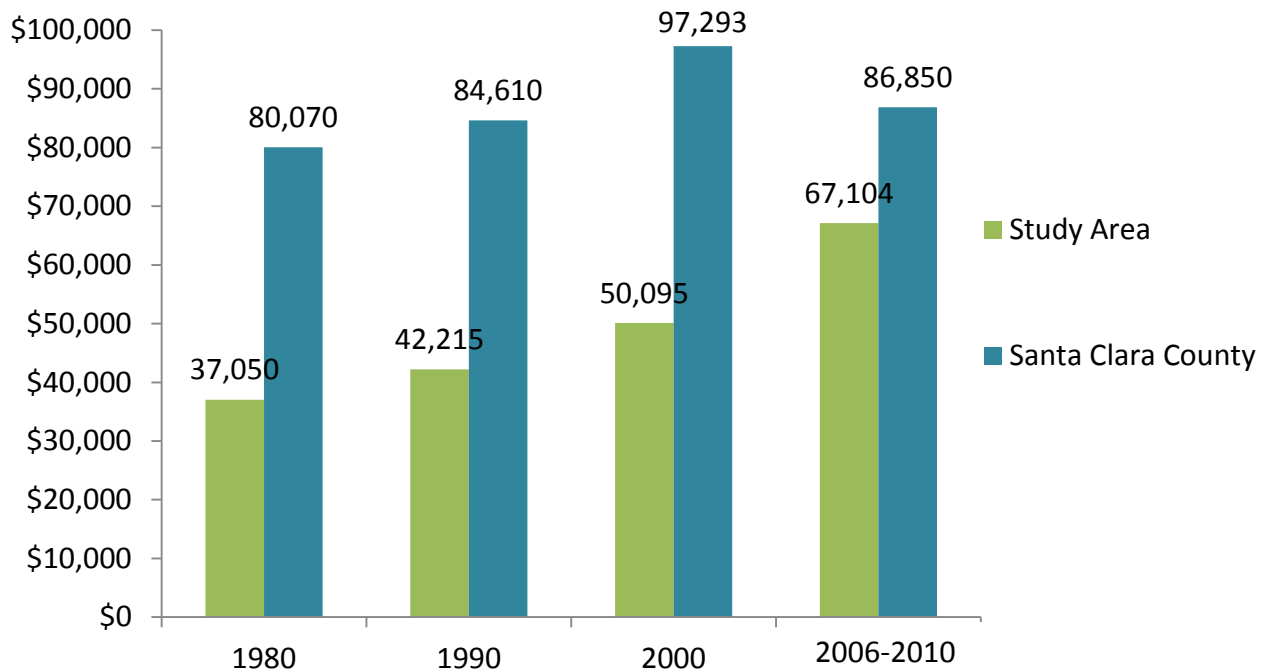




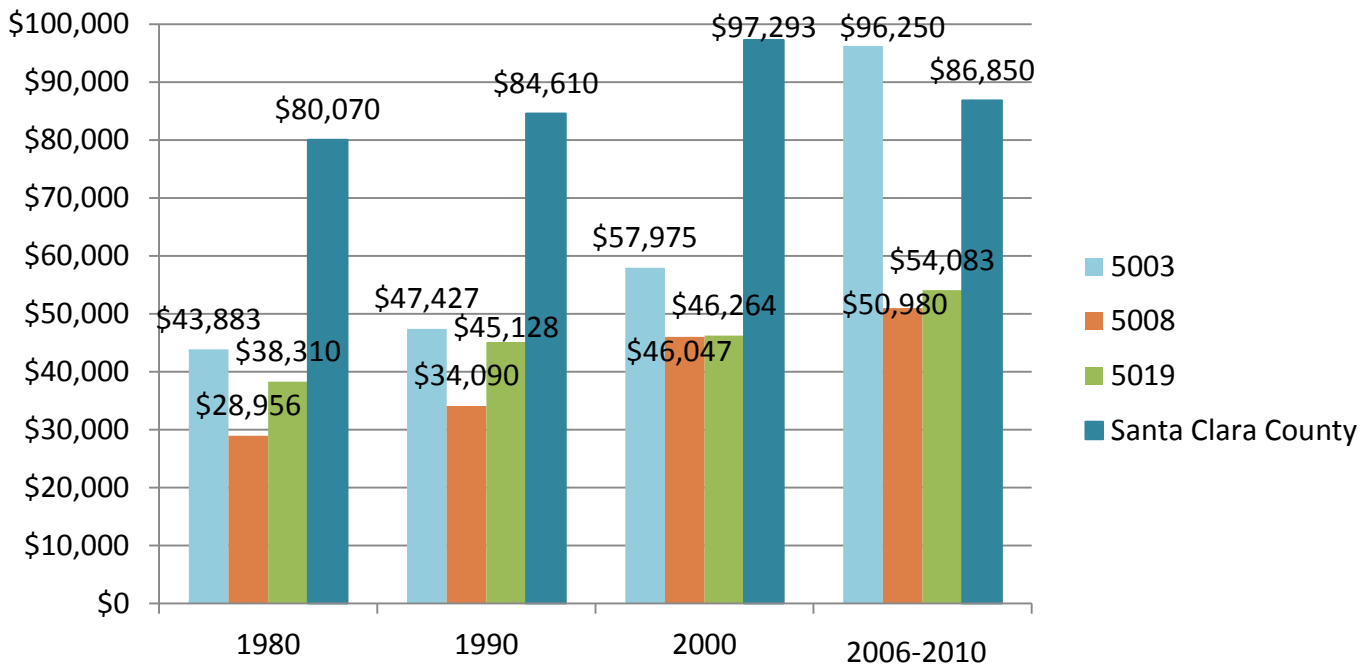
**Figure C2: Diridon Station Area Educational Attainment by Percent, 1980 – 2010**



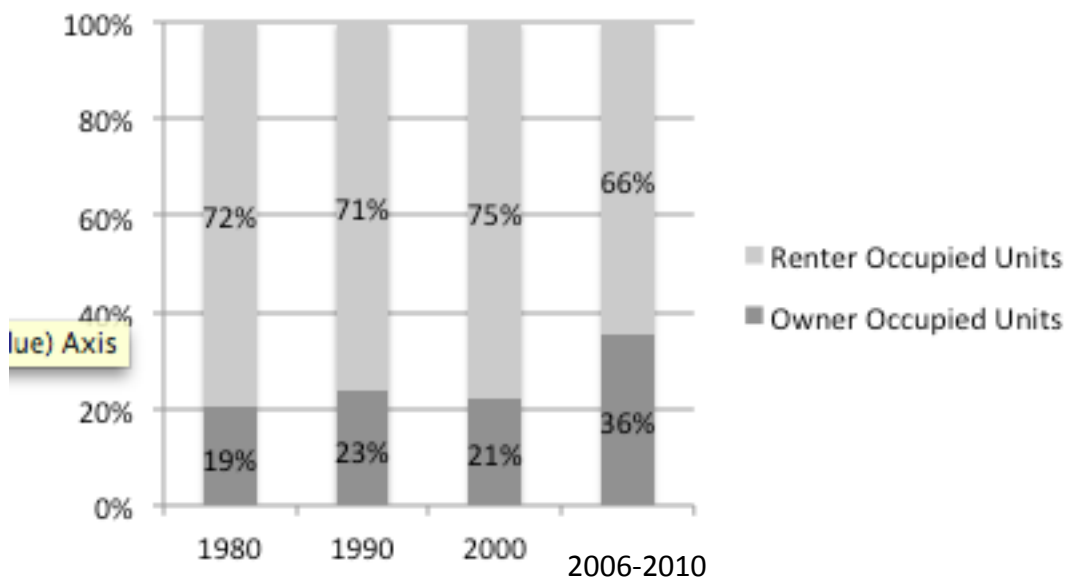
**Figure C3: Diridon Station Area and Santa Clara County Median Income, 1980 – 2010 (2010 dollars)**



**Figure C4: Diridon Area Census Tracts and Santa Clara County Median Income, 1980-2010 (2010 dollars)**



**Figure C5: Diridon Station Area Housing Tenure by Percent, 1980 - 2010**

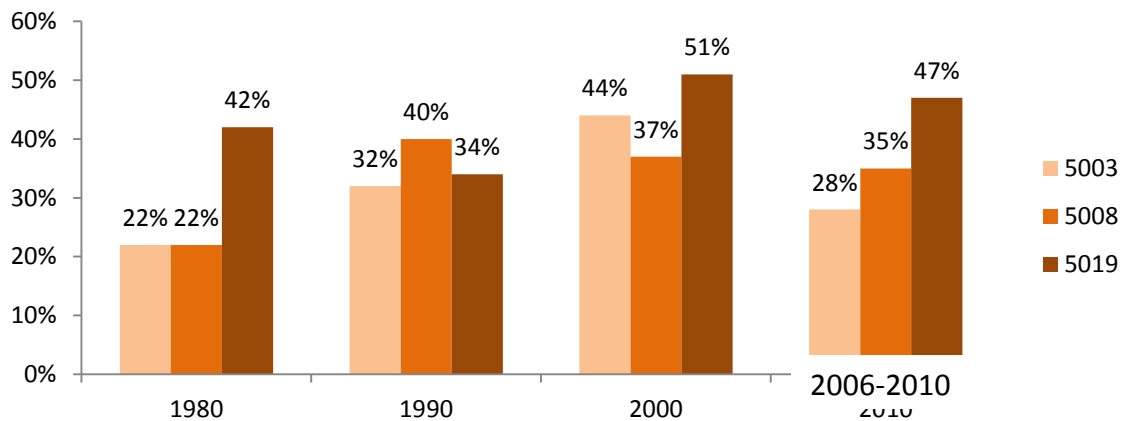


**Table C2: Diridon Station Area Percent of Householders Moved in in Last 5 Years, 1980 - 2010**

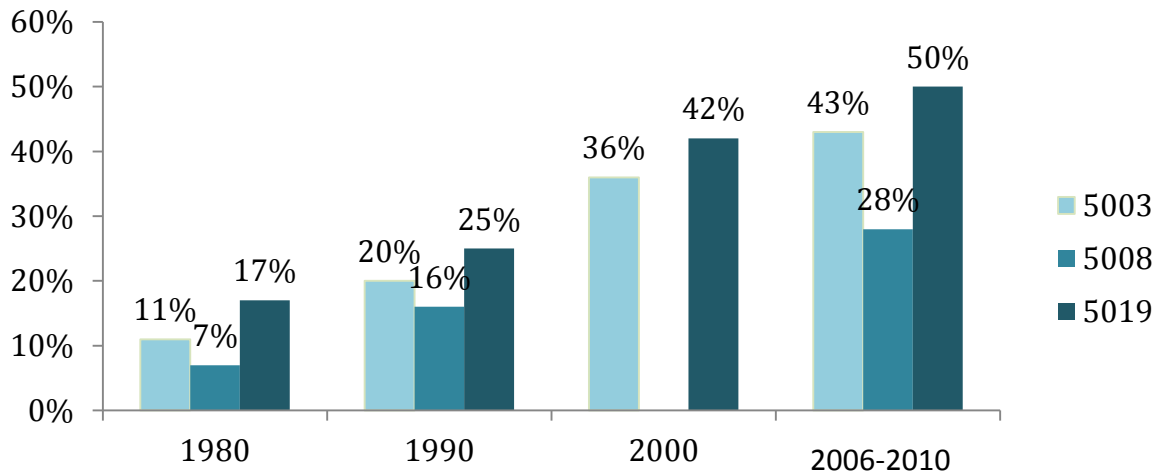
	Householder Moved In Last Year	Householder Moved In Last 1-5 Years
1980	14%	5%
1990	13%	13%
2000	12%	14%
2006-2010	36%	16%

**Table C3: Diridon Station Area Housing Units and Vacancies, 1980 - 2010**

	Total Housing Units	Vacant Units	% Vacant
1980	3691	273	7.4%
1990	2969	128	4.3%
2000	3132	69	2.2%
2006- 2010	4547	864	19.0%

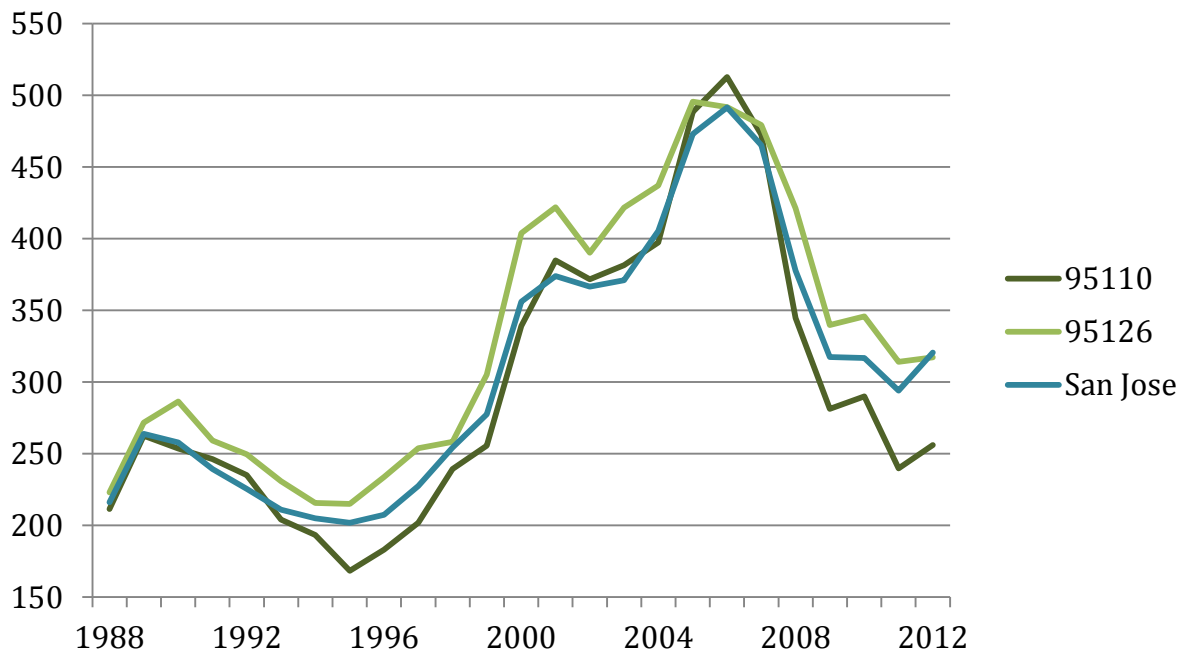
**Figure C6: Diridon Area Rent Cost Burden by Census Tract, by Percent of Households, 1980 – 2010**

**Figure C7: Diridon Area Mortgage Cost Burden by Census Tract, by Percent of Households, 1980 – 2010**



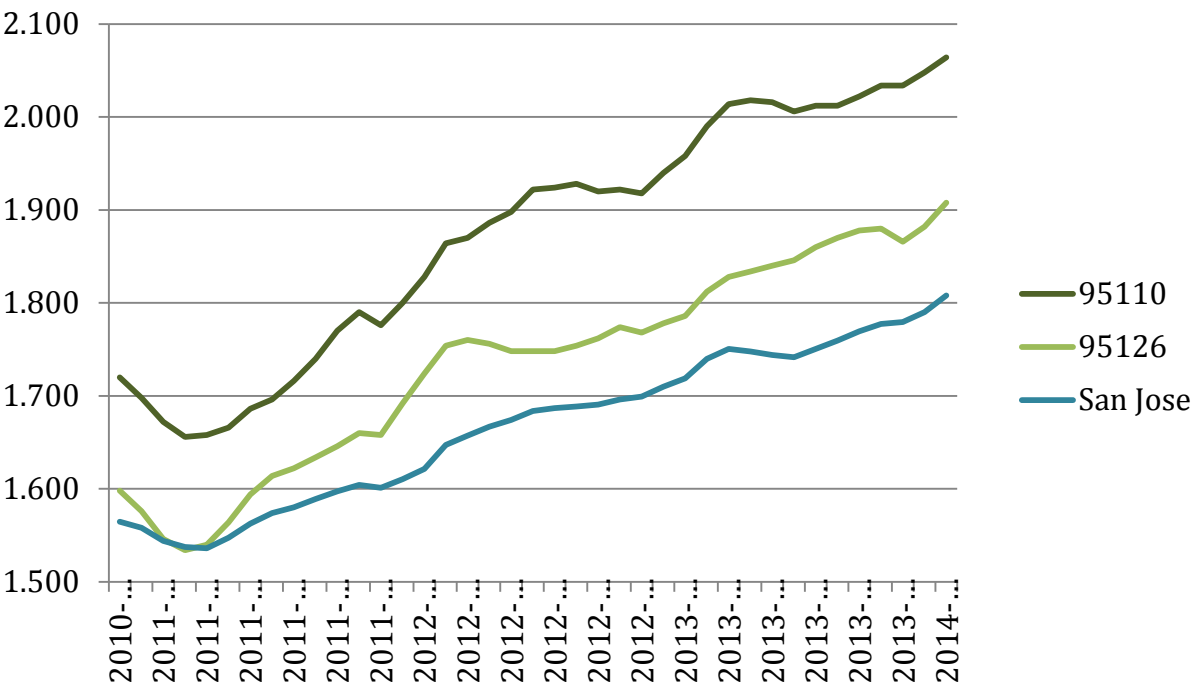
*\*Data missing for tract 5008 in 1990*

**Figure C8: Diridon Station Area Residential Sales Price Per Square Foot by Zip Code (2010 adjusted dollars)**



Source: Dataquick

**Figure C9: Diridon Station Area Residential Rent Price Per Square Foot by Zip Code, 2010-2014 (2010 adjusted dollars)**



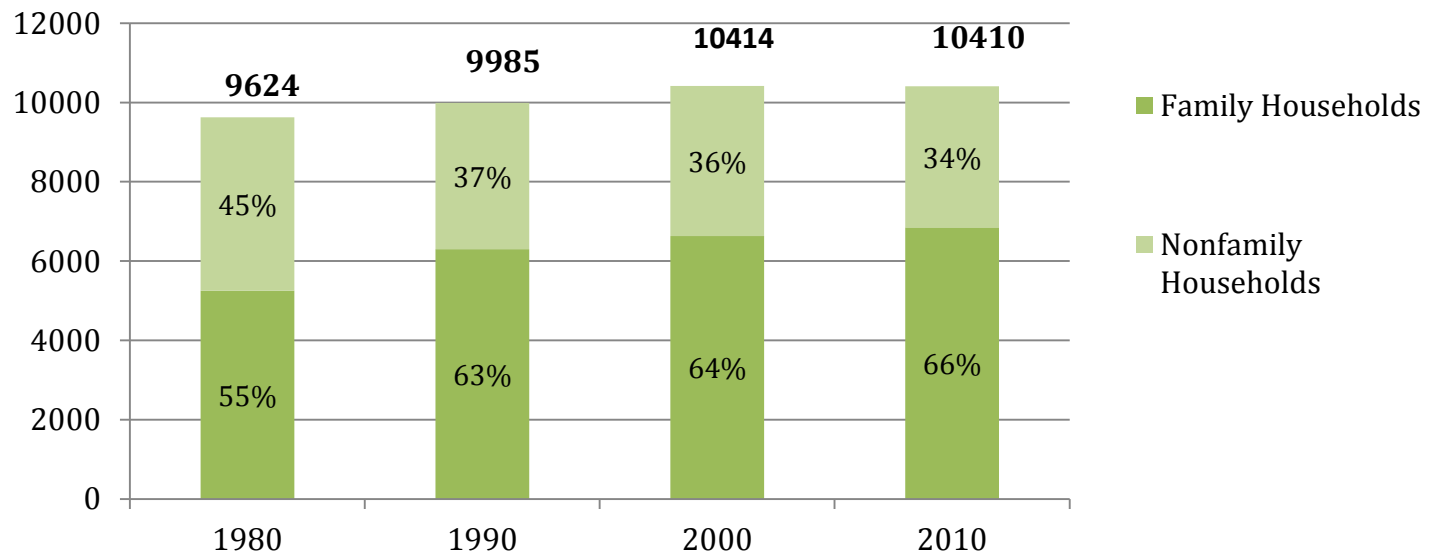
Source: Zillow

## Appendix D: Downtown Redwood City Neighborhood Data

**Table D1: Downtown Redwood City and San Mateo County Total Population, 1980-2010**

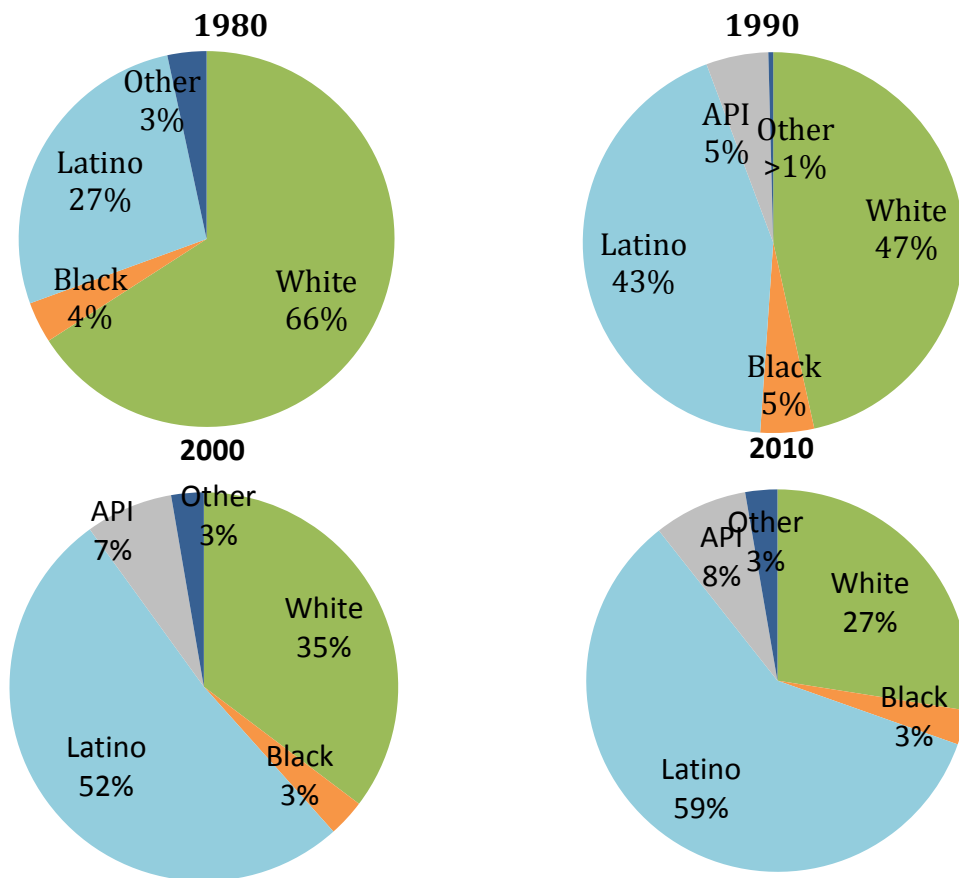
	Downtown Redwood City	San Mateo County
1980	21,812	587,289
1990	27,428	649,623
2000	30,541	707,161
2010	30,539	718,451
Percent Change 1980-2010	40%	22%

**Figure D2: Downtown Redwood City Total Households, 1980-2010**

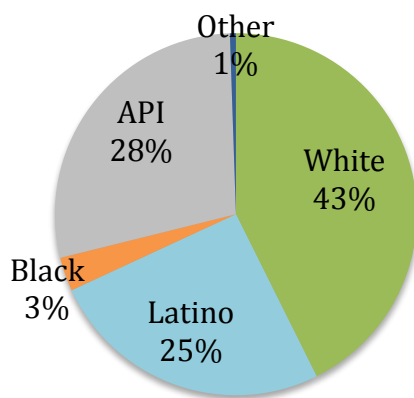




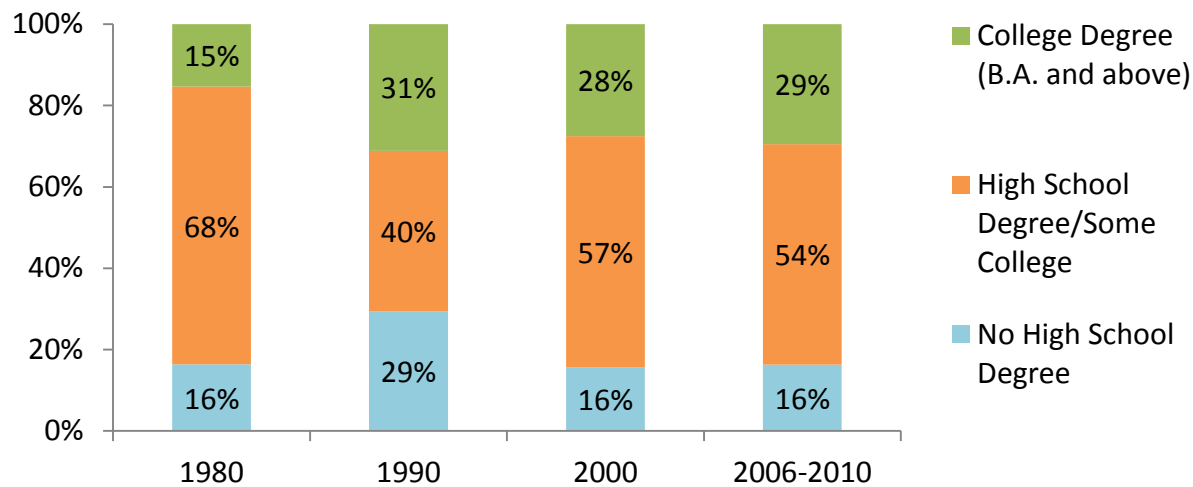
**Figure D3: Downtown Redwood City Race/Ethnicity by Percent, 1980 – 2010**



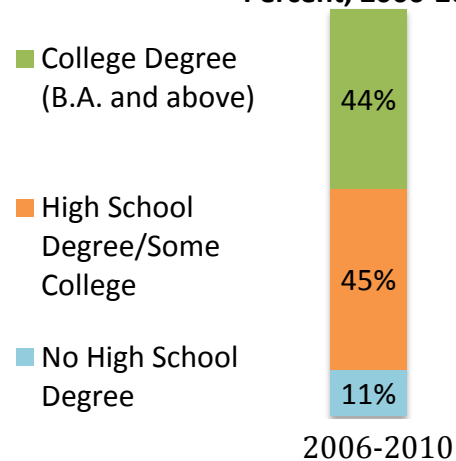
**Figure D4: San Mateo County Race/Ethnicity by Percent, 2010**



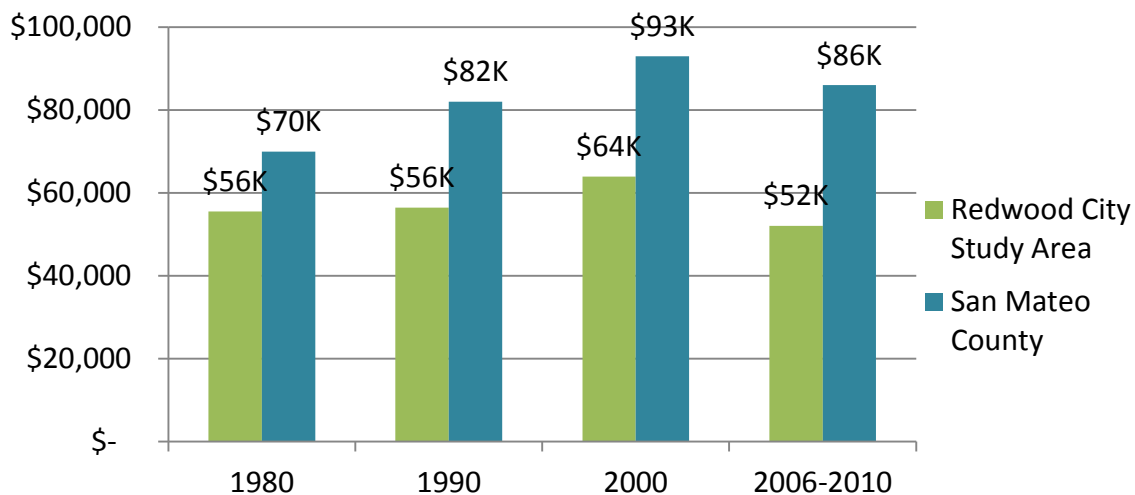
**Figure D5: Downtown Redwood City Educational Attainment by Percent, 1980 - 2010**



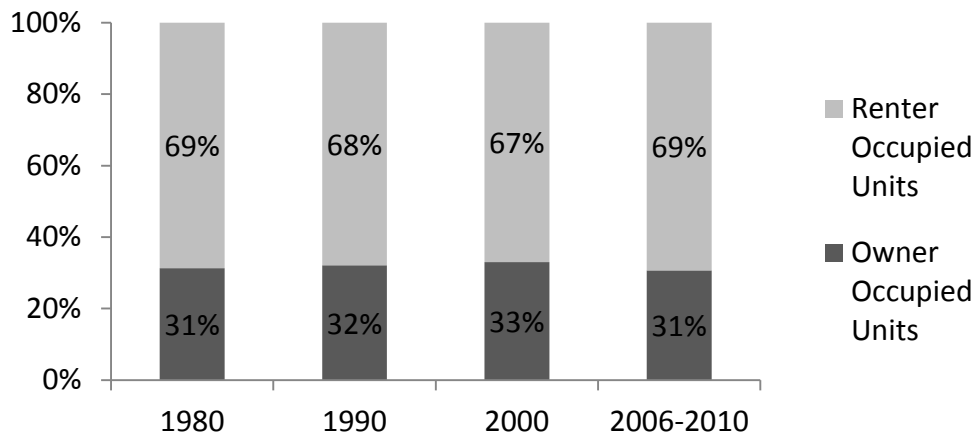
**Figure D6: San Mateo County Educational Attainment by Percent, 2006-2010**



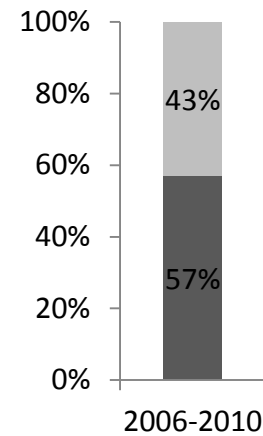
**Downtown Figure D7: Redwood City and San Mateo County Average Median Income, 1980 – 2010 (2010 dollars)**



**Figure D8: Downtown Redwood City Housing Tenure by Percent, 1980 – 2010**



**Figure D9: San Mateo County Housing Tenure by Percent, 2006-2010**



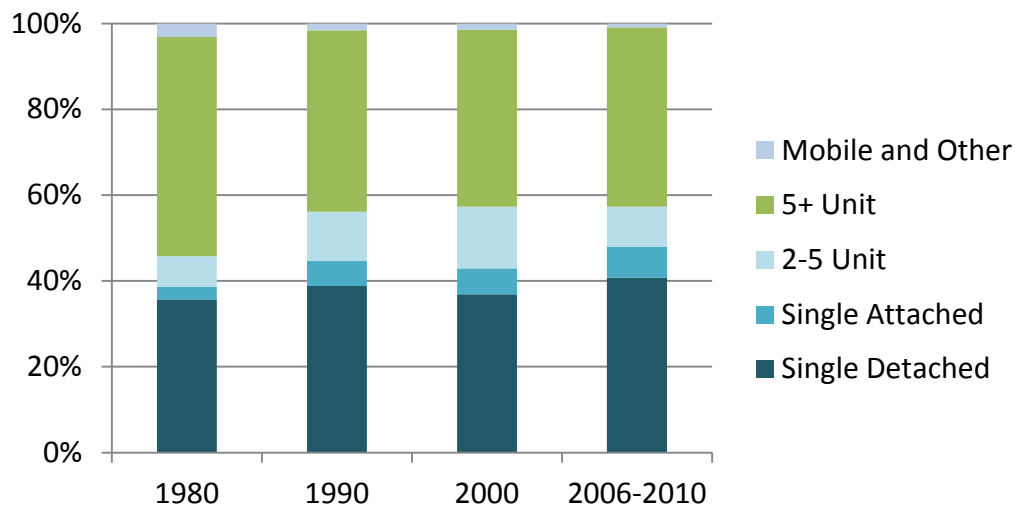
**Table D2: Downtown Redwood City Year Householder Moved In, 2006-2010**

	1969 or Earlier	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2004	2005 or Later
2006-2010	1%	2%	3%	17%	32%	45%

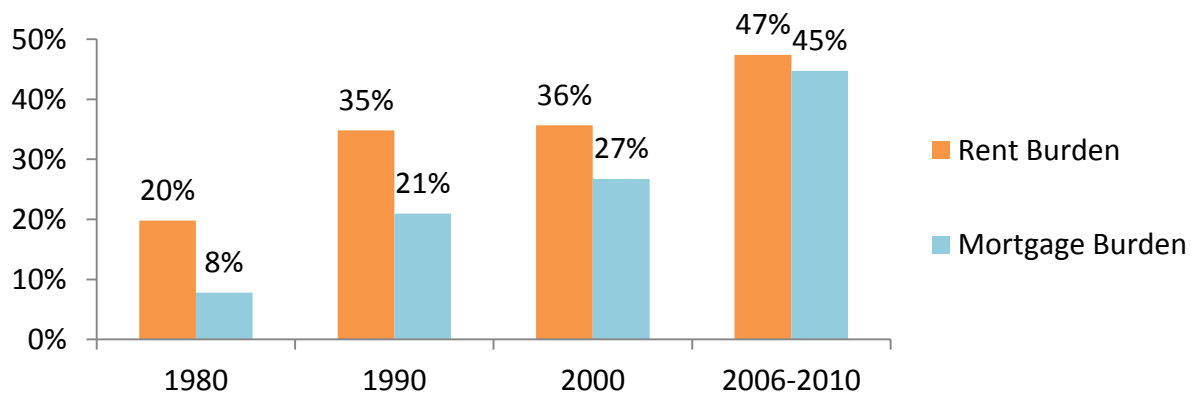
**Table D3: Downtown Redwood City Housing Units and Vacancies, 1980 - 2010**

	Total Units	Vacant Units	Vacancy Rates
1980	9,813	321	3%
1990	9,924	352	4%
2000	10,067	212	2%
2006-2010	10,415	533	5%

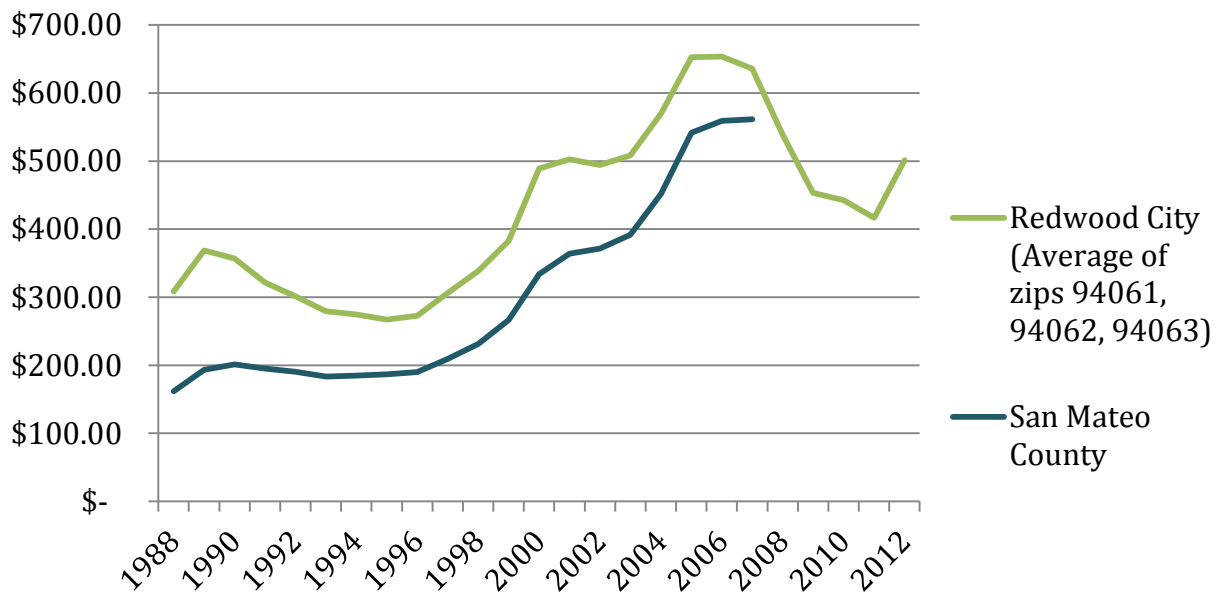
**Figure 10: Downtown Redwood City Residential Building Type by Percent, 1980 – 2010**



**Figure D11: Downtown Redwood City Housing Cost Burden by Percent of Households, 1980 - 2010**



**Figure D12: Downtown Redwood City Residential Sales Price Per Square Foot (2010 adjusted dollars)**

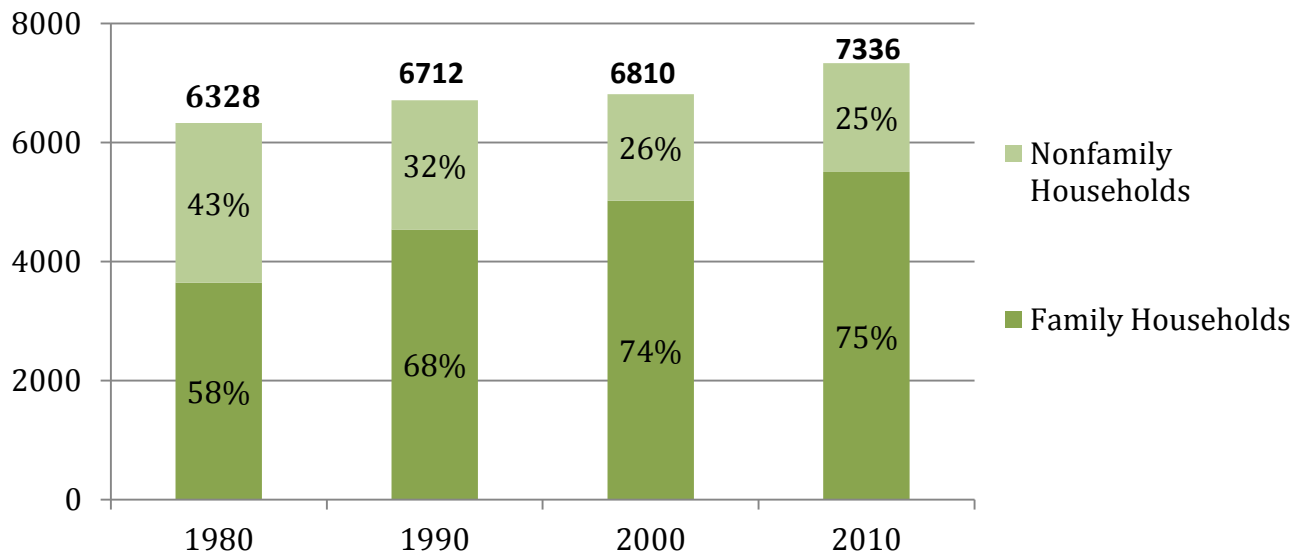


## Appendix E: East Palo Alto Neighborhood Data

**Table E1: East Palo Alto and San Mateo County, Total Population, 1980-2010**

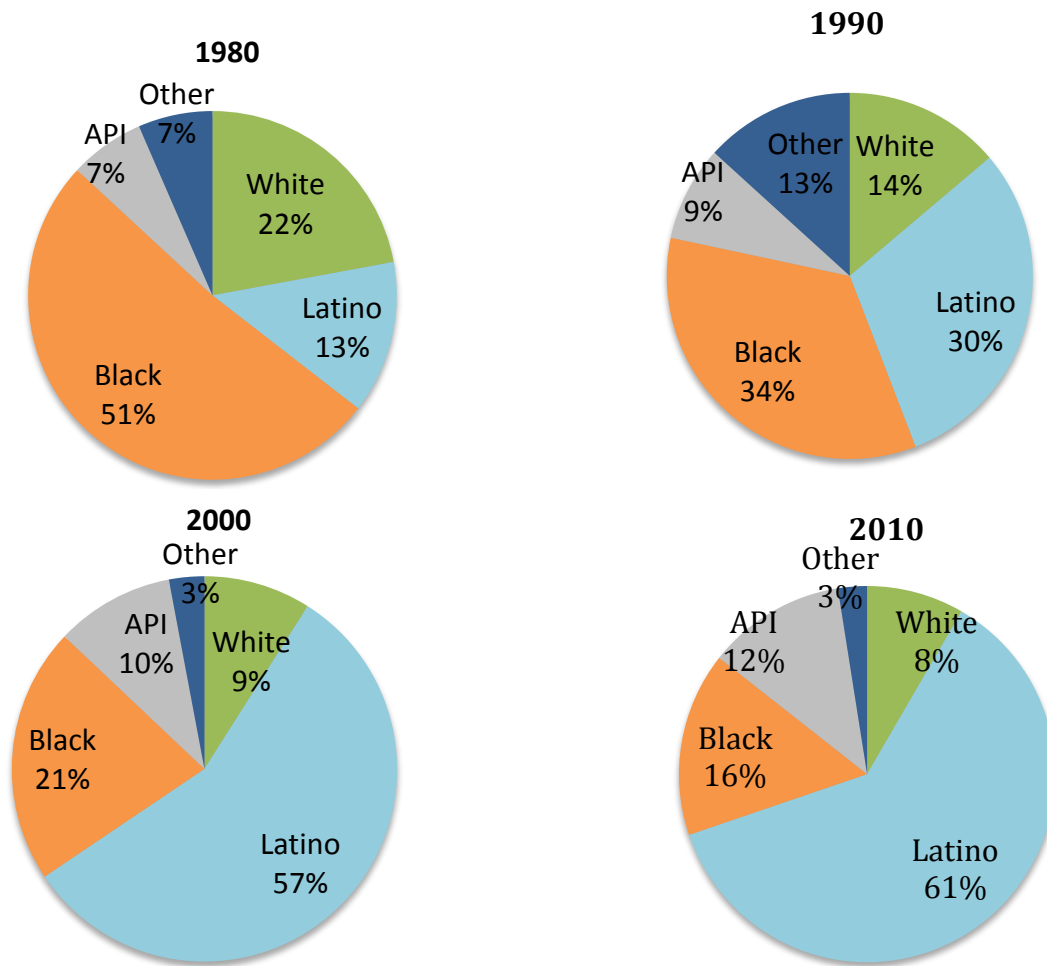
Year	East Palo Alto	San Mateo County
1980	16,934	587,289
1990	22,090	649,623
2000	27,503	707,161
2010	29,126	718,451
Percent change 1980-2010	72%	22%

**Figure E2: East Palo Alto Total Households, 1980-2010**

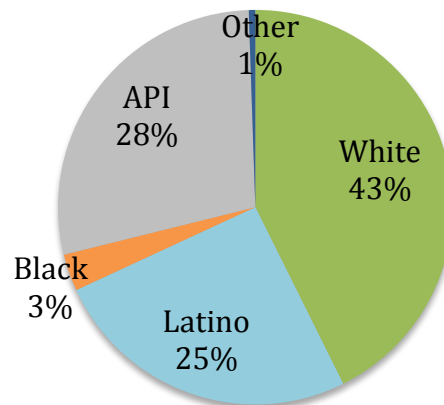




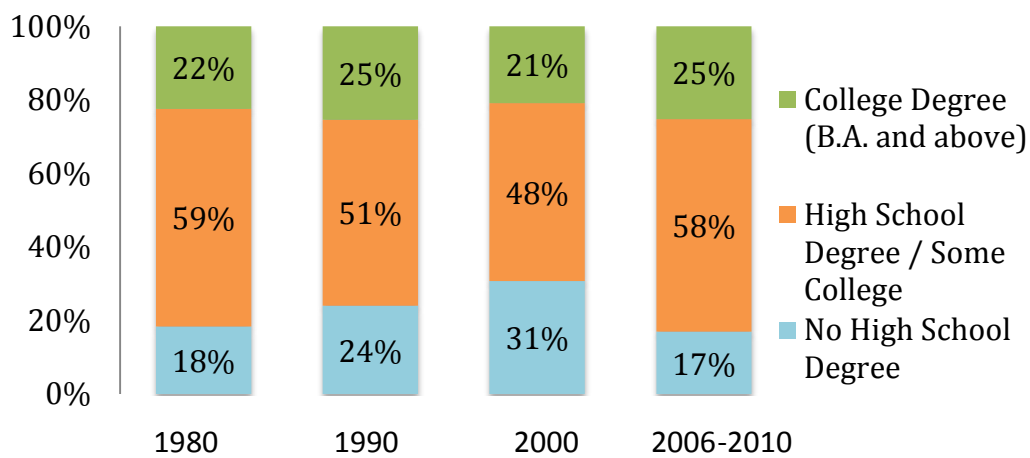
**Figure E3: East Palo Alto Race/Ethnicity by Percent, 1980 – 2010**



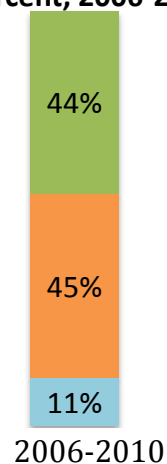
**Figure E4: San Mateo County Race/Ethnicity by Percent, 2010**



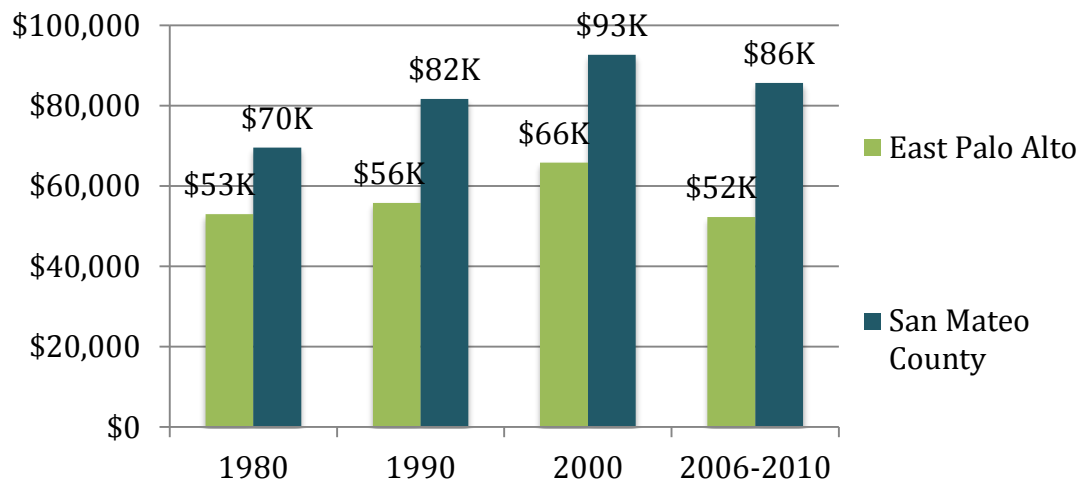
**Figure E5: East Palo Alto Educational Attainment by Percent, 1980 - 2010**



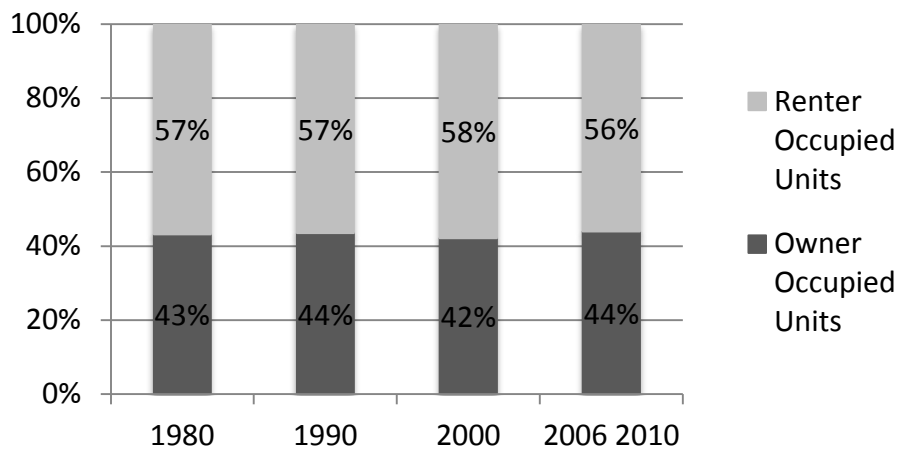
**Figure E6: San Mateo County Educational Attainment by Percent, 2006-2010**



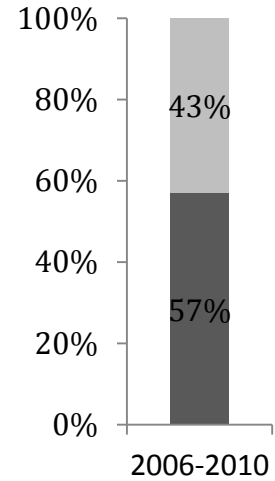
**Figure E7: East Palo Alto and San Mateo County Average Median Income, 1980 – 2010 (2010 dollars)**



**Figure E8: East Palo Alto Housing Tenure by Percent, 1980 – 2010**



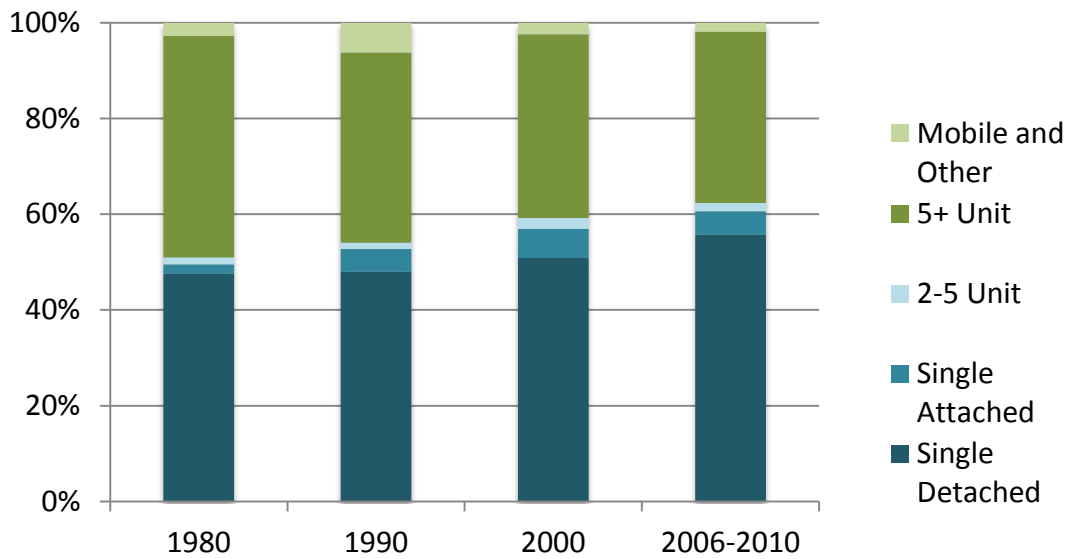
**Figure E9: San Mateo County Housing Tenure by Percent, 1980-2010**



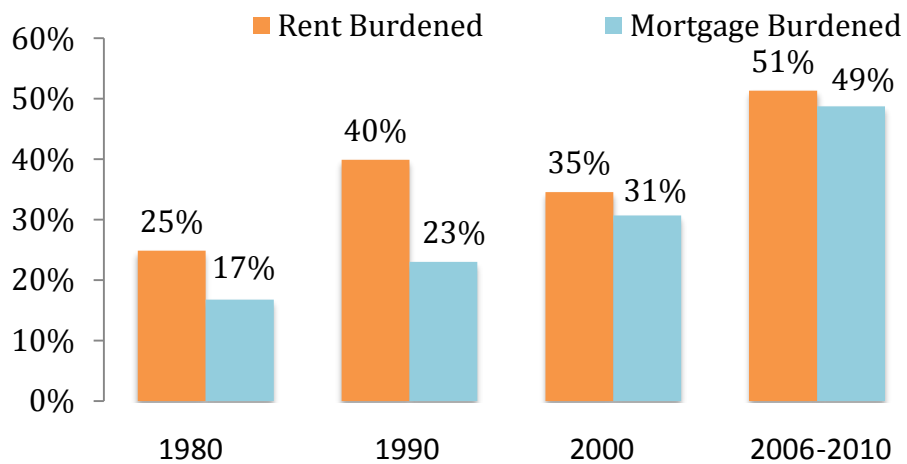
**Table E10: East Palo Alto Housing Units and Vacancies, 1980 – 2010**

	Total Units	Vacant Units	Vacancy Rate
1980	6,649	300	4.5%
1990	7,256	386	5.3%
2000	6,878	113	1.6%
2006-2010	8,238	902	11.0%

**Figure E11: East Palo Alto Building Types, 1980 – 2010**



**Figure E12: East Palo Alto Housing Cost Burden by Percent of Households, 1980 - 2010**



## Appendix F: Monument Neighborhood Data

**Table F1: Monument Total Population, 1980-2010**

Year	Population
1980	14457
1990	16910
2000	22975
2010	24077
Percent change 1980-2010	67%

**Figure F1: Monument Family and Nonfamily Households by Percent, 1980-2010**

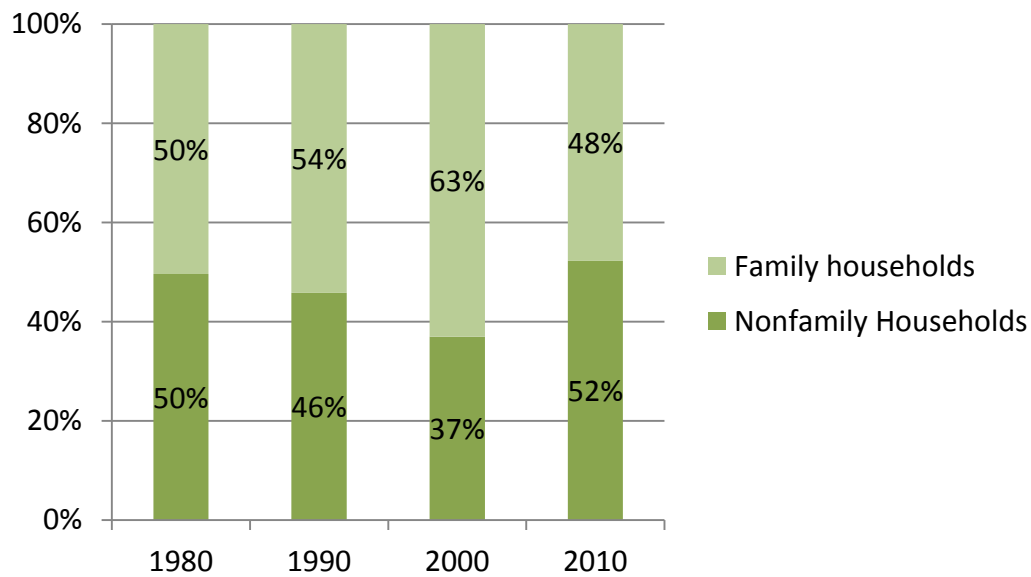
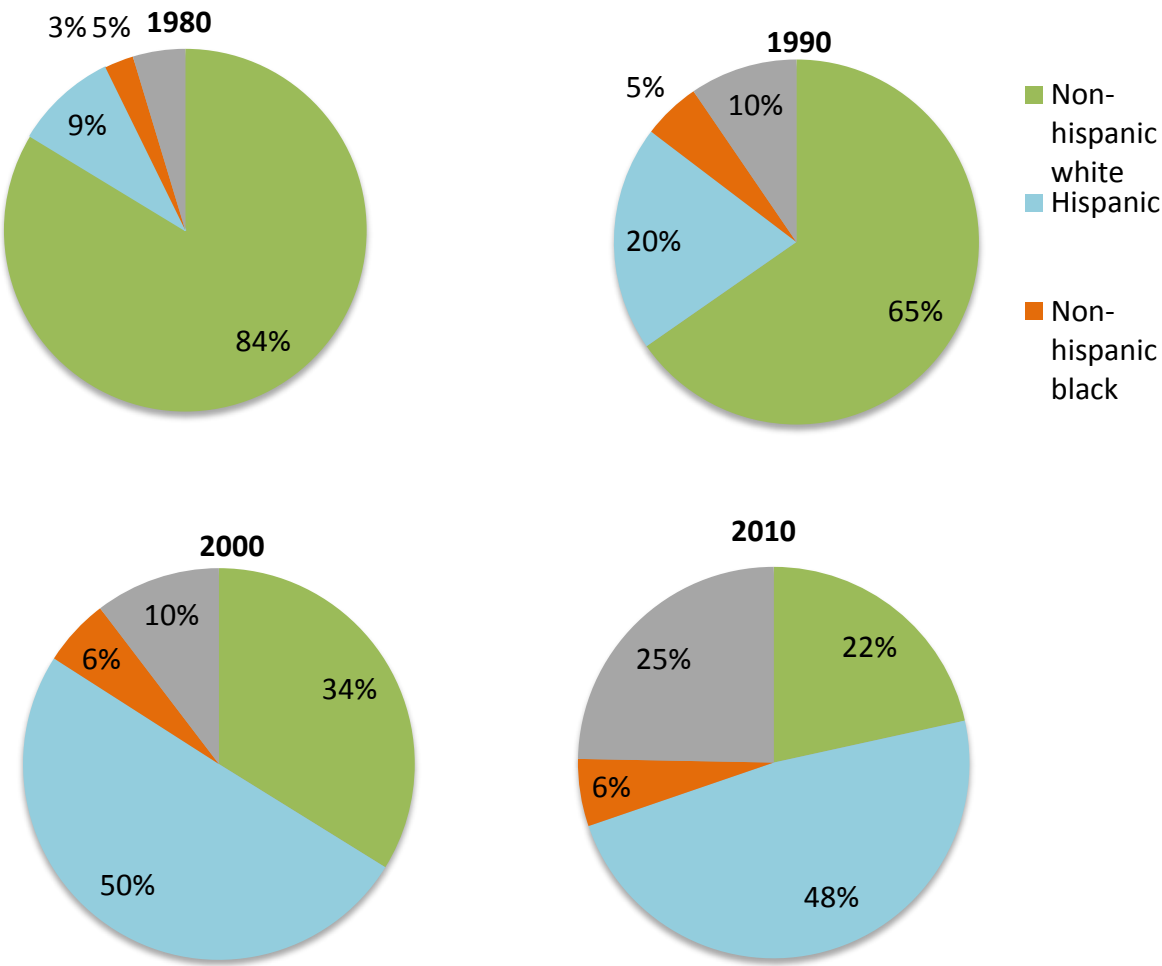
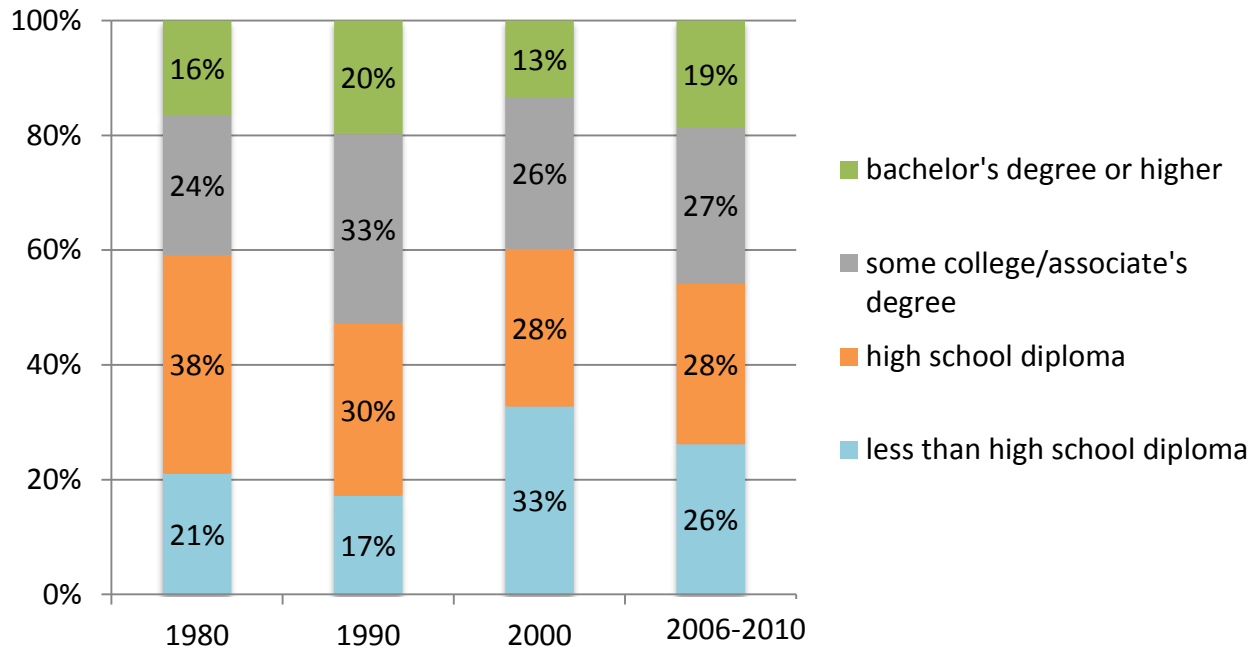


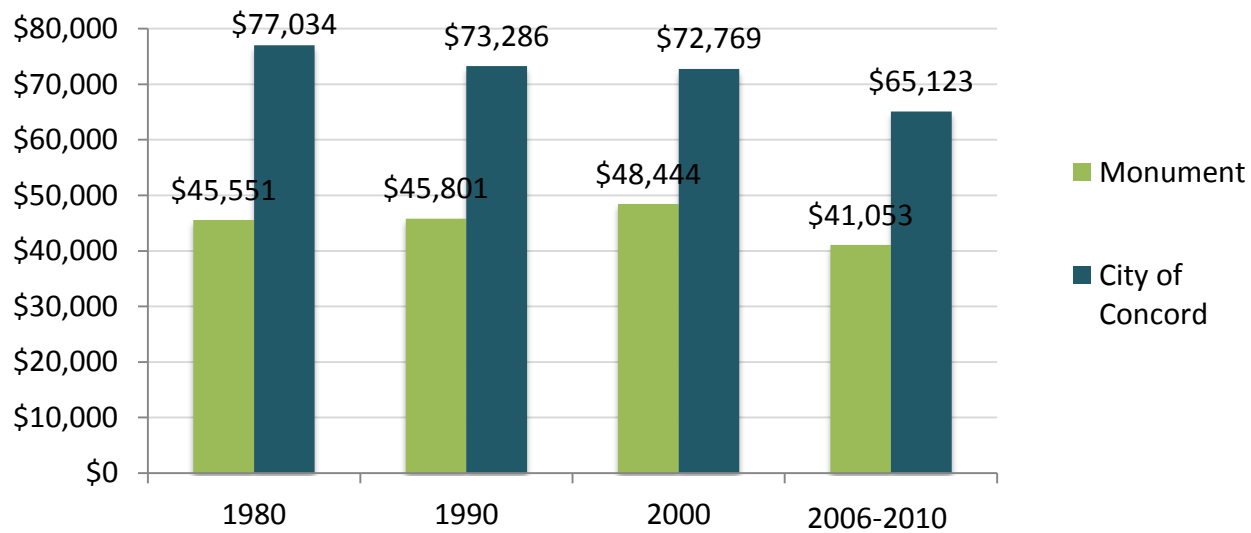
Figure F2: Monument Race/Ethnicity by Percent, 1980 – 2010



**Figure F3: Monument Educational Attainment by Percent, 1980 - 2010**

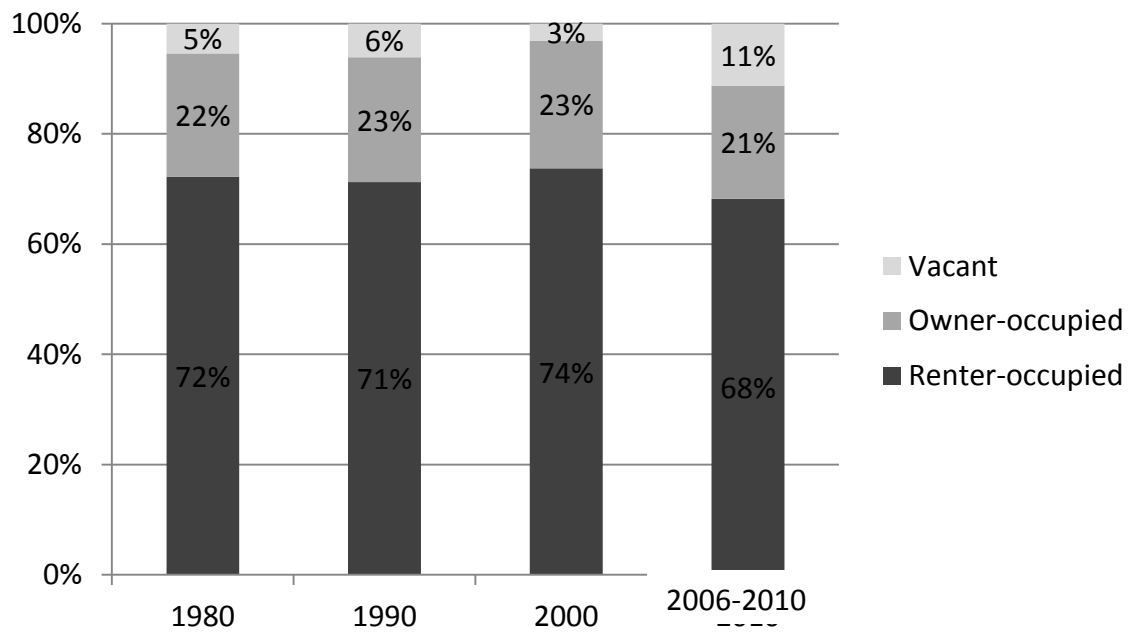


**Figure F4: Monument and Concord Average Median Income, 1980 – 2010 (2010 dollars)**





**Figure F5: Monument Housing Tenure by Percent, 1980 – 2010**



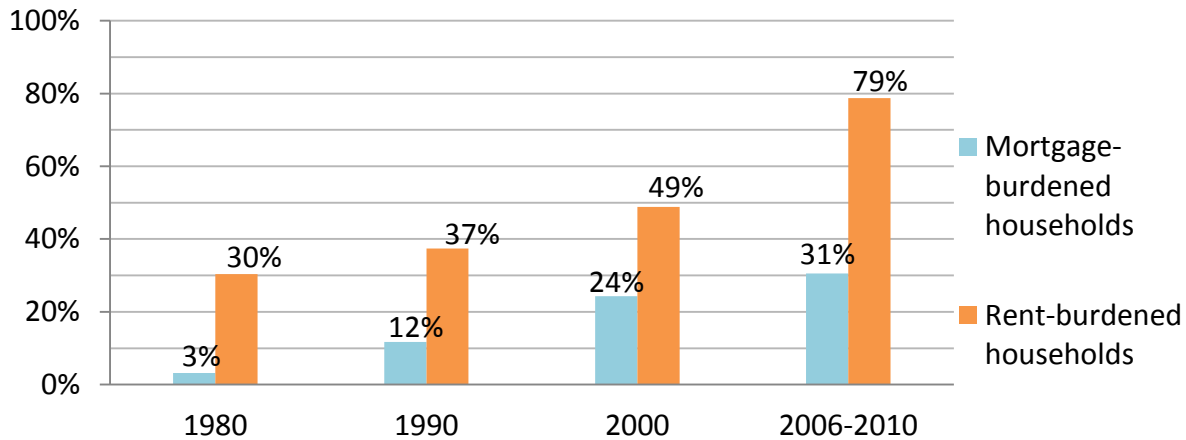
**Table F2: Monument Year Householder Moved In, 2006-2010**

1969 or Earlier	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2004	2005 or Later
0%	1%	2%	13%	25%	60%

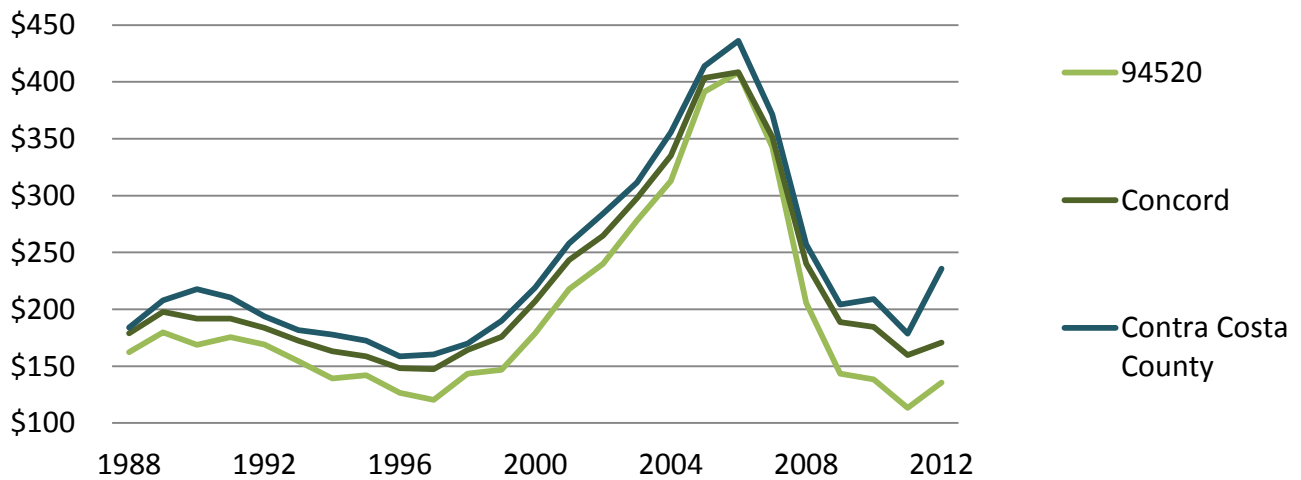
**Table F3: Monument Housing Units and Vacancies, 1980 – 2010**

	Total housing units	Vacant housing units	Vacancy rate
1980	7285	392	5%
1990	7623	467	6%
2000	8133	257	3%
2006-2010	8812	991	11%

**Figure F6: Monument Housing Cost Burden by Percent of Households, 1980 - 2010**



**Figure F7: Monument Residential Sales Price Per Square Foot, 1988-2012 (2012 adjusted dollars)**



Source: Dataquick