

Policy strategies for preventing displacement

Zoning reforms are widely needed to address such local challenges as housing unaffordability, homelessness, workforce housing shortages, segregation and housing instability. Too many jurisdictions have outdated land use plans and zoning requirements that drive up the cost of home building. This can make it prohibitively difficult to create affordable homes, especially in well-resourced neighborhoods. Resulting housing shortages fall heaviest on low-income families and households of color.

But to ensure that new land use ordinances are *equitable*, policymakers need to *anticipate and prevent potential displacement* while taking a broader look at who would benefit and who could be harmed.

The potential for displacement from zoning changes

Displacement occurs when residents are forced to leave their home or neighborhood because of physical events like redevelopment or demolition, economic pressures such as rent hikes or spiking property taxes, landlord actions such as discontinued leases or evictions, and other events that make it impossible for residents to stay.

Zoning ordinances and land use plans that enable more housing should ease overall pressure on rents and home prices. But depending on context and how land use reforms are designed, they can also fuel physical or economic displacement of lower-income residents and others.

For example, zoning revisions that expand building permissions for all types of development could make it more economical to tear down existing low-cost rentals in certain settings and replace them with higher-priced housing. Similarly, zoning changes that enable large-scale development can catalyze adjacent rebuilding, bringing in needed investment and amenities – but also new interest from outside renters and homebuyers willing to pay higher prices, prompting nearby landlords to raise rents.

Why this matters

Displacement severely impacts people, communities and economies. It erodes housing and economic stability, interrupts educational continuity for kids, harms health for older adults, and damages overall well-being. It strips communities of cultural history, diversity, and residents with long-term roots. It disrupts the lives of essential workers and the businesses that rely on them.

Those most susceptible to displacement include renters, seniors, low-wealth households, people with disabilities, and residents of color. Key factors affecting risk include local market conditions, the prevalence of housing cost burdens, and the type of housing being enabled. For example, dedicated affordable housing is less likely to cause displacement, particularly when it delivers homes at prices that local residents can afford. But each community is different.

Anticipating and preventing displacement

When updating land use plans and zoning ordinances, it is important for each community to ask:

1. Who would be most vulnerable to displacement pressures resulting from zoning changes?
2. What measures are needed to prevent this?

10 policy strategies for preventing displacement

This policy guide offers ideas for stabilizing communities susceptible to displacement so that all can share in the benefits of new land use policies and the investments they spur. This builds on [previous Habitat research](#) on principles and lessons for equitable land use policy.

Policymakers and advocates have numerous strategies available for preventing displacement. Some reside within land use policies themselves. Others act as important complements to land use reforms. The following are examples of each approach. Most were aided by advocacy by local and state Habitat for Humanity organizations.

Land use strategies to prevent displacement

1. Alter zoning in displacement-sensitive neighborhoods

Example: Charlottesville, Virginia – After updating its [Comprehensive Plan](#) with significant community input, Charlottesville adopted a [new zoning code](#) in 2023 that allows three homes per lot in most single-family neighborhoods “by-right,” with opportunities to go up to six homes if the additional homes are affordably priced to low-income households. But in “Core Neighborhoods” susceptible to displacement, including historically low-income and African American neighborhoods, the plan allows just one home by-right, with a second home permitted only if the original home is preserved, and up to six homes only if the remaining units are affordable to low-income households. Habitat of Greater Charlottesville was a major advocate for these measures.

2. Prevent demolition of homes occupied by lower-income residents

Example: California – The state’s [“split lot bill” \(SB9\)](#), adopted in 2021, made it easier for property owners in single-family neighborhoods to split their lot and construct a second home on the new lot and to convert an existing home into a duplex. But key to the bill’s passage was making proposals ineligible for these zoning changes if the developer seeks to demolish affordable housing or homes where renters have resided within the past three years. Also, to discourage investors from using these new zoning permissions to flip properties, property owners must reside on-site for at least three years (nonprofit housing providers are exempted). Habitat California and local Habitat affiliates helped build support for these guardrails.

3. Tie upzoning to significant affordability requirements

Example: Austin, Texas — The city’s [Affordability Unlocked program](#), created in 2019, offers extensive waivers and modifications of zoning regulations for housing developers, but only if 50% or more of the homes are affordable to low-income households. A portion of the homes must be family-sized with two or more bedrooms, and rental properties must offer “just cause” eviction protections and accept housing vouchers. Developments receive additional zoning flexibility if they provide deeper or more extensive affordability. As of July 2023, the program has led to approvals for 7,678 new housing units, 69% of which are affordable to lower-income families. Furthermore, 30% are affordable to very low-income and extremely low-income families. Austin Habitat was a champion of the policy from its inception in 2018.

Non-zoning strategies to prevent displacement

4. Prioritize access to affordable housing for those facing displacement

Several cities have adopted policies that prioritize access to city-sponsored affordable housing for households who are at risk of being displaced or who were historically displaced. This includes subsidized properties and affordable homes produced through inclusionary zoning policies.

Early experiences suggest it may work best to make such a policy as geographically broad as possible in both where it applies and where applicants must live to gain priority access. Doing so could sidestep potential fair housing concerns that might arise from policies with narrower neighborhood eligibility that run the risk of producing racially disparate impacts. Policies that maintain broad neighborhood eligibility have the added benefit of expanding neighborhood choices for those impacted by displacement while not precluding a household from gaining access to local affordable housing that allows them to stay in their neighborhood.

Example: Denver, Colorado ([see detailed profile](#))

5. Help residents access existing resources to stay in their homes

Many communities have an array of private and public programs that help lower-income households stay in their homes. Resources include emergency rental assistance, property tax exemptions, home repair support, legal aid and more. But often these resources are underused because those who most need them don't know they exist.

Publicly funded, community-based outreach programs can overcome information gaps and language barriers that impact lower-income residents, seniors and communities of color. Such programs can help households facing displacement learn about and access public and private resources that help them maintain housing stability.

Example: Austin, Texas ([see detailed profile](#))

6. Preserve at-risk properties

When low-cost rental properties are put up for sale or near the expiration of affordability restrictions, localities can help affordable housing providers acquire them to preserve affordability and prevent displacement. Many localities create dedicated funding for this purpose. A growing number of places also require sellers to give nonprofit affordable housing providers advance notification and a first right of refusal before the properties are offered on the open market. Some localities even give themselves a first right of refusal to purchase at-risk properties so that they can hold them before transferring to a ready affordable housing provider.

Example: Montgomery County, Maryland — This suburban county gives itself, the local housing authority and tenant organizations [a first right of refusal for purchasing rental properties](#) (subsidized or unsubsidized) that are up for sale. The county can also assign its first right to a precertified affordable housing organization. This has helped the county and nonprofit housing partners preserve hundreds of at-risk, affordable rental housing units over the past five years. Habitat Metro Maryland recently benefited from a similar policy in neighboring city Takoma Park. The policy helped Habitat acquire a single-family home that was being rented in a gentrifying neighborhood. After the tenants turned down the ability to purchase it themselves, Habitat purchased the home to create a duplex with two affordable homes for homeownership. Having adequate financial support is critical to each program's success. Recognizing this, Habitat played a lead role in supporting the county's new [Non-Profit Preservation Fund](#), which will help nonprofit developers and public housing authorities acquire and preserve affordable housing.

7. Allocate funding for affordable homeownership and rental housing in concert with land use changes

Land use plans can be a helpful place for localities to commit to providing complementary resources to counter displacement and promote equitable outcomes. This includes funding for affordable homeownership opportunities and dedicated, affordable rental housing that help residents access long-term stability in their communities. Commitments promoting affordable homeownership could support such activities as home repair assistance for low-income homeowners, property acquisition assistance for producing dedicated homes for affordable homeownership, and supplemental down payment assistance targeted to residents of gentrifying communities.

Example: Charlotte, North Carolina ([see detailed profile](#))

8. Enable low-income homeowners to participate in creating ADUs

Some localities and states are providing financial and design assistance to help low-income homeowners take advantage of new zoning allowances to build accessory dwelling units, or ADUs. Rental income from these units can help senior and low-wealth homeowners manage rising property taxes and other housing expenses. It also can help them age in place or provide homes for doubled-up families at risk of homelessness. Oregon and New York now offer grants to nonprofits helping low- and moderate-income homeowners build new ADUs or bring existing ADUs up to code. Boston, Massachusetts, and Denver, Colorado, provide financial and other assistance directly to low- and moderate-income homeowners to support the creation of ADUs on their properties. Some programs condition assistance on the ADUs being rented to low-income households at affordable prices.

Example: Denver — Habitat Metro Denver joined community leaders, other nonprofit organizations and faith-based groups in supporting the [West Denver Single Family Plus initiative](#) in 2018. The ADU pilot works to prevent displacement in west Denver by helping low-income homeowners plan, price, design, finance and build an ADU on their property. Either the homeowner or renter of the ADU must earn below 80% of area median income. Income-qualified homeowners can qualify for up to \$108,000 in total cost savings. Habitat Metro Denver created seven low-cost [ADU design templates](#) for the program, in partnership with the American Institute of Architects. Through 2023, 75% of participants have been people of color, and 73% have been low-income homeowners.

9. Stabilize renters with the help of “just-cause” eviction policies

Given the fundamental importance of a stable home, some states and localities balance landlords’ rights with the rights of renters to be protected from unfair evictions and forced relocation. Just-cause eviction policies are important tools for preventing displacement, along with other strategies for stabilizing renters, such as emergency rental assistance.

Example: Santa Barbara County, California — The county’s [Just Cause for Residential Evictions](#) policy was adopted in 2023 in response to advocacy by Habitat of Southern Santa Barbara and others seeking to prevent the eviction of nearly 1,000 residents (predominantly low-income people of color) after a development company acquired a large apartment complex and immediately sent eviction notices. The county’s new policy prevents most landlords from evicting a tenant unless it is for “just causes,” such as unlawful activity, nuisance issues, or a tenant’s failure to pay rent. Landlords are also permitted to evict if, “in good faith,” they intend to move themselves or family members into the rental unit, permanently stop renting, or totally demolish or substantially remodel the unit. Crucially, “substantial remodels” must be for the primary purpose of bringing the rental unit into compliance with applicable health and safety codes. Changes such as cosmetic improvements or minor repairs are not covered. The owner also must obtain all necessary permits to carry out the demolition or substantial remodel and give tenants early notice. Landlords meeting all these terms must provide substantial relocation aid (covering costs of locating new housing, paying a security deposit, and first and last month’s rent on the new lease) and grant the tenant a first right of refusal to reoccupy the unit when it is ready to be occupied or for up to two years.

10. Stabilize low-income homeowners by providing property tax relief

Property tax “circuit breakers” and deferrals help protect low-income homeowners from unaffordable property taxes spurred by new zoning permissions and neighborhood investments. Circuit breakers limit the amount of property tax a homeowner owes to a set percentage of income. The household can receive a credit for all or a portion of the amount by which taxes exceed this percentage. Under a deferral program, some or all property tax payments are delayed, typically until the home is sold, when equity from the sale can help with the deferred payment, particularly in gentrifying markets. Effective programs are available to income-qualified owners of all ages. Places like Philadelphia, Pennsylvania, have also started extending eligibility to “equitable homeowners” to ensure that heirs’ property owners can also participate.

Example: Maryland – The state operates a [circuit breaker program](#) that provides a credit to qualified homeowners against their tax bill if property taxes exceed a certain percentage of their income. The limit is based on a sliding scale. For example, a household with income of \$16,000 has a property tax limit of \$420 (2.6% of income). Those earning \$40,000 have an effective property tax limit of 6.45% (\$2,580 per year). Income eligibility is capped at \$60,000. Asset limits also apply. A challenge with the program is that homeowners must apply to receive the credit. Recognizing this barrier, Habitat of the Chesapeake and other advocates secured legislation in 2023 (AB 897) requiring application only once every three years for homeowners with certain income sources (for example, Social Security or veterans’ pensions). Another successful bill (AB 665) directed state agencies to collaborate on finding additional ways to lower barriers to the program so that it can deliver more fully on its promise to stabilize low-income homeowners facing displacement.

The Denver City Council passed an anti-displacement policy in September 2022 to help long-standing residents remain in their communities amid rising housing costs. The policy prioritizes new and preserved affordable housing for residents who are at risk of displacement or have been displaced from their homes. Under the new policy, eligible households can be considered first to rent or purchase a home from a portion of city-supported affordable housing.

Habitat Metro Denver and other stakeholders gave input into the policy's development over the course of a year. Engaged participants included City Council members, developers, affordable housing organizations, residents and neighborhood organizations.

Policy provisions

- Thirty percent of units in qualified, new or preserved affordable housing must be set aside for eligible households. This applies to:
 - Rental housing that receives city funding or is regulated by a city agreement.
 - Newly built affordable homeownership projects with 10 or more homes.
 - Housing built under the city's inclusionary zoning policy with 100 or more units or located in areas vulnerable to displacement.
- Eligible residents are currently vulnerable to displacement from Denver, have experienced displacement at any point since 2000, or have a family member who was displaced between 1939 and 2000.
- Households vulnerable to displacement include those currently being asked to move for various "no-fault" reasons or inability to pay higher rents, those generally experiencing high rent or mortgage-cost burdens, and those living in formerly redlined neighborhoods.
- Rental housing is subject to the policy during initial and subsequent lease-ups. Homeownership units must comply during first sale of a home but not subsequent sales.
- Income limits and other qualifications are set by each affordable property.
- Residents apply to the city for priority status. Those prequalified by the city can use the city's new affordable housing listings website to sign up for notifications about prioritized units or to learn about other housing opportunities.

Implementation

Residents will have the opportunity to apply for priority status starting in mid-2024.

Key considerations for success

- To avoid Fair Housing Act concerns, the program is widely applicable both in where it applies and where residents can live to be eligible. Denver's city staff says that broadening eligibility for priority status beyond residents of a particular neighborhood will help ensure appropriate racial and ethnic diversity in who is able to participate.
- It was helpful to first build a one-stop website for locating affordable housing openings generally in the city.
- Grounding program decisions in data has been critical. Research on the percentage of residents experiencing cost burdens or displacement helped legally substantiate the city's selection of a 30% set-aside for affordable properties. Data is also helping the city design its point system for resident prioritization.
- While some programs in other cities have reported limited interest from historically displaced families in returning to their old neighborhood, particularly if much time has passed, Denver's city staff chose to preserve the opportunity for those displaced to at least return to the city, if not to their original neighborhood.

Resources and additional information

- [Adopted ordinance language](#)
- [Anti-Displacement Policy FAQ](#)
- [Affordable Housing Prioritization Policy One-Pager](#)

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Background

Austin launched a Displacement Prevention Navigators pilot program in the spring of 2023 as a tactic to advance the city's [displacement mitigation strategy](#). Navigators are paid community members who connect residents to housing resources with the goal of helping renters and homeowners remain in their homes despite escalating costs.

The yearlong pilot is focusing on two neighborhoods with high rates of cost-burdened residents, lower-than-average property values, and households who have lived in their homes for more than 20 years. Navigators conduct outreach in the pilot neighborhoods to inquire about residents' needs and to provide direct assistance with accessing resources.

Program characteristics

- Navigators applied for their positions and were interviewed by a small panel of city staff members and community representatives. Preference was given to applicants with ties to the targeted neighborhoods.
- Nine of the planned 12-15 navigators have been hired so far. They first attended a multiweek training to learn the ins and outs of the city's housing resources.
- Trained navigators earn \$25 per hour and work 10 to 15 hours per week.
- Navigators offer a range of services, such as explaining available resources, prioritizing resources for application, assisting with tasks like email setup, helping households complete applications, and supporting households in tracking submitted applications.
- Navigators inform residents of city programs and nonprofit programs, leveraging an online tool created by the United Way called Connect ATZ, which makes it easy to search for up-to-date information on housing and related resources.
- Residents learn about such assistance as property tax exemptions, payment-plan options for those behind on their property taxes, repair assistance, utility assistance, emergency rental assistance, legal aid, and help with tenant organizing.
- Funding for the program — \$360,000 — came from the city's housing trust fund.

Implementation

- Navigators began conducting door-to-door outreach in the two pilot neighborhoods in the fall of 2023, emphasizing face-to-face interactions to supplement online access to the program. Residents can also connect with navigators via community events and weekly office hours.
- The program is partnering with Huston-Tillotson University to conduct an evaluation.
- The pilot will continue through May 2024. The hope is to expand it citywide.

Key considerations for success

- Community response has been very positive so far. The program staff attributes this to the fact that most of the navigators come from the pilot communities, which helps build trust.
- Having an evaluation partner is proving helpful for both assessing outcomes and learning about the needs of the navigators themselves, who listen to a lot of need from residents they interact with. Lessons from the evaluation will help refine the program after the pilot and inform other city programming.

Resources and additional information

- [Displacement Prevention Navigator Pilot Program](#)
- [City of Austin Displacement Mitigation Strategy](#)
- [Short video about the Displacement Prevention Navigator Pilot](#)

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Charlotte established a Neighborhood Equity and Stabilization, or NEST, Commission as part of its 2040 Comprehensive Plan process in June 2021. The commission is charged with recommending solutions for protecting residents at risk of displacement in Charlotte.

The commission grew out of concerns about unintended consequences from a new comprehensive plan creating significant development and economic growth opportunities, particularly for low-income residents facing rising rents and economic stress, and especially given the city's history of investor purchases of apartment communities.

In early 2023, the NEST Commission developed an Anti-Displacement Strategy with extensive engagement from community stakeholders and support from Habitat of the Charlotte Region. Adopted by the city in June, the strategy includes four goals: support residents, strengthen communities, foster inclusivity and empower businesses.

To advance the new strategy, the commission presented initial programmatic recommendations in fall 2023, and the City Council voted to allocate \$5.9 million to the program from the Coronavirus State and Local Fiscal Recovery Fund.

Policy recommendations

The initiatives include:

- Creating homeownership opportunities for low- to moderate-income residents through expansion of the Acquisition, Rehab and Resale Program and boosting the new House Charlotte Plus Program, which provides supplemental down payment assistance in targeted, gentrifying corridors.
- Establishing an accessory dwelling unit program to provide affordable rental units and create income streams for low-income homeowners.
- Providing housing rehabilitation services and tenant supports to small landlords to create safe, affordable, deed-restricted rental units in rapidly changing neighborhoods.
- Increasing access to services that promote resident stability and economic mobility through resource and referral services and community partnerships.
- Reducing barriers to programs and information through targeted outreach and communications.
- Establishing a pilot program to increase capacity for innovative shared ownership models.

Implementation

- The commission will deliver additional recommendations throughout its three-year term (until 2025).
- The funding allocated by the City Council for recommended initiatives must be spent by Dec. 31, 2026.
- The commission plans to propose a dedicated funding source to support ongoing anti-displacement efforts.
- The city also established a dashboard to monitor the risk of displacement in Charlotte neighborhoods.

Key considerations for success

- Take a comprehensive approach.
- Empower anti-displacement strategies with funding, as soon as possible.
- Assemble a diverse group of citizens to work together with the city's staff to develop anti-displacement recommendations. This was important for safeguarding the needs of Charlotte's existing residents.

Resources and additional information

- [NEST Commission Programmatic and Investment Recommendations \(PDF download\)](#)
- [Charlotte's Displacement Risk Dashboard](#)
- [2040 Plan Implementation Strategy: Anti-Displacement Tools and Strategies](#)
- [Charlotte 2040 Comprehensive Plan](#)
- [Neighborhood Equity and Stabilization \(NEST\) Commission](#)

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