

Keep Your Habitat: Preventing the displacement of vulnerable homeowners in Seattle's Central District

Benjamin Johnson

A thesis

submitted in partial fulfillment of the
requirements for the degree of

Master of Urban Planning

University of Washington

2019

Committee:

Manish Chalana

Rebecca Walter

Program Authorized to Offer Degree:

Urban Design and Planning

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University of Washington

Abstract

Keep Your Habitat: Preventing the displacement of vulnerable homeowners in Seattle's Central District

Benjamin Johnson

Chair of the Supervisory Committee:

Manish Chalana

Department of Urban Design & Planning

As housing costs across Seattle steadily rise, both homeowners and renters consider moving outside of the city in search of cheaper housing, often sacrificing convenient access to transit, jobs and amenities. This study utilizes an informal group of homeowners in Seattle's Central District called "Keep Your Habitat" to understand gentrification-induced displacement pressures and propose options for residents to resist displacement. This study employs a mixed methods approach, combining quantitative analysis of neighborhood demographics and housing market trends with qualitative interviews with neighborhood stakeholders to understand displacement pressures and resistance in the Central District. Finally, this research proposes several options to prevent displacement of vulnerable homeowners in the Central District, including property tax relief, more equitably distributing growth and supports for homeowners seeking to lease space within their home. Keeping residents in neighborhoods that they have called home for decades with good access to amenities and transit is a critical

planning goal that strives to prevent displacement and re-segregation as more affluent household move back to inner city neighborhoods.

Table of Contents

1	Introductions	1
2	Literature Review	2
2.1	Gentrification	2
2.2	Residential Displacement.....	3
2.3	Gentrification-Induced Displacement	5
2.4	Framing How Planners Understand and Interact with Displacement and Gentrification ...	6
2.5	Preventing the Displacement of Homeowners	9
3	Research Project.....	10
4	Methods	11
5	Precedent Programs.....	13
5.1	Property Tax Break Programs	14
5.2	Home Repair Programs	15
5.3	Accessory Dwelling Unit Programs	16
5.4	Reverse Mortgages and Housing Equity Conversion Mortgages.....	17
6	Central District History	18
6.1	Early Years	19
6.2	Urban Renewal.....	20
6.3	Gentrification and Displacement of Seattle’s Black Community.....	22
6.4	Resistance Efforts & Keep Your Habitat.....	23
7	Neighborhood Demographic Change.....	25
7.1	Racial Composition.....	25
7.2	Income.....	27
7.3	Educational Attainment	29
8	Housing Market Change	29
8.1	Homes Sales, Assessed Value and Property Taxes	29
8.2	Rental Market.....	31
9	Residents Perceptions	31
9.1	Sense of Community in the Central District.....	32
9.2	Change and Tension	33
9.3	Displacement Pressures	35
9.3.1	City of Seattle’s Growth Strategy.....	35
9.3.2	Increasing Costs.....	36
9.4	Combatting Displacement of Homeowners.....	37

9.4.1 Support for Property Tax Relief	37
9.4.2 Mixed Reactions to Leasing Space within the Home	38
9.4.3 Skepticism of Partial Redevelopment through a Joint Venture.....	39
10 Lessons for Practice.....	40
10.1 Target existing property tax relief programs to areas with a high risk of displacement.	40
10.2 Support seniors seeking to rent a room within their home by creating a home sharing program	43
10.3 Create a program that assists homeowners with small scale redevelopment projects..	44
10.4 Continue to provide educational opportunities for homeowners interested in redeveloping their lot	45
10.5 Promote equitable growth.....	45
10.5.1 Listen to and address equity concerns raised by Central District residents.....	46
10.5.2 Give displaced residents priority for new affordable units	47
10.5.3 Allow for more dense housing across the city.....	48
10.5.4 Explore state legislation that would increase development capacity in strategic areas statewide.....	48
11 Conclusion	49
Reference	52
Appendix A: Interview Questionnaire.....	A-1
Appendix B: IRB Exemption	B-1

List of Figures

Figure 1: Central District Study Area.....	19
Figure 2: Racial Composition of the Central District 1970-2017	25
Figure 3: Percent of Owner-Occupied Homes Owned by Black Residents.....	26
Figure 4: Seattle’s Black Population 1970 to 2017	27
Figure 5: Change in Average Household Income 1970-2017	28
Figure 6: Median Home Price in the Central District 2015-2019.....	30

List of Tables

Table 1: Categories of Displacement	4
Table 2: Percentage of the population 25 and older with a Bachelor’s, Graduate or Professional Degree.....	29
Table 3: Property Values and Taxes on Homes in the Central District 2012-19.....	30

Acknowledgements

I would like to thank my thesis committee members Manish and Rebecca for their support on this project. I would also like to thank Ruby Holland and Leah Martin for helping me connect with current and past residents of the Central District. Thank you also to all those that took time to participate in interviews for sharing your insight and enthusiasm for supporting homeowners in the neighborhood

1 Introductions

Rising housing costs in Seattle have caused residents to consider whether to remain in the city or to look for less expensive housing options in the distant suburbs. Even homeowners, who are less susceptible to increasing cost than renters, have seen their property taxes increase as a result of appreciation in the housing market or appraised values that are based on the redevelopment potential of the site. Although homeowners benefit from appreciation in their home values, some want to remain in the neighborhood where they have lived for decades with established social ties, convenient access to transportation, medical services and amenities, but are not able to meet rising costs on a fixed income. This study explores strategies for income limited homeowners in Seattle's Central District to remain in their homes.

In the past several decades, the Central District of Seattle has seen the displacement of much of its Black community. As a result of redlining and racially restrictive covenants, the Central District was historically one of the few places in the city that Blacks were able to live (Balk, 2015). Today, an informal group of homeowners in the Central District called "Keep Your Habitat" has banded together to strategize to resist displacement. One of the strategies that the group is interested in is using their property to add additional income stability to the household by creating accessory dwelling units or selling a portion of their property.

The purpose of this study is to propose options for preventing the displacement of homeowners struggling to remain in the Central District. Key question that will be addressed are: What displacement pressure do current homeowners within the Central District face? What solution do residents feel would be viable? What challenges prevent homeowners from

renting space within their home or undertaking development to add income to their households?

To answer these questions, this study analyzes current housing market conditions in the Central District and, conducts interviews with homeowners connected to the Keep Your Habitat initiative to understand their perspective on potential solutions and the challenges of small-scale development in the Central District. Finally, this study discusses recommendations for stabilizing vulnerable homeowner households in the Central District.

2 Literature Review

In order to frame this study, it is important to first examine previous research on the causes of gentrification and displacement as well as what approaches have been proven effective at combating displacement of homeowners.

2.1 Gentrification

The term gentrification was first used in the 1950s to describe the “gentry” moving into low-income communities in London (Zuk et al., 2018). Since gentrification was identified, there has been much debate among scholars to attempt to define how and why it takes place and whether it’s a goal to be sought after or a consequence of historic racial discrimination.

Gentrification is defined by changes in housing markets, and demographic and socioeconomic changes, resulting in displacement or succession of current low-income residents (Bates, 2013; Chapple & Zuk, 2016).

Marcuse (2015) contends that gentrification takes place as a result of several forms of upgrading, including economic upgrading or price increases and physical upgrading or

redevelopment. Economic upgrading occurs when the current rent received from the property is less than the rents that could be achieved as a result of redevelopment, sometimes referred to as the “rent gap” (Smith, 1987). This often takes place in inner city neighborhoods that saw systematic disinvestment as a result of racial discrimination in the housing market, then as preferences change toward city living, their lower rents and proximity to downtown presents the opportunity for investment (Marcuse, 1985). This process of upgrading results in the displacement of low-income and minority residents that cannot absorb price increases, and an influx in upper- and middle-income households.

2.2 Residential Displacement

Residential displacement can occur as a result of the neighborhood demographic and socioeconomic changes associated with gentrification. It can also happen independent of neighborhood change processes. For example, if a residential building is demolished in order to build a highway, the tenants of the building will be displaced, but it may not be associated with overall neighborhood demographic changes.

Displacement occurs when any household is forced to move from its residence by conditions which affect the dwelling or immediate surroundings, and which:

- 1) are beyond the household’s reasonable ability to control or prevent;
- 2) occur despite the household’s having met all previously imposed conditions of occupancy; and
- 3) make continued occupancy by that household impossible, hazardous or unaffordable.

(Zuk, Bierbaum, Chapple, Gorska, & Loukaitou-Sideris, 2018, p. 34)

This definition accounts for direct or physical causes of displacements, for example from building demolition, indirect or economic causes like increases in market rent resulting in households relocating to other areas of the city or region, and exclusionary causes like resistance to affordable housing development. Zuk and colleagues (2018) further separates displacement causes into categories of forced and responsive displacement (see Table 1).

	Forced	Responsive
Direct or physical causes	<ul style="list-style-type: none"> • Formal eviction • Informal eviction (e.g., landlord harassment) • Landlord foreclosure • Eminent domain • Natural disaster • Building condemnation 	<ul style="list-style-type: none"> • Deterioration in housing quality • Neighborhood violence or disinvestment • Removing parking, utilities, and so on.
Indirect or economic causes	<ul style="list-style-type: none"> • Foreclosure • Condo conversion 	<ul style="list-style-type: none"> • Rent increase • Increased taxes • Loss of social networks or cultural significance of a place
Exclusionary causes	<ul style="list-style-type: none"> • Section 8 discrimination • Zoning policies (restriction on density, unit size, etc.) • NIMBY resistance to development 	<ul style="list-style-type: none"> • Unaffordable housing • Cultural dissonance • Lack of social networks

Table 1: Categories of Displacement (Zuk et al., 2018, p. 35)

There is some debate in academic literature on how to distinguish between “involuntary” and “voluntary” displacement. Involuntary displacement could be as the result of formal eviction or foreclosure, while some argue that families that relocate after rent increases do so voluntarily. Some consensus has emerged that even displacement that could be thought of as voluntary is

responsive to changes in neighborhood conditions such as housing costs of loss or social connections (Zuk et al., 2018).

2.3 Gentrification-Induced Displacement

Both this study and much of the academic literature has focused on gentrification-induced displacement or displacement that results from a change in neighborhood demographic, socioeconomic status as well as changes in the housing market.

Several studies have attempted to quantify how common displacement is in gentrifying neighborhoods, with varying results. Freeman and Braconi (2004) found that between 1996 and 1999 in New York City, over 37,750 renter households were displaced representing 5.5 percent of all renter moves. A study utilizing the same data source by Newman and Wyly (2006) expanded the analysis timeline to 1989 to 2002. They found that when that dataset was examined by year and by neighborhood, displacement rates were much higher. For example, displacement accounted for 11.6 percent of all renter moves in 2002 and the Bushwick sub-borough experienced a displacement rate of 28.2 percent from 1999 to 2000 (Wyly & Newman, 2006). Even if one assumes the most conservative estimates of displacement, enough households are impacted to warrant intervention. When specific time periods and neighborhoods are examined individually, it is evident that displacement can be much more acute.

Freeman and Braconi (2004) and Vigdor (2002), compared residential mobility rates of low-income residents in gentrifying and stable neighborhoods and found that residents in gentrifying neighborhoods were less likely to move than in stable communities. A later study

found no significant differences in residential mobility rates in gentrifying and non-gentrifying neighborhoods, but found that people moving into gentrifying neighborhood were more likely to be higher income and more educated (Freeman, 2005). Martin and Beck's (2018) study of homeowners, found that increases in property tax can lead to displacement, but it did not occur more frequently in gentrifying neighborhoods. This suggests that displacement may not be as widespread in gentrifying neighborhoods as it is sometimes portrayed.

A key implication of these residential mobility studies is that although there is tendency to think of neighborhoods as stable or static, there are constantly people moving in and out of the community. Low-income households move frequently in both gentrifying and stable neighborhoods. When there is a shift in the type of people moving into the neighborhood, this can be a signal of neighborhood change or succession (Freeman, 2005).

2.4 Framing How Planners Understand and Interact with Displacement and Gentrification

Current patterns of racial segregation are shaped by the history of racial discrimination in housing policy. Racially restrictive covenants, banks and realtors refusing to facilitate transactions and federal housing policy that discouraged neighborhood integration contributed to people of color being excluded from neighborhoods zoned as single-family (Prakash, 2013). Until the passage of the Fair Housing Act in 1968, the federal housing administration's explicit policy was to maintain racially homogenous neighborhood and they refused to guarantee loans in racially mixed neighborhood (Federal Housing Administration, 1938). Even after this racially explicit language was removed from federal policy, racial segregation continued to be

reinforced informally through practices like racially restrictive covenants. As a result, people of color were often relegated to inner city neighborhoods and prevented from accessing loans to purchase homes. At the same time, many White people were leaving the city and purchasing homes in the newly built suburbs. They took with them their tax contributions, leaving many cities with dramatically decreased funding. As a result, cities were often unable and/or unwilling to provide adequate services and improvements to inner city minority neighborhoods.

Although some of these primarily Black inner-city neighborhoods became known for crime and gang activity, they also functioned as a haven for Black culture and a home for upwardly mobile Blacks emigrating from the south. This is evident in artistic movements like the Harlem Renaissance. Freeman (2019) describes these communities as both “a haven and a hell.”

Many of these historic black communities are now threatened by gentrification and displacement as preferences for city living is renewed. Urban planners have been complicit in furthering exclusionary zoning practices that led to racial segregation, using tools like urban renewal programs and upzoning to pave the way for redevelopment of these communities. One of the components of the American Institute of Certified Planner’s responsibility to the public as defined by the professions code of ethics is to:

seek social justice by working to expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of the disadvantaged and to promote racial and economic integration. We shall urge the alteration of policies, institutions, and decisions that oppose such needs. (American Planning Association, 2016, p. 2)

Given their responsibility to consider the needs of the disadvantaged and promote integration, planners should help to stabilize low-income residents and prevent them from being displaced from their cities and neighborhoods.

Traditions within urban planning call for planners to move away from a purely technical role and to be advocates for marginalized communities (Davidoff, 1978, 2016). This involves intentional listening efforts in these communities to learn from local knowledge and experience. Sandercock (1998) argues convincingly for planning to be shaped by these “voices from the borderland.”

They speak from experience about the violence, physical and spiritual, done to those whom the dominant White racist and homophobic culture labels different. But they are also (re)defining and celebrating their cultural difference and demanding that it be acknowledged and respected... We need to hear their stories because they are telling us something about the death of the modernist city with its drive/will to homogeneity, and of the need to create a different kind of planning, one which eases rather than resists the transition to a genuinely multicultural city..., a more democratic planning for a heterogeneous public and an expanded notion of social citizenship.
(Sandercock, 1998, p. 181)

Chester Hartman proposed that both homeowner and renters be guaranteed a “right to stay put” that would allow them to remain stable in their communities as prices increase (Hartman, 2002). Other research has documented the social benefits of neighborhoods that remain stable, including more durable social ties and increased safety. Hartman (2002) argues that retaining homeowners that are “house rich” but otherwise low-income is the simpler task because they already possess rights to their property. In order to grant homeowners the right to stay put,

Hartman (2002) suggest limiting property taxes and creating specialized loan programs available to homeowners.

2.5 Preventing the Displacement of Homeowners

There are many case studies documenting the efforts of community groups and cities to prevent displacement (Levy, Comey, & Padilla, 2006; Meares, Gilderbloom, Squires, & Williamson, 2015; Zuk et al., 2015). Many of them focus on the displacement of renters because they are more vulnerable to changes in rent prices (Martin & Beck, 2018). Some common approaches to stabilizing renters are to create emergency rental assistance programs, strengthen tenant protections, and offer legal assistance with evictions.

Few studies have focused on efforts to prevent the displacement of vulnerable homeowners. Martin and Beck (2018) analyzed national Panel Study of Income Dynamics survey data from 1987 to 2009 to examine whether increases in property taxes cause displacement among homeowners and if property tax limitation policies were effective at curbing displacement. They found that although increased property taxes can result in the displacement of homeowners, this process is not more common in gentrifying neighborhoods (Martin & Beck, 2018). One explanation that they posit for this is that homeowners have more durable social connections within the neighborhood and are more prone to speaking out against policy changes. Martin and Beck (2018) also found no evidence that state level property tax limitations helped to mitigate displacement of homeowners in gentrifying neighborhoods. Despite these recent findings, programs like the City of Atlanta Anti-Displacement Tax Fund still

conceptualize property tax limitation programs as effective at preventing displacement of homeowners (Westside Futures Fund, 2017).

Home repair programs for low-income homeowners often site a desire to help residents remain in their home and prevent displacement, but no studies have documented the effectiveness of these efforts. Another body of research examines the new regulations that cities are implementing to allow for more accessory dwelling units to be built. This research also examines the potential of accessory dwelling units to either provide affordable housing or increase the overall housing supply (Duff, 2012; Mazur, 2000).

This work addresses a gap in current research by identifying strategies to prevent displacement of homeowners in gentrifying neighborhoods and examining options for adding income to stabilize homeowners that are vulnerable to displacement.

3 Research Project

This study explores gentrification-induced displacement and homeowner resistance to displacement in the context of Seattle's Central District. In 1970, Black residents made up about 70 percent for the population of the Central District. In contrast, today the neighborhood is majority White, and Black resident make up less than 20 percent of the population (Balk, 2015). This study builds on the research of Martin and Beck (2018) to examine how changes in the housing market have impacted monthly expenses like property taxes for low-income residents. Interviews with homeowners will help to explore the factors that influence both the pressure to relocate and the desire to remain in the Central District.

Finally, this study develops recommendations for assisting homeowners in the Central District who want to remain in the neighborhood and examines potential solutions currently being discussed by the Keep Your Habitat resident group.

4 Methods

In order to examine patterns of displacement and gentrification in the Central District and how the city and community group have worked to stabilize residents in the neighborhood, a variety of methods will be utilized.

First, the study examines precedent programs that other cities or organizations have implemented to keep homeowners in place. This portion of the study relies on city program documents, policies and program evaluations outlining efforts to utilize property tax programs, home repair programs, reverse mortgages, and small-scale development and accessory dwelling units to stabilize homeowners at risk of displacement. While many general accessory dwelling unit programs and policies exist in cities across the United States, this analysis examines only those that are targeted to senior citizens and/or low-income homeowners. Many of the precedent program were selected because they were cited as examples being considered locally by Seattle City Council Member Mike O'Brien's Staff in their racially equity toolkit for accessory dwelling unit legislation (O'Brien, n.d.).

Next, to understand neighborhood demographic and socioeconomic change in the Central District and contextualize the current challenges that homeowners face, historic US Decennial Census data was examined from 1970 to 2010. Additionally, the 2017 American Community Survey 5-Year Estimates were used to discuss the current demographics and character of the

neighborhood. Analysis of Census data was done at the census tract level, with comparisons between the census tracts within the Central District study area and all census tracts in the City of Seattle. This study draws from key indicators of displacement outlined in the literature and analysis from the City of Seattle and include: race, educational attainment, income, and household tenure (Chapple & Zuk, 2016; City of Seattle, 2015).

Changes in the housing market can also create displacement pressure. King County Assessor, City of Seattle and Zillow data are utilized to document trends in residential rents, property taxes, building permits and home sale prices. This combination of assessor, city and real estate transaction data are commonly used for real estate market analysis.

The next phase of the study includes semi-structured interviews with current homeowners that would like to remain in the neighborhood or past homeowners that have since moved away from the Central District. The interview questions focus on the homeowner's history in the neighborhood, their perception about changes occurring in the community, displacement pressures they are experiencing and ideas about interventions or assistance that may help them remain in the Central District. Interview participants were also asked about several interventions being proposed by the Keep Your Habitat group including a property tax break, renting space within their home and working with a developer to redevelop a portion of their lot through a joint venture. Participants were asked if they felt each intervention would help to keep current homeowners in place and about their ability to navigate challenges associated with renting space and partnering with a developer such as financing a project, identifying tenants and negotiating with developers. Finally, interview participants were asked several demographic questions and for information about their household composition. Interviewees

that no longer live in Central District were asked a similar set of questions. This group was also asked what factors contributed to them leaving the neighborhood. A full list of the interview questions is included in Appendix A.

A total of 8 interviews were conducted over a three-week period in March 2019. The interviews were done either in person or over the phone based on the interviewee's preference. Six interview participants were identified with the help of leaders from the Keep Your Habitat group. Two additional interview participants were recommended by the initial interview participants through snowball sampling. Interview participants included current homeowners living within the Central District and past Central District residents that have since moved from the neighborhood.

Each interview was recorded. The researcher reviewed each recording and took detailed notes on each interviewee's responses. Once the notes were complete, the researcher reviewed each interview to identify and code themes that emerged for each question.

Finally, this study develops recommendations for strategies that could be used to address the displacement of homeowners within the Central District.

5 Precedent Programs

The section that follows examines several strategies other communities have used to prevent the displacement of homeowners. The programs and strategies outlined below are not intended to be an exhaustive list of efforts to prevent displacement of homeowners, but rather to provide examples of common approaches to frame this study. The section that follows

focuses on property tax break programs, home repair programs, accessory dwelling unit programs and reverse mortgages.

5.1 Property Tax Break Programs

Cities commonly offer property tax breaks for seniors and low-income households. These come in many forms, including waivers that cover a portion of the property tax burden, or tax deferment programs where a lien is placed on the home for the amount of the property tax which is deferred for a period of time, then the back taxes are paid at the time of sale or transfer of ownership of the property. A few cities have targeted these tax break programs in neighborhoods undergoing investment to prevent the displacement of homeowners.

Washington State offers partial tax exemption and deferments to seniors and low-income households. This local program is discussed in the recommendation section of this study.

Atlanta Anti-Displacement Tax Fund: This program targets four Atlanta neighborhoods where displacement is anticipated as a result of revitalization efforts. The goal of the program is that “no current homeowner will be displaced due to inability to pay a rise in property tax” (Westside Future Fund, 2017). Homeowners that have lived in their home since March 2017 and who make less than 100 percent of the Area Median Income, or about \$74,800 per year for a family of four, are eligible to participate. The fund assists with payment of increases in property taxes and is administered through a non-profit organization called Westside Future Fund. There is no requirement that homeowners repay funds received from the program (Westside Future Fund, 2017). Initial estimates for the program anticipated that 400 homeowners in these neighborhoods would enroll in the program at a cost of \$500,000 over 7

years (Bedsole, 2017). But, a more recent study that used more granular data estimated that the cost over 7 years could be as much as \$1.9 to \$3.2 million in foregone revenue because of higher estimated enrollment and anticipated appreciation in property values (Auerbach et al., 2017). The program began in April 2017 and as of September 2018 has enrolled 61 homeowners (Westside Future Fund, 2018).

5.2 Home Repair Programs

Programs that assist homeowners with repairs and weatherization are common across the United States. Some cities offer low interest or forgivable loans to low-income homeowners. These program have also come to be thought of as helping to prevent displacement of homeowners (Hightower, 2019).

Seattle Home Repair Loan & Weatherization Programs: The City of Seattle offers low interest loans to low-income homeowners that make below 80 percent of the area median income. Households that make less than 50 percent of the area median income can obtain a zero-interest loan. The repair program is intended to address health, safety and structural deficiencies within the home (Seattle Office of Housing, n.d.). In 2018, 30 homeowners received loans with project averaging \$19,700. An additional 14 homeowners received assistance with repair grants averaging \$6,300 per project (Seattle Office of Housing, 2019). A recent executive order from Mayor Jenny Durkan called for the Home Repair Loan Program to be expanded to allow homeowners to add habitable space to their homes that could then be rented to provide the household with additional income and prevent displacement (Hightower, 2019).

The City of Seattle's HomeWise Weatherization Program helps low-income homeowners that are below 80 percent of the area median income with energy efficiency upgrades within their home such as insulation, air sealing and heating systems (Seattle Office of Housing, 2019). In 2018, the City assisted 101 units through this program with the average grant amount being \$12,000 (Seattle Office of Housing, 2019).

5.3 Accessory Dwelling Unit Programs

Accessory Dwelling Units (ADUs) are smaller dwelling units that are either attached to or on the same lot as an existing single-family home. ADUs have gained popularity because of their ability to add additional housing in low-density single-family neighborhoods and their potential to be more affordable than larger scale new development. Cities have also contemplated the creation of ADUs as a method of adding additional income to current single-family homeowner households to provide them with greater financial stability and prevent displacement. Many cities like Portland, Seattle and Vancouver, BC have attempted to spur ADU development by reducing regulatory barriers to new ADU development (Chapple, Wegmann, Mashhood, & Coleman, n.d.). Some cities have incorporated ADU programs that target lower-income homeowners as an anti-displacement strategy.

West Denver Single Family Plus (WDSF+) Initiative: The West Denver Renaissance Collaborative has proposed the WDSF+ initiative to “stabilize low income homeowners, and minimize displacement by providing targeted homeowner resources, connections to trusted home services, and equitable access to detached ADU and tandem home construction in west Denver” (West Denver Renaissance Collaborative, 2018, p. 4). Currently the program is a

proposed model to make ADUs accessible to moderate income households. Although it has not yet been implemented, it is a good example of an attempt to build a program that helps homeowners navigate through the entire ADU development process.

The initiative targets 10 Denver neighborhoods that have seen a dramatic increase in home values since 2009. The proposed program serves homeowners making at or below 120 percent of the area median income. Candidates are required to contribute \$10,000 to \$25,000 in equity toward the cost of the ADU, depending on the project. The program provides technical assistance, financial counseling, site feasibility analysis and design. Habitat for Humanity of Metro Denver acts as the contractor on the projects. The estimated total cost of the project ranges from \$96,000 for a studio ADU to \$157,000 for a three-bedroom ADU (West Denver Renaissance Collaborative, 2018).

5.4 Reverse Mortgages and Housing Equity Conversion Mortgages

Reverse mortgages are sometimes thought of as a way to keep senior homeowners in place by allowing them to access a portion of the home's equity. Reverse mortgages insured by the US Federal Government are called Home Equity Conversion Mortgages (HECM), and are only available through FHA-approved lenders (US Department of Housing and Urban Development (HUD), n.d.). The loan product is geared toward senior homeowners ages 62 and older. A reverse mortgage allows homeowners to take out a loan, using their home as collateral. The loan accrues interest, but typically does not have to be repaid until the homeowner moves from the home or passes away. At that time, the estate has about 6 months to repay the loan or sell the home to repay the remaining balance of the loan (Reverse Mortgage Guides, n.d.).

Although reverse mortgages and the HECM program have helped many homeowners, senior homeowners represent a vulnerable group and these products have not been immune to predatory lending practices, at times even resulting in foreclosure and displacement of senior citizens (Twomey & Jurgens, 2009).

6 Central District History

The study focuses on Seattle's Central District. The Central District is a large neighborhood East of Downtown Seattle that encompasses several sub-neighborhoods. While definitions of the boundaries of the neighborhood differ, this study focuses on the area bounded by Rainer Ave and South Judkins Street to the South, 32nd Ave to the East, Broadway to the West, and Madison Street to the North (Figure 1). This area was selected after consulting with the leader of the Keep Your Habitat group to identify the area where the majority of the homeowners participating in the group live.

Central District Study Area

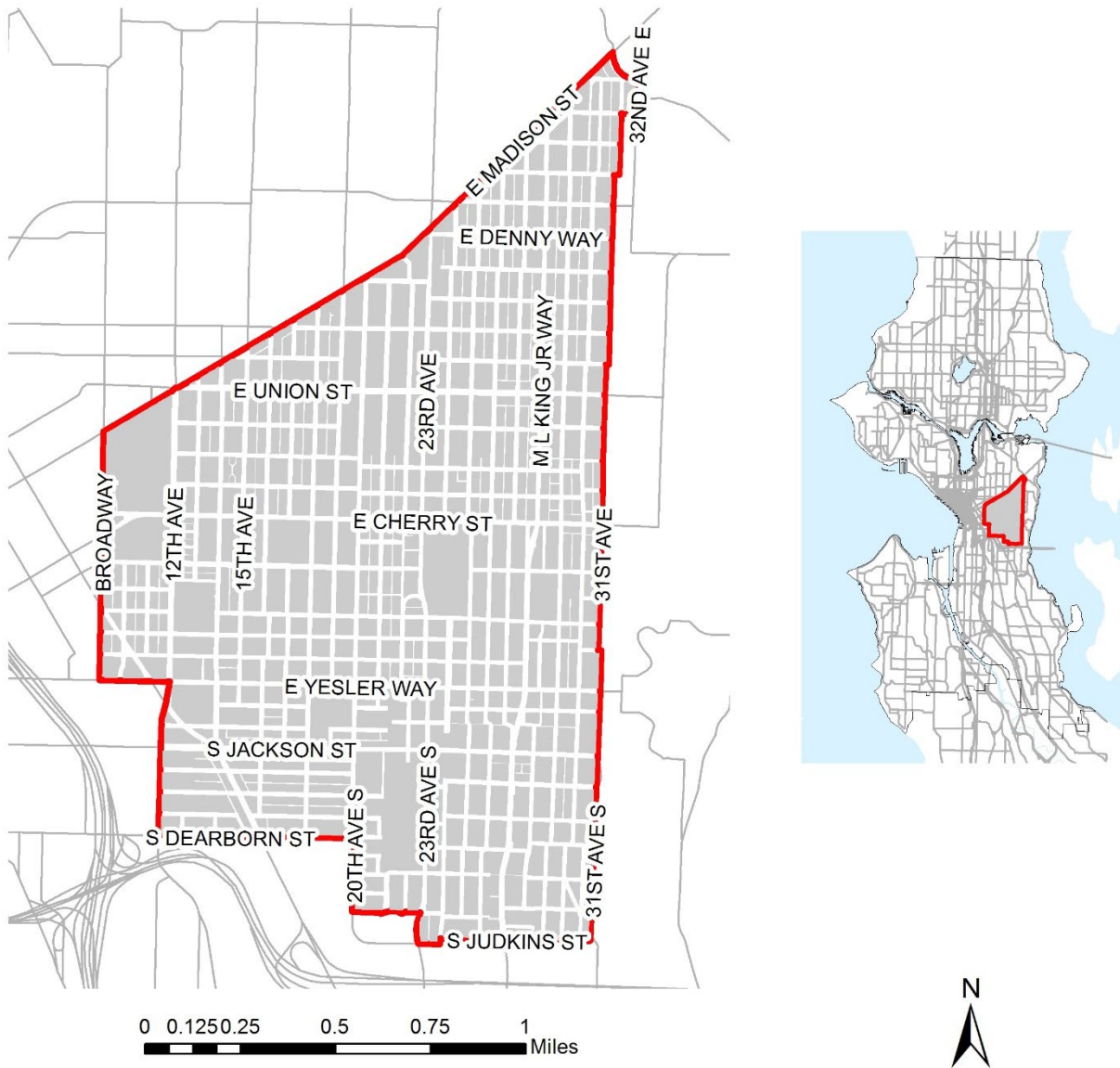


Figure 1: Central District Study Area

6.1 Early Years

The Central District was first platted in the 1870s and 1880s. The central and southern portion of the neighborhood was settled by Jewish families in 1890 (Morrill, 2013). In 1890, a successful Black hotel owner purchased 12 acres of land for his home on the northeast corner of the

neighborhood (Henry, 2001). After this, middle-income Black families began to settle nearby through the 1950s, while lower income Black families tended to locate on Yesler, east of the International District (Morrill, 2013). Seattle's Black population remained concentrated in the Central District as a result of racial discrimination in the housing market in the form of lending practices like redlining and racially restrictive covenants. Researches have uncovered over 500 racially restrictive covenants covering over 10,000 homes in the City of Seattle (Silva, 2009). Although racially restrictive covenants were struck down by the US Supreme Court in 1948, most Seattle neighborhoods continued to exclude people of color until Seattle passed an open housing ordinance in 1968 (Taylor, 1994). The passage of the open housing measure occurred as a result of community organizing efforts in Seattle's Black community that began in the 1950s, including demonstrations and a failed ballot initiative (Taylor, 1995). The open housing initiatives was led by groups like the Congress of Racial Equity along with other organizations that helped Black residents purchase homes throughout Seattle and in the surrounding cities. Between 1960 and 1990, the portion of the Black population living in suburbs quadrupled from just 5 to 20 percent (Taylor, 1994).¹

6.2 Urban Renewal

The Yesler-Atlantic Urban Renewal Project was the first focus of the Seattle urban renewal agency in 1958 (Mcdermott & Gilmore, 1993). It focused on 46 blocks, in the southern portion of the Central District between I-90 to the south and Yelser Way to the north, and 14th and 25th

¹ Based on US Census data that refers to the Black Population living in the Seattle-Everett Standard Metropolitan Statistical Area compared to those within the City of Seattle limits.

Avenues to the West and East. The Federal Urban Renewal program was created to help cities remove urban “blight.” Blighted areas were places where there was a concentration of substandard buildings. Academic literature at the time also associated blight with city centers and cities with large Black populations (Johnstone, 1958). The goal of Urban Renewal was to eliminate these underutilized, impoverished and deteriorating areas, and replace them with new development projects. The Urban Renewal Program funded the demolition of blighted areas to facilitate both public and private development projects.

The Yesler-Atlantic Urban Renewal Project plan recommended significant demolition and privately financed reconstruction (Mcdermott & Gilmore, 1993). In 1968, demolition of over 200 homes began, which resulted in many residents being displaced. The city acquired 40 acres of property within the Central District for redevelopment (Bright, 2003). Like many Urban Renewal Projects, the promise of redevelopment did not materialize. According to Atlantic Neighborhood Improvement Plan’s analysis in 1976:

The shortcoming of the clearance program was that it failed to recognize that existing financial policies coupled with neglect has destroyed real estate markets for inner-city land... clearance was begun before there was a demonstrated demand for raw land and before there was a specific redevelopment proposal (as quoted in Bright, 2003, p. 17)

It was not until the 1970s, after most of the demolition had taken place that the City began to solicit proposals for redevelopment on publicly owned land in the Yesler-Atlantic project area. There were a few successful redevelopment attempts, but by 1982 as much as 75 percent of the publicly owned lots remained vacant (Mcdermott & Gilmore, 1993).

6.3 Gentrification and Displacement of Seattle's Black Community

The first account of displacement began to occur as early as the late 1970s as significant redevelopment in downtown Seattle brought renewed interest to the Central District and parts of south Seattle began to open up to Black families as a result of White flight (Lee & Hodge, 1984). Gentrification and displacement took place over the next several decades. The Yesler-Atlantic Urban Renewal Project cleared significant land for redevelopment. Although redevelopment in these areas was not immediate, it would help facilitate gentrification and redevelopment as Seattle's economy grew. Morrill (2013) identifies several additional key factors that influenced gentrification in the Central District, including a shift in Seattle's economy in the 1980s and 90s from manufacturing to finance, foreign trade, health services and the tech sector with new jobs increasingly located in Downtown Seattle. After the passage of the Growth Management Act in the 1990, Seattle began a process of rezoning the city to promote more density in Urban Villages. This change helped to facilitate redevelopment and professional in-migration in Urban Villages (Morrill, 2013).

The Central District first became a Residential Urban Village in 1994 after the passage of the City of Seattle's comprehensive plan called "Toward a sustainable Seattle: a plan for managing growth, 1994-2014." The Urban Village growth strategy created official designations for areas slated to accommodate growth in Seattle and was accompanied by zoning changes to allow for more dense development. Residential Urban Villages were targeted for to accommodate 30 percent of Seattle's housing growth between 1994 and 2014 (City of Seattle, 1994).

The Central District underwent additional rounds of upzoning after the implementation of the Mandatory Housing Affordability (MHA) program in 2017 and 2019. The MHA program is a mandatory inclusionary zoning policy first proposed as a part of the City of Seattle's Housing and Affordability and Livability Agenda (HALA) in 2015 (City of Seattle, 2019). MHA requires that new development include affordable housing or contribute to an affordable housing fund. This affordable housing requirement is implemented with upzones throughout the city that allow for denser development (City of Seattle, n.d.). In 2017, several blocks within the Central District Study area were upzoned. The upzones were clustered around E Union St and 23rd Ave, and S Jackson St and 23rd Ave. These initial MHA upzones effected about 3 percent of the Central District study area (City of Seattle, 2019). The MHA upzones passed in 2019 effected a much larger portion of the neighborhood representing 57 percent of the total area (City of Seattle, 2019).

The Central District has seen a significant increase in permit activity since the upzoning that occurred in 2017. In 2017 and 2018, the upzoned areas in the Central District had 18 new construction permit application, representing over 1,200 proposed housing units (Seattle Department of Construction and Inspection, 2019). This represents more permit activity in two year in the upzoned areas than occurred in the past decade combined.

6.4 Resistance Efforts & Keep Your Habitat

A group of long-time homeowners called Keep Your Habitat banded together in 2016 to advocate for additional support for homeowners seeking to remain in the neighborhood and against the upzones within the neighborhood. The group began after their informal leader,

Ruby Holland, returned to her childhood home in the Central District after living in Atlanta for many years and was disturbed by the changes that had occurred in her absence. "I was like, 'Where are the Black people?' Nobody knew. I was surprised" (Cohen, 2019). Ruby started hosting community workshops in late 2017 informing other homeowners about strategies to remain in the neighborhood like renting space within their home. The group quickly grew to about 60 homeowners within the Central District.

The group is primarily Black seniors that are on fixed-incomes and struggling to remain in the neighborhood that they are accustomed to with good access to healthcare services and long-standing community organizations like the Central Area Senior Center and religion institutions. In addition to hosting workshops, Ruby and other member of the group have spoken at city council meetings and voiced their concerns that the City's MHA upzones are contributing to continued displacement of the Black Community.

7 Neighborhood Demographic Change

7.1 Racial Composition

The Central District Black population was at its highest around 1970, with Black residents making up 73 percent of the population of the neighborhood (Figure 2). At the time, the neighborhood was over 15,000 Black residents or about 41 percent of Seattle’s Black population. In 1970, 16 percent of residents in the Central District were White. The neighborhood’s Black population has steadily declined since 1970. Today there are just over 5,000 Black people living in the Central District. They make up only 17 percent of neighborhood and 10 percent of the City’s Black population (US Census Bureau, 2017).

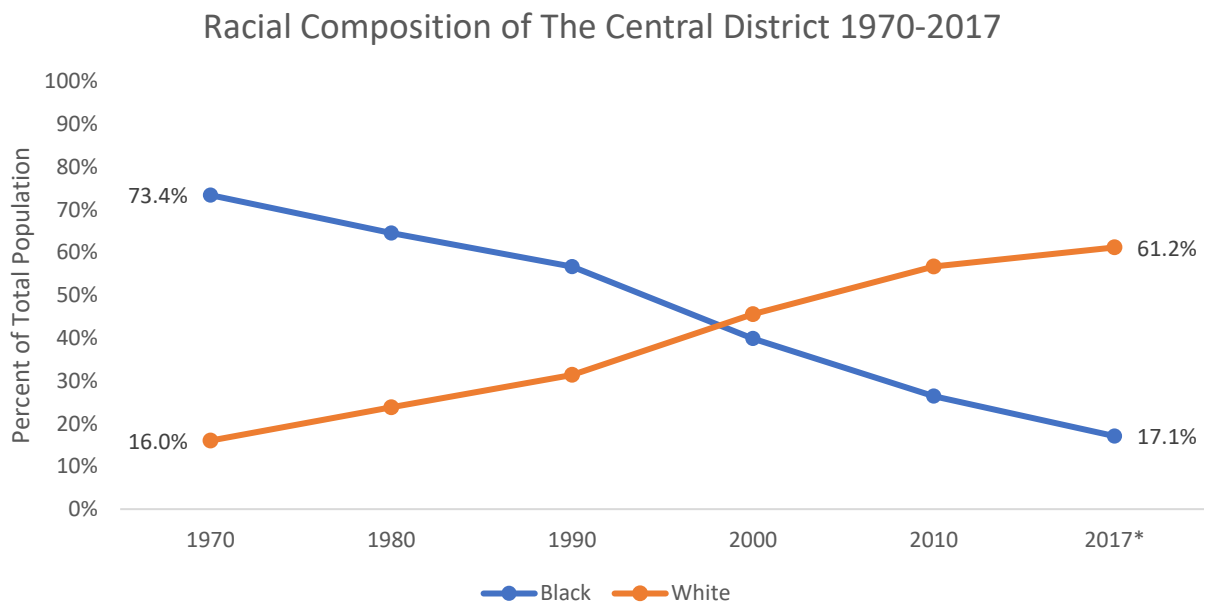


Figure 2: Racial Composition of the Central District 1970-2017, Data Source: 1970-2010 US Decennial Census, *2013-2017 ACS 5-Year Estimates

Conversely the White population of the neighborhood has steadily increased since 1970, adding about 15,000 people since 1970. Today, Whites make up about 61 percent of the population of

the neighborhood, which is a near complete reversal of the demographic makeup of the neighborhood compared to 1970 (Figure 2).

The number of homes owned by Black residents in the Central District has also declined significantly since 1970 (Figure 3). In 1970, about 2,600 homes were owned by Black households (US Census Bureau, 1970). According to the most recent estimates, there are about 800 Black homeowners remaining today (US Census Bureau, 2017).

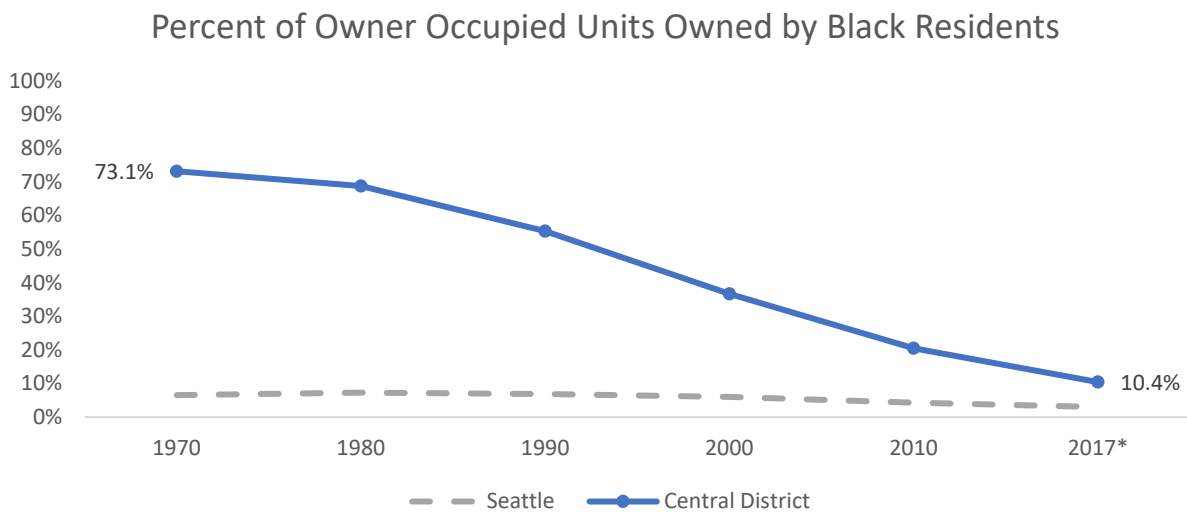


Figure 3: Percent of Owner-Occupied Homes Owned by Black Residents, Data Source: 1970-2010 US Decennial Census, *2013-2017 ACS 5-year Estimates

Figure 4 shows the concentration of Seattle’s Black population in 1970, with one census tract in the Central District as high as 91 percent Black. Today, Seattle’s Black population is much more dispersed, with some pockets of concentration within the Central District and in parts of South Seattle.

Distribution of Seattle's Black Population

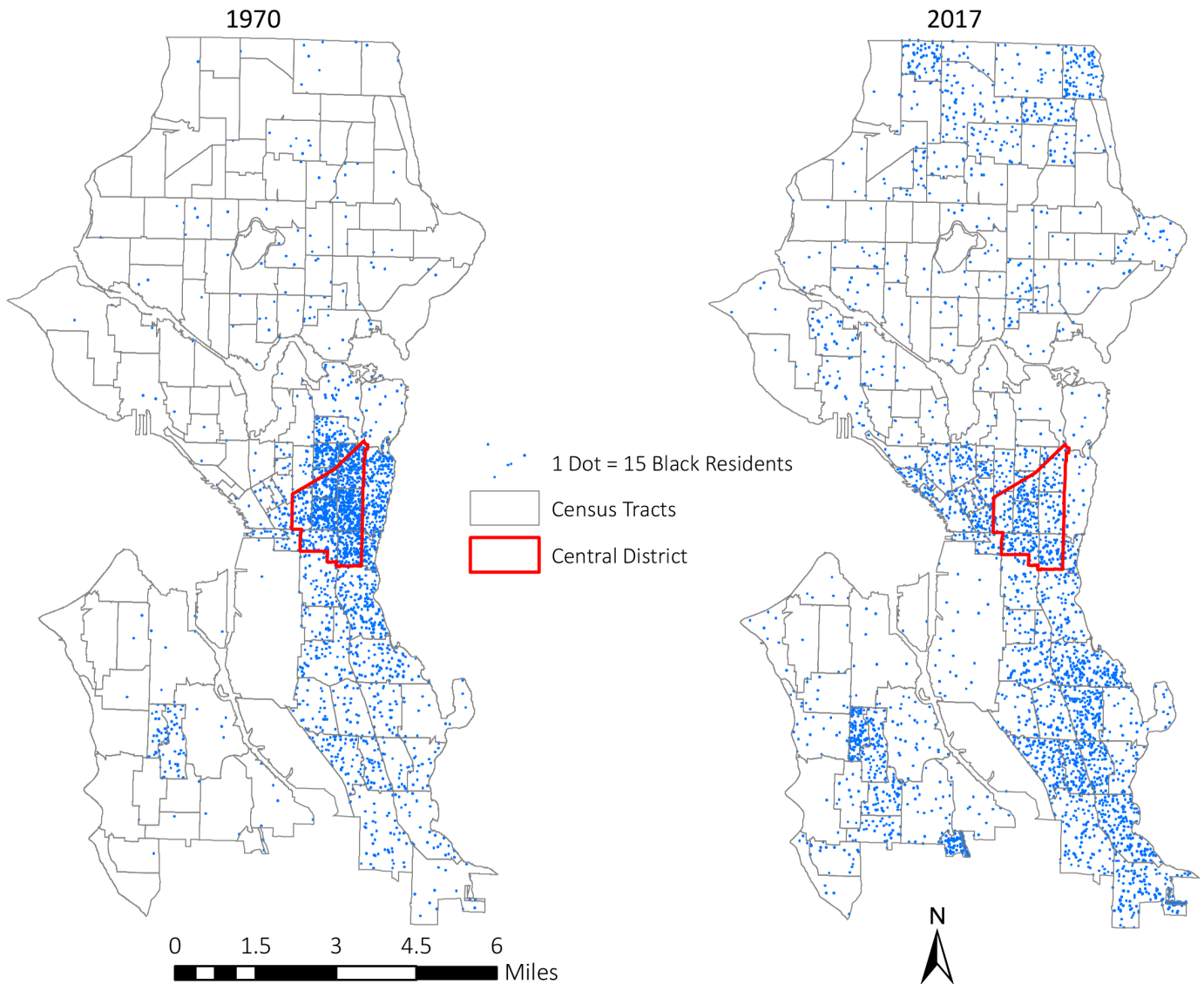


Figure 4: Seattle's Black Population 1970 to 2017, Data Source: 1970 Decennial Census, 2013-2017 ACS 5-Year Estimates

7.2 Income

From 1970 to 2000, average household incomes within the Central District mirrored trends in the rest of Seattle but were between \$16,100 and \$18,900 lower than income in the rest of the city (Figure 5). From 2000 to 2017 average household incomes in the Central District grew

rapidly, increasing by 55 percent, compared to just 23 percent increase in all of Seattle. In 2017, the Central District surpassed the average household income for the City of Seattle.²

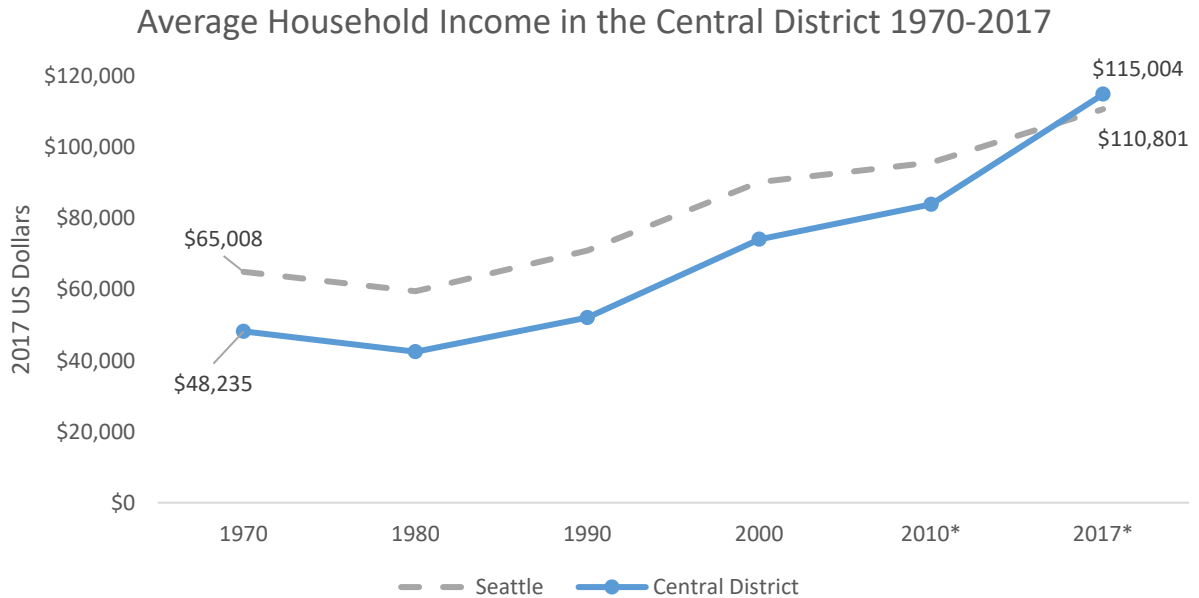


Figure 5: Change in Average Household Income 1970-2017, Source: 1970-2000 Decennial Census, *2006-10 and 2013-17 ACS 5-Year Estimates

In 2017, the median income for Seattle was \$79,600 per year (U.S. Census Bureau, 2017). The median income for households that identified as Black or African American Alone was just \$34,000 per year, while White, non-Hispanic households earned was \$89,500 per year (U.S. Census Bureau, 2017). This disparity in income combined with the decline in the Black population in the Central District discussed in the previous section suggests that the increase in average household income in the Central District was primarily the result of Seattle’s Black population leaving the Central District, rather than upward mobility among existing residents.

² Average, as opposed to median, household income is used for historical comparisons because it provides comparable data for each Decennial Census between 1970 and 2017. The US Census Bureau began reporting median household income for the 1990 Census.

7.3 Educational Attainment

The trends in educational attainment mirror those for income. From 1970 to 2000, the percentage of the population 25 or older with a Bachelor’s, Graduate or Professional degree in the Central District was between 8 and 11 percentage points below the rate for all of Seattle (Table 2). From 2000 to 2017, there is a large increase in the percentage of the population in the Central District with a bachelor’s degree or higher surpassing the rate for all of Seattle in 2017.

*Table 2: Percentage of the population 25 and older with a Bachelor’s, Graduate or Professional Degree, Data Source: 1970-2000 Decennial Census, *2006-10 and 2013-17 ACS 5-Year Estimates*

	1970	1980	1990	2000	*2010	*2017
Seattle	16.1%	28.0%	37.4%	46.4%	54.3%	60.8%
Central District	7.0%	17.7%	25.7%	38.0%	51.6%	62.0%

This increase in educational attainment is likely the result of more educated groups moving into the neighborhood and existing residents being displaced, rather existing residents attaining higher levels of education.

8 Housing Market Change

8.1 Homes Sales, Accessed Value and Property Taxes

The median sale price of a home within the Central District increased by 49 percent, from \$510,000 in first quarter of 2015 to \$760,000 in the first quarter of 2019 (Figure 6).

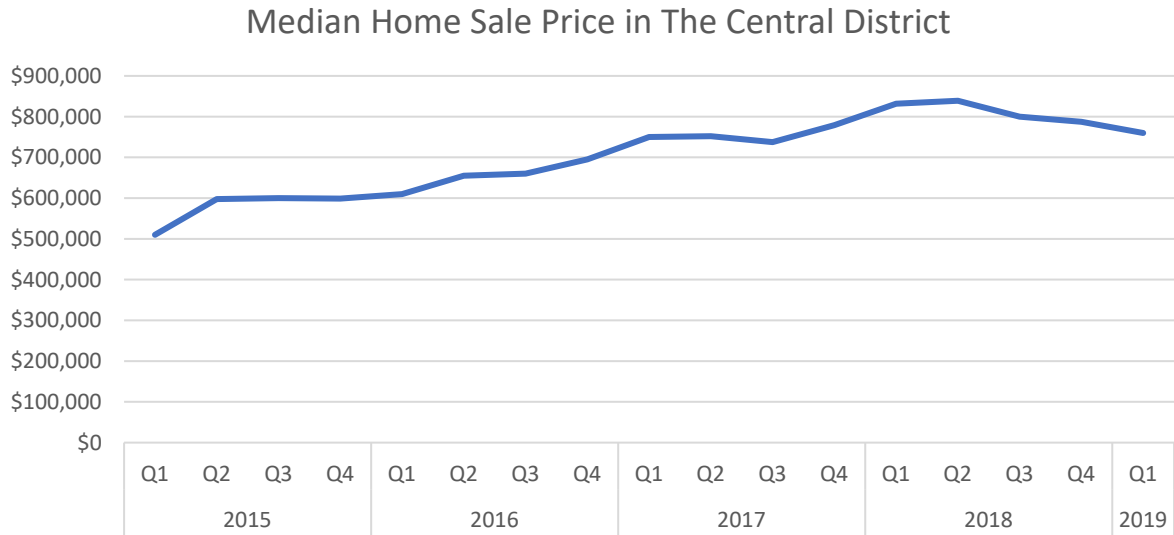


Figure 6: Median Home Price in the Central District 2015-2019, Data Source: King County Assessors Office, 2019

According to King County Assessor (2019b) records, appraised values used to assess property taxes reached a low point in 2012 after the recessions. Since 2012 appraised land and improvement values have increased by 123 and 107 percent respectively (Table 3). Although the property tax levy rate for the City of Seattle has decreased since 2012, increasing land and improvement values caused the average amount of annual property taxes due to increase by 76 percent (King County Assessors Office, 2019c, 2019a). The average annual property tax bill in 2019 in the Central District was \$6,207. This amount does not include other fees assessed by the county like surface water management, which adds may add an additional \$289 or more to the total bill.

Table 3: Property Values and Taxes on Homes in the Central District 2012-19, Data Source: King County Assessor, 2019

	2012	2019	Change	Percent Change
Average Improvement Value	181,689	405,812	224,122	123%
Average Land Value	165,429	343,256	177,827	107%
Levy Rate	10.17	8.29	-1.88	-18%
Average Tax Due	3,529	6,207	2,678	76%

8.2 Rental Market

According to Zillow (2019) estimates, residential rents in the Central District³ have increased by 51 percent since 2011 (Figure 7). From 2011 to 2019, Central District rents kept pace with the average for other neighborhoods in Seattle, but were between \$170 to \$105 below the estimates for other neighborhoods. Current average rent estimates in the Central District are \$2,451 per month (Zillow, 2019). This level of rent would be considered affordable for a household making over \$98,000 per year.

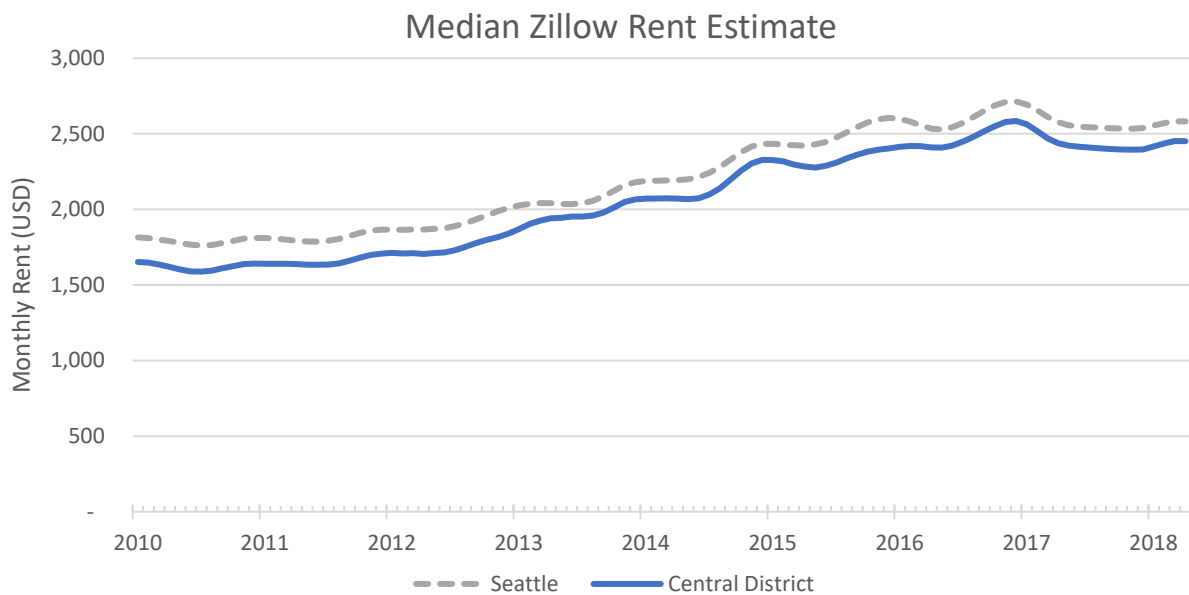


Figure 7: Median Monthly Rent Estimates, Data Source: Zillow Data, 2019

9 Residents Perceptions

Eight individuals participated in interviews for this study. Of the eight, five were current homeowners within the neighborhood. The other three have since left the neighborhood, but

³ Zillow neighborhood designations are smaller the Central District study area. This data combines rent estimates from the Zillow neighborhoods of Minor, Mann, Judkins Park and Jackson Park.

have remained involved in the Keep Your Habitat group. The average length of time respondents lived in the neighborhood was 25 years. Together the group represents 200 years of experience living in the Central District. Interviewees ranged in age from 64 to 72 and tended to have smaller household sizes, averaging two people per household. All eight interviewees were people of color.

Interviewees were identified with the help of leadership of the Keep Your Habitat resident group as people who attended events and workshops to prevent displacement in the Central District. As a result, the interviewees had high levels of involvement in the community, likely more so than a typical resident. Several of them were board members for community organizations like the Central Area Senior Center. Many reported engaging with City Council or attending neighborhood meetings to voice their concerns about the displacement of the Black community in the neighborhood. Even those that no longer live in the Central District remained involved in local organizations and advocacy efforts.

9.1 Sense of Community in the Central District

Participants cited a range of reasons for moving to the Central District. Several were either born in the Central District or moved there with their families as a child. Their parent's decision to live in the Central District was often motivated by wanting to purchase a reasonably priced home and/or not being able to purchase elsewhere in the city because of racially restrictive covenants and discriminatory practices. Several of the interviewees that moved to the neighborhood as adults were also motivated by a desire to purchase a reasonably priced home. Another factor that influenced people's decision to move to the Central District was a desire to

live in a community with other people of color, with family, and where their cultures were recognized and celebrated.

When asked what they liked best about the Central District, interviewees consistently reflected on the strong sense of the community within the neighborhood. Many commented on the strong community that formed on their block. For example, how as a kid they could not get away with anything because their neighbors would correct them or tell their parents. They also took comfort in being around people that looked like them and shared their culture.

Others talked about the convenient location of the Central District, being close to Downtown Seattle, jobs and amenities. Some interviewees appreciated the walkability of the neighborhood and amenities within the neighborhood like restaurants, the music scene and the senior center.

9.2 Change and Tension

Most of the people interviewed for this study felt that the changes occurring in the Central District were either negative or mixed. Only one participant felt that the changes were positive. Many of the interviewees felt that the changes occurring in the neighborhood were negative because of the displacement of Black residents and tensions with new White residents moving into the neighborhood. A few cited positive changes like meeting new neighbors that were nice or feeling that groups like Keep Your Habitat had helped to bring the remaining Black community closer together.

Interviewees found little to dislike about living in the Central District. Some mention issues with gangs, drug activities and violence, but felt that these issues have subsided since their peak

around the 1980s. One resident explained that outsiders still perceive the neighborhood as a dangerous place that some prefer not to even drive through.

I guess what I disliked was the fear that people had about the Central District and the whole idea that it wasn't safe, and it was just a Black rundown neighborhood. And it wasn't from us, it was from the outside that seemed to have put a barrier around some people, you know, not even wanting to drive through this neighborhood, basically. It's just being Black and being, you know, different from themselves and not knowing anything about a different race of people, the things that you hear and thing that you grow up learning about them. And so it's mostly fear, mostly fear, mostly fear (Respondent 1).

When asked about changes occurring in the neighborhood, many of the interviewees observed that more White and affluent people had moved to the neighborhood. One resident recounted these changes in demographics were reflected in everyday activities like seeing more and more White people waiting in line at the local post office. Several interviewees experienced negative interactions with newer White residents or felt that they were unfriendly. Some shared stories about White residents calling the police on their family gatherings.

So, then what happened was when more White folks started moving in and then it got really challenging for me and my kids. Like my son would come home with friend and sit outside in the car eating Dick's [Drive Thru] and they would call the police. And I was like "Hell no, this can't happen!" So...I got more and more involved in the community (Respondent 2).

One interviewee summarized the dynamic between new residents and the existing Black community well:

Well I slowly, slowly saw White people moving in, and when they moved in, they would feel like it was their neighborhood even though we had been there for years. They would just be very bold and make us feel like we were the invaders, instead of trying to create a sense of community and home. So, there was those wedges there (Respondent 3).

Residents also witness changes as the neighborhood developed new multi-family apartments that replaced single-family homes. One interviewee observed that this shift towards apartment development began in the early 1960s with the development of 3-story apartment complexes on 18th and Union called “The Flintstones.” Most of the interviewees felt that this new larger scale development was negative, citing less ownership opportunities in the neighborhood, degraded livability and the loss of long-standing businesses like The Red Apple, one of the neighborhood’s few lower cost grocery stores.

9.3 Displacement Pressures

9.3.1 City of Seattle’s Growth Strategy

When asked what challenges make it difficult for homeowners to remain in the neighborhood, several interviewees talked about the impacts of growth and new development in the neighborhood. They felt that the City’s recent upzones have unfairly targeted the Central District, while leaving other parts of the City and region untouched by growth.

This neighborhood has been burdened with this whole thing about density. This neighborhood has been burdened by taking an inequitable, disproportionate responsibility for that... but then there is no density happening down in the areas where there is expensive housing or expensive homes, like let’s say, Lake Washington... I’ve looked at this density map and where Urban Villages are and they’re not down where people are wealthy. So, I feel like it was just an exploitative situation (Respondent 4).

People thought that the zoning changes prioritize the profits of developers and increases in the City’s tax base over the needs of Black residents. The Mandatory Housing Affordability upzones include a requirement that a portion of new housing units be affordable or that developers pay into an affordable housing trust fund if they choose not to provide affordable units on site.

Despite this affordability component, interviewees felt that either the developers would take the fee in lieu option and that the affordable units would be built elsewhere, or that the new “affordable” units are not truly affordable to Black households.

9.3.2 Increasing Costs

A second challenge that residents discussed is the challenge of coping with increasing property taxes and general cost of living on fixed incomes.

Now I understand that you have to provide for services or other thing, the cost, the inflation; but not to the point of we tax ourselves out of a lifestyle... or an earned place in the world that you worked hard for over 40 or 50 years and all of the sudden you can't afford to live there because somebody flipped the script (Respondent 5).

As discussed previously, property taxes have increased by 76 percent since 2012. They average about \$6,200 per year or \$517 per month.

The challenge of increasing costs on a fixed income are particularly felt when the home needs maintenance or repair. Several participants talked about homeowners leaving the neighborhood after not being able to keep up with the maintenance of the home or afford significant repair projects. One current homeowner talked about the difficulty of getting financing to remodel their home. Adding to the challenge is that homeowners receive regular offers to purchase their homes that can be especially tempting when the home needs costly repairs.

...They [homeowners] can't keep up with the increases of the changes that are happening like the taxes, and the fact that your home and your land has gone up...So sometimes people feel as though, if whatever they [developers or realtors] are offering was more money than they ever had, not realizing

that if they want to stay in the neighborhood then that is not going to be enough. I think that has a lot to do with it. They don't really know their options that may be there for them (Respondent 1).

9.4 Combatting Displacement of Homeowners

When interviewees were asked what is one thing that could be changed to make it easier for homeowners to remain in the neighborhood? One common response was to decrease or limit the growth of property taxes. Other respondents suggested ways of increasing homeowners' incomes, like getting part-time employment, hosting guest through AirBNB or increasing Social Security benefits. Some proposed changing zoning and City growth policy to direct growth elsewhere in the city or region. Still others identified a need for assistance with home repairs and greater access to financing to allow homeowners to invest in their homes as essential to keeping existing homeowners in place. They also cited a need to better educate homeowners so that they make informed decisions about their home.

9.4.1 Support for Property Tax Relief

Interviewees nearly unanimously agreed that decreasing or limiting increases in property taxes would be beneficial to homeowners seeking to remain in the neighborhood. Several interviewees preferred the strategy of limiting property taxes, above all of others discussed in the interviews. This is unsurprising since many of the them identified increasing property taxes and cost of living increases as a challenge that contributed to homeowners leaving the neighborhood.

9.4.2 Mixed Reactions to Leasing Space within the Home

There was less consensus about the whether homeowners renovating and leasing space within their home would be helpful or feasible. About half of the people interviewed for this study felt that it would be helpful, while the others felt that it was not a good solution or were unsure.

Those who felt that leasing space would help to stabilize homeowners discussed its potential to create additional income for the household. For example, one of the participants was already leasing bedrooms within their home using AirBNB. They estimated that in a given month they had an AirBNB guest on about 20 to 25 nights and earned between \$1,000 to 2,000 per month in additional income. Setting up the bedrooms to be rented required very little investment. The homeowner simply repainted and purchased some new furniture for the rooms. Several participants preferred the strategy of leasing space within the home, above all of the others discussed in the interviews.

Participants who did not think leasing space was a good solution felt that it was unwise for homeowners to undertake significant renovations that require them to take out a loan. Some felt that since many of the homeowners are senior citizens taking out long-term financing would not make sense because they may experience health issues or need to downsize before the loan could be repaid. One interviewee who has experience owning and managing rental properties, felt that most homeowners do not have the skill set to be able to effectively manage the renovation, lease and perform maintenance for a rental property: “Most people don’t have those experiences to just come in a plop in and do a project like that” (Respondent 5). They cautioned that any solution be “hands off,” meaning that it should allow the

homeowner to continue to enjoy their home and retirement that they had worked hard for, without having to take on challenging or unrealistic projects.

9.4.3 Skepticism of Partial Redevelopment through a Joint Venture

Most of the interview participants were opposed to the possibility of homeowners pursuing a joint venture development where a developer would build on a portion of their lot and the homeowners would receive a portion of the income from the new units. They expressed a general distrust for developers and felt that developers' sole interest is their own profit and not supporting the homeowner.

...I wouldn't trust those developers. They're looking out for themselves. You really got to be careful with those guys. All those developers are looking at is the bottom line... and where are those developers? Most of them ain't living here. They are somewhere else. So, they couldn't give a damn about what happens here. They just got their money tied and they'll build the units, sell it and move onto the next one (Respondent 6).

Another homeowner remarked that they would rather sell their home and move than pursue a partnership with a developer.

One participant was interested in developing their lot but wanted to do it for themselves and not for developers to profit. "I worked hard and kept this house all this time and I'm not willing to lease it to a developer." They remarked about another community organization proposing partnerships with a developer:

They were like "African American people don't recognize how they can generate wealth in their communities and families, and they don't do this." That's BS, I am sorry to say, excuse me. Find ways to give us access or give us the loan and we can pay it ourselves. That's the deal. I am willing to do that. I don't want nobody else. We don't have access to be able to tear down. It

would have been great for me to tear down my property. I have a double lot and I could put six of those damn units on my property myself. But no, they want me to partner up with someone else and then they get the cheese (Respondent 2).

A couple of the interviewees felt that this type of joint venture was a good option or something that should be further explored as a possibility for some homeowners.

10 Lessons for Practice

The following section draws from the interview feedback and precedent programs to develop recommendation to prevent displacement of homeowners within the Central District and to promote more equitable growth strategies.

10.1 Target existing property tax relief programs to areas with a high risk of displacement

The homeowners interviewed for this study felt that property tax relief would help to keep vulnerable residents in their homes. Tax relief assistance is a relatively simple way to add income to homeowners' households, while limiting the amount of additional work they take on. In order to qualify for a property reduction in King County, the homeowner only needs to submit an application with the required proofs of income and owner occupancy to the King County Assessor (King County, 2019).

Washington State has authorized several property tax exemption and deferral programs targeted at senior and low-income households. In Seattle, these programs are administered through King County. In order to qualify for the senior citizens exemption, the homeowner must be 61 years of age or older and earn \$40,000 or less in annual income (King County, 2019).

If a household qualifies for the exemption, their property is taxed at a lower levy rate. Based on this study's analysis of the average taxable values in the Central District, the average property assessed at the Senior Citizen rate of 5.65 would pay approximately \$4,230 in property taxes in 2019 (King County Assessors Office, 2019a). This is a savings of about \$1,970 per year compared to the standard levy rate of 8.29 (King County Assessors Office, 2019a).

Two property tax deferral programs are targeted to senior citizens and households with low-incomes. Seniors age 60 and older who make less than \$45,000 can defer their property taxes and special assessments (Washington State Department of Revenue, n.d.). The deferred amount accrues 5 percent interest until it is repaid. A similar program is available to households with incomes below \$57,000 per year. Qualifying homeowners can defer up to half of their annual property tax payment. The deferred tax amount accrues interest at about 5 percent (Washington State Department of Revenue, n.d.).

Several of the homeowners interviewed for this study were aware of these property tax programs, but reporting having household incomes higher than the \$40,000 required for the exemption. Currently \$40,000 is the statewide income limit for this program, but a new bill that would take effect in 2020 changes the income requirements for the program to be based on the County Area Median income (ESSB 5160, 2019). The updated Senior Citizen program provides different levels of tax exemption based on the homeowner's household income, with a maximum income limit of 65 percent of the County median income (ESSB 5160, 2019). In 2018, 65 percent of the area median income in King County was \$47,050 for a household of one and \$53,750 for a household of two (King County, 2018). This increase in the maximum income allowable under the program could enable more households to lessen their annual property tax

bill. Since the new program exemptions is tiered base on household income, it remains to be seen what level of benefit those at the higher income tiers, between 55 and 65 percent of the area median income, will receive (ESSB 5160, 2019).

In order to utilize these property tax exemption programs to combat displacement, the City of Seattle and King County could follow the example of Atlanta’s Anti-Displacement Tax Fund and target these programs to areas that have a high risk of displacement. The City of Seattle (2016) and the Puget Sound Regional Council (2019) have already identified areas with a high risk of displacement in the city and region. Low-income homeowners in these areas could be targeted for property tax relief or for outreach and education efforts to ensure that eligible homeowners in these areas are benefiting for the existing exemption and deferral programs.

Currently 181 properties within the Central District study area are utilizing the senior citizen property tax exemption program (King County Assessors Office, 2019c). Based 2017 American Community Survey, there are approximately 670, homeowners that are 65 or older and make less than \$40,000 per year in the Central District⁴. This analysis estimates that less than 30 percent of eligible senior households within the Central District are currently receiving tax relief assistance. This low utilization rate emphasizes the need for more effective outreach within the neighborhood. Although increasing the income limits of the program will result in more

⁴ This estimate is based on ACS reporting of the number of householders that are 65 and older and make under \$39,999 per year. This was then multiplied by the rate of homeownership for all householders 65 and older, also from the ACS. This analysis assumes that homeownership rates among householders that are 65 and older is similar across all income levels.

households being eligible for tax relief, if the eligible residents are not aware of or utilizing the program than its benefits are likely to be limited.

Additional research is needed to ensure the magnitude of the tax benefit is significant enough to be effective at stabilizing vulnerable homeowners, while still providing adequate funding for crucial city services.

10.2 Support seniors seeking to rent a room within their home by creating a home sharing program

Some of the households interviewed for this study felt that homeowners renting space within their home could help generate additional income to help them remain in the neighborhood. One participant was already renting rooms through AirBNB and expressed interest in renting rooms on a long-term lease. Renting a room within the home represents a method of adding income to the household that requires far less of an upfront investment than creating a new unit or backyard cottage. For example, the homeowner hosting guest through AirBNB only needed to repaint and purchase new furniture to begin renting space. AirBNB was convenient for the homeowner because it handled recruiting and scheduling guests, insurance and guest payment.

Other cities have developed or funded “Home Sharing Programs” to pair people with low-incomes seeking to rent a room with income constrained homeowners who have a bedroom to lease. One such program is the Home Sharing Program funded by the County of San Mateo in California and administered by a non-profit called HIP Housing (HIP Housing, 2017b). The program helps to screen and connect home providers and home seekers. In 2017, 711 homes

were participating in homesharing through the HIP housing program, with an average home share agreement of two and a half years (HIP Housing, 2017a). This program could be a model for providing some of the services that homeowners like about AirBNB such as assistance identify and screening tenants, while allowing for additional much needed long-term rentals options.

10.3 Create a program that assists homeowners with small scale redevelopment projects

Another approach could be to create a program similar to the West Denver Single Family Plus (WDSF+) Initiative facilitated by organizations that are not pursuing a profit motive like a traditional developer. A program run by an existing housing organization like Habitat for Humanity or Africatown Community Land Trust based in the Central District could be less intimidating to homeowners. Partnership with a non-profit could also help to make the project more feasible by leveraging subsidies like grants or donations, and new housing units could more readily be developed as affordable housing.

Programs like WDSF+ also educate and guide homeowners through the process of creating a new housing unit on their lot, rather than leaving it up to the homeowner to navigate complex issues like permitting, design and construction on their own. This program set up allows homeowners who are not experienced as developers or landlords create a new unit and benefit from rental income, while mitigating some of the risk and challenge.

10.4 Continue to provide educational opportunities for homeowners interested in redeveloping their lot

Despite the fact that significant redevelopment was not a practical or desirable solution for many of the interviewees, there was one that was very interested in the possibility of redeveloping their lot and others who thought it was a solution that warranted further exploration. In response, Keep Your Habitat has hosted talks with developers and architects about development potential on single-family lots. The City of Seattle Equitable Development Initiative in partnership with the National Development Council has hosted a three-day Real Estate Development Finance training, focusing on the development process, financing tools and best practices for community based real estate development. Free courses like this could be tailored to small scale projects on existing homeowner lots. These could be a helpful resource for homeowners who are interested in learning more about undertaking their own development project but are unsure of how to get started or what resources exist for funding a project.

10.5 Promote equitable growth

Many of the people interviewed for this study were critical of the City of Seattle's recent Mandatory Housing Affordability (MHA) upzones. Some of the concerns they raised were typical of any neighborhood undergoing development, like impacts on parking, traffic congestion or the loss of single-family homes. Two common concerns were particularly pointed: 1) that the affordable housing created by MHA would not truly be for Black residents, 2) that the neighborhood has had to shoulder an inequitable portion of Seattle's growth.

The MHA upzone's affordability requirements target households making 60 percent of the Area Median Income. With these requirement, new affordable two-bedroom apartment would lease for about \$1,350 per month (Seattle Office of Housing, 2018).The median household income for Seattle is \$79,550 per year, but for African American Households it is just \$34,050 per year (US Census Bureau, 2013-17). In order for an apartment to be affordable to the median Black Household in Seattle (paying no more than 30% of one's monthly income on housing) it would need to be priced at about \$850 per month. So, residents may be correct in asserting that the new affordable housing created through the upzones will not serve Black families in the community.

Because the MHA upzones focused primarily on existing Urban Villages, including the Central District, the zoning changes did not affect most single-family neighborhoods in the city. Prior to the MHA upzones, 75 percent of land zoned for residential uses in Seattle was reserved for single-family lots (Seattle Planning Commission, 2018). The MHA upzones effect only about 6 percent of lots previously zoned single-family (Beekman, 2018). Between 2010 and 2017, only about 5 percent of the 35,300 housing units built in Seattle were located in single-family zones (Seattle Planning Commission, 2018). So, these single-family zones, many of which were not accessible to Seattle's Black residents prior to the passage of the Fair Housing Act in 1968, have indeed not had to accommodate growth in the same way that Urban Villages like the Central District have.

10.5.1 Listen to and address equity concerns raised by Central District residents

Although these concerns were raised by members of the community at City Council meeting and hearing for MHA, they do not appear to be meaningfully addressed in the City's Equity

Analysis in the MHA Environmental Impact Statement or the Equity Analysis for the Urban Village growth strategy (City of Seattle, 2017; Seattle Office of Planning & Community Development, 2016). While these analyses include a displacement risk and opportunity index, it does not identify specific strategies to promote greater access to areas that have low risk of displacement, primarily because there are few low-income or minority households that currently live in them. Focusing only on analyzing and mitigating displacement risk can cause cities to fail to consider the role of that affluent communities with little inherent displacement risk should play in accommodating growth. Planners should pay closer attention to these neighborhood voices calling for greater equity in how growth is distributed.

10.5.2 Give displaced residents priority for new affordable units

Interviewees felt that the affordable housing being built within the Central District would not be for Black residents. This is influenced by the income disparity addressed above, where even units affordable targeted to households making 60 percent of the area median income are not affordable to Seattle's median Black household. The City of Seattle should explore giving households who have been displaced from the Central District preference for new affordable units. The City of Portland has done this through its "Right to Return" policy that gives families that "can show that their families were forced to move in the wave of displacement that occurred to make way for areas of primary gentrification, like recently-constructed interstates and medical centers" (Mandal, 2018). Allowing displaced residents to return to the Central District could help to strengthen the neighborhood importance as a hub for Seattle's Black community and combat the sentiment among long-time residents that the new units are not for them.

10.5.3 Allow for more dense housing across the city

One approach that the City of Seattle could take is to distribute growth more equitably is allow for more dense housing in all single-family zones. The City of Minneapolis' (2018) recent Minneapolis 2040 plan allows for up to three housing units to be built on individual lots in areas that contain primarily single-family homes. This change was implemented to promote more equitable growth and address barriers faced by people of color (City of Minneapolis, 2018). The City of Seattle (2018) is currently moving forward with new legislation that would allow more accessory dwelling units to be built in single-family zones, but more work is needed to ensure these areas that have historically excluded people of color become more accessible and share the burden of growth.

10.5.4 Explore state legislation that would increase development capacity in strategic areas statewide

A recent article explored how several municipalities surrounding Seattle have taken steps to limit new development, for example by enacting moratoria on apartment development (Trumm, 2019). In order to ensure that the burden of growth is shared regionally, the state could mandate that areas with good access to employment or public transportation be upzoned with an inclusionary housing requirement to accommodate more market-rate and affordable housing. This type of statewide legislation could help to ensure that housing growth is spread more equitably throughout the region.

California recently pursued this strategy through SB 50, which if enacted it would upzone residential areas and required affordable units to be included as part of new development in areas across the state that are in close proximity to frequent public transit (Bliss, 2019). An

analysis of SB 50 conducted by the UC Berkeley Urban Displacement Project estimated that SB 50 could quadruple the capacity for housing development on land subject to the bill and quintuple capacity for inclusionary affordable units (Cash, Zuk, & Carlton, 2019). SB 50 also designates areas that are vulnerable to displacement as sensitive area and delays upzoning in these areas to allow time for them to plan for inclusive growth (Cash et al., 2019). SB 50 could provide a model to ensure that growth is distributed more equitably and that all cities contribute to the provision of much needed affordable housing.

11 Conclusion

Gentrification and neighborhood change with Seattle's Central District have contributed to difficulties for long-time Black homeowners seeking to remain in their neighborhood and among their community. Changes in the housing market and overall economy of Seattle have greatly increased the cost of living. Even homeowners, who are less vulnerable to displacement than renters, have seen their property taxes increase by 76 percent since 2012 (King County Assessors Office, 2019c).

Underlying these issues is significant income inequality in Seattle, historic and current discrimination in access to financing, and a failure to guarantee housing as a right to all citizens. The current median income of a Black household in the City of Seattle is \$34,050 less than half of the median income of a White household (US Census Bureau, 2017). Up until the passage of the Fair Housing Act in 1968, Black people were explicitly discriminated against in the housing and lending market. Even today, interview participants felt they could not access loans that are available to their White counterparts to improve their properties. Finally, the United States

views housing as a commodity rather than a basic right, leaving many without suitable housing options, especially in desirable areas.

Despite these structural injustices, community groups like Keep Your Habitat have organized to form a support network of long-time homeowners struggling to remain in the neighborhood.

They opposed Seattle's Mandatory Housing Affordability upzones because they felt they primarily benefit developers, while contributing to the displacement of the Black Community.

They also argue that Seattle's overall growth policy has targeted growth into communities of color, while leaving wealthier primarily single-family neighborhoods untouched. Keep Your Habitat and neighborhood residents are helping to craft solution that allow homeowner to remain in the Central District of which property tax relief is essential, renting space within the home is desirable and more extensive redevelopment may be an option for some.

Although Many of these strategies have been implemented in other cities throughout the United States, several the precedent programs are relatively new. More research is needed to document their approaches and whether or not they are effective at preventing the displacement of homeowners in gentrifying areas.

Given the limited geographic scope of the study area, the results may not be generalizable to other cities, neighborhoods in Seattle or other demographic groups within the Central District.

However, planning practitioners can still learn from the voices of Keep Your Habitat and neighborhood change within the Central District. The APA code of ethics calls planners to:

seek social justice by working to expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of the disadvantaged and to promote racial and economic integration. We shall urge

the alteration of policies, institutions, and decisions that oppose such needs (American Planning Association, 2016, p. 2).

This requires planners to engage collaboratively with community groups. Planners should work to understand the histories of racial discrimination that shape cities and work to right past wrongs with their actions.

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Appendix A: Interview Questionnaire

1. How long have you lived in the Central District?
2. What influenced you and your family's decision to move to the neighborhood?
3. What do you like about living in the Central District?
4. What do you dislike about living in the Central District?
5. What are some ways that you have seen the neighborhood change since moving here?
6. Overall, would do you think that the changes happening in the neighborhood are positive or negative? What makes you think that?
7. Are there challenges that make it difficult for you and others in a similar situation to you to remain in the Central District?
8. Have you talked to a public official, attended a public meeting or notified anyone else about these issues?
9. If you could change one thing to make it easier for you and others in a similar situation to remain in the neighborhood what would it be? What makes you say that?
10. Do you think that limiting property taxes on the home would help you to remain in the neighborhood?
11. Do you think that renovating space within the home to rent out for additional income on the home would help you to remain in the neighborhood? (if no, skip to 14)
12. If yes, what challenges do think might prevent people from doing this?
13. Would you feel comfortable taking out a loan, getting permits, overseeing construction or finding tenants?
14. Do you think that Allowing a developer or non-profit agency to build a new unit on a portion of your lot in exchange for a portion of the income from the new units would help you to remain in the neighborhood? (if no, skip to 17)
15. If yes, what challenges do think might prevent people from doing this?
16. Would you feel comfortable negotiating with a developer over things like sale price or the share for future profits for the space?
17. Of all of the solutions that we talked about which of these options do you prefer? What makes you say that?
18. What is your Address? Or what is a nearby cross street?

- 19.** How many people live in your household?
- 20.** What is your age?
- 21.** What racial group do you identify with? (American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, White, Hispanic/Latino)
- 22.** What is your primary source of income?
- 23.** Could you recommend 1-2 people that might be helpful for me to talk to about these issues?

Appendix B: IRB Exemption



DETERMINATION OF EXEMPT STATUS

January 23, 2019

Dear Ben Johnson:

On 1/23/2019, the University of Washington Human Subjects Division (HSD) reviewed the following application:

Type of Review:	Initial Study
Title of Study:	Realizing the Rent Gap: Small Scale Development as Displacement Resistance for Homeowners in Seattle's Central District
Investigator:	Ben Johnson
IRB ID:	STUDY00006537
Funding:	None

Exempt Status

HSD determined that your proposed activity is human subjects research that qualifies for exempt status (Category 2).

- This determination is valid for the duration of your research.
- This means that your research is exempt from the federal human subjects regulations, including the requirement for IRB approval and continuing review.
- **Depending on the nature of your study, you may need to obtain other approvals or permissions to conduct your research. For example, you might need to apply for access to data or specimens (e.g., to obtain UW student data). Or, you might need to obtain permission from facilities managers to approach possible subjects or conduct research procedures in the facilities (e.g., Seattle School District; the Harborview Emergency Department).**

If you consider changes to the activities in the future and know that the changes will require IRB review (or you are not certain), you may request a review or new determination by submitting a Modification to this application. For information about what changes require a Modification, refer to the [GUIDANCE: Exempt Research](#).

Thank you for your commitment to ethical and responsible research. We wish you great success!

Sincerely,
Nat Krancus, MA, CIP |
IRB Administrator | Committee D