

Leveraging Opportunity Zones to Promote Smart Growth Development

June 4, 2019
Smart Growth Network



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“Smart Growth America empowers communities through technical assistance, advocacy, and thought leadership to create livable places, healthy people and shared prosperity.”

OVERDUE OPPORTUNITY

Cory Booker and Tim Scott's Bipartisan Plan to Wage a Smart War on Poverty



- Community development program that encourages long-term private capital investment in America's low-income urban and rural communities

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How does the Opportunity Zones tax incentive work?

Uses private investment vehicles to funnel up to **\$8 trillion** in public and privately held **capital gains** towards economic development activities in our nation's most distressed census tracts.



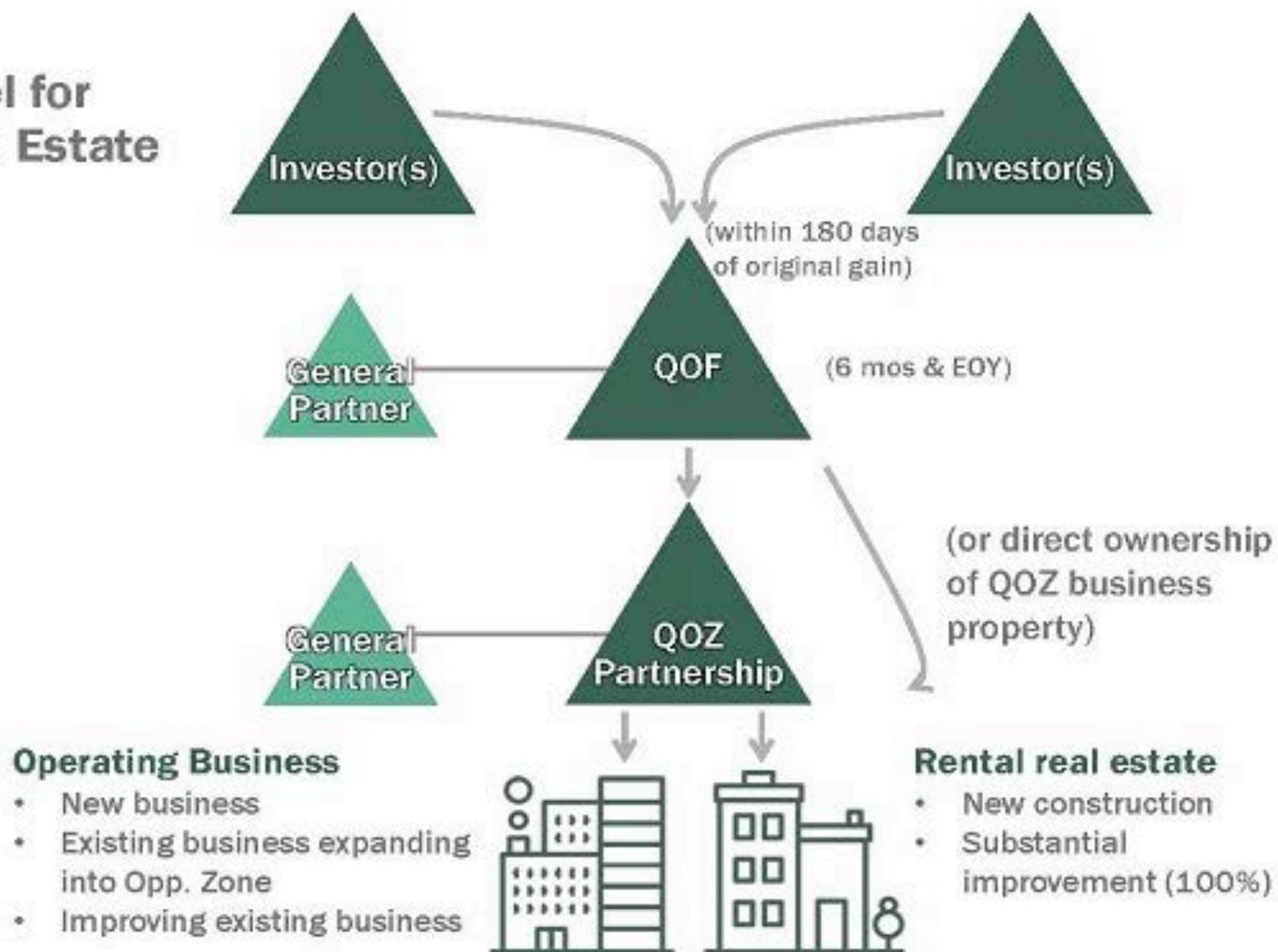
SCALABLE TAX INCENTIVES FOR INVESTING

- ▶ Temporary Deferral until Dec. 2026
- ▶ Step-up In Basis: **10% (5 years)** or **15% (7 years)**
- ▶ Permanent Exclusion: 10+ years
- ▶ Place-based Investment: 90% of qualified investments must be in an Opportunity Zone

At a glance, these designated Opportunity Zones:

- > Account for nearly 12 percent of America's land mass.
- > Are home to over 30 million Americans, 56% of which are demographic minorities.
- > Have an average 30% poverty rate and house residents earning, on average, 59 percent of AMI (Area Median Income).
- > Employ 73% of residents in commercial jobs and 27% in industrial ones.
- > Only 9% of already-designated Opportunity Zones have at least one transit station.
- > 42% are located in rural census tracts, 35 percent in urban, and 23 percent in suburban.
- > On average, residents spend 53.2% of their income on housing and transportation in these zones.

Basic Model for Rental Real Estate



KEY QOF PLANNING DATES/DEADLINES

Date	Impact
180 Days After Sale of "Old" Asset	Deadline to timely reinvest gain in order to be eligible for QOF tax benefits
5 Years After QOF Acquisition	10% basis increase on deferred gain
7 Years After QOF Acquisition	5% basis increase on deferred gain
December 31, 2019	Last day to invest in QOF to be eligible to receive ALL potential tax benefits (including the 5% basis increase on deferred gain)
December 31, 2021	Last day to invest in QOF to be eligible to receive 10% basis increase on deferred gain
December 31, 2026	Last day to recognize prior gain timely reinvested into QOF (for which a basis increase has not been received)
Sale/Exchange of QOF 10+ Years After Acquisition	Basis eligible to be stepped-up to FMV of QOF
December 31, 2028	QOZs expire

It's possible to make the most of the Opportunity Zones program today and ensure big payoffs tomorrow.



Affordable Housing

Infrastructure

Commercial
Development



Invest in...



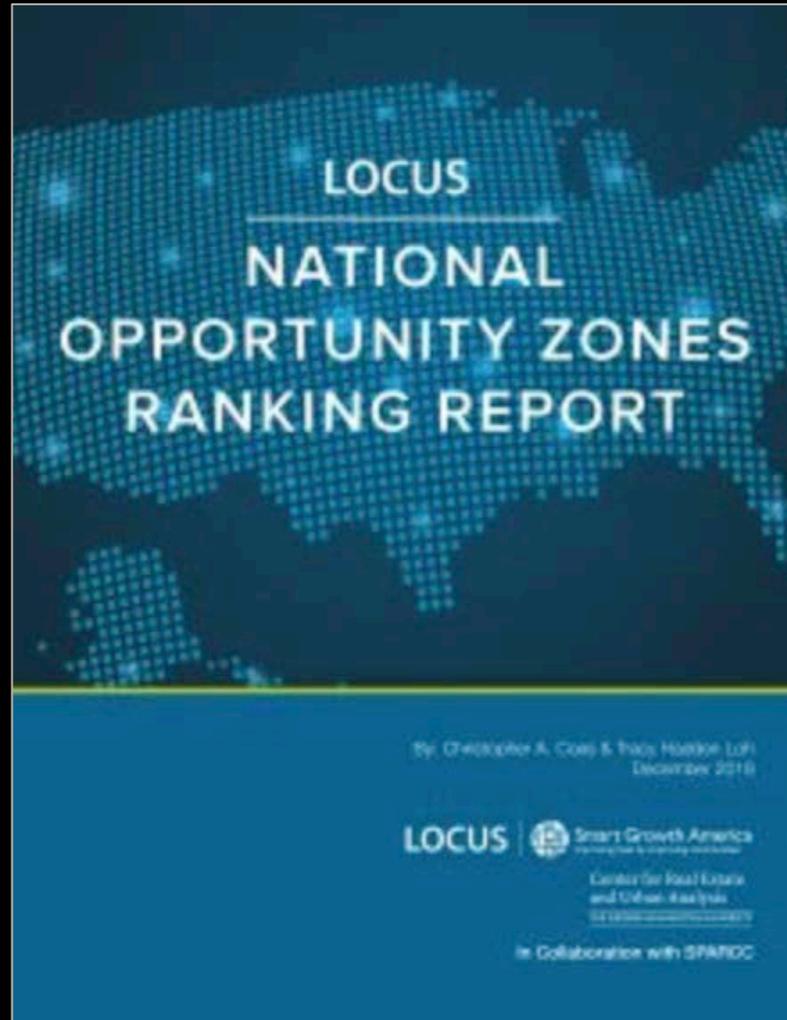
TOD

Master-Planned
Development

Small Business
Retention



LOCUS National Opportunity Zones Ranking Report



WalkUPs:

- A form of development with higher density, multiple real estate product types in close proximity or within the same property, and multiple modes of transportation to move people and goods to the place.
- Within the WalkUP, nearly everything is within walking distance.

METROPOLITAN LAND USE OPTIONS:

REGIONALLY SIGNIFICANT

LOCAL SERVING



**WALKABLE
URBAN**



WALKUP:
Metro Area Acreage: 1%



NEIGHBORHOOD
Metro Area Acreage: 2-6%



**DRIVABLE
SUB-URBAN**



EDGE CITY
Metro Area Acreage: 3-4%



BEDROOM COMMUNITY
Metro Area Acreage: 90-94 %



The Center for Real Estate and Urban Analysis





Foot Traffic *Ahead*

Ranking
Walkable Urbanism in
America's Largest Metros
2016



The Center for Real Estate
and Urban Analysis

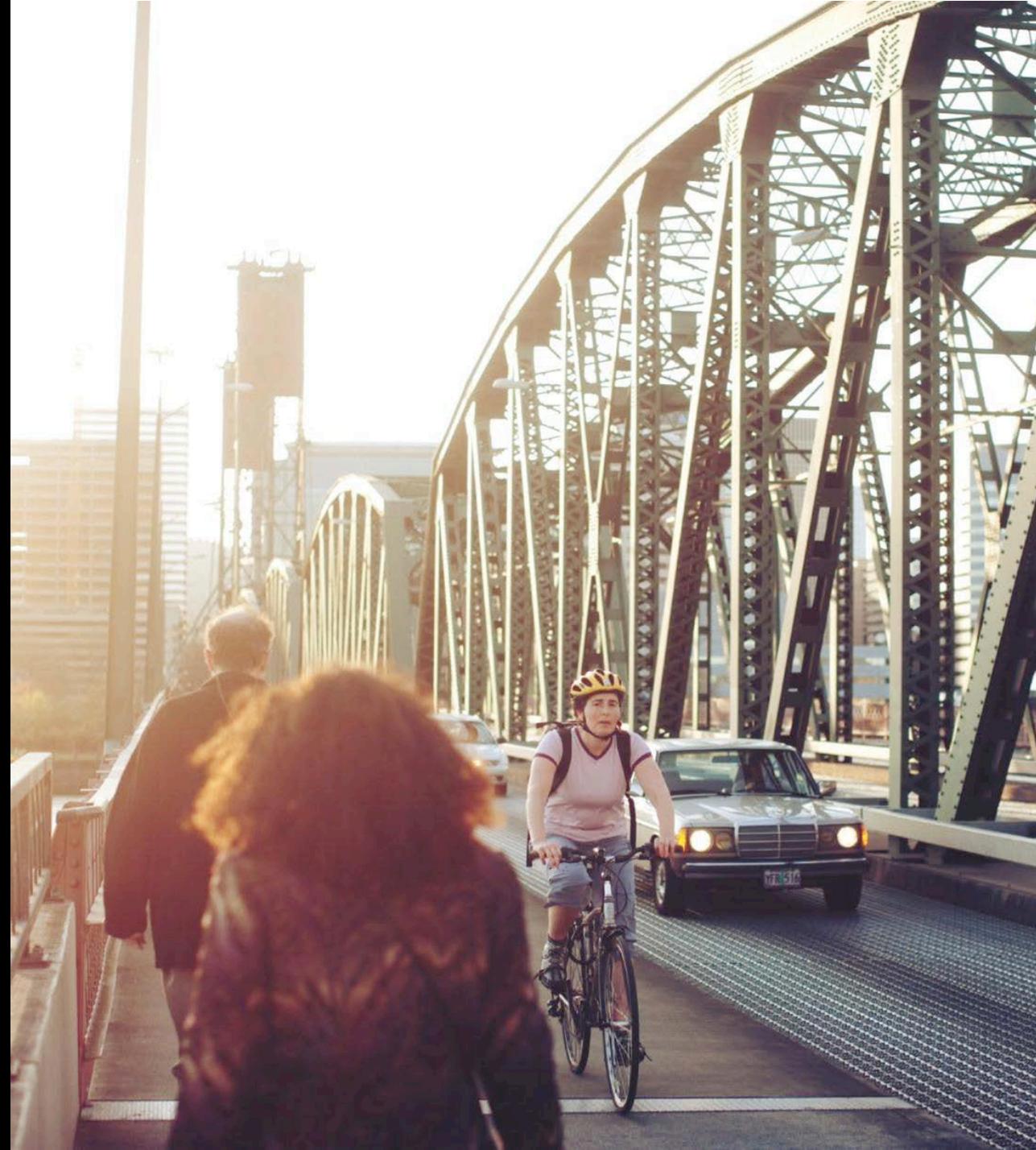
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Smart Growth America
Making Neighborhoods Great Together

Key Findings

- **Walkable urban real estate product in the 30 largest metros commands a 72% rent-per-square-foot premium over rents in drivable sub-urban areas.**
 - **Office Space: 90%**
 - **Retail Space: 71%**
 - **Multi-Family Rental: 66%**
- **All 30 metros have a walkable urban rent premium, ranking from 4-191% (most 20-97%)**
- **And, these premiums have grown between 2010-2015**
- **All 30 metros for walkable urbanism gaining market share: 28 metros growing 77% to 4X faster over 6 yrs.**
- **Walkable urban absorption in metro Boston over 6 years absorbing 93% of new space in 1.2% of land**



Methodology – Smart Growth Potential (SGP)

Smart Growth Potential Index. SGP Index is based on quantitative research and data from both Foot Traffic Ahead and The WalkUP Wake-UP Call report series, which have established the concept of regionally significant walkable urban places (WalkUPs) — clusters of economic activity that are dense and mixed-use and have demonstrated dramatic recent and rapidly growing demand for commercial and residential space in these areas, as measured by leasing activity and rising rents. The **four components** of the SGP index are based on the defining characteristics of WalkUPs:

- 1) Walkability** – WalkUPs are very walkable, and this is a high and absolute threshold.
- 2) Job Density** – WalkUPs are centers of economic activity.
- 3) Housing Density** – The highest-performing WalkUPs are typically active day and night, which means a concentrated residential population.
- 4) Distance to a top 100 metropolitan center** – As centers of economic activity, WalkUPs are situated within the centers of the US economy, which are metropolitan areas, as opposed to rural areas.

Table 1: WalkUP Characteristics and Opportunity Zone Scoring

Percentile of WalkUPs	Points	National Walkability Index	Jobs/Acre	Housing Units/Acre	Miles to CBD
0%	0	0	0.0	0.0	>15.23
20%	1	14	12.6	3.8	15.23
40%	2	16	21.7	6.4	6.90
60%	3	17	36.1	9.8	3.21
80%	4	18	65.4	17.7	1.40
95%	5	19	183.7	44.3	0.46

Methodology – Social Equity and Vulnerability Index (SEVI)

Social Equity and Social Vulnerability (SEVI) index. We use a four-part SEVI index to rank places by the following elements:

- 1. Transit Accessibility** – what percentage of the region’s population can reach the place by mass transit (bus or rail)?
- 2. Housing and Transportation Affordability** – what percentage of income must a household earning 80% of the region’s area median income spend on the combination of housing and transportation if they live in the place?
- 3. Diversity of Housing Tenure** – can both renters and owners live in the place?
- 4. Social Vulnerability Index** – a metric produced by the Centers for Disease Control measuring social vulnerability by fifteen components:

- Poverty
- Unemployment
- Income
- No High School Diploma
- Age 65+
- < Age 18
- Disability
- Single-Parent Households
- Minority Status
- Speak English “Less than Well”
- Multi-Unit Housing
- Mobile Homes
- Crowding
- No Vehicle
- Group Quarters

Unlike “WalkUP”/“Smart Growth Investment” potential, which is purely relative, social equity and social vulnerability criteria are meaningful because , **we rank an Opportunity Zone not by whether housing costs are lower or higher there compared to WalkUPs, but by our own standards of what location affordability should be.**

Table 2: Social Equity + Social Vulnerability Metrics and Scoring

Points	Transit-Accessible Population ⁵	Housing + Transportation Cost	Renter Ratio	Social Vulnerability Index ⁶
0	0%	>50	0%	0
1	1%	45	10%	1
2	6%	40	20%	2
3	11%	35	30%	3
4	18%	30	40%	4
5	27%	< 25	>50%	5

Understanding the Types of Opportunity Zones



Established WalkUPs (High Risk of Accelerated Displacement)

- Demonstrate a high capacity for creating and supporting walkability, livability, and job, transportation, and housing choice.
- Scores high in walkability
- Demonstrate high job and housing density.
- Very Close proximity to a Top 100 Metro Central Business District (CBD).



Emerging WalkUP or Bubble Community

- Demonstrates average Smart Growth Potential and Social Equity scores
- Has limited pedestrian-friendly infrastructure Demonstrates **average job and housing density.**
- Could experience the fastest rapid change in social equity (i.e., declining housing affordability) or economic performance (loss of anchor institutions) if they're not intentional about their investment and policy frameworks.



Potential WalkUP

- Do not support walkability, livability, and job, transportation, and housing choice.
- Score low on Smart Growth Potential (SGP) and **walkability**
- Demonstrates **low job and housing density.**
- **Far from a Top 100 Metro Central Business District (CBD).**

Smart Growth Investment Potential Rankings

This study ranks each Opportunity Zones based on their walkability, job and housing density, and proximity to centers of economic activity to determine their smart growth investment potential.

Top 50 Opportunity Zones for Smart Growth Potential Investment

Ranking	State	Census Tracts	SGP	OZ Location	WalkUP Region
1	Oregon	41051010600	17	Downtown — CBD	Portland
1	California	06001402800	17	Downtown Oakland	San Francisco Bay
1	Washington	53033009200	17	Downtown Seattle	Seattle
1	Pennsylvania	42101000200	17	Center City East	Philadelphia
1	Maryland	24510040100	17	Inner Harbor	Baltimore
2	New Jersey	34013008100	16	Downtown Newark	New York
2	Oregon	41051005100	16	Downtown — CBD	Portland
3	Michigan	26163520700	15	Downtown Detroit	Detroit
3	New Jersey	34017002000	15	Journal Square	New York
3	Minnesota	27123034201	15	Downtown St. Paul	Minneapolis-St. Paul
3	California	06037212101	15	Wilshire Central BID	Los Angeles
4	Washington	53033009100	14	International District	Seattle
4	California	06067000700	14	Downtown	Sacramento
4	California	06037212303	14	Wilshire Central BID	Los Angeles
4	Oregon	41051005600	14	Downtown — CBD	Portland
4	Ohio	39035107701	14	Campus District	Cleveland
4	California	06037211802	14	Wilshire Central BID	Los Angeles
4	California	06037211120	14	Wilshire Central BID	Los Angeles
4	Georgia	13121011900	14	Centennial Olympic Park	Atlanta
5	California	06037208903	13	Westlake	Los Angeles
5	Ohio	39035107802	13	Campus District	Cleveland

Social Equity + Smart Growth Investment Potential Rankings

We ranked the top 50 scoring SEVI Opportunity Zones according to their Smart Growth Potential. These communities are considered some of the best places for smart potential investments given their walkable urban characteristics and location relative to the regional economy. These communities are also considered on the frontlines of ensuring Opportunity Zone investments — or any investment — don't force out the very populations that have benefited from the relative affordability and access to opportunity.

RANKING	STATE	Census FIPS	SGP	SEVI	OZ LOCATION	WalkUP Region
1	Oregon	41051010600	17	18.44	Downtown — CBD	Portland
2	California	06001402800	17	18.40	Downtown Oakland	San Francisco Bay
3	Washington	53033009200	17	18.12	Downtown Seattle	Seattle
4	New Jersey	34013008100	16	16.91	Downtown Newark	New York
5	Washington	53033009100	14	18.50	International District	Seattle
6	California	06067000700	14	17.81	Downtown	Sacramento
7	California	06037212303	14	15.61	Wilshire Central BID	Los Angeles
8	California	06037208903	13	15.72	Westlake	Los Angeles
9	Ohio	39035107802	13	15.24	Campus District	Cleveland
10	Hawaii	15003005200	12	18.47	Downtown Honolulu	Honolulu
11	Maryland	24510070400	12	18.44	Johns Hopkins Medical Center	Baltimore
12	Massachusetts	25025080601	12	17.47	Mission Hill	Boston
13	New York	36061002201	12	16.29	East Village	New York
14	Kentucky	21111004900	12	15.97	Downtown Louisville	Louisville
15	California	06037206200	12	15.89	Industrial District	Los Angeles
16	California	06037208902	12	15.86	Westlake	Los Angeles
17	California	06037212204	12	15.71	Wilshire Central BID	Los Angeles
18	Wisconsin	55079011300	12	15.15	Juneau Town/Lower East Side	Milwaukee
19	California	06037212304	12	15.13	Wilshire Central BID	Los Angeles
20	Ohio	39061001000	12	15.08	CBD	Cincinnati

Opportunity Zone Classification Matrix

	Potential WalkUPs Census tracts whose economic, geographic, and real estate indicators do not support walkability, livability, and job, transportation, and housing diversity.	Established WalkUPs Census tracts whose economic, geographic, and real estate indicators support walkability, livability, and job, transportation, and housing diversity.
	Low Smart Growth Potential (0-6)	High Smart Growth Potential (12-20)
High Social Equity (12-20)	<ul style="list-style-type: none"> • Low National Walkability Index score (<14) • Low job density • Low housing density • Distance from Top 100 metro area central business district • High transit accessibility • Low H + T (<45%) • High percentage of rental units (>50%) <p>• Total Population: 9.9 million</p>	<ul style="list-style-type: none"> • High National Walkability Index score (14-20) • High job density • High housing density • Proximity to Top 100 metro area central business district • High transit accessibility • Low H + T (<45%) • High percentage of rental units (>50%) <p>• Total Population 494,928</p>
Low Social Equity (0-6)	<ul style="list-style-type: none"> • Low National Walkability Index score (<14) • Low job density • Low housing density • Distance from Top 100 metro area central business district • Low transit accessibility • High H + T (>45%) • Low percentage of rental units (<50%) <p>• Total Population: 20 million</p>	<ul style="list-style-type: none"> • High National Walkability Index score (14-20) • High job density • High housing density • Proximity to Top 100 metro area central business district • Low transit accessibility • High H + T (>45%) • Low percentage of rental units (<50%) <p>• Total Population: 15,554</p>

Emerging WalkUPs or Bubble Communities
 These communities' social equity (7-11) and smart growth potential (7-11) fall in the middle of the pack; they are most in control of their future, but could experience the fastest rapid change in social equity or economic performance if they're not intentional about their investment and policy frameworks.
Total Population: 494,928

Investment and Policy Framework

Any Opportunity Zone investment or policy framework should recognize and foster the empowerment of groups who have been historically excluded from decision-making and asset building. This approach will lead to more equitable returns, particularly when projects focus on addressing racial disparities, improving the social determinant of health, building more energy efficient and climate resilient communities.

To better understand the policy and investment strategy and implications for each Opportunity Zone, we have developed a simple investment and policy framework/matrix to highlight various scenarios investors and policymakers may approach Opportunity Zones.

POTENTIAL INVESTMENT STRATEGY:

HIGH EQUITY, LOW OPPORTUNITY	HIGH EQUITY, HIGH OPPORTUNITY
High Upside, High Risk Top Investments: Office, Retail	High Upside, Low Risk Top Investments: Multifamily, Office, Retail
Low Upside, High Risk Top Investments: Agriculture, Energy, Affordable Housing	Low Upside, Low Risk Top Investments: Multifamily
LOW EQUITY, LOW OPPORTUNITY	HIGH OPPORTUNITY, LOW EQUITY

SAMPLE PUBLIC POLICY FRAMEWORK:

HIGH EQUITY, LOW OPPORTUNITY	HIGH EQUITY, HIGH OPPORTUNITY
Downtown Revitalization without Displacement Local Workforce Development Attainable Housing Strategy for Workforce and Low-Income	Do No Harm (Anti Displacement Strategies) for vulnerable residents and businesses Encourage Maximum Housing Supply
Zoning Reform Catalytic Development Major Public/Philanthropic Investments Anchor Institutions Increase Transit Funding	Increase Affordable Housing for Low Income Transportation/Mobility Increase Transit Funding
LOW EQUITY, LOW OPPORTUNITY	HIGH OPPORTUNITY, LOW EQUITY

Opportunity Zones in Atlanta Compared to Georgia

● Atlanta Opportunity Zones ● Georgia Opportunity Zones



Not all Opportunity Zones are created equal. Investors should choose communities that:

- ★ Articulate a clear **strategic investment strategy and framework**
- ★ Provide a path of **least resistance (zoning and regulatory)**.
- ★ Effectively **align** state and local development incentives.
- ★ Have easily identifiable and underwritable **project pipelines**.
- ★ Are interested in **TOD and infill** development.
- ★ Promote strong **coordination** amongst local residents and businesses.
- ★ Seek to encourage **equitable development investment**

What principles and priorities should Opportunity Fund investments in Opportunity Zones be founded upon?

1. **Location** is important.
2. Leverage **public and non-profit** controlled land
3. **Protect** existing affordable housing stock and effectively **place** new housing.
4. Make the most of and advocate for improved **federal and state funding** programs.
5. Engage **non-traditional stakeholders and community** to close the “gap”.

Step 1: Understand the gap

How much subsidy is it going to take to close a project's funding gap?



	Townhome - 2 Story		Stacked Flats - 3 Story	
PROGRAM				
Land Size	15 units/ac	22,000	30 units/ac	174,240
Total Units	1,250 SF	8	900 SF	120
# Market Rate Units	1,250 SF	8	900 SF	120
# Parking Stalls	2.25 / Unit	18	1.50 / Unit	180
Residential SF		10,000		108,000
Retail SF (10% Load)	0 SF	-	0 SF	-
Residential + Retail Net SF		10,000		108,000
Parking SF	SF/Stall	-	SF/Stall	-
Total Gross SF	75.00%	13,333	75.00%	144,000
INCOME	\$ 1,563		\$ 1,350	
Residential Income - Market Rate	\$ 1.25	150,000	\$ 1.50	1,944,000
Retail Income	\$ -	-	\$ -	-
Parking Income	\$ -	-	\$ -	-
Other Income	\$ 75.00	7,200	\$ 75.00	108,000
Total Income		157,200		2,052,000
EXPENSES				
Vacancy	5.0%	(7,860)	5.0%	(102,600)
Real Estate Taxes - other levies	500 /unit	(4,000)	500 /unit	(60,000)
Real Estate Taxes - local	2,000 /unit	(16,000)	2,000 /unit	(240,000)
Other Expenses (payroll, utilities, admin, etc)	2,500 /unit	(20,000)	2,500 /unit	(300,000)
NOI Incentive Needed				
NOI	\$ 1,563	\$ 109,340	\$ 1,350	\$ 1,349,400
COSTS		(4,500)		(4,500)
Land Cost	\$ 10.00	\$ 220,000	\$ 10.00	\$ 1,742,400
Cost Credit Needed				
Hard Costs	\$ 183,333		\$ 150,000	
Building Costs	\$ 110 / GSF	1,466,667	\$ 125 / GSF	18,000,000
Parking Cost	\$ -	-	\$ 2,000	360,000
Retail TI	\$ 50.00	-	\$ 50.00	-
Contingency (not including cost escalation)	5.0%	73,333	5.0%	900,000
Subtotal	\$ 116 / GSF	\$ 1,540,000	\$ 134 / GSF	\$ 19,260,000
Soft Costs				
Design & Engineering	6.00% of HC	92,400	6.00% of HC	1,155,600
Fees & Permits				
SDC Fees	15,410 /unit	123,280	15,410 /unit	1,849,200
Planning/Building Permit Fees	2.00% of HC	30,800	2.00% of HC	385,200
Legal/Finance/Administrative	1.00% of HC	15,400	1.00% of HC	192,600
Leasing/Marketing/FF&E	1.50% of HC	23,100	1.50% of HC	288,900
Development Overhead	4.00% of HC	61,600	4.00% of HC	770,400
Contingency	5.00% of SC	14,249	5.00% of SC	193,575
Loan Interest	2.50%	53,021	2.50%	645,947
No Tax Abatement	6.0%	-	6.0%	-
Subtotal	\$ 31 / GSF	413,850	\$ 38 / GSF	5,481,422
Total Costs	\$ 163 / GSF	\$ 2,173,850	\$ 184 / GSF	\$ 26,483,822
		271,731		220,699
Yield on Costs	7 - 7.5% Goal	5.03%	7 - 7.5% Goal	5.10%
Developer Profit (15% - 20% industry standard)	-16.17%	\$ (351,516)	-15.08%	\$ (3,993,822)

Step 2: Protect existing housing stock



- Take an inventory existing affordable housing.
- Work with owners to revitalize housing stock **without displacement**
- Protect existing (vulnerable) homeowners from **from property tax increases**

Step 3: Amend local land use and development policies to allow multi-family, affordable housing near town centers

- **Density bonuses** allow developers to build more units per square foot in exchange for addressing community needs and priorities.
- **Repurpose abandoned or underutilized buildings** by passing properties to developers.
- **Incentive Housing Zones** offer exceptions to regulations in exchange for providing a public improvement in development.



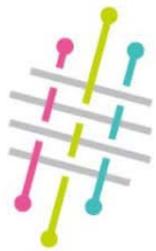
What can cities do now?

Inspire investor confidence in local development projects and processes

Ensure equitable development outcomes in Opportunity Zone areas

- ❑ Convene an **Opportunity Zones task force** to establish priority projects
- ❑ Align state, local and **philanthropic** resources and incentives.
- ❑ Create one-stop shop and **project pipeline** database
- ❑ Reduce regulatory process for **project approval**
- ❑ Create an **Opportunity Fund** accessible to local residents and business

- ❑ Institute **“do no harm”** policies
- ❑ Create **measurable, people-based** social equity outcomes (**real-time monitoring**)
- ❑ Develop a real **attainable housing strategy**
- ❑ Build **cross-sectional** coalition in support of **transi** & **equitable development**
- ❑ Establish **equitable development scorecard** to direct local investment



Strong, Prosperous and Resilient Communities Challenge (SPARCC)



Created to capture the opportunity of catalytic regional investments, so that people of all races and incomes benefit.

SPARCC Regions

- Atlanta | The Transformation Alliance
- Chicago | Elevated Chicago
- Denver | Mile High Connects
- Los Angeles | LA Thrives, ACT-LA, California Community Foundation
- Memphis | Neighborhood Collaborative for Resilience
- San Francisco Bay Area | Bay Area for All

Resources

- Policy
- Capital Finance
- Technical assistance
- Data access and tools
- Learning Community

AN INITIATIVE OF



SUPPORTED BY



FORD FOUNDATION



THE KRESGE FOUNDATION



We all benefit when everyone thrives...

SPARCC Theory of Change & Approaches

SPARCC is working to make sure that when we invest in places, people of all races and incomes benefit.



SPARCC's goal is to influence the institutions, practices and policies that shape our cities and regions to create more

just economic, health and environmental outcomes.

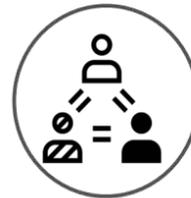
SPARCC's Values & Components



Catalytic moment



Diverse, cross-sector tables



Systems change



Data-informed decision making

INVESTMENT WITHOUT DISPLACEMENT

Solutions for Equitable,
Healthy, & Vibrant Communities

#WeAllThrive

Organize. Catalyze. Mobilize.

 SPARCC

Our Values

What we've learned through SPARCC is that community innovation is not driven solely by reactive forces – as in the case of displacement. Our power is fueled by the vision of a more equitable and healthy future for everyone.

We recognize that racial disparities exist and implicitly racist systems have created unequal access to investment and disparities in health outcomes, energy use, and climate vulnerability.

We stand together in pushing for a new chapter in community development centered on “Inclusive Investment,” which:

- **Centers on racial inclusion** and deciphering the power dynamics of who benefits, who pays, and who decides.
- Involves **multiple tools and strategies** that cut across capital, community engagement, local leadership development, data analysis, and policy change.
- Elevates **integrated approaches** that result in better racial, health, and climate outcomes rather than just a focus on the fiscal bottom line or financial return on investment.
- Inherently recognizes that all of these systems are interconnected and that, to truly achieve systems change, cross-sector approaches are necessary.

WE BELIEVE

All people have the right to live healthy, safe, and prosperous lives, so that all can **thrive**.

The **legacy** of racism that shaped America's cities and regions has created deep disparities that persist today, and have led to unequal health outcomes, greater vulnerability to climate change, and fewer opportunities of prosperity for people of color.

Low-income communities and communities of color need equitable access to investment that preserves and strengthens current residents, businesses and cultures, reinforcing **value** in people rather than displacing them.

As a society, we should take **responsibility** for and acknowledge past wrongs to communities of color, and actively work to reduce disparities.

Community-informed and community-driven investment should support investment decisions that realize the **community's vision** for its own future, regardless of class, color, ability, or income.

#WeAllThrive



Spotlight on Community Driven Development Inclusive Investment

- The [West Denver Renaissance Collaborative](#) is piloting a new approach to Accessory Dwelling Units (ADUs) to target the threat of involuntary displacement.
- The [WDSF+ Initiative](#) provides funding and other services to homeowners to undertake weatherization, rehabilitation, or refinancing opportunities that allow low-income homeowners to remain in the community while improving health outcomes and energy use.
- Qualified homeowners receive support to build an ADU for family members or neighborhood residents.

WDSF+ INITIATIVE

ACCESSORY DWELLING UNIT (ADU) PILOT PROGRAM



Imagine owning a second home on your property!

You can use your zoning and home equity to build an ADU (accessory dwelling unit) on your property.

The WDSF+ ADU Pilot Program has resources that reduce the cost of ADUs, making it possible for moderate and low income homeowners to build an ADU.

RENT IT/LIVE IN IT. PROFIT.

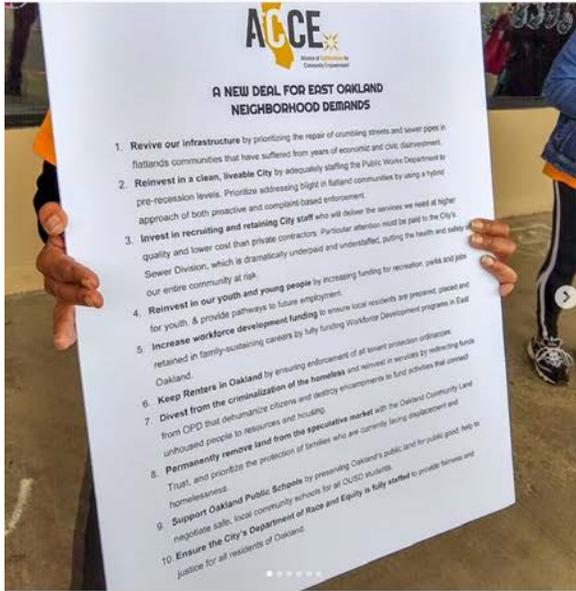


BENEFITS AND WEALTH BUILDING POTENTIAL OF AN ADU / TANDEM HOUSE

Homeowners can rent the ADU / tandem house, use it to house extended family, or move into it and rent their primary house.

- **Income** - ability to rent the second unit and supplement monthly income and ability to grow equity by increasing property value.
- **Family Support** - ability to house multi-generational families and extended family for aging-in-place, savings on senior-living and/or childcare costs, and to support long-term household stability.
- **Neighborhood Strength** - homeowners can gain income from their rental units and renters can gain access to new single family rental options.

Spotlight on Community Driven Development: Inclusive Investment



- The [Oakland Community Land Trust \(OakCLT\)](#) focuses on community involvement and empowerment to preserve, restore, and reclaim economic opportunity for low-income residents.
- OakCLT supports the development of open space, agricultural, commercial, and retail facilities that stabilize neighborhoods.
- Community interests are represented on the Land Trust's board of directors, of whom one-third live in low-income communities and another third live in neighborhoods served by the land trust.

Spotlight on Community Driven Development: Inclusive Investment

- The Los Angeles Regional Open Space & Affordable Housing Collaborative (LAROSAH) [is working with public sector and other non-profit partners in the LA region](#) to promote proactive strategies to address displacement in the wake of 2016's Measure A, which provided much-needed funding to build, maintain, and improve local parks, beaches, and open spaces.
- The Los Angeles Neighborhood Land Trust was founded in 2002 to address Los Angeles's park inequities. They focus their efforts exclusively in communities of color that have little to no access to green space.
- Groups like the Southeast Asian Community Alliance (SEACA) are organizing youth and local residents to make sure investment to support Park Equity and don't displace low-income residents.



LOS ANGELES
NEIGHBORHOOD
LAND TRUST

Spotlight on Community Driven Development: Leverage Community Assets



Naturally Occurring Cultural District

- A catalyst for economic development that builds on existing community assets, celebrates the cultural of a community, and anchors a community through investment

Little Africa in Minneapolis



Little Tokyo in Los Angeles



NATIONAL CULTURAL DISTRICTS EXCHANGE TOOLKIT

Welcome to your one-stop-shop for Cultural Districts!

Cultural districts are defined as well-recognized, labeled areas of a city in which a high concentration of cultural facilities and programs serve as the main anchor of attraction. They help strengthen local economies, create an enhanced sense of place, and deepen local cultural capacity. Here, find tools and resources to help guide you in the development and advancement of Cultural Districts in your community.

Cultural Districts Basics



What is a Cultural District? Learn about the types of cultural districts and see examples of each from across the country.

Developing a Cultural District



Looking to develop a cultural district in your area? Find downloadable templates, plans, tools, and resources here.

Advancing a Cultural District



Already have a cultural district in your area? Find resources here to help you strengthen and advance a cultural district.



The Anti-Displacement Policy Toolkit



Policy Tools for #DevelopmentWithoutDisplacement

Implementation of strong
Anti-displacement policies

Anti-Displacement Policies are explicitly created with the intention of mitigating displacement. Policies include:

- Affordable housing preservation
- Neighborhood stabilization
- Community ownership
- Equitable development
- Tenant Protection

A critical component to any policy is enforcement.



Association for
Neighborhood
& Housing
Development

Learn More at

<https://www.antidisplacementtoolkit.org/>

Equitable Development Toolkits

PolicyLink

Affordable Housing



Affordable Housing

Based on a workshop, this is an umbrella tool that introduces advocates to affordable housing strategies and helps them match their goals with appropriate tools. (Created January 2007)



Code Enforcement

Can be an important tool for protecting tenants. (Created March 2002)



Expiring Use: Retention of Subsidized Housing

Preserve affordable rental units by protecting subsidized housing units with expiring contracts. (Created August 2002)



Rent Control

Protections to slow the pace of rapidly escalating rental prices. (Created December 2001)



Cooperative Ownership Models

Co-op models targeted to low-income residents can offer financial benefits and experience in running a democratically-controlled enterprise. (Created February 2002)



Just Cause Eviction Controls

Implement these laws to protect renters against being unfairly evicted by landlords who want to capitalize on the rental/housing market. (Created March 2002)



SPARCC

Strong, Prosperous, and Resilient Communities Challenge
An initiative of Enterprise Community Partners, the Federal Reserve Bank of San Francisco, the Low Income Investment Fund, and the Natural Resources Defense Council

SPARCC ISSUE SPOTLIGHTS

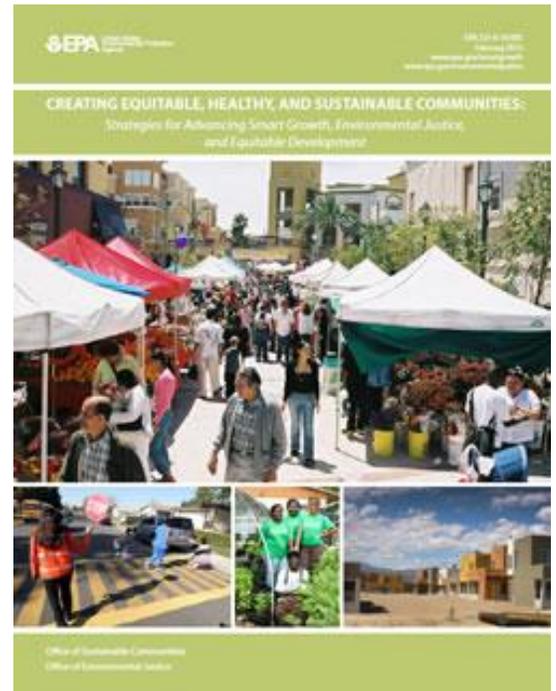
These briefs provide an overview of the current landscape of policies, practices and literature on issues related to SPARCC's work.

Implementing Equitable Transit-Oriented Development (eTOD)

Viewing transit-oriented development (TOD) through an equity lens through every step along the process is essential. eTOD elevates and prioritizes community voice whether in efforts to avoid or stop displacement of community residents, local businesses, and culture or to ensure that transit is affordable, reliable and accessible. It supports investments and policies that close the socioeconomic gaps between communities in which the majority of residents are people of color and those that are majority white.

eTOD Starts with Equitable Transit

1 Fund Transit. It may seem obvious, but reliable, convenient, accessible, and affordable transit is the cornerstone of TOD. Even though more communities are funding transit, most struggle to provide adequate service. On-demand ride services like Uber or Lyft and bike sharing and ride sharing systems are compliments, not substitutes for a viable regional transit network. Federal transit funds are at increasing risk, which may further challenge the ability of cities to expand, modernize, or even maintain service. Cross-sector collaboration and advocacy is essential to **local, state, and federal efforts to fund transit.**



Emerging Preservation Proposals & Funds

The **606 Affordable Housing Preservation Ordinance Proposal** in Chicago would raise the demolition and deconversion in a pilot area around the 606 Trail. The funds would be deposited into an affordable housing trust managed by a board of trustees. The trust would be utilized to push more affordable housing in the area, as well as preserve existing housing.

Atlanta Anti-Displacement Tax Fund

The Westside Future Fund (WFF), will pay for property tax increases of qualifying homeowners (making area median income or below), in historic neighborhoods along the Beltline in its western border.

The tax fund is supported completely by philanthropic donations. As area real estate values and appraisals go up, the Fund will pay the difference, allowing owners to keep their family homes, ensuring that current homeowners are not displaced due to rising property taxes. The fund operates as a grant program, which will not require residents to pay back funds received.



What critical steps can advocates take to understand the impact of Opportunity Zones?

- **Identify the qualified opportunity zone(s) in your community and neighborhood boundaries.** Since qualified opportunity zones are based on eligible federal census tracts it may not correspond with jurisdictional boundaries, local demarcations, or city limits.
- **Map community assets and public investment** in and AROUND the opportunity zone boundaries that may impact land use values and/or attract investment.
- **Research available incentives, review zoning restrictions, and current land use policies** for the area.

How can Opportunity Zones Benefit My Community?

Opportunity Zones present the opportunity to guide development, ignite new business investment, and leverage public investment.

- Develop an **inventory pipeline of community driven projects and plans** in qualified opportunity zones (QOZ) with strong anti-displacement policies that can be promoted and accessible to investors.
- **Determine the neighborhood readiness for investment** and resource gap for potential project & plan in the QOZ. Focus on areas that can bear the long-term market pressure and support local community needs.
- **Consider the alignment of projects with local, regional, state, and federal public investment**, such as infrastructure improvements, transportation projects, housing, parks and open space.
- **Identify resources, potential grants, subsidies, and federal funding that could be leveraged with qualified opportunity funds (QOF) investment.**
- **Monitor and report outcomes of the Opportunity Zone investments**, according to performance indicators such as: living wage jobs created, number of dedicated affordable housing units created or preserved (60 percent of area median income or less), and investments in minority/disadvantaged/women-owned businesses.



Equitable Development Checklist

It's important that city officials and advocates use the Opportunity Zones designation to demonstrate long-term community benefits, alternative community development models, and performance measures that ensure better outcomes for communities. *The Equitable Development checklist provides leaders with guiding questions to consider that can result in more equitable outcomes and benefits for both residents, businesses and neighborhoods in Opportunity Zones.*

How are you co-creating and integrating equity considerations into the project, plan, and/or process?

- Does your investment align with local neighborhood plans?
- Have you engaged the appropriate community voice?
- Have you ensured that neighbors and others who might be impacted and/or influential in the process or project included?

What is the social impact of your project who benefits and who is burdened by your investment?

- Can the burden be decreased to increase shared benefits?
- What groups or stakeholders are left out in favor of others?
- What are the potential unintended consequences?

In what ways will the project advance greater social equity opportunity?

- Improve local affordability?
- Improve health outcomes?
- Increase sustainability?