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To:	First Forty Feet, City of Independence
From:	ECOnorthwest
Subject:	DRAFT Central Talmadge Plan Memo #5: Anti-Displacement and Equity Strategy

What is Equitable Development?

Equitable development describes an approach to addressing existing disparities in a community, particularly for those who face historic and systemic barriers as part of past and current policies and structures. As cities create new policies and make public investments meant to improve social and economic conditions for all, these actions can result in negative consequences like displacement of existing residents and businesses. Strategies for equitable development can encompass a range of activities to mitigate these challenges and create new opportunities and quality of life benefits. According to Government Alliance on Race and Equity (GARE),[1] guiding principles of equitable development include:

- Meaningful decision-making and policymaking led and informed by the community
- Localized strategy and contextualization of strategies
- Preservation of affordable housing and commercial properties
- Expansion of accessible and affordable public transportation
- Promotion of environmental justice
- Prevention of displacement
- Increased economic opportunities

Why Does Central Talmadge Need Equitable Development Strategies?

Central Talmadge is a neighborhood situated between the Cities of Independence and Monmouth that is currently in the process of re-envisioning itself with public realm improvements and policies to spur private-sector development to benefit the community. First Forty Feet is working with the City of Independence and Oregon Department of Transportation (ODOT) on the Central Talmadge Plan, which identified a vision for Central Talmadge through engagement with the community:

> ***Reinforce Central Talmadge as an essential link between Independence and Monmouth, building it into a more vibrant and cohesive hub that complements the two downtowns and builds upon its unique identity as a culturally and economically diverse neighborhood centered around education.***

[1] Curren et al., *Equitable Development as a Tool to Advance Racial Equity*, 8.

Equitable development strategies can help the City of Independence and its partners to proactively work to mitigate potential negative consequences of new investments in transportation infrastructure, public spaces, and anticipated private development. This memorandum compiled by ECOnorthwest outlines actions that can help to meet the project's stated goal of maintaining a culturally and economically diverse area.

Balancing public and private investments with equitable strategies is contingent on phasing. In communities like Central Talmadge that are in the process of envisioning new redevelopment and public realm improvements, timing new projects with proactive measures to address displacement risk and ensure that the needs of community members are integrated in these decisions is critical. Implementing actions to increase the stability of community members (both residents and business owners) in advance can ensure that they will also benefit from the rise in neighborhood property values and improved public amenities while preserving long-term opportunities for future community members.

What Does Displacement Mean?

Displacement occurs when a household or business is forced to relocate due to circumstances beyond individual disruptions. Risk of displacement is primarily related to two circumstances: (1) changes in market conditions that result in rising rents and/or increasing redevelopment potential (including public policies and investments), and (2) household or business characteristics that lead to increased vulnerability to changing market conditions. Generally, three different types of displacement describe the challenges that existing community members may face, including:

- **Physical or direct displacement** is due to redevelopment or major remodels of existing housing or commercial space where existing tenants must move out. Previous residents or commercial tenants may not be able to afford the higher rents or may not have the resources or desire to relocate a second time to return to the site.
- **Economic displacement** occurs when rents increase above what existing residents or businesses can afford to pay. Public and private investments can make an area more appealing to households and businesses that can afford higher rents, which can potentially encourage owners of existing rental properties to increase prices for existing tenants when renewing leases.
- **Cultural displacement** occurs when people choose to move because their neighbors and/or culturally relevant businesses and institutions have left the area. Or, if they stay, changes in the make-up and character of a neighborhood can lead to a reduced sense of belonging or feeling out of place in one's neighborhood.

Certain factors can influence whether existing households and businesses are at greater risk of displacement. Households and businesses that rent are typically more affected by changing market conditions than those that own their property and are subject to the decisions of the property owner about redevelopment, remodels, rent increases, etc. In addition, those who face disadvantages or discrimination in the real estate market in particular tend to be at greater risk of displacement and to experience more harm if they are forced to move. The following section describes which socioeconomic and market factors that can make residents and businesses more vulnerable to displacement.

What Are Displacement Factors for Residents?

This memorandum primarily considers socioeconomic factors for displacement that can make households more likely to experience housing discrimination and/or limited housing options that may increase their risk of displacement, such as:

- **Low-income and cost-burdened renter households** (those spending more than 30% of their income on housing costs) who are at greatest risk of being forced to move due to rising rents, since they have limited ability to absorb further rent increases and may already be facing trade-offs between paying rent and covering their household's other basic needs.
- **Black, Indigenous, and People of Color (BIPOC)** who tend to face greater housing discrimination as well as historic and systemic barriers to homeownership rooted in a history of racist housing policies in the United States.
- **Adults with less than a bachelor's degree** who may have less ability to increase their income through career opportunities to cover higher housing costs.
- **People who do not speak English, immigrants, and refugees** who may face more discrimination from landlords as well as barriers navigating the rental process and asserting their rights as tenants.
- **Older adults and people with disabilities** who may have specific housing needs (e.g., accessibility features) that make it harder to find another place to find new suitable housing if they are displaced.

What Are Displacement Factors for Businesses?

Central Talmadge is home to primarily auto-oriented retail businesses and strip commercial establishments, offering restaurants and strip-commercial retail with large parking lots along Oregon State Highway 51. Comparatively, the Cities of Independence and Monmouth have more central commercial areas with pedestrian-friendly environments.

Characteristics of businesses and ownership demographics are generally not as readily available at the neighborhood or City level as socioeconomic data from the US Census. However, local data collection and engagement with businesses can help to identify those which are more vulnerable to displacement based on factors like:

- **Business size.** Smaller, local businesses generally have fewer resources, less bargaining power, and may struggle more with rising costs compared to larger, more established businesses or those with regional/national presence.
- **Business owner demographics.** Business owners of color may face higher barriers to navigating complex real estate/legal processes or accessing credit due to disparities in household wealth and resources rooted in systemic and historic discrimination.
- **Ownership models.** Businesses who rent their space do not have control over decisions by commercial property owners, making them more vulnerable to landlord repositioning or rent increases.
- **Lease length and terms.** Businesses without long-term, secure lease agreements may be more easily priced out or having their leases terminated when property values and rents rise.
- **Customer base and associated displacement risk.** Businesses that primarily serve the local community may struggle to retain customers if the neighborhood's demographics change significantly.

What Are Potential Displacement Risk Factors for Central Talmadge?

SOCIOECONOMIC FACTORS

Within the Central Talmadge Study Area, there are some existing socioeconomic and market trends which may indicate increased displacement risk while other factors may indicate Central Talmadge residents and businesses are less vulnerable to displacement than in surrounding areas. For example, compared to the Cities of Independence and Monmouth (as a combined Primary Market Area), Central Talmadge did not have a larger share of households below the median income or cost-burdened renters according to American Community Survey (ACS) data for 2017-2021. However, the area did have:[2]

- A higher share of people of color than the Primary Market Area and Polk County (**41%**)[3]
- A higher share of cost-burdened homeowners than Polk County, but lower than the Primary Market Area (**28%**)
- A similar share of adults without a bachelor's degree to the Primary Market Area, higher than the County (**75%**)
- A higher share of adults 65 and over than the Primary Market Area, lower than the County (**10%**)

Characteristics of businesses are generally not as readily available at the neighborhood or City level as socioeconomic data from the US Census. However, real estate market trends can indicate increasing pressures that could create conditions for displacement such as low but increasing commercial rents or low/falling commercial vacancies putting pressure on local inventory.

REAL ESTATE MARKET FACTORS

Central Talmadge has a high share of single-family detached homes compared to Independence and Monmouth and a higher share of mobile homes. In 2017-2021, American Community Survey (ACS) estimates **indicate 14 percent of units in Central Talmadge were mobile homes,** more than double the share of mobile homes in either Independence or Monmouth. Limited data is available about mobile home prices in Central Talmadge, but mobile homes typically offer lower cost alternatives to single-family homes in Independence and Monmouth. **Ownership models vary for mobile home parks, but residents often own their homes but not the land beneath it, leaving them vulnerable to displacement.**

The supply of multifamily units in the study area has remained stagnant in Central Talmadge over the last decade despite new units being delivered elsewhere in Independence and Monmouth. As of 2023, Central Talmadge offered approximately 200 units of multifamily housing. Rents for multifamily units have slowly increased over the past decade in Central Talmadge, while remaining lower than the City's average. In this time period, vacancies for multifamily units in Central Talmadge have also fallen, standing at 2.4 percent (compared to 3.8 percent across Independence and Monmouth) in 2023.

Older, unregulated multifamily properties may be at higher risk of rent increases or repositioning, which can trigger residential displacement. **While rents for apartments are increasing somewhat in Central**

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[2] See the Central Talmadge Market Study for further detail. The share of residents with limited English proficiency and persons with disabilities were not available at the block group level to represent Central Talmadge.

[3] Combined, the Primary Market Area had a lower share of people of color, however individually Independence had a larger share than the study area and Monmouth had a smaller share.

Talmadge, low vacancy rates can also put upward pressure on the market that make it more difficult for households to find a new place to live within the area. Central Talmadge is also home to **38 units of regulated affordable housing** at the Colonia Amistad Apartments, developed in 2006.

The commercial real estate market for retail in Independence and Monmouth indicates that **retail rents have risen over the past decade, while the vacancy rate stood at only 1.3 percent in 2023.** The length of commercial leases and lease terms are not known for the study area given a lack of locally available data. However, businesses that are on month-to-month or shorter-term leases may be more affected by rising rents and low vacancy rates. These factors can make it challenging for businesses that may be displaced by new development or rising costs are to find a new location nearby.

What Can Independence Do to Promote Equitable Development in Central Talmadge?

Intentional phasing of strategies is a critical component of successful equitable development and preventing displacement of existing residents and businesses. Currently in Central Talmadge, the real estate market indicates rising commercial and residential rents and very low retail and multifamily unit vacancies in the Primary Market Area. Coupled with demographic trends, this means that the area could be at risk of displacement, particularly if new public and private investments occur. This section presents a list of actions that the City and partners in the community could pursue **before, during, and after** new development occurs in Central Talmadge to mitigate negative impacts.

Do Now: Setting the Stage Before New Investment

Implementing equitable development strategies before major investments take place can allow cities to proactively stabilize existing residents and businesses. By assessing potential impacts early on, communities can put measures in place to alleviate existing or future displacement pressures, preserve affordable housing stock, support local businesses, and ensure that long-term residents and stakeholders benefit from new development rather than being priced out.

PRESERVE AFFORDABLE HOUSING

Preserving affordable housing types, especially older multifamily units and mobile homes like those in Central Talmadge is an important initial step to prevent displacement. These housing options often serve as a vital source of naturally occurring affordable housing for low- and moderate-income households and those who may be more vulnerable to increasing market pressures. By prioritizing the preservation of these existing affordable units, communities can maintain a diverse and inclusive housing stock, mitigating risks before anticipated rent increases or redevelopment. Initial steps to preserve affordable housing options include:

Key Implementation Considerations

To preserve affordable housing, cities typically work with affordable housing providers, community-based organizations, and/or nonprofits for heavy-lift projects like acquiring, rehabilitating, and operating regulated affordable housing and direct resident services.

On their own, cities can also implement policies that help to preserve affordability like first right-of-refusal policies and grants for home rehabilitation. Some jurisdictions also offer dedicated financial support through direct grants/loans or providing targeted funding to organizational partners.

- **Acquisition and Operation of Naturally Occurring Affordable Housing.** Stabilizes existing low-cost,
- market rate rental housing by facilitating acquisition by a public agency, community land trust, or community-based nonprofit organization to preserve affordability.
- **Conversion of Expiring Affordable Housing Projects.** Offers support to property owners to convert projects expiring past affordability requirements into permanent or long-term affordable housing.
- **Community Land Trusts (CLTs).** Supports nonprofit organizations in purchasing land through public/private funding and leasing the parcels on a long-term, renewable basis to homeowners and tenants. Homes built on the land are more affordable because the cost of the land is not included in the purchase price. Homeowners agree to sell at restricted prices to keep homes affordable in the future.
- **Resident-Owned Cooperatives.** Member-run cooperative organizations can own the land in manufactured housing (mobile home) communities, thus protecting against displacement, poor conditions, and exploitative management practices.
- **Home Rehabilitation and Accessibility Grants.** Offers grants and loans to homeowners to cover mortgage payments and cost of repairs (e.g. roof plumbing, electrical work) or new features for accessibility (e.g. ramps, lifts).
- **Right of First Refusal (ROR) Policies.** Requires property owners to give tenants the first opportunity to purchase the property if they are converting their rental units to condominiums or intend to sell the property (including mobile homes). Typically requires notice to take place in 60-90 days of the desired sale or conversion date.

Case Study: Mobile Home Park Preservation (Portland, OR)

Regulatory changes can help with preservation of mobile home parks, which will likely be a relevant consideration for Central Talmadge given its high share of this housing type. In 2018, the City of Portland adopted a zoning code amendment specifically targeted towards maintaining the City's 56 existing mobile home parks (home to about 3,000 households).

This amendment created a new Manufactured Dwelling Park Zone which includes unique development standards for density, access, setbacks, and landscaping that are consistent with existing mobile home uses in these areas. These standards require an extensive review process to change their use including a Comprehensive Plan map amendment and a zoning map change reviewed with City Council. This process does not prohibit mobile home parks from being redeveloped but ensures that there is full evaluation for consistency with the City's Comprehensive Plan goals and potential impacts.

Sources: City of Portland, OPB

SUPPORT LEGACY BUSINESSES

Implementing policies that support existing businesses and identify specific local displacement risks and concerns ensures that small businesses that are rooted in the communities can remain when new development occurs. These businesses often provide essential goods, services, and employment opportunities tailored to the needs of local residents. Cities can use targeted strategies to retain and grow locally-owned businesses such as:

Key Implementation Considerations

In terms of local business support, cities should seek to conduct outreach to existing business owners and take stock of current conditions in areas where new development is likely to occur, This information can help to identify what kind of technical support or targeted funding may be most needed to help businesses secure their commercial spaces, adapt their marketing, etc.

Partnering with local Chambers of Commerce, business associations, or culturally specific organizations can help to deliver the right services that business owners need through established organizations and lower the staff capacity needed from City staff for ongoing implementation.

- **Inventory/Outreach with Existing Businesses.** Engagement between public agencies and local businesses to fully understand baseline conditions and specific local concerns/desires around new development.
- **Buy Your Building Programs.** Local financing programs (typically in partnership with local bank/financial institution to help businesses obtain assistance with down payment to buy their building.
- **Low-Cost Revolving Loan Fund.** Establishes a fund for small businesses or community development corporations to purchase property in commercial corridors. This type of initiative is designed to provide commercial spaces for reduced-cost rents to ensure legacy businesses and local retailers can continue to serve residents.
- **Limited Equity Cooperatives.** Property ownership model in which businesses or organizations purchase a share in a development (rather than an individual unit) and commit to resell their share at a price determined by formula to maintain affordability at purchase and over the long term.
- **Technical Support for Legacy Businesses.** Directs targeted support from public agencies and/or partners to help businesses navigate needs such as preparing legal documents, obtaining licenses, marketing assistance, digital services, development finance, and generational transfers.

EQUITABLE COMMUNITY ENGAGEMENT AND PARTICIPATION

Centering the voices and lived experiences of existing community members can identify unique needs, challenges, and priorities for guiding new development. By engaging early and meaningfully, cities can ensure that development strategies align with residents' desired uses, address their concerns, and mitigate potential adverse impacts through:

Key Implementation Considerations

Establishing ongoing conversations with community members can set the stage to navigate conversations with developers and residents later. Partnering with local institutions can also help to build trust and efficiently offer services like translation/interpretation. When preparing for equitable engagement, cities should consider offering additional support like language accessibility, stipends/compensation, transportation support, and childcare. Continuing conversations and bringing back results are also important to ensure accountability to the community.

- **Regular Community Meetings/Listening Sessions.** Provides opportunities for sharing services, information, and resources tailored to the community and hearing new needs.
- **Partnerships with Community Based Organizations (CBOs).** Facilitates relationships with trusted community-based organizations who organize and serve on behalf of community members.
- **Community Benefit Agreements.** Creates an agreement between community-based organizations and leaders to negotiate directly with developers for local benefits in new development such as affordable housing, local hiring, living wage requirements, open space, and other specific amenities.

Do If: New Development is Underway

As new investments and projects take place within an area, equitable strategies can help to make sure that the direction of new development meets the needs of the community. Implementing these actions ensures that the trajectory of new growth and changes to the public and private realm align with the priorities of existing residents, particularly underserved populations.

PROMOTE DIVERSE HOUSING TYPES

Advocating for a variety of housing types as part of equitable development can accommodate different income levels, ages, and household types and meet the increased demand for housing supply. Supporting a diverse housing stock can help to prevent rapid housing cost increases by ensuring that there are options available for various household sizes, preferences, and incomes.

Key Implementation Considerations

As areas see new growth, cities should help to ensure that local regulations and policies like code standards, zoning designations, and administrative processes allow for desired types of development.

Cities can also proactively encourage housing that is affordable to a range of households with incentives like preferable development standards, exemptions for local fees/taxes, or direct financial/technical support to help people purchase a home. Partnerships with affordable housing providers can help to identify immediate opportunities and potential challenges for these initiatives.

- **Targeted Code Changes.** Allows for moderate densities of mixed-use buildings and multifamily/middle housing, such as duplexes, triplexes, and accessory dwelling units. These types can offer a variety of price points and unit sizes/types.
- **Development Incentives for Affordable Housing.** Allows additional flexibility in local development standards such as height and density limits, parking requirements, or landscaping for new housing development providing a set level of affordability (at a certain share of area median income, etc.)
- **Low-Income Housing Tax Exemptions.** Provides full or partial local tax abatements for property owners/ developers for new construction/rehabilitation of affordable housing over a certain number of years.
- **Down Payment Assistance.** Provides grants/loans to first-time home buyers to assist with upfront costs.
- **Individual Development Accounts (IDAs).** Creates

Current Resources: Polk County Homeownership Programs

Implementing targeted homeownership support at the local level can require resources (including significant funding) to be mobilized in a limited window of time to be effective for stabilizing households before they are priced out of the housing market in an area. In many jurisdictions, coordination with partners is necessary to attain the level of funding and support needed to provide homeownership support. Establishing relationships with regional housing organizations and county or state agencies can help to fill this gap with existing resources. Polk Community Development Corporation (CDC) operates in Polk County and provides a variety of programs including **workshops for educating first-time homebuyers** as well as **individual counseling** to help households improve their credit, relieve debt, and save for a down payment. Polk CDC also participates in the Valley Individual Development Account (VIDA) collaborative on **individual development accounts** which match $3 for every $1 of participant savings for low- and moderate-income households working towards goals like down payments, home repairs, or home rehabilitation.

Sources: Polk CDC, VIDA

CREATE OPPORTUNITIES FOR LOCAL BUSINESSES

The physical process of new development and construction can create challenges for existing businesses. As areas see increasing development, they can also offer opportunities for local businesses to grow by leveraging higher volumes of foot traffic, visibility, and market demand. Targeted strategies to both retain businesses and allow them to thrive and scale up include:

Key Implementation Considerations

As new development creates potential opportunities for businesses, cities can either directly provide assistance or work with local actors to deliver services. If cities have identified potential challenges for business owners before development and established partnerships with Chambers of Commerce, business associations, etc., they can anticipate new programs that help to address those needs.

- **Construction Disruption Assistance.** Mitigates the negative impacts of construction and development on small businesses through technical assistance/marketing or other needs like signage, temporary relocation or grants/loans.
- **Façade improvement Programs.** Provides funding for small businesses to improve their storefronts (signage, lighting, paint, etc.).
- **Shared Retail Spaces.** Creates publicly-supported shared-retail spaces like food halls, pop-up markets, etc. that offer space for informal and/or home-based businesses to scale up.
- **Opportunities for Home-Based Businesses.** Identifies residents with informal and/or home-based businesses and assists with accessing business development and resources (e.g. access to capital).

Case Study: Storefront/Building Improvement Programs (Beaverton, OR)

Funding for façade or overall building improvements can be challenging for small businesses but help to increase curb appeal and keep up with critical maintenance. In 2005, the City of Beaverton began offering funding for storefront improvements in a set program area, which became the Building Improvement Program in 2023. This program has distributed nearly $4 million to 200 projects in the city since its initiation with free conceptual design services and cash matching grants to improve the appearance and operation of commercial buildings.

Beaverton's Building Improvement Program includes a 75% match on project expenses for small owner-occupied businesses and 50% for larger businesses or landlords, either for interior or exterior improvements or maintenance. Currently, the program prioritizes businesses with one location (or scaling up to a first brick-and-mortar space), landlords with two or fewer commercial properties, and projects that include climate adaptation, seismic reinforcement, ADA infrastructure, or build relationships with key community stakeholders and potential new partners.

Sources: City of Beaverton,

COMMUNITY BENEFITS IN PUBLIC REALM IMPROVEMENTS

Community engagement and participation is important for involving residents in the planning process to ensure that their needs and concerns are addressed in different types of public investments like:

- **Enhanced Mobility and Connectivity.** Emphasizes strategies for improving walkability, biking, and trolley access to foster a more inclusive and accessible environment for all residents. Creates more safe pedestrian crossings to connect neighborhoods and improve access to schools, parks, and amenities.
- **Public Spaces and Natural Areas.** Meets the need for active and integrated public spaces that facilitate social connections and cultural expression. Encourages the enhancement of parks and natural areas to promote recreation and community well-being.

Key Implementation Considerations

Maintaining conversations and recognizing the results of past engagement processes is critical for avoiding engagement fatigue and unnecessary burden. Intentional methods on specific design and implementation processes can ensure public benefits of new development reflect the wishes and needs of the community. IAP2's spectrum of community engagement[4] provides a framework for different levels of increasing community participation: inform, consult, involve, collaborate, and empower. Clearly communicating the intent and level of engagement can help to continue building trust and set expectations for involvement.

[4] International Association for Public Participation, 'Spectrum of Public Participation,' https://cdn.ymaws.com/www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf.

Do When: Monitoring After Investments Are Complete

Even after major investments and development projects have been completed, it is essential for cities to consider equitable development principles to monitor evolving conditions within the community. By tracking key indicators, jurisdictions can assess whether the benefits of growth and revitalization are being equitably distributed or if an area is showing signs of displacement.

TRACKING METRICS

Cities can develop intentional mechanisms for monitoring real estate market trends, socioeconomic shifts, and the effectiveness of anti-displacement measures. To help adjust strategies as needed to ensure they are effective in preventing displacement, cities can track:

Key Implementation Considerations

Tracking changes in an area is a way for cities to remain accountable with a community. While capacity for frequently tracking a large slate of metrics may not be feasible for City staff, periodic analysis of key indicators like those listed below and regular coordination with partners can provide a picture of how an area is evolving.

- **Evictions and Foreclosures** that indicate the rate of forced property turnovers/displacement.
- **Home Sales and Rent Prices** that can show the range of housing available to people at different income levels in an area.
- **Unregulated and Regulated Affordable Housing Units** that can indicate whether existing housing is still available at accessible price points for different income levels.
- **Demographic Trends** that can show a changing neighborhood composition due to gentrification and displacement.
- **Business Turnover Rates** that can demonstrate commercial displacement.
- **Level of Public Investment** that can show positive trends for new public amenities and infrastructure.

TARGETED INTERVENTIONS

If trends begin to signal potential displacement pressures on long-term residents or the closure of legacy businesses, cities can pursue targeted interventions to slow or stop displacement like:

Key Implementation Considerations

Interventions after displacement begins to occur can often take more resources and funding than proactive measures. Programs like emergency rent and utilities often need to be deployed quickly to mitigate harm in time.

- **Emergency Rent/Utility Support.** Offers low-income tenants at risk of displacement emergency funds to pay rent and utility bills.
- **Tenant Relocation Assistance.** Provides residential or commercial tenants at risk of direct displacement with funds/technical support to find alternative housing that they can afford and meets their needs.

Next Steps

As the City explores exciting new projects in Central Talmadge, it can take steps to mitigate the negative impacts of development on residents and businesses, particularly those who are most vulnerable to physical, economic, and cultural displacement. Pre-emptive actions would be the most effective tools for preventing displacement, including preserving affordable housing, regular

engagement with the community to understand market pressures, and supporting local businesses to ensure that any redevelopment benefits all residents. Moreover, ensuring that public investments create inclusive communities, where both current and future residents can thrive and feel a sense of belonging, is fundamental. Ongoing monitoring of housing affordability, displacement risks, and demographic changes will be important in staying ahead of changes that can be slow to mitigate. By taking these steps, Central Talmadge can progress towards equitable development that honors its diverse heritage and potential.