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March 27, 2020

Bend Urban Renewal Advisory Board
Attn: Matt Stuart, Urban Renewal Manager
City of Bend Economic Development Department
710 NW Wall Street
Bend, OR 97703

Re: Draft Urban Renewal Plan and Implementation Report

Dear Urban Renewal Advisory Board (URAB),

Thank you for all of your time and hard work toward developing the Core Area Project. As you know, the BCD Initiative is building momentum and support for the Bend Central District's (BCD) transformation into a vibrant, healthy, and resilient mixed-use neighborhood with safe connections between east and west Bend. We are pleased to see that the draft Core Area Project Report and draft Implementation Plan propose a suite of tools and actions that will go a long way toward making that vision a reality over the next thirty years.

We acknowledge and appreciate that the Core Area planning process has engaged the public and developed a comprehensive plan that reflects the desires for change we've heard from the community as well. *Note: While we recognize the Core Area encompasses multiple opportunity areas, these comments will focus mainly on the Bend Central District, though they likely apply to other areas too.*

It is no secret that improving an area often leads to rising rents and property values. The URAB has the difficult job of balancing the recommended positive changes to the Core Area with the potential negative impacts to the people who already live and work there (as referenced on page 155 of the draft Implementation Plan). Our research and community outreach indicates that there is cause for concern about the impact this project could have on some of Bend's most vulnerable residents.

The BCD is at risk of losing its identity if the businesses and residents who make the neighborhood special are not able to be an integral part of the implementation of the Core Area Project. To avoid widespread displacement of the vulnerable populations who enrich this area, we recommend incorporating the following equity strategies (discussed at greater length on pages 6-8) into the draft plans:

- 1. Diversify Advisory Committee(s)**
- 2. Identify & Address Equity Gaps**



3. **Baseline and Ongoing Measurements**
4. **Process to Ensure Community Benefit for all TIF Investments**
5. **Help Vulnerable Residents Remain**
6. **Support Existing Small and Local Businesses**

BCD INITIATIVE COMMUNITY OUTREACH RESULTS

In 2017/18, Central Oregon LandWatch staff and volunteers conducted surveys in English and Spanish of 264 people in the Bend Central District through intercepts and pop-ups (Attachment 1). The key takeaways were the need for improved biking, walking, and transit routes, especially across barriers including Third Street, Greenwood, and Highway 97/BNSF Railroad; desire for more community gathering places, placemaking, parks, and public spaces.

When asked “What would encourage you to live in the district if housing were available,” many respondents expressed the need for affordable housing. Affordability – both residential and commercial – has been a theme throughout our outreach.

The projects identified for funding through TIF in the City’s draft Urban Renewal Plan match very well with these community needs, with 52% of the funding allocated for Transportation, Streetscape, & Utility Infrastructure, 18% for Affordable Housing Redevelopment and Development Assistance, and 10% for Open Space, Facilities, Amenities, and Wayfinding.

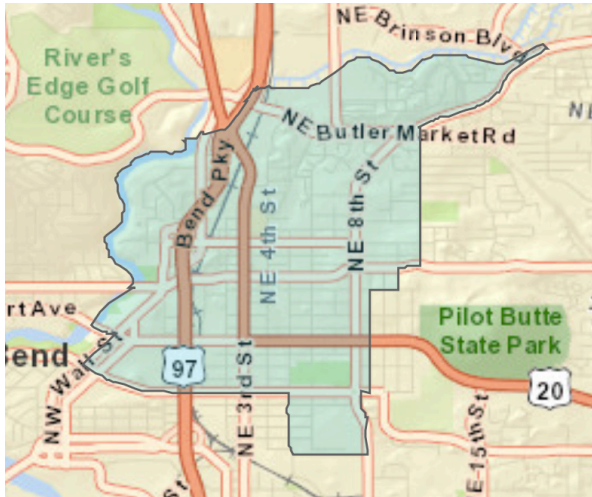
We support the use of TIF for the identified community needs, but recognize concerns about rising rents and the impacts gentrification may have on the existing residents and businesses. We have also heard from the community fears about losing what makes the Bend Central District unique and wonderful. As identified in our Neighborhood Identity Report (Attachment 2), the BCD is a place for Nature and Industry; Diversity; Makers; Connecting; Remaining.

The current draft plan does a good job of providing ways to achieve desired improvements to the area, but it does not contain a clear strategy to address potential negative impacts through the implementation. What follows is an analysis of the existing population and disparities they experience, research from expert resources and other communities, and equity recommendations based on those learnings.

What would make the BCD better?



COMMUNITY IMPACT ANALYSIS



All but the southern tip of the Bend Central District is located within census tract 16, which also encompasses the Midtown neighborhoods to the east of the BCD. Although it is not an exact analogue, it is useful for demographic analysis of the BCD and neighborhoods that would likely be subject to gentrification. This census tract also includes the neighborhood west of Division Street, between Division Street and the Deschutes River.

Racial and Ethnic Characteristics

According to the City of Bend's 2019 Analysis of Impediments to Fair Housing Report (Attachment 3), this census tract is the most racially diverse in the City of Bend, and it has the highest percentage of

racial minority populations (12.6% compared to 6.8% in the City as a whole). Census tract 16's Black or African American population is almost twice that of the city as a whole. The Hispanic and/or Latino population is more than three times the City's population. Additionally, 4.6% of residents identify with two or more race groups, compared with 3% in the City as a whole.

The concentration of racially and ethnically diverse residents is significant for a neighborhood within the City of Bend, which overall has a reputation for being very white and not diverse. The BCD Initiative views this diversity as an asset because part of the vision for the area is to be a place "where people from a variety of socio-economic, cultural, ethnic, and generational backgrounds thrive" (Guiding Principles, Attachment 2). However, these historically disadvantaged populations already experience disparities in economic opportunity and access to decision-making, making them more vulnerable to displacement than their white counterparts.

Economic Characteristics

As of 2017, residents of this area were twice as likely to live in poverty as the rest of Bend. In large part, they have been left behind during the recovery from the Great Recession. While the overall poverty levels decreased for the City of Bend between 2012 and 2017, "the poverty population estimates of census tract 16 doubled in 5 years and lead among the census tracts, with an estimated 1,379 individuals living below poverty level" (Impediments to Fair Housing Report).

Business Owner Characteristics

Although there is no easily available demographic data for business owners in this area, it is worth noting anecdotally that the BCD contains quite a few minority- and/or women-owned businesses. There are four Latinx-owned, Spanish-speaking businesses in the vicinity of the intersection of Third Street and Greenwood alone: Colima Market, Los Panchitos, El Nava, and Wicca (two of which are women-owned). Many of the Makers District businesses are women-owned, including Humm Kombucha, Root Cellar, Fancywork Yarn Shop, Volcano Veggies, and Utilitu Sewing & Design.



Equity Gaps

Housing For All, a regional housing consortium dedicated to supporting the full spectrum of housing for Central Oregon citizens and communities, completed a Regional Housing Needs Assessment in 2019 (Attachment 5). The Assessment found that across Central Oregon, “black homeowner and renter households have disproportionate rates of housing problems, as do Latino renters.” The analysis defines ‘housing problems’ as cost burden, severe cost burden, overcrowding, severe overcrowding, and lacking complete facilities. The share of Black households estimated to have housing needs in the Central Oregon region is 77.5%, with 46.1% of Hispanic households, and 37% of white households estimated to have housing needs region-wide.

Census Tract 16 also has lower homeownership rates than the rest of the City. About half as many residents own their homes compared with the rest of Bend. This census tract and one other (Census Tract 15) are the only two parts of Bend that have more rental occupied units than owner occupied units. This may, in part, be due to the types of housing found in Census Tract 16, which has significantly more developments that consist of two or more housing units (i.e. multifamily housing) compared to the rest of Bend. These housing types (i.e. apartments) are more likely to be a place for renters.

In general, people who rent are more vulnerable to be displaced when gentrification occurs due to rising rents. Still, apartments and rental properties are an important part of the housing stock because the barriers to home ownership are so great – especially for low-income people and/or people of color who have historically been discriminated against in housing which contributes to below average accumulation of generational wealth that could be invested in home ownership

Urban Renewal, Gentrification, and Displacement

Urban renewal has a dark and nefarious history due to devastating impacts its use has had on poor communities and communities of color in cities across the United States since the 1950s. For example, it is well-documented that urban renewal efforts in Portland, OR targeted historically black neighborhoods, leading 25% of the City’s African American population to be pushed out of Portland entirely since 1990 (National Community Reinvestment Coalition).

Although widespread displacement is rightfully no longer an acceptable consequence of urban planning efforts, including urban renewal, indirect displacement caused by gentrification often leads to similar undesirable outcomes. While direct displacement occurs through either eminent domain or involuntary tenant relocation, including eviction, indirect displacement occurs when property values lead to higher rents, higher property taxes, and increased desirability leads to greater demand for property in the neighborhood.

Gentrification is a contentious term, but the popular definition assumes residents and business owners, especially those who are low-income and/or belong to communities of color, are forced to leave their community by rising rents, prices, and a loss of culture. Although the two words are often conflated, gentrification is not a synonym for displacement. A more narrow definition of gentrification allows for the possibility to improve a neighborhood without displacement: “when lower-income neighborhoods receive massive levels of new investment, adding amenities, raising



home values and bringing in new upper-income residents” (National Community Reinvestment Coalition).

Indirect displacement is often a result of gentrification. This is the phenomenon that in large part creates such antipathy toward gentrification and sometimes automatic distrust of neighborhood change. A study of more than 1,000 neighborhoods in 935 cities and towns where gentrification occurred between 2000 and 2013 by the National Community Reinvestment Coalition found displacement occurred in “just 22 percent of the neighborhoods that experienced an influx of new people and new money in the time period studied. The rest did not show displacement” (The Washington Post).

The results of gentrification and displacement can be devastating for entire communities. Causa Justa’s health impact analysis covers individual, family, and community-level health impacts of gentrification and displacement based on literature review, resident stories, and original data analysis (Attachment 9). This is a summary of their findings:

“We found that longtime residents in gentrifying neighborhoods face financial distress, loss of community services and institutions, and overcrowded and substandard housing conditions; while displaced residents experience relocation costs, longer commutes, disruptions to health care, fragmentation of community support networks, and direct impacts on mental and psychological wellbeing. Finally, gentrification and displacement may harm our cities and society as a whole – by exacerbating segregation, increasing social and health inequities, and contributing to increased rates of chronic and infectious disease.”

One of the key takeaways from the BCD Initiative’s community outreach has been the importance of supporting existing residents and local businesses – especially those who belong to historically marginalized or disadvantaged populations. The BCD Visionary Board adopted as one of its guiding principles, “Equity: Begin to repair historical inequities by supporting development, policies, and programs that elevate the needs of marginalized communities in this area with a specific focus on the Latinx community, the houseless, and the indigenous communities.”

It would be a terrible shame to look back thirty years from now and realize that Bend has repeated the mistakes of so many other cities. The City of Bend does not want to destabilize working class people and their networks who positively contribute to Bend’s growing economic, cultural, and racial diversity.

EQUITY STRATEGIES FOR CORE AREA

It is clear that the Bend Central District and Midtown neighborhoods to the east of it are at high risk of business and residential displacement as new investments are made in the Core Area. Many of these business owners and residents already experience significant equity gaps compared with the City of Bend as a whole. It is also possible that these residents and businesses could benefit from the improvements, but only with intentional policies and planning.



“Embed[ding] a commitment to diversity, equity and inclusion (DEI) within the City of Bend” is a part of the Bend City Council 2019-21 Goals. Central Oregon LandWatch supports the City of Bend’s goals. The Core Area Urban Renewal Plan and Implementation Report should include explicit equity goals and strategies to help close the equity gaps identified above.

We call upon the URAB and City to form deep partnerships with the community and explore new models of urban revitalization in which the existing residents share in the wealth-building as the neighborhood becomes more desirable. Our six proposed equity strategies are based on policy research and learnings from other communities, and are intended to improve the draft plan:

1. Diversify Advisory Committee(s)

Action 6.1 to form an advisory committee for the implementation of the Urban Renewal/TIF Plan is a good first step toward including the existing community in decisions being made about their future. However, the requirement that committee members should “have the experience, education, and expertise necessary to make informed subject matter decisions” could be a barrier for participation for the populations whose engagement is most needed.

This requirement should be expanded to include “lived experience as a member of a historically marginalized community or community at risk of displacement” as one of the criteria. There should also be a requirement that the committee has several members who represent culturally-specific community-based organizations and organizations that represent affected populations (such as Latino Community Association, Council on Aging, etc.).

It is now becoming best practice to provide compensation to participants representing underserved and/or historically marginalized communities. This acknowledges the benefit received by their participation and the burden it places on them to participate.

2. Identify and Address Equity Gaps

The Core Area Report Existing Conditions section says there are more residents from communities of color in this area than the rest of the City. It should also include details from the Regional Housing Needs analysis and other available data about disparities in wealth, home ownership rates, business ownership, and access to capital for communities of color and other marginalized communities with the intention to work toward closing those gaps.

3. Baseline & Ongoing Measurements

Once equity gaps are identified, there should be a set of community health metrics against which progress is measured under the Evaluation and Monitoring section of the Implementation Plan. The City should develop a method for tracking, monitoring, and evaluating resident and business displacement and equity outcomes over the life of the urban renewal area.

This can include creating an inventory for all housing units, identifying the type, risk category of displacement, and income level served. A similar inventory for businesses, including ownership information, job types and wages could be created.



These metrics should be used on a regular basis to inform decision makers and the community about the level of displacement taking place and whether it is disproportionately impacting certain communities.

4. Process to Ensure Community Benefit for all TIF Investments

Create a process for making TIF investments that includes a set of steps and criteria for using TIF funds within each of the project categories to help direct resources to residents and businesses at risk of displacement. The process should include a negotiation with a community group that has the ability to represent the people who would be impacted by any expenditure of TIF funds. The criteria for prioritizing investments may be different for each of the project categories, but should be targeted toward helping projects meet certain standards to ensure community benefit.

5. Help Vulnerable Residents Remain

First, the City should implement baseline protections to prevent displacement of existing vulnerable residents (strategies and policy tools to do this can be found starting on page 60 of Attachment 9).

TIF funds should be used not just to develop new affordable housing, but also to preserve existing naturally-occurring affordable housing stock in adjacent neighborhoods. For any developments using TIF (perhaps with limited exceptions for the first several “pioneer” developments), there should be affordability requirements that are based on local neighborhood income needs. When new affordable housing is built, longtime, low-income residents should be prioritized for eligibility.

The City should implement a “No Net Loss” policy that requires any affordable or naturally occurring affordable housing units lost to redevelopment to be replaced.

Some of these concepts are already considered in Action 6.3, and the Report acknowledges the city does not currently have any housing stability programs, but can partner with organizations that provide those services.

6. Support Existing Small and Local Businesses

Action 6.2 to develop a business improvement program states the program “should provide assistance to businesses of all sizes, in the broadest range of industries, and support business prosperity regardless of whether or not the business owns or rents its [building].” This focus should be narrowed to prioritize locally-owned, women-owned, and minority-owned businesses, as well as businesses and non-profit organizations that provide a product or service that is beneficial to a historically underserved population and commit to tangible and sustainable economic benefits for underserved populations.

Some other examples of strategies to support existing businesses are: providing technical assistance for businesses to buy their property, incentives for tenant improvements, organizing co-ops to buy spaces with multiple tenants, and affordable commercial tenancing programs.



CONCLUSION

The Core Area Project Report and draft Implementation Plan will result in many positive and necessary improvements to the Bend Central District and the rest of the Core Area. These improvements will lead to increased property values, and without a clear strategy, could lead to displacement of Bend's most vulnerable residents and local businesses. It is important to learn from the past as we are planning for the future, and that is why we propose the above equity analysis and anti-displacement measures to improve the plan for the long-term health and prosperity of the City as a whole.

KEY FINDINGS & BEST PRACTICES

Based on research and interviews, we would like to share some relevant findings that guided development of the recommended displacement strategies:

- Cities and development agencies should recognize market forces that cause displacement call for “creative responses from city officials and CDCs [Community Development Corporations,] first to ensure that lower-income tenants and homeowners are not harmed by change; and second to foster the creation of stable socially and economically integrated communities” (Mallach).
- Policies should “empower local residents and communities with rights, protections, and a voice in determining the development of their own neighborhoods,” and include regulations that maximize benefits for existing residents (Causa Justa).
- In anticipation of change, stabilize existing communities through community wealth building strategies that encourage broad-based local ownership. Examples from “Strategies to Prevent Displacement of Residents and Businesses in Pittsburgh’s Hill District.”
 - provide tenants with ownership interest to preserve naturally occurring affordable rental housing;
 - grants for owner-occupied home rehabilitation,
 - equity protection for homeowners with property tax or mortgage delinquencies,
 - inclusionary business development,
 - public benefit criteria for new development, and
 - giving priority community groups and service organizations to acquire vacant and publicly-owned property when it is for sale.
- Public agencies must measure the success of development in terms that go beyond economic activity to capture community well-being, including the social, cultural, and health dimensions of prosperity (Causa Justa).
- You cannot know what you are losing if you don’t know what you have. Public agencies must take baseline measurements of the priority development area, then track these indicators to evaluate equity outcomes. In exchange for receipt of TIF funds, recipients must meet specific equity-focused performance measures (Metropolitan Area Planning Council).



- From interviews with current and former Prosper Portland staff members, we heard decision-making needs to include the people who will be most impacted. This means intentionally creating committees with representation from racial and socio-economically disadvantaged populations and partnerships with community groups who have the ability that represent the neighborhood in community benefit agreement negotiations.
- A “No Net Loss” policy requires any affordable or naturally occurring affordable housing units lost to redevelopment to be replaced. Portland’s No Net Loss policy requires a strategy to preserve, rehabilitate, and/or replace housing that is affordable to households at or below 60% AMI (Portland City Council).
- Use criteria to target investment of TIF Funds to those who need them most. From Portland’s draft Broadway Corridor Working Planning Tool, criteria call for “being intentional about who benefits from the opportunities created; assessing and mitigating potential impacts/burdens; ensuring a diversity of communities influence decisions from planning through development and programming; and, strengthening partnerships required to advance the vision.”
- Another example is criteria used for prioritizing TIF investments in Portland’s North/Northeast Community Development Initiative Action Plan: “Prioritize property and business owners who experience economic barriers to business and property ownership, are people of color, provide a product or service that is beneficial to a historically underserved population; or commit to tangible and sustainable economic benefits for underserved populations.”
- Different cultures have different priorities and needs in how economic development takes place. The choices made, which range from the colors of the buildings, language on signage, who or what is recognized through art or symbolism to the types of services provided reflect the culture or cultures of the people who participated in the decision-making. This can have the effect of either alienating or including different populations.



ATTACHMENTS/LINKS

1. BCD Initiative Survey Reports
2. BCD Initiative Neighborhood Identity Report
3. “Analysis of Impediments to Fair Housing.” City of Bend, May 2019.
4. “Honor Native Land: a Guide and Call to Acknowledgement.” *U.S. Department of Arts and Culture*.
5. “Central Oregon Regional Housing Needs Assessment.” *Housing For All Regional Housing Consortium and Mosaic Community Planning, LLC*, May 2019.
6. “Portland, Oregon: Displacement By Design.” *National Community Reinvestment Coalition*, 19 Mar. 2019, <https://ncrc.org/gentrification-portlandor/>.
7. “Yes, You Can Gentrify a Neighborhood without Pushing out Poor People.” *Washington Post*, 8 Apr. 2019, <https://www.washingtonpost.com/outlook/2019/04/08/yes-you-can-gentrify-neighborhood-without-pushing-out-poor-people/>.
8. “Study: Gentrification And Cultural Displacement Most Intense In America’s Largest Cities, And Absent From Many Others.” *National Community Reinvestment Coalition*, 19 Mar. 2019, <https://ncrc.org/gentrification/>.
9. “Development without Displacement: Resisting Gentrification in the Bay Area.” *Causa Justa :: Just Cause*.
10. “Managing Neighborhood Change: A Framework for Sustainable and Equitable Revitalization: A Framework for Sustainable and Equitable Revitalization.” *Mallach, Alan for the National Housing Institute*, 2008.
11. “Strategies to Prevent Displacement of Residents and Businesses in Pittsburgh’s Hill District.” *Damewood, Robert; Young-Laing, Bonnie*, 2011.
12. “Managing Neighborhood Change: Selected Anti-Displacement Strategies in Practice.” *Metropolitan Area Planning Council*, Oct. 2011.
13. “Portland No Net Loss Policy Council Resolution 36021.” *Portland City Council*, 29 Aug. 2001.
14. “Working Planning Tool: Guiding Principles, Project Goals, and Evaluation Criteria (Draft).” *Broadway Corridor Steering Committee*, Nov. 2017.
15. “North/Northeast Community Development Initiative Action Plan.” *Prosper Portland*, Jan. 2017.
16. “The Changing Face of Main Street.” López, Monique G., *Oregon Planners' Journal*, 4–9, 2012.

