

Infrastructure Investments & Displacement Mitigation

Problem Frame:

CapMetro’s Project Connect calls for long needed investment in transit infrastructure throughout Austin. Transit investments have the potential to lower transportation costs for residents by offering a viable alternative to car travel. The full community benefit of transit infrastructure investments cannot be realized without considering the potential displacement effects for lower income residents. **For community members to receive a net benefit from transit investments, they must have other costs like housing, child care, and food remain constant or decrease.**

ALICE HOUSEHOLD SURVIVAL BUDGET

	Single Adult	Married Couple	1 Adult, 1 School-Age Child	1 Adult, 1 Infant	2 Adult, 2 School-Age Children	2 Adults, 1 Infant, 1 Preschooler
Housing	\$740	\$902	\$902	\$902	\$1,126	\$1,126
Child Care	\$-	\$-	\$223	\$720	\$446	\$1,377
Food	\$158	\$360	\$299	\$250	\$602	\$525
Transportation	\$322	\$403	\$403	\$403	\$644	\$644
Health Care	\$196	\$392	\$461	\$345	\$726	\$726
Miscellaneous	\$172	\$246	\$256	\$315	\$386	\$498
Technology	\$55	\$75	\$55	\$55	\$75	\$75
Taxes	\$244	\$333	\$218	\$355	\$243	\$503
Monthly Total	\$1,887	\$2,711	\$2,817	\$3,345	\$4,248	\$5,474
Annual Total	\$22,644	\$32,532	\$33,804	\$40,140	\$50,976	\$65,688
Hourly Wage	\$11.32	\$16.27	\$16.90	\$20.07	\$25.49	\$32.84

Magnitude of the Problem:

Each neighborhood in proximity to a transit investment stands at risk of experiencing a **net negative resulting in displacement**. The research on transit investments shows that transit investments are complicated by **increases to rent ranging from 42 to 150%, property value of up to 90% (with associated homeowner tax burden increases), and rises in food and childcare costs**. Along each transit line, cost burdened renters and homeowners are vulnerable to displacement. Businesses that cater to low-income customers risk being replaced, threatening access to cost accessible basic needs and services for residents within their neighborhoods, and the loss of culturally relevant spaces and places for residents.

Households Vulnerable to Displacement- Orange Line (Pre-COVID)	
Cost Burdened Households (> 30% of Income to Housing)	17,120
Cost Burdened Renters (30% - 50% of Income to Housing)	7,325
Severely Cost Burdened Renters (> 50% of Income to Housing)	7,470
Cost Burdened Homeowners	2,895
Severely Cost Burdened Homeowners	1,183

Displacement Mitigation Strategy for Transit Investments

A strategy for displacement mitigation around transit investments must take into account **neighborhood nuance, timing, and the leverage** of any **intervention** (program, service, or investment) to effectively mitigate displacement. These three elements make up a framework that can be used to evaluate the field of wide ranging interventions, ongoing or new, that include anything from job training programs, grant programs for tenant organizing, or affordable multi-family development.

In order to match potential interventions to neighborhoods, we must understand whether interventions are **preventative or responsive (timing)** in nature, and what level of leverage each intervention brings to the table. **Leverage** can be assessed by an intervention's score across various types of factors: those that contribute to its suitability to ensure effectiveness to mitigate displacement, and those that account for operational considerations.

Our Baseline: Ongoing Affordability Efforts

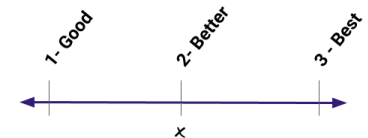
- ✓ 54 programs around childcare, housing, transportation, workforce development, small business, HHS, food, utilities
- ✓ 2018 Bonds (Aff. housing, HHS, transportation, etc.)
- ✓ 2016 Mobility Bonds + contact with the voters



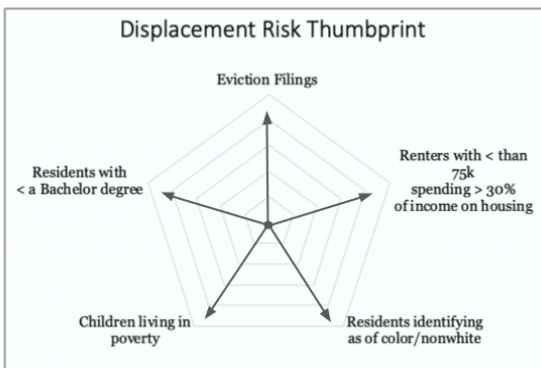
Leverage

Factors

- Cost
- Reach
- Frequency
- Duration of Impact
- Immediacy of Impact
- Feasibility
- Funding scalability
- Negative halo effect



Neighborhood Nuance - Vulnerability



- The **Displacement Risk Thumbprint** shows a neighborhood's vulnerability to displacement based on the five most relevant variables to displacement
- These variables have the strongest predictability relationship to displacement
- Vulnerability increases with distance from the center of the chart
- Shocks of interest per neighborhood will also be included.

Once an analysis of timing and leverage is completed, interventions can be matched to each neighborhood based on neighborhood specific dynamics. Interventions could also rise to be a city-wide strategy. **In this way, a package of strategies for the City can include neighborhood specific and city-wide interventions calibrated to support maximum community benefit from transit investments.**