



Strategies for Addressing Potential Residential Displacement Due to Transit-Oriented Development

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Key Findings

This analysis demonstrates several important findings regarding residential displacement, as cited in the research:

- New housing near transit stations and new walking-biking infrastructure are not primary causes of residential displacement.
- Building homes for all income levels is necessary for combatting displacement due to decades of underproduction in the Bay Area.
- Building new high-density housing that includes deed-restricted affordable units is necessary for combatting involuntary and exclusionary displacement.
- BART has multiple existing policies and practices for housing production, preservation of existing housing stock, and tenant protections that, taken together, form an effective strategy for addressing displacement.

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1. Introduction

This analysis presents the most current research on residential displacement and BART's strategy for addressing potential future displacement that could be linked to its transit-oriented development (TOD) program activities. These include BART-led efforts, such as development on BART-owned land and its associated transit and station access investments, as well as access and development changes in the station area that could be catalyzed by BART's TOD projects. Findings presented in this analysis address the five Bay Area counties served by BART, a region that has experienced sustained periods of new jobs outnumbering housing production. For example, nearly five jobs were created for every unit of housing constructed in the Bay Area from 2010 through 2019, which is well above the recommended 1.5 ratio.¹

There is a well-established housing and affordability crisis in the Bay Area, stemming from decades of housing production not keeping up with population growth. As BART, like other transit agencies in the country, faces significant fiscal challenges, development around transit stations becomes a more important long-term ridership and revenue strategy. Taken together, these factors elevate the importance of assessing the policies in place to prevent residential displacement associated with BART's TOD efforts.

This effort to address potential residential displacement interfaces with BART- and state-initiated policies. First, BART has adopted multiple policies and programs to preserve, protect, and produce affordable housing over time. Although adopted independently, these policies and programs, taken as a whole, comprise a significant approach for addressing displacement around BART stations. Second, Section 29010.8 of California's Public Utility Code, also known as Assembly Bill 2923 (2018), requires BART to prepare a strategy to avoid, to the extent possible, having the District's TOD projects cause residential displacement. Specifically, the legislation requires that this strategy identify how the District's TOD projects will prevent or minimize the loss of affordable housing units and direct displacement of tenants, as well as increase affordable housing options and incentivize tenant protections in areas near BART's TOD projects where there is potential for indirect residential displacement.

2. Residential Displacement Research Results

2.1 Defining Residential Displacement

Displacement is broadly characterized as households having to involuntarily leave their current place of residence due to circumstances beyond their control.² The academic literature on this phenomenon shows that there are many reasons why people leave their existing homes and neighborhoods, but involuntary displacement entered academic research in the late 1970s as part of the broader discussion of urban decline and urban renewal when people were pushed out of their neighborhoods primarily due to deteriorating housing conditions where landlords were letting buildings deteriorate to the point of uninhabitability. In contrast, displacement in the Bay Area since 1995 has more commonly been associated with high

¹ Vital Signs for Jobs, Housing Production, and Rents in the San Francisco Bay Area, Metropolitan Transportation Commission, accessed on February 13, 2025 at <https://vitalsigns.mtc.ca.gov/>

² Grier, G, and Grier, EE. 1978. *Urban Displacement: A Reconnaissance*. Washington, D.C.: U.S. Department of Housing and Urban Development.

housing costs rather than poor housing conditions. Particularly since 2010, there has been sustained real estate market interest in Bay Area cities with urban amenities and jobs leading to increased residential rents and selling prices. As a result, displacement is now commonly associated with gentrification, which is generally defined as areas where new households moving in have certain demographic characteristics which are different from those of existing residents. Typically, this is characterized by higher income White people moving into neighborhoods that are or have been predominately occupied by low to moderate income minorities. Although displacement can occur in neighborhoods that are also experiencing gentrification, gentrification itself does not necessarily cause displacement.³

Both displacement and gentrification are very challenging to measure and study for several reasons. First, the data available to measure racial and household income changes in neighborhoods do not account for the reasons why people might move into or out of any given place. As a result, it becomes very difficult to quantify the direct causal relationships among the many factors that may motivate a household to move out of a housing unit, and which of these could be characterized as “involuntary.” Available data does not always reflect the lived experiences of existing neighborhood residents where displacement and/or gentrification may be occurring. Individuals may witness neighbors, friends, and family members feeling forced to move away from or unable to return to a neighborhood for many reasons, of which cost is one. But erosion of established community and social networks may be enough to make existing residents want to exit a neighborhood. So, while data may show that overall displacement rates in a neighborhood are relatively low, the impact may be extremely high based on an individual’s own lived experience.

This analysis focuses on three categories of involuntary displacement, as described below. They were selected to show the relationship between BART’s potential contributions to both causing and/or addressing these different types of displacement.

- **Direct displacement**, when tenants must move due to BART-related property acquisition. An unlikely scenario in the foreseeable future is one in which BART acquires existing, occupied housing to demolish so that land occupied by these housing units could be used for a different, transit-related function.
- **Indirect displacement**, when tenants must move due to a wide range of evolving regional economic conditions, events, or activities. Examples include increasing rent or living costs, job loss or economic restructuring, loss of a sense of community or belonging, new public and/or private investment, natural disasters, deteriorating housing conditions, public policy decisions, and so on. BART’s potential relationship to indirect displacement is discussed further below.
- **Exclusionary displacement**, when low- or moderate-income households move out of a neighborhood for any reason, including on a voluntary basis, but households with similar income levels cannot move into that same neighborhood because of high housing costs.⁴

Indirect and exclusionary displacement can both be part of the same ongoing neighborhood dynamic whereby existing residents feel some kind of “push” to leave and home-seekers feel excluded because they cannot afford to move in. Research related to displacement emphasizes the reality that people are constantly moving into and out of neighborhoods for many reasons and it is nearly impossible to find out when individual households have moved involuntarily. The kind of

³ Carlson, H. Jacob, 2020. Measuring Displacement: Assessing Proxies for Involuntary Residential Mobility. *City & Community* 19:3 September 2020.

⁴ IBID

neighborhood-level change typically associated with displacement and gentrification is mostly only discernable after a neighborhood has reached a tipping point and the income and racial composition of its residents are clearly significantly different from past points in time.⁵

2.2 Transportation Infrastructure Investment and Housing Development Impacts

While there is clear evidence that proximity to transit increases property values, which may result in higher housing costs, research shows that new or improved transit services tend to have a minimal effect on the rate of indirect displacement. Recent research focused on the Bay Area found that low-income households move out of neighborhoods at a slightly higher rate than they move into these same neighborhoods when transit service improves, an indicator of indirect displacement. However, the differences are typically less than a percentage point, suggesting that new or improved transit service are not major causes of residential displacement.⁶ The same study also found that active transportation projects, such as new bikeways or improved sidewalks, have little effect on indirect displacement. The effect of new transit, transit service, improvements, or active transportation projects on exclusionary displacement has not yet been studied.

Research also shows that when new high density market rate housing is built in a neighborhood, the rates at which low-income households move out of the same neighborhood are 0.5 to 2 percent above the normal expected outmigration rate. However, because outmigration rates equate to a relatively small number of households, adding new deed-restricted affordable housing to the neighborhood in conjunction with new market rate housing can fully offset the exclusionary displacement caused by the new development.⁷ In other words, while some low-income households may leave the area, new households at the same income level can move in. Thus, deed-restricted affordable housing as part of new market rate housing helps maintain an area's income mix by mitigating exclusionary displacement.

While these findings may seem to suggest that limiting new market rate housing construction might be a valid way to slow or stop displacement, it is not the case for two reasons. First, new housing construction offers the opportunity to build affordable homes on-site or to fund their construction elsewhere with in-lieu fees. While requirements for on-site or in-lieu fees vary and depend on housing policies adopted by local jurisdictions and BART, the number of affordable units can often be sufficient to more than offset any displacement associated with the new development project.⁸ Second, supply constraints lead to higher costs for existing housing. For example, the Bay Area experienced a 24 percent increase in median rents, when adjusted for inflation, between 2010 and 2019 due in part to a job-housing production ratio of almost five to one.⁹ New market rate housing has been shown to reduce rent in housing markets by increasing supply. Without new construction, housing

⁵ Grier, G, and Grier, EE. 1978. *Urban Displacement: A Reconnaissance*. Washington, D.C.: U.S. Department of Housing and Urban Development.

⁶ Chapple, et. al. IGS Research Brief. Examining the Unintended Effects of Climate Change Mitigation: a New Tool to Predict Investment Related Displacement. IGS, 2022

⁷ Hwang Jackelyn, Zhang Iris, Jeon Jae Sik, Chapple Karen, Greenberg Julia, Kumar Vasudha. Affordable for Whom How New Subsidized Housing Production Affects Displacement and Replacement in the San Francisco Bay Area. Institute for Governmental Studies, University of California Berkeley. Research Brief. March 2022.

⁸ Seifel Consulting. Supplemental Analysis of 469 Stevenson Street Regarding Potential Gentrification and Displacement Impacts. Prepare for San Francisco Planning Department, October 2022.

⁹ Vital Signs for Jobs, Housing Production, and Rents in the San Francisco Bay Area, Metropolitan Transportation Commission, accessed on February 13, 2025 at <https://vitalsigns.mtc.ca.gov/>

supply continues to become more constrained, pushing up housing costs for existing inventory that result in indirect and exclusionary displacement.¹⁰

3. BART's Existing Housing Related Policies and Performance

Concern about the lack of affordable housing supply in the Bay Area, and many other regions around the country, has led to a framework for addressing this crisis using a three-pronged approach that relies on the following:

- **Protection** for current residents to avoid or limit displacement using various public policies and programs.
- **Preservation** of existing low-priced housing that is affordable for lower- and middle-income residents through purchase, deed restriction and/or other policy interventions.
- **Production** of new housing at all income levels, especially affordable housing.

This framework, known as the “3Ps,” has been widely adopted in the Bay Area and nationally to describe the tools and strategies commonly used to offset or prevent displacement. Sample tools for each category are shown in Table 1.

Table 1: Sample Tools to Address Residential Displacement by Category

Sample Tools	Protection	Preservation	Production
Affordable housing funding and/or subsidies			X
Community or public land trusts		X	X
Condominium and mobile home conversion restrictions		X	
Development approval streamlining/ ministerial approval			X
Fair housing enforcement	X		
Foreclosure and rental assistance	X		
Just cause eviction rules	X		
Legal assistance and/or resources for tenants	X		
No net loss of affordable housing and/or right of return	X		
Protections for tenants from landlord harassment	X		
Purchase and preserve existing unsubsidized affordable housing		X	
Rent control/stabilization	X		
Tenant relocation/compensation assistance	X	X	
Tenant/community right of first refusal to purchase		X	
Zoning overlays (affordable housing, density, etc.)			X

¹⁰ Chapple, Karen, Jackelyn Hwang, Jae Sik Jeon, Iris Zhang, Julia Greenberg, and Bina P. Shrimali. Working paper. Housing Market Interventions and Residential Mobility in the San Francisco Bay Area. Federal Reserve Bank of San Francisco, March 2022.

Many of the tools included in Table 1 are primarily within the purview of local governments or community-based organizations to implement. Nonetheless, BART has also adopted housing-related policies and practices, primarily as they apply to its TOD program, that address the 3Ps. For example, BART's TOD Program Work Plan, which was updated most recently in 2024, identifies where the District will invest time and resources in the next ten years on joint development projects, includes locally adopted housing policies and practices as prioritization criteria for each category of protection, preservation, and production. Another example is BART's TOD Policy Performance Measures and Targets, adopted by BART's Board of Directors in 2016, which identifies no net loss of low-income households as a station area goal. More information found at www.bart.gov/tod.

BART has the greatest opportunity to address residential displacement through its TOD joint development projects (TOD projects) by producing new housing that must include affordable units. These projects are built by experienced developers on BART-owned or operated station area land (BART land). Additionally, BART's TOD projects often serve as a catalyst for development on non-BART land near the stations, which often leads to more housing production.

3.1 TOD Projects on BART Land

Building new housing on BART property has the potential to ease the region's overall housing shortage and therefore reduce some of the economic pressures that contribute to displacement. To ensure that BART is optimizing this housing contribution, BART's 2016 TOD Policy Performance Measures and Targets establish a minimum net density threshold of 75 dwelling units per acre for all housing projects built on BART property and target building 20,000 homes by 2040, of which 7,000 (35 percent) would be affordable.¹¹

The District's [Affordable Housing Policy](#), also adopted in 2016, requires that a minimum of 20 percent of the total housing in each TOD built on BART land be affordable. This Policy states a preference that these units should be targeted to very low- and low-income households (below 50 percent and 51 to 80 percent of the area median income, respectively). Because of the systemwide goal to make 35 percent of the total housing units built on BART land affordable, some of these housing projects will need to exceed the minimum 20 percent affordability target set for individual development projects. To incentivize such projects, BART's [TOD Policy](#) was amended in 2020 to provide discounts of up to 60 percent on its ground lease rates to projects that include at least 35 percent very low- and low-income affordable units for mid-rise buildings. The minimum share of affordable units for high-rise buildings is slightly lower at 30 percent because these buildings are more expensive to construct but are desirable because they can deliver a greater number of units per building than mid-rise structures.

This two-pronged approach for BART land, to increase housing production and include affordable housing on-site, suggests that BART's TOD projects will likely offset any indirect or exclusionary displacement associated with their implementation.

3.2 TOD Projects Not on BART Land

BART also partners with developers and local jurisdictions to increase affordable housing production on non-BART land near its station areas. For example, BART works with non-profit developers to apply for California's Affordable Housing and

¹¹ Policy goals A3, C1, and F1, respectively.

Sustainable Communities program every grant cycle. BART's participation in cycles one through six has resulted in over 2,100 affordable housing units being built or planned near BART stations.¹²

4. Coordination with Other Regional Transit Investment Policies

BART's strategies, along with the District's other existing policies related to housing affordability, are complemented by, and will work in conjunction with, similar policies adopted by two other regional transportation-related initiatives. These include the Metropolitan Transportation Commission's (MTC) Transit Oriented Communities Policy and the Link21 Anti-Displacement Toolkit. Both are described below.

4.1 MTC Transit-Oriented Communities (TOC) Policy

MTC adopted its [Transit Oriented Communities \(TOC\) Policy](#) in 2022 to support regional transit investments by encouraging transit supportive land uses within the half-mile area around existing and planned stations or stops. The policy applies to fixed guideway transit lines including regional rail, commuter rail, light rail, bus rapid transit, and ferries. Jurisdictions with TOC areas who wish to maximize their competitiveness for the next One Bay Area Grant (OBAG) funding cycle need to have TOC areas deemed compliant prior to OBAG 4, expected in 2026. [Final guidance](#) for compliance with the TOC Policy, including details about the documentation requirements and verification process, was released September 2024.

TOC Policy requirements include four elements: 1) required minimum densities for both residential and commercial office projects; 2) local policies focused on affordable housing production, affordable housing preservation, anti-displacement protections, and commercial stabilization; 3) parking management; and 4) transit station access and circulation.

BART used the status (as of September 2023) of city and county alignment with the second element of MTC's TOC Policy (affordable housing production, preservation and anti-displacement protections) as prioritization criteria for the *BART Transit-Oriented Development Program Work Plan: 2024 Update*. Most resources related to BART's TOD program, like the work plan, can be found at www.bart.gov/tod or its subpages.

4.2 Link21

Link21 is a program of transit projects aimed at creating better connectivity between BART and other regional rail services to create a strong transit network throughout northern California. For the Bay Area, this could represent the most significant transit expansion investment since the BART system was built. Although Link21 is still in its early planning stages, it is being planned around principals that include creating better access to quality jobs and affordable housing, especially for low-income minorities who have often been disproportionately burdened by negative impacts related to major transportation investments.

¹² *California's Affordable Housing & Sustainable Communities Program: AHSC Impact Report, Rounds 1 to 6*, California Housing Partnership and Enterprise, November 2022, found at <https://chpc.net/wp-content/uploads/2022/11/AHSC-R6-Full-Report-2022-Final-Draft.pdf>

Recognizing that land use investment and speculation associated with new transit investments often occur well in advance of actual construction, the Link21 Program will include a toolkit of anti-displacement strategies and a process for evaluating the potential displacement risks associated with future Link21 investments. Over time, representatives from the Link21 Program expect to work with individual communities to identify and implement anti-displacement strategies that would best address specific local displacement risks based on a combination of existing trends and conditions as well as the level of anticipated new rail investment associated with Link21.

Because some Link21 investments could involve existing or new BART stations with developable land, this toolkit approach could help to significantly bolster BART's affordable housing goals and priorities. More information can be found at <https://link21program.org/en>.

5. BART's Strategies to Address Residential Displacement

BART will continue to employ the following five strategies to prevent residential displacement. BART will further update and expand these strategies as needed based on changing housing market conditions in the Bay Area.

Strategy 1: BART's affordable housing policy

BART's affordable housing policy includes a minimum 20 percent requirement for new housing projects built on the District's property. When paired with the goal to create a total of 35 percent affordable housing units across all BART owned property, this ensures that BART will continue to do its share as an agency to address the region's housing crisis.

Strategy 2: BART's no-net loss policy for low-income households

This policy's goal is to ensure that BART's TOD projects will not result in a net loss of low-income households on its TOD sites.

Strategy 3: Use local jurisdictions' affordable housing policies as criteria in establishing BART's TOD Program Work Plan priorities

BART staff will continue to use locally adopted affordable housing policies as criteria for prioritizing joint development projects. Alignment with regional initiatives, such as MTC's affordable housing policies and programs as identified in their TOC policy, will be utilized when updating BART's TOD Program Work Plan.

Strategy 4: Proactively participate in and monitor local and state legislative regulatory and policy updates and funding opportunities to support BART's TOD production on an ongoing basis

BART staff engages in local, regional, state, and federal legislative, regulatory, and funding processes to advance mixed-income TOD.

Strategy 5: Periodically review BART's existing housing related policies and practices to ensure they are adequately addressing BART's ability to contribute to the region's affordable housing supply

The suite of housing related policies BART has already adopted is responsive to and well within the District's legislative authority. They respond appropriately to the region's ongoing housing crisis. However, future legislative changes and/or shifts in market conditions could necessitate either amending these policies or adopting new policies to reflect the changing circumstances.

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