
Gentrification and Development in Tucson

A glossary of terms to explain forces behind gentrification, displacement, and development



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What is gentrification?

Gentrification is a form of neighborhood change driven by historic disinvestment in limited-income neighborhoods and communities of color *and* new investment that is radically reshaping the economic, racial, and cultural dynamics of those same communities.

As new investment floods into historically disinvested communities, long-time residents are frequently being **pushed out**, which can have consequences for children, families, and entire communities. For youth, displacement to far-flung reaches of a city can interrupt school attendance patterns and access to health care providers; for adults, these moves can interfere with access to jobs, social supports, and other daily necessities. At the community level, these forces change the cultural, economic, political, and demographic makeup of neighborhoods, cities, and entire regions, with lower-income households often bearing more burden than benefit from those changes.

Displacement happens in many forms. While rising rents and eviction pressures can physically displace people from their community, gentrification can also cause **cultural displacement**, where long-term residents (most often Black, indigenous, and people of color and limited-income residents) no longer feel safe, welcome, or at home in their community. Other causes and forms of displacement may be:

- Increased property taxes that create a financial burden for limited-income and working class homeowners;
- Closure or relocation of local, heritage businesses and community services that support the community, such as food banks, nonprofits, and health clinics;
- Demolition of aging housing that leads to redevelopment;
- Disinvestment in affordable housing;
- Loss of a sense of community as neighbors, public services, jobs, and businesses are pushed out of the neighborhood due to rising rents and living costs;
- Increased police and ICE presence and monitoring of long-term residents.

Gentrification is a complex issue, but that doesn't mean communities cannot take action to stop displacement and protect affordable housing, local businesses, and public services. While gentrification is often called a form of **urban revitalization**, community advocates believe there are other forms of community revitalization that support well-being, justice, and equity for all of Tucson's residents.



Tucson's History

While many communities are facing the pressures of gentrification today, gentrification is the result of historic and ongoing practices and policies, such as colonization, segregation, urban renewal, mass planning projects, and housing discrimination.

Colonization: The City of Tucson resides on the traditional homelands of the Tohono O'odham and Pascua Yaqui peoples. Historic and ongoing colonization by Spanish, Mexican, and American governments used urban development as a tool to systematically displace Tucson's indigenous communities. Today, the Tohono O'odham and Pascua Yaqui tribes continue to be vital members of the Tucson community, but it is also important to recognize that the legacy of colonization that created and sustained disparities in access to land, healthcare, and economic resources continues today.

Segregation: The City of Tucson legally segregated the western and southern predominantly Mexican, Mexican American, and African American barrios and neighborhoods until the 1960s; however, the economic and political impacts of segregation that reallocated financial resources to the north and disinvested resources in segregated communities continues to impact housing and income inequality today.

Urban Renewal: The 1967 Pueblo Center Redevelopment Project demolished a series of Mexican and Mexican American barrios and cultural sites to build the Convention Center and skyscrapers that make up downtown Tucson today. The community affected was not invited to the table and property owners were not paid a just price for the properties that were destroyed by the project. After urban renewal, downtown struggled to economically and culturally recover as people were displaced and left with little financial and political support from the city, which led to disinvestment in the barrios in and around downtown.

Mass planning projects like the I-10 highway construction and extension, further separated, displaced, and interrupted working class communities of color in Tucson's westside and southside barrios. Mass planning projects like the highway extension have been criticized for the lack of public participation in the planning and development process. Additionally, the construction of the highway favored white middle and upper class residents who had access to cars and were relocating to the northern and eastern suburbs.

Housing Discrimination: Tucson residents continue to face housing discrimination today. Housing discrimination is when potential homeowners or renters are rejected for a mortgage loan, housing unit, or rental property based on their identity, including but not limited to socioeconomic class, race, ethnicity, gender, sexual identity, and ability. Housing discrimination has prevented many working class and limited-income communities of color from owning and improving property and building generational wealth.

Planning and Zoning


A **comprehensive plan** provides a vision for community development over a 10 to 20 year period. A comprehensive plan outlines the goals, values, and desires that a community would like to see in future community development. A comprehensive plan provides recommendations for community development, and legal tools such as zoning ordinances are used to enforce land use decisions that reflect the goals outlined in the comprehensive plan.

Getting community consensus on a comprehensive plan can be tricky. For example, the term “**Not In My Backyard**” (**NIMBY**) refers to local opposition to certain development projects, particularly projects that are understood as dangerous or harmful to a community. “Dangerous” is a subjective term; at times, this can refer to a community organizing against the construction of a hazardous power plant in their neighborhood. At other times, NIMBY can refer to wealthier communities organizing against the construction of affordable housing because lower-income residents are perceived as harmful to property values and the income-make up of a community. Therefore, it is important to understand the influence of NIMBYism carefully and critically.

Zoning is the legal code that outlines what areas can be used to develop certain types of infrastructure or to support certain activities. For example, if a community wants to build a school in their neighborhood, the area must first be zoned for a school. Zoning is enforced through **zoning ordinances**. A zoning ordinance is the legal tool that puts the comprehensive plan to work. A zoning ordinance includes regulations designed to implement the comprehensive plan. A zoning ordinance can include regulations about:

- What **activities** are permitted to happen in certain areas of the community; for example, an **industrial district** is land zoned for light or heavy industrial use, which helps segregate and consolidate industries in one zone.
- **Setbacks**, or how much space is between a building and another building, road, or sidewalk;
- **Environmental and landscape design**;
- **Density**, or how many buildings and infrastructure is built in a community. A high density area would be somewhere like a downtown, while a low density area would be a rural neighborhood.
- **Industrial space** that has been land banked. **Land banking** is a program that preserves industrial space for a city. A city or local development authority acquires and holds land until a developer steps forward with a proposal for its use as an industrial site.

Therefore, if a comprehensive plan outlined goals to build more affordable housing, a zoning ordinance would have to legally support the construction of more affordable housing in the area. Because inclusionary zoning isn't a legal designation in the state of Arizona, any affordable housing goals have to be achieved through a **zoning overlay**, which is a zoning district that is applied over one or more previously established zoning districts, establishing additional or stricter standards and criteria for properties in addition to those of the underlying zoning district. If a property does not meet the requirements of a zoning ordinance, it is considered of **nonconforming use**, making the property owner vulnerable to fines or legal action.



Zoning ordinances can be changed through a **variance**, which is when a petitioner applies to change the zoning code. Often, variances are used by large corporate developers to support big housing, commercial, or planned unit development (PUD) projects (large projects that require extensive planning).

Importantly, communities can affect the zoning process by providing **public input** during zoning hearings; however, community advocates continue to push for more inclusive and accessible opportunities for public engagement that really listens to the voices of those most impacted by urban planning, gentrification, and displacement.

To learn more about zoning hearings happening in your community, please call the **City of Tucson's Planning and Zoning Office** at (520) 791-5550 or visit <https://www.tucsonaz.gov/pdsd>

Development Incentives and Grants

While gentrification can feel like an inevitable process, it is important to recognize rapid, new investment in limited-income communities and communities of color is created by several development **incentives** and policies that favor rapid development over investment in affordable housing, public transportation, and education. An **incentive** is a form of public economic assistance designed to attract new business and developments into historically disinvested urban areas, typically within or near a central business district or downtown core. A few important development incentives in Tucson are:

I. Government Property Lease Excise Tax (GPLET)

A **GPLET** is a city incentive given to developers who build in an area that is considered “blighted”. Generally, developers who are awarded a GPLET receive a property tax abatement, meaning developers who build in an area considered “blighted” will not pay property taxes for a minimum of 8 years. Critics of GPLETs argue that property taxes fund important public services and **forgiving property taxes takes away funding from those services**. Additionally, community advocates argue there is no clear evaluation process for GPLETs to evaluate if the economic development stimulated by GPLETs is actually being invested back into the community. There is concern that without concrete measures that require developers to invest in projects that support the community (such as affordable housing), GPLETs can deprive the community of large amounts of revenue and contribute to gentrification.

II. Infill Incentive District (IID) and Downtown Financial Incentive District

An **Infill Incentive District (IID)** is a flexible development option where cities relieve property owners from parking, loading, and landscaping standards and approve building height increases up to sixty feet if the development supports transit and pedestrian oriented development, or development that is close to transportation and walkable destinations. **In a Downtown Core Infill Incentive District**, cities may also offer developments in the Downtown Core Subdistrict up to 100% reduction in parking requirements as well as reductions in loading, setback and landscaping requirements. This streamlined Planned Area Development rezoning process can benefit developers. While **IIDs** can streamline the development and rezoning process for developers, they also facilitate larger and denser development projects in a neighborhood, which can affect real estate prices and the character of the neighborhood.

III. Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is a tool of economic development in which taxes made from a specific development are first used to repay bonds that the local government issued to pay for that development. Only when the bonds are fully paid will the jurisdiction (the city or county) begin to receive the additional tax revenue produced by the development. The TIF is controversial because tax revenue goes first to paying for development



projects rather than directly funding public and community services. In Tucson, Rio Nuevo has completed several TIF funded projects, such as the Mercado and the Caterpillar building.

IV. Opportunity Zones

Opportunity Zones were created by the 2017 Tax Cuts and Jobs Act. These zones are designed to spur economic development and job creation in distressed communities by providing tax benefits to investors who invest in real estate projects and development in these communities. Taxpayers may defer paying capital gains tax by making an appropriate investment in a Qualified Opportunity Fund and meeting other requirements. While the opportunity zone tax break is supposed to support investment in limited-income communities, critics of the tax break argue that these tax giveaways help enrich investors and create development that leads to gentrification and displacement.

V. Community Development Block Grant (CDBG)

Community Development Block Grants (CDBG) is a system of unified block grants where communities with more than 50,000 people are entitled to receive funding and smaller communities may apply for discretionary funding. Its purpose is to encourage larger community development projects and to expand housing opportunities for low- and moderate-income persons. The three primary goals of CDBG are to serve low- and moderate-income people, to help lift people out of poverty, and to address other community development needs that pose a serious and immediate threat to the health and welfare of the community. This program can provide significant support for large economic development projects.

VI. Primary Jobs Incentive:

The **Primary Jobs Incentive** assists Tucson in its efforts to bring quality jobs and investment into the region. The incentive provides up to a 100% reimbursement of construction sales tax to qualifying expenses such as the project's public infrastructure improvements, offsets to impact fees, and/or job-training. The City may also reimburse eligible building permit fees.

Community Benefits Agreements

A **Community Benefits Agreement (CBA)** is a tool that can support equitable and sustainable development that centers the well-being, affordability, and health of the community and the environment.

In 2019, the **Historic Fourth Avenue Coalition (HFAC)** created the first successful CBA in Tucson with Greystar Development of Memphis, Tennessee involving their development of 250 non-student apartments at Fourth Avenue and Sixth Street. The coalition describes a CBA as “an agreement between developers and coalitions of community organizations addressing a broad range of community needs and serving as a safeguard to ensure that affected residents share in the benefits of major developments. CBAs allow community groups to have a voice in shaping a project by pressing for community benefits that are tailored to their particular needs, to enforce developer’s promises, and to provide support for the affected community. The CBA has been a proven policy tool in other cities such as Austin and New York in supporting the needs of various community stakeholders and is now an established solution in Tucson” (“What is a CBA?”).

A CBA is a way to generate community wealth and to keep the benefits of development within the community. **A CBA can outline agreements between a developer and the community** about a variety of components of the development process, including:

- Payment of **impact fees**, or the fees that are required to cover costs of improving and/or building infrastructure needed as a result of the expected impact of development project. Impact fees are often required by localities for the approval of development projects, but a CBA can outline additional guidelines.
- **Design, landscape, and streetscape** of a development project;
- **Partnerships with local artists and community organizations** for community programming in the development;
- **Rent controls and local lease rates** for neighborhood community members and businesses who would like to rent out residential and commercial spaces in the new development;
- Guidelines for **community involvement in the development process** before, during, and after construction.

While the details of a CBA may change based on the community and development project, HFAC has outlined **three main ideas a CBA should follow**:



(1)

Time Frame:

Benefits described in the CBA should have a clearly defined time frame for implementation.



(2)

Monitoring:

Benefits in a CBA should be monitored, including specifics on any commitments through affirmative reporting requirements as well as the ability to investigate complaints of noncompliance.



(3)

Shared Community Values:

The CBA should be a commitment to supporting the mission of the affected community group in the CBA..



If you and your neighbors are interested in developing a CBA for a development project in your neighborhood or barrio, you can contact Mike Peel with HFAC at mike@localfirstaz.com or visit <https://historic4thavecoalition.org/tools/what-is-a-cba/>

Policy Ideas to Stop Displacement/BNC Tool-Kit

After meeting with community members from barrios and neighborhoods in Tucson, the Barrio Neighborhood Coalition heard many ideas about how displacement could be prevented and communities could be supported. The following list of policy ideas to prevent displacement and gentrification were created from community input:

- 1) GPLETs have deprived the community of large amounts of revenue and have contributed heavily to the gentrification of downtown. GPLETs need to be decreased and eventually phased out of existence, or restructured they provide funding for affordable housing. A city-recognized community committee should look at the effects of GPLET projects on taxes, valuations, businesses and residents.
- 2) Tax Increment Financing (TIF) is a special sales tax used mostly in the downtown area to fund downtown revitalization projects such as luxury hotels, parking garages, and the Mercado. The City of Tucson needs to help the community actively lobby Rio Nuevo and the State of Arizona to allocate 25% of the revenue created by the special sales tax toward affordable housing.
- 3) A tax freeze on all properties owned by poor, elderly or disabled residents living in downtown barrios. This will include an authentic and aggressive outreach to let the community know of this opportunity. Also, the assessed value of a person's home in the downtown area should change only when that person sells the home.
- 4) An expansive program of low-interest loans and/or subsidies must be implemented to help affected residents with home repairs and mortgage assistance. This will include an authentic and aggressive outreach effort.
- 5) An expansive program of low-interest loans and/or subsidies should be implemented to help small businesses affected by gentrification.
- 6) Conduct a City of Tucson and Pima County Land Inventory to find what usable property exists for permanent affordable housing and the expansion of Community Land Trusts.
- 7) An expanded use of community benefit agreements so that when developers and developments receive subsidies, the affected barrio residents also receive things to better their barrio. This should take the form of an ordinance. This could include the participation of the aforementioned Citizens Committee.
- 8) Currently the City spends \$100,000 a year on emergency rental assistance. This amount needs to be increased to \$500,000. Additionally, very few families being evicted have legal representation in eviction court. Significant resources need to be invested in legal representation.

The Policy list/ toolkit will be reviewed and updated as needed to provide relevant recommendations for policies that support affordable housing and anti-displacement measures for Tucson's communities and residents. Updated documents will be posted on the BNC and PCCLT websites. PCCLT.org and BNCtucson.org