

Anti-Displacement Strategies Report

Date: December 19, 2025

Prepared for: Seattle Downtown Regional
Center Plan

Prepared by: BAE Urban Economics

FINAL DRAFT MEMORANDUM

To: Erica Bush, Urban Centers Planner
Jesse London, Urban Centers Planner

From: Paul Peninger, MCP, Principal

Date: Thursday, December 11, 2025

Re: DRAFT Residential and Commercial Anti-Displacement Strategies for the Downtown
Seattle Regional Center Plan

Introduction

Over the course of the next 20 years, Downtown Seattle is projected to add 13,500 new households and 60,000 jobs, making Downtown both Seattle's second largest residential area and its largest job center. This scale of planned development within a relatively compact 1.5-square mile footprint, while promising new opportunities for new and future residents, also has the potential to exert physical, economic, and cultural displacement pressures on many of Downtown's most vulnerable households, businesses, and neighborhood institutions.

Downtown Seattle has seen dramatic economic and cultural change over the last several decades, with many longtime residents already displaced, and many others facing current displacement pressures.

To proactively address ongoing and potential displacement risks, this memo details a targeted set of potential anti-displacement strategies building on the robust suite of existing City of Seattle programs and policies, national best practices, as well as local community feedback. The strategies are organized around the three types of displacement outlined in the City's Anti-Displacement Action Plan: physical, economic, and cultural displacement.

Plan Area Overview

For the purposes of the Regional Center Plan, Downtown Seattle is composed of five distinct neighborhoods, each with its own set of unique demographic, economic, and cultural characteristics: Denny Triangle; Belltown; Commercial Core; Pioneer Square; and the Chinatown-International District (CID). These neighborhoods include some of Seattle's fastest-growing and most affluent neighborhoods (Denny Triangle, Belltown) as well as neighborhoods with relatively lower incomes, high socioeconomic vulnerability, and significant risk of displacement. In particular, Pioneer Square and the CID are two Downtown neighborhoods

with a large number of lower-income households, small businesses, and BIPOC residents with heightened socioeconomic vulnerabilities.

Racial Equity Toolkit (RET) Outcomes

The strategies proposed below have been prepared considering the RET outcomes identified for the Downtown Plan Area:

- Arts and Culture Representation: A thriving, creative community lives in, works in, and shapes the Downtown experience.
- Access to Housing: Downtown offers diverse housing options that support where people are in their lives without creating a cost burden.
- Access to Employment and Creating Businesses: Downtown is a center for businesses of all sizes that create financial opportunity and stability for entrepreneurs, owners and employees.

What is Displacement?

The [Anti-Displacement Action Plan](#) published by the City of Seattle in March 2025 defines displacement as *when households are forced to move involuntarily for economic or physical reasons or are prevented from moving into a neighborhood because of high rents or home prices*. As described by the Action Plan, displacement is often concurrent with broad neighborhood change and gentrification. It can occur in several ways:

- Physical displacement can occur through eviction, acquisition, rehabilitation, or demolition of housing; when covenants expire on rent-restricted housing; and due to other factors, such as climate impacts.
- Economic displacement happens as housing becomes less affordable and residents can no longer weather rising rents or the costs of homeownership, like property taxes.
- Cultural displacement occurs as residents relocate because their cultural community is leaving, and culturally relevant businesses and institutions lose their customer base or membership.

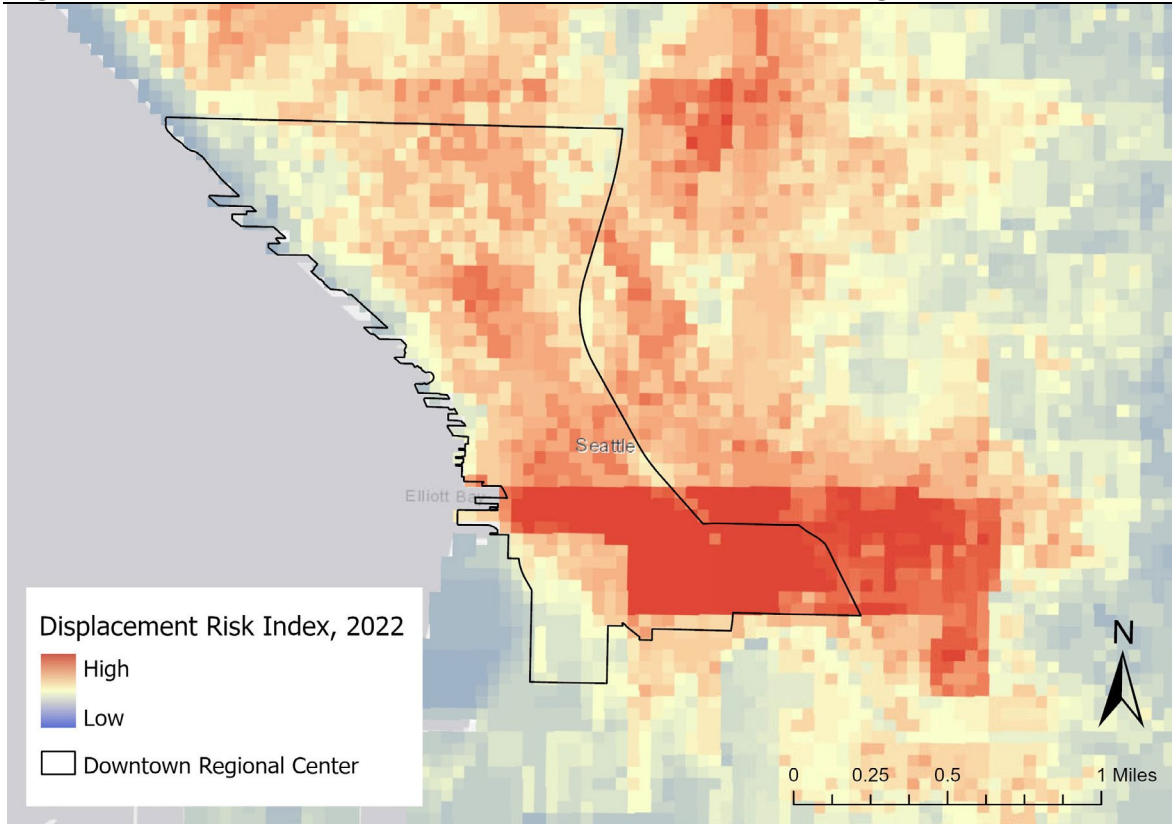
Summary of Key Findings and Recommendations From Existing Conditions Report

Significant portions of the Regional Center experience elevated displacement pressures.

Figure 1 below displays displacement risk across the Downtown Regional Center.

Displacement risks are highest for both residents and businesses in the southern portion of the Plan Area, including Pioneer Square and the CID. Indeed, examining the city as a whole, the Southern portion of the Plan Area has some of the highest displacement risks in Seattle as of 2022.

Figure 1: 2022 Seattle Displacement Risk Index, Downtown Regional Center



Source: City of Seattle, 2024.

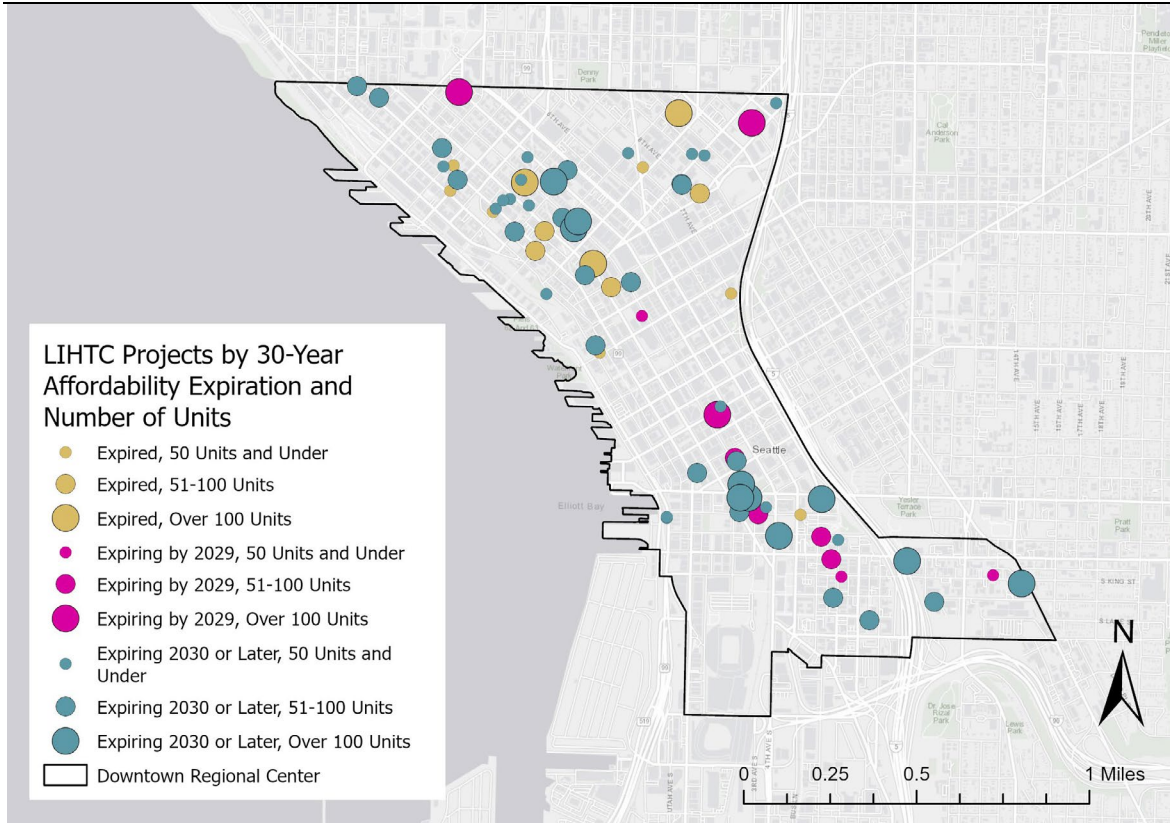
Household living downtown are overwhelmingly renters, and a significant portion pay more than 30 percent of their gross household income towards housing costs, indicating a risk of economic displacement in the absence of tenant protections or rent restrictions.

The Downtown Regional Center contains nearly double the share of extremely low-income households (24 percent) relative to the City of Seattle (15 percent) and Puget Sound Region (12 percent); Downtown households with lower incomes experience higher levels of housing cost burden, with half of all extremely low-income households spending more than 50 percent of their income on housing.

Of the 76 affordable housing developments located Downtown, one-third have rent restrictions that have expired (15 buildings with 1,140 units) or are expiring by 2029 (10 projects with 863 units), indicating the need for preservation efforts to address the risk of physical displacement for households living in these developments. Figure 2 below shows the geographic distribution of these projects by expiration status and number of units. Although many of these properties are owned by mission-driven organizations unlikely to raise rents to

reflect prevailing market rates, residents of these at-risk properties remain at critical threat of displacement, unless acquired and or refinanced with new deed restrictions and affordability covenants, along with initial efforts to support existing residents.

Figure 2: Downtown Regional Center LIHTC Projects by 30-Year Affordability Expiration and Number of Units



Sources: U.S. Department of Housing and Urban Development LIHTC Database; BAE, 2024.

Downtown is home to a large number of small businesses, including family-owned and heritage businesses. These businesses face increasing economic pressures, particularly in Pioneer Square and the CID. Businesses in older commercial structures on properties zoned to allow for higher densities are at a particular risk for redevelopment. New development may not provide comparable commercial space at lease rates affordable to existing tenants' business models.

Major planned transit and other public infrastructure projects have the potential to disrupt existing neighborhood business districts absent proactive business assistance efforts. In addition to various construction-related impacts that can interfere with normal business operations and deter customers, transit and other infrastructure improvements will also affect land values, which can incentivize the redevelopment of older properties and displace longtime business and neighborhood institutions.

Anti-Displacement Strategies

The following strategies include a mix of proposed policies and programs grouped into three broad categories that address physical, economic, and cultural displacement.

Physical Anti-Displacement Strategies for Residents

1. Preserve Existing Affordable Housing with Expiring Income Restrictions

- 1a. Continue to conduct outreach to affordable housing property owners to refinance and preserve existing affordable housing with currently expired or soon to expire affordable housing deed restrictions and/or covenants.
- 1b. Leverage existing funding sources and explore new public and private sources to fund the acquisition and refinance of properties at risk of conversion to market rates.

2. Promote Community Ownership of Residential Properties through Community Land Trusts

- 2a. Building on successful examples of community land trust-sponsored projects in other Seattle neighborhoods which serve lower-income household with high risks of displacement, provide technical assistance and financial support to community and tenant organizations exploring the feasibility of acquiring existing residential properties.
- 2b. Conduct outreach to public and private funding partners to explore the feasibility of establishing a dedicated fund for the purpose of supporting community acquisition of residential properties.

Economic Anti-Displacement Strategies for Residents

3. Continue to Support the Development of Affordable Housing throughout the Downtown Regional Center.

- 3a. Increase focus on affordable housing development efforts in neighborhoods with the highest socioeconomic needs and displacement risks.
- 3b. Leverage publicly owned sites to create a managed pipeline of housing development opportunities for affordable housing developers.
- 3c. Continue to seek new public and private sources to fund affordable housing; this may include District-scale tax increment financing as feasible.

4. Explore the Creation Enhanced Tenant Protections for Lower-Income Renters.

- 4a. Expand the suite of tenant protection strategies that conform with Washington State law and provide tenants with legal assistance, financial support, and other resources in the event that they face eviction or displacement.

5. Continue to Implement Community Preferences for Rental and Ownership Housing as Allowed the through the City's Existing [Community Preference Policy](#).

- 5a. Work with nonprofit and community-based organizations to tailor community preference policies for each eligible Downtown neighborhood.

Cultural and Commercial Anti-Displacement Strategies

6. Develop and Implement a Small Business Assistance Program in Anticipation of Planned Transit and Other Infrastructure Improvements.

- 6a. Partner with Sound Transit, other public sector agencies, and private funders to create a comprehensive business assistance and anti-displacement program modeled on the example of the [Central Corridor Funders Collaborative](#) in Minneapolis-Saint Paul.
- 6b. Design a tailored program to provide small businesses and community institutions with support such as legal assistance, marketing assistance, new signage, and financial resources such as grants or forgivable loans.
- 6c. Prioritize assistance efforts to support BIPOC- and immigrant-owned businesses.
- 6d. Provide technical assistance to new and existing businesses and community organizations to qualify for Equitable Development Initiative funding, ensuring that proposed projects meet the six key Equity Drivers outlined in the [Implementation Plan](#).

7. Increase Funding and Support for Existing BIAs and Nonprofits Serving At-Risk Neighborhood Business Districts.

- 7a. Work with existing BIAs in Pioneer Square and the CID to provide increased financial and technical support for small businesses, including but not limited to: rent support and mitigation; renovations and improvements; and special events and attractions to draw increased visitation and spending.
- 7b. Support the [Little Saigon 2030 Action Plan](#)
- 7c. Convene a working group of existing organizations to study the feasibility of using community land trusts, Equitable Development Initiative funds, and/or other community development financing tools to acquire and improve existing commercial properties.

8. Consider Adopting Commercial Preservation Zones for Business Districts and Corridors at High Risk of Displacement.

- 8a. Conduct a study to determine the feasibility and economic impacts of creating commercial preservation zones in the CID generally and Little Saigon specifically.
- 8b. As a strategy for addressing both commercial and cultural displacement, work with commercial property owners of underutilized warehouse and light

industrial buildings to consider the feasibility and economic impacts of preserving these buildings for future use as entertainment venues, and/or production, distribution and repair businesses.

Appendix A: Commercial Preservation Zone Case Studies

Cities across the United States have utilized zoning overlays as a method to both promote and control new development within specific neighborhoods. Zoning can be a powerful community and commercial preservation tool, helping to ensure that existing businesses can stay in place and that any new development is consistent with the existing neighborhood. Preservation zoning can include urban design guidelines, prioritizing certain commercial uses, or emphasizing a specific cultural heritage in the planning process.

Case Studies

San Francisco Cultural Districts

“[The Cultural Districts program](#) is a place-making and place-keeping program that preserves, strengthens and promotes cultural communities. There are ten Cultural Districts located across San Francisco, each embodying a unique cultural heritage. The program is a partnership between community and City and is coordinated by the Mayor’s Office of Housing and Community Development, in collaboration with the Office of Economic and Workforce Development, SF Planning, and Arts Commission.” The Cultural Districts have their own Special Area Design Guidelines, to ensure that the design elements respond to the unique characteristics¹.

Boston Chinatown Rezoning

“Since the late 19th century, Boston’s Chinatown has been a gateway for generations of immigrants and families, and the neighborhood continues to be a hub for housing, business and employment opportunities, education and resource sharing, and social and cultural connectivity. The purpose of the Chinatown Rezoning process is to work with community members to identify key neighborhood assets, such as housing, commercial development, and cultural spaces, which are necessary for the continued success of Chinatown, and establish zoning regulations for land uses and dimensions that ensure the protection and promotion of such developments.” Learn more: www.bostonplans.org/planning-zoning/zoning-initiatives/chinatown-rezoning-process

New York City Special Purpose Districts

“The City Planning Commission has been designating special zoning districts since 1969 to achieve specific planning and urban design objectives in defined areas with unique characteristics. Special districts respond to specific conditions; each special district designated by the Commission stipulates zoning requirements and/or zoning incentives tailored to distinctive qualities that may not lend themselves to generalized zoning and standard development.”

¹ An example of these [guidelines for 24th Street](#) is an example of this strategy.

Some of the special purpose districts are focused on incentivizing new development, both commercial and residential, while others are focused on preservation of commercial uses and historic character.

Learn more: <https://www.nyc.gov/site/planning/zoning/districts-tools/special-purpose-districts.page>

Los Angeles Local Historic Districts

“The City’s local historic districts program aims to identify and protect the distinctive architectural and cultural resources of Los Angeles’s historic neighborhoods. Designating a neighborhood as a local historic district—also called a Historic Preservation Overlay Zone (HPOZ)—means that any new projects in that neighborhood must complement its historic character. Like other zoning overlays, HPOZs provide an additional layer of planning control during the project review process. All exterior work proposed in an HPOZ, including landscaping, alterations, additions, and new construction, is subject to additional review. Each district has a Preservation Plan with design guidelines and an HPOZ Board that reviews proposed work. Some projects are reviewed at a staff level, while others also go to the district’s HPOZ Board for consultation and review.”

Learn more: <https://planning.lacity.gov/preservation-design/local-historic-districts>