



TOWARD OPPORTUNITY

FAIR HOUSING AND EQUITY ASSESSMENT OF THE SAN FRANCISCO BAY AREA

Enhancing Regional Economic Prosperity



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EXECUTIVE SUMMARY



What is the Regional Fair Housing Equity Assessment (FHEA)?

The nine-county Bay Area is expected to grow to 9.3 million people by the year 2040. Plan Bay Area, the region's Sustainable Communities Strategy, envisions a sustainable future that supports a healthy environment and strong economy and improves social equity. This regional report, Fair Housing Equity Assessment (FHEA), advances this goal with analysis and strategies for regional consideration. The aim is to ensure equitable access to housing and opportunity for all residents of the region, including racial and ethnic minority populations, people with disabilities, and other classes of people protected under the federal Fair Housing Act. In addition to the federal Fair Housing law California jurisdictions are expected to enforce the state's own version – the Employment and Housing Act – which includes the additional protections including age, ancestry, marital status, medical condition and source of income.

The FHEA, funded through a regional planning grant from the U.S. Department of Housing and Urban Development (HUD), has a two-fold objective:

- To ensure that the regional plans link fair housing considerations with land use planning, employment, education, transportation, and environmental justice.
- To ensure that enough housing affordable to all incomes is located in areas that offer access to opportunity, and that such housing is available to all people regardless of race, family status, disability, source of income or other personal characteristics protected under federal and state civil rights statutes.

This FHEA is the first attempt to bring together a range of regional stakeholders around a coordinated approach to affirmatively further fair housing and to enhance access to opportunity through planning for

fair and affordable housing in healthy communities, and through improved access to jobs, education, and transportation. As such, the strategies in this report are intended as a guiding framework for regional and local plans, a platform for advocacy at the state and federal levels for needed change, investments, and other policies and actions.

As in other parts of the country, the Bay Area has a history of segregation and barriers because of race and national origin. Historical practices, such as restrictive covenants, redlining, and loan discrimination, have helped contribute to area concentration of racial and ethnic minorities. This regional FHEA examines and addresses both the lingering effects of historical segregation, as well as ongoing discriminatory practices and conditions that create barriers to housing choice and access to areas of opportunity.

Summary of Findings

The region is becoming much more diverse, but segregation persists.

The nine-county Bay Area has experienced an 18% population growth between 1990 and 2010. More than one half of the 7.1 million person population in 2010 identified themselves as a racial/ethnic minority, which represents a substantial increase in number, proportion, and geographic spread between 1990 and 2010.

However, segregation persists in the region, particularly for Black residents who have moved from historically Black neighborhoods in places such as San Francisco, Oakland, and Richmond. For some Black homeowners this has been voluntary migration, whereas for others it represents involuntary displacement due to high housing costs and other neighborhood factors.

Overall segregation in the region has remained relatively stable since 1990, with Blacks continuing to be the most segregated racial group in the region. The Black population has decreased particularly in San Francisco and Oakland, and increased in places such as northeast Contra Costa County and southern Solano County where housing prices are cheaper. The number of Asians and Hispanics has grown across the region, with Asians growing the most in the South Bay. Hispanics have grown in most locations throughout the region, with some declines seen in areas of central San Jose, the Mission district in San Francisco and areas of the inner East Bay.

Income and race are linked and poverty has expanded to the suburbs.

Poverty persists in urban areas, but has spread to the suburbs including northeastern Contra Costa County and Solano County. Median household incomes of White and Asian populations are higher than the region's median income, while median household incomes of Black and Hispanics are lower than the region's median income. There are 33 areas that meet the HUD-definition for **Racially/Ethnically Concentrated Areas of Poverty** in the region, meaning that over 40% of the population is below the poverty level and over 50% of the population is a racial/ethnic minority. Only six of these are not contained within what is designated "**Communities of Concern**" or COCs, due to COCs' more expansive definition, developed over several years with equity stakeholders as part of the Sustainable Communities Strategy-Plan Bay Area process.

Race and income are linked to access to opportunity.

There is a strong association between geography and access to opportunity. Higher opportunity prevails in most of San Francisco, San Mateo and Santa Clara counties, along with inland Contra Costa and Alameda County. Portions of Marin, Sonoma and most of Napa

County also rank among high opportunity areas. Lower opportunity areas are found in the inner East Bay along Alameda and Contra Costa County, North East Contra Costa County. Several pockets in San Francisco, San Mateo and Santa Clara counties also rank as lower opportunity areas.

There is a relationship between race/ethnicity income and access to opportunity. Whites and Asians are more likely to live in census tracts with higher access to opportunity than the population overall. Hispanic and Black residents are more likely to live in census tracts with lower access to opportunity than the total population. Living in poverty is associated with a higher likelihood of living in an area of low or very low access to opportunity. Blacks and Hispanics living in poverty are also more likely to live in areas of low or very low access to opportunity than Whites or Asians.

Housing choices are linked to access to opportunity and affordable housing tends to be concentrated in lower income areas, many of which are vulnerable to earthquakes and natural disasters.

A substantial amount of affordable housing is also at risk of conversion to market rate especially in areas with good job access, increasing the likelihood that residents may be displaced to lower opportunity areas farther from the region's job centers and services.

As many reports have documented, Bay Area housing costs are among the highest in the nation. Housing costs vary considerably across the region, but 43% of Bay Area households pay more than 30% of their income in housing costs. High housing prices and rents are significant barriers to racial and ethnic minorities, immigrants, and other protected classes, barring them from securing housing generally, and especially in communities with good access to opportunity. The cost of transportation compounds the cost burden for housing alone that many low and even moderate

income households in the region face, especially if they commute long distances. Local plans, implemented in part through land use regulations, include policies for accommodating growth with a range of housing types and densities, but there is no guarantee that this housing will be built. Affordability and access to high opportunity communities will be challenging in areas where displacement of existing affordable units is threatened and where higher-cost housing is being developed.

Fair housing complaint data show that discrimination occurs in the region.

Demand for fair housing training for housing providers and consumers alike outweighs the resources available to HUD, California's Department of Fair and Equal Housing (DFEH), and other regional fair housing agencies to provide for all education needs. Over 5,800 fair housing complaints were made between 2007 and 2013, with most related to disability, racial discrimination, and family status. However, these cases only highlight a small portion of the true incidence of fair housing issues in the region; a HUD study, for example, estimated that it could be up to five times higher. Enforcement is also uneven; for example, the Department of Justice enforces discrimination based on disability which increases the likelihood that such cases are reported while others are not. Racial and ethnic minorities experience more harassment and retaliation than Whites.

Testing reveals evidence of discrimination.

Audits of fair housing testing in the region done by the region's fair housing organizations (Bay Area Legal Aid, Project Sentinel and ECHO Fair Housing) reveal that minority races, foreign born residents, and disabled people seeking housing had a greater, roughly 20%, chance of being treated differently when looking for housing, particularly in high cost highly competitive markets that are well served by transit and in areas with good access to opportunity. Among protected classes, racial

and ethnic minorities were most likely to be treated differently when seeking housing. Discrimination due to one's source of income (Section 8 housing) may have restricted housing for many of the region's most vulnerable people.

While regional analysis shows an equitable distribution of recent and planned transportation investments, disparate infrastructure and community development needs persist within the region.

Environmental justice analyses conducted by the Metropolitan Transportation Commission (MTC) for the region's *Sustainable Communities Strategy-Plan Bay Area*, with relevant portions updated by ABAG and MTC staff for the purposes of this report, show that at a regional scale planned transportation investments have equitably benefited minority and low-income households. Results of the opportunity mapping analysis, however, show inequitable access to opportunity in the areas of wealth, health, education, labor market engagement and access to fair and affordable housing. These findings suggest that, at the local level, inequitable gaps exist between the need for community infrastructure and the provision of adequate community infrastructure.

What Has Worked in the Bay Area

While not perfect, California and the Bay Area, in particular, are national leaders in terms of equitable development. In terms of fair housing, the region enjoys the benefits of California's Housing and Employment Law which provides additional fair housing protections to six groups or classes of people that are not protected by the federal Fair Housing Act. California jurisdictions are also required by the State's General Plan Law to produce Housing Elements to plan for how they will house their entire population across income levels and to note any barriers to achieving this goal, including

their not meeting fair housing requirements.

Through legislation such as SB 375, the Sustainable Communities and Climate Protection Act of 2008, California is leading the nation in terms of regional planning that links land use planning to meet projected demographic growth over the next 30 years to transportation investments. The region's California's Sustainable Communities Strategy-Plan Bay Area further elevates at the regional level the need to build enough affordable housing to accommodate the Bay Area's projected low-income workforce.

Plan Bay Area's new One Bay Area Grant program also makes jurisdictions with locally nominated Priority Development Areas eligible for grants for local roads and streets improvements, but only if they meet certain housing criteria, including having a state-certified housing element. MTC has also provided necessary seed money, matched by leveraged private investment several fold, to create the Transit Oriented Affordable Housing Fund (TOAH) that provides subsidized loans for the acquisition of land and the development of affordable housing.

Strategies to Enhance Access to Opportunity

As a regional analysis of the state of fair housing and access to opportunity, this FHEA presents high-level strategies to advance greater access to opportunity, and to affirmatively further fair and affordable housing and equity in the region through several areas: Fair Housing, Increasing Access to Opportunity (including education and training, transportation to jobs and services), Affordable Housing and Displacement and Creating Healthy and Resilient Communities. These strategies are summarize here.

Fair Housing

1. Enhance regional coordination of fair housing assessment and enforcement.
2. Consider adopting regional fair housing goals and monitor outcomes.

Affordable housing only comprises 3.6 percent of the region's 2.7 million housing units. The region's severe shortage of affordable housing units has been consistently cited as a major impediment to securing equal opportunity for all residents

3. Examine linking other regional, state and federal dollars to fair housing outcomes.
4. Support strengthening the housing element to better evaluate impacts of regional and local policies and investments, and protected classes.
5. Increase funding for fair housing programs and education for housing providers in the region.

Increasing Access to Opportunity (which includes education and training, and transportation access to jobs and service)

6. Explore using opportunity mapping or similar metrics that correlate with improved life outcomes in the next Plan Bay Area equity analysis to inform transportation infrastructure planning investments, as well as other public investments in housing, infrastructure, and community development.
7. Encourage affordable housing development and preservation in areas with high access to opportunity.

8. Promote economic prosperity and investments especially in low opportunity areas.

9. Provide equitable access to quality education and training, as outlined in the Economic Prosperity Strategy.

10. Continue to ensure sufficient transit investments to provide for the mobility of transit dependent populations, particularly between areas of low and high access to opportunity.

Affordable Housing and Displacement

11. Increase efforts to provide sufficient choices of affordable, safe, healthy, and adequately sized housing throughout the region, especially in high opportunity areas.

Housing prices and rents are significant barriers to racial and ethnic minorities, immigrants, and other protected classes, keeping them from securing housing, particularly in high opportunity communities. A full 43 percent of the households in the region are housing cost-burdened (paying more than 30% of their income in housing costs)

12. Create and implement locally appropriate and effective incentives to encourage the development and preservation of affordable housing.

13. Ensure that local zoning and building regulations allow and promote sufficient housing supply and housing types to meet the needs of households within a full range of incomes, household types, and special needs.

14. Support policies to ensure existing affordable housing at risk of conversion to market rate.

Creating Healthy and Resilient Communities

15. Improve health and meet mobility needs in low opportunity areas by providing infrastructure enhancements such as sidewalks, bike lanes, and shuttles.

16. Promote healthy infill development that curbs greenhouse gases (e.g. incorporate revised BAAQMD healthy infill guidelines in the next Sustainable Communities Strategy update).

17. Proactively address hazards and implement mitigation measures especially in low opportunity areas.

18. Protect affordable housing during natural disaster recovery.

19. Ensure rental units are rebuilt after loss or damage from natural disasters.

20. Advocate for changes to federal and state programs to improve multifamily rebuilding efforts.

Next Steps

- Use the data, analyses, findings and recommendations contained in the FHEA as a resource for the local AIs (Analysis of Impediments), as well as a source of data and guidance to support policies and actions by entitlement jurisdictions, other regional partners and the region as a whole.
- Continue to engage regional partners in underrepresented communities.
- Consider findings and recommendations of the FHEA in the 2017 update to the region's Sustainable Communities Strategy-Plan Bay Area.