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Acknowledgements

Authors
Association of Bay Area Governments (ABAG)
Project Manager: Johnny Jaramillo, Senior Planner
Assistant Project Manager: Vinita Goyal, Regional Planner
Pedro Galvao, Regional Planner

Maps
Michael Smith, GIS Administrator
Brian Tyler, ABAG Intern

Copy Editing
Kathleen Cha,Sr. Communications Officer
Leah Zippert, Communications Officer

Graphics
Victoria Rutherford, Communications Assistant

Client
Regional Prosperity Plan Consortium

Research Support
San Francisco Federal Reserve:
Naomi Cytron, Senior Research Associate

Kirwan Institute for the Study of Race and Ethnicity

US Department of Housing and Urban Development: Office of Fair Housing and Equal Opportunity (FHEO)

California Housing Partnership Corporation (CHPC)
James Pappas, Housing Policy and Preservation Associate

Fair Housing Organizations
Project Sentinel
Bay Area Legal Aid
Echo Fair Housing

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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 outweights 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.

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.
1. INTRODUCTION
Chapter 1  Introduction

In February 2010, HUD announced the availability of funding through a new Sustainable Communities Regional Planning Grant Program that is intended to build support for actions that will create more equitable regions.

The Regional Prosperity Consortium

In 2011, MTC in collaboration with ABAG and community partners, applied for and received a $5 million Sustainable Communities Regional Planning Grant from the HUD Office of Sustainable Housing and Communities. The grant funded the creation of the Regional Prosperity Consortium, with a work program intended to address some of the greatest barriers to securing equitable outcomes in implementing the region’s Sustainable Communities Strategy - Plan Bay Area (adopted 2013). A significant goal of the grant-funded effort has been to broaden engagement with a wide array of stakeholders to improve the region’s capacity to foster healthy communities and more equitable development. These goals would be achieved by providing enough affordable housing, enhanced regional mobility, better environmental outcomes, and access to jobs for low-income households and communities of color in areas receiving major transit and housing investments.

The Regional Prosperity Consortium has provided a unique opportunity to establish a more inclusive conversation on regional issues, drawing in those who have traditionally not participated in regional planning processes. These voices have provided new insights into the burdens and benefits experienced by different groups across the region.

The Fair Housing Equity Assessment

As a condition of participation in the Sustainable Communities Regional Grant program, HUD has required that all grantees complete a Fair Housing Equity Assessment (FHEA), this report. Equity in this context means that all people, regardless of where they live, have access to the resources and opportunities that improve their quality of life and let them reach their full potential. Social equity also requires that low income communities, communities of color and other historically underrepresented populations are active participants in planning and policy making by receiving the knowledge and other tools required for full participation.

When developing the regional FHEA concept, HUD established two specific requirements for grantees:

1. The findings of the FHEA should inform regional planning efforts, decisions, priorities, and investments that flow from it.
2. The regional planning consortium members should understand the implications of the FHEA for regional planning and implementation efforts.

The FHEA analyzes regional demographics and segregation patterns over time, and access to opportunities including fair housing conditions as they pertain to housing choice for people of color, families with children, persons with disabilities, and other protected classes. This assessment provides insight into existing fair housing conditions within the region. The objectives of the FHEA overlap to an extent with the region’s Sustainable Communities of Strategy-Plan Bay Area, in that it seeks to ensure that regional plans link fair housing considerations with issues of transportation, employment, education, land use planning, and environmental justice. In addition, it seeks to ensure that affordable housing 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.

Currently, there is no consistent regional coordination of fair housing planning by non-fair housing agencies. For fair housing agencies, regional coordination takes place among the Region 9 HUD office, county departments responsible for fair housing, local jurisdiction housing agencies, and several nonprofit fair housing agencies and numerous stakeholder agencies. This San Francisco Bay Area FHEA is the first attempt to regionally address affirmatively furthering fair housing through affordable housing development, jobs planning, transportation, education, and planning for healthy and resilient communities. As such, the strategies contained in this report are intended as a resource to guide regional and local plans, regulations, investments and other policies and actions.

**Relationship between the FHEA and Jurisdictional Analysis of Impediments**

Thirty-three (33) jurisdictions in the Bay Area are recipients of either a Community Development Block Grant (CDBG) or HOME funds from HUD and are thus required to prepare an *Analysis of Impediments to Fair Housing Choice* ("AI") for their individual jurisdictions.

The FHEA follows much of the format required for jurisdictional AI. Like an AI, the FHEA examines regional demographics and conditions of racial and ethnic segregation. It considers public activities affecting housing choice, such as zoning and land use regulation, deployment of affordable housing resources across the region, as well as the interaction of housing choice with public resources for transportation and similar investments. It looks at evidence concerning the level and types of discrimination that occur in the nine counties in the region, and the capacity to address these issues where present. This report also discusses potential violations of fair housing law that occurred between 2007–2013.

There are, however, several areas in which the requirements of the FHEA and AI differ. The focus of the AI has been on the local level. Jurisdictions receiving and allocating federal funding have the responsibility to identify and address impediments to access fair housing within their borders. Jurisdictions with a local-level fair housing certification requirement must identify strategies and actions that will be taken to address the fair housing issues raised in the AI. The obligation to conduct an AI in connection with the use of CDBG and HOME funds is statutory. Jurisdictions that fail to carry out the steps required by the AI certification are at risk of an enforcement action. In comparison, the FHEA is regional in scope and examines fair housing conditions from a regional standpoint. There is no comparable enforcement framework in the region’s Sustainable Communities Strategy or in the FHEA. Regional agencies, including MTC and ABAG, have no power to compel the communities with which they work to further fair housing. However, jurisdictions are always required to abide by applicable fair housing laws and, if they do not, they may risk litigation.

**Fair Housing Context in the Bay Area**

California and the Bay Area in particular, are leading the nation in terms of equitable development. The Fair Housing Equity Assessment, however, was developed by HUD for the nation as a whole, in part to push some regions in a more progressive direction. It was not designed specifically for the state of California or the Bay Area, so it does not consider California’s employment and fair housing act, California’s general plan and housing element law, the state’s Sustainable Communities Strategy, or regional programs like the One Bay Area grant or the Transit Oriented Affordable Housing program (TOAH).
For example, while enforcement is uneven, 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. For additional details on California’s Fair Housing and Employment Law, see Chapter 2.

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 that include not meeting fair housing requirements. The completeness of a jurisdiction’s mandatory housing element supports the goal of affirmatively furthering fair housing access. State General Plan law requires that local housing elements include the following:

- An inventory and analysis of existing and projected housing needs at all income levels that identifies the number and affordability levels required to manage projected growth
- A statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing
- Identification of sufficient and appropriate land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; as well as making adequate provisions for existing and projected needs of all economic segments of the community.

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 for 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 building 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 development of affordable housing.

**History of Segregation in the Bay Area**

As in other parts of the country, the Bay Area has a history of segregation based on race, national origin, and other characteristics. Practices such as “red lining” and restrictive covenants on property have had long-lasting impacts on neighborhoods throughout the Bay Area’s nine counties.

Across the region, communities have been shaped by racially restrictive covenants. These covenants took the form of terms in a deed that prevented people of minority races, religions, and ethnicities from purchasing a home. The U.S. Supreme Court indirectly validated racially restrictive covenants in a 1926 case ruling that they were private contracts not created by the government and that the government was not responsible for the acts of private citizens. Thereafter, the restrictions occurred frequently in private deeds all over the country, including the Bay Area. Because the restrictions were an enforceable contract, owners who disregarded the contract terms were subject to the consequences outlined within the document which usually meant that violators of the racially restrictive covenant would forfeit their property as a penalty.
As a result of these private contracts, neighborhoods throughout the region prohibited the sale to or rental of property by Blacks, Jews, as well as Asians [Corrigan v. Buckley, 271 U.S. 323, 1926]. However, in 1948, the Supreme Court ruled that racially restrictive covenants were not enforceable (in other words, if racially restrictive covenants existed in a deed, courts could not force a violator to forfeit the property which meant the covenant could not be enforced and was effectively null and void [Shelley v. Kraemer, 334 U.S. 1, 1948]. Even with this ruling, the decision did not change already segregated communities that had formed or the informal structures that perpetuated segregation within well-established communities. In addition, despite the ruling, it was still legal for realtors and property owners to discriminate because of race and national origin until Congress passed the Fair Housing Act in 1968.

Another discriminatory practice which affected the entire nation relates to the Federal Housing Administration (FHA) loans that were available to returning veterans after WWII. As part of the GI Bill, FHA home mortgage loans were approved for veterans with very low interest rates. Veterans of color, however, were only given FHA loans in certain neighborhoods and were therefore prevented from moving into majority White neighborhoods through what amounted to a governmental redlining program. [“Race and the Power of Illusion,” California Newsreel, 2003 at http://www.pbs.org/race/000_General/000_00-Home.htm]

1906 to Today
Until the 1906 earthquake the majority of the Bay Area’s population lived in San Francisco. After the earthquake, displaced Jewish immigrants from Eastern Europe settled in the Fillmore district in San Francisco, which was considered a center of the Jewish community in the early 20th century.

From 1910 to 1930, sections of this neighborhood around Fillmore Street and Geary Boulevard became home to thousands of Japanese immigrants with that area becoming part of Japantown. In 1942, during World War II, people of Japanese origin were forcibly removed from their homes and sent to internment camps throughout the western United States, which emptied the Fillmore of Japanese residents [Executive Order 9066 signed by President Roosevelt].

The vacant homes in the Fillmore attracted thousands of Blacks migrating to work in the shipyards of San Francisco’s Bayview Hunters Point and in the City of Richmond, as well as musicians and artists. Soon, many nightclubs were opened, bringing major musical icons to the neighborhood including Ella Fitzgerald, Louis Armstrong and Billie Holiday.

The 2007 U.S. Supreme Court challenge, United States v. Westchester County, New York, provides a good example of what not to do. In this case, Westchester County, NY, one of the most segregated counties in the United States, allegedly failed to affirmatively further fair housing after having received millions in federal housing grants. Though Westchester County certified that it had analyzed the impediments to fair housing choice and that it was addressing those impediments, the court ruled that the County had not done anything related to furthering fair housing.

Westchester County argued that efforts to provide more affordable housing in low income areas where there were high percentages of racial minorities improved the housing in those areas. The court found, however, that the real effect of the policy of building affordable housing units solely in communities with high populations of low income minorities was that they further segregated those populations, confining affordable housing units to minority communities rather than changing housing patterns within an already racially polarized county. Meanwhile, the county had not built any affordable housing in high opportunity areas which were primarily White communities.
Despite this cultural richness, sections of the Fillmore were perceived as “blighted” and in 1948 the Fillmore was designated a redevelopment area. The city’s Redevelopment Agency demolished most of the neighborhood’s existing homes and businesses over the course of the next decade. In their place, developers built large, mostly low-rise housing developments, along with some mixed-use buildings concentrated around Fillmore Street. Many of these developments included subsidized units for low-income residents. The project took much longer than expected, however, with some plots remaining vacant until well into the 21st century. While the residents were in theory entitled to return to the neighborhood, many did not do so, in part because of this delay.

Despite its original intent to benefit the community, the redevelopment of the Fillmore has been considered unsuccessful and regrettable. This is due to the project’s displacement of residents and businesses, its discriminatory economic and social impact, and its design (replacing a more mixed-use Victorian neighborhood with a fine grain street pattern with superblocks and strict separation of uses). This redevelopment contributed to a neighborhood of contrasts between rich and poor, roughly divided by Geary Boulevard.

Fair Housing Versus Affordable Housing

While interrelated, “fair housing” and “affordable housing” are distinct concepts in law and policy. Fair housing is a broader concept which protects people in protected classes from discrimination in housing transactions including both the public and private housing markets because both markets may have conditions which restrict housing choice. Affordable housing affects fair housing because housing and other public policies influence housing markets as well as the distribution of subsidized affordable housing units in a given area. In these ways, public policy can repair or create patterns of residential segregation.

Fair housing for a region means affordable housing options are available in all communities to allow people to live where they want to live. In areas where there is low access to opportunity or where the housing quality is low, new affordable housing units may improve the value of the housing stock. In areas where there is high access to opportunity or where the housing is generally very expensive, affordable housing units add diversity to the community and allow access to opportunities to low income families.

Generally, the more affordable housing units there are in a community the better. However, over concentration of affordable housing can hinder fair housing efforts and actually further residential segregation, especially in communities with low access to opportunity or segregated communities of color.

Implications of Westchester Case for HUD

As a result of the Westchester case, HUD has sought to promote and enforce its authority to affirmatively further fair housing. Since 2009, HUD and the Department of Justice have filed cases against jurisdictions in many parts of the country (e.g., the State of Texas; the State of Louisiana; St. Bernard Parish, LA; Danville, IL; Joliet, IL; Sussex County, DE; and Marin County, CA) that were allegedly not meeting these requirements.
Lessons learned: Promoting affordable housing in all neighborhoods affirmatively furthers fair housing and dismantles residential segregation. When a jurisdiction expands affordable housing opportunities in historically homogeneous communities with more opportunity, members of protected classes have access to good schools, employment, and healthy homes which they have been excluded from in the past. Diversifying the housing market diversifies a community’s population.

Methodology: How We Did this Analysis

To reiterate, the purpose of the Fair Housing Equity Assessment is to understand how access to opportunity varies across the region, and to develop strategies that enhance access to opportunities for those that need it most. To do this, we first analyzed census data to document demographic changes between 1990 and 2010, with the assistance of the San Francisco Federal Reserve and data sets provided by the US Department of Housing and Urban Development (HUD), which included segregation indices to better understand segregation patterns in the region, among others sources. For the most part, data was analyzed first at the regional level which is comprised of nine Bay Area counties, and then at the sub regional level with groupings of counties. Note that certain individual jurisdictions may be mentioned as illustrative of the overall changes. These sub-regional groupings were chosen based upon similarities in population, topography and job access. This scale of analysis also helps to better distinguish between regional and local trends.

As required by HUD, we identified Racially and Ethnically Concentrated Areas of Poverty (RCAPs), or census tracts that are majority minority and have a 40% poverty threshold. We found that virtually all RCAPs are within the Communities of Concern (COCs) identified in collaboration with equity stakeholders for Plan Bay Area adopted in 2013. We found that virtually all RCAPs are within COCs; so although we analyzed both, we focused on COCs to cast a wider net because they represent larger areas due to their broader definition beyond race and income by including other dimensions such as disability, rent burden, age, among others.

Quantifying opportunity is extremely difficult, so for the broadest possible picture we looked at a number of indicators shown to correlate with life outcomes including:

- A set provided by HUD that analyzed job access, school quality, unemployment rates and educational attainment, and transit access.
- A composite score of 18 indicators from the Kirwan Institute covering education, economics and mobility, neighborhood and housing quality, crime and community health, among others.

To identify areas with poor air quality, we reviewed the most recent 2013 Bay Area Air Quality Management District (BAAQMD) analysis of impacted areas.

From an analysis provided by the California Housing Partnership Corporation of tax credit subsidized housing in the region, which represents the majority of subsidized affordable housing, we analyzed the location of affordable housing in relation to impoverished areas. This included also analyzing the risk of this housing losing its affordability status by being converted to market rate or subsidized housing. We also analyzed how potential fair housing violations vary by type and amount across the region from data provided by HUD and other fair housing organizations, as well as surveyed summaries of Analysis of Impediments (AI) from across the region.

Working with MTC we also updated relevant portions of the Plan Bay Area equity analysis to examine if low income communities of color received their fair share of transportation investments.
Guide to Using this Document

This report proceeds in the following sections:

**Chapter 1** is this Introduction describing the FHEA, its value given the State of California and Bay Area’s progressive context in comparison to the nation (e.g. SB 375 Sustainable Communities Strategy, OBAG), the process involved and the opportunity factors analyzed.

**Chapter 2** discusses regional trends and summary findings that include data on demographic change and segregation, access to opportunity, an assessment of the region’s stock of affordable housing, the state of fair housing enforcement, and transportation investments.

**Chapter 3** contains a list of potential strategies to improve access to opportunity in the Bay Area.

**Technical Appendices** contains further information detailing the analysis and methodology.

**Key Terms**

**Equity**

Means that all people, regardless of where they live, have access to opportunities that improves their quality of life and lets them reach their full potential. Social equity also requires that low income communities, communities of color, and other historically under-represented populations are active participants in planning and policy making.

**Fair Housing**

Means including real and effective fair housing strategies in planning and development process that correspond to the spirit of the Fair Housing Act to rectify the consequences of a history of inequality. Fair housing law seeks to encourage integrated living patterns but bars discrimination against certain individuals and all aspects of the housing industry.

**Access to Opportunity**

Opportunity measures community conditions—such as education quality, mobility, and economic health—that places individuals in a position to be more likely to succeed or excel. Opportunity can be broadly defined as having access to high-performing schools, employment, and public transit and neighborhoods that have lower poverty, and are safe and healthy.

**Affordable Housing and Displacement**

Affordable housing is considered either cost-restricted or unsubsidized housing where the resident pays no more than 30% of income housing costs.

**Healthy and Resilient Communities**

Healthy and resilient communities promote and preserve their residents’ health, have the capacity to survive and adapt in the face of stress and shocks, and can transform when conditions require it.
2. ACCESS TO OPPORTUNITY IN THE BAY AREA
Chapter 2  Findings

Increasing Diversity, But Continued Segregation (1990-2010 Change)

Summary

Between 1990 and 2010, the region experienced a significant increase in the number of Hispanics and Asian and Pacific Islanders, and a decline in its overall Black and White populations. These shifts have not been uniformly felt among the Bay Area’s nine counties, since the population of Blacks and Hispanics have decreased substantially within San Francisco and parts of Oakland while considerably increasing in several suburban areas, particularly those where lower housing costs prevail. There has also been a significant increase in the number of Asians and Pacific Islanders in Santa Clara County and southern Alameda County.

Increasing Diversity in the Bay Area between 1990 and 2010

Between 1990 and 2010, the Bay Area White population decreased from 60.3 % to 44 %. During this same period, Hispanics’ share of the overall population increased by about 8%, or from 15.5% to 23.6%, while Asians increased 10%, or from 15% to 25% of the region’s population. The Black population in contrast, decreased from 8.7% to 7.1% of the overall population.

These shifts were, however, not uniform among the nine counties. Hispanics grew everywhere, but the rise was significant in Santa Clara, Contra Costa and Alameda counties. Santa Clara and Alameda counties also saw a substantial increase in Asian and Pacific Islander population. The population of Blacks interestingly decreased substantially from San Francisco and also from Alameda County, while they increased considerably in suburban areas especially within Solano and Contra Costa counties, and particularly in areas where lower housing costs prevail. White population fell in all counties but San Francisco, and quite significantly in Santa Clara and Alameda counties which received the most Hispanic and Asian and Pacific Islander growth. The increase of Whites in San Francisco was small. The exact changes are illustrated in the figures below:

(View attached PDF of charts illustrating county numbers region-wide: Race 2010, Race 1990)

Marin, Napa, Sonoma Counties

The most rural and the least populated sub-region of the Bay Area (North Bay) is also the least diverse. There are 872,000 inhabitants that account for 11.5 % of the region’s population within Marin, Napa and Sonoma counties. All of these counties have a White population at least 10 percent above the regional average of 44 percent. Marin has the highest share of Whites in its population, 72 percent, while within this North Bay sub region, Napa has the least with 56 %. Although dominantly White, these counties did experience a significant increase in their respective Hispanic populations between 1990 and 2010. The urbanized areas of these Counties are relatively more diverse—Marin City and the canal neighborhood of San Rafael in Marin County, Santa Rosa in Sonoma County, and American Canyon and Napa in Napa County.
San Francisco, San Mateo Counties

In San Francisco, the region’s only city and county, and the only area that had experienced an increase in their White population between 1990 and 2010, Whites still constitute a minority share of the total population. Vast parts of the city have populations that are majority non-White and have undergone continuous changes over the years. While the overall Hispanic population grew by 20,000 residents, it decreased in specific neighborhoods namely the Mission and a few pockets south by BART. The city’s Black population decreased by 25,000 residents overall (4.2 %), and in significant numbers in Bayview Hunter’s Point and Visitacion Valley in the city’s south east. Within San Francisco, there was also a loss of Asians and Pacific Islanders from Chinatown and from adjacent areas in the northeast and southeast.

San Mateo County grew more diverse with a substantial increase in Asian and Pacific Islanders in South San Francisco and an increase in Hispanics in East Palo Alto. The County experienced a drop in the White population, which was most conspicuous in the northern part of the County.

Santa Clara County

Between 1990 and 2010, Santa Clara County, the most populous county, experienced the greatest increase in their Asian Pacific Islander population, 316,000 people (16 %) and the greatest decrease in their White population, 245,000 (21 %). Minority communities have a significant presence in the inner areas of the cities of San Jose, Gilroy and Morgan Hill.

Alameda, Contra Costa, Solano Counties

This most populous sub-region became less White and more diverse between 1990 and 2010. The drop in White population was significant in the southern part of Alameda County. There was a substantial increase in Hispanics in East Contra Costa County and in East Oakland, while Asians and Pacific Islanders settled in the southern part of Alameda County, in South Contra Costa County, and in South Solano County. The most phenomenal change was the drop in Black population from Alameda County and a simultaneous increase in Contra Costa and Solano counties.

Continued Segregation between 1990 and 2010

For this assessment, segregation trends were measured through two indices. One determined the spatial concentration of Blacks, Hispanics and Asian Pacific islander in relation to Whites. The other determined the isolation of Whites and minority groups individually. The analysis was conducted at the jurisdiction level. For more information on this analysis, see the technical appendices.

Increase in population diversity has not directly translated into more integrated neighborhoods in the Bay Area. Segregation between Whites and Hispanics grew between 1990 and 2010. White Black segregation decreased over the same time, but remained strong in several areas. White-Asian segregation levels are generally more moderate. Race alone, however, is not the only driver behind

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1 Dissimilarity and Isolation Indices were calculated by the San Francisco Federal Reserve as recommended by HUD. The analysis focused on 2010 segregation levels. Key trends between 1990 and 2010 are identified. Positive aspects of segregation that include, for instance, benefits of a sense of community prevailing in such neighborhoods as Chinatown and Mission in San Francisco and Fruitvale in East Oakland are not analyzed. The two indices primarily analyze how race distribution in a census tract compares to a larger geography such as a jurisdiction. Dissimilarity Index (DI) in this analysis is a summary measure of the extent to which the distribution of any two different racial / ethnic groups differs across census tracts in a jurisdiction. Ranging between 0 and 1, DI = 0, indicates perfect integration and suggests that every census tract or block-group mirrors the two groups shares in the overall geography; while DI= 1, suggests complete segregation, where each tract has exclusively one of the two groups. Isolation Index (II) in this analysis compares a group’s average share of the racial group in a census tract to the group’s share in the jurisdiction. For more information, see the technical appendices.
racial segregation patterns and household characteristics such as income, education, and language and immigration status also correlate with segregation patterns.\(^2\)

There are also benefits of segregated communities. For instance, they can be a defensive gesture against a threat targeted toward a particular racial group as a whole. Communities segregated by culture – such as Chinatown and the Mission District in San Francisco and Fruitvale in East Oakland – can also offer opportunities for both residents and non-residents living outside the community.

White mobility strongly correlates with Black presence in a neighborhood with concerns raised over “crime, declining property values and falling social quality.”\(^3\) A recent study notes that while most Whites still prefer all White neighborhoods, increasingly they are becoming open to sharing neighborhoods with other minority residents including Asians, Hispanics, and Blacks.\(^4\) This is also true among racial minorities; however, minorities tend to prefer more racially and ethnically mixed neighborhoods than Whites.\(^5\)

Among the most severe consequence of racial residential segregation is poverty that tends to perpetuate over time. This in turn leads to other social problems in these neighborhoods.\(^6\)

Overarching symptoms of this cause and effect spiral are evident through lower levels of educational attainment and lower earnings in these neighborhoods when compared to racially integrated neighborhoods.\(^7\) Other negative outcomes of segregation include inadequate schools and city services, and increased health risks among residents.\(^8\)

The concentration of disadvantage is ultimately transferred from one generation to another and results in what has been termed as racial stratification. Research suggests that long term exposure to isolated areas of high crime and poverty leads to increased disease and mortality rates as well as learning disorders.\(^9\)

Segregation between Whites and Hispanics is high in Marin, San Mateo and Alameda Counties, both in places where the Hispanic population has increased substantially within the last two decades and in historic areas where Hispanics have settled. Compared to 1990, White Hispanic segregation increased in 2010. On the other hand, segregation between Whites and Blacks fell during the same period. This does


\(^3\) Survey conducted by Emerson, Chai and Yancey (2001).


\(^5\) Ibid.

\(^6\) Ellen and Turner (1997) and Duyrlauf (2004) provide comprehensive review of the current literature.

\(^7\) Boustan (2012), however, cautions that the relationship of lower employment rates among Blacks in isolated neighborhoods may not be a causal one, but rather that households are already weakly attached to the labor market and therefore stay in isolated neighborhoods.


not, however, suggest that the two racial groups are becoming integrated. The occurrence seems most likely due to the decrease in the Black population in large numbers from several urban neighborhoods. Segregation is also high among Blacks in the cities of San Francisco, Menlo Park, and Oakland. Segregation between Whites and Asian Pacific Islanders is moderate, however, even where the Asian Pacific Islander population grew substantially since 1990, including Santa Clara County and southern Alameda County. Since 1990, White-Asian Pacific Islander segregation has increased in San Jose.\(^\text{10}\)

**Marin, Napa, Sonoma Counties**

Segregation between Whites and Hispanics is quite strong in Marin County in the San Rafael area with isolated neighborhoods of Whites and Hispanics in existence such as Hispanics dominating the Canal neighborhood. Overall, White-Hispanic segregation has increased in San Rafael between 1990 and 2010. There has been moderate segregation between Whites and Blacks in Napa City in Napa County, and in Larkfield (unincorporated area) in Sonoma County. *(See PDF Map: Marin, Napa, Sonoma Counties 2010 Segregation White and Hispanic)*

**San Francisco, San Mateo Counties**

Even with a decrease in the Black population in San Francisco and Menlo Park in 2010, a strong segregation between Whites and Blacks prevails within the two cities. It is present to a lesser extent in Pacifica and Redwood City. In both San Francisco and Menlo Park, the propensity for Whites to live in White neighborhoods is high.

The city of Menlo Park also experienced strong segregation between Whites and Hispanics in 2010, which had increased from 1990. Similar to Whites, Hispanic residents have been more likely to live in Hispanic dominant neighborhoods. Other prominent cities in the region, San Francisco and Redwood City, have moderate segregation between Whites and Hispanics, with Hispanics more likely living in Hispanic-dominated neighborhoods in Redwood City. *(See PDF Map: San Francisco, San Mateo Counties 2010 Segregation White and Black)*

**Santa Clara County**

Even with a dramatic increase in Asians and Pacific Islanders documented throughout Santa Clara County between 1990 and 2010, Whites and Asian and Pacific Islanders are still moderately segregated. *(See PDF Map: Santa Clara County 2010 Segregation White and Asian-Pacific Islander)*

**Alameda, Contra Costa, Solano Counties**

In Oakland, segregation between Whites and Hispanics is strong, and moderate between Whites and Blacks. Whites are also more likely to live in White dominant-neighborhoods in Oakland. In other areas in the sub-region, such as Richmond and Dublin, White-Black segregation is high. In Dublin, Blacks are more likely to live in Black neighborhoods. Richmond is also moderately segregated between Whites and Hispanics. *(See PDF Maps: Alameda, Contra Costa, Solano Counties 2010 Segregation White and Black and 2010 White and Hispanic)*

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\(^{10}\) These trends generally resemble national segregation trends for Blacks, Hispanics and Asian and Pacific Islanders.
Urban Poverty Persists, But Increased in the Suburbs

Summary

The historical narrative of spatial development in the Bay Area begins with San Francisco, Oakland and San Jose starting as the three urban nodes. Over the years, suburbanization and re-urbanization patterns following cycles of investment in infrastructure and broader economic development have supported prosperity in some areas, while pockets of poverty remained in others. While historically poverty existed in urban areas, there is a trend of poverty increasing in suburban areas. This has become more problematic for families in poverty, who live in new suburbs, due to lack of access to services.

Generally, the geography of poverty aligns with the geography of diversity across the region. Poverty exists in several contiguous patches in the East Bay interspersed with pockets of high incomes. While poverty remains concentrated in the Bay Area urban areas, it is also growing in the outer suburbs of East Contra Costa County, beyond the established wealthy suburbs of Lafayette, Walnut Creek and Orinda.

Suburbanization of Poverty in the Bay Area

The Bay Area is often described as a prosperous region. With 46% of workers possessing a Bachelor’s degree or higher and a median household income of about $76,000 in 2010, the Bay Area ranks as one of the top regions in educational attainment and income in the nation.¹¹

This prosperity, however, is uneven. Between 1990 and 2010, individuals in poverty increased from about 9.3% to 9.7%, according to the U.S. Census.¹² Although this remains well below California’s 2010 rate of 13.7%, the region continues to have concentrations of poverty largely populated by minorities. Some historically impoverished areas in the Bay Area have remained poor, while others have benefited from public and private investments and have experienced increased incomes particularly in areas near transit. These investments, however, have not always benefited area residents, especially renters; some of whom were forced to relocate to lower cost areas because the cost of housing had increased beyond their ability to pay. In search of housing they could afford, these residents have often moved further away from job centers, services, and other opportunities, or out of the region altogether.

As a result, impoverished minority communities have now emerged in the suburbs, particularly in Eastern Contra Costa County and portions of Solano County. After years of exclusion from mortgage loans, the ease of credit that emerged in the 1970s has increased communities of color access to housing in more locations including the edges of the region. The financial collapse of 2006 led to a concentration of mortgage loan defaults in these areas because residents had often financed their homes with loans that allowed them to qualify through short-term “teaser rates,” which then reset to

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¹¹ Bay Area Regional Economic Assessment 2012, Bay Area Council Economic Institute.

higher rates after several years. This increased mortgage payments substantially and beyond their ability to pay especially if they had lost their jobs.\textsuperscript{13}

This displacement of lower income households was different from the direct displacement that resulted from large scale urban renewal projects in the 20\textsuperscript{th} century. This displacement was largely indirect and induced by rapidly escalating housing costs. This led to increased poverty with families having to choose between such necessities as food and health care. Displaced households have been more likely to suffer from increased stress and anxiety, and serious health issues, along with substandard and crowded living conditions or even homelessness. Also, if they are forced to relocate far from their jobs, they are burdened with higher transportation costs. Limited social services, especially in newer suburban areas, can be another serious disadvantage for such families.\textsuperscript{14} These effects of displacement have seemed to persist across generations.

\textbf{Sub-Regional Poverty Trends}

The locations of impoverished areas and majority-minority communities are similar in the Bay Area. HUD identifies these through \textit{Racially Concentrated Areas of Poverty (RCAPs)}.\textsuperscript{15} MTC and ABAG have also studied a similar geography, \textit{Communities of Concern (CoCs)}.\textsuperscript{16} Typically, RCAPs are within CoCs. CoCs capture a larger geography because they consider other dimensions besides race and income, such as disability, rent burdens, and age. While RCAPs are almost entirely located within \textit{Communities of Concern} because of their broader definition beyond race and income, it is possible to have RCAPs outside these areas, because the racial threshold for RCAPs (50%+ non White) is lower than for \textit{Communities of Concern} (70%+ non White). There could be census tracts that meet the racial composition threshold for RCAPs, but not for \textit{Communities of Concern} – and vice versa – even if both census tracts meet the poverty threshold. For more information on the difference between RCAPS and COCs, see the technical appendices.

\textbf{Marin, Napa, Sonoma}

Poverty has increased between 1990\textsuperscript{17} and 2010, concentrating in the urbanized areas in rural Marin County (in San Rafael, with a strong segregated Hispanic community), in Sonoma County (in Santa Rosa), and in Napa County (which have grown more diverse since 1990). The sub region has also grown wealthier between 1990 and 2010, with median household income greater than $150,000 in several census tracts. (\textit{See PDF Map: Marin, Napa, Sonoma Counties 2010 Concentration of Poverty})

\textsuperscript{13} A Brookings Institution study, “Confronting Suburban Poverty,” explains this further and notes the health impacts of gentrification and displacement, 2014

\textsuperscript{14} Ibid.

\textsuperscript{15} For the Fair Housing Equity Assessment (FHEA), HUD uses the census definition of \textit{Racially Concentrated Areas of Poverty (RCAPs)} which are census tracts that have at least a 50% non White population and where at least 40% of the population is living at or below the federal poverty level. Alternately a census tract could also be considered an RCAP if, in addition to the racial composition, it has three times the average poverty rate for the MSA (whichever threshold is lower).

\textsuperscript{16} \textit{Communities of Concern (COCs)} have a significantly more expansive definition than RCAPs, which have been deemed a better fit for the Bay Area after extensive community engagement. A census tract is considered a Community of Concern, if it meets either of the following criteria:

- (i) The population has both a 70 percent minority concentration and meets the low income threshold of 30 percent; or
- (ii) The population living in the tract meets four of any of the specified characteristics/concentrations of minority population: low income population, limited English proficiency population, zero-vehicle households, seniors aged 75 and over, population with disability, single parent families, and/or rent-burdened households.

\textsuperscript{17} 1990 incomes were adjusted for inflation to current levels.
San Francisco, San Mateo Counties

Pockets of poverty are found in the south in the City/County of San Francisco including Park Merced, Sunnydale and Bayview-Hunter’s Point (with a prominent Asian Pacific Islander, Black and Hispanic population), and in the center, north and south of Market Street including Chinatown, North Beach, Downtown. Poverty levels within San Francisco were highest in the Bayview neighborhood, more than double other impoverished areas in the City. In San Mateo County, poverty is concentrated in East Palo Alto and surrounding area that has a growing Hispanic population.

While San Mateo County has remained wealthy, San Francisco has grown much richer between 1990 and 2010, with more census tracts showing higher median incomes. (This is also where the White population has increased). A comparison with the census tracts for the two counties, however, also shows Whites increasing in census tracts of varying median incomes. (See PDF Map: San Francisco San Mateo Counties 2010 Concentration of Poverty)

Santa Clara County

There are high poverty census tracts inside 680 close to downtown San Jose: some of which where RCAPs and Communities of Concern are located. Asian Pacific Islander and increasingly Hispanics live here. Since 1990, poverty in South San Jose has moved further south to the area surrounding Gilroy. High median incomes characterize the census tracts in the West, essentially hilly suburbs of Los Altos, Saratoga, and Los Gatos. These are also areas which saw an increase in Asian Pacific Islander residents. (See PDF Map: Santa Clara County 2010 Concentration of Poverty)

Alameda, Contra Costa, Solano Counties

Poverty has grown in several census tracts throughout Oakland, much in downtown and in East Oakland, between 1990 and 2010. Downtown Berkeley and West Oakland have had census tracts with the highest poverty levels. The most notable change in poverty in the Bay Area is its growth in East Contra Costa County in Pittsburgh, Antioch, Oakley, and Brentwood with their growing Hispanic and Black population. In Solano County, poverty matches with the diverse areas in the County—the cities of Vallejo and Fairfield. Various census tracts in Alameda County also became richer between 1990 and 2010 with median household incomes greater than $150,000. These include the census tracts located in North Oakland area and the inland area of Contra Costa County (Walnut Creek, Orinda, and Lafayette). (See PDF Map: Alameda, Contra Costa, Solano Counties 2010 Concentration of Poverty)

Displacement Trends

Involuntary displacement is difficult to track, but research suggests it is more likely to occur in areas where housing prices increase more quickly than other areas. As previously discussed, between 1990 and 2010, the Black population decreased 25 percent in San Francisco and in historically Black neighborhoods in the East Bay such as the cities of Oakland and Richmond, while the population in East Contra Costa and Solano counties increased.

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19 In fact, the Black population has seen a surge outside the Bay Area, beyond Contra Costa and Solano counties, in San Joaquin County, as researched by Alex Schafran in the paper “Origins of an Urban Crisis: The Restructuring of the San Francisco Bay Area and the Geography of Foreclosure.” International Journal of Urban and Regional Research, March 2013.
Rent burden can be an indicator of potential displacement. As indicated on maps on the following page, census tracts with more than 50 percent rent burdened households are often within *Racially Concentrated Areas of Poverty*, but near job centers. Increasing rents in these areas could potentially further the suburbanization of poverty to areas like East Contra Costa and Solano counties, if residents are forced to seek more affordable housing, but housing further from jobs, services, and transportation options.

Economic revitalization efforts in historically Black urban neighborhoods can constrain residents housing choices because they are forced to move to find housing they can afford, and are more likely to encounter discrimination when they do. Moves from places like San Francisco and Oakland to suburbs such as Fairfield and Vallejo may mean greater housing affordability, but displaced residents are further from employment opportunities in communities with fewer services.20

**Race and Income Are Linked to High Opportunity Areas**

**Summary**

ABAG found that high opportunity in the Bay Area has correlated with higher performing schools, low poverty, and better housing quality (using the Kirwan methodology), and high labor market engagement (using HUD’s methodology). ABAG’s assessment found no apparent correlation between high opportunity and job/transit access: However, some of the region’s lowest ranking neighborhoods were also the best served by public transit, and were located close to major job centers (such as West Oakland and Chinatown in San Francisco). Using methodologies developed by the Kirwan Institute for the Study of Race and Ethnicity and HUD, ABAG found that San Francisco, San Mateo and Santa Clara are counties with expansive areas of very high opportunity, while the region as a whole is marked with pockets of low opportunity.

**Limitations**

- Both HUD and Kirwan opportunity measurements do not take into account individual ability to access jobs or to attend schools outside of the specified geographic area.
- HUD’s opportunity indices only capture elementary school testing performance.
- Neither opportunity methodologies take into account social networks that may impact one’s access to opportunity. For example, an immigrant enclave might be considered “low opportunity” with these scores; but may arguably be better for a monolingual non-English speaker because this enclave will likely have services and amenities tailored to his/her language. In addition, she/he may have family/friend networks to connect them to resources outside of the neighborhood.

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**Measuring Access to Opportunity**

Quantifying access to opportunity is extremely difficult. To gain a more complete picture, we have used two complementary indices that evaluate metrics shown to correlate with life outcomes at the census tract level:

1. A composite index developed by the Kirwan Institute to measure *overall opportunity* in the Bay Area.
2. A set of separate indices developed by HUD that measure *key aspects associated with opportunity*, such as access to good schools, poverty, unemployment rates and educational attainment, job accessibility and transit access.

While these metrics are correlated with life outcomes, they do not recognize other valuable community assets, such as social networks, that are difficult to measure. Below is a short summary of each opportunity measure, but for more information on each index see the technical appendices.

**Kirwan Institute Index**

To assess *overall opportunity* for each census tract, we used a composite index developed by the Kirwan Institute for the Study of Race and Ethnicity. Kirwan conducted an extensive engagement process to develop the index and used a total of 18 factors that “contribute to healthier, vibrant communities and are conducive to helping individuals and families succeed.” The composite index includes the same opportunity factors analyzed by HUD, but has simplified the analysis to a single measure, which is not without its limitations.

The 18 indicators, grouped broadly as education, economics and mobility, and neighborhood and housing quality, are outlined in the table below:

<table>
<thead>
<tr>
<th>Education</th>
<th>Economics and Mobility</th>
<th>Neighborhood and Housing Quality</th>
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<tbody>
<tr>
<td>School Reading Proficiency</td>
<td>Proximity to Jobs w/in 5 miles</td>
<td>Median Home Value</td>
</tr>
<tr>
<td>School Math Proficiency</td>
<td>Public Assistance Rate</td>
<td>Residential Vacancy Rate</td>
</tr>
<tr>
<td>Student/ Teacher Ratio</td>
<td>Unemployment Rate</td>
<td>Neighborhood Poverty Rate</td>
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<tr>
<td>Free and Reduced Lunch Rate</td>
<td>Mean Commute Time</td>
<td>Median Gross Rent</td>
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<tr>
<td>Adult Education Attainment</td>
<td>Transit Access</td>
<td>Crime Risk Index</td>
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<td>Proximity to Parks and Open Spaces</td>
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HUD Indices

An analysis of HUD’s factors provided for the FHEA supplements Kirwan’s composite index by analyzing key *individual factors associated with access to opportunity*. These include:

- **Neighborhood School Proficiency**: The neighborhood school proficiency index uses school-level data on the performance of students on state exams to describe which neighborhoods have high-performing elementary schools and which have lower performing elementary schools.

- **Poverty**: Family poverty rates and public assistance receipt.

- **Labor Market Engagement**: Level of employment, labor force participation, and educational attainment in a given neighborhood.

- **Jobs Accessibility**: Accessibility of a given neighborhood to jobs with distances toward larger employment centers weighted more heavily.

- **Transit Access**: Accessibility to amenities via bus or trains within a metropolitan area.

In addition to these two primary measures of opportunity, we also reviewed the Bay Area Air Quality Management District’s most recent (2013) evaluation of community air risk for the Bay Area.23

*In the Bay Area Overall, Some Neighborhoods Offer Better Opportunity, Not for All*

Based on the Kirwan and HUD indices of opportunity, as well as the Bay Area Air Quality Management District’s Care Communities, high opportunity in the Bay Area generally corresponds with higher performing schools, strong labor market engagement including both low unemployment and higher educational attainment, lower poverty levels and overall better housing and neighborhood quality. *Overall opportunity*, as measured by the Kirwan index, does not always correspond with the key *individual aspects of opportunity* measured by the HUD indices which includes both HUD’s Job and Transit Accessibility measures. Some of the region’s neighborhoods that are ranked low by the Kirwan index in overall opportunity for example, such as West Oakland and Chinatown in San Francisco, ranked extremely high by the set of HUD indices that measured job and transit accessibility due to their locations near major job centers or BART stations.

Overall, San Francisco, San Mateo and Santa Clara counties have expansive areas of high opportunity, while the region as a whole is marked with pockets of low opportunity. Racially concentrated areas of poverty are generally areas of low opportunity, with Chinatown in San Francisco and the Roseland area in Santa Rosa representing two exceptions.

*In terms of race/ethnicity, Whites are more likely to be better off and reside in a high opportunity community. Asian and Pacific Islanders’ access to good schools is high in South Alameda and Santa Clara counties. In contrast, Blacks and Hispanics have less access to opportunities.*

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Assessment of Overall Opportunity (Kirwan), and Labor Market Participation and Job Access (HUD) in the Bay Area’s Sub-Regions

Marin, Napa, Sonoma Counties

Overall opportunity as measured by the Kirwan index is very high in the urbanized parts of Marin County as noted in the areas between Mill Valley and Corte Madera, and in the city of Novato. In Sonoma County, the Bennett Valley neighborhood of Santa Rosa scores high in overall opportunity. In the city of Napa, neighborhoods in the northern part of the city (Linda Vista, Vineyard Estates, and the Browns Valley neighborhoods) also had high opportunity scores. In all three counties, high opportunity was occasionally found to coexist with or adjacent to areas of poverty including racially concentrated areas of poverty.

As measured by HUD’s individual Job Access and Labor Market Participation indices, Job Access scores high in all urbanized area in the three North Bay counties, while most Marin County jurisdictions also scored well on labor market participation that analyzes educational attainment and unemployment rates. This is likely due to the individual characteristics these indicators are based on, rather than place, in that a highly qualified and employed individual may live in an area with little transit access. (See PDF Maps: Marin, Napa, Sonoma Counties 2010 Kirwan Index, HUD, HUD Job Access)

San Francisco, San Mateo Counties

In the city and county of San Francisco, high overall opportunity as measured by Kirwan is seen in the northern neighborhoods of the Marina, Pacific Heights, parts of the Sunset, St. Francis Woods, and Glen Park which are located in the City’s north and center. The City’s low opportunity areas include the neighborhoods of the Tenderloin (central), Mid-Market (central), Bayview Hunter’s Point (south east), and Visitacion Valley (south east). Areas with high labor market participation, as measured by HUD, have generally matched the neighborhoods identified by Kirwan as having a high overall opportunity. HUD’s Job Access measure does not correspond as neatly with Kirwan’s overall opportunity measure. Job Access as measured by HUD is high in almost all of the city’s neighborhoods, including racially concentrated areas of opportunity, due to San Francisco’s status as a major regional job center and its extensive public transit network.

In San Mateo County, areas of high overall opportunity as measured by Kirwan are located to the west of the Caltrain line toward the more affluent hillside communities. These areas also happen to be the homes of the College of San Mateo and Notre Dame de Namur University, which may contribute to the high overall opportunity score due to the multiple factors the Kirwan index uses. Exceptions are Foster City and the neighborhoods south of Burlingame along the Caltrain line, which scores with lower levels of opportunity as determined by the Kirwan Index. Labor market participation as measured by HUD is also high in these same neighborhoods, while Job Access as measured by HUD is high in nearly all of San Mateo County. (See PDF Maps: San Francisco, San Mateo Counties 2010 Kirwan Index, HUD, HUD Job Access)
Santa Clara County
Concentrated in the west, areas of overall high opportunity, as measured by Kirwan, correspond with high incomes in Santa Clara County, with occasional, though not nearly as extensive, high opportunity census tracts in the east as well. Overall high opportunity areas do not intersect with racially concentrated areas of poverty. The geography of labor market participation, as measured by HUD, closely mirrors that of Kirwan’s overall high opportunity assessment. In contrast, Job access as measured by HUD is generally high or very high for the entire county and includes racially concentrated areas of poverty. (See PDF Maps: Santa Clara County 2010 Kirwan Index, HUD, HUD Job Access)

Alameda, Contra Costa, Solano Counties
Generally, overall high opportunity as measured by Kirwan marks the more inland areas of Alameda and Contra Costa counties. This includes the Oakland Hills, the Berkeley Hills, and the eastern portions of El Cerrito, most of Lafayette, Walnut Creek, as well as parts of Concord and Pleasant Hill. Overall high opportunity areas can also be found along 680 in the eastern portion of Contra Costa and Alameda counties which includes Pleasanton, San Ramon, and Danville. To the South, overall high opportunity areas can be found in parts of Fremont closer to BART, and a few census tracts to the west in Union City. In Solano County, only the eastern portion of the city of Benicia along the waterfront is identified as an area of overall high opportunity as measured by Kirwan. Racially concentrated areas of poverty are not present in these overall high opportunity areas. The geography of labor market participation as measured by HUD is a little more expansive, but follows a similar footprint as the overall high opportunity areas, never overlapping with racially concentrated areas of poverty. High job access, as measured by HUD, encompasses a most of this sub region and includes racially concentrated areas of poverty as well. (See PDF Maps: Alameda, Contra Costa, Solano Counties 2010 Kirwan Index, HUD, HUD Job Access)

Opportunity for Families with School Age Children in the Bay Area Sub Regions

Summary
The universe for this analysis is comprised of families with school age children (5-17) as derived from the 2010 census. We analyzed how each subregion varies from the overall average of families with school-age children in the Bay Area, and also assessed the average for each subregion, both for the universe of all families with school-age children for the overall Bay Area and at the subregional level. We broke this down further by race and ethnicity, and then compared how each group compared with the overall Bay Area average and the subregional averages by race.

The average for all families with school age children in the Bay Area for all race and ethnicity groups is 12.2%. In other words, per the 2010 US Census, 12.2% of designated family households in the Bay Area have school age children living at home. Some examples of families
without school age children living at home include seniors who may have children that no longer live with them and other couples who do not have children.

By race, only those minorities specific to an area that experienced a significant increase in the last two decades were analyzed. These include White and Asian families. The overall average for all White families with school age children in the Bay Area is 8.8%, while the overall average for all Asian families is 11.5%. For further details, see the technical appendices.

In analyzing where children with families live and the geography of neighborhood school proficiency, data suggests that more affluent White neighborhoods have access to better performing school districts than do racial minorities.

**Marin, Napa, Sonoma Counties**

Neighborhood school proficiency scores are higher in areas where a higher proportion of White families with school-age children live. In Petaluma, for instance, the area immediately west of East Washington Avenue has a higher percentage of White children than the regional average (more than 6% above the regional average of 8.8% for White families) and has a high performing school district. Similarly in Marin County, the urbanized areas to the west of 101 have a high percentage of White families with children and very high school performance. These places include Fairfax, Larkspur, and Mill Valley. For the most part, areas with a higher Hispanic population also have access to higher performing school districts, but residents of racially concentrated areas of poverty do not. A few areas with a higher proportion of Hispanics, Asian Pacific Islander and Black families with children have access to schools with lower school proficiency scores.

**San Francisco, San Mateo Counties**

Overall, the city of San Francisco has fewer families with children so most neighborhoods have less than the region’s overall average for the total population of 12.2% families with school-age children. High performing schools are generally found in the western portions of the City and generally correspond to areas of overall high opportunity as measured by the Kirwan Index: schools here provide equal access to minority children and non-minority children alike.

In San Mateo County, schools throughout the county are high performing with a few exceptions in five jurisdictions - Daly City, South San Francisco, Brisbane, Foster City, and East Palo Alto. While all these jurisdictions have significant White communities they are also all racially mixed. High performing schools in San Mateo County are not located in racially concentrated areas of poverty.

**Santa Clara County**

Santa Clara County, especially to the west, has a high concentration of Asian families with school age children that exceed the regional average of 11.5% for Asian families, by over 6%. School opportunity is highest for children of all races along the western portion of the County in cities such as Mountain View, Sunnyvale, Cupertino, Campbell and in a small area southeast of 680 by Alum Rock in San Jose. There are still areas with lower school proficiency in Santa Clara County.
overall, but there does not appear to be any one racial group where families with children are concentrated in those areas.

**Alameda, Contra Costa, Solano Counties**

In the East Bay counties, White families with children tend to be concentrated away from the Bay in the inner parts of Alameda and Contra Costa counties. Asian and Pacific Islander families with children, however, are more evenly spread throughout the counties and can be found in both high and low performing school districts.

The best performing schools can be found in the inner suburbs of Alameda and Contra Costa counties in parts of Concord, Lafayette, Orinda, Danville, San Ramon, Pleasanton, and Piedmont, or generally away from the Bay and over the hills. There are also a few high performing schools on the edge of the Bay in Union City, Newark, Fremont, in the Fernside and East End neighborhoods of Alameda, and in the city of Fairfield in Solano County. This means that many families with children living near the Bay are living in areas with relatively poor performing schools. This is true for Blacks and Hispanic families with children and to a certain extent for White (although Whites generally reside in neighborhoods with better school proficiency scores).

**Impacts of Air Quality in the Bay Area Sub Regions**

The Bay Area Air Quality Management District (BAAQMD) has updated their analysis related to the region’s vulnerability to harmful air quality impacts (increased risk of cancer and increased mortality and illnesses from fine particulate matter (PM2.5). It has identified *Community Air Risk Evaluation (CARE) Communities* as areas “with greatest air pollution burdens and with most vulnerable populations.”

The previous analysis was done in 2009. The current 2013 analysis examined many factors including illness and mortality rates, but did not directly incorporate other socio-economic variables that were present in the earlier analysis. As illness and mortality rates correspond to poor minority areas, however, it is not surprising that areas with high pollution generally include racially concentrated areas of poverty, as well as areas of overall low opportunity identified by the Kirwan index (which includes health factors and pollution). Below is a brief summary of findings from this report:

**Marin, Napa, Sonoma Counties**

There were no impacted areas in the North Bay counties.

**San Francisco, San Mateo Counties**

The areas from the center to the east of San Francisco have been impacted, somewhat corresponding with areas that were identified as “low opportunity” by both the Kirwan and HUD set of indices. In San Mateo County, the area around East Palo Alto and North Fair Oaks have changed from impacted in 2009, to no longer impacted in 2013.

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Santa Clara County

The impacted area around central San Jose has grown slightly to encompass more western census tracts.

Alameda, Contra Costa, Solano Counties

Virtually all the racially concentrated areas of poverty in the East Bay are impacted especially in Alameda County, which includes some high opportunity neighborhoods in Alameda, Fremont and Union City as well. The impact area has expanded slightly westwards to fully encompass the shoreline – whereas before it was set slightly back.

Contra Costa County also saw the addition of a newly impacted area in the Eastern portion of the county around Pittsburg, Antioch and Oakley. To the North, the city of Richmond and surrounding areas have been also deeply impacted, and in the center in Contra Costa County the area around Concord and Pleasant Hill have been impacted as well.

Affordable Housing in Context of the Fair Housing and Equity Assessment

An adequate affordable housing supply is essential to ensuring that Bay Area residents of all income levels have access to neighborhoods associated with the highest opportunities. A ten-year study of Baltimore residents who were required to use their housing choice vouchers 25 in low poverty (<10%) neighborhoods found that moving to such neighborhoods positively impacted parents’ expectations of how their neighborhoods could improve their quality of life. 26 High opportunity neighborhoods, however, are often out of reach to many low income families due to their high housing prices.

A home is considered “affordable” if it costs no more than 30% of a household’s annual income. However, the reality in the Bay Area is that more than 43% of all households are currently overpaying for housing. 27 High housing prices hurt all Bay Area residents, but especially middle and low income households where a full 69% currently overpay 28 for housing. Since the market does not generally produce this kind of housing in the Bay Area, 29 affordability is secured through providing subsidies to renters and homebuyers 30 or through subsidizing the construction, operations, and rents of affordable housing projects so that they are able to charge below market rents and mortgages. 31

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25 The largest tenant based subsidy program nationally is Housing Choice Vouchers (also referred to as section 8) where qualified tenants pay no more than a third of their income in rent with the remaining two thirds being paid for by the federal government through a voucher system.


27 ABAG Analysis from CHAS data, 2013

28 Ibid.

29 In the past, the market did provide “natural” or unsubsidized affordable housing, but as the supply of developable land decreased, land prices and thus development costs have increased. Local opposition and complex permitting and entitlement processes have also added to development costs. Even if a home is relatively affordable to build, the Bay Area’s constrained housing supply market means that higher income buyers will generally outbid lower income ones and a home’s final sale or rental price will generally far exceed development costs.

30 Various rental assistance programs help keep housing costs down to one third of a tenant’s income. Similarly there are various first-time homebuyer programs.
Affordable Housing in the Context of California

Since 1969, the State of California made housing a central component of its required planning processes through the state’s Housing Element Law. Every five to eight years, each of California’s 482 jurisdictions are required to plan for enough housing to accommodate their current and future workforce. Each jurisdiction is assigned a number of units they are expected to plan for by their respective council of government through the Regional Housing Need Allocation (RHNA) process. That is, the regional housing need allocation provides the minimum housing units a particular jurisdiction must plan for if it is to fully house its projected population growth for the planning period.

Historically, California has vigorously supported affordable housing through the provision of subsidies at the state and local levels. Between 2006 and 2012, California issued a total of $4.9 billion in bond financing for affordable housing development. Through California Redevelopment Agencies the state ensured that certain local tax dollars flowed to affordable housing. At its peak Redevelopment programs provided California with as much as $1 billion annually for affordable housing development and operations.

Unfortunately, these funding sources have significantly decreased. The two state housing bonds are nearly fully expended (Measure 1C and Prop 46) and Redevelopment agencies have been dissolved and their funds devolved to the state and other governmental agencies. Although this analysis does not have updated housing permitting data to reflect production between 2007-2014, it is reasonable to expect that without replacement funding sources affordable housing production will likely plummet for the foreseeable future.

Methodology

In this section, we analyze the Bay Area’s past affordable housing production and current affordable housing supply in the context of opportunity:

- Examine where affordable housing has been permitted in the past and the relative poverty level of those neighborhoods.
- Assess the region’s performance in meeting its regional housing need allocation.
- Evaluate the number of affordable housing units that could be converted to market rate due to expiring affordability restrictions.

Overall Limitations to Analysis

- This analysis does not take into account the use of tenant-based housing choice vouchers.
- Due to a lack of adequate data sources, this analysis does not directly take into account public housing units.\(^{34}\)
- Also due a lack of data sources this analysis also does not directly take into account housing built exclusively with local subsidy sources.\(^{35}\)

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\(^{31}\) Affordable homes are built by private and nonprofit developers for middle and low income households. These are households making 80 percent or less of their area’s median income level which in the Bay Area was around $62,000 (in 2013) or less per year.

\(^{32}\) The designated Council of Government (COG) for the Regional Housing Need Allocation in the Bay Area is the Association of Bay Area Governments.

\(^{33}\) Measure 1C and Prop 46.

\(^{34}\) This analysis could indirectly take into account public housing units, if they were renovated using low income housing tax credits.
The Bay Area Did Not Meet Affordable Housing Production Targets between 1999 and 2006

Permitting activity is a key indicator for ascertaining intent and resources within a particular jurisdiction to build affordable housing. As part of the Regional Housing Need Allocation process, each Bay Area jurisdiction received a housing “need” they were required to meet based upon their expected job and population growth. ABAG then measured each jurisdiction’s permitting performance against their identified need.

Limitations

- The permitting data used for this portion may or may not reflect the housing that was actually built. Housing is only built once market conditions allow it, thus a project may be permitted but never built because anticipated funding may not have materialized. These permitting counts include both subsidized and “naturally” affordable units.

- The Bay Area also shows significant variations with how each county performed in meeting its housing targets. This variation likely reflects each county’s different markets and resources. Other constraints include the relative strengths of local housing markets and the presence of local housing subsidies.

- The permit data discussed here is only available for the period between 1999 and 2006, the last RHNA planning period for which there is a complete data set available.

Table: Bay Area Housing Permitting Activity 1999-2006

<table>
<thead>
<tr>
<th></th>
<th>Regional Housing Need</th>
<th>Permits Issued</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very low income (0-50% AMI)</td>
<td>47,128</td>
<td>20,595</td>
<td>44%</td>
</tr>
<tr>
<td>Low Income (50-80% AMI)</td>
<td>25,085</td>
<td>18,918</td>
<td>75%</td>
</tr>
<tr>
<td>Moderate Income (80-120% AMI)</td>
<td>60,982</td>
<td>22,783</td>
<td>37%</td>
</tr>
<tr>
<td>Above moderate (120%+ AMI)</td>
<td>97,548</td>
<td>149,663</td>
<td>153%</td>
</tr>
<tr>
<td>Total Housing Production</td>
<td>230,743</td>
<td>211,959</td>
<td>92%</td>
</tr>
</tbody>
</table>

For the 1999 to 2006 planning period, the region permitted in excess of its allocation for above moderate units by 53% and nearly met its low income housing need by permitting 75% of its need. The worst performing category involved moderate income units, with the region only permitting 37% of its need. Such poor production figures are likely due to the near complete absence of subsidies for moderate income households.

Much of the affordable housing supply in California was built by the state’s former redevelopment agencies which formerly redirected 20% of tax increment financing levied to improve blighted neighborhoods toward affordable housing development. Unfortunately there is no centralized database of housing units built through the program; however, many units did make use of the low income housing tax credit for which ABAG has a complete data set.

Source: ABAG Analysis

Footnote: Much of the affordable housing supply in California was built by the state’s former redevelopment agencies which formerly redirected 20% of tax increment financing levied to improve blighted neighborhoods toward affordable housing development. Unfortunately there is no centralized database of housing units built through the program; however, many units did make use of the low income housing tax credit for which ABAG has a complete data set.
Despite permitting above-moderate units well in excess of its original allocation, the region was still unable to permit enough housing to numerically meet its total housing production targets.

**Bay Area Housing Permitting Activity (1999-2006)**

![Very Low Income Permitting Activity by County (1999-2006)](image)

*Source: ABAG Analysis*
Low Income Housing Permitting Activity by County (1999-2006)

Source: ABAG Analysis

Moderate Income Housing Permitting Activity (1999-2006)

Source: ABAG Analysis
Marin, Napa, Sonoma Counties

This subregion performed well in terms of permitting for its low-income housing need which ranged between 47% (Napa) to 122% (Marin). Compared to the Bay Area, North Bay counties also performed well in meeting their moderate income housing need through permitting between 42% (Napa) to 63% (Sonoma) of identified need. When it came to meeting its very low income housing need, this subregion performed moderately well with Sonoma County permitting a full 52% of its very low income housing need.

San Francisco, San Mateo Counties

Both San Francisco and San Mateo underperformed meeting permitting targets for all income levels. Of the affordable housing units permitted, San Francisco performed the best in meeting its very low income need (80%) and San Mateo County performed best in meeting its low income need (52%). Each county severely underperformed in meeting the moderate income housing need with San Mateo County meeting only 8% of its moderate income need and the city and county of San Francisco meeting only 12%.

Santa Clara County

Santa Clara County was the region’s second best performing county in permitting in terms of meeting its low income need (permitted 108% of need); the county underperformed in meeting its moderate income housing need (meeting only 23% of need).
Alameda, Contra Costa, Solano Counties

This subregion performed best in meeting its low income housing need with Contra Costa County permitting for a full 93% of its need. Like the North Bay counties, this subregion struggled to meet its very-low income housing need with Solano County only permitting for 15% of its very low income need.

The Bay Area’s Existing Affordable Housing Supply Spread Unevenly and Concentrated in Areas of Relatively High Poverty

Low poverty rates are generally associated with higher access to opportunity. In the Bay Area, affordable housing tends to be concentrated in poorer areas that generally exceed the poverty rate of their neighboring census tracts. The concentration of affordable housing in census tracts with poverty rates in excess of 10% blunts their overall positive impact in expanding opportunity: a situation which is exacerbated by their uneven distribution of housing.

Limitations to analysis

- Affordable housing located in poorer census tracts may be responding to a need for such housing. For instance, a new affordable housing development might replace a dilapidated one in a poor neighborhood while keeping the same tenants.
- Affordable housing in poor neighborhoods could also be built to mitigate the potential displacement of low-income residents and thus respond to a need.
- Places that are considered opportunity poor also provide many needed social services such as San Francisco’s Chinatown neighborhood which is home to many culturally appropriate services. Further research is needed to better understand this relationship.

Marin, Napa, Sonoma Counties

While most affordable housing units in the North Bay are located outside of Racially Concentrated Areas of Poverty (RCAPs), these units are still in areas with poverty rates between 10-20%, whereas the North Bay’s average poverty rate is closer to 6.7%. Only about 20% of affordable housing properties are located in areas with poverty rates of less than 10%.

San Francisco, San Mateo Counties

In San Francisco all LIHTC/HUD-assisted properties are located outside of RCAPs; but, as in the North Bay, these properties are in higher poverty areas than San Francisco’s average of 7.4%

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36 HUD commonly associates a poverty rate lower than 10% as representing a higher opportunity community.

Association of Bay Area Governments
with a particularly high concentration of housing in areas with poverty rates between 20-30%. Affordable housing in most of San Mateo County can be found in areas with poverty rates of less than 10%; however, San Mateo does have a significant number of affordable housing located in a racially concentrated area of poverty in East Palo Alto.

Santa Clara County
The same pattern persists in Santa Clara County as in other parts of the Bay Area, where affordable housing is located in tracts with poverty rates between 10-20%, when the metropolitan area’s poverty rate is 6.7%, with some located in areas with a poverty rate between 20-30%. Most affordable housing in Santa Clara County lies outside of racially concentrated areas of poverty.

Alameda, Contra Costa, Solano Counties
The affordable housing stock of the East Bay seems to be concentrated in areas of higher poverty than in the rest of the region. The average census tract poverty rate hovers between 20-30% with some properties in areas of even higher poverty (poverty rates around 30-40%). The MSA’s average poverty rate is 7.3%. In Solano County, affordable housing properties cluster in Fairfield and Vallejo in census tracts where the poverty rate is around 20-30%.
Of the Bay Area’s 2.6 million housing units, approximately 100,500 are considered deed-restricted affordable representing 3.6% of the total housing stock. Typically affordable homes are required by their funding sources to remain affordable for a period between 15 years to the full life of the building. After the affordability restrictions expire, however, properties can be resold or rented at market rates. The conversion of affordable housing units to market rate represents a tremendous loss to the region as the process of replacing these units can be as lengthy and difficult as their initial construction.

**Methodology**

- The California Housing Partnership Corporation (CHPC) alongside Reconnecting America created an inventory of the Bay Area’s affordable housing properties at risk of conversion to market rate.
- The database consists of units built using HUD monies, Low Income Housing Tax Credit Properties (both 4% and 9%), and USDA funded properties.
- CHPC took the date at which each affordable housing development became operational and used the affordability timeframe imposed by each project’s subsidy source to estimate when those restrictions would expire.

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37 Developers have to limit the rents and mortgages they charge to below market levels for a specific period of time.
Affordable housing developments make use of multiple subsidy sources which vary in the length of time, they require a property to remain affordable. To determine the appropriate risk score, CHPC considered whichever subsidy source had the longest affordability period. For example, if a property built with the Low Income Housing Tax Credit has restrictions that are about to expire, but is renovated by using another subsidy source that requires continued affordability, then new affordability restrictions that come with that new source would apply. Such a refinancing would convert the property from “high risk” to “low risk” of conversion in this assessment.

Table: Affordable Housing Units and their Risk of Conversion

<table>
<thead>
<tr>
<th>Conversion Risk</th>
<th>HUD Restrictions</th>
<th>LIHTC Restrictions: If Built after 2000</th>
<th># of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>Section 8 not to expire for more than 10 years OR large nonprofit owner committed to affordability or a type of loan that requires longer term affordability</td>
<td>&gt;30 years left of affordability- based on adding 55 years to the date it was built.</td>
<td>48,991</td>
</tr>
<tr>
<td>Low</td>
<td>Section 8 not to expire for more than 10 years OR large nonprofit owner committed to affordability or a type of loan that requires longer term affordability</td>
<td>&gt;15 up to 30 years left of affordability- based on adding 55 years, if property was built after 2000 and 30. If it was built between 1990 and 2000, then many of these properties actually have 55 year affordability rather than 30.</td>
<td>39,845</td>
</tr>
<tr>
<td>Moderate</td>
<td>Section 8 expiring in 5-10 years Owner status and plans unknown (either for profit or small nonprofit)</td>
<td>&gt;5 up to 15 years of affordability- based on adding 55 years , if property was built after 2000 and 30. If it was built between 1990 and 2000, many of these properties actually have 55 year affordability rather than 30</td>
<td>4,471</td>
</tr>
<tr>
<td>High</td>
<td>Section 8 expiring in 2-5 years Owner status and plans unknown (either for profit or small nonprofit)</td>
<td>1-5 years of affordability- no properties in this category</td>
<td>3,737</td>
</tr>
<tr>
<td>Very High</td>
<td>Section 8 expiring within 1 year Owner status and plans unknown (either for profit or small nonprofit)</td>
<td>Less than 1 year of affordability- no properties in this category</td>
<td>2,390</td>
</tr>
<tr>
<td>Converted?</td>
<td>Section 8 expiring within 1 year Owner status and plans unknown (either for profit or small nonprofit)</td>
<td>Nonprofits may have already converted to market rate</td>
<td>761</td>
</tr>
</tbody>
</table>
Regionally, a total of 7,552 units could be at risk of conversion to market rate within the next 10 years. Of those units, 761 units may have already been converted, with another 284 units for which we did not have enough information.

Percent of Affordable Units at Risk of Conversion to Market Rate by County

Source: California Housing Partnership and Reconnecting America Housing Database, ABAG Analysis

Marin, Napa, Sonoma Counties

No LIHTC or HUD assisted properties are at a very high or high risk of conversion to market rate in Marin or Napa counties. Sonoma County has 429 affordable housing units that are at a very high risk of conversion, which means that these units could be converted to market rate within one year and 236 that could be converted within the next 5 years.
San Francisco, San Mateo Counties

The City and County of San Francisco has 1745 units that have between one to five years before being potentially converted to market rate – the most out of all Bay Area counties. San Mateo County has 702 units possibly subject to conversion within the next 5 years.

Santa Clara County

Santa Clara County has 1582 affordable housing units possibly subject to conversion within the next five years.

Alameda, Contra Costa, Solano Counties

The three East Bay counties have 1433 affordable housing units that could be converted to market rate within the next five years, second only to San Francisco with the number of households possibly subject to conversion.

Fair Housing Enforcement in the Bay Area

The Fair Housing Act Historical Context

The Fair Housing Act of 1968 is a major civil rights piece of legislation that sought to outlaw racial discrimination in the housing industry. The Act empowered the Department of Housing and Urban Development (HUD) to reject applications for municipal infrastructure projects from jurisdictions whose policies fostered segregated living patterns and empowered individuals to sue in court if they believed they were subject to housing discrimination. Following decades of lax enforcement, the Obama Administration has in recent years bolstered funding for fair housing efforts and taken strong regulatory action against noncompliant jurisdictions including denying federal infrastructure funding, and putting other “preliminarily non-compliant jurisdictions” on notice about possible action.

Overview of State and Federal Legislation and Enforcement Activities

A region’s “fair housing infrastructure” is considered to be the fair housing laws in place and the relevant government agencies, fair housing organizations, and legal service associations that enforce those laws. Fair housing laws provide individuals with protections against discrimination based on certain characteristics or “classes.” The federal Fair Housing Act of 1968 has provided protections based on seven protected classes, while Californians have additional protections enjoined by the state’s version of the law, the Employment and Housing Act. Both pieces of legislation apply to individuals and legal entities operating in the housing sector.

Table: Federal and California Fair Housing Protections

<table>
<thead>
<tr>
<th>Federally Protected Classes</th>
<th>Additional California Protected Classes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Status</td>
<td>Age</td>
</tr>
<tr>
<td>Sex</td>
<td>Ancestry</td>
</tr>
<tr>
<td>Disability</td>
<td>Genetic Information</td>
</tr>
<tr>
<td>National Origins</td>
<td>Marital Status</td>
</tr>
<tr>
<td>Religion</td>
<td>Medical Condition</td>
</tr>
<tr>
<td>Race</td>
<td>Source of income</td>
</tr>
<tr>
<td>Color</td>
<td></td>
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</tbody>
</table>

Source: ABAG Analysis
Fair Housing Enforcement at a Governmental Level

In California, the Department of Fair Employment and Housing (DFEH) is tasked with the enforcement of California’s fair housing law. HUD’s Region IX Office of Fair Housing and Equal Opportunity (FHEO) enforces the federal Fair Housing Act. Both FHEO and DFEH play the role of mediator in most fair housing disputes. If complaints are found to be meritied, then both offices have the authority to prosecute in court: however, only a tiny fraction of cases (less than 1%) ever do go to court.

In addition to the Employment and Housing Act, California jurisdictions are also subject to the state Housing Element Law which requires all California’s jurisdictions to periodically (every 5 to 8 years) plan for enough housing to accommodate their entire projected population at all income levels.

In this FHEA report, we focus on protections afforded to individuals and sanctions imposed on jurisdictions based on the Federal Fair Housing Act; future research should analyze protections afforded by California’s Housing and Employment Act in order to better consider these enforcement activities within California’s unique political and legislative context.

Limitations to Analysis

- ABAG attempted to survey the totality of fair housing cases for the Nine-County Bay Area for the period between 2007-2013; however, the number of cases reported here is likely much lower than the true incidence of fair housing incidents. At the end of 2000 and early 2001 and again in 2005, HUD conducted a series of surveys to gauge public knowledge and use of the Fair Housing Act. The 2005 survey found that four out of five people who believed they experienced housing discrimination did not actually file a complaint with HUD, with only 13% of the public believing that reporting their cases to HUD would lead to good results. This lack of confidence in the process is likely a strong contributor to the lack of reporting cases to HUD that could have merit. Thus the numbers we present represent most likely only a portion of the true extent of housing discrimination.

- Certain types of housing discrimination have more consistent enforcement than other forms. The Americans with Disabilities Act enforced through the Department of Justice (DOJ) has exposed the general public to the idea that commercial and public buildings and facilities should be made accessible to people with disabilities and have thus provided additional impetus for disability rights advocates to organize. As a result of their level of organization, the disability rights community may be reporting a higher number of cases than non-disability cases, which means that there could also be under-reporting of fair housing cases based on factors other than disability status.

- It is difficult to determine the true incidence of certain types of discrimination. According to FHEO, discrimination based on color is a perennially under reported category of housing discrimination because many of the victims of discrimination based on color do not recognize it themselves. For instance, a Black landlord might discriminate against a darker skinned Black tenant, but cite some other reason for denying them housing. Since most fair housing complaints are reported via the phone, it might be difficult for intake officers to ask the appropriate questions for discrimination based on skin color.

- The cases discussed here may only represent a slice of the cases that were adjudicated in the past six years. Fair housing organizations may not report all the cases they adjudicate to HUD or DFEH which

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means that this analysis does not take into account cases mediated out of court or through an informal process.

Regional Fair Housing Organizations

In addition to federal and state agencies, the Bay Area possesses a rich environment of fair housing organizations which conduct the bulk of the region’s fair housing enforcement activities for both state and federal laws. We present them by type and geography:

Bay Area Fair Housing Organizations by Type and Geography

<table>
<thead>
<tr>
<th>Government Agencies</th>
<th>San Francisco Human Rights Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>San Francisco Regional Office of HUD Fair Housing and Equal Opportunity</td>
</tr>
<tr>
<td></td>
<td>California Department Fair Employment and Housing</td>
</tr>
<tr>
<td>Legal Service Associations</td>
<td>Bay Area Legal Aid</td>
</tr>
<tr>
<td></td>
<td>California Rural Legal Assistance (statewide)</td>
</tr>
<tr>
<td></td>
<td>Legal Aid of San Mateo County</td>
</tr>
<tr>
<td></td>
<td>The Center for California Homeowner Association Law</td>
</tr>
<tr>
<td></td>
<td>Various private legal firms who practice housing discrimination law as part of pro-bono work</td>
</tr>
<tr>
<td>Fair Housing Organizations</td>
<td>Housing and Economic Rights Advocates (statewide)</td>
</tr>
</tbody>
</table>

By County

<table>
<thead>
<tr>
<th>County</th>
<th>Eden Council for Hope &amp; Opportunity (ECHO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>East Bay Community Law Project</td>
</tr>
<tr>
<td></td>
<td>Project Sentinel (Fremont)</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>Eden Council for Hope &amp; Opportunity (ECHO)</td>
</tr>
<tr>
<td>Marin</td>
<td>Fair Housing of Marin</td>
</tr>
<tr>
<td>Napa</td>
<td>Fair Housing Napa Valley</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>Project Sentinel</td>
</tr>
<tr>
<td></td>
<td>Fair Housing Law Project</td>
</tr>
<tr>
<td></td>
<td>Law Foundation of Silicon Valley</td>
</tr>
<tr>
<td>San Francisco</td>
<td>San Francisco Human Rights Commission</td>
</tr>
<tr>
<td></td>
<td>Housing Equality Law Project</td>
</tr>
<tr>
<td>San Mateo</td>
<td>Legal Aid of San Mateo County</td>
</tr>
<tr>
<td></td>
<td>Project Sentinel</td>
</tr>
</tbody>
</table>
**Fair Housing and Equity Assessment of the San Francisco Bay Area, Enhancing Regional Economic Prosperity**

<table>
<thead>
<tr>
<th>Solano</th>
<th>Legal Services of Northern California – Solano</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonoma</td>
<td>Petaluma People Service Center</td>
</tr>
<tr>
<td></td>
<td>Community Action Partnership of Sonoma County Fair Housing</td>
</tr>
</tbody>
</table>

*Source: Survey of Fair Housing Organizations conducted by ABAG in March 2014*
Obligations for Jurisdictions

Jurisdictions that apply for and use funding from the Department of Housing and Urban Development (HUD), are required to conduct an Analysis of Impediments to fair housing (AIs). AIs are reports where jurisdictions analyze impediments to achieving full integrated housing patterns and identify actions to mitigate the identified impediments. Of the region’s 109 jurisdictions, 33 are required to prepare Analyses of Impediments, whereas Housing Element Law requires every one of California’s 482 jurisdictions to prepare Housing Elements.

While both the Federal Fair Housing Act and Housing Element Law seek to promote housing for all segments of the population, there are important distinctions as detailed below:

Table: Analyses of Impediments and Housing Elements

<table>
<thead>
<tr>
<th>Analyses of Impediments</th>
<th>Housing Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applies only to jurisdictions receiving HUD money</td>
<td>Applies to all California jurisdictions regardless of whether or not they applied for HUD monies</td>
</tr>
<tr>
<td>Requires jurisdictions to review state and jurisdictional law and regulations for how those laws affect location, availability, and accessibility of housing</td>
<td>Requires jurisdictions to assess their existing as well as projected housing needs^39</td>
</tr>
<tr>
<td>Requires jurisdictions to review conditions affecting fair housing choice for all federally protected classes</td>
<td>Jurisdictions are required to inventory their existing housing sites and analyze them for the feasibility of developing new housing units</td>
</tr>
<tr>
<td>Requires jurisdictions to assess the availability of affordable housing and accessible housing in a range of unit sizes</td>
<td>Analysis of governmental constraints on housing production</td>
</tr>
<tr>
<td>Requires jurisdictions to list actions that will mitigate the identified impediments to fair housing</td>
<td>Jurisdictions identify adequate sites to accommodate their housing need, identify programs to promote equal opportunity in housing, and strategies for preserve at risk affordable units</td>
</tr>
<tr>
<td>Requires jurisdictions to maintain records to support affirmatively furthering fair housing certification</td>
<td>Jurisdictions are required to pursue quantified objectives concerning the number of units by income level to be built, preserved or rehabilitated over the five to eight year planning period</td>
</tr>
</tbody>
</table>


^39 Number of households overpaying for housing, living in overcrowded conditions, have special housing needs. It also takes into account the number of housing units in need of repair and assisted affordable housing units at risk of conversion to market rate. Projected needs are number of housing units by income level needed for the planning period (typically 5-8 years).
**Protections for Individuals – HUD’s Region IX, Office of Fair Housing and Equal Opportunity**

The Federal Fair Housing Act protects prospective tenants and homeowners from discrimination based on seven characteristics or “classes:” Family Status, Sex, Disability, National Origins, Religion, Race, and Color. For the period between 2007-2013, HUD reported 3958 fair housing inquiries for the Bay Area. Of the original 3958 inquiries, 1454 (37%) became formal complaints. An inquiry represents any time an individual makes a call to HUD’s Fair Housing and Equal Opportunity Office with a possible case of housing discrimination. HUD then examines each inquiry to ascertain whether there are formal grounds to file a formal complaint. The most common grounds for *not making an inquiry* into a complaint are that complainants either fail to respond or that the complaint had no valid basis (FHEO data). A formal complaint is the means and process through which HUD adjudicates cases of housing discrimination.

**Details the Number of Fair Housing Complaints Registered by HUD and the DFEH for the Period between 2007-2013**

![Bar chart showing the number of fair housing complaints by county in the San Francisco Bay Area from 2007-2013.](chart)

*Source: HUD Region IX Office of Fair Housing and Equal Opportunity. ABAG data request, 2014.*

While Alameda, Contra Costa, and San Francisco counties lead the region in terms of number of fair housing complaints, once the number of households in each county is taken into account the incidence of housing discrimination shifts among the counties.
Incidence of Fair Housing Complaints in the Bay Area per 1000 households by County (2007-2013)

<table>
<thead>
<tr>
<th>County Name</th>
<th>Fair Housing Complaints</th>
<th>Number of households</th>
<th>Per 1000 Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>258</td>
<td>340,839</td>
<td>0.76</td>
</tr>
<tr>
<td>Napa</td>
<td>37</td>
<td>49,209</td>
<td>0.75</td>
</tr>
<tr>
<td>Marin</td>
<td>75</td>
<td>103,152</td>
<td>0.73</td>
</tr>
<tr>
<td>Solano</td>
<td>78</td>
<td>140,295</td>
<td>0.56</td>
</tr>
<tr>
<td>Alameda</td>
<td>292</td>
<td>539,179</td>
<td>0.54</td>
</tr>
<tr>
<td>Alameda</td>
<td>292</td>
<td>539,179</td>
<td>0.54</td>
</tr>
<tr>
<td>San Mateo</td>
<td>140</td>
<td>257,369</td>
<td>0.54</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>306</td>
<td>604,455</td>
<td>0.51</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>188</td>
<td>373,145</td>
<td>0.50</td>
</tr>
<tr>
<td>Sonoma</td>
<td>80</td>
<td>184,502</td>
<td>0.43</td>
</tr>
</tbody>
</table>

Source: ABAG Analysis of HUD Region IX FHEO Data

San Francisco has the highest incidence of fair housing complaints; Napa and Marin counties have the second and third highest incidence rates of fair housing complaints.

Reasons for Bases of Fair Housing Complaints in the Bay Area 2007-2013

The top three types of housing discrimination complaints for the Bay Area are based on disability, familial status, and race. Disability cases make up such a large proportion due to the Americans with...
Disabilities Act (ADA). Since many people are aware of the requirement to make public and commercial spaces accessible to people with disabilities, this most likely means an increased awareness for residential protections as well. Additionally, while landlord retaliation is not a protected “class,” it is still prohibited under fair housing law. Though not shown in the chart above, landlord retaliation did occur in 199 of the complaints, which makes landlord retaliation the fourth largest cause of fair housing complaints in the Bay Area.

Types of Fair Housing Complaints by County (2007-2013)

![Chart showing the percentage of complaints by type and county]


From the data, it does not appear that any one county has a particularly egregious record of housing discrimination on any one basis since the distribution of cases appear to be fairly uniform. However, there are some notable patterns which have been detailed below:

- Fair housing complaints on the basis of color represent the smallest category of housing complaints and were only reported in Alameda, Marin, San Francisco, and Santa Clara counties.
- Disability complaints made up the largest proportion of every county’s fair housing complaints with Sonoma County having the highest proportion (73% of fair housing complaints).
- Race-based fair housing complaints were fairly uniform, with Solano and Contra Costa counties having the highest proportion, 26% and 27% respectively.
- Only four counties (Alameda, Contra Costa, San Francisco and Santa Clara) reported fair housing complaints on the basis of religion.
Complaints based on familial status make up the second largest proportion of overall fair housing complaints, with the highest number and proportion being in Santa Clara County where they make up 32% of all fair housing complaints.

While retaliation is not a protected class of complaint, cases involving landlord retaliation made up a significant portion of fair housing cases in all counties, making landlord retaliation 10-27% of all cases region-wide.

**Case Resolutions in the Bay Area (HUD)**

<table>
<thead>
<tr>
<th>Case Resolution</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Cause</td>
<td>495</td>
</tr>
<tr>
<td>Conciliated/ Settled</td>
<td>424</td>
</tr>
<tr>
<td>Withdrawn After Resolution</td>
<td>144</td>
</tr>
<tr>
<td>Failed to Cooper</td>
<td>78</td>
</tr>
<tr>
<td>Withdrawn Without Resolution</td>
<td>63</td>
</tr>
<tr>
<td>Unable to Locate Complainant</td>
<td>29</td>
</tr>
<tr>
<td>FHAP Judicial Consent Order</td>
<td>12</td>
</tr>
<tr>
<td>FHAP Judicial Dismissal</td>
<td>9</td>
</tr>
<tr>
<td>Election to Go to Court</td>
<td>8</td>
</tr>
<tr>
<td>Lack of Jurisdiction</td>
<td>5</td>
</tr>
<tr>
<td>Unable to Locate Respondent</td>
<td>3</td>
</tr>
<tr>
<td>Untimely Filed</td>
<td>1</td>
</tr>
<tr>
<td>Unable to Identify Respondent</td>
<td>1</td>
</tr>
<tr>
<td>Trial has Begun</td>
<td>1</td>
</tr>
</tbody>
</table>

**Source:** HUD Region IX Office of Fair Housing and Equal Opportunity. ABAG data request, 2014

HUD’s Region IX FHEO office found that, of those inquiries that became official complaints, most (495) were found to have no cause under the Fair Housing Act and of those found to have cause, most were settled out of court either through formal settlements or were withdrawn as a result arrangements made that were amenable to both parties.

Very few cases ever made it to court, with only eight having been filed over the six year period in question and only one trial underway as of April 2014. When HUD conducted its latest national assessment of the American public’s knowledge and use of fair housing law, they found that nearly three quarters (73%) of the public had some knowledge of the Act and some understanding of whether a given action was illegal. But, at the same time, they found a profound distrust of the process, in that only 13% of respondents felt that a fair housing complaint would result in a favorable outcome. The rarity of high profile litigation might be a major contributor to the perception that filing a case will not result in a favorable outcome. While the public recognizes that a given action may be illegal, the lack of visibility makes it difficult for the public to see the effects of the law.
Data from the Region’s Fair Housing Organizations

Fair housing organizations took on nearly three times more fair housing cases than HUD (4368 cases as compared to HUD’s 1454). This trend could be explained by various factors, but likely reflect the capacity of local fair housing organizations to advertise locally and conduct local programming in comparison to HUD’s national scope and limited local outreach. Additionally, local fair housing organizations often have greater capacity to provide local-level solutions to fair housing problems than HUD. For instance, a fair housing organization might know a given jurisdiction’s code enforcement officer and might be able to leverage those relationships to resolve a fair housing accessibility complaint in a manner that is faster and more efficient than HUD.

Fair Housing Cases Reported to HUD and to Fair Housing Organizations (2007-2013)

Data provided by HUD’s Region IX Office of Fair Housing and Equal Opportunity, Project Sentinel and Bay Area Legal Aid.

Fair housing organizations also perform the crucial function of fair housing education. These organizations conduct fair housing education and outreach to all participants within the housing industry including local governments, actors in the real estate industry, and individual landlords.

In addition to direct intake of fair housing complaints, fair housing organizations conduct fair housing testing or auditing. These types of assessments generally involve having two individuals who possess identical criteria for renting/owning a property but who differ by race or another protected category try to gain information on renting or owning a particular property. If these individuals were treated differently, due to one of the protected statuses (race, sex, religion, national origin etc.), then the person responsible for selling or renting the property could be said to be discriminating.

ABAG contacted all of the region’s fair housing organizations for their case data over the 2007 and 2013 time period and analyzed their responses in the context of the region. While ABAG does not go into great detail here, that analysis can be found among the technical appendices in the section “Fair Housing: Data from Bay Area Legal Aid, Project Sentinel and Echo Fair Housing.”
Review of Local AIs – Regional Fair Housing Issues

Jurisdictional-level Enforcement

Through a Freedom of Information Act request, ABAG requested and received HUD review memoranda of Consolidated Plans and Analyses to Impediments to Fair Housing Choices for all entitlement jurisdictions within the nine county Bay Area, for the period of 2010-2014. We have provided an overview of the common challenges associated with affirmatively furthering fair housing in the Bay Area on a regional scale as listed below:

- **Lack of Affordable Housing**: The Bay Area’s greatest impediment to affirmatively furthering fair housing is housing affordability. Some communities have not built any affordable housing at all nor do they have any plans to do so. Zoning policies in several counties have hindered affordable development by significantly increasing cost.

- **Discriminatory practices**: Overall, impediments range in severity. Familial status especially has been a recurring discriminatory theme in the Bay Area with large families with children finding it particularly difficult to find housing. Additionally, all counties have had difficulty ensuring that new residential construction complies with reasonable accommodations provisions of fair housing law.

- **Concentration of Affordable Housing**: In most counties, affordable housing development tends to be clustered in areas of minority concentration.

- **Lack of Fair Housing Education**: All Bay Area communities could do a better job conducting outreach to their limited English proficiency residents because many jurisdictions lack appropriate outreach strategies.

- **Severely outdated Analyses of Impediments (AIs)**: Several jurisdictions had outdated analyses of impediments which ranged from being slightly more than five years old to more than ten, or in one case, fifteen years.

Ongoing Enforcement Actions in the Bay Area

**County of Marin Voluntary Compliance Agreement (VCA)**

After a review of Marin’s 2009 Analysis of impediments, the Department of Housing and Urban Development (HUD) found that the County was in “preliminary non-compliance.” At the end of 2010, Marin County and HUD signed a voluntary compliance agreement that lays out concrete actions to be taken by the County to bring it into full compliance with federal civil rights legislation.

Per HUD, Marin County needs to undertake the following actions:

- Work together with agencies and private developers to ensure that affordable housing development opportunities will be affirmatively marketed to low income minority and disabled persons.

- Conduct a study to identify and overcome Fair Housing barriers, such as community resistance to fair housing choice in neighborhoods and the continued development of low income affordable housing in neighborhoods with high minority concentrations.

- Create an outreach plan so that the views of low income residents, particularly disabled persons, racial and ethnic minorities and families are included in public meetings where the County will discuss and solicit input on which low income neighborhoods and public activities they will select to spend their HUD funds and meet their responsibility to affirmatively further fair housing.
Hold all meetings associated with the administration of HUD funds in facilities that are fully accessible to persons with disabilities.

Develop a Language Assistance Plan which will require the development of documents and announcements in non-English languages for those persons with limited English speaking proficiency, so they can learn about and participate in HUD-funded low income affordable housing programs and public service activities. As of October 2011, the County completed a draft Analysis of Impediments to Fair Housing Choice and submitted to the County Board of Supervisors an implementation plan that addresses the concerns mentioned above. This continues to be an evolving situation.

City of San Leandro Voluntary Compliance Agreement

As of 2008, HUD found San Leandro to be in “preliminary noncompliance” due to various issues found in its Analysis of Impediments. In 2008, the city entered into a Voluntary Compliance Agreement with HUD which required the City to:

- Provide reasonable accommodations and grievance policies
- Update its ADA transition plan
- Appoint a Section 504 coordinator
- Conduct a Limited English Proficiency (LEP) assessment
- Create a Language Access Plan (LAP).

The City of San Leandro is in the process of enforcing these provisions.

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40 This position enforces ADA regulations pertaining to providing students with disabilities access to a free public education.
3. PRELIMINARY STRATEGIES
Chapter 3  Preliminary Strategies

What Has Worked in the Bay Area

- While far from perfect, California and the Bay Area, in particular, are leading the nation 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 Housing Element Law to plan for how they will house their entire population across income levels and to note any barriers to achieving this goal which includes barriers to meeting fair housing requirements.

- In addition to State protections, the region has enacted several measures that have helped expand access to opportunity:
  - Plan Bay Area, which seeks to encourage the growth of housing and jobs centers throughout the region (including housing the Bay Area’s projected low income workforce).
  - The One Bay Area Grant program from the Plan which provides local roads and streets improvement money to jurisdictions only if they meet certain housing criteria (such as having a state-approved housing element).
  - The Transit Oriented Affordable Housing Fund (TOAH) which provides subsidized loans for the acquisition of land and the development of affordable housing.

Overall Summary Findings

The Federal Civil Rights Act (1964), the Fair Housing Act (1968), and subsequent statutes, regulations, guidelines, and case law have created a framework at the federal and state level to designate protected classes and to address issues of segregation and fair housing access. There are 13 types of discrimination that individuals are protected from, either at the federal or state level: They are: race, sex, disability, national origins, color, religion, family status, age, ancestry, genetic information, medical status, medical condition, and source of income. Fair housing law also requires jurisdictions to actively or “affirmatively” promote fair housing.

- As in other parts of the country, the region has a history of segregation based on race and national origin. Practices such as restrictive covenant, redlining, and loan discrimination, have helped contribute to concentration of racial/ethnic minorities in certain areas such as East Oakland, the Bayview neighborhood in San Francisco, downtown San Jose, and West Berkeley.

- Recent trends indicate greater racial and ethnic diversity but segregation persists. Asians and Whites are more likely to live close to one another than Whites and other racial groups.

- Whites tend to be wealthier and living in higher opportunity neighborhoods more than other racial groups.
The region’s suburbs have also grown poorer, while at the same time the provision of affordable housing as a key strategy for combating poverty has become significantly more difficult.

**Demographic trends**

Between 1990 and 2010, the Bay Area grew more populous and diverse with the highest population growth occurring among Asians and Hispanics, whereas the populations of Whites and Blacks have decreased.

- The region grew by 1.1 million people between 1990 and 2010 with the Asian population growing by 86% or 793,000 and the Hispanic population growing by 82% or 758,000. The Black population declined by 11% or 56,000.

While all parts of the Bay Area grew more diverse, certain trends are worth noting:

- **Marin, Napa, and Sonoma counties** remain the most sparsely populated and racially White in the region. The share of White residents within the region’s population exceeds the regional average (44 percent) by at least 10 percent.

- **San Francisco** is the only county to experience a small net increase in its White population, with significant population shifts among its predominantly non-White neighborhoods that included a loss of 25,000 Black residents.

- **Santa Clara County** experienced both the biggest increase in its Asian population (316,000 people) and the biggest drop in its White population (245,000 residents).

- **Alameda, Contra Costa and Solano counties** conformed to the same regional trends, but also saw an exodus of Black residents out of Oakland and into Contra Costa and Solano counties.

**Segregation Trends**

- For this assessment, segregation trends were measured through two indices: the dissimilarity index and the isolation index.\(^{41}\)

- Segregation in the Bay Area is the result of historically discriminatory practices and policies (e.g. historical redlining and lower mortgage approval rates for people of color), segregation that resulted from structural inequities in society as well as, to some degree, self-segregation.

- Segregation in the Bay Area has changed among ethnic groups, but has not necessarily decreased:

  - White-Hispanic segregation increased in the Bay Area between 1990 and 2010: Strong segregation between Whites and Hispanics has prevailed in places where the Hispanic population increased substantially, particularly in Marin, San Mateo and Alameda counties.

\(^{41}\) These measurements were calculated for the FHEA by the Federal Reserve Bank of San Francisco. The **dissimilarity index** measures the spatial concentration of Blacks, Hispanics and Asian Pacific Islanders in relation to Whites. The **Isolation index** measures how exposed members of a minority group are to other racial groups (e.g. how likely is an Asian person to live in a predominantly Asian neighborhood).
White-Black segregation decreased between 1990 and 2010. This is likely due to the overall decrease in the region’s Black population, with segregation remaining strongly in historically Black neighborhoods in the cities of Oakland, San Francisco, and Menlo Park.

Segregation between Whites and Asians remains moderate throughout the region, even in places where the Asian population has increased; however, it has increased in San Jose.

**Income and Poverty Trends**

For the Fair Housing and Equity Assessment (FHEA), ABAG used two complementary measurements of poverty – the HUD-developed *Racially Concentrated Areas of Poverty (RCAPs)*\(^{42}\) and *Communities of Concern (CoCs)*.\(^{43}\)

There are 33 areas in the region that meet the HUD definition for *Racially/Ethnically Concentrated Areas of Poverty (RCAPs)*. Virtually all RCAPs are within “Communities of Concern.” There are 372,000 people in the Bay Area who live in census tracts that are considered RCAPs. Due to the CoCs’ more expansive definition, 1.4 million people live in census tracts that could be considered Communities of Concern. RCAPs represent 5.2% of the region’s population, while CoCs represent 20% of the Bay Area’s population.

**Strategies**

**Fair Housing Strategies**

**Findings Summary**

- The Fair Housing and Equity Assessment is the first regional-level summary of the San Francisco Bay Area’s fair housing activities and trends.

- For the period between 2007 and 2013, there were approximately 5,822 fair housing complaints in the Bay Area.

- Complaints pertaining to disability and race made up two-thirds of Bay Area fair housing complaints:
  - People with disabilities have difficulty getting equal access to the housing market through a lack of reasonable accommodations.

- Religion and color are the least reported types of fair housing complaints.

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\(^{42}\) *Racially Concentrated Areas of Poverty* are census tracts where over 40% of the population is below the poverty level and over 50% of the population is a racial/ethnic minority.

\(^{43}\) A census tract is considered a community of concern if one of the following is true:

(i) the census tract has a population with a 70 percent minority concentration AND 30 percent of the population is low income.

(ii) The population living in the tract meets four of any of the specified characteristics/concentrations of minority population, low income population, limited English proficiency population, zero-vehicle households, seniors aged 75 and over, population with disability, single parent families and rent-burdened households.
The federal Fair Housing Act requires jurisdictions that receive funding from HUD to monitor fair housing activities and trends through preparing analyses of impediments (AIs). There are 33 such jurisdictions (also known as “entitlement” jurisdictions) in the region that are required to complete a local analysis of impediments to fair housing choice. The collective results of these studies were:

- Lack of affordable housing is a barrier to affirmatively furthering fair housing.
- More fair housing education and training is needed for city officials, housing industry professionals, and individuals throughout the region.
- Jurisdictions by and large need to do better outreach to Limited English Proficient (LEP) communities.

Testing audit results revealed that minority races, foreign born, and disabled people seeking housing experience differential treatment about 20% of the time.

There is currently no consistent monitoring of fair housing activities and programs throughout the region. California Housing Element Law does provide the region with the capacity to monitor implementation of fair housing programs and policies and thus could be used more actively.

**Fair Housing Strategies**

1. Expand regional coordination of fair housing monitoring and enforcement activities assessments
   - Determine roles for regional organizations, jurisdictions (both entitlement and otherwise), and advocacy agencies to create a system to monitor fair housing progress and change over time.

2. Explore adopting regional fair housing goals
   - Develop a system where regional fair housing stakeholders can establish common fair housing goals.

3. Examine linking other regional, state and federal dollars to fair housing outcomes
   - In the Bay Area the One Bay Area Grant program has incentivized jurisdictions to comply with the state’s housing element law. The region could consider structuring this and other funds to encourage stronger enforcement of fair housing law.

4. Support strengthening individual jurisdictions’ housing elements to better evaluate impacts of regional and local policies and investments on protected classes.
   - Both entitlement and non-entitlement jurisdictions should work with relevant stakeholders to develop and implement evaluation tools to determine and address the potential impacts of regional and local policies and investments on protected classes in the Bay Area.

5. Increase funding for fair housing programs and education for housing industry professionals.
   - Implement additional educational outreach to housing industry professionals about affirmative marketing, and to government officials and staff about affirmatively furthering fair housing.
   - Provide additional fair housing training and outreach to communities where local opposition to affordable housing creates a barrier to affirmatively furthering fair housing.
Access to Opportunity Strategies

Findings Summary

- The FHEA attempts to quantify “opportunity” at the neighborhood level by making use of two complementary sets of measurements developed by HUD and the Kirwan Institute for the Study of Race and Ethnicity.

- High opportunity in the Bay Area correlates with low poverty, lower vulnerability from air pollution, higher performing schools, high labor market engagement, and better housing quality.

- Our analysis found that opportunity is independent of job and transit access because some of the region’s lowest scoring neighborhoods were among the most proximate to job centers and had some of the best access to public transit.

- San Francisco, San Mateo and Santa Clara counties had the most expansive areas of high opportunity, while at the same time the region was dotted with pockets of low opportunity.

- Whites were more likely to be wealthier and reside in a high opportunity community.

- Asians lived in both high and low opportunity areas.

- Blacks and Hispanics had the highest disparities in accessing opportunity.

- With the exception of two communities, RCAPs had some of the lowest opportunity scores in the region.

Access to Opportunity Strategies

6. Consider incorporating opportunity mapping as part of the next Plan Bay Area Equity Analysis to inform transportation infrastructure planning and investments, as well as other public investments in housing, infrastructure, and community development.

   ✓ Where appropriate, use opportunity indices, or other related measures, to inform and help direct public investments in housing, transportation, infrastructure, and community development.

7. Encourage affordable housing development throughout the Bay Area, but especially in areas with high access to opportunity.

   ✓ Address zoning and other policies at the local level that may impede the development of affordable housing.

---

44 HUD measures job access, school quality, unemployment rates and educational attainment, and transit access.
45 Kirwan measurement is comprised of a composite score of 18 indicators covering education, economics and mobility, neighborhood and housing quality
46 Chinatown in San Francisco and Roseland in Santa Rosa had high opportunity scores.
8. Promote economic development programs in areas of low opportunity.
   ✓ Encourage development in areas of low opportunity through policies such as tax incentives, along with displacement policies where appropriate.

9. Invest in equitable access to quality education and training as outlined in the Economic Prosperity Strategy (EPS), and other regional economic analyses.
   ✓ Promote policies and investments at all levels of government to ensure an equitable distribution of educational resources within the region.
   ✓ Support educational programs in all communities.
   ✓ Prioritize investments and programs to communities that have low or very low access to education.
   ✓ Implement innovative tools to support education quality and outcomes in low opportunity communities—such as housing authority/public-school partnerships, and other collaborations.

10. Ensure sufficient and appropriate transportation investments between low and high opportunity areas.
    ✓ Local jurisdictions and transit agencies should advocate at the state and federal levels to enable sufficient funding that would provide transit service to meet the need of transit dependent populations. This also includes appropriate investments in more urban areas where it makes sense—mobility needs of low opportunity areas at the edges of the region through area-appropriate multi-modal measures (e.g. pedestrian, bike infrastructure improvements and shuttles).

## Affordable Housing & Anti-Displacement Strategies

### Findings Summary

- 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% of the households in the region are housing cost-burdened (paying more than 30% of their income in housing costs).

- Affordable housing only comprises 3.6% 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.

- Subsidized affordable housing units are somewhat concentrated in communities with higher poverty rates than their surrounding areas as compared to the overall housing stock.
Affordable Housing and Anti-Displacement Strategies

11. Increase efforts to provide sufficient choices of affordable, safe, healthy, and adequately sized housing throughout the region to meet the region’s existing and future housing needs.
   ✓ Create more housing choices through preservation and new development, including housing trust funds, and other top financing tools, value capture financing tools, and funding and incentives for rehabilitation and preservation of affordable housing units.

12. Implement locally appropriate and effective incentives to encourage the development and preservation of affordable housing.
   ✓ Develop locally appropriate incentive tools such as land value recapture, zoning bonus programs, comprehensive fee waivers including permit fees, road/transportation fee waivers, school fee exemptions etc., expedited permitting, and tax abatement programs to encourage affordable housing development and preservation.

13. Ensure that local zoning and building regulations allow and promote sufficient housing supply and housing types to meet the needs of households at a full range of incomes, household types, and special needs (see matrix strategy #29).
   ✓ Ensure that regulations do not create barriers to the development of needed affordable housing, including group homes for special needs populations and homeless shelters.

14. Support policies to ensure existing affordable housing at risk of conversion to market rate remains affordable.
   ✓ Build affordable housing in lower opportunity areas with good access to job centers.
   ✓ Promote adoption of local tenant protection policies (e.g. rent stabilization, condo-conversion, just cause eviction).
   ✓ Selectively support market-rate housing with community benefits that promotes mixed-income communities.

Transportation / Infrastructure Strategies

Findings Summary

- The equity / environmental justice analysis conducted by MTC for Plan Bay Area, the regions first Sustainable Communities Strategy, and updated by ABAG for the FHEA, conclude that at the regional scale, the latest round of transportation investments have equitably benefited minority and low income households.

- Transportation / mobility access is an issue in very few areas.

- Absent new subsidy sources and policy changes, Plan Bay Area could slightly increase the region’s overall risk of displacement including those of communities of concern.

Transportation / Infrastructure Strategies

See Strategy 10 above under “Access to Opportunity”
Healthy & Resilient Communities

Findings Summary

- Low opportunity areas have high infrastructure needs.
- Many “naturally” and subsidized housing units are in low opportunity areas and vulnerable to natural disasters.
- Federal and state governments must improve multifamily rebuilding efforts.
- Affordable rental housing may not be replaced after loss or damage from natural disasters.

Healthy & Resilient Communities Strategies

15. Enhance community health and meet mobility needs of low opportunity areas at the edges of the region
   ✓ Provide area-appropriate infrastructure enhancements such as sidewalks to meet pedestrian needs, bike lanes and shuttles.

16. Promote Healthy Infill Development that curbs Greenhouse Gases
   ✓ Support the establishment of a new tax increment financing authority that supports housing construction and infrastructure improvements near existing and planned public transit service, e.g. PDA based TIF’s.

17. Address regional hazards and mitigation measures due to climate change and natural disasters
    Earthquake mitigation measures, sea level rise shoreline management practices, code compliance.

18. Protect affordable housing during natural disaster recovery.
    ✓ Develop policies that protect affordable housing from being damaged by a natural disaster.
    ✓ Mandate that affordable housing that is damaged be rebuilt as affordable housing.
    ✓ Ensure funding streams are available for rebuilding damaged affordable housing.
    ✓ Encourage building new affordable housing to ensure that low-income residents are able to stay in the region.

19. Advocate for changes to federal and state programs to improve multi-family rebuilding efforts.
    ✓ Advocate at the state and federal levels to ensure multi-family housing receive a fair and equitable share of financial and technical assistance during rebuilding and recovery efforts.

20. Support the rebuilding of rental units after loss or damage from natural disasters.
    ✓ Develop policies to ensure that rental units damaged during a natural disaster are replaced in kind (with a similar number/type) during rebuilding and recovery rather than being converted to owner-occupied properties.
Next Steps

- **Support the development** of an Action Plan to implement these strategies to further fair housing objectives, expand access to opportunity, address the production and preservation of affordable workforce housing and involuntary displacement that may occur as a result of transportation investments, and create more healthy and resilient communities.

- **Use the data, analyses, findings and recommendations** contained in the FHEA as a resource for the local AIs, 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 and underrepresented communities.

- **Consider findings and recommendations** of the FHEA by regional agencies including the next *Plan Bay Area*. 
<table>
<thead>
<tr>
<th>Fair Housing Strategies</th>
<th>Strategy</th>
<th>Example</th>
<th>Participant</th>
<th>Background Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Continue and expand regional coordination of fair housing assessments</td>
<td>Determine roles for regional organizations, jurisdictions (both entitlement and otherwise), and advocacy agencies to create a system to monitor fair housing progress and change over time.</td>
<td>Regional, Local</td>
<td>Twin Cities Region</td>
</tr>
<tr>
<td>2.</td>
<td>Explore adopting regional fair housing goals</td>
<td>Develop a system where regional fair housing actors can establish common fair housing goals to work toward.</td>
<td>Regional</td>
<td>Twin Cities Region</td>
</tr>
<tr>
<td>3.</td>
<td>Examine linking other regional, state and federal dollars to fair housing outcomes</td>
<td>In the Bay Area, the One Bay Area Grant program has incentivized jurisdictions to comply with the state’s housing element law. The region could consider structuring this and other funds to encourage stronger enforcement of fair housing law.</td>
<td>Regional, State</td>
<td>Plan Bay Area</td>
</tr>
<tr>
<td>4.</td>
<td>Support strengthening housing elements to better evaluate impacts of regional and local policies and investments on protected classes</td>
<td>Both entitlement and non-entitlement jurisdictions should work with relevant stakeholders to develop and implement evaluation tools to determine and address the potential impacts of regional and local policies and investments on protected classes in the Bay Area.</td>
<td>State</td>
<td>ABAG</td>
</tr>
<tr>
<td>5.</td>
<td>Increase funding for fair housing programs and education for housing industry professionals in the region</td>
<td>Additional educational outreach to housing industry professionals about affirmative marketing, and to government officials and staff about affirmatively furthering fair housing; provide additional fair housing training and outreach to communities where local opposition to affordable housing creates a barrier to affirmatively furthering fair housing.</td>
<td>Local</td>
<td>Chicago, Puget Sound, Boston MAPC</td>
</tr>
<tr>
<td><strong>Access to Opportunity</strong></td>
<td>Strategy</td>
<td>Example</td>
<td>Participant</td>
<td>Background Source</td>
</tr>
<tr>
<td>6.</td>
<td>Consider incorporating opportunity mapping as part of the next Plan Bay Area Equity Analysis to inform transportation infrastructure planning and investments, as well as other public investments in housing, infrastructure, and community development</td>
<td>Where appropriate, use opportunity indices, or other related measures, to inform and help direct public investments in housing, transportation, infrastructure, and community development.</td>
<td>Regional</td>
<td>ABAG</td>
</tr>
</tbody>
</table>
## Fair Housing and Equity Assessment of the San Francisco Bay Area, Enhancing Regional Economic Prosperity

<table>
<thead>
<tr>
<th></th>
<th>Encourage affordable housing development throughout the Bay Area, but especially in areas with high access to opportunity</th>
<th>Address zoning and other policies at the local level that may impede the development of affordable housing.</th>
<th>Regional, Local</th>
<th>Chicago</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Promote economic prosperity especially in areas of low opportunity.</td>
<td>Encourage investment and economic opportunity in areas of low opportunity along with displacement policies where appropriate.</td>
<td>Regional, Local</td>
<td>ABAG</td>
</tr>
<tr>
<td>8.</td>
<td>Invest in equitable access to quality education and training as outlined in the Economic Prosperity Strategy (EPS), and other regional economic analyses</td>
<td>Promote policies and investments at all levels of government to ensure an equitable distribution of educational resources within the region. Support educational programs in all communities. Prioritize investments and programs to communities that have low or very low access to education (as suggested by the opportunity mapping analysis?) implement innovative tools to support education quality and outcomes in low opportunity communities – List examples, such as housing authority/public-school partnerships, etc.</td>
<td>Regional, Local</td>
<td>ABAG</td>
</tr>
<tr>
<td>9.</td>
<td>Ensure sufficient and appropriate transportation investments between low and high opportunity areas</td>
<td>Local jurisdictions and transit agencies should advocate at the state and federal levels to enable sufficient funding to provide transit service to meet the need of transit dependent populations. This also includes appropriate investments in more urban areas where it makes sense - mobility needs of low opportunity areas at the edges of the region through area-appropriate multi-modal measures (e.g. pedestrian, bike infrastructure improvements, shuttles)</td>
<td>Fed, State, Regional</td>
<td>ABAG</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Affordable Housing and Anti-Displacement Strategy</th>
<th>Example</th>
<th>Participant</th>
<th>Background Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Increase efforts to provide sufficient choices of affordable, safe, healthy, and adequately sized housing throughout the region to meet the region’s existing and future housing needs</td>
<td>Create more housing choices through preservation and new development, including housing trust funds, and other top financing tools, value capture financing tools, and funding and incentives for rehabilitation and preservation of affordable housing units.</td>
<td>Federal, State, Regional, Local</td>
<td>Plan Bay Area</td>
</tr>
<tr>
<td>12.</td>
<td>Implement locally appropriate and effective incentives to encourage the development and preservation of affordable housing.</td>
<td>Develop locally appropriate incentive tools such as land value recapture, zoning bonus programs, comprehensive fee waivers including permit fees, road/transportation fee waivers, school fee exemptions etc., expedited permitting, and tax abatement programs to encourage affordable housing development and preservation.</td>
<td>Local</td>
</tr>
<tr>
<td>13.</td>
<td>Ensure that local zoning and building regulations allow and promote sufficient housing supply and housing types to meet the needs of households at a full range of incomes, household types, and special needs.</td>
<td>Ensure that regulations do not create barriers to the development of needed affordable housing, including group homes for special needs populations and homeless shelters.</td>
<td>State, Regional, Local</td>
</tr>
<tr>
<td>14.</td>
<td>Support policies to ensure existing affordable housing at risk of conversion to market rate remains affordable.</td>
<td>Build affordable housing in lower opportunity areas with good access to job centers. Promote adoption of local tenant protection policies (e.g. rent stabilization, condo-conversion, just cause eviction). Selectively support market-rate housing with community benefits that promotes mixed-income communities.</td>
<td>Regional, Local</td>
</tr>
</tbody>
</table>

**Healthy and Resilient Communities**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Example</th>
<th>Participant</th>
<th>Background Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.</td>
<td>Enhance community health and meet mobility needs of low opportunity areas at the edges of the region</td>
<td>Provide area-appropriate infrastructure enhancements such as sidewalks to meet pedestrian needs, bike lanes, and shuttles.</td>
<td>Fed, State, Regional</td>
</tr>
<tr>
<td>16.</td>
<td>Promote Healthy Infill Development that curbs Greenhouse Gases</td>
<td>Support the establishment of a new tax increment financing authority that supports housing construction and infrastructure improvements near existing and planned public transit service e.g. PDA based TIF's.</td>
<td>State</td>
</tr>
<tr>
<td>17.</td>
<td>Address regional hazards and mitigation measures due to climate change and natural disasters</td>
<td>Implement Earthquake mitigation measures, sea level rise shoreline management practices, code compliance.</td>
<td>Local</td>
</tr>
</tbody>
</table>
### 18. Protect affordable housing during natural disaster recovery

Develop policies that protect affordable housing from being damaged by a natural disaster; mandate that affordable housing that is damaged be rebuilt as affordable housing, ensure funding streams are available for rebuilding damaged affordable housing; and encourage building new affordable housing to ensure that low-income residents are able to stay in the region.

| State, Local | ABAG |

### 19. Advocate for changes to federal and state programs to improve multi-family rebuilding efforts

Advocate at the state and federal levels to ensure multi-family housing receive a fair and equitable share of financial and technical assistance during rebuilding and recovery efforts.

| Federal, State | ABAG |

### 20. Support the rebuilding of rental units after loss or damage from natural disasters

Develop policies to ensure that rental units damaged during a natural disaster are replaced in kind (with a similar number/type) during rebuilding and recovery rather than being converted to owner-occupied properties.

| State, Local | ABAG |
Technical Appendices

Segregation and Integration Indices (Dissimilarity and Isolation Indices Technical Documentation)

Understanding Racially/Ethnically Concentrated Areas of Poverty (HUD) and Communities of Concern (MTC/ABAG)

Measuring Access to Opportunity (Kirwan Institute Index and HUD Indices Technical Documentation)

Fair Housing: Data from Bay Area Legal Aid, Project Sentinel, and ECHO Fair Housing

Transportation Infrastructure: Updated Plan Bay Area Equity Analysis (ABAG and MTC)

Maps
Segregation and Integration Indices (Dissimilarity and Isolation Indices Technical Documentation)

refer to HUD Technical Document page 69
Understanding Racially/Ethnically Concentrated Areas of Poverty (HUD) and Communities of Concern (MTC/ABAG)

For the Fair Housing Equity Assessment (FHEA) HUD uses the census definition of Racially Concentrated Areas of Poverty (RCAPs) which are census tracts that have at least a 50% nonwhite population\(^{47}\) and where at least 40% of the population is living at or below the federal poverty level\(^{48}\). Alternately a census tract could also be considered an RCAP if, in addition to the racial composition, it has three times the average poverty rate for the MSA (whichever threshold is lower).

By contrast, Communities of Concern (COCs) have a significantly more expansive definition than RCAPs, which have been deemed a better fit for the Bay Area after extensive community engagement. The criteria used to determine if a census tract is a community of concern are as follows.\(^{49}\)

<table>
<thead>
<tr>
<th>COC Disadvantage Factor</th>
<th>COC Concentration Threshold</th>
<th>Compared to RCAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority Population</td>
<td>70%</td>
<td>Higher (50%)</td>
</tr>
<tr>
<td>Low income (&lt;200% of Poverty)</td>
<td>30%</td>
<td>At least 40% of population at 100% of federal poverty level</td>
</tr>
<tr>
<td>Limited English Proficiency</td>
<td>20%</td>
<td>N/A</td>
</tr>
<tr>
<td>Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zero-Vehicle Households</td>
<td>10%</td>
<td>N/A</td>
</tr>
<tr>
<td>Seniors 75 and Over</td>
<td>10%</td>
<td>N/A</td>
</tr>
<tr>
<td>Population with a Disability</td>
<td>25%</td>
<td>N/A</td>
</tr>
<tr>
<td>Single Parent Families</td>
<td>20%</td>
<td>N/A</td>
</tr>
<tr>
<td>Cost-burdened renters</td>
<td>15%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

A census tract is considered a community of concern if it meets either of the following criteria:

- The population living in the tract meets four of any of the above characteristics/concentrations.
- The population has both a minority concentration and meets the low income threshold.

While RCAPs are almost entirely located within Communities of Concern, it is possible to have RCAPs outside these areas. That is because the racial makeup for a census tract to be considered an RCAP (50%+ nonwhite) is lower than for communities of concern (70%+ nonwhite). There could be census tracts that meet the racial composition threshold for RCAPs but not for Communities of Concern even if both census tracts meet the poverty threshold with the same being true in reverse. As mentioned

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\(^{47}\) The racial makeup changes for very small, isolated communities becoming 20% nonwhite for areas outside metropolitan and micropolitan regions.

\(^{48}\) For 2013 the federal poverty level is considered an annual income of $11,490 or less for an individual or $23,550 for a family of four.

\(^{49}\) These were taken from Plan Bay Area’s Equity Analysis Report.
earlier, a census tract would be considered an RCAP if it has the requisite racial composition and three times the average MSA family poverty rate. The determination of whether or not such places should meet the lower poverty thresholds is made based upon which Metropolitan Statistical Area (MSA) the tract is in. There are five MSAs in the nine-county Bay Area each of which has its own average of family poverty rate. The table below lists the Bay Area’s MSAs and their respective poverty rates.

<table>
<thead>
<tr>
<th>MSA Name</th>
<th>Counties</th>
<th>Average Family Poverty Rate</th>
<th>3X Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco – Oakland – Fremont</td>
<td>San Francisco, Marin, Alameda, Contra Costa</td>
<td>7.36%</td>
<td>22.08%</td>
</tr>
<tr>
<td>San Jose – Sunnyvale – Santa Clara</td>
<td>Santa Clara, San Benito</td>
<td>6.72%</td>
<td>20.16%</td>
</tr>
<tr>
<td>Vallejo – Fairfield</td>
<td>Solano</td>
<td>8.72%</td>
<td>26.16%</td>
</tr>
<tr>
<td>Napa</td>
<td>Napa</td>
<td>6.25%</td>
<td>18.75%</td>
</tr>
<tr>
<td>Santa Rosa – Petaluma</td>
<td>Sonoma</td>
<td>6.51%</td>
<td>19.53%</td>
</tr>
</tbody>
</table>

Only a select few census tracts are considered RCAPs but NOT communities of concern.

<table>
<thead>
<tr>
<th>Census Tract (location)</th>
<th>GEO-ID</th>
<th>Census tracts(^{50})</th>
<th>MSA</th>
<th>3X MSA Poverty Rate</th>
<th>Reason NOT Community of Concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Napa City</td>
<td>06055200804</td>
<td>2008.04</td>
<td>Napa</td>
<td>18.75%</td>
<td>Has the requisite racial makeup (72.8% nonwhite) and at three times the poverty rate of the MSA (21.9% vs. 18.75% 3x MSA) is considered an RCAP. Not a CoC likely because of poverty threshold.</td>
</tr>
<tr>
<td>Hot Springs/Agua Caliente</td>
<td>06097150305</td>
<td>1503.05</td>
<td>Santa Rosa - Petaluma</td>
<td>19.53%</td>
<td>Has the requisite racial makeup (63.7% nonwhite) and poverty rate to be an RCAP (20% vs. 19.53% 3x MSA). Not a CoC likely because of lower racial composition.</td>
</tr>
<tr>
<td>Southwest San Francisco</td>
<td>06075033204</td>
<td>332.04</td>
<td>San Francisco – Oakland – Fremont</td>
<td>22.08%</td>
<td>Has the requisite racial makeup (61.2% nonwhite) and poverty rate to be an RCAP (22.8% vs. 22.08% 3x MSA). Not a CoC likely because of lower racial composition.</td>
</tr>
</tbody>
</table>

\(^{50}\) Census tracts that contained adjacent RCAPs were merged.
**Merged Census Tracts:** A select few RCAPs are mostly contained within communities of concern but have small parts outside. This means that while certain geographies that are mostly subsumed by CoCs may have met the threshold to be RCAPs but not simultaneously Communities of Concern.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>GEO-ID</th>
<th>Census Tract</th>
<th>MSA</th>
<th>3X MSA Poverty Rate</th>
<th>Reason NOT Community of Concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antioch (eastern portion)</td>
<td>06013309000</td>
<td>3060.04, 3050</td>
<td>San Francisco – Oakland – Fremont</td>
<td>22.08%</td>
<td>Both of these tracts have the requisite racial makeup – 53.5%, 66% nonwhite respectively – and have poverty rates that are three times that of their MSA to be an RCAP. Not a CoC likely because of lower racial composition.</td>
</tr>
<tr>
<td>City of Alameda</td>
<td>06075012000</td>
<td>4272</td>
<td>San Francisco – Oakland – Fremont</td>
<td>22.08%</td>
<td>Has the requisite racial makeup (60.6% nonwhite) and poverty rate to be an RCAP (22.6% vs. 22.08% 3x MSA). Not a CoC likely because of lower racial composition.</td>
</tr>
<tr>
<td>San Francisco</td>
<td>06013309000</td>
<td>120</td>
<td>San Francisco – Oakland – Fremont</td>
<td>22.08%</td>
<td>Has the requisite racial makeup (53.5% nonwhite) and poverty rate to be an RCAP (23.9% vs. 22.08% 3x MSA). Not a CoC likely because of lower racial composition.</td>
</tr>
<tr>
<td>Berkeley</td>
<td>06001422900</td>
<td>4229</td>
<td>San Francisco – Oakland – Fremont</td>
<td>22.08%</td>
<td>Has the requisite racial makeup (62.8% nonwhite) and poverty rate to be an RCAP (45.6% vs. 22.08% 3x MSA). Not a CoC likely because of lower racial composition.</td>
</tr>
</tbody>
</table>
Measuring Access to Opportunity (Kirwan Institute Index and HUD Indices Technical Documentation)

separate PDF included as part of this document
Fair Housing: Data from Bay Area Legal Aid, Project Sentinel, and ECHO Fair Housing

ABAG contacted all of the region’s fair housing organizations for case data over the 2007 to 2013 time period. While several organizations replied, many of them did not collect data in such a way that it could be compared on the same basis (i.e. organizations only reported a few cases per year, case information was aggregate, and included areas not part of the Bay Area etc.). For the Fair Housing and Equity Assessment, ABAG has compared data from three regional fair housing organizations: Bay Area Legal Aid, Project Sentinel, and ECHO Fair Housing.

Limitations to Analysis
This analysis is limited to direct case intake reported to us by the region’s fair housing organizations. While ABAG requested auditing data from organizations, most organizations had only conducted a few audits (2-4) per year. Such small sample sizes have made it difficult to draw region-wide conclusions from such activity, and accordingly are not featured in this report.

Geography of Fair Housing Cases and their Bases
The table below details the three organizations from which ABAG received data. ABAG presents these organizations’ case intake data for the 2007-2013 period and the locations where they operate in the Bay Area:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Geography</th>
<th>Cases (2007-2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay Area Legal Aid</td>
<td>Operates in 7 of the 9 Bay Area counties (except for Solano and Sonoma)</td>
<td>2836 (excludes audits and cases referred to HUD)</td>
</tr>
<tr>
<td>Project Sentinel</td>
<td>Alameda, Contra Costa Counties (limited), San Mateo and Santa Clara Counties</td>
<td>1652 (excludes audits and cases referred to HUD)</td>
</tr>
<tr>
<td>ECHO Fair Housing*</td>
<td>Alameda, Contra Costa, Santa Clara Counties</td>
<td>1050 est. (excludes audits and cases referred to HUD)</td>
</tr>
</tbody>
</table>

*ECHO Fair Housing did not provide a precise number of cases, but an average of their caseload over the past six years.

Fair Housing Education
The region’s fair housing agencies have conducted extensive fair housing education, financial literacy programs, and have managed various financial assistance programs throughout the nine Bay Area counties. Briefly, fair housing mitigation efforts in the Bay Area have included:

- Community mediation efforts
- Homebuyer education
- Mortgage Counseling
- Tenant and Landlord assistance, including education, counseling, and additional resources
- Various rental assistance and first time homebuyer programs
Fair housing litigation and mediation
Various workshops for landlords and tenants regarding fair housing law
Legal trainings
The creation and dissemination of promotional materials (videos, pamphlets, brochures, etc.).

**Bay Area Legal Aid**

Bay Area Legal Aid is the largest provider of civil law services for low income individuals in the Bay Area including fair housing services. They operate in seven of the nine Bay Area counties (they do not operate in Solano and Sonoma counties). In response to a data request from ABAG, Bay Area Legal Aid provided data for all their fair housing cases between 2007 to 2013, which are featured in the figure below. They did not provide information on the bases or disposition of these cases.

**Fair Housing cases by Geography – Bay Area Legal Aid (2007-2013)**

<table>
<thead>
<tr>
<th>County</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>919</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>852</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>521</td>
</tr>
<tr>
<td>San Francisco</td>
<td>495</td>
</tr>
<tr>
<td>San Mateo</td>
<td>29</td>
</tr>
<tr>
<td>Marin</td>
<td>19</td>
</tr>
<tr>
<td>Napa</td>
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</tr>
</tbody>
</table>

= 2836 cases total

*Source: Bay Area Legal Aid Case Data 2007-2013, ABAG data request March 2014*

Over the past six years, Bay Area Legal Aid was involved with a total of 2836 formal fair housing complaints. While they refer some cases to HUD and DFEH (on average 25 a year), most cases are dispensed in-house. The concentration of cases in Alameda and Contra Costa counties likely reflects the relative resources they have available in each county, as opposed to the true incidence of fair housing discrimination.
**Project Sentinel**

Project Sentinel is one of the Bay Area’s largest fair housing organizations. They provide clients with counseling for housing discrimination issues, foreclosure, and delinquency. They counsel on rental issues including repairs, deposits, privacy, dispute resolution, home buyer education, post purchase education, and reverse mortgages. They operate in Alameda, Contra Costa (limited), San Francisco, San Mateo, and Santa Clara counties.

**Fair Housing cases by Geography – Project Sentinel (2007-2013)**

![Bar chart showing the number of fair housing cases in different counties.]

- **Santa Clara**: 1107 cases
- **San Mateo**: 315 cases
- **Alameda**: 189 cases
- **San Francisco**: 39 cases
- **Contra Costa**: 2 cases

**Source:** Project Sentinel Case Data, ABAG Data Request March 2014

Like Bay Area Legal Aid, the concentration of Project Sentinel’s cases in Santa Clara and San Mateo counties likely reflect the relative resources that Project Sentinel has available in those counties in comparison to the others. For example, Project Sentinel collects and reports all fair housing case data collected by the Silicon Valley Law Foundation, the largest Fair Housing legal service provider in Santa Clara County, as a result reflecting a high number of fair housing incidents for Santa Clara.

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51 The case data displayed here does not include cases that were referred to HUD or fair housing audits.
The number of Disability cases dominates, followed by cases filed on the bases of familial status and race. Contra Costa and San Francisco counties are outliers due to their small sample size (only 2 cases in Contra Costa County and 39 in San Francisco). Certain findings are undoubtedly small due to small sample sizes (e.g. San Francisco is the only county to have a fair housing complaint made on the basis of religion and half of Contra Costa County’s fair housing complaints are on the basis of race).
Fair Housing case disposition– Project Sentinel (2007-2013)

<table>
<thead>
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<th>Category</th>
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<tr>
<td>Counseling</td>
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<tr>
<td>Conciliation</td>
<td>440</td>
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<tr>
<td>Pending Further Investigation</td>
<td>181</td>
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<tr>
<td>HUD Referrals*</td>
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<tr>
<td>Declined to Pursue</td>
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<td>Educated</td>
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<td>(blank)</td>
<td>21</td>
</tr>
<tr>
<td>DFEH Referral</td>
<td>18</td>
</tr>
</tbody>
</table>

*Source: Project Sentinel Case Data 2007-2013, ABAG data request March 2014*

*HUD referrals are not counted in the total case number since these have already been reported to ABAG by HUD. We include them here to better illustrate the true extent of Project Sentinel’s Caseload.*

Most of Project Sentinel’s caseload was dealt with through counseling, conciliation, and education. Some cases were referred to DFEH and HUD, whereas other cases are pending further investigation or did not have a reported disposition. Like Bay Area Legal Aid, most cases were not referred to HUD; likely because Project Sentinel or its partner, the Law Foundation of Silicon Valley, could respond more efficiently to these complaints in-house. Important to note is that significantly more cases were referred to an attorney for possible litigation than the fair housing complaints received by HUD which likely demonstrates the more “legal” nature of the work conducted by Project Sentinel.

**ECHO Fair Housing**

ECHO Fair housing is one of the Bay Area’s oldest fair housing organizations with services in cities across the Bay Area (Alameda, Contra Costa, and Santa Clara counties). Their services include fair housing services, tenant/landlord counseling programs, rental assistance programs, and facilitation of a rent/deposit grant program. While we do not have information on the individual bases of the cases they examined, they took on an average of 175 cases per year between 2007 and 2013, leading to a total caseload of approximately 900 cases.
Transportation Infrastructure: Updated Plan Bay Area Equity Analysis (ABAG and MTC)

As the Bay Area’s largest physical investments are mainly transportation related this analysis is based on an updated version of the Plan Bay Area Equity Analysis which analyzed the region’s transportation networks. The units of analysis for Plan Bay Area are communities of concern (these subsume nearly all of the racially concentrated areas of poverty and are defined earlier in this report) which we continue to use here. The Equity Analysis involved extensive community engagement process leading to the report’s publication in 2011 to determine the various indicators that define a Community of Concern as well as specific equity targets. The Equity Analysis is an estimate only and like all long-range projections is best thought of as an educated guess.

Share of Regional Transportation Resources

Based on their proportion of the Bay Area’s overall population the Plan Bay Area Equity Analysis examined whether or not low-income communities of color received a fair share of the region’s transportation investments.

As of 2011, the report found that low income minority communities are proportionally receiving as much or more transportation investments relative to their population in the Bay Area when compared to non-minority and higher income communities. In most cases low-income and minority populations are receiving a similar or greater share of plan investments relative to their overall population share and trips. There is a slight discrepancy between funding amounts, however, in that the region’s minority population as a whole receives a smaller share of regional funding (54%) compared to their overall population (58%) namely because the survey used to allocate funding (the Bay Area Travel Survey) used the 2000 census when the region’s minority population was 50% of the total. The Equity Analysis uses the 2010 census which registers an increase of the region’s minority population by 8% between 2000 and 2010.

A second analytical tool, the Title IV disparate impact analysis which looks at transportation investments on a per capita basis. Through this analysis the region found that minority persons are receiving 120% of the benefit of Plan Bay Area’s investments in public transportation from Federal and State sources compared to non-minority persons. On a ridership basis minority riders are receiving 99% of the benefit of Federal and State-funded transit investments in Plan Bay Area compared to non-minority riders (the 1% difference was not found to be statistically significant).

Transportation Infrastructure Investments and Travel Time

Low income minority communities are expected to experience higher savings in housing and transportation costs through Plan Bay Area than higher income non-minority communities. If the region implements the transportation and housing investments foreseen in Plan Bay Area low income households see a 7% drop in housing and transportation costs as a share of their income. Non-low
income households see a 4% drop in the percentage of their income spent on housing and transportation.

**Access to Major Transportation Investments**

As mentioned earlier this analysis uses communities of concern, which have been previously defined, as the geographic unit of analysis for low-income communities of color. There are 35 communities of concern in the nine-county Bay Area which are home to about 1.4 million people or 16% of the region’s population.

![Bay Area Population in and out of Communities of Concern](image)

For our purposes “major” transportation investments are defined as transportation projects that cost at least $50 million, these investments represent a cumulative total of $2.6 billion of the Bay Area’s overall transportation investments through 2040 (the span of *Plan Bay Area*). By analyzing projects as to determine whether they provided access points in communities of concern it was found that 84% or 29 of the region’s 35 communities of concern will have access to major transportation investments through the life of *Plan Bay Area*. These 29 communities comprise or 1,336,000 residents from a total of 1,380,000 who live in communities of concern.
Communities of concern that do not have access to major transportation projects are small and sparsely populated (43,000 total residents) compared to those that do have access (1,336,000 residents). They can be found throughout the Bay Area with two in each of the following counties: Marin, Contra Costa and Santa Clara. These CoCs still likely have access to less costly (less than $50 million), but locally significant projects, which while not as expensive could still provide access to communities of concern.

To summarize:

- Approximately 91 Plan Bay Area transportation projects cost at least $50 million
- 47 of the 90 major projects (52%) provide direct access to communities of concern
- 43 of the 90 major projects (47%) do not provide direct access to communities of concern
- 29 of the region’s 35 (84%) Communities of Concern have one or multiple major transportation projects that provide direct access.

**Risk of Displacement**

The equity analysis estimates displacement risk by comparing the numbers of overburdened renters (households that spend more than half their incomes on rent) who also live in communities where more intensive housing activity is forecast by 2040 (defined as an increase of 30%+ in housing units). The focused growth approach of Plan Bay could increase the displacement potential by approximately two-thirds for all communities. Communities of Concern have a 68% risk of displacement compared to the rest of the region which has a 67% risk of displacement, nearly the same amount. Absent new subsidy sources and policy changes, Plan Bay Area could slightly increase the region’s overall risk of displacement including those of communities of concern.
Conclusion
Low income communities of color do not seem to be experiencing disparate impacts due to the region’s transportation investments. The Bay Area’s low income communities of color are well-served by the Bay Area’s future investments in its transportation infrastructure on both an absolute and a per capita basis. While some communities of concern will not have a direct access point to major transportation investments these communities represent 43,000 or less than 3% of all people living in communities of concern. In addition these communities likely have access to smaller transportation investments that still provide access to the region’s transportation infrastructure. Finally the overall risk of displacement experienced by communities of concern due to Plan Bay Area is about the same as in higher-income non-minority communities.
Maps are included as a separate PDF.