

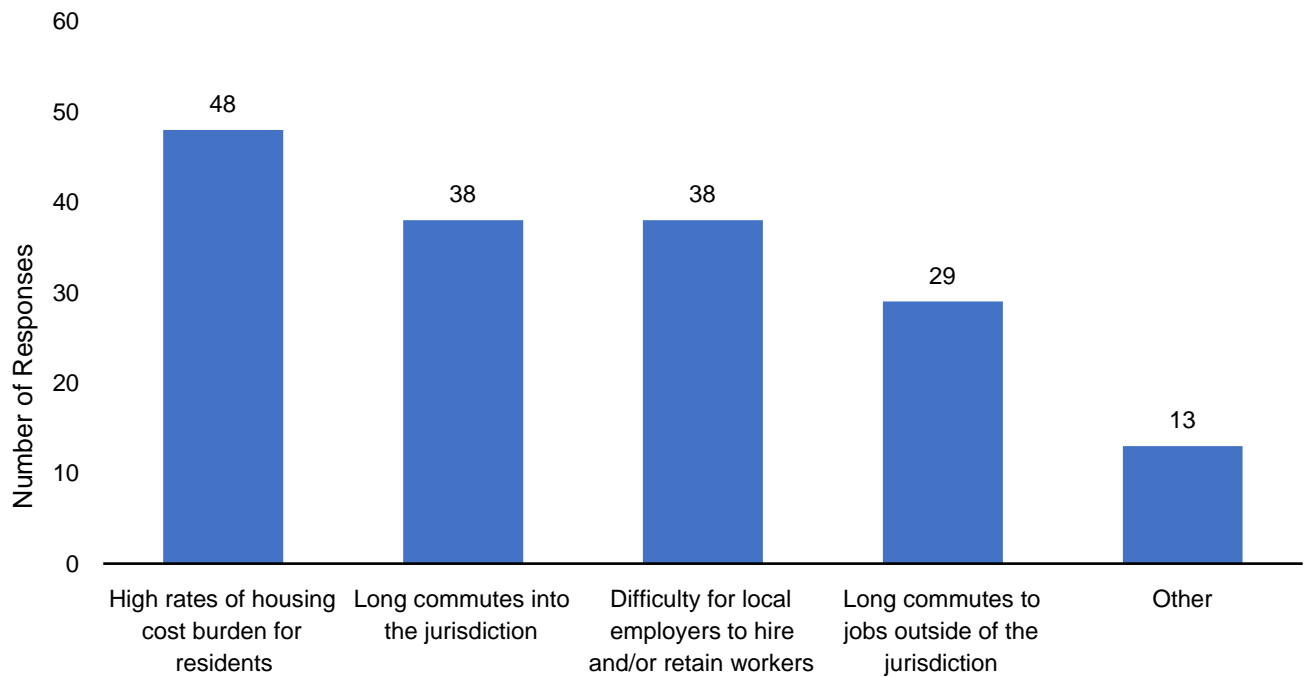


TO: Housing Methodology Committee

DATE: March 12, 2020

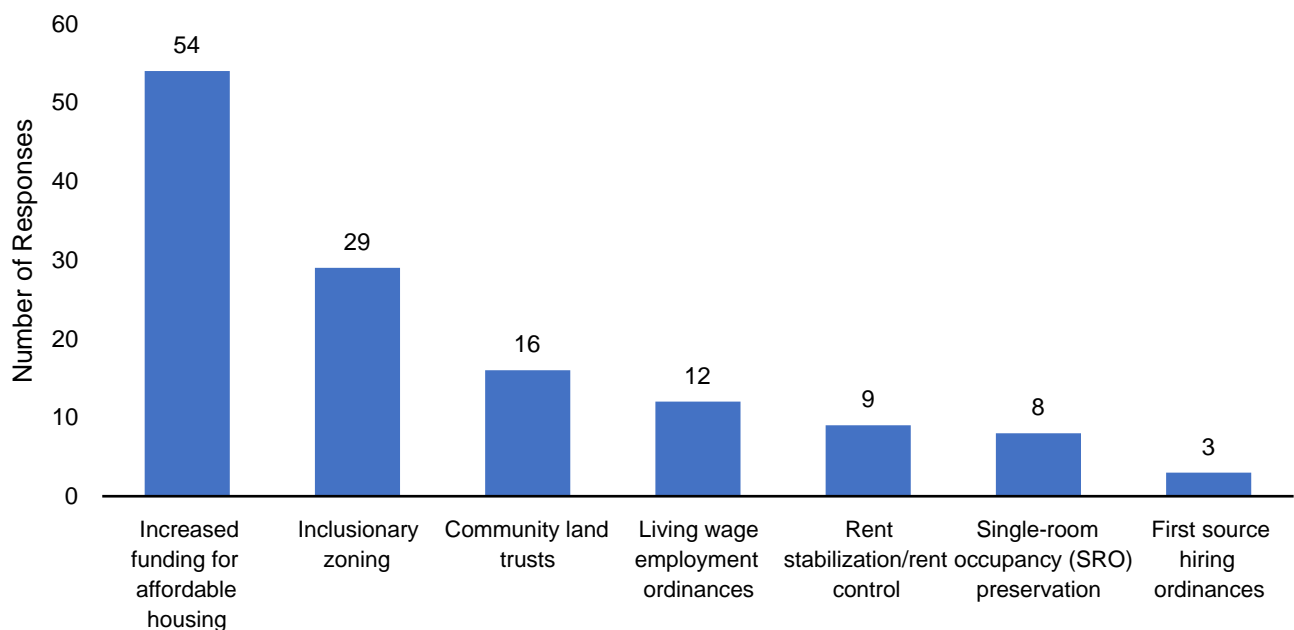
FR: Deputy Executive Dir 1.8 (ve D)-6. 1.8 ,(e)-3 ((a)-3-3.9 (m)

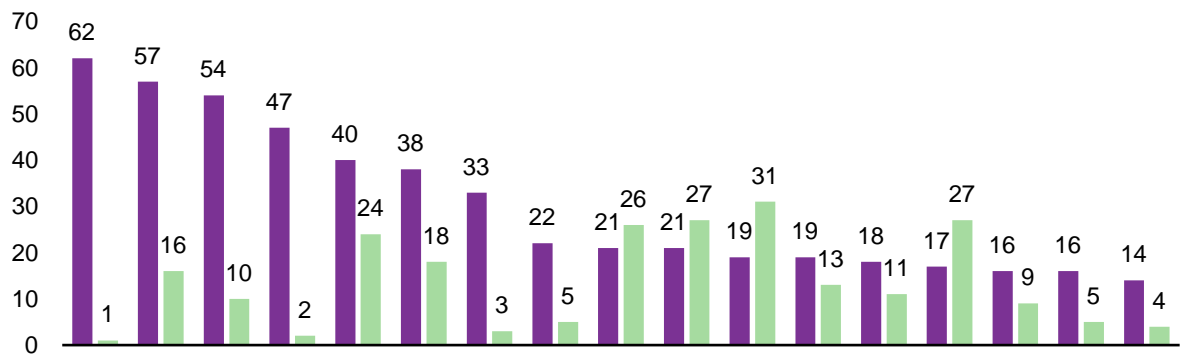
Reasons for imbalance in local jobs -housing fit ratio: Respondents mentioned a lack of rental housing, state policy limiting deed restrictions for ADUs, high land prices, a lack of land available for development, and limited resources for producing affordable housing due to the end of redevelopment agencies as reasons for the jobs-housing fit imbalance. Multiple jurisdictions noted that, while their jobs-housing fit ratio suggested an imbalance, it was comparable to many other jurisdictions in the region, suggesting a broader regional problem. Lastly, some respondents noted potential for future improvements in their jobs-housing fit ratio based on recent rent stabilization policies, ongoing ADU production, and

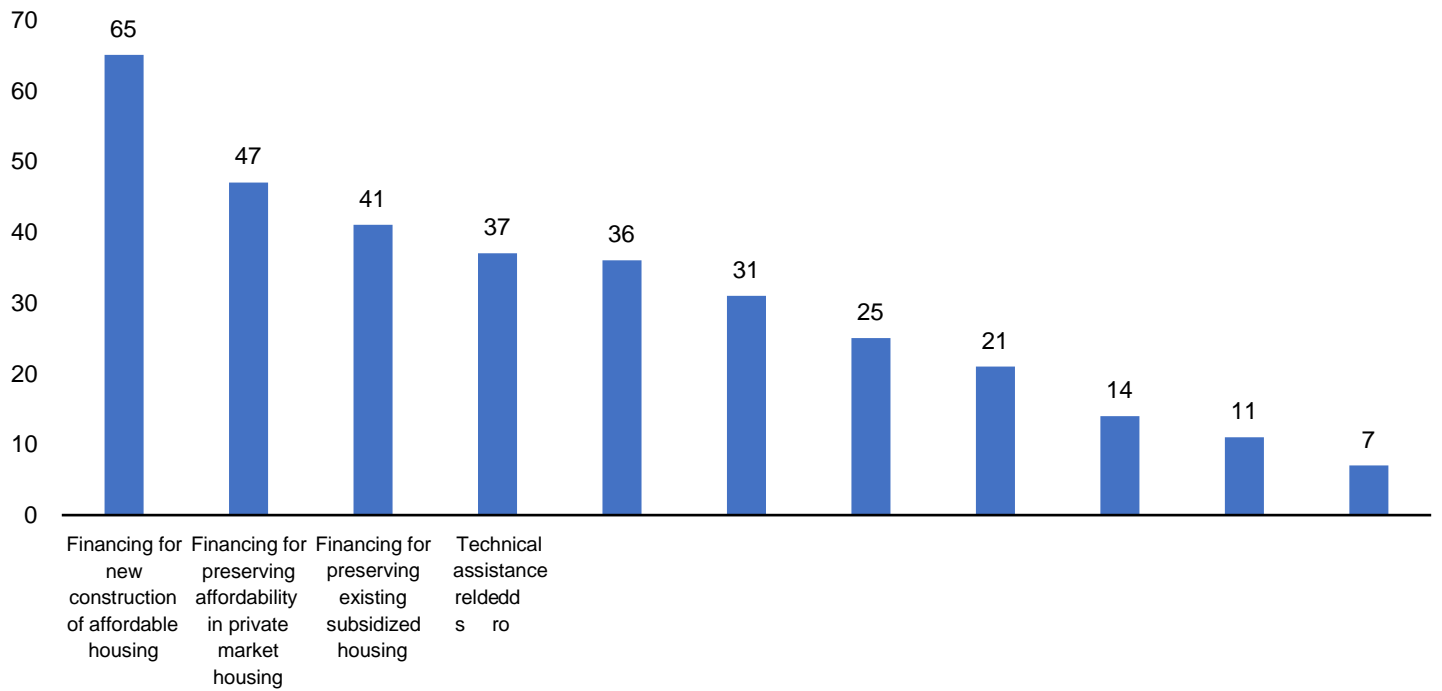


- x Recruiting new businesses
- x Designing affordable housing policies such as inclusionary zoning, commercial linkage fees, and rent stabilization

Jurisdictions that do not use jobs-housing fit data explained why this data is not as relevant to their communities. Some noted a jobs-a.4 (l)1.7 (u)astcercn.9 (heie 11.1 (S)2 (e)-12.1 (m)1. (po)-2.1 (l) .9 (i)1. [

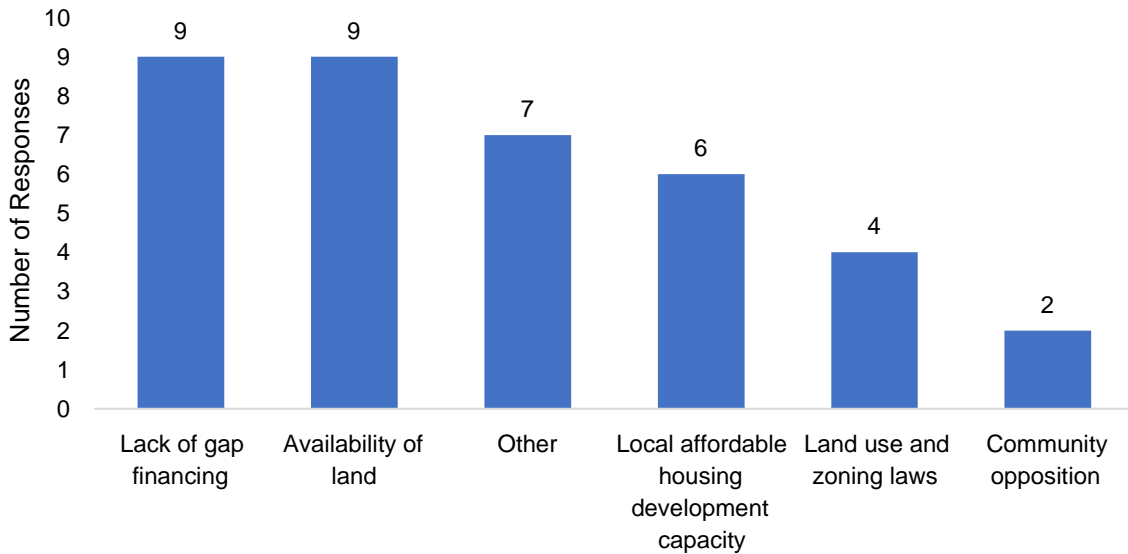






Key Takeaways from Respondents' Comments

Housing needs for the region's farmworkers: Only 16 respondents (23%) identified a need for farmworker housing in a typical year. Of those, six provided an estimate of local housing need for farmworkers, which totaled approximately 5,000 units. Data sources for estimates included interviews with farmworkers and farm owners, the USDA Census of Agriculture, Napa County Farmworker Housing Needs Assessment (2018), and the Napa County Housing Element (2018).



respondents also stated they were aware of below-market-rate units built through inclusionary housing programs that had lapsing affordability requirements.

A larger number of respondents expected to lose affordable housing units in the next 10 years, with 23 respondents (32%) noting that they anticipated these future losses. These respondents also referred to internal city records that indicated the pending expiration of regulatory agreements. Notably, one jurisdiction stated that 68% of existing below-market-rate rental units in its Below Market Rate Housing Program are set to expire in 10 years. Additionally, another respondent commented that the number of affordable units owned by for-profit owners in their jurisdiction is high according to research by the California Housing Partnership, which indicates a high risk for

TO: Housing Methodology Committee
FR: Deputy Executive Director, Policy

DATE: April 27, 2020

Appendix A. Summary of Survey Responses

Overview

ABAG staff presented the Housing Methodology Committee (HMC) with a draft of the Local Jurisdiction survey in November 2019. Staff revised the survey to incorporate feedback from HMC members, local jurisdiction staff, and other stakeholders, and the ABAG Regional Planning Committee approved the survey in December 2019. The survey became available online on January 8, 2020, and city managers, county administrators, community development and planning directors, and housing staff in all 109 jurisdictions were notified by email.

The deadline for completing the survey was February 5, 2020, at which point ABAG received 72 responses, a response rate of 66%.³ Table 1 shows the response rates for each of the nine Bay Area counties.

Table 1. Local jurisdiction survey response rate by county.

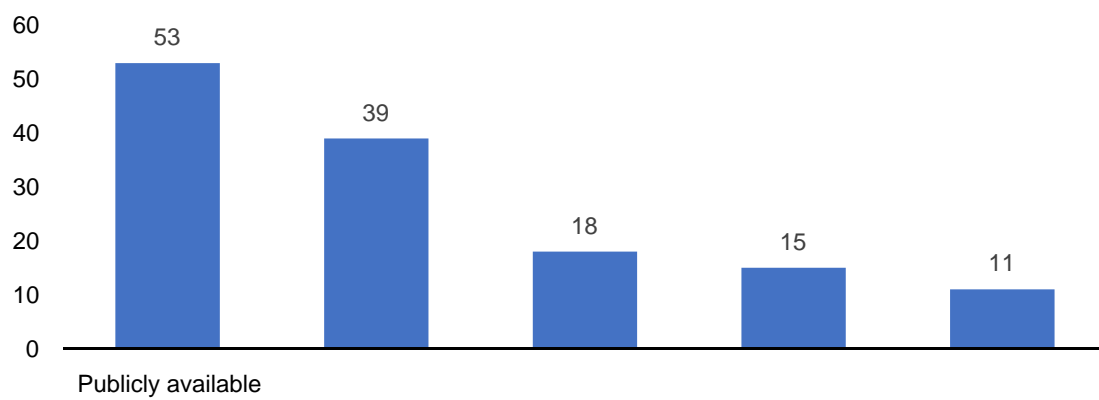
County	Responses	Response Rate
Alameda	9	60%
Contra Costa	14	70%
Marin	8	73%
Napa	3	50%
San Francisco	1	100%
San Mateo	14	67%
Santa Clara	13	81%
Solano	4	50%
Sonoma	7	70%

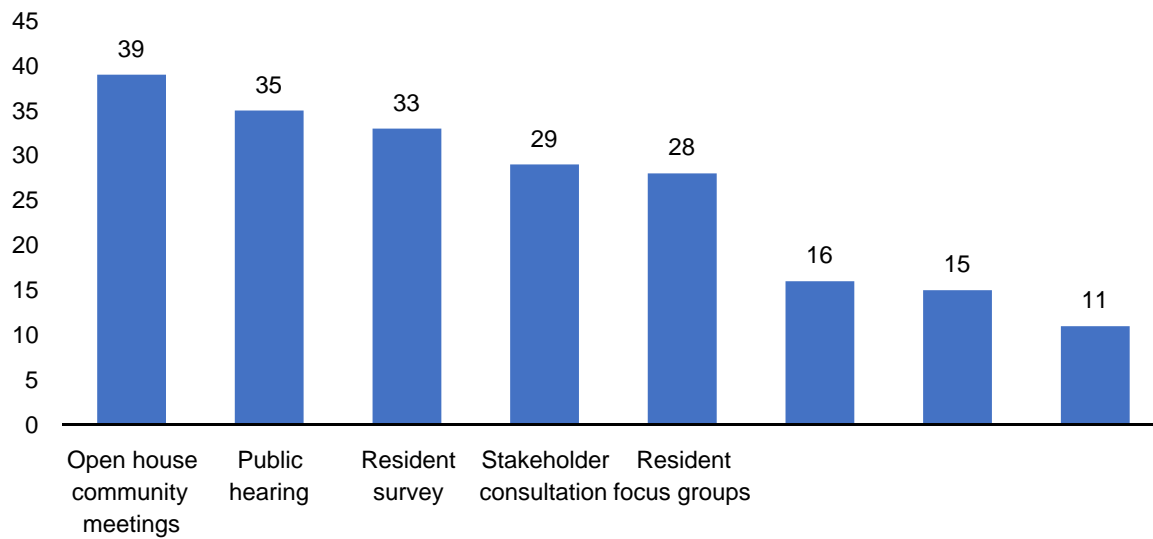
Survey Responses

The survey consisted of 53 questions in two sections. At the HMC's March 2020 meeting, staff presented a summary of the first survey section, which contained questions related to housing and land use factors.⁴ The following is a summary of responses to the second survey section, which collected information on local jurisdictions' fair housing issues as well as strategies and actions for achieving fair housing goals. This section included 14 questions divided into three topics: Fair Housing Planning and Data Sources; Diversity/Segregation, Access to Opportunity, and Housing Needs; and Fair Housing Goals and Actions.

³ The summary of survey results presented at the HMC's March 2020 meeting reported 71 responses to the survey. However, an additional printed survey response was received via mail after the March 2020 summary was prepared. This response was postmarked before the survey deadline, and its responses are included in this summary.

⁴ See http://mtc.legistar.com/ga_teway.aspx?M=F&ID=6b572dad-e960-4c4f-8bf-27a5650bc534.pdf for the memo containing this summary.





The survey also provided respondents with an opportunity to discuss their goals for the community outreach process and their success with achieving these goals. According to the survey responses, jurisdictions' goals for community outreach during fair housing planning can be summarized as the following:

- x Gather input from a broad and diverse range of residents and community groups.
- x Encourage participation from those most impacted by fair housing issues.
- x Engage community members who may face barriers to participation, such as those with limited English proficiency.
- x Build trust with community members and encourage future participation in planning processes.
- x Ensure that federal fair housing reports and other housing planning processes reflect community conditions.
- x Obtain data to effectively assess fair housing barriers.
- x Develop targeted and feasible fair housing goals and strategies for achieving them.

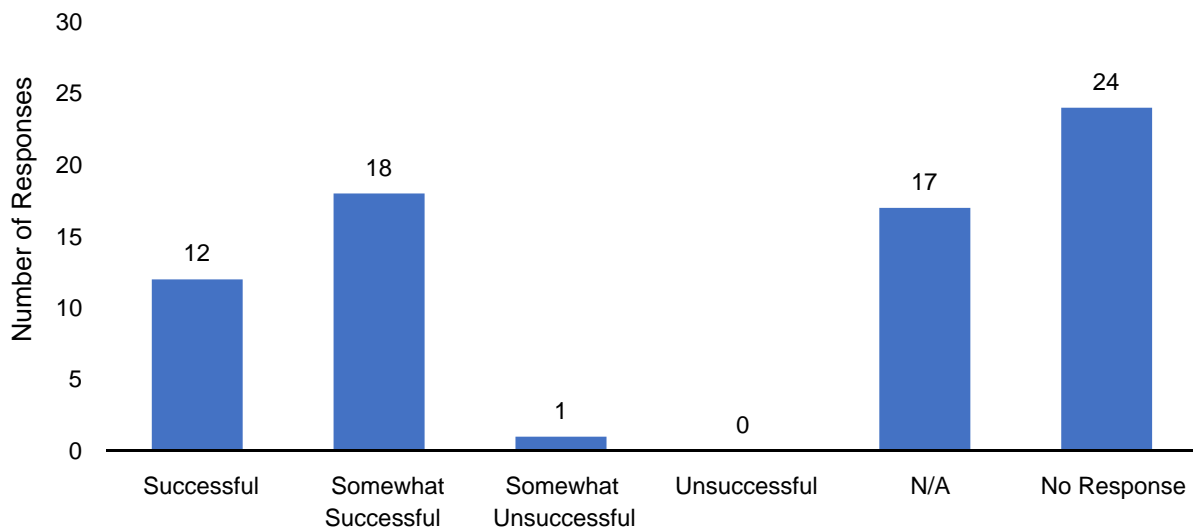


Table 2. Describe the reasons for the success of your jurisdiction's community engagement efforts. (Question 44)

Factors enabling success in achieving community outreach goals:

Key Takeaways from Respondents' Comments

Factors contributing to fair housing issues: Respondents most commonly reported that fair housing issues in their jurisdictions stem from factors related to displacement, affordable housing, and barriers to development (see Table 3, which shows how many respondents indicated whether a factor contributes to each of the four fair housing issues). When the factors are ranked in terms of which were selected by the most jurisdictions for each fair housing issue, there are three factors among the five most selected across all four fair housing issues: community opposition to development, displacement due to increased rents, and displacement of low-income and/or person-of-color (POC) residents. Two other factors ranked in the top five for three out of four of the fair housing issues: availability of larger affordable units and land use/zoning laws. These five factors are highlighted in Table 3 below.

The survey results show the most consensus around factors contributing to limited access to housing in jurisdictions as well as disparities in housing cost burdens and overcrowding. 32 respondents (44%) indicated that the availability of larger affordable units contributes to a lack of access to housing in their jurisdiction. Additionally, displacement due to increased rents, displacement of low-income residents and/or residents of color, and community opposition to development were all listed by more than one-third of jurisdictions as contributing to limited housing access. These same four factors were also the most commonly indicated causes of disparities in housing cost burdens and overcrowding, with 42% of respondents stating that displacement due to increased rents contributes to these disparities.

For the issues of segregated housing patterns/concentrated areas of poverty and disparities in access to opportunity areas, no contributing factor was selected by more than 12 respondents (17%). However, respondents did report similar causes for these fair housing issues: displacement due to increased rents, displacement of low-income residents and/or residents of color, community opposition to development, location of affordable housing, and availability of larger affordable units.

Table 3. Which of the following factors contribute to fair housing issues in your jurisdiction? Check all that apply. (Question 45)

*Factors highlighted in bold with asterisks (**) are among the five most commonly selected across fair housing issues.

Fair Housing Issues	
Limited access to housing in a jurisdiction	Segregated housing patterns or concentrated

Respondents were also asked to select the top three factors contributing to fair housing issues in their jurisdiction and to describe the reason for these selections. Below are the factors most commonly listed by jurisdictions as the main contributors to fair housing issues as well as a summary of why respondents selected these factors. The factors appear in order of how frequently they were cited by respondents as top contributors to fair housing issues, with the most frequently listed factors first.

- x Displacement: Respondents noted that displacement disproportionately affects low-income residents and residents of color, which can result in disproportionate overcrowding for these populations. Additionally, the rising housing costs in communities affected by displacement limit opportunities for racial and socioeconomic diversity and integration.
- x Community opposition to development: Respondents reported that residents commonly oppose denser housing, affordable housing, or housing with supportive services for formerly homeless residents. This opposition can significantly increase the time to approve new development and drives up costs for both affordable and market-rate projects.
- x Lack of affordable housing, especially larger units: Respondents described how rising housing costs and a limited supply of affordable housing cause the displacement of low-income residents and prevent low-income households from moving into communities.
- x Land use and zoning laws: Some respondents noted that their jurisdictions are zoned primarily or entirely for single-family housing, and respondents also mentioned restrictions on multi-family development created by minimum lot sizes, density caps, height limits, and/or minimum parking requirements. These respondents reported that low-density zones cannot accommodate affordable housing, and current land use restrictions result in limited sites for multi-family projects. Consequently, affordable development is nearly impossible in some jurisdictions, while in other jurisdictions affordable developments are concentrated in the few areas with denser zoning. As a result, current land use and zoning codes perpetuate the segregation created by decisions of the past.
- x Barriers to development: In addition to community opposition and land use laws, respondents described other barriers to development such as the availability of land

- x Reducing barriers to mobility for low-income households and residents of publicly-supported housing.
- x Making fair housing resources more readily available online and coordinating with fair housing services nonprofits to disseminate information and reduce discrimination.

Respondents reported that their jurisdictions' policies and actions were mostly successful for achieving goals related to furthering fair housing (see Figure 5). Notably, one-third of respondents did not answer this question, which could indicate a hesitancy to comment on the success of efforts to further fair housing. It is also possible that jurisdictions who do not engage in planning processes explicitly focused on fair housing skipped this question rather than selecting "N/A." Respondents who did answer also discussed the reasons their jurisdictions were able to achieve fair housing goals as well as the factors that hindered the success of these efforts. Table 4 below provides a summary of these reasons.

Figure 5. How successful were your jurisdiction's past actions in achieving goals for overcoming historical patterns of segregation or removing barriers to equal housing opportunity? (Question 49)

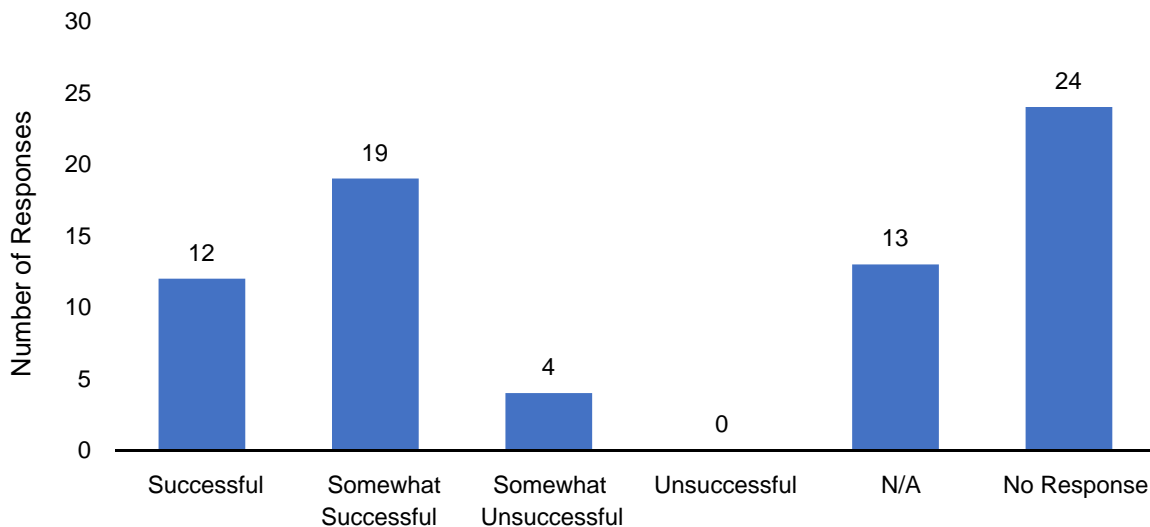
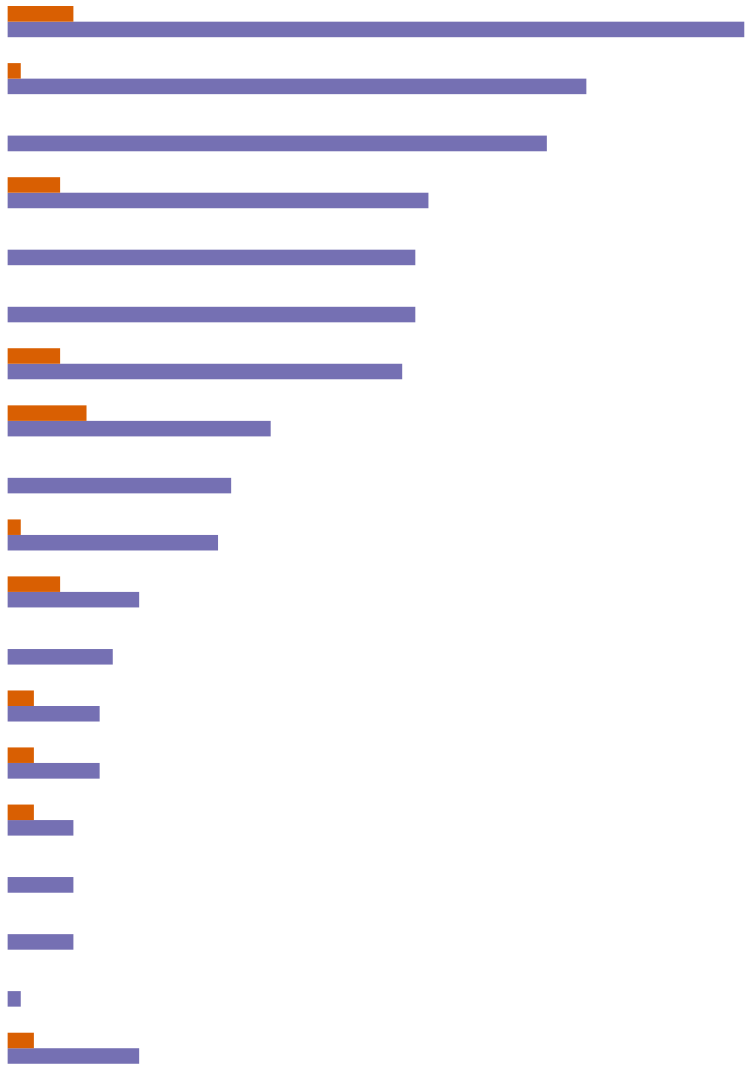


Table 4. Describe the reasons for the success of your jurisdiction's actions to overcome historical patterns of segregation or remove barriers to equal housing opportunity. x



Appendix B. Summary of Bay Area Local Fair Housing Reports

Federally Mandated Fair Housing Reports

Federal law obligates state and local jurisdictions receiving block grant funding from the HUD to submit a Consolidated Plan every five years, and this process requires conducting an Analysis of Impediments to Fair Housing Choice (AI).⁵ In 2015, HUD released a final rule on affirmatively furthering fair housing (AFFH), which provided updated guidelines for assessing fair housing issues and created a new Assessment of Fair Housing (AFH) tool to replace the AI process. HUD's

- x San Mateo County collaborative report: the cities of Daly City, San Mateo, South San Francisco, Redwood City, as well as San Mateo County
- x Santa Clara County
- x Sonoma County collaborative report: cities of Santa Rosa and Petaluma as well as Sonoma County
- x City of Cupertino
- x City of Fairfield
- x City of Milpitas
- x City of Mountain View
- x City of Napa
- x City of San Jose
- x City of Sunnyvale
- x City of Vacaville
- x City of Vallejo

Reported Fair Housing Impediments, Strategies, and Actions

This summary focuses on common impediments to fair housing experienced by Bay Area jurisdictions, and it also lists specific strategies proposed and actions taken in response to these obstacles. While each AI or AFH report contains extensive city/county demographic information, housing equity history, and details on how the report was produced, including community engagement efforts, this summary does not focus on the individual circumstances of each jurisdiction. Rather, it collates these jurisdictions' most significant barriers to affirmatively furthering fair housing, as self-reported, and lists the strategies they have taken to overcome them, in an attempt to draw out common themes at the regional level.

The top themes to emerge at the regional level are:

1. There is a severe lack of affordable housing amidst already-high housing costs regionwide.
2. The lack of affordable housing leads to displacement and gentrification, impacting access to employment, transportation, and education for low-income people.
3. Communities often oppose new housing construction, especially when it is dense, affordable housing. While framed as an issue of "local control," in some circumstances this opposition to housing may be rooted in implicit discrimination based on race and class/income.
4. Jurisdictional zoning and approval policies and practices reflect this community opposition and contribute to the lack of affordable housing supply.
5. Lack of investment in specific neighborhoods is the result of longstanding explicit housing segregation, leading to racially-concentrated areas of poverty that persist today.
6. Outreach, education, and enforcement of fair housing activities are contracted out to nonprofits with insufficient resources.
7. There are significant accessibility barriers to housing for disabled, non-English-speaking, formerly incarcerated, formerly homeless, and other specific populations.

8. Discrimination in the private housing market is prevalent, both in the rental market and in lending policies and practices that impede home ownership.
9. There is much room for improvement in coordination and cooperation regionwide, both between jurisdictions and among different housing advocacy groups.

Below are more details on these highly interrelated obstacles to fair housing in the Bay Area, as well as actions and strategies that may offer solutions. Nearly all of the reports considered each of the following nine impediments, but they were inconsistent in clarifying whether the strategies noted have actually been implemented or are simply being considered. This high-level summary includes all strategies that local fair housing reports listed as potential solutions to these nine impediments. However, ABAG staff could not determine from these reports how many jurisdictions had implemented each strategy versus how many were considering the strategy but had not yet adopted it. The following list orders both the impediments and the strategies by approximate frequency and importance to the collective jurisdictions (i.e., the most frequently reported, most important ideas across reports are listed first), as interpreted by ABAG staff who compiled the summary after reviewing the reports.

IMPEDIMENT 1: Lack of Affordable Housing

A lack of affordable housing means a lack of racially and ethnically integrated and balanced communities. Every Bay Area jurisdiction examined in this summary reports a shortage of affordable housing for those who need it, in both rental and ownership markets. The inadequate supply of affordable housing creates a severe housing shortage for communities of color, which are disproportionately economically disadvantaged.⁹

Strategies and Actions for Overcoming this Impediment

1. Seek funding for new affordable housing construction
 - x Pursue dedicated sources of funding for affordable housing (citywide, countywide, or regionwide), including:
 - o Affordable housing bonds
 - o Local sales tax, transit occupancy tax, or vacant home tax
 - o Housing trust funds for affordable housing development
 - x Explore state and national funding, such as CA Senate Bill 2
 - x Increase in-lieu fees¹⁰ to reflect actual cost of affordable housing development
 - x Pool in-lieu fees among cities
 - x Adopt inclusionary housing policies to bolster funds to support affordable housing

⁹ For more information on economic disparities across racial/ethnic groups in the Bay Area, see An Equity Profile of the Nine-County San Francisco Bay Area Region, by PolicyLink and PERE, the Program for Environmental and Regional Equity at the University of Southern California. Read at:

https://nationalequityatlas.org/sites/default/files/Final_9_County_BayAreaProfile.pdf

¹⁰ In-lieu fees are fees paid by developers of market rate housing to satisfy affordable housing requirements in jurisdictions with inclusionary housing ordinances. The fee is paid in-lieu of providing on-site affordable housing, and jurisdictions typically use the fee to finance affordable housing development at a different site.

2. Identify new sites for affordable housing

- x Prepare and publicize available and easily obtainable maps of all incorporated and unincorporated vacant and underutilized parcels
- x Create a public database of potential sites that can be updated regularly

3. Incentivize developers to build new affordable units

- x Prioritize the production of affordable housing units in sizes appropriate for the population and based on family size
- x Reduce developer fees for affordable housing
- x Encourage market rate housing to include affordable units, such as by promoting use of density bonuses
- x

IMPEDIMENT 2: Displacement and Gentrification

As defined by the Urban Displacement Project at UC Berkeley, gentrification is a process of neighborhood change in a historically disinvested neighborhood that includes both economic and demographic change. These changes occur as a result of both real estate investment and new higher-income residents moving in, which results in corresponding changes in the education level or racial makeup of residents.¹² Gentrification often causes displacement, which prevents long-term residents from benefitting from new investments in their neighborhood.

x

for higher density residential and mixed-use developments, maximizing the linkages between employers and affordable housing

- x Consider rezoning sites for affordable housing outside of racially segregated areas that are predominantly residents of color
- x Consider reduced development standards, specifically parking requirements, to incentivize the development of specific housing types, including units with affordability covenants, units for special needs individuals, higher density residential development, and developments near public transit

2. Evaluate and update fees, processing times, ordinances

- x Review existing inclusionary housing in-lieu fees, housing impact fees, and jobs-housing linkage fee programs to maximize number of units, as consistent with current housing market conditions and applicable law
- x Evaluate options for streamlined processing of affordable housing developments
- x Discourage or eliminate live/work prefer

- x Explore methods for providing low-interest loans and below-market leases for tax-foreclosed commercial properties to low-income residents seeking to start businesses within R/ECAPs
2. Improve access to home renting and buying for residents in R/ECAPS
- x Work with communities to develop a community land trust for low-income residents that creates opportunities for affordable housing and home ownership, with specific inclusion for residents of color with historic connections to the area
 - x Build affordable housing projects in middle- and upper-income neighborhoods to the maximum degree possible
 - x Create more standardized screening policies and procedures for city-sponsored affordable housing
 - x First-time homebuyer down payment assistance programs

IMPEDIMENT 6: Outreach, Education, Enforcement

- x Provide financial literacy and homebuyer education classes
- x Continue to fund housing placement services for people with disabilities to assist them in finding accessible housing
- x Develop and distribute informational brochure on inclusionary leasing practices, including with licenses where applicable
- x Continue and increase outreach and education activities for all protected classes
- x Include education on new requirements of [Assembly Bill 2413 \(Chiu\), the Right to a Safe Home Act.](#) in outreach activities to both landlords and the public ¹⁶
- x Explore alternative formats for fair housing education workshops such as pre-taped videos and/or recordings, which could serve persons with more than one job, families

- x Explore methods for nonprofit partners to assist in purchasing or master leasing affordable units within inclusionary market-rate developments, and set a portion of those units aside for persons with disabilities
- x Develop and disseminate a best practices guide to credit screening in the rental housing context in order to discourage the use of strict credit score cut-offs and overreliance on eviction records
- x For publicly-supported housing, develop protocols to ensure responsiveness to reasonable accommodation requests

IMPEDIMENT 8: Discrimination in Home Ownership and Rental Markets

Over time explicit, legal discrimination has given way to implicit, unwritten biases in mortgage access and lending policies and practices for people of color—specifically in high rates of denial of mortgages for African American and Hispanic households. In the rental housing market, discrimination against low-income people, minorities, immigrants, and LGBTQ people is also prevalent. People using Housing Choice Vouchers also face discrimination for their source of income.

Strategies and Actions for Overcoming this Impediment

- x Work with communities to develop a community land trust for low-income residents that creates opportunities for affordable housing and home ownership, with specific inclusion for residents of color with historic connections to the area
- x Explore creating incentives for landlords to rent to Housing Choice Voucher holders, such as a leasing bonus, damage claim reimbursement, security deposit and utility assistance
- x Streamline Housing Choice Voucher administration so participation is easy for landlords
- x Increase outreach to LGBTQ and immigrant stakeholder groups to provide “know your rights” materials regarding housing discrimination
- x Emphasize bilingual fair housing services and activities to ensure all members know their housing rights and the benefits
- x Proactively enforce source of income discrimination laws¹⁷
- x Contract with local service providers to conduct fair housing testing in local apartment complexes
- x Modify and standardize screening criteria to ensure access to housing for otherwise qualified applicants with credit challenges or criminal histories
- x Educate landlords on criminal background screening in rental housing (using HUD fair housing guidance) and explore the fe

IMPEDIMENT 9: Coordination and Cooperation