haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

The Bay Area Housing Crisis: Its Roots and Effects

PRESENTER:
Stephen Menendian,
Assistant Director

DATE:
September 27, 2018

Historical Background

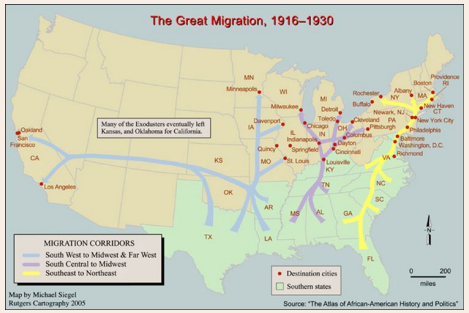
haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

War-time economy

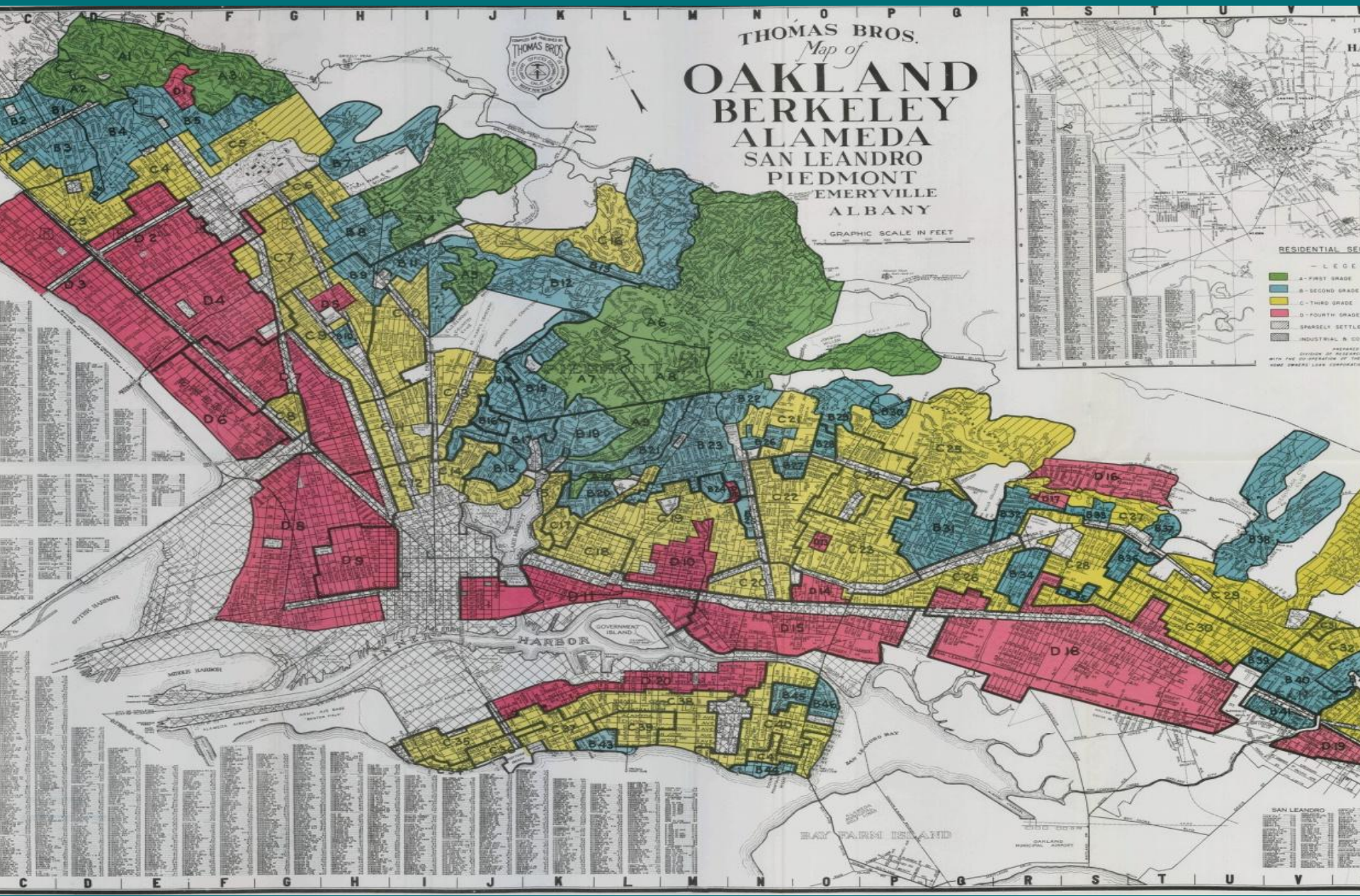
Huge demand for workers at Richmond shipyards during WWII drew many African Americans and other to the region as part of the Great Migration, in which 6 million African-Americans moved out of the rural Southern United States to the urban Northeast, Midwest, and West, pulled by new industry and the war effort.

Segregation

Redlining and union/workplace discrimination limited the movement and wealth available to people of color → People of color concentrated in industrial jobs that have declined in neighborhoods with a legacy of environmental health challenges

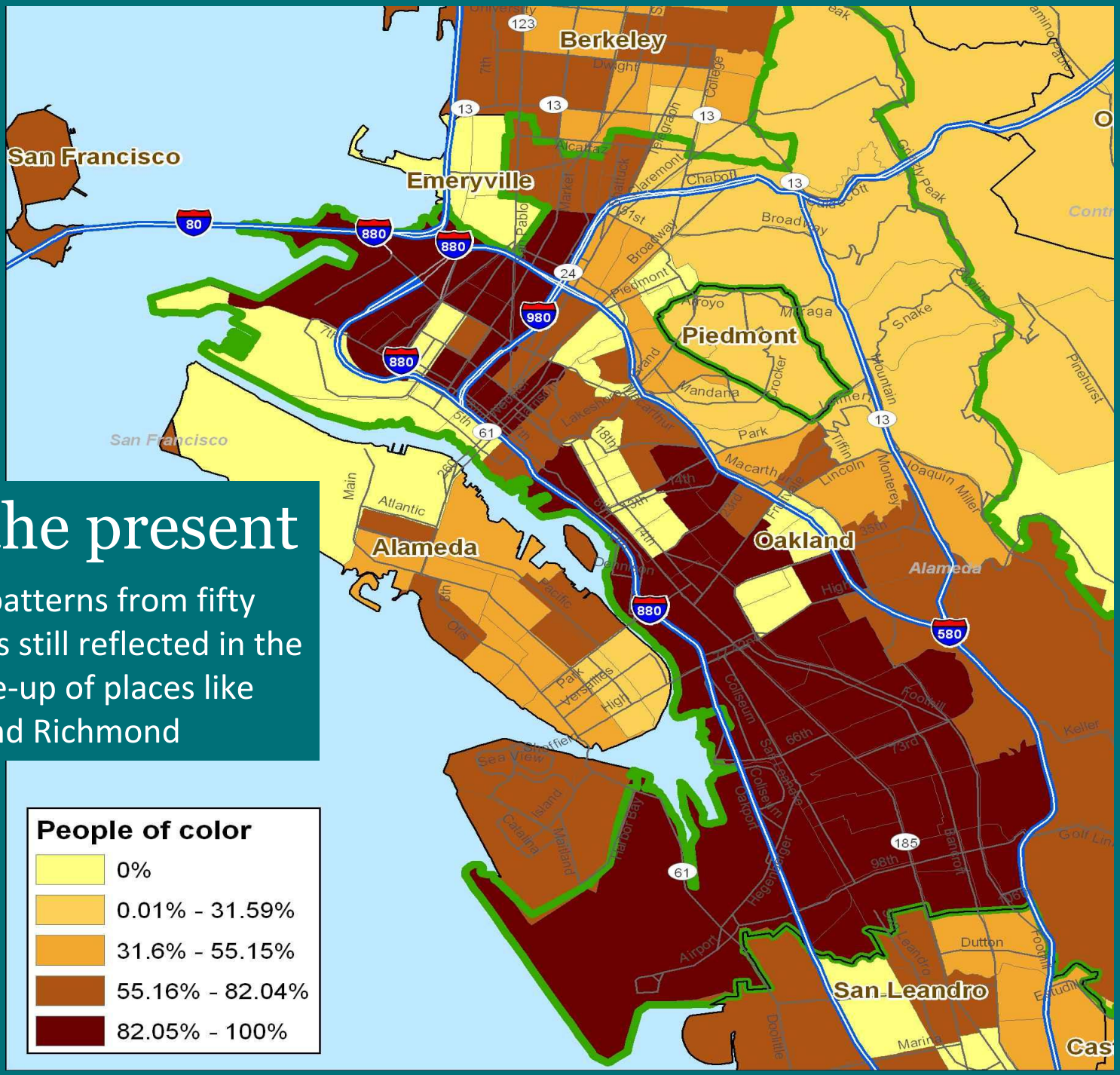


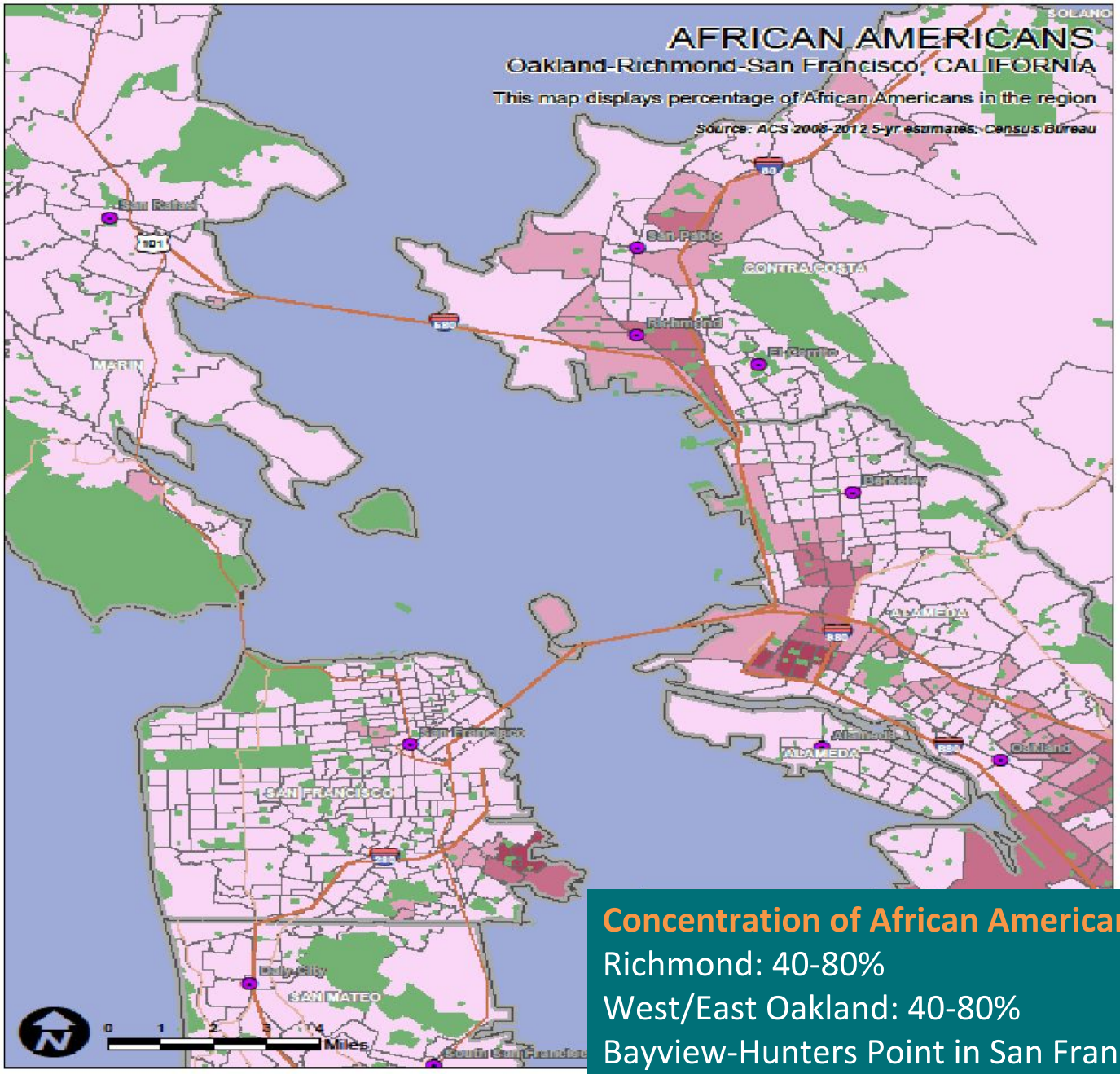
Redlining: from the past…



… to the present

Redlining patterns from fifty years ago is still reflected in the racial make-up of places like Oakland and Richmond





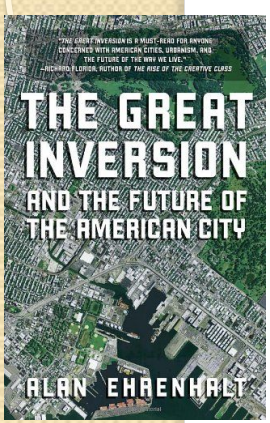
Concentration of African Americans:

Richmond: 40-80%

West/East Oakland: 40-80%

Bayview-Hunters Point in San Francisco: 40-80%

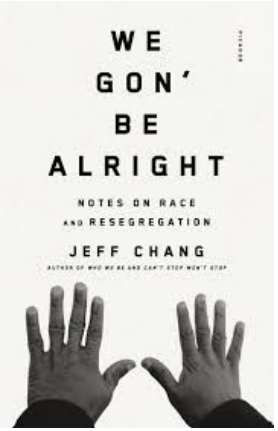
The "New" Great Migration



- In the 21st century, we are seeing a new "great migration," the exodus of African-Americans from urban cores to suburbs and regional peripheries, which some call "the great inversion."
- Perhaps the most powerful demographic trend between 2005-2015 has been the movement of African-Americans out of central cities into suburbs, often many miles distant from downtown.

The "New" Great Migration

- Between 1980 and 2010, Oakland, CA lost 50,000 African-Americans, 19% of it's black population.
  - Similarly, Richmond, CA lost 22% of it's African-American population.
- In contrast, declining inner-ring suburbs have seen tremendous population growth. Between 1970 and 2010, Ferguson, MO went from 1% to 70% black.



Introduction: *The Crisis Cycle* 1

Is Diversity for White People? *On Fearmongering, Picture Taking, and Avoidance* 9

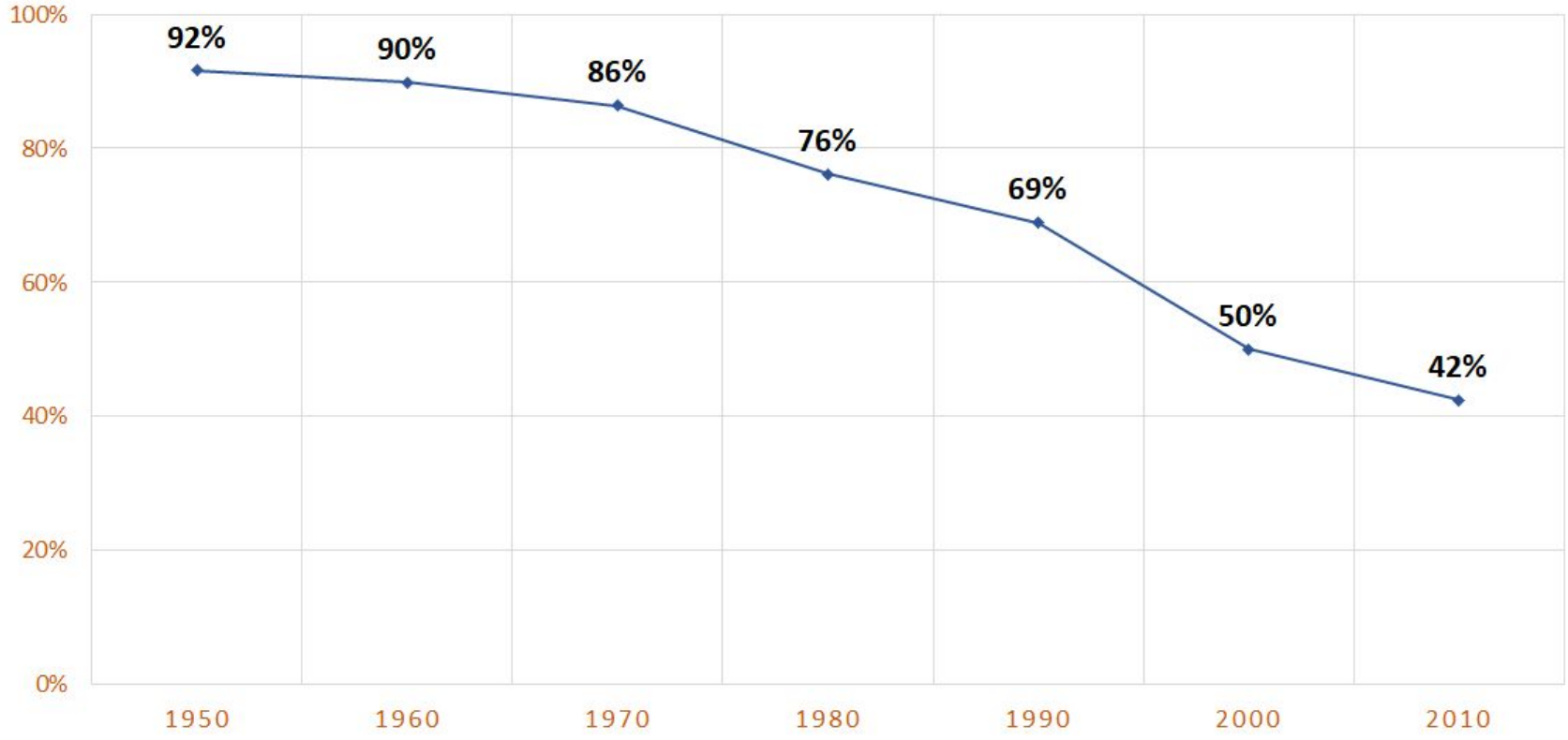
What a Time to Be Alive: *On Student Protest* 33

The Odds: *On Cultural Equity* 51

Vanilla Cities and Their Chocolate Suburbs: *On Resegregation* 64

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

Percentage White Population
San Francisco Bay Area, 1950-2010

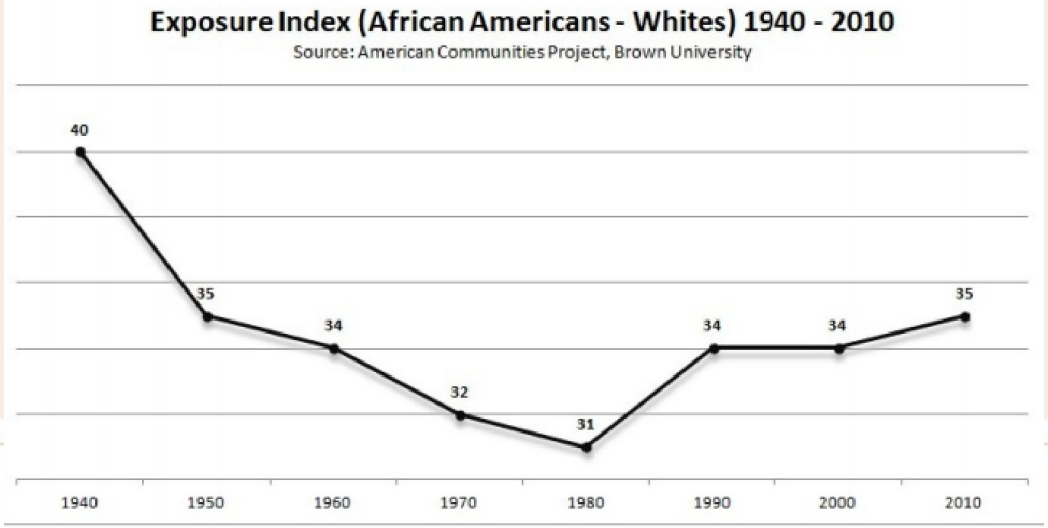


Source: US Census and ABAG, www.bayareacensus.ca.gov

Different Worlds: Exposure Index

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

- As 2010, the average white resident of a metropolitan area resides in a neighborhood that is 75.4% white, 7.9% Black, 10.5% Hispanic, and 5.1% Asian
- In contrast, a typical African-American resident lives in a neighborhood that is 34.8% white, 45.2% Black, 14.8% Hispanic, and 4.3% Asian
- The "exposure" of the average African-American to the majority white population is "35," the same as 1950, and worse than 1940.

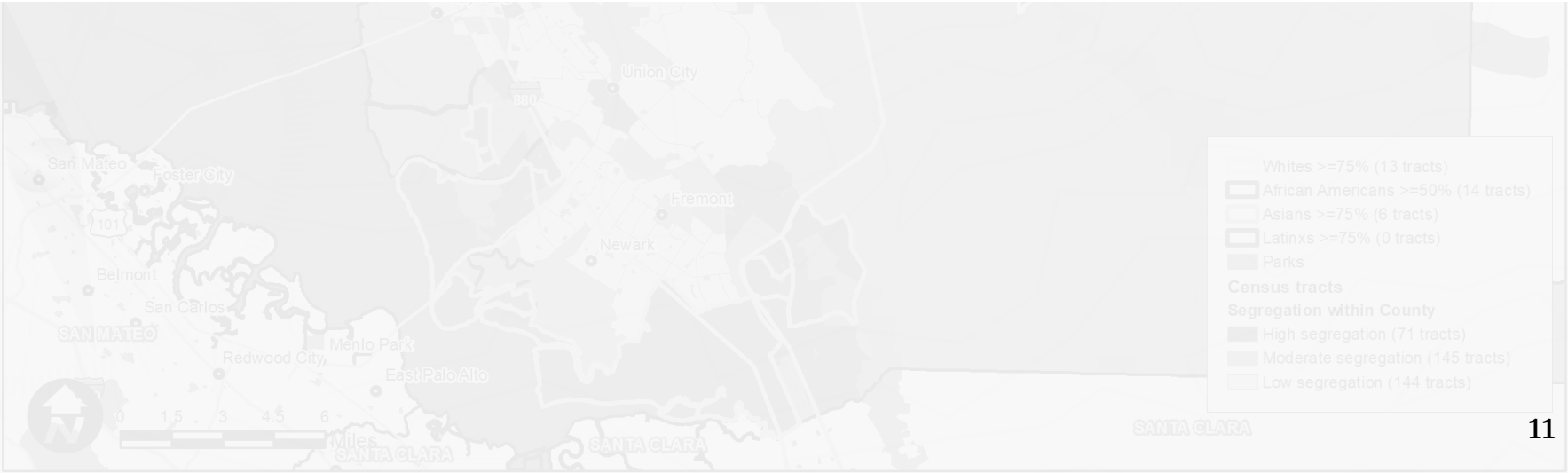


Segregation in San Francisco

EMBARGOED

Segregation in Alameda County

EMBARGOED



Segregation in Santa Clara County

EMBARGOED

The Cause:
The Affordable Housing Crisis

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

- In 2011, 42.3 million households (37 percent) paid more than 30 percent of pre-tax income for housing, while 20.6 million households paid more than half.

- Today, 54% of all California renters are cost-burdened. The crisis most acutely affects the lowest income groups: 90% of the state's extremely low-income renters and 87% of the state's very low-income renters are cost-burdened.

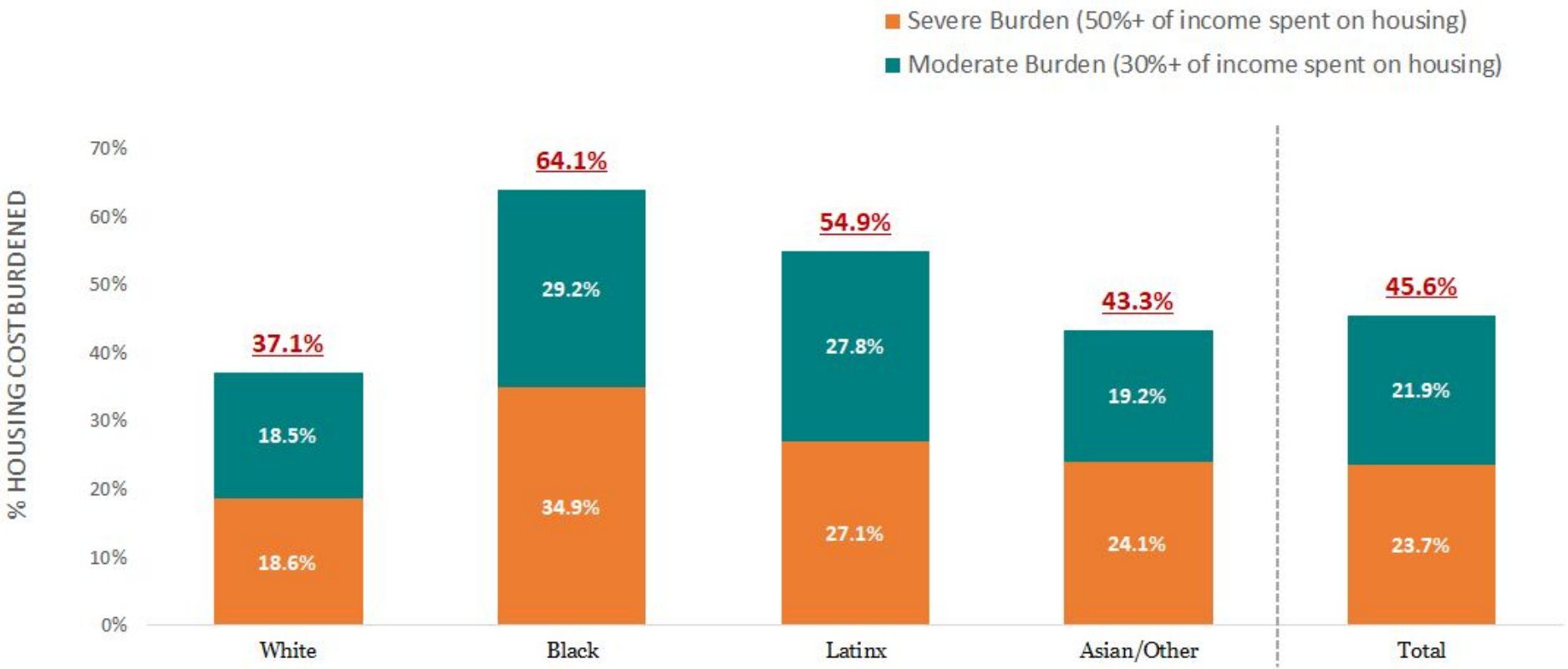
- These costs have a disproportionate impact on communities of color, and reinforce displacement and gentrification.

Inequitable Impacts on Communities of Color

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

Renter Housing Cost Burden by Race and Ethnicity

San Francisco - Oakland - Hayward Metropolitan Area, 2016



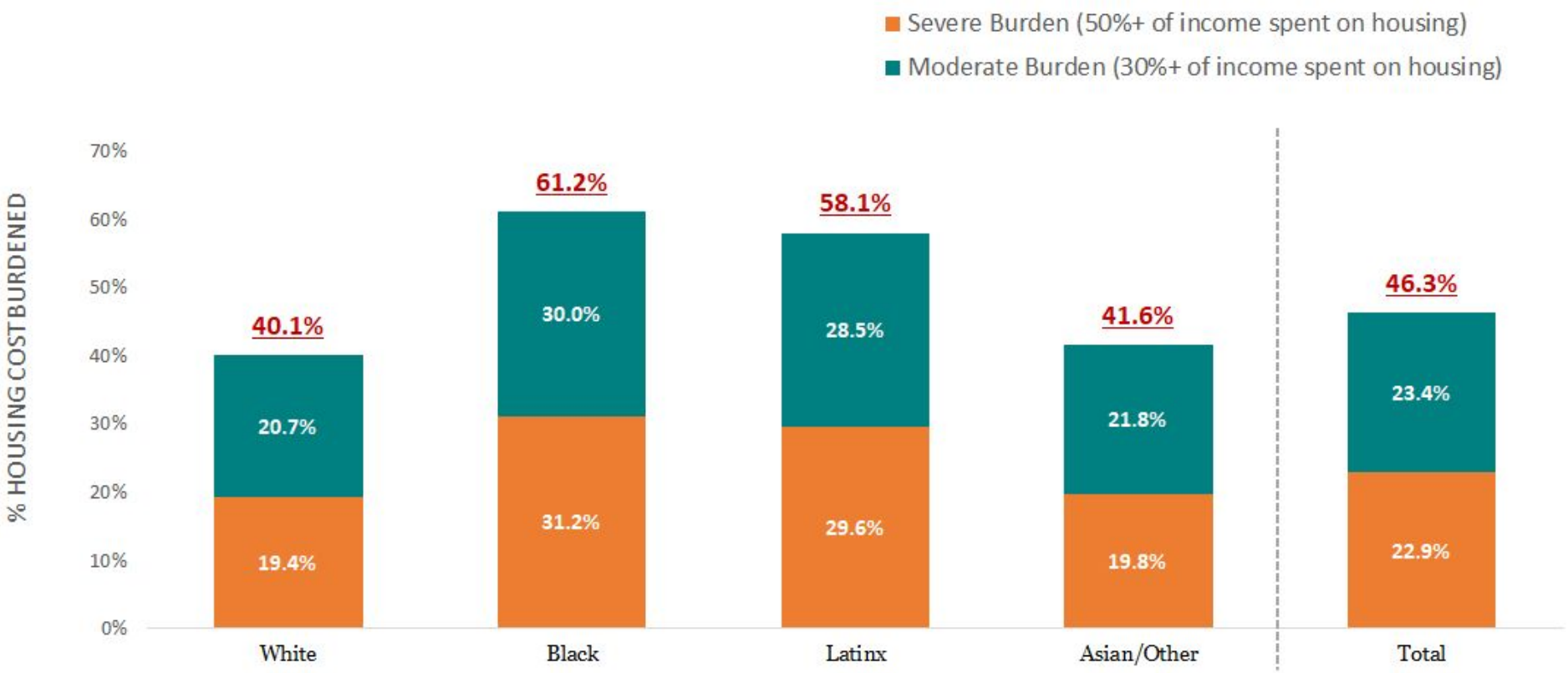
Source: Harvard Joint Center for Housing Studies, America's Rental Housing 2017

Inequitable Impacts on Communities of Color

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

Renter Housing Cost Burden by Race and Ethnicity

San Jose - Sunnyvale - Santa Clara Metropolitan Area, 2016



Source: Harvard Joint Center for Housing Studies, America's Rental Housing 2017

The Housing Crisis' Causes:

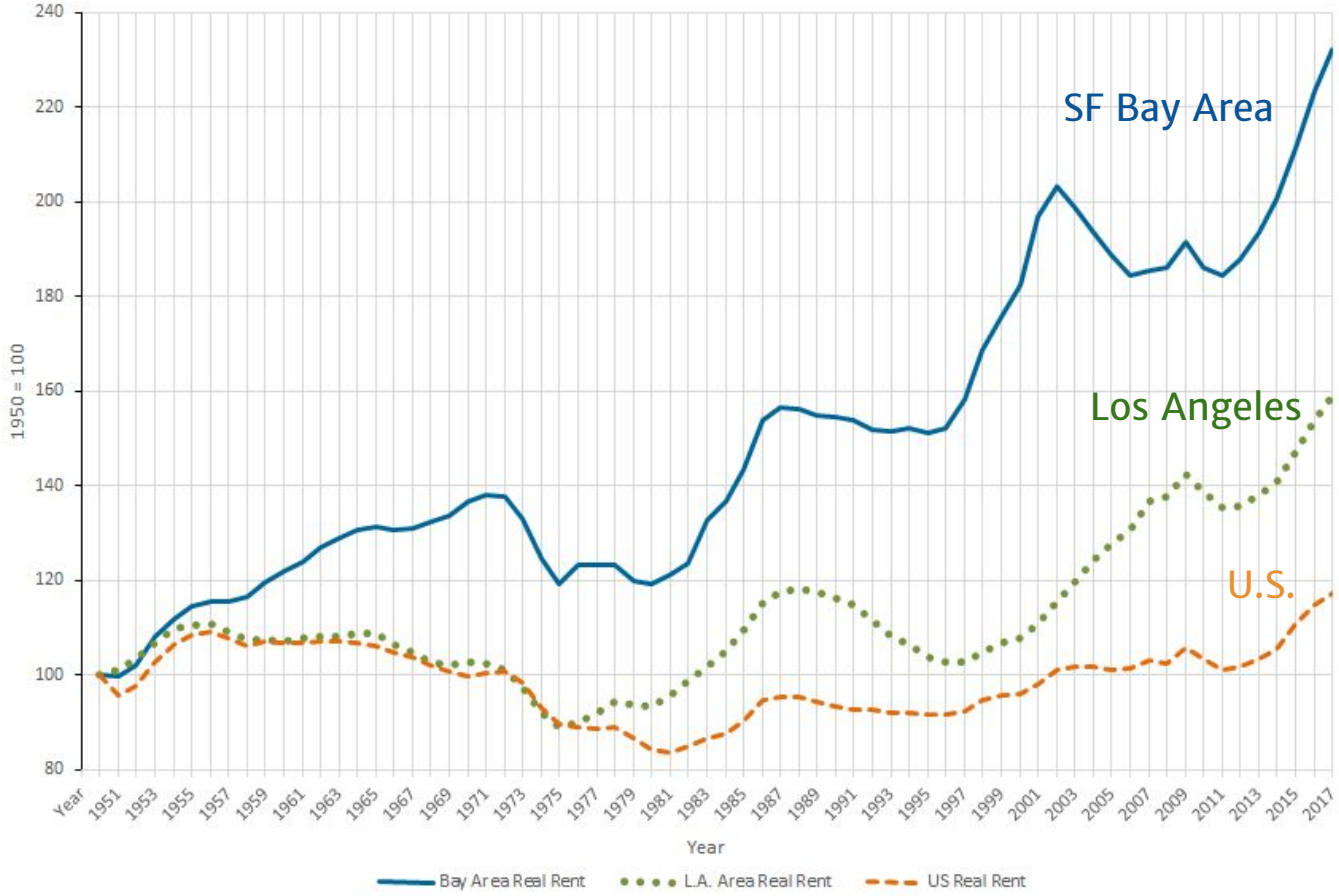
Rapid Rent Increases

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

Rents have risen rapidly in California since 2011, with the greatest increases in the state's largest metropolitan areas.

Trend in Real (Inflation-Adjusted) Rent; SF Bay Area, LA Area, & All US Cities: 1950-2017

(Increase in CPI Residential rent index divided by increase in CPI - All items except Shelter)

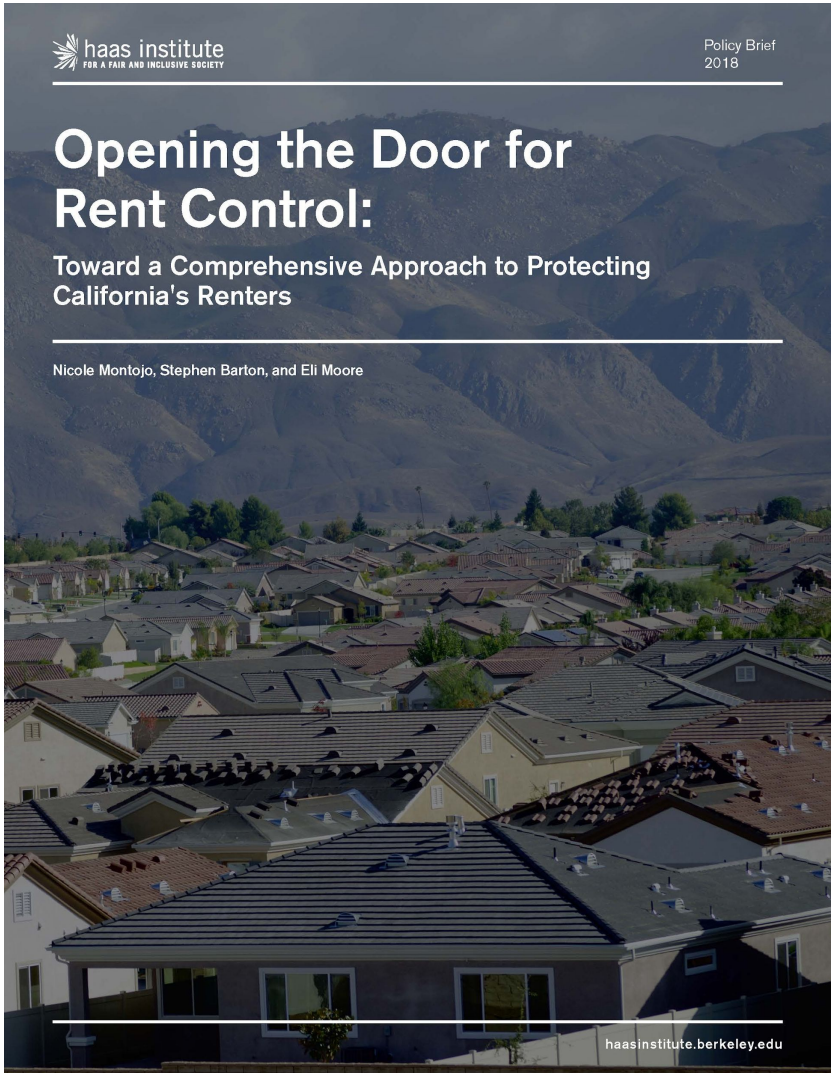


Source: Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, Current Series, San Francisco-Oakland Metropolitan area. Accessed at https://www.bls.gov/data/#prices.

The Housing Crisis' Causes:

Rapid Rent Increases

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY



September 2018 Policy Brief

Available online at:

haasinstitute.berkeley.edu/opening-door-rent-control

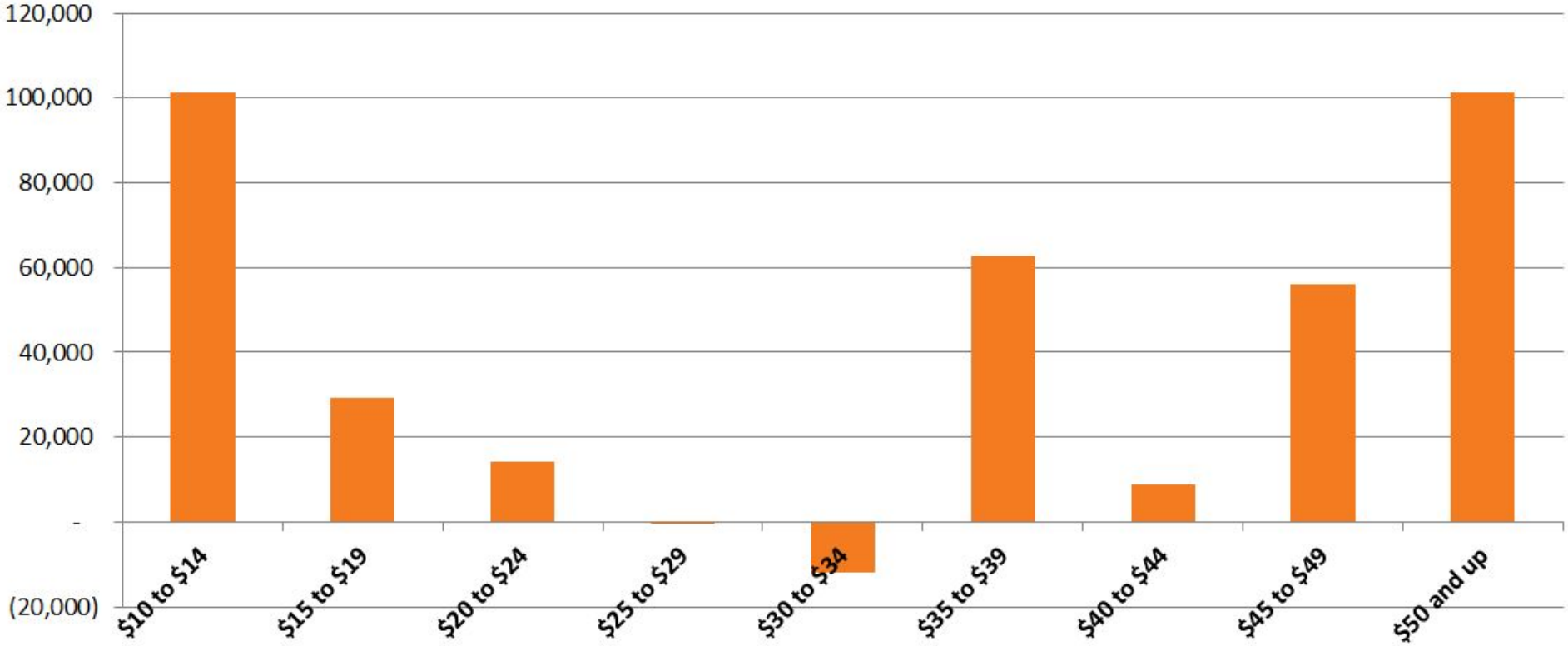
The Housing Crisis' Causes:

"Hourglass Job Growth"

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

Largest Gains in Very Low Wage & Very High Wage Jobs

Change in Number of Jobs by Hourly Wage Category, Oakland-Hayward-Berkeley MSA, 2009-2017

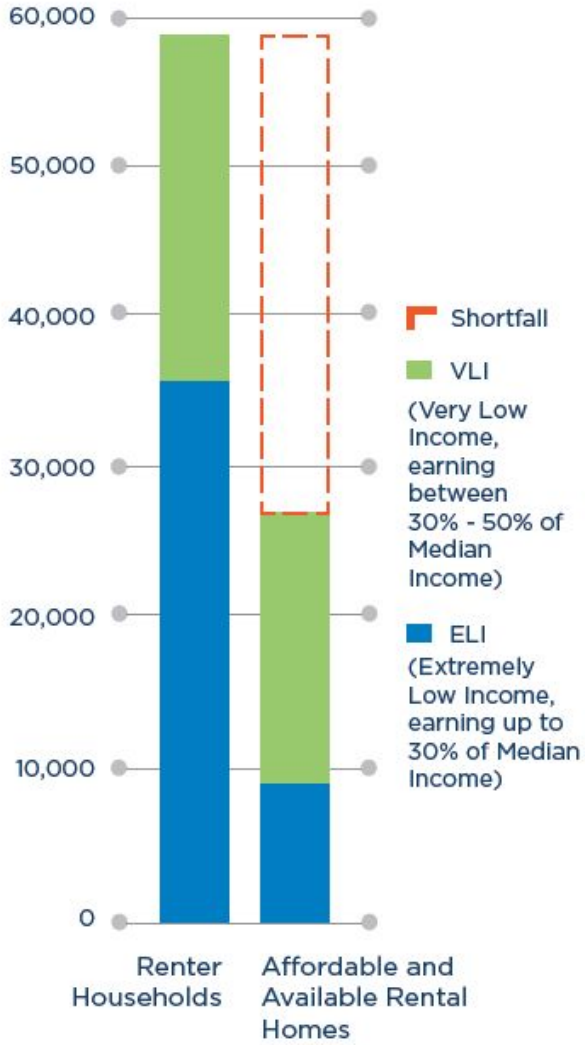


Source: California Employment Development Department, Occupational Employment Statistics (OES).

The Housing Crisis' Causes:

Huge Shortage of Affordable Housing

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY



Source: California Housing Partnership Corporation, 2017

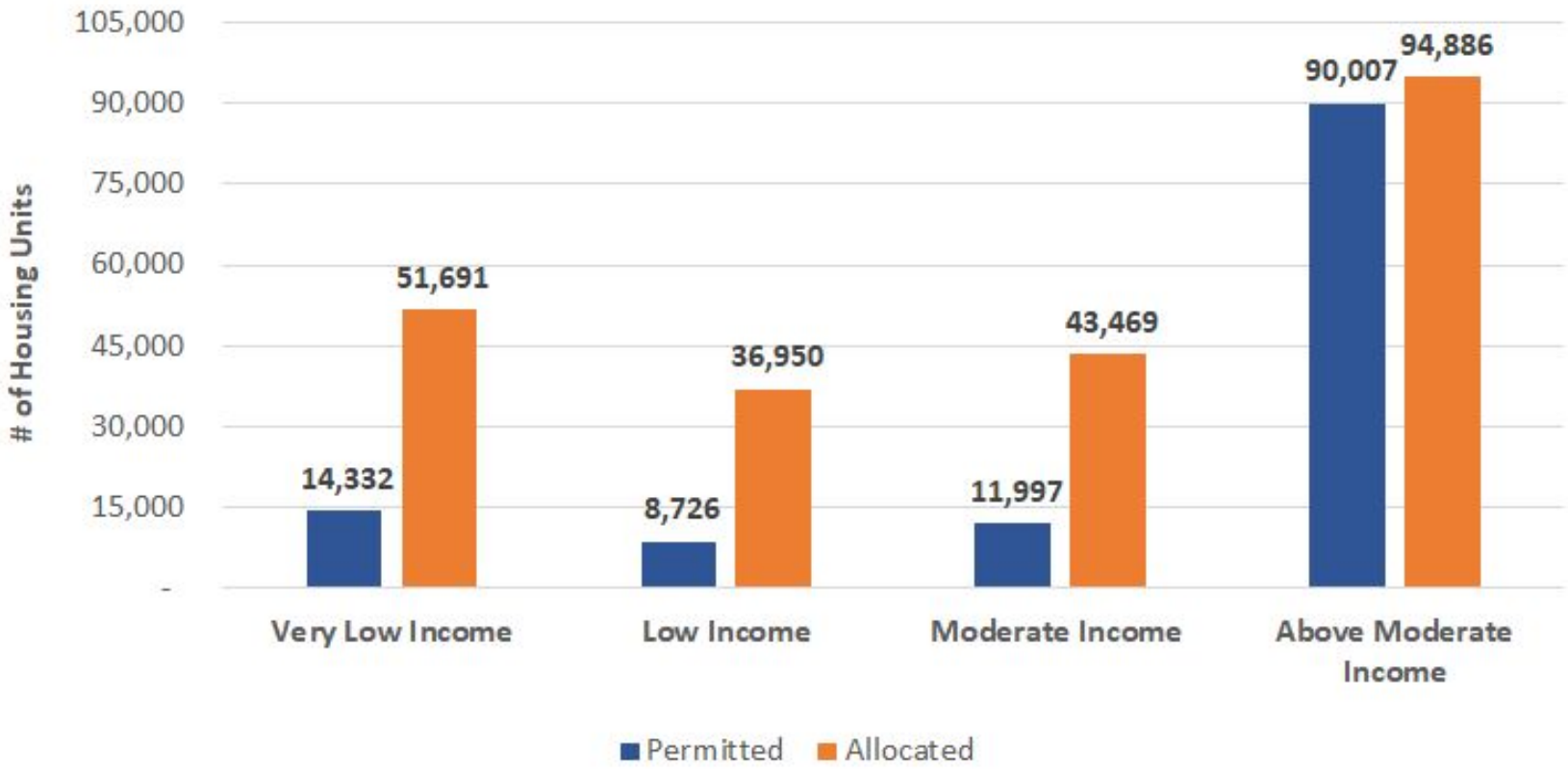
The Housing Crisis' Causes:

Not Enough Housing is Being Built - Particularly for Lower Income Households

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

Regional Housing Needs Allocation (RHNA) Goals & Actuals

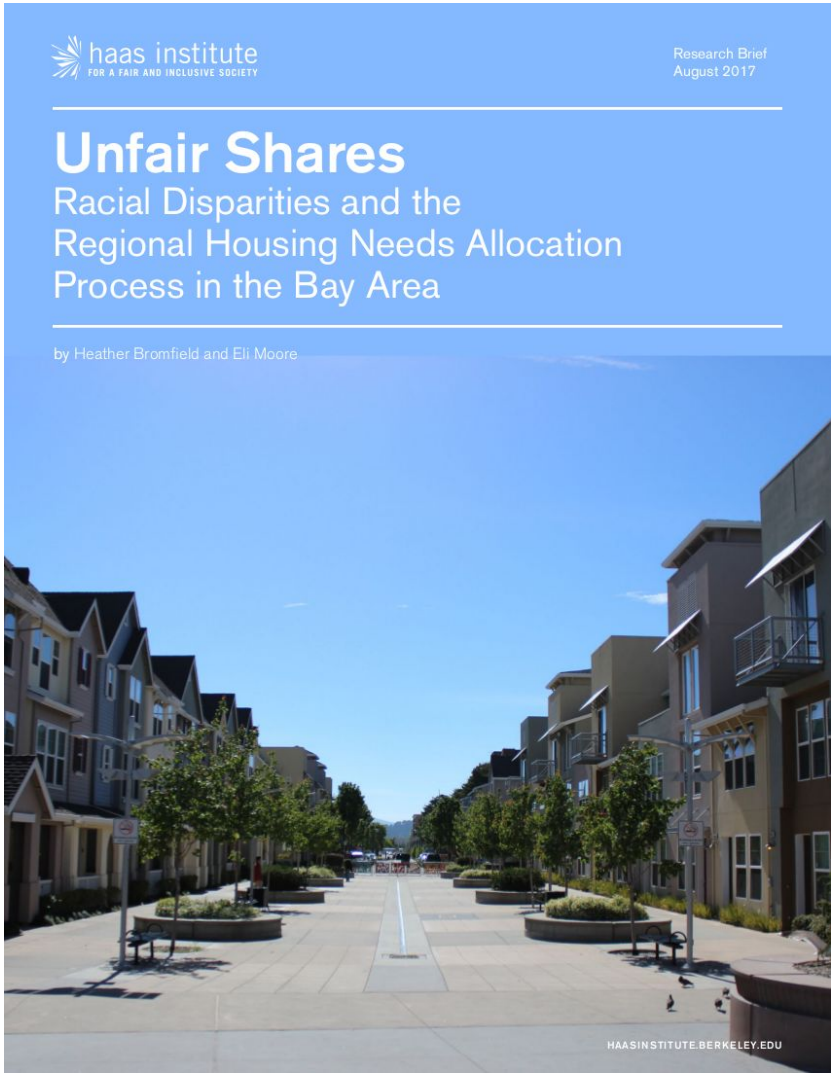
San Francisco Bay Area, 2007-2014



Source: Haas Institute, "Unfair Shares," 2017.

The Housing Crisis' Causes:

Huge Shortage of Affordable Housing



August 2017 Research Brief

Available online at:

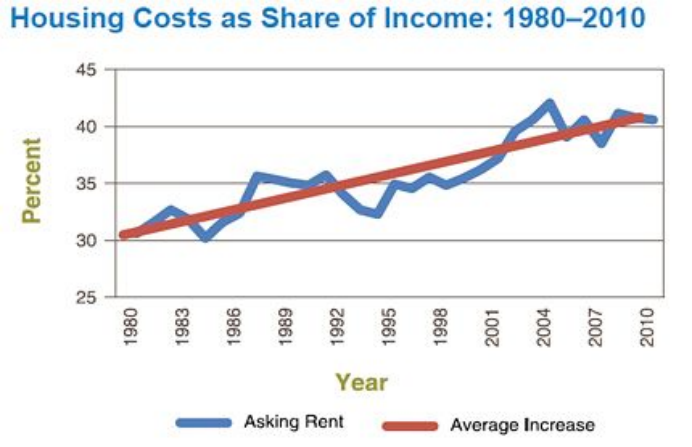
haasinstitute.berkeley.edu/unfairshares

The Housing Crisis

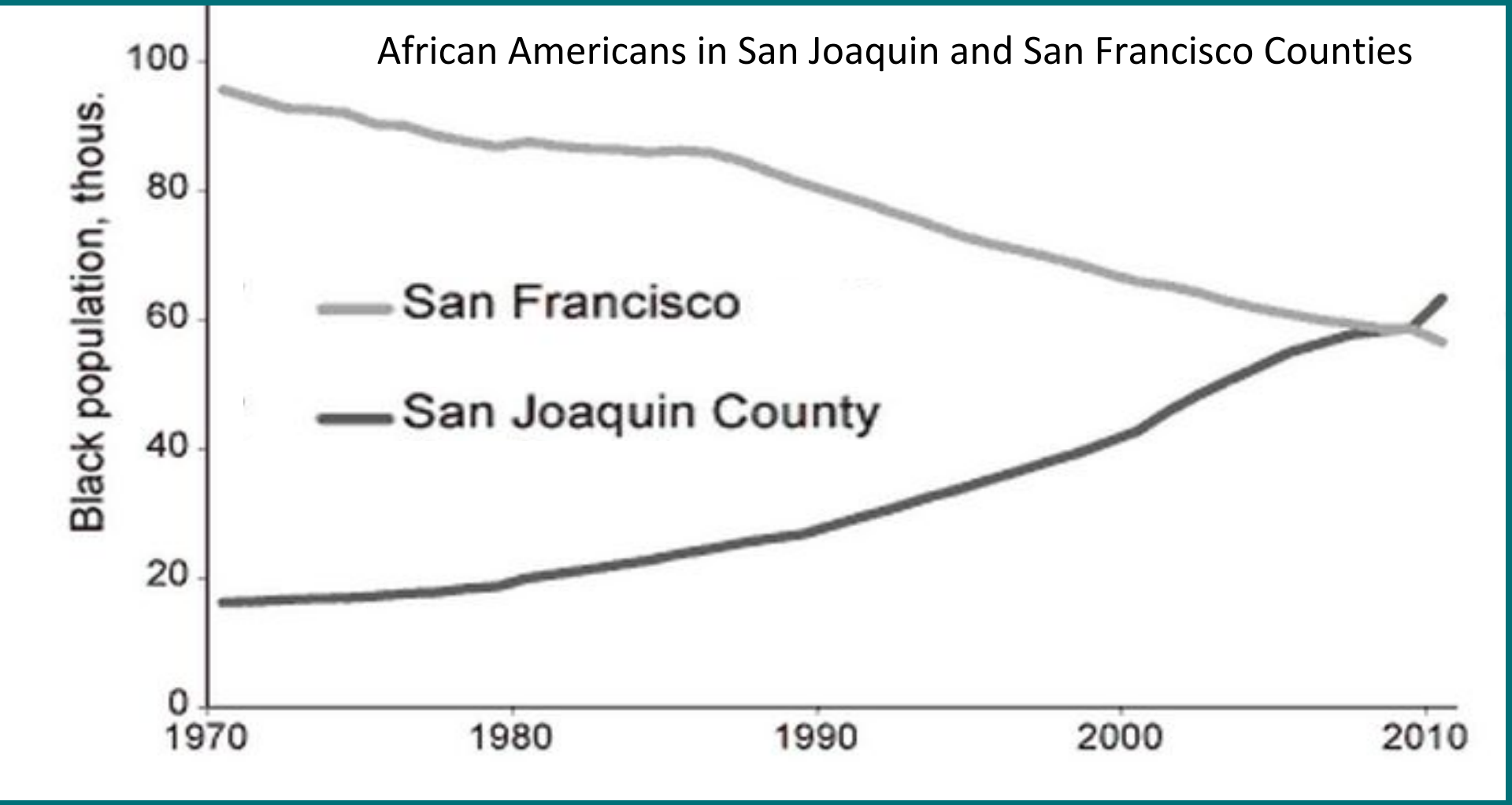
haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

- Housing is more than a residence – it is the hub of opportunity. Housing connects people to education/schools, employment opportunities, amenities, and healthy communities.

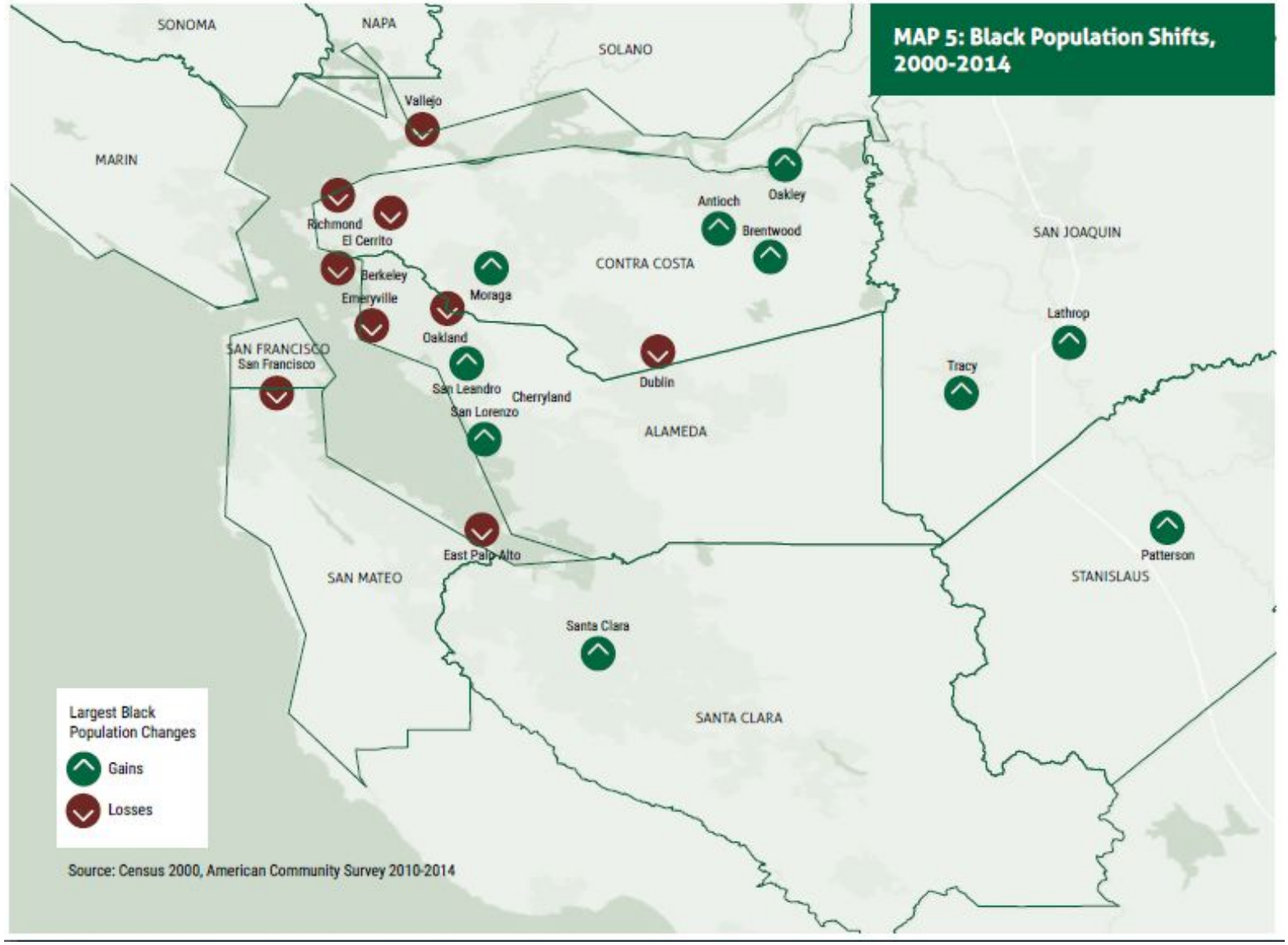
- In this way, gentrification and concentrated poverty are flip sides of the same coin: Concentrated poverty isolates low-income people of color from opportunity at the core of the region, while isolates them from new opportunities created at the core of the region



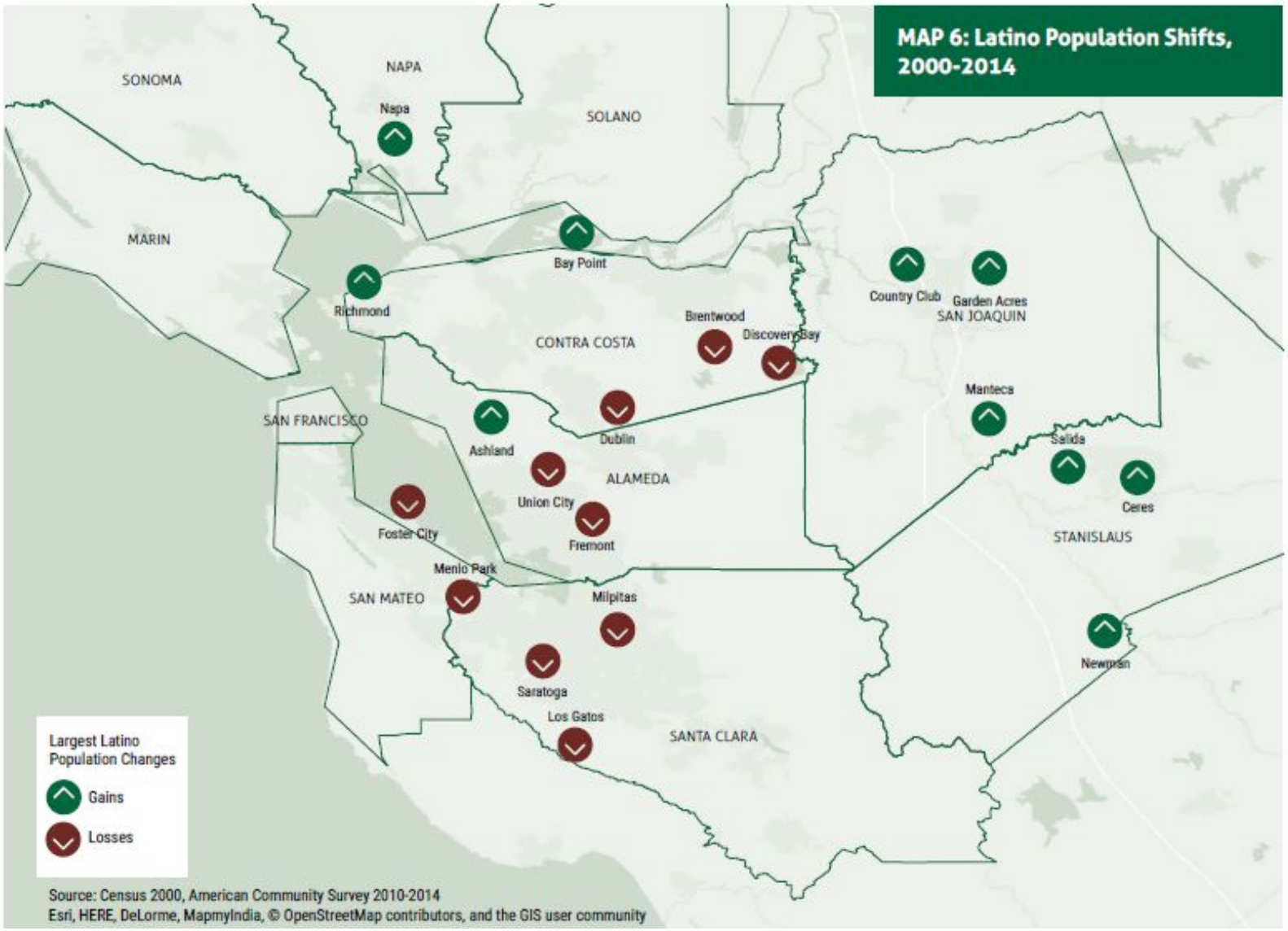
Displacement



Source: Schafran and Wegmann, 2012



Source: Urban Habitat, "Race, Inequality, and the Resegregation of the Bay Area," Nov. 2016
http://urbanhabitat.org/sites/default/files/UH%20Policy%20Brief2016.pdf



Source: Urban Habitat, "Race, Inequality, and the Resegregation of the Bay Area," Nov. 2016
http://urbanhabitat.org/sites/default/files/UH%20Policy%20Brief2016.pdf

A Comprehensive Approach

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

PROTECTION
of existing residents

- rent control
- just cause for eviction
- condominium conversion policies
- demolition/ one-for-one replacement policies

PRODUCTION
of new housing needed at all income levels

- inclusionary housing,
- removing exclusionary & restrictive land use barriers,
- affordable housing bond measures
- RHNA enforcement

PRESERVATION
of existing affordable housing

- funding for acquisition & rehabilitation of older affordable homes,
- demolition/replacement policies

POWER
of communities through equitable participation and inclusion in decision-making processes

- community land trusts,
- community development enterprises
- inclusive public engagement processes

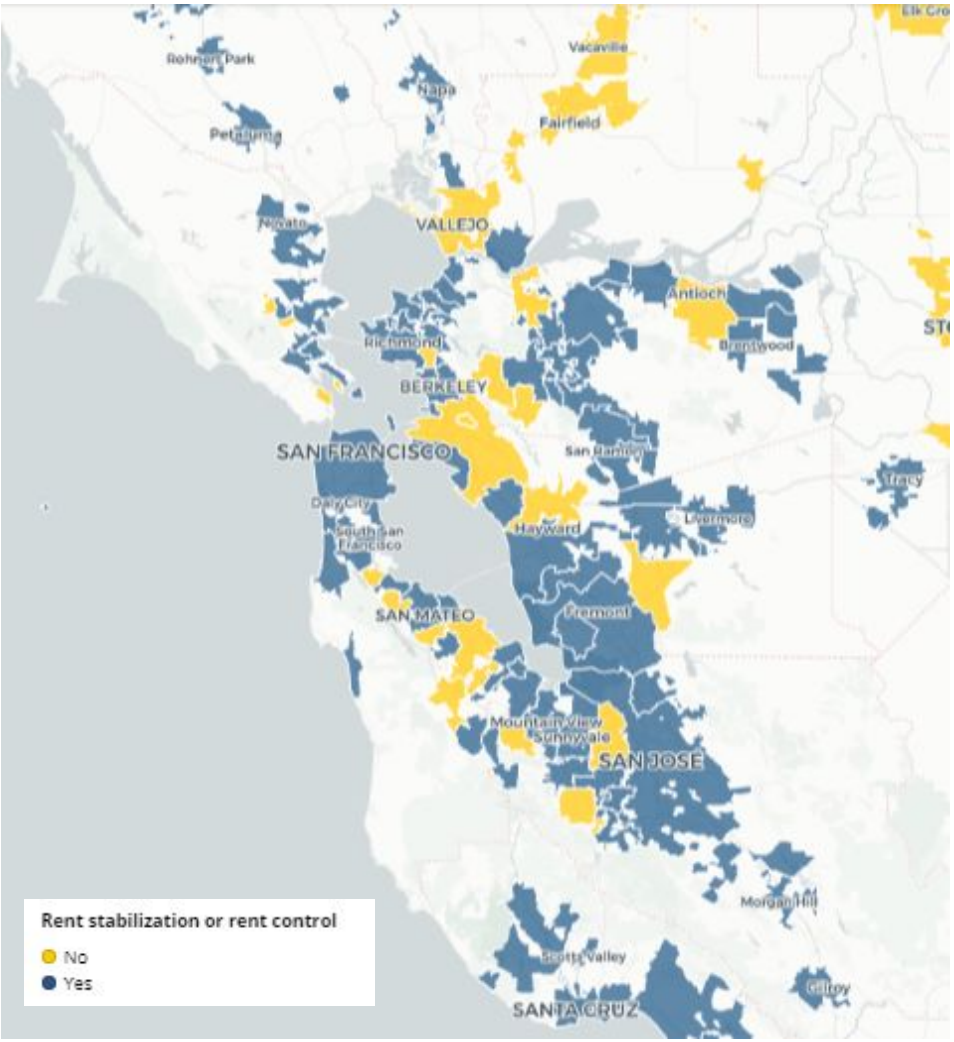
PLACE & PLACEMENT
ensuring equitable access to areas of opportunity, creating new housing in places of opportunity

- fair housing laws,
- source of income discrimination
- tax credit project criteria

➔ Policy adoption is just the first step.
➔ Equitable change depends on **policy design** and **implementation**.

Rent Control/Stabilization

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY



Cities with Rent Control/ Stabilization (& year adopted)

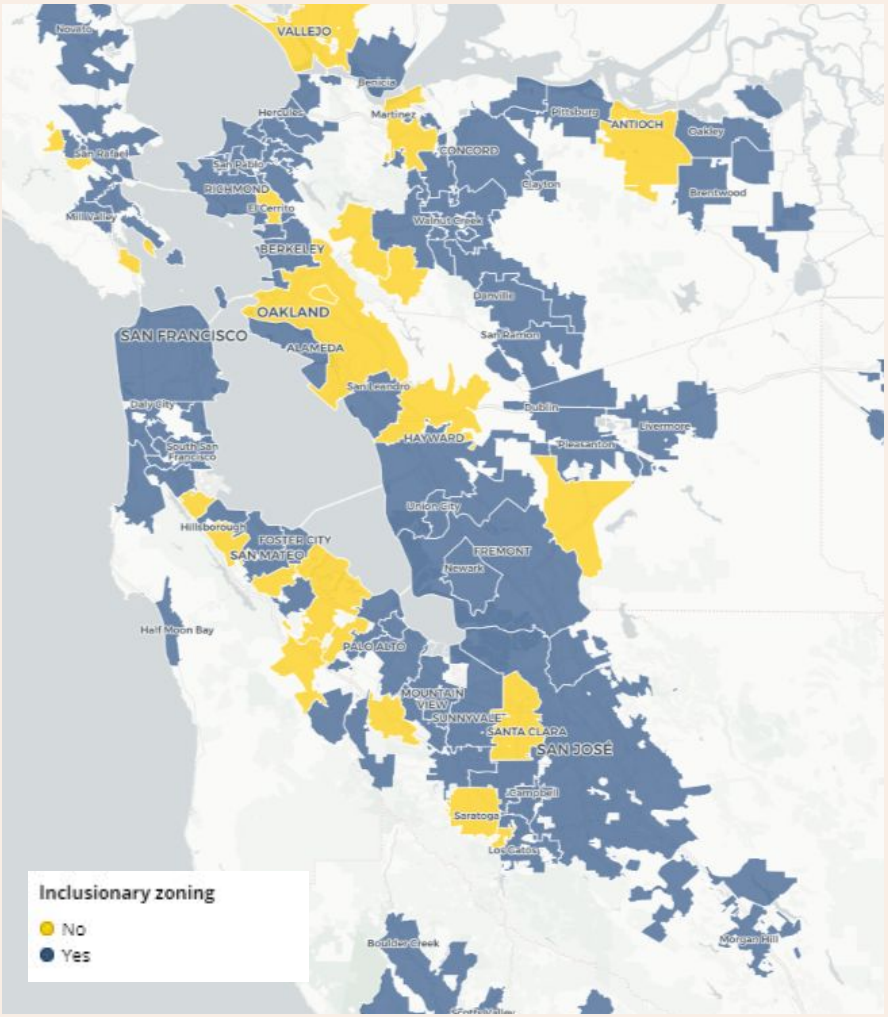
1. Berkeley (1980)
2. East Palo Alto (1983)
3. Hayward (1983)
4. Los Gatos (1980)
5. Mountain View (2016)
6. Oakland (2002)
7. Richmond (2016)
8. San Francisco (1987)
9. San Jose (1979)

- Except for Los Gatos, all of these cities also have **Just Cause for Eviction** policies

Source: Urban Displacement Project, UC Berkeley, 2017

Inclusionary Housing/Zoning

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY



Nearly ¾ of Bay Area jurisdictions have some form of inclusionary housing

- **AB 1505** (2017) reestablished cities' rights to apply inclusionary housing policies to rental housing.
- Some of the cities without Inclusionary Housing:
  Oakland (has a jobs-housing linkage fee, but doesn't require inclusion of affordable housing in new developments), Fairfield, Vacaville, Antioch

Source: Urban Displacement Project, UC Berkeley, 2017

Local Bond Measures

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

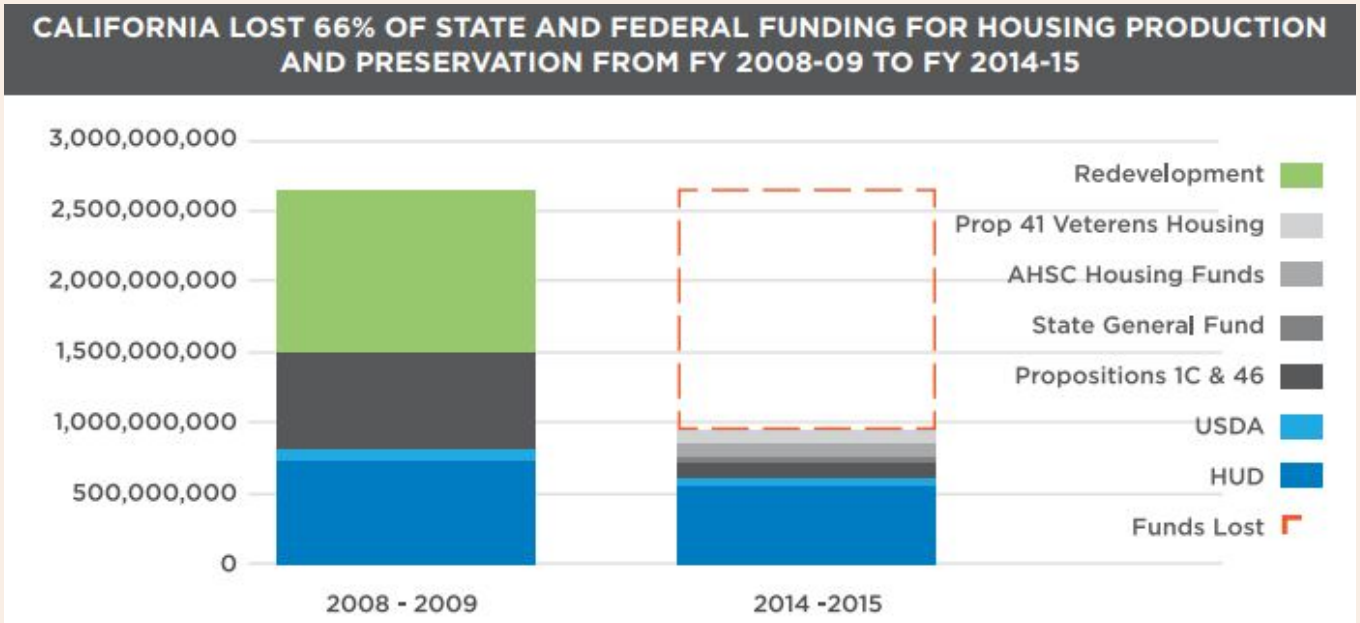
Successful Housing Bond Ballot Measures, 2015-18

Citywide

- San Francisco (2015, $310 million)
- Oakland (2016, $600 million - infrastructure bond)
- Emeryville (2018, $50 million)

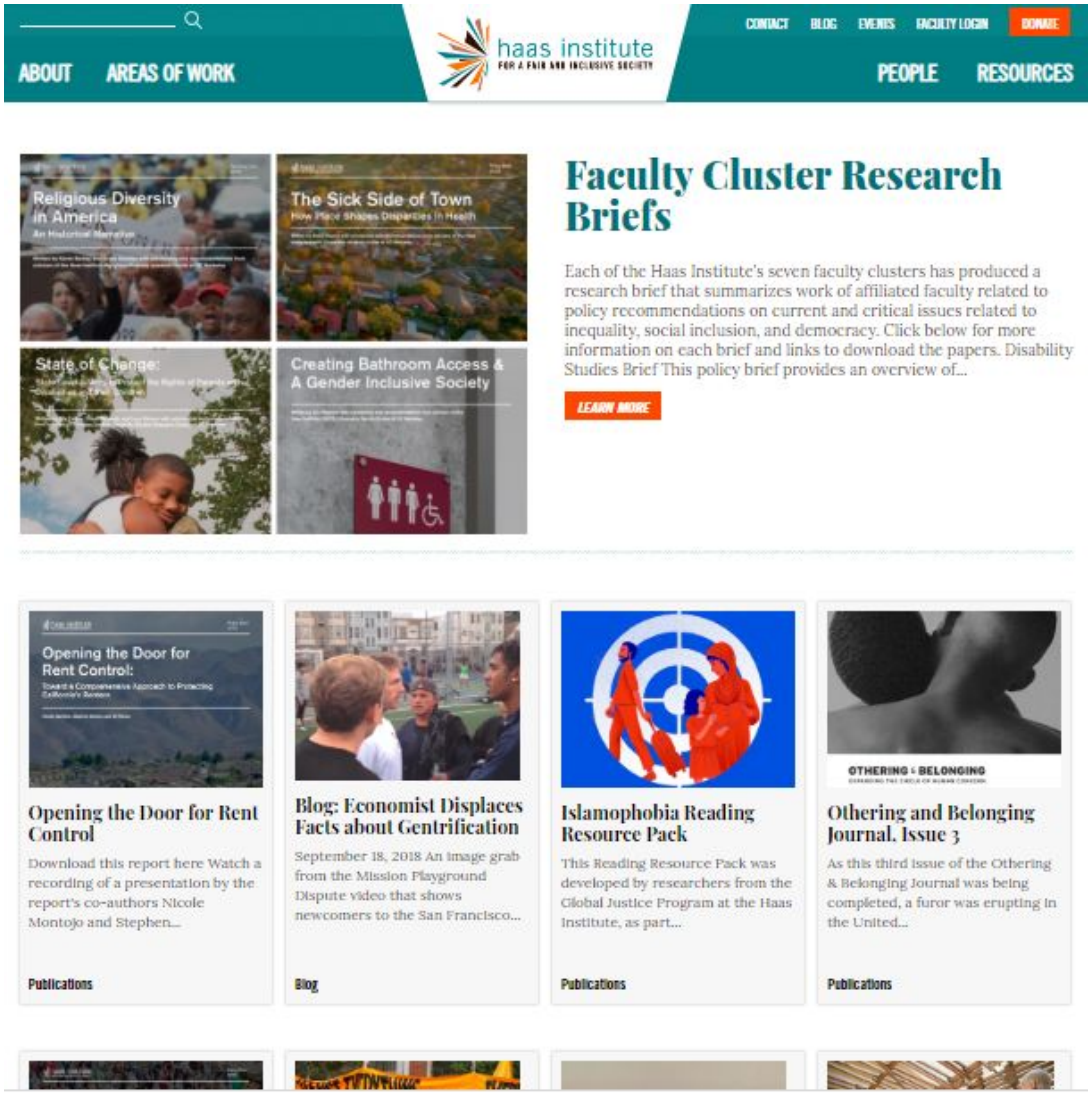
Countywide

- Alameda County (2016, $580 million)
- San Mateo County (2016, sales tax extension)
- Santa Clara County (2016, $950 million)



Source:
California Housing Partnership Corporation, "Confronting California's Rent & Poverty Crisis: A Call for State Reinvestment in Affordable Homes, April 2016.

https://haasinstitute.berkeley.edu/



Appendix

Segregation in the Bay Area

EMBARGOED

Segregation in Contra Costa County

EMBARGOED

Segregation in Marin County

EMBARGOED

Segregation in Napa County

EMBARGOED

Segregation in San Mateo County

EMBARGOED

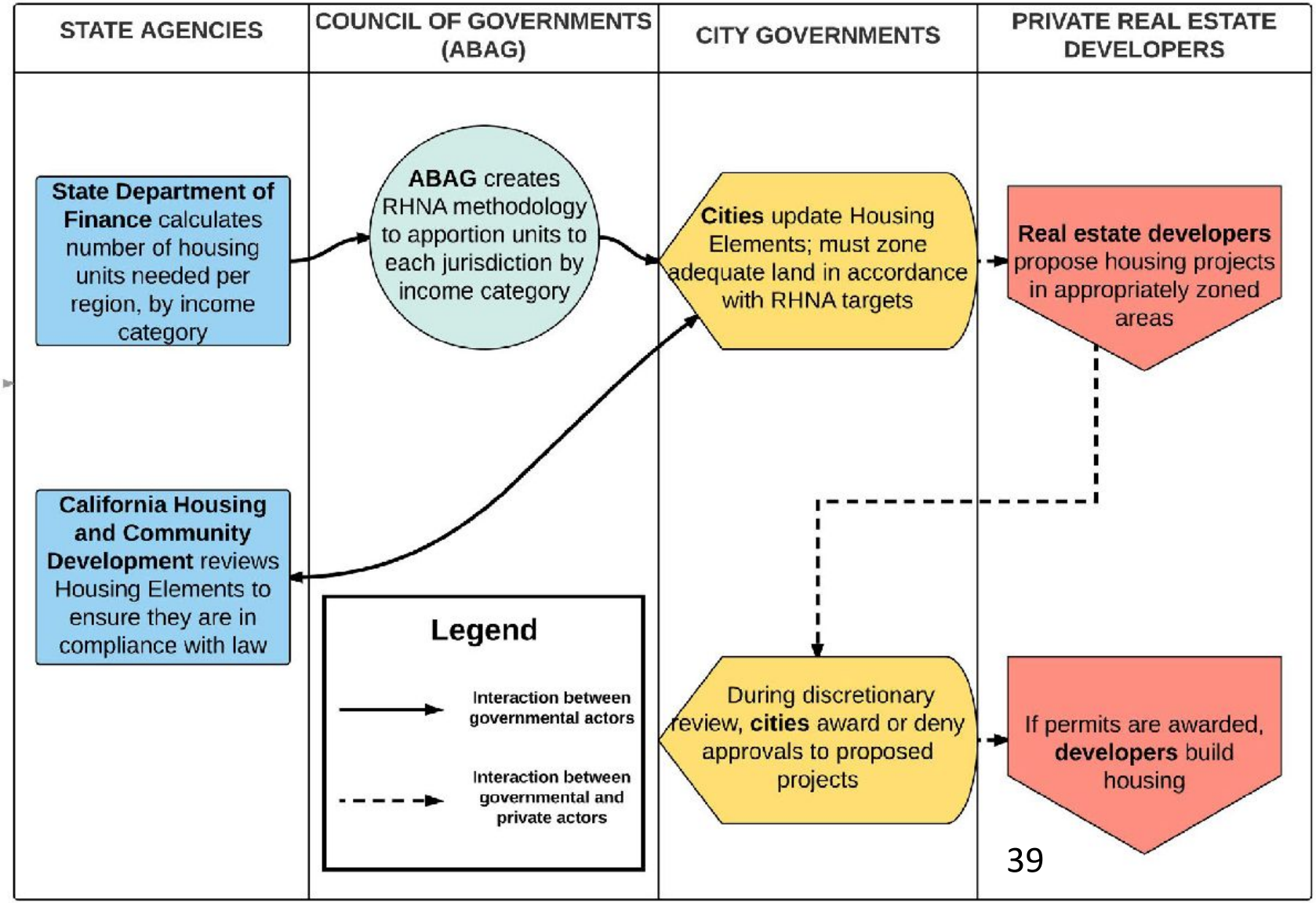
Segregation in Solano County

EMBARGOED

Segregation in Sonoma County

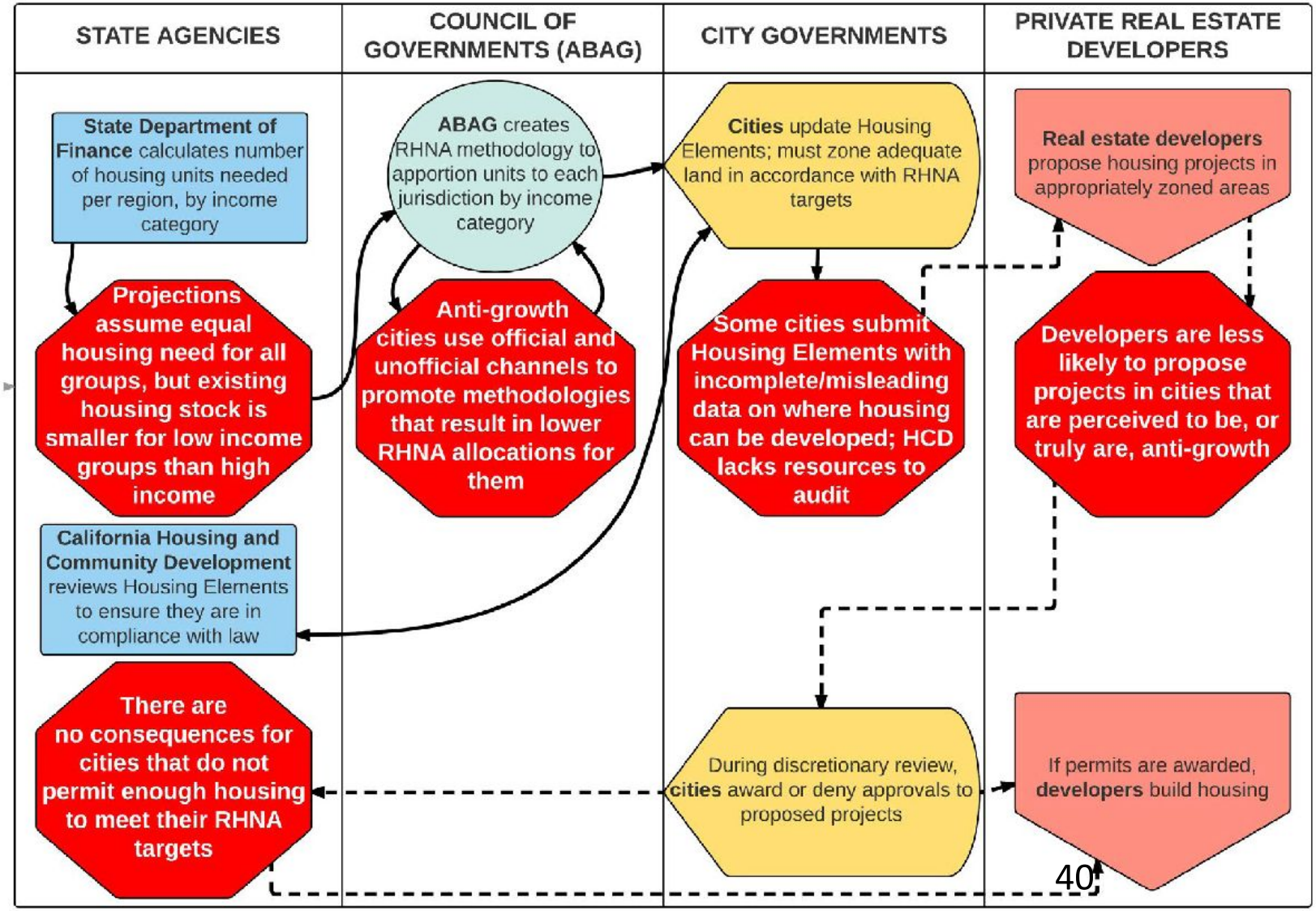
EMBARGOED

RHNA Process



Source: "Unfair Shares" (2017) Haas Institute for a Fair and Inclusive Society

RHNA Obstacles



Source: "Unfair Shares" (2017) Haas Institute for a Fair and Inclusive Society

Increasing Homelessness

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

2017 Homelessness Point In Time Count

CoC Name	Total Homeless, 2017	% Unsheltered Homeless, 2017
San Jose/Santa Clara City & County	7,394	74%
San Francisco	6,858	63%
Oakland/Alameda County	5,629	69%
Santa Rosa/Petaluma/Sonoma County	2,835	65%
Richmond/Contra Costa County	1,607	57%
Marin County	1,117	63%
Daly/San Mateo County	1,253	51%
Napa City & County	315	37%
Vallejo/Solano County	1,232	74%
TOTAL	**28,240**	**67%**

Source: US Department of Housing and Urban Development

Increasing Homelessness

haas institute
FOR A FAIR AND INCLUSIVE SOCIETY

2017 Homelessness Point In Time Count

- 18,800 Unsheltered
- 3,843 People in Families
- 8,032 Chronically Homeless
- 2,557 Veterans
- 5,778 Unaccompanied Youth (under 25)