



Housing Affordability, Diversity, and Preferences in Marin County

John D. Landis

Department of City & Regional Planning

Center for Community Innovation

University of California, Berkeley

Agenda

- Meeting Marin County's Affordable Housing Needs: An Update
- Diverse Diversity
- The Benefits of Residential Diversity
- Implementing Preferences
- Items for Discussion

Meeting Marin's Housing Needs: An Update

From the 2005 American Community Survey

- Median Monthly Rent: \$1,394
- Median Monthly Owner Cost (w/mortgage): \$2,897
- % of Owner Households Overpaying: 34%
- % of Renter Households Overpaying: 41%

Who is Overpaying?

RENTERS, from the 2000 Census

- 35% of **All Renter** HHs (36,000)
- 31% of 30,400 **Renter** HHs with Head aged 25-64
- ✘ 54% of 4,500 **Renter** HHs with Head aged 65+
- ✘ 71% of 6,800 **Renter** HHs with Incomes less than \$20K
- ✘ 54% of 11,900 **Renter** HHs with Incomes between \$20K and \$50K
- 34% of White **Renter** HHs (30,000)
- ✘ 39% of African-American **Renter** HHs (1,100)
- 32% of Asian & Asian-American **Renter** HHs (1,700)
- ✘ 37% of Latino **Renter** HHs (4,400)

Who is Overpaying?

HOMEOWNERS from the 2000 Census

- 25% of **All Homeowner** HHs (55,000)
- 21% of 14,600 **Homeowner** HHs with Head aged 65+
- ✘ 85% of 2,800 **Homeowner** HHs with Incomes less than \$20K
- ✘ 46% of 8,900 **Homeowner** HHs with Incomes between \$20K and \$50K
- 25% of White **Homeowner** HHs (52,000)
- 20% of African-American **Homeowner** HHs (560)
- 22% of Asian & Asian-American **Homeowner** HHs (2,230)
- 26% of Latino **Homeowner** HHs (1,750)

From the Bay Area Council's 2006 Report Card

PLACE	1999-2005 RHNA TARGET (All Types)	1999-2005 PRODUCTION (All Types)	BAY AREA COUNCIL GRADE (All Types)
MARIN COUNTY	6,298	4,397	C-
Novato	2,496	2,279	A-
San Rafael	2,020	848	F
Unincorporated Marin	504	734	A+

From the Bay Area Council's 2006 Report Card

PLACE	1999-2005 RHNA TARGET (Affordable)	1999-2005 PRODUCTION (Affordable)	BAY AREA COUNCIL GRADE (Affordable)
MARIN COUNTY	3,585	1,429	F
Novato	1,452	1,027	C
San Rafael	1,214	245	F
Corte Madera	89	78	B+

Why the Low Grades?

- Lack of large, flat, and easy-to-develop sites
- High land costs
- Complicated entitlement process boosts risks
- Many infill sites are “under-zoned”
- Citizen opposition to development more than affordable housing
- Lack of funding resources for affordable housing



Diverse Diversity

Diversity Dimension (Source: 2000 Census)	Location Quotients (Marin vs. California)
RACE: Non-white Population	.39
ETHNICITY: Latino Population	.34
AGE: % of Population less than 18 years old	.72
FAMILY TYPE: Married-couple Family Households	.95
HOUSEHOLDS: Single-parent HHs	.67
HOUSEHOLDS: Single-person HHs	1.27
ECONOMIC: Families below the poverty line	.35
ECONOMIC: HHs with incomes < \$50,000	.72
DEMOGRAPHIC: Foreign-born Population	.64

The Benefits of Residential Diversity

- To households and individuals, particularly children
- To housing developments
- To communities

There is much more we don't know than what we do know

To Households and Individuals

- Gatreaux Consent Decree (Chicago, 1970s-1980s)
 - Moving from central Chicago to the suburbs modestly improved adult outcomes but **substantially improved children's outcomes.**
- Moving to Opportunity Pilot Program (Multiple cities, 1990s)
 - More affluent destination neighborhoods.
 - Better physical quality neighborhoods and neighborhood services.
 - Better housing quality.
 - More likely to be in the labor force and employed (but same as for transportable vouchers).
 - Slightly higher wages and wealth
 - Varied and modest improvements in children's outcomes.
- Harkness and Newman (National sample, 1968-1993)
 - **Homeownership improves children's outcomes** in almost any neighborhood except for the very worst.
 - Better neighborhoods NOT necessarily better for children of low-income renters.
 - Children of most LI-renters would be better (best?) served by programs that help them become homeowners in their own neighborhoods instead of moving to better neighborhoods but remaining renters

Mixed-income Developments

- Chicago Parc Place (Rosenbaum, Stroh & Flynn, 1996)
 - **Increased social interaction** between the low-income (“project”) and moderate-income (“non project”) groups.
 - Institutional maintenance and support of the management by moderate-income groups, through **participation in volunteer programs** and support of rules and rule enforcement by management.
 - A positive effect on the employment rate of low-income residents.
- Brophy and Smith (1998): 7 Mixed-income projects in 7 markets (including Emery Bay)
 - If goal of mixed-income housing is upward mobility of low-income residents, **more than income-mixing and good management is needed.**
 - Mixed-income housing will work only where there are sufficient units aimed at the higher income population to create a **critical mass.**
 - Mixed-income housing works best when the income mix is not emphasized in marketing and there are **no differences** in the nature and quality of units being offered.
 - Successful **income integration in a neighborhood setting is more difficult** than in a housing project context.

Mixed-Income Developments

- Mulroy (1991) study of three 80/20 mixed income projects in three cities:
 - **Innovative financial instruments** to support mixed-income housing are an important—if not in many cases indispensable—requirement for success.
- Ryan, Sloan, Sefari, and Werby (1974) survey of several hundred residents of 16 mixed-income projects in Massachusetts:
 - Tenant satisfaction was **unrelated to income mix in the buildings**. In fact, tenants in MHFA's mixed-income projects were in general more satisfied than a comparison group of residents in various types of non-mixed-income developments.
 - Tenant satisfaction was most highly related to the **quality of their development's design, construction, and management** and was not related to their subjective evaluations of neighbors.

For Neighborhoods and Communities

- Racially and income-segregated neighborhoods and communities are poorer and lack opportunities compared to more integrated neighborhoods....
- But, does promoting integration strengthen neighborhoods and communities? Surprisingly, the academic/practice literature on this question is quite sparse.
 - Cleveland has had some success in **preserving central city and suburban neighborhood** vitality with its incentive programs discouraging middle-class, white flight.
 - At the metropolitan level, UCB professor John Quigley has documented that racially and ethnically diverse metropolitan regions do better economically than less diverse metropolitan regions.
 - **Commutes are somewhat shorter** in metropolitan areas with more mixed-income neighborhoods.

Implementing Preferences

- Inclusionary Zoning
 - Low and moderate income by statute
- Low Income Housing Tax Credit
 - Low and very low income by statute
 - Family size and type through unit size according to the QAP
- 20% Redevelopment Setasides
 - Low and moderate income by statute
 - Family size, age, and type; and residency through **discretionary project selection**
- Federally funded programs/projects (HCV, CDBG, HOME)
 - Must observe the “75% rule”
 - Family type, age and size, and residency through **discretionary project selection**
- Local Housing Trust Funds
 - Low income; household type & size; residency; and occupation through **discretionary project selection**
- Local Land Trusts
 - Low and moderate income; family type and size; residency and occupation through **discretionary project selection.**
- Supportive Housing/Service Funds: targeted to particular client groups

Implementing Preferences

- Disparate Treatment by Race, Ethnicity, Age, Religion, National Origin, and Disability: **Illegal**
 - Fair Housing Act of 1968
 - Fair Housing Act Amendments of 1988
 - Americans with Disabilities Act of 1991
 - In California, the **Unruh Civil Rights Act** allows for further extensions of these protected groups.
- Disparate (Favorable) Treatment by Individual Income and Housing Need (Local PHAs): **Required**
 - The law until 1998.
 - Partially repealed by the Housing Act of 1998, authorizing the discretionary use of local residency preferences, and encouraging greater income mixing, provided that at least 75% of assistance was directed to families with incomes less than 30% of AMI (“75% rule”).

Implementing Preferences

■ Disparate Impact

- The Mt. Laurel court decisions in New Jersey, required local governments to take active steps increase production of low and moderate income housing. **Ultimately and practically implemented as a form of inclusionary housing.**
- California housing element law requires communities to try to meet low and moderate-income production targets **but certification is not based on past performance.**
- Following *Alschuler v. HUD* (1982), housing agencies have an affirmative duty to use federal programs to **actively promote** the goals of the Fair Housing Act, especially around the issue of minority desegregation and opportunity.
- In *Langlois v. Abington* (2000), the First Circuit of the Court of Appeals found that the use of **residence preferences could not be applied in such a way so as to circumvent or violate the 75% rule**, resulting in a disparate impact on members of protected groups.

Some Items for Discussion

- At what spatial level should we be promoting social and economic diversity?
 - Neighborhood
 - Community
 - County
- Funding and “carrot-based” policies for promoting the construction of low and moderate income housing in California aren’t up to the task. Is it time to turn to “stick policies?”
 - Housing element compliance and state-funding based on performance?
 - Higher setaside requirements
 - Inclusionary zoning?
- Or is it just a matter of money? (Yes on 1C)
- How can local housing programs be administered in ways which promote greater community diversity?
 - Sticking with some variation of the 75% rule?
 - Affirmative marketing?