

## MEMORANDUM

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**To:** 21 Elements Jurisdictions  
**From:** Heidi Aggeler and Julia Jones  
**Re:** Anticipating HCD comments on your AFFH  
**Date:** August 4, 2022

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This memo provides content and recommendations on how to address the comments we anticipate HCD will provide on your draft AFFH, based on those received by Redwood City, the earliest 21 Elements submitter.

Please contact [heidi@rootpolicy.com](mailto:heidi@rootpolicy.com) and/or [julia@rootpolicy.com](mailto:julia@rootpolicy.com) for questions and to request help making these changes.

### Broad Themes

#### **How does the city compare to the region? Address everywhere.**

We included infographics and narrative that speak to regional comparisons, but HCD is looking for more.

**Use local knowledge to describe areas where there are concentrations, R/ECAPs, and RCAAs.** HCD is looking for narrative that will “address patterns, trends, conditions, characteristics, disparities in access to opportunity, disproportionate housing needs, and other relevant factors.”

To break this down, answer these questions:

- What are the characteristics of this neighborhood?
- Do residents have better or worse access than other residents to good schools, to transit, to jobs? Why?
- Why is there a concentration? For example, a disability concentration may exist because residents are older. A poverty concentration may exist because the neighborhood has the most publicly supported housing.
- Add what you know about these areas—and what programs you propose to address inequities.

## Data Elements

### Section I. Fair Housing Enforcement and Outreach and Capacity.

Consult with your city attorney and add a sentence about any lawsuits and enforcement actions brought against the city. We didn't have access to that information.

In the **Outreach and Capacity** section, you will need to add narrative that speaks to the outreach you did for the AFFH and Housing Element overall to gather input from residents. Discuss public meetings, focus groups, surveys, public comments---anything that you used to gather input on residents' needs. You can borrow some of that from the [Resident Survey section](#) we prepared.

### Section II. Integration and Segregation.

**Racially Concentrated Areas of Affluence (RCAAs).** This information was not available in your earlier drafts. You now have access to the RCAA map and HCD will expect you to discuss the RCAAs.

Steps:

- 1) **Add the RCAA map** at the end of the data packet we provided or in another relevant place in your AFFH

<https://www.arcgis.com/apps/webappviewer/index.html?id=4d43b384957d4366b09aeeae3c5a1f60> Choose the pink icon and check the last map in the list.

- 2) **Update the definition of RCAAs in your Fair Housing Assessment.**  
"RCAAs are census tracts with a median income 1.25 times and more higher than in the region and a White population of 1.5 times and more higher than the region."
- 3) **Discuss RCAAs in your community compared to those in the region.**  
Do you have more? Less? Why?

For more information on RCAAs, see:

<https://www.arcgis.com/home/item.html?id=4100330678564ad699d139b1c193ef14>

### **Demographics of persons experiencing homelessness.**

Ideally, you will describe the characteristics of persons experiencing homelessness for your city. We have included demographics for homeless in the region—but not for your individual city, as that information is not captured in the regional count. The information we provided is based on the county Point in Time count.

<https://www.smcgov.org/media/130611/download?inline=>

If you have done local surveys or counts, supplement the data we have with demographics of persons experiencing homelessness for your city.

If you haven't, use the disparities in cost burden figures (IV-11 and IV-12) to speculate that those racial and ethnic groups that experience the most cost burden are also likely to be over-represented in homelessness.

### **Section III. Access to Opportunity.**

- Include the Disparate Access to Educational Opportunities as an appendix.
- Discuss the proximity of proficient schools to R/ECAPs and poverty concentrations.
- Discuss which areas of the city have the best—and worst—access to jobs.
- Add a transit map and discuss who has good access—and who does not.
- Discuss if displacement has been caused by disasters—and describe the characteristics of areas at high risk from disasters.

### **Section IV. Disparate Housing Needs.**

- Include maps of cost burden and discuss in the context of the region.
- Include maps of overcrowding and discuss in the context of the region
- HCD is looking for concentrations of housing in poor/substandard condition. There are no maps available for this; you will need to add local knowledge

### **Prioritizing Contributing Factors**

HCD will be looking for your to prioritize the contributing factors you will address.

You may use a High, Medium, Low—or other similar—categorization. HCD has expressed that the H/M/L designation is appropriate. They are looking to make sure that your programs will address the contributing factors you prioritize as High.

Here is how Redwood City approached this:

In prioritizing contributing factors, Redwood City gave highest priority to factors that:

- Limit or deny fair housing choice,
- Limit or deny access to opportunity, or
- Negatively impact fair housing or civil rights compliance.

The City also considered how much influence/ability to change a factor the City has in order to identify priorities that are feasible and meaningful. As such, the following priorities are established:

**Contributing factors:**

- Historical Discrimination - It is well documented that persons of color—particularly African American residents—were denied loans to purchase homes, were not allowed to buy in many neighborhoods because of restrictive covenants, and were harassed if they managed to purchase a home in a predominantly White neighborhood. These historical actions have led to a significant homeownership gap among racial and ethnic minorities except for Asians. *[High Priority]*
- Placement of Housing - Redwood City offers relatively more affordable housing opportunities than surrounding cities—except for East Palo Alto. Redwood City also allows more multifamily housing, which is disproportionately occupied by residents of color. The limited opportunity of residents to reside in surrounding areas leads to higher shares of poverty-level and low income households in Redwood City. *[Moderate Priority]*
- Mortgage Disparities - Mortgage application denial rates remain high for American Indian and Hispanic households. *[Low Priority]*
- Poverty - Higher poverty rates among Redwood City’s Black and Hispanic residents stem from decades of discrimination in employment, education, and housing markets. Black and Hispanic have faced greater challenges building wealth through economic mobility and homeownership. *[Low Priority]*
- Wage Disparities - Redwood City’s Black and Hispanic residents are more likely than others to work low wage jobs that do not support the City’s housing prices, resulting in cost burden and overcrowding. Their future employment opportunities are further constrained by K-12 achievement gaps and being less likely to meet university admission standards. *[Low Priority]*

## **Sites Inventory (a reminder of how to approach)**

It is important to apply an AFFH lens to your sites inventory work and to describe in your housing element how the sites identified will help to affirmatively further fair housing. The rest of this memo provides guidance on how to do that.

HCD’s expectations for the site inventory are well-articulated beginning on page 45 (47 in the PDF) of the [State AFFH Guidance](#). HCD will be looking for you to specify, for the developments you expect to develop as part of your RHNA allocation, the expected incomes served, number of units, bedroom size distribution, and proportion of affordable units already in the relevant census tract.

Use the HESS tool provided by ABAG to help complete this analysis and round out your AFFH assessment of sites. HCD will be looking for the impact that RHNA allocations and your site inventory will have on the existing patterns of income segregation.

You can utilize the rubric below, developed by Baird+Driskell based on the approach used by South San Francisco, to consider the ways in which your sites inventory may or may not contribute to affirmatively furthering fair housing.

Area of City	Segregation and Integration	Racially Concentrated Areas of Affluence	Racially/Ethnically Concentrated Areas of Poverty	Access to Opportunity	Displacement Risk
Sample specific plan area	✓	✓	✓	!	?

✓ = Advances AFFH; ! = Is an AFFH concern; ? = Unknown impact

Also, ABAG has developed the HESS tool that adds a visual component to this assessment. You need to login to ABAG’s site to access the HESS tool (<https://hess.abag.ca.gov/login>) if you haven’t already.

The following prompts and instructions, prepared by Root Policy, will assist you in the Site Inventory analysis.

### Segregation and Integration—Race and ethnicity

For this analysis, ask the following questions:

- 1) Who may occupy this housing? For example, is the housing likely to be housing for people who have experienced homelessness? If so, examine the racial and ethnic distribution of homeless in the county (as captured in your Map and Data Packet) to understand who could occupy your RHNA housing.

Or housing developed privately as part of Below Market Rate/Inclusionary programs? For the latter you can assume, for this exercise, that occupants will share the same racial and ethnic distribution as low and moderate households in the region overall. Look to the Map and Data packet for that information.

- 2) Given the assumed resident characteristics of this new housing, do you feel that the housing will increase segregation? This would occur if you were building

affordable housing that is likely to be occupied by the same types of people who live in the neighborhood and it is an area that is already a majority race or ethnic tract (see Figures II-7 through II-11 in your Map and Data Packet). It will help integrate housing if the opposite exists.

### **Segregation and Integration—Income**

HCD identifies how to estimate income segregation or integration in the [State AFFH Guidance](#) pages 46 and 47 (or 48 and 49 in the PDF). Basically, this exercise compares the income distribution of the RHNA units (e.g., 20% extremely low income, 50% low income, 30% moderate income) to the distribution of the neighborhood in which the housing will be placed. You can pull the income distribution for the neighborhood from the American Community Survey (ACS) or analyze it using HCD or HUD AFFH mapping tools.

### **Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs)**

We calculated both R/ECAPs and “edge” R/ECAPs to help you understand placement of your RHNA allocation relative to these areas. Edge R/ECAPs are a measure we use to help you identify areas that could be vulnerable to R/ECAP status in the future.

*For this study, the poverty threshold used to qualify a tract as a R/ECAP was three times the average census tract poverty rate countywide—or 19.1%. In addition to R/ECAPs that meet the HUD threshold, this study includes edge or emerging R/ECAPs which hit two thirds of the HUD defined threshold for poverty—emerging R/ECAPs in San Mateo County have two times the average tract poverty rate for the county (12.8%).*

*In 2010 there were three Census tracts that qualified as R/ECAPs (19.4% poverty rate) in the county and 11 that qualified as edge R/ECAPs (13% poverty rate).*

You should look the placement of the RHNA sites to see if they are located in R/ECAPs or edge R/ECAPs (see Figures II-29 and II-30 in your Map and Data Packet). If they are, you will need to explain to HCD how these developments will help stabilize these neighborhoods despite those concentrations. You should be sure to incorporate placed-based investment strategies into your Fair Housing Action Plan to enhance opportunity in these neighborhoods.

### **Access to Opportunity**

This is the factor for which ABAG’s HESS tool and HCD maps will be most useful. You should visually assess the environments in which your RHNA housing will exist and describe how, if lower opportunity, you will invest in those areas to elevate them.

This is where the Disparate Access to Educational Opportunities supplemental analysis will be very helpful. It can be used to evaluate how new housing for families that would be created by your RHNA allocation plan may improve (or not) access to educational opportunity.

If the sites you choose feed to schools that are lower performing or have large gaps in educational proficiency among children of color and/or children with disabilities, you should have a plan for how you will address those disparities. Examples include:

- ☑ Engage the school/school district early on to alert them to the potential for new students and understand what the typical needs of low income students and where the schools far short in accommodating them.
- ☑ Engage area the school/school district in a plan to reduce the disparities in outcomes among the schools that serve the site.
- ☑ Incorporate onsite tutoring, computer labs, free wireless access, and other amenities to ensure that students can complete homework in their housing community.
- ☑ Seek support from foundations and employers who have a vested interest in building a well-trained and successful local workforce.

If you are a high opportunity community where schools are strong throughout your city, it should help you demonstrate to HCD the benefits of adding family-centered housing in your community.

### **Disproportionate Housing Needs**

Using the Primary Findings in your Fair Housing Assessment and the results of the forthcoming resident survey, ask yourself:

- 1) Which residents in my community have the greatest housing needs—based on Overpayment/Cost burden, Overcrowding/Occupants per room, Substandard/Poor condition housing, Homelessness, and Displacement? All of these factors are captured in the final section, Disproportionate Housing Needs, of both the Fair Housing Assessment and Map and Data Packet.
- 2) How would the proposed RHNA housing address these needs?

For example, if the resident survey shows you have a high need for housing families but your site is best for transit-oriented development likely to be studios and house young professionals, you will need to provide alternative sites that can accommodate family housing. If non-Hispanic White households have the greatest housing needs and also have lower incomes and you are only providing options for ownership housing, you will need to demonstrate that you can provide these households access to a tailored downpayment assistance program or fund a homeownership counseling program that helps them become homeowners.