



California
Housing
Partnership
Corporation

*California's Experts on Affordable
Housing Finance, Advocacy & Policy*

RISING HOUSING COSTS & RE- SEGREGATION IN THE BAY AREA: IMPLICATIONS FOR STATE POLICY

Dan Rinzler

California Housing Partnership

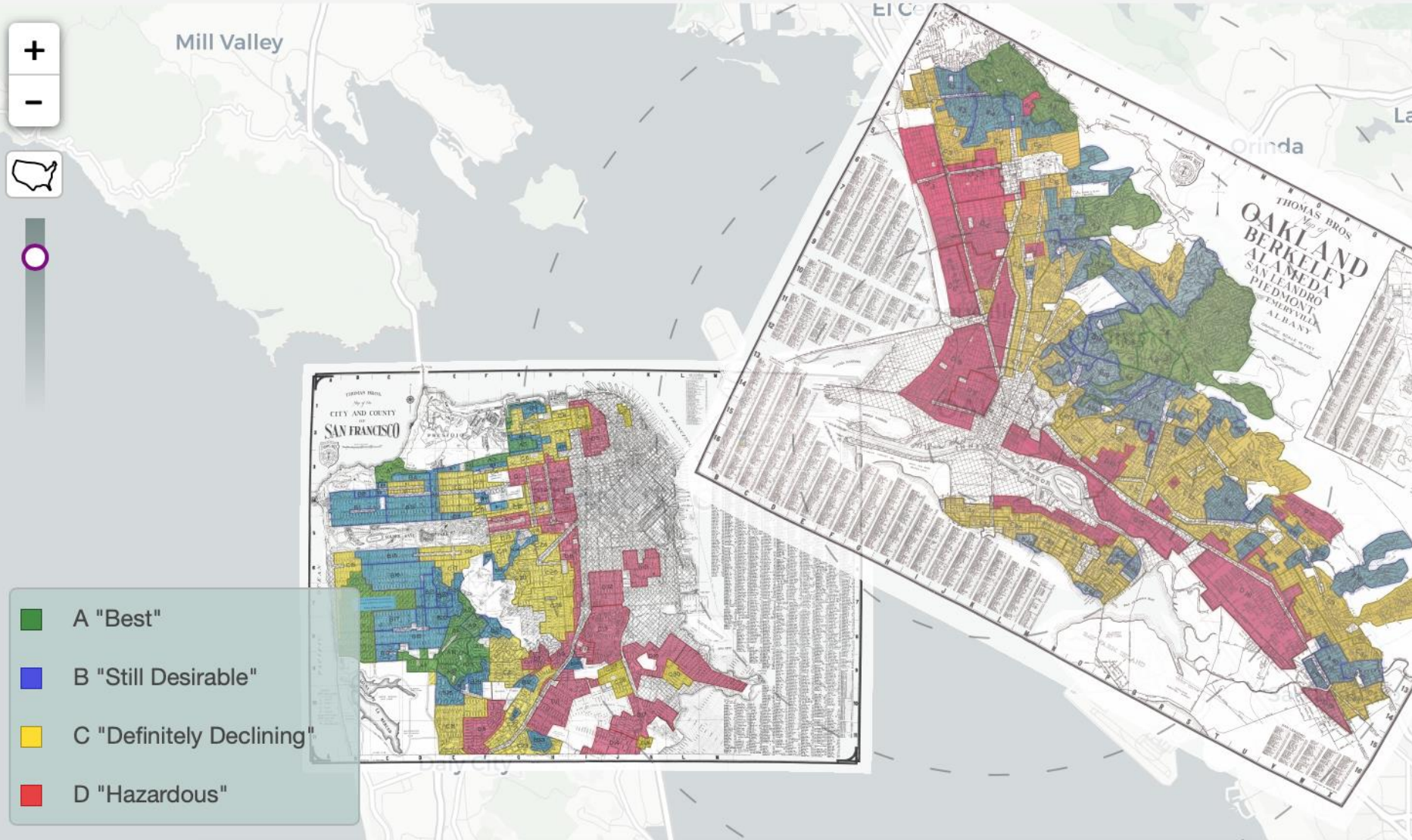
Senate Housing Committee

March 5, 2019

About the California Housing Partnership

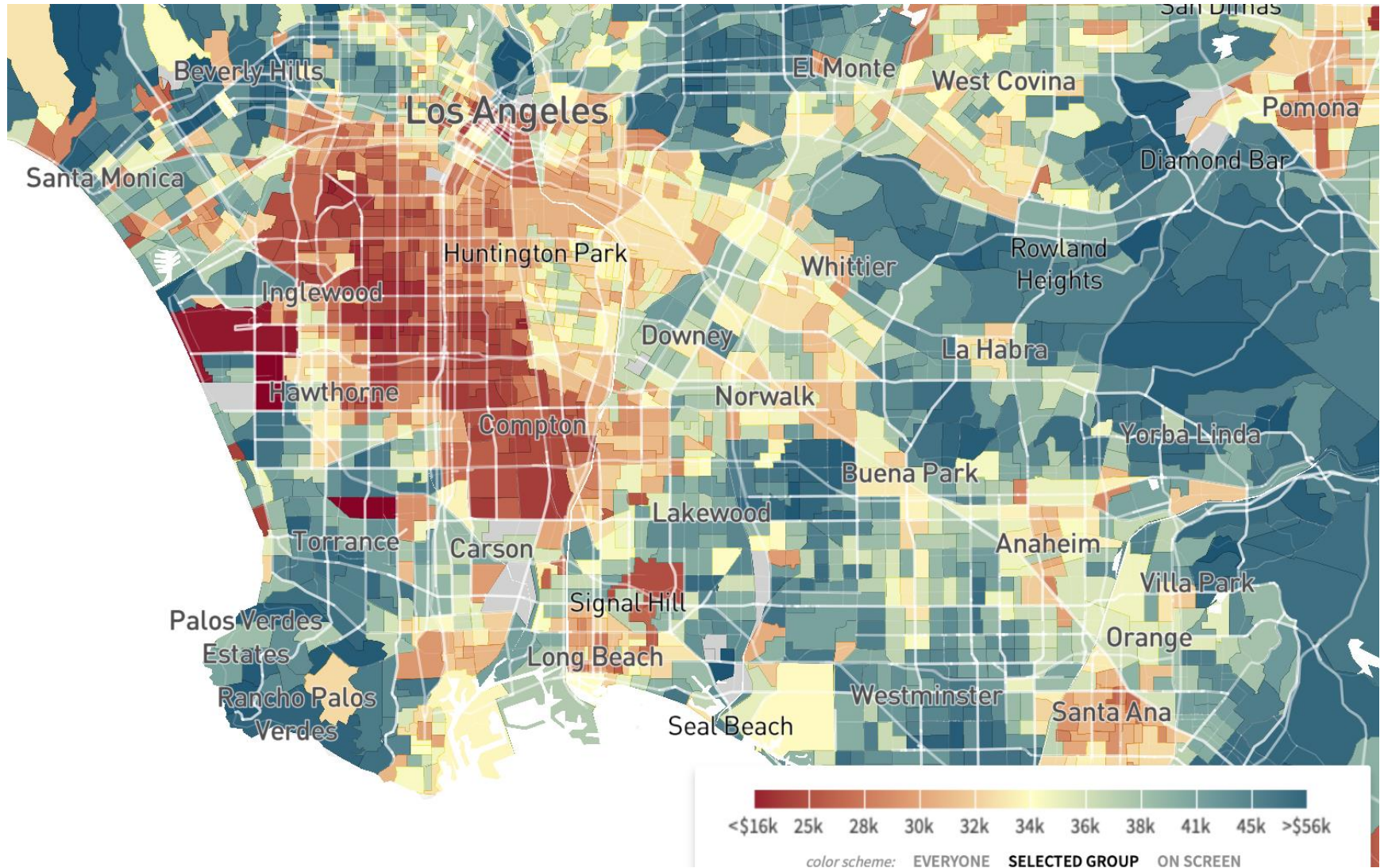
- Created by the State Legislature in 1988 (no ongoing state funding).
- Work across California with nonprofit and government housing agencies to create and preserve housing affordable to lower-income households.
- In 30 years, our staff has helped private and public housing agencies leverage **\$18 billion** in funding to create and preserve more than **70,000 affordable homes**.
- Also provide research and leadership on housing policy and funding issues.

Post-war redlining + other racist housing policies created a racially segregated geography of opportunity in California



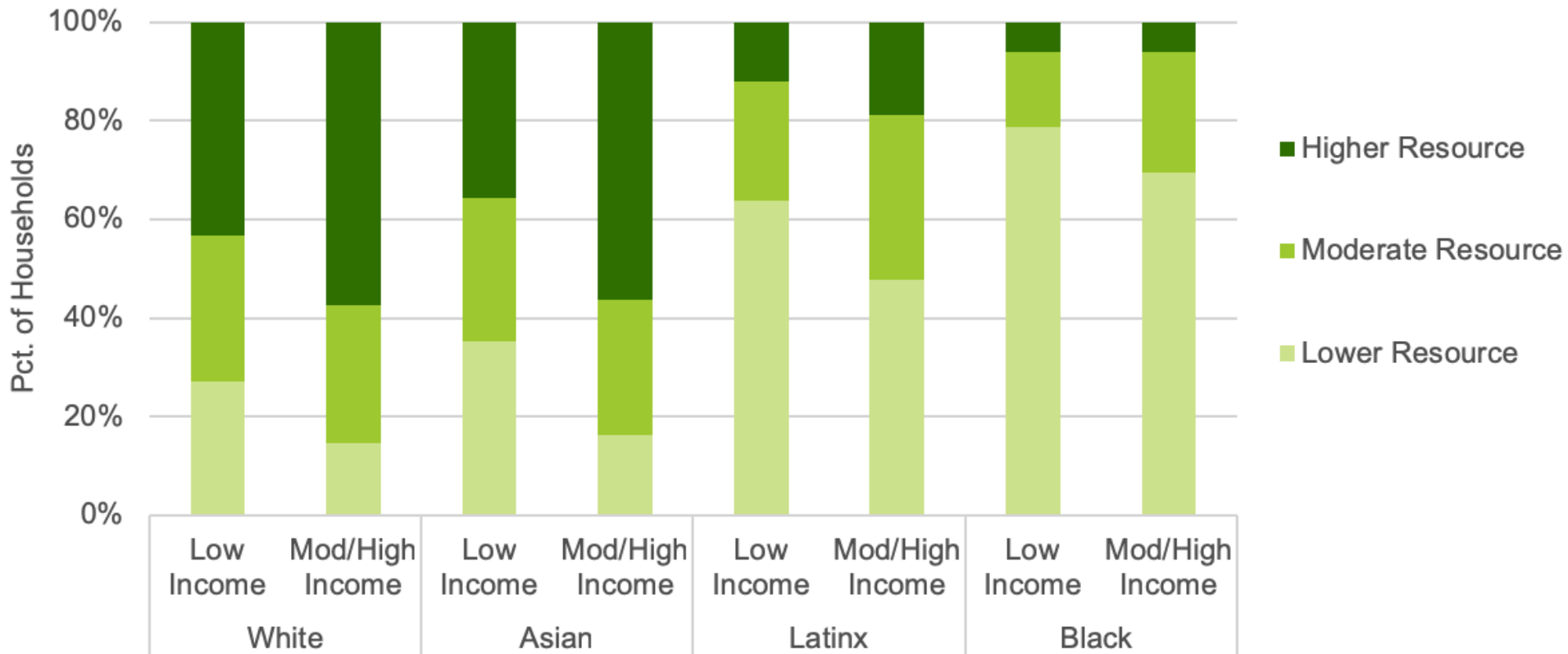
Source: University of Richmond Digital Scholarship Lab, 2019. "Mapping Inequality: Redlining in New Deal America."

Neighborhoods account for most of the variation in long-term earnings of children from low-income families



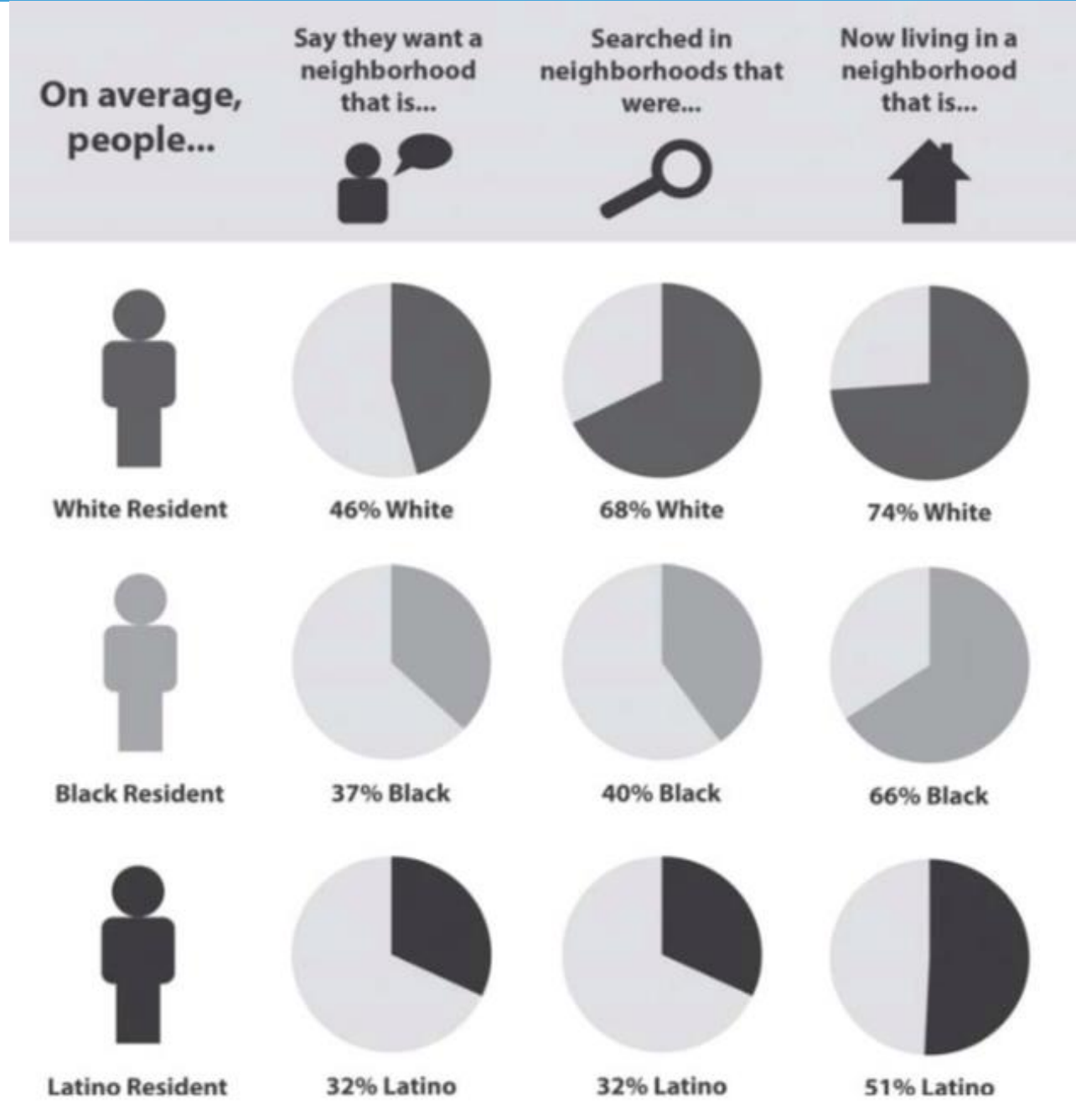
Source: OpportunityAtlas.org. Results shown for children whose parents were low-income (all races and genders).

Race appears to be a stronger determinant of who lives in high-resource neighborhoods than income

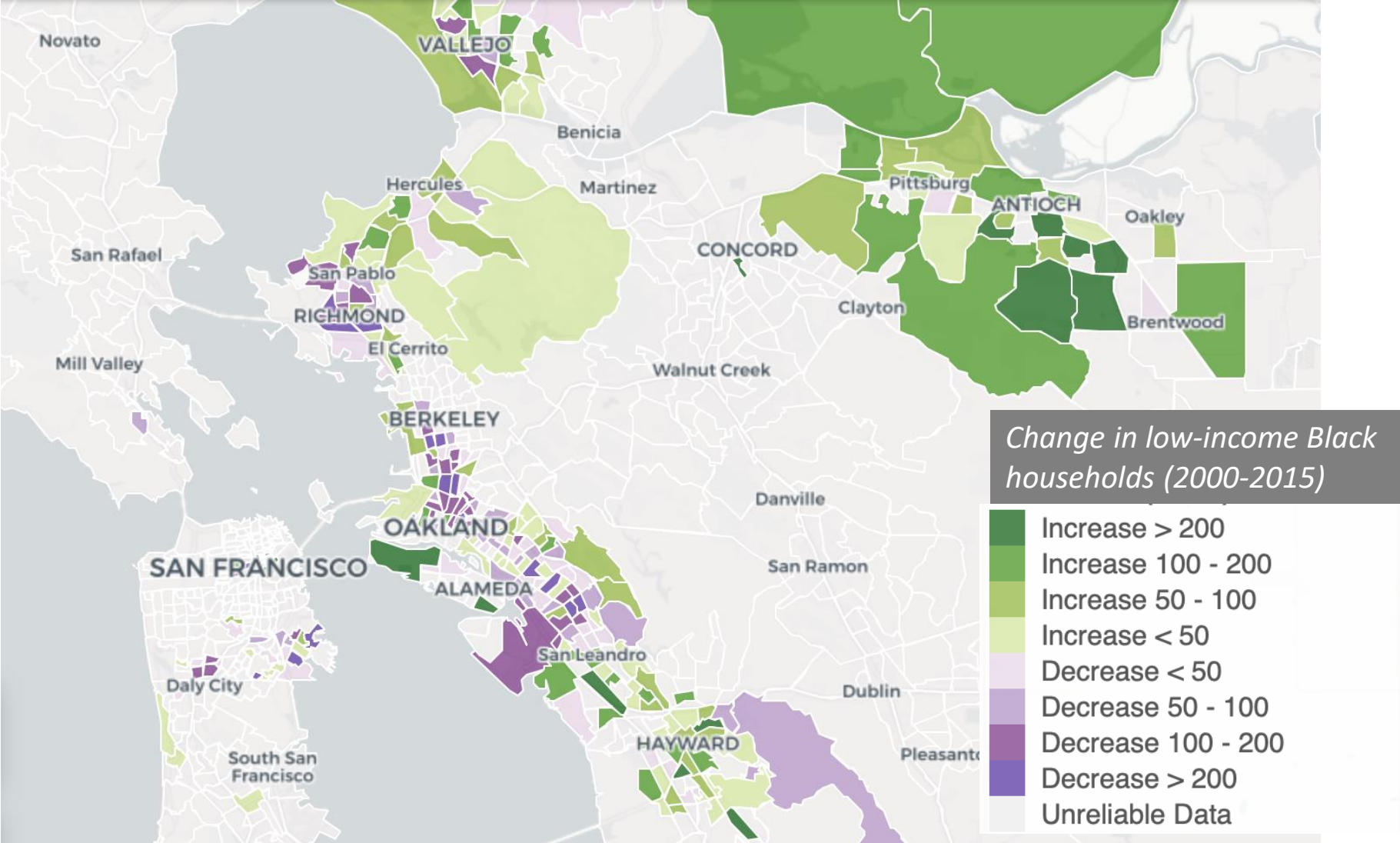


San Francisco Bay Area (2015)

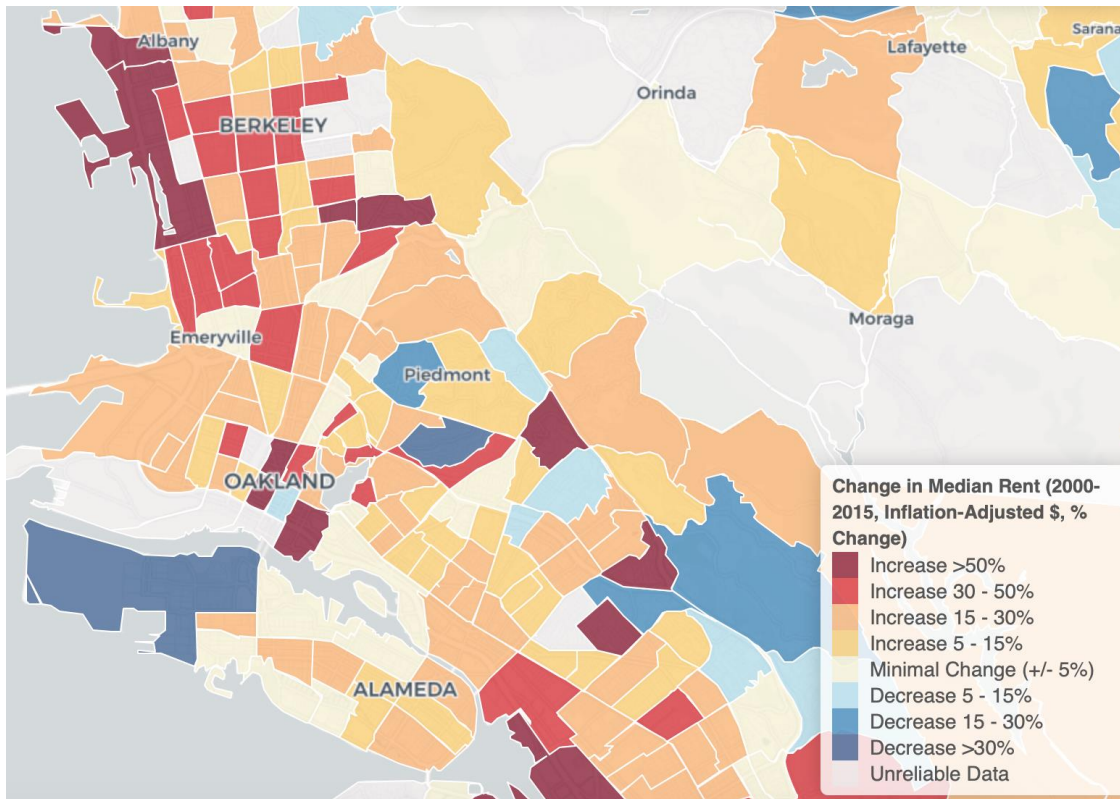
Segregation patterns do not reflect actual location preferences of people of color



Recent trend of re-segregation: as housing prices rose from 2000-2015, the racial geography of the Bay Area shifted



Low-income households of color were more vulnerable to rent increases than low-income White households

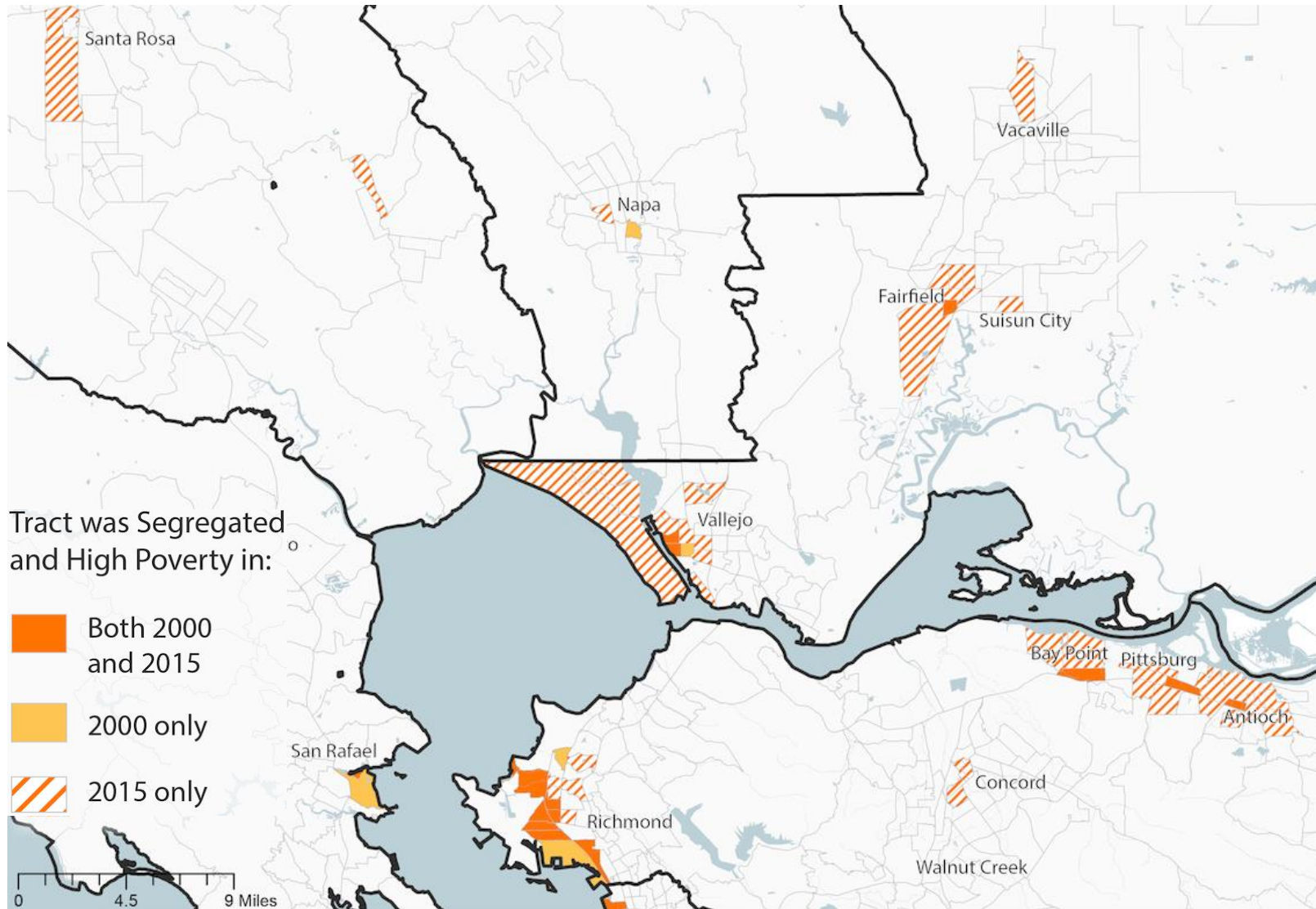


Change in median rent paid, 2000-2015
(% change, inflation-adjusted)

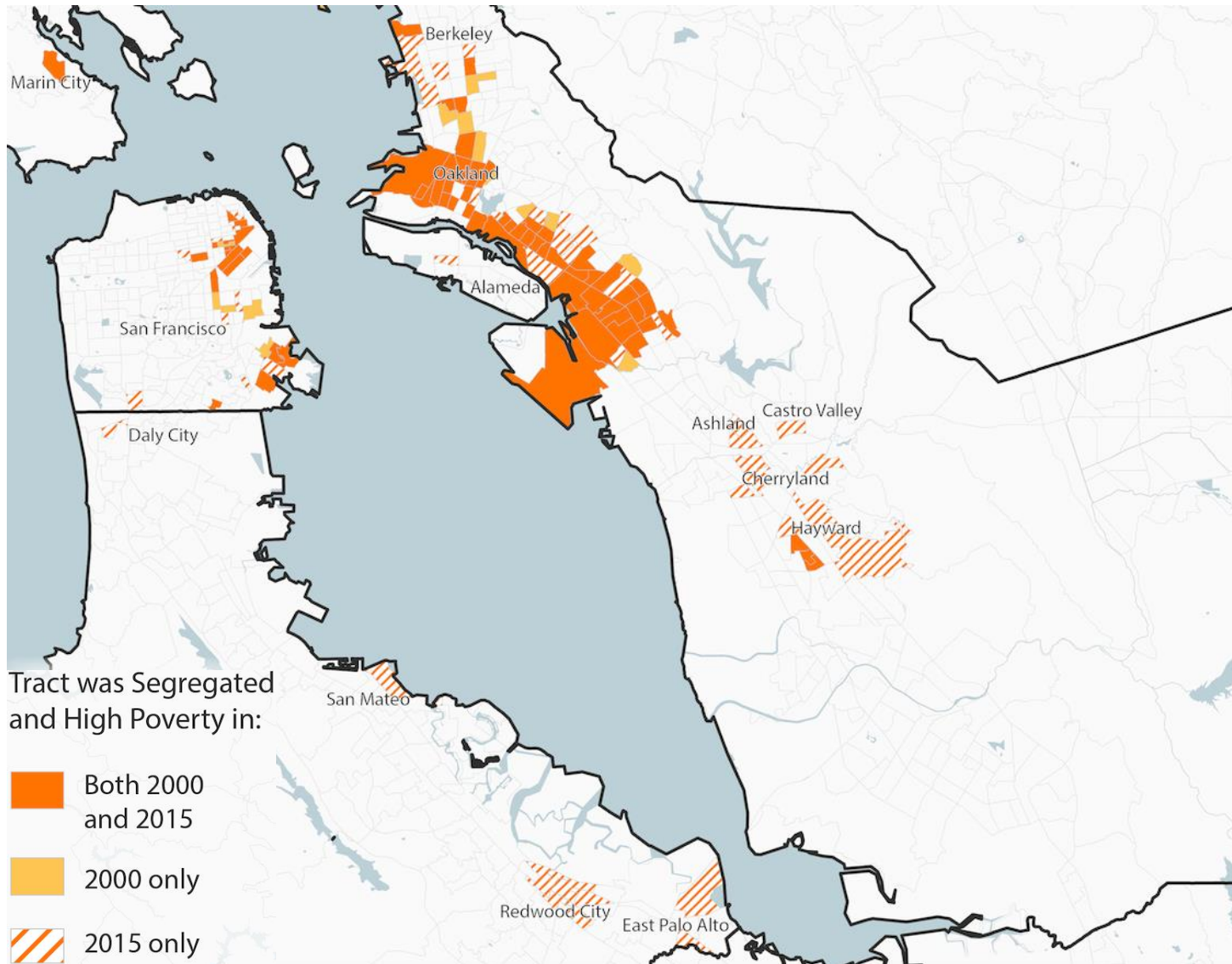
30% tract-level increase in median rent (adjusted for inflation) in Bay Area from 2000-2015 associated with:

- **28% decrease** in low-income households of color
- **No relationship** with number of low-income White households

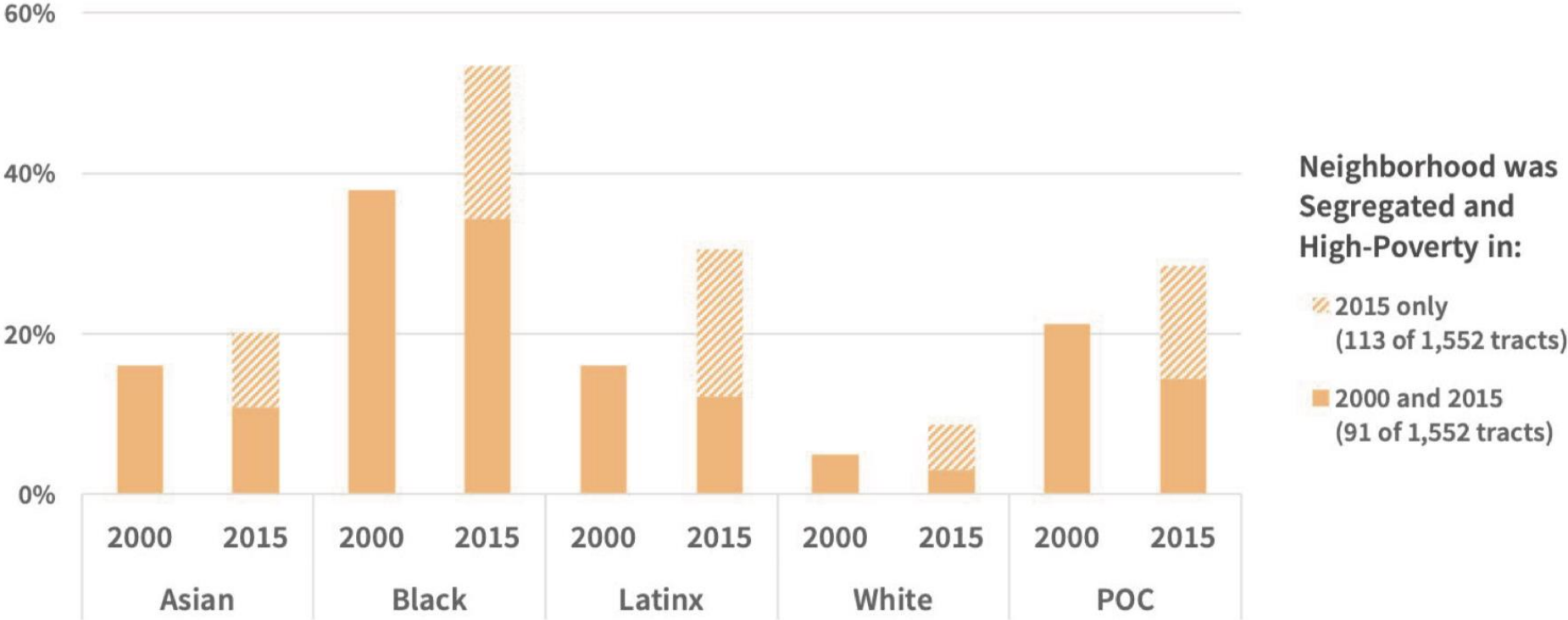
The landscape of high-poverty & racially segregated neighborhoods in the Bay Area shifted between 2000 & 2015



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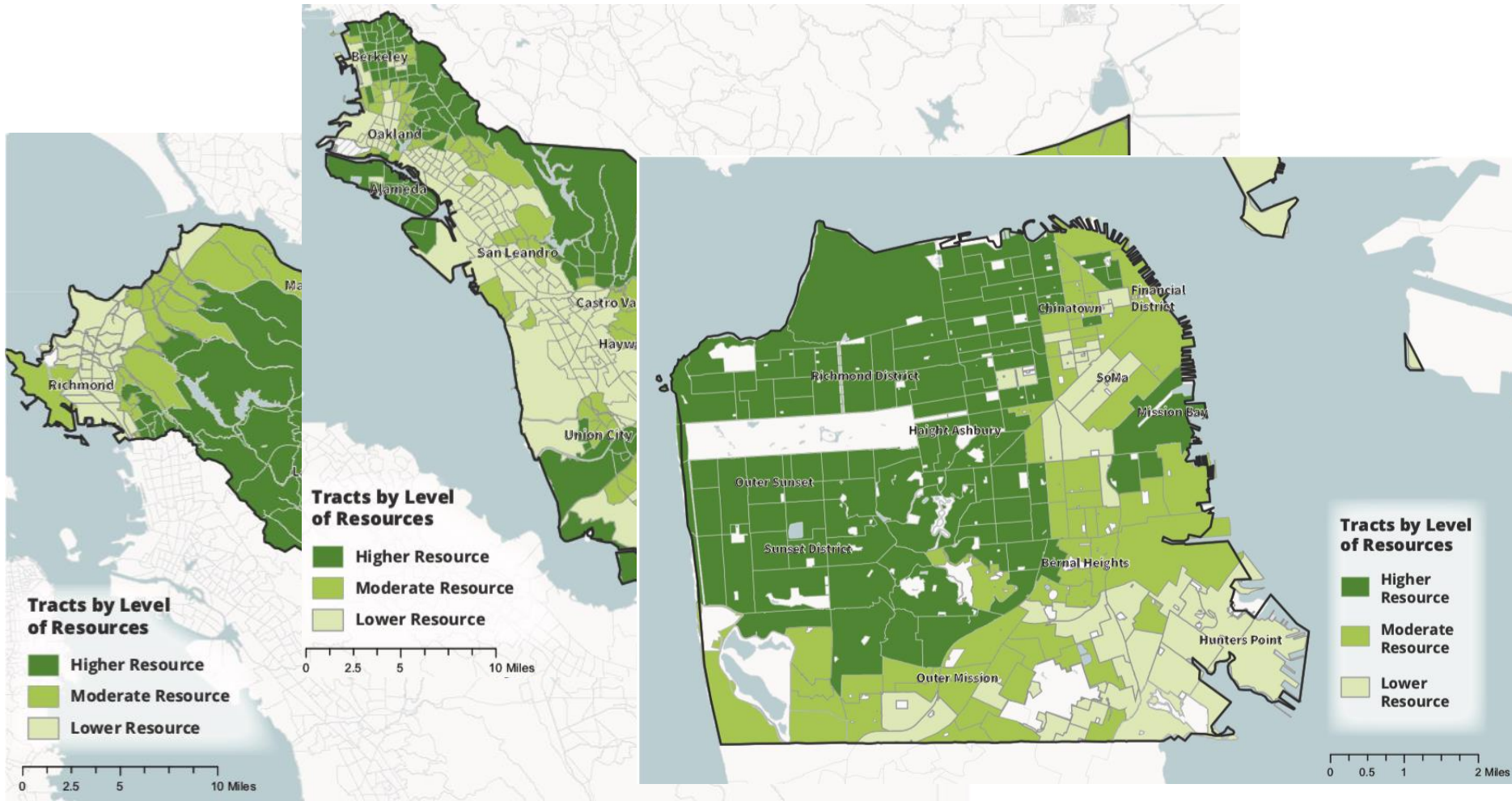
Displacement & migration of low-income people of color contributed to new concentrations of segregation and poverty



Source: U.S. Census 2000 (Table P007), ACS 2011-2015 (Table B03002)

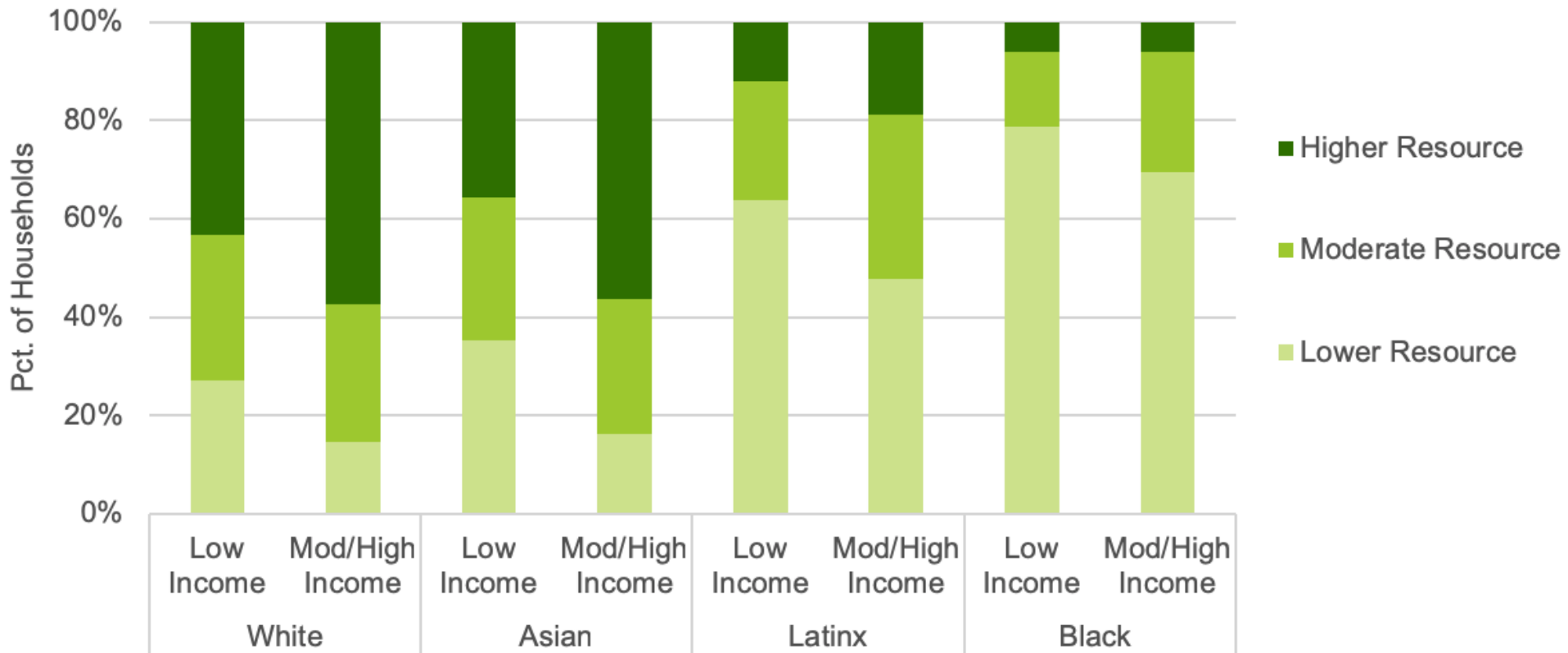
Geography of opportunity in the Bay Area

"resources" = tract-level predictors of upward economic mobility for low-income children



Source: California Fair Housing Task Force, 2017

Access to high-resource neighborhoods more pronounced between racial groups than between incomes of same race



State and local housing policy & investments should affirmatively help low-income people of color live in any neighborhood & reduce neighborhood inequality

1. Create new affordable homes in high-resource neighborhoods;
2. Stabilize housing prices and protect tenants neighborhoods where prices are rising fastest; and
3. Increase economic opportunity and institutional supports in racially segregated, high-poverty neighborhoods.



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