

*City of Oakland*

Fair Housing Planning

*Analysis of Impediments  
to Fair Housing*

**Community and Economic Development Agency  
October, 1997**

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## **I. INTRODUCTION AND GENERAL SUMMARY OF THE ANALYSIS**

### **A. Purpose of the Analysis of Impediments to Fair Housing Choice**

This Analysis of Impediments to Fair Housing (AI) was prepared by the City of Oakland's Community and Economic Development Agency in accordance with the requirements of the U.S. Department of Housing and Urban Development (HUD). In order to receive federal grant funds for housing and community development, the City is required to prepare a Consolidated Plan describing needs, resources, strategies, priorities and proposed actions. The Consolidated Plan includes an annual certification by the City that it is taking actions to Affirmatively Further Fair Housing (AFFH). The purpose of these actions is to eliminate discrimination and segregation in housing on the basis of race, color, religion, sex, age, disability, familial status or national origin, and to expand housing choices for all residents of Oakland. As part of the effort to attain this goal, HUD requires cities to engage in fair housing planning. This process requires: (a) the development of an Analysis of the Impediments to Fair Housing Choice; (b) the development of activities to overcome the effects of the identified impediments; and (c) the development of a system of record keeping to monitor and record the activities undertaken to reduce or overcome the identified impediments to fair housing choice. The City of Oakland has, for many years, pursued actions to further fair housing. The AI will serve both as a resource to consolidate findings of individual housing-related analyses completed by or for the City of Oakland, and as a guide for fair housing planning in Oakland.

### **A. Contents of the AI**

The AI consists of three broad areas:

1. An overview of demographic and housing market conditions in the City, particularly as they pertain to housing choice.
2. A profile of fair housing in the City, including current laws, policies and practices, and the number and status of any fair housing complaints in the City.
3. A description and discussion of various market and public policy impediments to fair housing choice.

The AI also includes a summary of actions to remove any identified impediments. Fair housing actions are also described each year in the City's Consolidated Plan.

A. **Definition of Terms**

1. Affirmatively Furthering Fair Housing

HUD defines Affirmatively Furthering Fair Housing as requiring a grantee to:

conduct an analysis to identify impediments to fair housing choice within the jurisdiction;

take appropriate actions to overcome the effects of any impediments identified through the analysis; and

maintain records reflecting the analysis and actions taken in this regard.

1. Housing Problems

Households are deemed to have housing problems if they experience one or more of the following conditions:

a. *Excessive Cost*

When a household must devote more than 30% of its income to shelter and utility costs, it is considered to have a housing cost burden. If the proportion increases to 50 percent, the household has a severe cost burden.

a. *Substandard Condition*

The Census definition of substandard housing is a unit lacking either complete plumbing or kitchen facilities, or both. This minimal definition captures only a portion of those units that would be considered substandard under City of Oakland housing and health and safety codes. However, the City has only a rough estimate of the number of substandard units, and no information on the occupants of such housing. As a result, the Census definition is used in this report.

a. *Overcrowding*

Housing is overcrowded if there is more than 1 person per room (bathrooms, halls, utility rooms and storage areas are not counted as rooms). Extreme overcrowding exists if there are more than 1.5 persons per room.

1. Impediments

HUD defines Impediments to Fair Housing Choice as:

any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices; or

any actions, omissions or decisions that have the effect of restricting housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

1. Persons With Disabilities

Federal law defines a ‘disability’ or ‘handicap’ as being:

a physical or mental impairment which substantially limits one or more of such person’s major life activities;

a record of having such an impairment; or;

being regarded as having such an impairment.

1. Protected Classes

Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

California law (Rumford Housing Act) prohibits housing discrimination toward all classes protected under Title VIII, and adds marital status as a protected class. The Unruh Civil Rights Act prohibits discrimination in all business establishments, including housing, based on any arbitrary reason.

City of Oakland ordinances extend fair housing protection to include families with children, sexual orientation, or the fact of having AIDS or an AIDS-related condition (ARC).

**A. Preparation and Methodology**

1. Preparation of the AI

The AI was prepared by staff in the City’s Community and Economic Development Agency, which is also the lead agency for preparation of the City’s Consolidated Plan and administration of federal housing and community development grants.

1. Funding

Funding for preparation of the AI was provided from that portion of the City's CDBG and HOME grants normally provided for administration. As is true for the Consolidated Plan, preparation of the AI is an eligible administrative cost for these programs.

1. Procedure for Completing the Analysis of Impediments

CEDA staff reviewed City laws, regulations and administrative policies that affect the provision and supply of housing in the city. Numerous studies conducted on housing discrimination and on the availability of rental and ownership stock, as well as statewide data used in reference to lending institutions, were collected. In addition, Census data and HUD data, supplied for the *Community Housing Affordability Strategy* (CHAS) and the City's *Consolidated Plan*, provided valuable information for the AI. By using existing studies, CEDA staff consolidated the findings into one analysis, addressing areas related to housing, and existing impediments. The methods of the individual reports used to complete this project are detailed within those reports.

**A. Summary of Conclusions**

Oakland is a City with considerable ethnic and racial diversity. It is also a City with a large number of minority and low income households who face particular problems securing decent housing, as do families with children and persons with disabilities. Patterns of racial clustering and segregation are readily identifiable, suggesting that discrimination continues to be a serious problem and an impediment to fair housing choice.

Information provided by fair housing organizations provides additional evidence of discrimination, as revealed in both individual complaints and systematic fair housing audits.

The most significant barrier to fair housing, however, is the lack of affordable housing. Because minorities are more likely than non-minorities to be low income, the housing problems of low income people are most acutely experienced by minority households. The lack of funding and suitable sites for the development of new affordable housing thus serves to limit fair housing choice.

Adding to the difficulty of providing affordable housing is a rising sentiment of opposition to the development of new assisted rental housing. This opposition, while based on fears of safety, traffic congestion, and reduced property values, is often based on misperceptions of the type of housing that is proposed and by stereotyped impressions of the characteristics of the households who will occupy that housing.

Discrimination in lending is also a problem, as revealed by analysis of rates of mortgage loan approvals and denials reported in annual data collected under the Home Mortgage Disclosure Act.

To some extent, City zoning and land use practices may also act as a barrier to housing choice for persons with disabilities.

The City is committed to the promotion of fair housing choice, and in an effort to affirmatively further fair housing, will undertake a number of steps to eliminate barriers to fair housing, as outlined in the conclusion of this report and in the City's Annual Consolidated Plan for Housing and Community Development.

**I. JURISDICTIONAL BACKGROUND DATA**

**A. Demographic Data: Citywide**

**1. Population and Racial/Ethnic Characteristics**

As of 1990, the Census reports an Oakland population of 372,242, an increase of almost 10 percent from 1980. This growth is a reversal of a long-term decline over the previous decades. Oakland's population decreased from 361,561 to 339,337 between 1970 and 1980. The increase in households between 1980 and 1990 was much smaller (only two percent); most of the population growth was absorbed by an increase in the average household size, from 2.34 persons in 1980 to 2.52 persons in 1990.

Oakland is an increasingly ethnically diverse city. No ethnic/racial group makes up a majority of the population. Blacks are numerically the largest group, followed by Whites. The third largest group is Asian/Pacific Islanders followed closely by Hispanics. Since 1980, there has been a dramatic shift in the ethnic/racial composition of the City. While the number and percentage of Whites continued to decline, the Black population, which had been increasing for the past several decades, grew by little more than one percent. Instead, the greatest proportional increases were among the Asian/Pacific Islander and Hispanic population, which increased by 111 percent and 59 percent, respectively, between 1980 and 1990.

**Population by Race/Ethnicity  
(1990)**

<b>Race/Ethnicity</b>	<b>Number</b>	<b>Percent</b>
<b>Black</b>	159,465	42.8%
<b>White</b>	105,203	28.3%
<b>Asian/Pacific Islander</b>	53,025	14.2%
<b>Hispanic</b>	51,711	13.9%
<b>Native American</b>	1,807	0.5%
<b>Other</b>	1,031	0.3%

1. Areas of Minority Concentration

No single ethnic group constitutes a majority of the City's population. However, racial and ethnic groups are not equally distributed throughout the City. Neighborhoods with a disproportionately high number of minorities are said to be areas of minority concentration, while areas with a disproportionately high percentage of Whites are said to be areas of non-minority concentration.

There are a number of ways by which areas of minority concentration can be defined. By one definition, any Census tract in which more than 50 percent of the population is comprised of a single ethnic/racial group is considered to be an area of concentration. As shown in Map 1 (page ), at the time of the 1990 Census, there were a number of areas in which a single group constituted a majority of the population: Black residents in East and West Oakland, Hispanic residents in the Fruitvale area, and Asian residents in Chinatown. White residents constituted over 50 percent of the population in the hill areas and other sections of the City above the MacArthur Freeway.

While this definition helps to define areas in terms of the group that constitutes a majority of the population, these neighborhoods may not necessarily have a concentration significantly higher than the group's representation in the City as a whole. For example, because the Black population makes up 42.8 percent of the City's population, neighborhoods which are 50 percent Black are not particularly concentrated in relation to the overall make-up of the City. As a result, it is useful to consider other methods of assessing minority concentration.

HUD's most recent proposed definition for an area of minority concentration is:

any neighborhood where the percentage of all minorities is more than 50 percent;  
or

any neighborhood where the percentage of all minorities is at least 20 percent  
above the overall percentage for the citywide minority population percentage; or

any area where the percentage of a particular minority is at least 20 percent higher  
than the citywide percentage.

The first method is not particularly useful for Oakland, as minorities make up nearly 72 percent of the City's population. An area with a minority percentage of 50 percent would actually be an "under-concentrated" area under this definition.

The second definition is somewhat more useful, as it ties the definition of concentration to the actual demographics of the City. Under this definition, to qualify as an area of minority concentration in Oakland, minorities would have to constitute at least 92 percent of a Census tract's population (20 percentage points above the Citywide minority population of 72 percent). Map 2 (page ) shows that even with this fairly restrictive definition, a number of areas in East and West Oakland qualify as areas of concentration.

The third definition is useful for determining concentrations of particular racial/ethnic groups relative to their share of total population. The existence of areas in which the percentage of a particular group is at least 20 percent higher than the overall percentage for the City can be seen as an indication of a pattern of residential segregation, revealing that particular groups are clustered in particular areas, and consequently are under represented in other areas. Map 3 (page ) provides information on those tracts that can be considered to have high concentrations of Blacks, Asians and Hispanics. Although it is statistically possible for a tract to have concentrations of more than one group (for example, a tract could have 35 percent Asian and 35 percent Hispanic residents), there are no tracts in Oakland for which this is the case.

While Map 1 shows areas in which a particular group is in the majority, Map 3 provides a much clearer indication of the areas in which different groups are concentrated. For example, the map clearly shows that Asian residents are concentrated not only in Chinatown, but in the San Antonio area as well, reflecting the influx of Asian immigrants during the 1980s and the movement of many Asian residents into the San Antonio area. Whites are concentrated in the hills and other areas above MacArthur Boulevard.

1. Household Characteristics

A high proportion of Oakland households are non-traditional households. For example, almost one-third are single-person households. The proportion of single-parent families is very high, comprising over 15 percent of all Oakland households, as compared to approximately 10 percent for the State of California as a whole. Among households with children under 18 present, only 52 percent are married-couple families; the largest proportion of the remainder, 40 percent, are single-mother households. This group tends to have lower incomes and face housing affordability problems. This group also tends to be predominately minorities.

Two percent of Oakland's population, or 7,871 persons, are reported in group quarters. The largest proportion, (2,340 persons), resides in nursing homes. Many of these residents may be poor elderly with low incomes and/or special needs.

The increase in average household size indicates that the average number of persons per unit in Oakland has risen in the last decade. This is due to an increase in the proportion of families from 56 to 58 percent; an increase in average family size, and an increase in the proportion of non-family households of more than one person. The increase in average size of non-family households may be in part due to persons "doubling-up" in order to cope with increasing as Oakland rents increase faster than incomes. One consequence has been a dramatic increase in rates of overcrowding, particularly among large renter households.

1. Income Characteristics

Oakland is an area of concentration of low income persons relative to the surrounding metropolitan area. The 1990 Census shows that Oakland's household income is far below, and its poverty rate far above, the rates for both Alameda County and the larger 9-County Bay Area.

**Income and Poverty  
(1990)**

<b>Area</b>	<b>Median Household Income</b>	<b>Median Family Income</b>	<b>Poverty Rate</b>
<b>Oakland</b>	\$27,095	\$31,755	18.80%
<b>Alameda County</b>	\$37,544	\$45,037	10.62%
<b>9-County Bay Area</b>	\$41,595	\$48,532	8.5%

It should also be noted that there are significant differences among ethnic groups in terms of both income and poverty rates. Among White households, 36% are lower income, while the corresponding figures are 61% for Black households, 64% for Hispanic households, and 59% for Asian/Pacific Islander households. Moreover, among Blacks and Asian/Pacific Islanders, 75 percent of low income households are very-low income. The pattern is similar for poverty rates. For White families, the figure is roughly 5 percent, while for Black families it is 14.6 percent, for Asian families it is 21.3 percent and for Hispanic families it is 18.3 percent.

In short, not only are income levels in Oakland below those of the surrounding metropolitan area, but a very large proportion of Oakland residents are very low income, with a significant number living in poverty. These problems are particularly pronounced for Oakland's Black, Asian and Hispanic residents. Because Oakland's minority population is disproportionately represented in the low income population, impediments to housing choice that are due to income will have a disproportionate impact on minorities. Thus there is a relationship between the housing problems of low income households and the housing problems faced by minority households.

1. Areas of Low Income Concentration

Low-income households alone are not considered a protected class. In Oakland, however, income level has the effect of restricting housing choices for protected classes. It is with this understanding that the discussion of areas of low income concentration is included in the Analysis of Impediments.

Certain HUD housing programs restrict the development of new affordable housing to areas that are not considered to be areas of undue concentrations of low income households. For this purpose, HUD defines an area of low income concentration as any census tract in which more than 40 percent of the population is living below the poverty line. There are only a few areas within the City that qualify under this definition; they are indicated on Map 4 (page).

The Community Development Block Grant program provides an additional definition of low income concentration as any census tract in which more than 50 percent of the persons qualify as low or moderate income (less than 80% of median family income for the metropolitan area). In all of the seven Community Development Districts, which serve as the target areas for CDBG-funded public service activities, most of the census tracts qualify as low and moderate income tracts. Map 5 (page ) shows the boundaries of the Community Development Districts and identifies those tracts that qualify as low and moderate income. Not surprisingly, there is a significant overlap between these areas and areas that have high concentrations of minority households.

Analysis of income distribution by race also shows a distinct pattern, with racial/ethnic minorities more likely than non-minorities to be low income. This is particularly pronounced for the very low income category (less than 50% of median), where minorities are nearly twice as likely as non-minorities to fall into this category.

**Income Distribution by Race/Ethnicity  
 (1990)**

Income (% of median)	Percent of Households					
	All Households	White	Black	Asian	Hispanic	Native American
<b>0-50%</b>	37%	24%	46%	45%	43%	39%
<b>51-80%</b>	15%	12%	15%	14%	21%	11%
<b>81-95%</b>	8%	8%	9%	7%	9%	11%
<b>&gt; 95%</b>	40%	56%	30%	33%	27%	38%
<b>TOTAL</b>	100%	100%	100%	100%	100%	100%

Seniors

The 1990 Census identified 13,920 renter households with one or more member age 62 or more. Of these, 10,033 had incomes less than 50 percent of the area median income. An additional 16,886 senior households were homeowners, of whom 7,002 had incomes less than 50 percent of the area median.

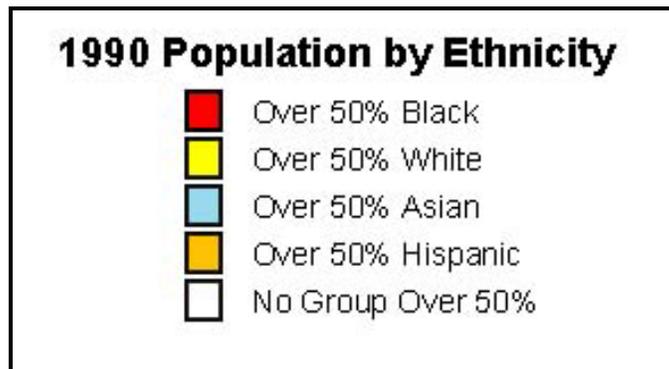
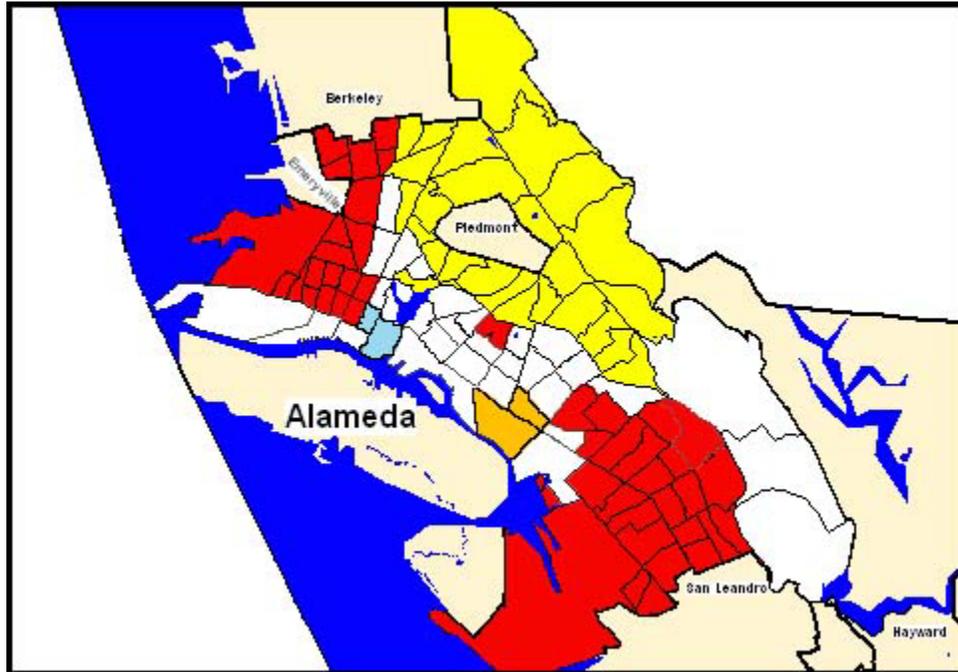
1. Persons with Disabilities

The State Department of Rehabilitation estimates that the number of Oakland residents aged 16 to 64 years of age who are physically or mentally disabled is 31,338.

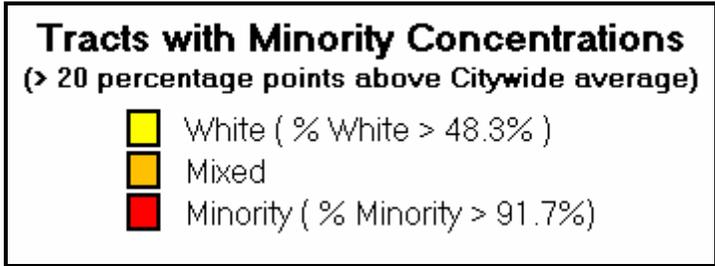
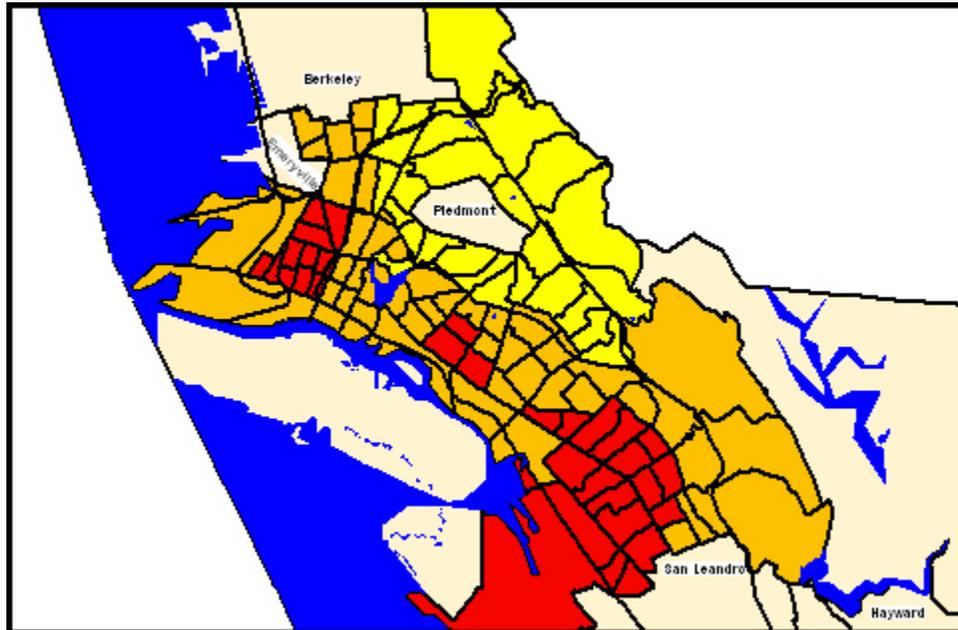
The City of Oakland may have an even greater concentration of disabled people than the national average, due to Oakland's and Berkeley's unique Disability Rights Laws, as well as Oakland's high minority population, which generally tends to have a higher incidence of disabilities.

a) **Maps**

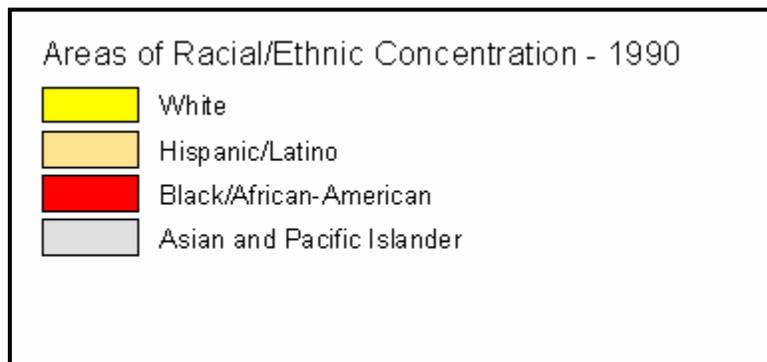
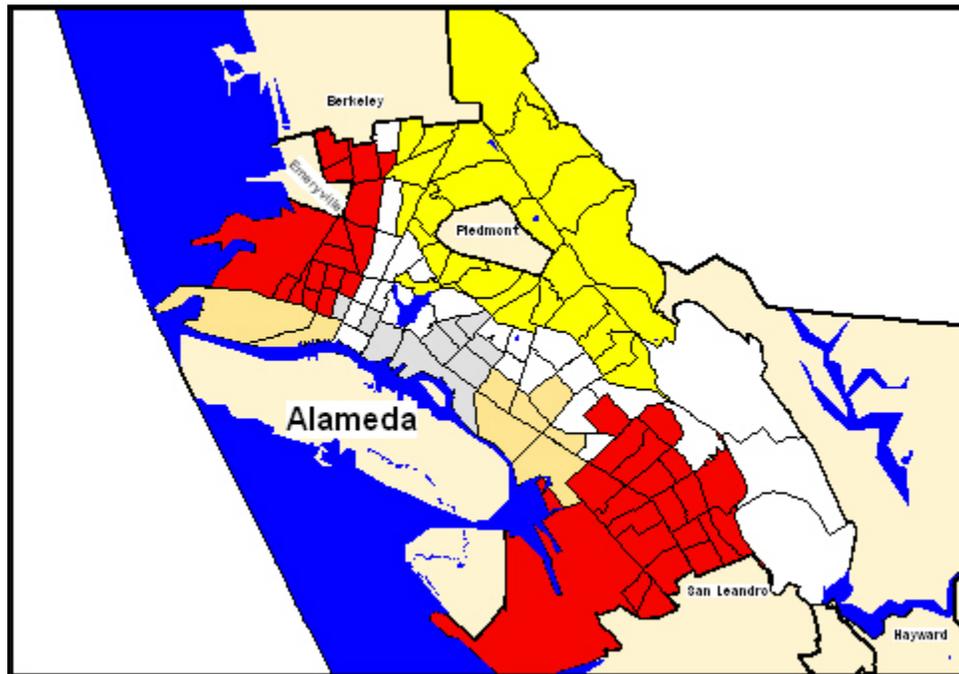
1. Map 1: 1990 Population by Ethnicity (Areas with 50% Concentrations)



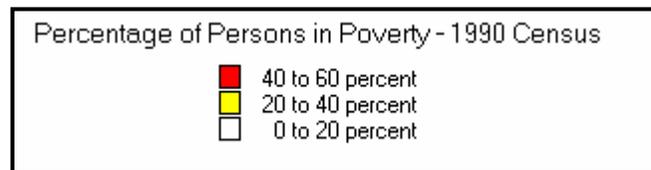
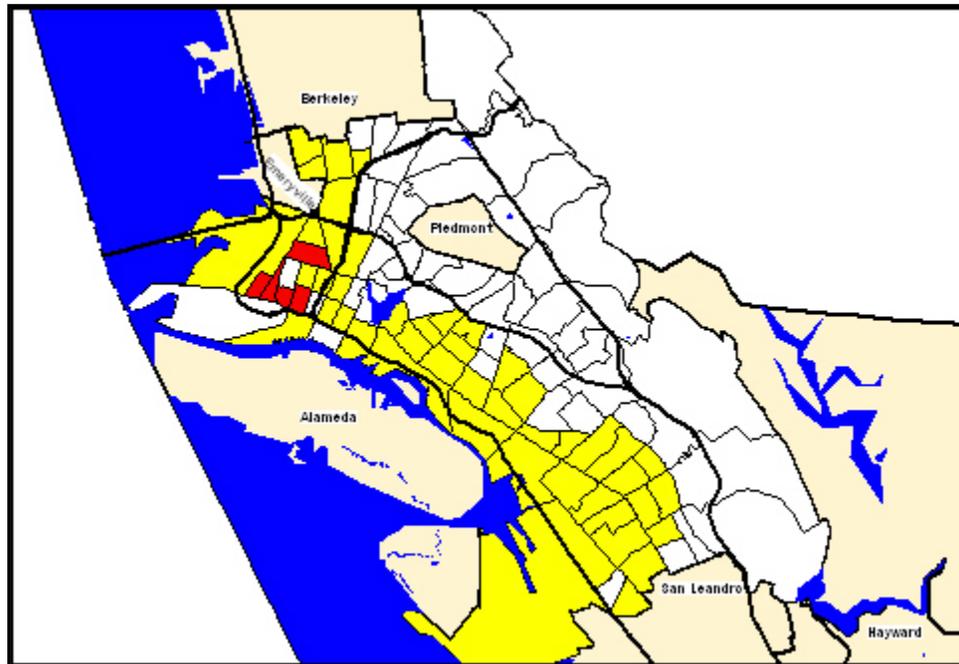
2. Map 2: Oakland Areas with Concentrations of Minorities or Whites



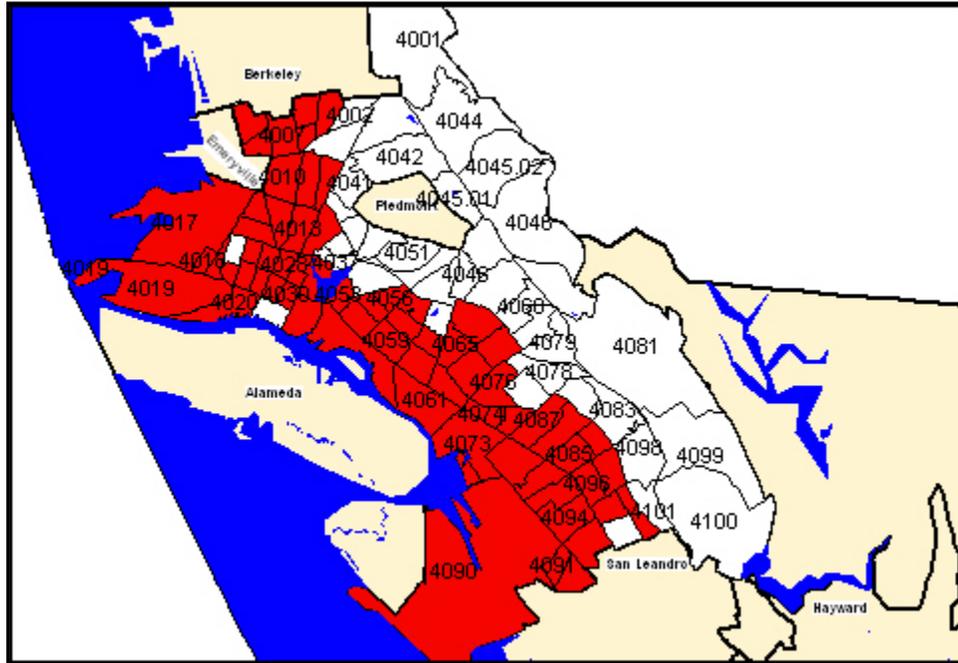
3. Map 3: Areas of Racial Concentration, 1990



4. Map 4: Areas of Poverty Concentration



5. Map 5: Low/Moderate Income Areas



Low and Moderate Income Areas  
(1990 Census)

■ Low/Mod Census Tract  
□ not low/mod

## **Housing Market Data**

### 1. Housing Supply

According to the 1990 Census, Oakland has a total of 154,737 units. The Census data indicates that there was an approximately three percent net increase in the total number of year-round housing units in Oakland between 1980 and 1990, but a two percent increase in total occupied housing units. This rate of increase trails the growth in population substantially; the two percent increase in total occupied units contrasts sharply to the 10 percent increase in population during the same period.

The majority of Oakland's housing, 84,302 units or 58 percent of the occupied housing stock, is renter-occupied. Approximately 42 percent (60,219 units) is owner-occupied.

Growth in the housing stock over the 1980s reflected a slight trend toward rental housing. Despite the increase in the overall number of units during the 1980 to 1990 period, the number of owner-occupied units decreased by one percent, or 652 units. It is valid to assume that some units, formerly occupied by owners, are now occupied by renters. In part this shift toward rental units reflects the high cost of ownership housing and the inability of many households to afford ownership. Because a majority of Oakland's low-income households are also members of protected groups, inability to afford the high cost of ownership is an additional impediment to fair housing choice.

### 1. Housing Conditions

Oakland's housing stock is relatively old compared to many other communities in California. Roughly 70 percent of the housing units in Oakland were built before 1959; the median year built is 1948. The owner-occupied stock is older than the rental stock; more than 48 percent of all owner-occupied housing was built before 1939.

In part as a result of its age, much of Oakland's housing stock is in need of rehabilitation. The most current data regarding substandard housing units, including those suitable for rehabilitation, are derived by applying the results of a housing condition survey to the 1990 housing stock. According to this survey, units which are deteriorating or dilapidated are considered "substandard," and units which are "substandard and suitable for rehabilitation" are those units which are in need of significant repairs which would cost no more than half of the unit's value.

The City estimates that seven percent of the rental stock and 13 percent of the owner-occupied stock is substandard. There are an estimated 5,817 occupied rental units considered substandard and 5,564 occupied rental units considered substandard and suitable for rehabilitation. Of the inhabited owner-occupied units, 8,009 were considered substandard, with 7,708 of owner-occupied units considered substandard and suitable for rehabilitation. This study provides a very modest account for the condition of Oakland's housing stock.

The condition of a city's housing stock is not in itself an impediment to fair housing; however, a significant amount of Oakland's substandard housing is rental housing affordable to lower income households. For many low income renters, substandard housing is the only housing available at an affordable price. As noted earlier, a disproportionate number of low income households are minority. As a result, the problems of unsafe and substandard housing are experienced to a greater degree by minority households.

1. Housing Costs

Throughout the 1970s and 1980s, housing costs rose much faster than incomes throughout the Bay Area. Housing rents and sales prices increased substantially in Oakland over the ten-year period from 1980 to 1990. At the same time, estimated household incomes have not kept pace, increasing by only 97 percent from 1980 to 1990, while the overall consumer inflation rate was only 59 percent.

**Rents, Home Values and Income  
(1970-1990)**

	1970	1980	1990
<b>Median Contract Rent</b>	\$104	\$201	\$486
<b>Median House Value</b>	\$21,300	\$67,600	\$172,100
<b>Median Household Income</b>	\$6,787	\$13,780	\$27,095

Housing costs for rental units, for example, increased substantially faster than either inflation or income in the 1980s. Median contract rent has increased 142 percent. It should be noted that median contract rents do not represent the asking price of vacant units, which tend to be higher. Surveys of rental listings in local newspapers indicate that the median rent for a two bedroom apartment is approximately \$600 to \$700 per month, well beyond the level affordable to a large proportion of Oakland renters.

1. Housing Problems of Minorities

According to the 1990 Census, minority renters have higher rates of housing problems than non-minorities. For the most part, this is due to the fact that a larger percentage of minorities have low incomes, which limits the range of choices in the housing market. At any given income level, the difference in the rate of housing problems between minorities and non-minorities is less than 10 percentage points, much less than the overall differences. However, Hispanic households do have higher rates of housing problems than other groups, even at income levels above low to moderate income. This is due to the fact that there are more large families among Hispanic households, resulting in

problems of overcrowding due to a lack of suitable apartments with three or more bedrooms.

**Renter Households with Housing Problems, by Race/Ethnicity  
 (1990)**

<b>Percent of Median</b>	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>All Minorities</b>	<b>All Households</b>
<b>0 - 30%</b>	81%	82%	89%	83%	82%
<b>31 - 50%</b>	84%	80%	89%	83%	83%
<b>51 - 80%</b>	61%	53%	66%	58%	59%
<b>81 - 95%</b>	32%	25%	51%	no data	31%
<b>&gt; 95%</b>	13%	12%	29%	no data	15%
<b>All</b>	50%	59%	70%	62%	57%

Note: HUD did not provide housing problems data for Asian or Native American households

Among owner households, differences between minority and non-minority households are more significant. Even with adjustments for income, minority owners have more housing problems than non-minority owners.

**Owner Households with Housing Problems, by Race/Ethnicity  
 (1990)**

<b>Percent of Median</b>	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>All Minorities</b>	<b>All Households</b>
<b>0 - 30%</b>	61%	71%	65%	69%	67%
<b>31 - 50%</b>	34%	55%	55%	56%	49%
<b>51 - 80%</b>	30%	44%	59%	49%	43%
<b>81 - 95%</b>	28%	42%	60%	no data	40%
<b>&gt; 95%</b>	21%	22%	31%	no data	23%
<b>All</b>	26%	39%	48%	41%	34%

1. Housing Problems of Seniors and Persons with Special Needs

a. *Lack of Available Units*

Social service agencies serving various low-income populations report that units suitable for the elderly, the disabled, and larger families with children are in scarce supply relative to the need. Large families have a particularly difficult task finding sufficient large housing units.

1990 Census data indicates that 62 percent of all senior renters have housing problems, slightly higher than the rate for all renters. Among senior owners, 25% have housing problems, a figure that is lower than the rate for all owner households.

The City has a shortage of housing suitable for the elderly who have difficulty with daily tasks. More than 3,170 elderly households in Oakland are in need of supportive housing, yet there are only approximately 1,789 affordable units specifically designated for low-income seniors in need of supportive services.

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The current composition of Oakland's housing stock also seriously under serves households with disabilities, particularly those with mobility limitations. Oakland service providers indicate that many disabled persons and/or households with disabled members find it extremely difficult to locate housing that is either accessible or suitable for adaptation.

a. *Special Needs of Seniors*

The City's Office on Aging estimates that approximately 15 percent of Oakland's seniors have difficulty with mobility -- going outside the home, for example, to shop or visit a doctor -- as well as difficulty taking care of daily personal needs. If the 15 percent figure is applied to those low and moderate income households that are 62 or older (the age HUD uses as the determinant of elderly), a total of approximately 3,170 households are in need of supportive services.

According to service providers, there is a critical shortage of rental units for low and moderate income elderly households in Oakland. Satellite Senior Homes reports that they have at least 1,000 seniors on their waiting list. Finally, Christian Church Homes reports that of the 820 units they manage, 413 are subsidized (Section 8), and there is an extensive waiting list of applicants. For the remaining non-subsidized units (407), there are 362 applicants, and the waiting list is closed.

Many seniors have limited financial resources resulting in a great demand for affordable housing. In Oakland this is particularly acute due to the high cost of housing. For those able to live independently, housing facilities need to be affordable and safe. Independent living can be sustained through services which

update existing housing units with safety equipment such as hand rails. Other services which can be incorporated into senior housing or can operate autonomously include: advocates assisting with legal and financial concerns; assistance with daily activities such as chores and meal preparation; respite care; escort services, and transportation assistance. In addition, mental health counseling including grief and support groups, telecare, and visiting counselors offer seniors emotional support. Senior centers with recreational activities, social events and educational classes offer mental and social stimulation. Finally, intergenerational programs with children and seniors and senior volunteer programs benefit the community and the participating seniors. Oakland provides a number of services directed at the elderly; however, large demand and limited resources make continuation and expansion of these programs increasingly difficult.

a. *Special Needs of Persons with Disabilities*

An estimated 40 percent of the disabled population have special architectural needs with regard to their housing. In addition to the problem of finding rental units which are wheelchair accessible, many physically and mentally disabled in Oakland are unable to work. Many of these people have low or moderate incomes, and are either homeless or at risk of becoming homeless. Market rate housing is not an option for many people in the special needs categories; thus, demand for low-income special needs housing with and without support services is very great.

Both physically and mentally disabled persons require programs that are designed to encourage independent living and recognize the special needs of the disabled. Oakland has a large disabled population, and the services currently available cannot adequately support those in need.

Accessible housing with support services is needed to provide support for some of the physically disabled in Oakland. These support services should include counseling, support groups, and employment training and resources. Additional services that should be made available for Oakland's physically disabled include independent living skills education, transportation, and legal assistance related to non-discrimination laws. Some physically disabled persons require attendant referrals and management training. Other services such as empowerment and self-advocacy training further enhance independent living skills for the disabled. Affordable, accessible child care and parent support groups are needed for the physically disabled with children.

Many mentally disabled persons have a great need for affordable housing due to their limited employment opportunities. Affordable housing should be combined with support services to address the particular needs of the mentally disabled. Services should include counseling and support groups, employment training and placement, and day centers with social and recreational activities. Additional

services that should be offered for the mentally disabled in Oakland include independent living skills education and advocacy for benefits and legal issues.

In recent years, there has been an increased awareness of the particular problems faced by persons with environmental illness and/or multiple chemical sensitivity. This population is not currently served by existing housing programs, and requires access to housing that is constructed with materials that are demonstrated to be free of the kinds of chemicals that can cause serious reactions for those who have this condition.

Persons with the AIDS/HIV virus often live on fixed incomes and face high medical bills. Affordable housing and housing offering special services for the AIDS/HIV+ population should recognize the special needs of this population. Vital services for the AIDS/HIV+ population need to provide a significant amount of advocacy for legal issues including housing and employment discrimination, obtaining benefits, paying bills, and covering medical costs not covered by MediCal. As the virus progresses daily activities such as cooking and cleaning become increasingly difficult. Consequently, services such as food programs, chore providers, transportation, child care and respite care assist with these tasks. Finally, due to the misunderstandings related to the AIDS/HIV+ population and because of the nature of the disease, mental health counseling, support groups, and daily activity centers offer persons with AIDS a place to avoid isolation. Many of these services should be combined with housing facilities, particularly for those in the later stages of the disease. Oakland has a significant demand for these services with very limited programs offering this type of targeted assistance.

People living with HIV/AIDS fall into two categories vis-a-vis housing needs. The first group are those who have had stable lives prior to their HIV infection (jobs, homes, support structures, etc.). At the point where they are no longer able to work due to their illness, their incomes fall dramatically (usually to SSI level), which forces them to radically alter their living conditions. The greatest need for this group is affordable housing which supports their ability to access health care and social services, and support/counseling which helps them adjust to the transitions in their lives.

The second group of HIV+ people with housing needs are those who have been in housing and social service crisis before HIV was ever a part of their lives. This group, which is growing at a tremendous rate, often have multiple diagnoses, including chronic substance abuse, severe mental illness (potentially exacerbated by HIV-related dementia), and/or other physical disabilities. Most have been through the matrix of housing and homeless services, and have not been able to break their cycle of homelessness. The stress of homelessness accelerates the advances of HIV-infection, and the lack of stable housing acts as a barrier to people receiving adequate health care and social services. This sub-group of HIV+ people need intensive supportive affordable housing, which includes

substance abuse recovery services and mental health services which factor in the effects of HIV as it relates to other pre-existing conditions.

1. Housing Problems of Large Families

Large families -- households with five or more persons -- face particular problems securing decent affordable housing. There are 9,578 large renter families in Oakland, of whom 85 percent have housing problems, a rate much higher than the 57 percent rate for all renter households. This discrepancy is explained by an inability to secure adequately sized housing. At all income levels, including moderate income and above, although cost burden is actually less common than among other renter households, rates of overcrowding are much higher.

**A. Other Relevant Data**

1. Government/Public and Private Resources

*Consolidated Plan for Housing and Community Development*, City of Oakland, Office of Housing and Neighborhood Development, May 1995.

Comprehensive Housing Affordability Strategy (CHAS), City of Oakland, Office of Community Development, November 1993.

*Community and Economic Development Advisory Commission*, "Public Hearing/Lender Performance", City of Oakland.

Housing Mortgage Disclosure Act data: compilation of disclosure reports by individual lenders.

1. Listing of Independent Agencies

Sentinel Fair Housing

Housing Rights, Inc.

Center for Independent Living

California Reinvestment Committee

1. Fair Housing and Lending Studies and Reports:

*Fair Housing Audit Report*, Housing Rights, Inc.

*Impediments to Fair Housing for People with Disabilities*, Center for Independent Living

*"Who Really Gets Home Loans?"*, California Reinvestment Committee.

*Zoning and Land Use Discrimination Project*, Developed for the City of Oakland by Housing Rights, Inc.

**I. EVALUATION OF JURISDICTION'S CURRENT FAIR HOUSING PROFILE**

**A. Existence of Fair Housing Complaints or Compliance Reviews Where the Secretary Has Issued a Charge of or Made a Finding of Discrimination**

1. Summary of Fair Housing Agency complaints

The City of Oakland contracts with three nonprofit agencies to offer fair housing counseling and to advocate for and to address all issues related to fair housing. Housing Rights, Sentinel Fair Housing and Center for Independent Living each provided Fair Housing Audits. Housing Rights and Sentinel addressed issues primarily of racial discrimination in rentals, while Center for Independent Living focuses on discrimination against the disabled.

During the 1995-1996 Fiscal Year, Housing Rights handled 75 discrimination cases. Five cases are still pending through the U.S. Department of Housing and Urban Development; three had monetary settlements between \$5,000 and \$8,500; ten showed no jurisdiction through the Department of Fair Employment and Housing, based on a finding of no discrimination; and the remaining 57 were settled through mediation.

Sentinel Housing handled 96 fair housing cases. Disposition information was provided for 89 of these. Thirty-five clients were handled solely by Sentinel staff; 21 cases were handled pending further investigation; 14 clients were referred to Housing Rights; nine clients were referred to HUD; seven clients were referred to attorneys; and three cases were dropped at the clients' requests.

The Center for Independent Living (CIL) handled 791 disability rights and referral "cases". A breakdown of the case conclusions was not available; however, CIL provided detailed information for the audit on the conditions of housing for the disabled.

**A. Existence of Fair Housing Discrimination Suits Filed by the Department of Justice or Private Plaintiffs**

1. Fair Housing Agency Audits or Reported Suits

All three of the fair housing agencies described above have reported referring some percentage of their clients to private agencies or attorneys. The conclusions of these cases are not itemized in the reports provided by those agencies.

**A. Identification of Other Fair Housing Concerns or Problems**

1. Single Room Occupancy Housing

There are many single-room occupancy hotels in Oakland, particularly in the downtown area, serving very low income persons. Some of these hotels received financial assistance from the City for rehabilitation. HUD has indicated to the City that it has received a number of complaints alleging discrimination in some of these hotels. However, the City has not itself received any such complaints, and as yet HUD has not provided the City with information regarding the specific nature of these complaints.

1. Community Opposition to the Siting of Affordable Housing

In recent years there has been an increase in neighborhood opposition to the siting of affordable housing developments. For example, the development of the Coolidge Court project for developmentally disabled young adults was delayed while the developers sought to allay neighborhood concerns about the siting of the project. Two proposed rental housing developments for low income families, the Evelyn Rose Apartments and the Buell Street Cooperatives, were unable to proceed, in large measure because of neighborhood opposition to low income rental housing. Because these affordable projects serve large numbers of minority households and families with children, opposition to these kinds of projects has the effect of limiting housing choices for protected classes, even if a specific discriminatory intent does not exist.

A number of fair housing and housing advocacy organizations has identified this issue as a potential fair housing issue, and has urged the City to take more steps to ensure that community opposition to projects does not become a mechanism for restricting housing choices of protected classes. The City will continue to pursue a variety of means to allay neighborhood concerns over affordable housing, including providing predevelopment assistance to nonprofit developers to engage in neighborhood outreach early in the process of project development, and supporting public education efforts by East Bay Housing Organizations and other groups.

## **I. IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING CHOICE**

The previous sections of this report have identified the demographic and housing characteristics of the City, including information regarding disparate housing outcomes for racial and ethnic minorities, seniors, the disabled, and others. The report has also described specific fair housing complaints, audit reports, and other concerns.

This section of the report discusses a number of areas that could constitute impediments to fair housing choice. It should be noted that the City's analysis indicates that some of the areas that were examined in accordance with HUD's guidelines were found not to constitute impediments. Each of these issue areas is discussed below.

### **A. Lack of Affordable Housing**

As noted elsewhere in this report, as well as in the City's Consolidated Plan, the City of Oakland continues to face a severe shortage of decent housing available and affordable to low income persons. The vast majority of Oakland's low income renters experience one or more housing problems, particularly overpayment, overcrowding, and/or substandard conditions. Because minorities are far more likely than non-minorities to be low income, the lack of decent affordable housing serves to restrict the housing choices of minorities to a far greater degree than non-minorities. As a result, the lack of affordable housing must be seen as a significant impediment to fair housing choice.

### **A. Community Opposition to the Siting of Affordable Rental Housing**

Neighborhood opposition to the development of affordable rental housing is a serious impediment to protected classes in Oakland. Because minorities are disproportionately represented among Oakland's low and moderate income population, impediments to the provision of affordable housing have a disparate impact on minority households, effectively limiting housing choices for those households. Similar kinds of opposition are also found to housing serving the disabled, particularly those with mental or developmental disabilities.

According to the City's Environmental Review Specialist, neighborhoods bordering on moderate to middle income levels do not, in theory, oppose affordable housing, but do not want such projects constructed in their neighborhoods. The most recent example of community opposition was the proposed construction of the Buell Street Cooperatives project. The eleven unit townhouse style rental project, which was proposed for development on a vacant lot in a moderate income neighborhood with little existing affordable housing, was opposed before the environmental review determined its eligibility. Although there was no overt mention of racial preferences, opposition to the project included preconceived notions of the characteristics of the households that would occupy the proposed development. Every issue from open space to availability of adequate utility resources was used as justification for community opposition. Analysis of letters of opposition revealed that the principal reasons cited for the opposition are

protection of present lifestyle, property value and the misconception of persons needing affordable housing. One of the major misconceptions held by neighbors is that old cars would pile onto the streets, blocking their driveways, disturbing the charm of the area. Another is that the noise levels would dramatically increase.

The Buell Street project is only one of a number of proposed rental housing projects that have been delayed or not pursued because of such neighborhood opposition. To the extent that the low income population is made up predominately of minority households, barriers to the expansion of the affordable housing supply becomes an impediment to fair housing, even where no overt racial discrimination is displayed.

## **A. Sale or Rental of Housing**

### **1. Fair Housing Audits**

In 1991-92, Housing Rights, Inc. conducted a fair housing audit to determine the extent of discrimination experienced by renter households with children. Despite the fact that discrimination against families with children has been prohibited in Oakland since 1980, such discrimination continues to be a major barrier to housing choice for many families. The audit revealed that of the 40 sites tested, 68% showed favorable treatment to testers without children. Under a HUD Fair Housing Initiatives Program grant, Housing Rights “re-tested” the Oakland units where discrimination was previously found. That audit of 28 sites revealed a 61% discrimination rate against testers with children. Specific examples include:

Testers with children were asked about marital status, custody arrangements and other information before being given information about the availability of units, were offered only ground floor units and were told about restrictive occupancy limits. Testers with children were told about more available units and less expensive units.

Testers with children were asked to pay higher deposits, were charged higher rents, and were subject to higher minimum income requirements. Testers without children were offered more flexible payment terms.

Testers with children were provided with less information about available units than testers without children. Owners “sold” their units more aggressively

1. Other Reports of Discrimination in Rental Housing

Sentinel Fair Housing provided the following breakdown of the incidents of housing discrimination. Their June report showed 54 cases from Blacks, 5 from Hispanics, 50 cases from persons whose income was 50% below the median, 20 from persons whose income was 80% below the median and only one from a person whose income was above the 80% median. There were also 23 cases from female-headed households and 5 from disabled or handicapped persons. Sentinel did not provide a cross-tabulation of income and race.

The Center for Independent Living conducted an audit of the Impediments to Fair Housing for People with Disabilities. They found that there are four major impediments for the disabled: 1) housing affordability; 2) accessibility; 3) the general practice of housing development for the disabled and; 4) mitigating segregation and discrimination of people with disabilities in housing.

**A. Lending**

1. Discrimination in Mortgage Lending - HMDA Data

The Federal Financial Institutions Examination Council (FFIEC) oversees the compilation of data from mortgage lenders as required under the Home Mortgage Disclosure Act (HMDA). The table below shows the approval and denial rates for mortgages on conventional and FHA/VA insured home purchase loans for applications made in 1995 in the Oakland MSA (Alameda and Contra Costa Counties combined), as a percentage of the total applications received. These figures are broken out by race and income.

Analysis of this report reveals that there are relatively minor differences in origination and denial rates among Whites, Asians and Hispanics, with slightly higher origination rates for Whites. However, for Blacks and Native Americans, denial rates are significantly higher and approval rates are significantly lower. For example, while origination rates generally range between 70 percent and 75 percent, and denial rates range between 10 percent and 15 percent, for Blacks the rates are 62 percent and 21 percent respectively. This difference can be seen at every income level, which means that differences among racial groups are not simply due to different income distributions between groups, and suggesting that racial discrimination in lending, particularly against Black and Native American borrowers, continues to be a serious barrier to fair housing.

**HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA, 1995  
 (Disposition of Loan Applications in Oakland MSA, by Income and Race)**

	Origin	Unacct	Denied	Withdrn	Incompl	Bought	Unknown	Total
<b>&lt;51% median income</b>								
Native	3	0	4	0	1	0	0	8
% in row	38%	0%	50%	0%	13%	0%	0%	
Asian	122	8	44	16	7	0	0	197
% in row	62%	4%	22%	8%	4%	0%	0%	
Black	79	15	43	16	9	0	0	162
% in row	49%	9%	27%	10%	6%	0%	0%	
Hispanic	228	12	79	41	7	0	0	367
% in row	62%	3%	22%	11%	2%	0%	0%	
White	251	16	82	34	7	0	0	390
% in row	64%	4%	21%	9%	2%	0%	0%	
Other	15	2	12	2	1	0	0	32
% in row	47%	6%	38%	6%	3%	0%	0%	
Not Prov.	20	4	17	8	3	0	0	52
% in row	38%	8%	33%	15%	6%	0%	0%	
Joint	9	0	9	6	0	0	0	24
% in row	38%	0%	38%	25%	0%	0%	0%	
<b>51-80% median income</b>								
Native	18	0	4	6	0	0	0	28
% in row	64%	0%	14%	21%	0%	0%	0%	
Asian	568	26	94	78	16	0	0	782
% in row	73%	3%	12%	10%	2%	0%	0%	
Black	438	32	150	68	21	0	0	709
% in row	62%	5%	21%	10%	3%	0%	0%	
Hispanic	789	34	147	99	13	0	0	1,082
% in row	73%	3%	14%	9%	1%	0%	0%	
White	1,585	100	235	203	23	0	0	2,146
% in row	74%	5%	11%	9%	1%	0%	0%	
Other	55	2	18	12	2	0	0	89
% in row	62%	2%	20%	13%	2%	0%	0%	
Not Prov.	109	8	44	34	11	0	0	206
% in row	53%	4%	21%	17%	5%	0%	0%	
Unknown	6	0	2	4	0	0	0	12
% in row	50%	0%	17%	33%	0%	0%	0%	
Joint	94	2	20	10	0	0	0	126
% in row	75%	2%	16%	8%	0%	0%	0%	
<b>81-95% median income</b>								
Native	10	2	0	4	1	0	0	17
% in row	59%	12%	0%	24%	6%	0%	0%	
Asian	389	26	62	57	10	0	0	544
% in row	72%	5%	11%	10%	2%	0%	0%	
Black	243	13	73	50	8	0	0	387
% in row	63%	3%	19%	13%	2%	0%	0%	
Hispanic	364	13	66	50	7	0	0	500
% in row	73%	3%	13%	10%	1%	0%	0%	
White	1,149	60	162	149	17	0	0	1,537
% in row	75%	4%	11%	10%	1%	0%	0%	
Other	53	4	16	13	0	0	0	86
% in row	62%	5%	19%	15%	0%	0%	0%	
Not Prov.	96	7	29	22	3	0	0	157
% in row	61%	4%	18%	14%	2%	0%	0%	
Unknown	3	0	0	1	0	0	0	4
% in row	75%	0%	0%	25%	0%	0%	0%	
Joint	99	4	19	8	3	0	0	133
% in row	74%	3%	14%	6%	2%	0%	0%	

	Origin	Unacct	Denied	Withdrn	Incompl	Bought	Unknown	Total
<b>96-120% median income</b>								
Native	15	1	4	5	1	0	0	26
% in row	58%	4%	15%	19%	4%	0%	0%	
Asian	637	39	121	99	9	0	0	905
% in row	70%	4%	13%	11%	1%	0%	0%	
Black	343	17	104	53	10	0	0	527
% in row	65%	3%	20%	10%	2%	0%	0%	
Hispanic	398	13	85	53	10	0	0	559
% in row	71%	2%	15%	9%	2%	0%	0%	
White	2,201	122	293	264	28	0	0	2,908
% in row	76%	4%	10%	9%	1%	0%	0%	
Other	62	0	27	20	3	0	0	112
% in row	55%	0%	24%	18%	3%	0%	0%	
Not Prov.	140	10	40	45	6	0	0	241
% in row	58%	4%	17%	19%	2%	0%	0%	
Unknown	1	0	0	3	0	0	0	4
% in row	25%	0%	0%	75%	0%	0%	0%	
Joint	235	9	35	33	8	0	0	320
% in row	73%	3%	11%	10%	3%	0%	0%	
<b>&gt;120% median income</b>								
Native	32	2	11	7	0	0	0	52
% in row	62%	4%	21%	13%	0%	0%	0%	
Asian	1,580	133	266	280	33	0	0	2,292
% in row	69%	6%	12%	12%	1%	0%	0%	
Black	492	30	183	92	10	0	0	807
% in row	61%	4%	23%	11%	1%	0%	0%	
Hispanic	393	30	73	53	8	0	0	557
% in row	71%	5%	13%	10%	1%	0%	0%	
White	7,225	558	912	998	87	0	0	9,780
% in row	74%	6%	9%	10%	1%	0%	0%	
Other	201	13	42	53	6	0	0	315
% in row	64%	4%	13%	17%	2%	0%	0%	
Not Prov.	450	38	85	92	14	0	0	679
% in row	66%	6%	13%	14%	2%	0%	0%	
Unknown	6	0	2	3	0	0	0	11
% in row	55%	0%	18%	27%	0%	0%	0%	
Joint	651	54	100	96	10	0	0	911
% in row	71%	6%	11%	11%	1%	0%	0%	
<b>Unknown income</b>								
Native	0	0	0	1	0	0	0	1
% in row	0%	0%	0%	100%	0%	0%	0%	
Asian	10	1	2	8	0	0	0	21
% in row	48%	5%	10%	38%	0%	0%	0%	
Black	15	0	3	2	0	0	0	20
% in row	75%	0%	15%	10%	0%	0%	0%	
Hispanic	9	0	0	4	0	0	0	13
% in row	69%	0%	0%	31%	0%	0%	0%	
White	43	1	6	17	0	0	0	67
% in row	64%	1%	9%	25%	0%	0%	0%	
Not Prov.	45	22	19	9	7	0	0	102
% in row	44%	22%	19%	9%	7%	0%	0%	
Unknown	8	0	0	1	0	0	0	9
% in row	89%	0%	0%	11%	0%	0%	0%	
Joint	6	0	2	1	0	0	0	9
% in row	67%	0%	22%	11%	0%	0%	0%	

	Origin	Unacct	Denied	Withdrn	Incompl	Bought	Unknown	Total
<b>Subtotals (All income levels by race)</b>								
Native	78	5	23	23	3	0	0	132
% in row	59%	4%	17%	17%	2%	0%	0%	
Asian	3,306	233	589	538	75	0	0	4,741
% in row	70%	5%	12%	11%	2%	0%	0%	
Black	1,610	107	556	281	58	0	0	2,612
% in row	62%	4%	21%	11%	2%	0%	0%	
Hispanic	2,181	102	450	300	45	0	0	3,078
% in row	71%	3%	15%	10%	1%	0%	0%	
White	12,454	857	1,690	1,665	162	0	0	16,828
% in row	74%	5%	10%	10%	1%	0%	0%	
Other	386	21	115	100	12	0	0	634
% in row	61%	3%	18%	16%	2%	0%	0%	
Not Prov.	860	89	234	210	44	0	0	1,437
% in row	60%	6%	16%	15%	3%	0%	0%	
Unknown	24	0	4	12	0	0	0	40
% in row	60%	0%	10%	30%	0%	0%	0%	
Joint	1,094	69	185	154	21	0	0	1,523
% in row	72%	5%	12%	10%	1%	0%	0%	
<b>Subtotals (All races by income level)</b>								
<51% medn.	727	57	290	123	35	0	0	1,232
% in row	59%	5%	24%	10%	3%	0%	0%	
51-80% med	3,662	204	714	514	86	0	0	5,180
% in row	71%	4%	14%	10%	2%	0%	0%	
81-95% med	2,406	129	427	354	49	0	0	3,365
% in row	72%	4%	13%	11%	1%	0%	0%	
96-120% md	4,032	211	709	575	75	0	0	5,602
% in row	72%	4%	13%	10%	1%	0%	0%	
>120% med.	11,030	858	1,674	1,674	168	0	0	15,404
% in row	72%	6%	11%	11%	1%	0%	0%	
Unknown	136	24	32	43	7	0	0	242
% in row	56%	10%	13%	18%	3%	0%	0%	
<b>Total</b>	<b>21,993</b>	<b>1,483</b>	<b>3,846</b>	<b>3,283</b>	<b>420</b>	<b>0</b>	<b>0</b>	<b>31,025</b>
% in row	<b>71%</b>	<b>5%</b>	<b>12%</b>	<b>11%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	

1. Other Information Regarding Home Mortgage Lending Practices throughout California

The following is information collected from *Who Really Gets Home Loans?*, a report on home mortgage lending practices of California's Largest Lenders, completed by the California Reinvestment Committee (CRC). The CRC surveyed lending practices of the 20 largest lenders and their records for Whites, Blacks, Hispanics and low-income households. Although the information pertains to California as a whole, it is likely that the findings apply also to lending practices within the City of Oakland.

a. *Approvals*

In 1994, 102,684 loan applications were approved. Only 16 percent of approved applicants were Latinos; 10 percent were low-income; and Blacks made up only 4 percent. Almost 65 percent of all approved loans went to white households. ITT Federal Bank took only one application from a Black household in the entire state of California; Great Western Bank, of which there are four branches in Oakland, decreased its low-income applications by 25 percent; and Sumitomo Bank (one branch in Oakland, five in Alameda County) decreased its applications from Blacks by 75 percent. The Bank of California (one in Oakland) turned down loan applications from Blacks almost five times as often (4.63) and Latinos more than three times (3.43) as often as white households.

The CRC survey shows a pattern of lower approval rates for non-white applicants. In 1994, financial institutions took in 97,094 applications from White households and approved 66,938 or 69 percent. These same institutions took in 6,660 applications from Blacks and approved 3,645 or 55 percent; 27,374 from Latinos with an approval of 16,907 or 62 percent. Low-income households accounted for 17,330 applications, of which 9,887 or 57 percent were approved.

a. *Outreach*

The success of an institution's outreach effort is measured by the number of applications each institution took from Black, Latino, and low-income households in comparison to their representation among California households. Equal access is attained when the percentage of applications is equal to the percentage of Black, Latino, and low-income households in the population as a whole. Outreach rates continue to be significantly lower for Black, Latino, and low-income households. Two of the largest institutions, Bank of America and Great Western Bank, had a reduction of 25 percent or more in the number of Black applications over the three years CRC has studied home mortgage lending. Great Western's outreach effort has steadily worsened in comparison to other banks over the last three years. The twenty financial institutions surveyed took a total of 159,121 applications. Of those, 97,094 or 61 percent were from Whites. Blacks only accounted for 6,660 or 4.19% of all applications. This falls short of the 7 percent of California households represented by Blacks.

a. *Summary of Findings*

The report's data show that while most financial institutions have increased their lending to people of color and low-income individuals, Black, Latino and low-income households still have a harder time getting loans than White households. Blacks and Latinos who applied for home mortgage loans in 1994 continued to be rejected more often than Whites. The disparity for low-income applicants is much greater. While the report shows that opportunities for Latinos have improved, conditions have worsened for Blacks and low-income applicants.

The City of Oakland, as well as the entire state of California, continues to face impediments from financial institutions. Whether the treatment is defined as racism or disparate impact, the outcome remains the same-- limitations to fair housing choice for Blacks, Hispanics and low-income households.

**A. Land Use and Zoning Practices**

The current Zoning Ordinance definition for Residential Care Facilities often subjects housing for persons with disabilities that have any services provided to a CUP process that allows neighbors to mount opposition.

According to Sentinel Fair Housing, the definition of Residential Care Facilities under the Zoning Code automatically categorizes housing for the disabled which may require day services as an institutional use subject to particular conditional use permit procedures.

In 1995, Housing Rights, Inc. of Berkeley, under a grant from the U.S. Department of Housing and Urban Development, completed a testing report on discriminatory zoning and land use practices in Contra Costa and Alameda County cities, including the City of Oakland. For each city studied, a tester approached the zoning counter with a proposal to purchase a property for the purpose of establishing a group home type residence for persons with psychiatric disability. Housing Rights also conducted reviews of local zoning and land use ordinances.

In most cities, the test results found that the use of the word “disabled” triggered concerns about licensing. Planners frequently informed the tester that “this type of housing” causes neighborhood concerns. None of the planners seemed aware of federal or state fair housing laws which prohibits discrimination against the disabled through zoning practices.

In Oakland, Housing Rights found that some staff at the zoning counter were not familiar with the applicable zoning ordinances, and erroneously advised the tester that a conditional use permit was required. In addition, Housing Rights found provisions in the City’s zoning ordinance which appear to single out housing for persons with disabilities in a manner that subjects such housing to a different standard than that required for other residential uses.

**A. Policies Regarding Public Housing and Section 8**

The Oakland Housing Authority (OHA), which operates as a separate and independent agency from the City of Oakland, owns and manages approximately 3,300 units of public housing serving very low income households. The Housing Authority also manages the Section 8 Certificate and Voucher programs, which provide tenant based rental assistance to approximately 6,500 households. Because the vast majority of persons served by these programs are minority and/or elderly households, the policies and practices governing these programs have particular implications for fair housing choice. In 1995, HUD conducted an extensive Fair Housing and Equal Opportunity Monitoring study of the Oakland Housing Authority. The discussion that follows is drawn from that report.

1. Public Housing

OHA owns and manages a total of 3,306 units through the Conventional Low Income Public Housing program. The HUD study found that 1,630 units are in minority concentrated census tracts, 146 units are in census tracts with a concentration of non-minorities, and 1,530 units are in mixed areas (see map on next page).

At the time of the review, there were 1,015 applicants on the OHA waiting list for public housing. Although the OHA keeps a single waiting list for both Public Housing and Section 8, applicants are coded to indicate their preferences. All racial/ethnic groups were represented in equal proportions for both kinds of housing, and there was no evidence that HUD was steering racial groups to particular types of assisted housing. HUD also found that OHA applied eligibility criteria and screening methods consistently for all groups.

At the time of the HUD study, 2,882 of OHA's units were occupied, and 424 were vacant (many of the vacant units were undergoing modernization at the time). The racial/ethnic breakdown of the occupied units was as follows:

Race/ethnicity	Waiting List	Public Housing
White	4.5%	6.0%
Black	81.2%	76.4%
Asian	11.5%	17.2%
Hispanic	2.3%	3.6%
Native American		0.3%

For the most part, occupancy is reflective of the waiting list. However, the report noted some concentration of Asians at the Coliseum Gardens and Westwood Gardens developments, with some clustering within particular zones in those projects. Two projects, Campbell Village and Palo Vista, were determined to be identifiable as single-race complexes, with Black residents constituting 93.2% and 94.9% of residents, respectively. However, the review found no evidence of bias or racial steering.

PUBLIC HOUSING MAP 1

PUBLIC HOUSING MAP 2

1. Section 8

The Section 8 Certificate and Voucher programs provide low income households with vouchers that assist them to secure privately owned rental housing. The Oakland Housing Authority administers over 6,500 Certificates and Vouchers.

The HUD report noted deficiencies in the Housing Authority's outreach to eligible families. OHA was unable to provide HUD with copies of newspaper ads or public service announcements. Although OHA had indicated that it would make particular efforts to do outreach to senior citizen groups, no documentation of this effort was available at the time of the monitoring review.

Similar concerns were raised by HUD regarding OHA's inability to provide documentation of outreach to property owners in order to expand housing opportunities for families outside of areas of minority and low income concentration.

Despite these concerns, a review of the location of Section 8 certificate and voucher holders shows that significant numbers of assisted households have managed to use their assistance to rent outside areas of concentration. Approximately 2,659 units were located in areas of minority concentration, 807 units were located in areas of concentration of non-minorities, and the remaining 3,000 or so units were located in mixed areas.

HUD's review of tenant screening procedures and the process for maintaining a waiting list showed no evidence of bias on the basis of race, national origin, gender, handicap status or familial status.

**A. Policies Regarding Other Assisted Housing**

In addition to Public Housing and Section 8 assisted households, there are 88 privately owned (for profit and nonprofit) developments containing 6,600 rental units that have been affordable to low income household with assistance from HUD, the City, the Oakland Redevelopment Agency, or other public sources. These development include units for families, seniors, and the disabled, as well as single room occupancy and transitional housing developments.

The maps on the following pages show the distribution of these developments in relation to the City's areas of minority concentration. For the most part, assisted housing is dispersed throughout the flatland areas of the City, both inside and outside of areas of minority concentration. However, there is a high concentration of assisted family housing in the West Oakland area, which is an area of minority concentration. As can be seen from the maps, there is little or no assisted housing in the hill areas, which are also areas of low concentration of low income and minority persons.

The City has no information on the tenant profile of assisted housing developments.

First project location map

second project location map

**A. Policies Regarding Location of Housing and Community Development Activities**

Most of the City's housing programs are not targeted to specific areas, but are available citywide. Given the limited number of sites available for housing developments, the City has chosen not to restrict development to particular areas of the city.

The Home Maintenance and Improvement Program (HMIP), which is funded from Community Development Block Grant funds, is restricted to owner households who reside within one of the city's seven Community Development Districts.

The Rental Rehabilitation Program (RRP) is targeted to those units which will remain affordable to lower income households after rehabilitation, even in the absence of any rent restrictions (which are prohibited by Federal regulations). The RRP is restricted to those areas within the Community Development Districts that clearly qualify as lower income neighborhoods.

Both of these programs are aimed at improving the condition of housing currently occupied by low income households, most of whom are racial and ethnic minorities. The programs are also aimed at revitalization of low income neighborhoods. In this particular case, targeting of revitalization resources to areas of low income and minority concentration can be viewed as another mechanism for increasing housing choices for minorities and low income families.

In contrast, the First-Time Home Buyers Program, which provides ownership opportunities for households who currently are renters, is not limited to the Community Development Districts. Those persons who qualify for the program can purchase a home in any part of the City of Oakland. By not restricting housing choice, Oakland allows its residents the freedom to choose homes for purchase anywhere in the City, eliminating policies which create minority exclusion or concentration. Although the program is intended to provide maximum choice in housing, and seeks to reduce minority exclusion or concentration, because of the generally low-income levels of most of Oakland's residents, persons qualifying for the first-time home buyers programs, tend to have financial limitations which prevent purchasing the more expensive homes of the hill areas, which are predominately White.

Public services and neighborhood improvement activities funded under the Community Development Block Grant Program are restricted to the seven Community Development Districts in an effort to improve conditions in areas of low income and minority concentration.

## A. ASSESSMENT OF CURRENT FAIR HOUSING PROGRAMS

As part of an effort to affirmatively further fair housing, the City of Oakland engages in a number of fair housing related activities, as well as providing funding to private nonprofit fair housing agencies. Overcoming discrimination in housing is cited as one of seven housing priority areas in the City's Consolidated Plan.

### A. Funding of Fair Housing Organizations

For many years, the City has provided funding to nonprofit groups that engage in counseling, education, investigation and advocacy related to tenant and fair housing issues. In recent years, funding has been made available from the City's Community Development Block Grant (CDBG) funds.

*Sentinel Fair Housing* conducts landlord/tenant mediation services, and investigates complaints of discrimination in housing. In FY 1997-98, this group was awarded \$127,000 in CDBG funds.

*Housing Rights, Inc.* conducts investigations into housing discrimination against families with children. They have also been involved in other fair housing issues. In FY 1997-98, this group was awarded \$52,000 in CDBG funds.

*The Center for Independent Living* provides housing search services and housing rights counseling to Oakland's physically and mentally disabled residents. In FY 1997-98, this group was awarded \$86,000 in CDBG funds.

### B. Fair Housing Marketing Procedures

Under the federally funded HOME Program, all housing assisted with HOME funds must be marketed in accordance with Affirmative Fair Housing Marketing Procedures adopted by the City and approved by HUD's Fair Housing and Equal Opportunity division. In practice, these procedures are required by the City and the Redevelopment Agency on all assisted projects, regardless of the source of funds used to assist the project. The marketing procedures describe requirements for advertising and outreach to encourage applications from groups least likely to apply for occupancy in a particular development. For example, in the absence of affirmative marketing, Black residents might not be aware of housing opportunities in a neighborhood in which few Blacks reside.

**C. Monitoring Existing Assisted Housing**

Housing developments assisted by the City and/or Redevelopment Agency are monitored after initial occupancy for the entire term of the low income use restrictions, often 30 years or more. This monitoring includes responding to and investigating complaints of discrimination.

Monitoring functions are the responsibility of the Monitoring and Evaluation Unit of the Agency Operations Division in the Community and Economic Development Agency, located at 1333 Broadway, 4th Floor, Oakland, CA 94612. Inquiries and complaints should be directed to this unit. The phone number is (510) 238-3470.

**D. Section 504 Compliance**

Under the provisions of its grant agreements with HUD, the City is required to comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended. The Section 504 Regulations prohibit exclusion from participation, denial of benefits, or discrimination under any program receiving Federal financial assistance, on the basis of disability. These requirements also require that a portion of the units in any Federally-assisted housing be accessible to and usable by persons with disabilities. Although these requirements overlap with other requirements in State and Federal law, those other requirements do not replace the 504 requirements.

The City is required to designate at least one person to coordinate its Section 504 responsibilities. In the City of Oakland, the Section 504 coordination is the responsibility of the Monitoring and Evaluation Unit in the Agency Operations Division of the Community and Economic Development Agency.

## **I. Conclusions and Recommendations**

This Analysis of Impediments to Fair Housing (AI) has provided information on the population and housing needs of Oakland, with a special emphasis on the needs of racial and ethnic minorities, families with children, persons with disabilities, and other members of protected classes under federal non-discrimination laws and regulations. Oakland is a city of great racial and ethnic diversity, in which groups which are racial and ethnic minorities at the national level are in fact in the majority in the City. The City also has significant number of seniors and people with disabilities, for whom there may be a need for housing with supportive services. There are also a significant number of families with five or more persons, who find it extremely difficult to secure adequate and affordable housing.

Analysis of the data available to the City indicates that at any given income level, the rate of housing problems for minorities is generally not significantly higher than the rate for non-minorities. However, because minorities are far more likely to be low income, rates of housing problems for minorities are in fact higher. Because of the nexus between race, income and housing choice, promotion of fair housing requires specific actions to expand the availability of decent affordable housing for persons of low and moderate income.

The fair housing audits conducted by fair housing organizations, as well as the complaints received on an ongoing basis by those organizations, indicate that discrimination in the sale and rental of housing continues to be a problem for minorities, families, and persons with disabilities. Investigation of fair housing complaints and enforcement of fair housing laws will continue to be required as part of the effort to expand fair housing choices. There is also a need for education and outreach to property owners and managers to make them more aware of fair housing issues, and a need to promote greater awareness among housing consumers of their rights and remedies under the law.

The annual reports compiled under the Home Mortgage Disclosure Act also point to a continuing pattern of disparate treatment of racial minorities in mortgage lending practices. Efforts to enforce requirements under fair housing laws and the Community Reinvestment Act need to be pursued to ensure that housing opportunities are not denied to minority households because of possible discriminatory treatment in mortgage lending.

Analysis of policies and practices in the administration of public housing, Section 8, and publicly-assisted housing and community development programs indicate that most programs are successfully expanding fair housing choices, although specific improvements can be made in some areas.

The City's Consolidated Plan includes as one of its priority goals the promotion of fair housing. Toward that end, the following actions are recommended to address impediments and affirmatively further fair housing:

**A. Lack of Affordable Housing**

The City has identified the lack of affordable housing as one of the most significant barriers to fair housing choice. In fact, as noted in this report, among low income people, the rate of housing problems is not significantly higher for minorities than it is for non-minorities, although minorities are more likely to be low income.

**Recommendations:**

- Continue to work with developers to identify and pursue all available funding for assisted housing.
- Explore the use of regulatory incentives for affordable housing, including density bonuses and inclusionary zoning requirements.
- Re-examine the City's current requirements for second units to encourage the expansion of legal second units where appropriate. This action might also serve to provide more housing opportunities in areas with low concentrations of low income and minority persons.

**B. Community Opposition to the Siting of Affordable Rental Housing**

Community opposition to the siting of affordable rental housing has been on the increase in Oakland and throughout the Bay Area. In Oakland, several proposed developments were stopped in whole or in part by neighborhood opposition based on often mistaken preconceptions about the characteristics and behavior of the intended occupants or the belief that such housing would reduce property values and lead to neighborhood decline.

**Recommendations**

- Work with and encourage housing developers to include a community outreach program as part of their predevelopment process. Actions could include informational meetings in the neighborhood, door-to-door outreach, contact with existing neighborhood organizations, sponsoring tours of existing affordable housing, and dissemination of information regarding the need for and benefits of affordable housing developments.
- The City should increase its public information and education activities to highlight its affordable housing accomplishments, and to publicize research on the positive impact of affordable housing.
- Conduct briefings and work sessions with the City Council to provide decision makers with more information on the City's low income housing needs and the impact of past and current affordable housing developments.

- Provide technical and financial support to organizations that are engaged in education and information campaigns to promote affordable housing.
- Encourage developers to assist in the formation of resident councils in each affordable housing development in order to foster a greater sense of commitment to and participation in neighborhood activities and organizations.
- Monitor existing affordable housing to ensure that management and maintenance are of the highest quality, and that neighborhood concerns are addressed early and completely.

### **C. Discrimination in the Sale and Rental of Housing**

Fair Housing audits conducted by fair housing agencies continue to reveal instances of discrimination against racial and ethnic minorities and other protected groups, including families and persons with disabilities.

#### **Recommendations**

- Continue to provide funding to nonprofit agencies to provide fair housing counseling, investigate complaints, provide information and referrals, conduct workshops and other public education efforts, and provide mediation services.
- Provide support for periodic fair housing audits, either by providing financial support directly, or supporting efforts to secure fair housing funds from HUD and other sources.
- The City should cosponsor, with the Oakland Board of Realtors, the Oakland Apartment Association, and other real estate organizations, workshops on fair housing issues in the sale and rental of housing.

### **D. Discrimination in Mortgage Lending**

The HMDA data on mortgage loan approval and denial rates reveals a pattern of disparate treatment for minority loan applicants, particularly for Black applicants. This pattern existing regardless of income, suggesting that mortgage lending discrimination continues to be a problem. Additional data compiled by the California Reinvestment Committee, which surveyed the performance of the 20 largest lenders in California, also shows disparate treatment of minorities and generally inadequate level of outreach to minority households.

### **Recommendations**

- Continue to monitor and assess HMDA data and Community Reinvestment Act lender evaluations.
- Consider modifications to the implementation of the City's linked-deposit ordinance to make fair housing lending performance one of the criteria for evaluating lenders with whom the City is considering doing business.

## **E. Land Use and Zoning Practices**

Assessments by fair housing providers suggest that current policies and practices with respect to group housing and Residential Care Facilities may have a discriminatory impact on persons with disabilities. In addition, staff at the permit counter are not always familiar with applicable zoning ordinances and have erroneously advised fair housing testers of the need for a conditional use permit for certain kinds of housing for the disabled when no such requirement exists.

### **Recommendations**

- Review and revise the Zoning Ordinance definition and treatment of Residential Care Facilities and group homes.
- Provide more training to staff to make them aware of zoning requirements for housing for the disabled, and to ensure that they are cognizant of fair housing issues associated with zoning policies and practices.

## **F. Public Housing and Section 8 Policies and Practices**

Although the Oakland Housing Authority generally operates its programs in a manner that promotes fair housing choice, a recent review by HUD's Fair Housing and Equal Opportunity Office made several findings with respect to outreach, tenant selection, and record keeping.

### **Recommendations**

- Encourage the Oakland Housing Authority to expand its outreach efforts to residents and owners.
- Encourage the Oakland Housing Authority to revise its tenant selection, record keeping, and other practices as necessary.

**G. Other Assisted Housing**

While assisted housing is generally dispersed throughout the flatland areas of the City, there is a high concentration of assisted housing for families in the West Oakland area, which is an area of minority concentration. In addition, the non-minority areas of the City contain a very low percentage of the City's total assisted housing supply.

**Recommendations**

- Develop policies and practices in the award of City and Redevelopment Agency housing funds that provide encouragement and preference for projects that are located outside areas of minority and low income concentration.
- Explore possibilities for locating assisted housing in areas that historically have not provided their "fair share" of assisted housing. As noted above, this might be achieved by expanding possibilities for legal second units, which could provide additional housing opportunities without disturbing the zoning of existing single-family neighborhoods.

**I. Signature Page**

The City of Oakland has completed this Analysis of Impediments to Fair Housing as part of its overall dedication to fair housing planning, as affirmed in the City of Oakland Consolidated Plan, adopted by the City of Oakland on May 10, 1995.

**Antoinette Hewlett, Assistant Agency Director**  
**City of Oakland/ Community and Economic Development Agency**