

City of Oakland

**Fair Housing Planning**

***Analysis of Impediments  
to Fair Housing***

Community and Economic Development Agency  
January, 2011

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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, disability, familial status and national origin, as well as age, and other classes protected against discrimination in housing under State and local law, 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.

## **B. 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.

## **C. 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.
- Maintain records reflecting the analysis and actions taken in this regard.

### **2. 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 percent 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.

#### **b. 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.

#### **c. Overcrowding**

Housing is overcrowded if there is more than one 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.

### **3. 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.
- 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.

### **4. Persons with Disabilities**

HUD defines a person with a disability as:

- Any person who has a physical or mental impairment that substantially limits one or more of such major life activities.
- Has a record of having such impairment.
- Is regarded as having such an impairment.

In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.

## **5. Protected Classes**

### **a. Federal**

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits housing discrimination based on race, color, religion, sex or national origin. The 1988 Fair Housing Amendments Act expanded the coverage of the Fair Housing Act to prohibit discrimination based on disability or on familial status (presence of child under age of 18, and pregnant women). In addition, the Age Discrimination Act of 1975 prohibits discrimination on the basis of age in Federally-funded housing, including housing assisted by the City using Federal funds.

### **b. State**

California law (Rumford Fair Housing Act) prohibits housing discrimination toward all classes protected under Title VIII, and also extends protections on the basis of marital status. The Unruh Civil Rights Act prohibits discrimination in all business establishments, including housing, based on any arbitrary reason.

### **c. Local**

The City of Oakland's municipal code explicitly extends fair housing protection to and prohibits discrimination against persons on the basis of pregnancy or the tenancy of a minor child or children (OMC 9.48), sexual orientation or gender identity or expression (OMC 9.44), or the fact of having Acquired Immune Deficiency Syndrome (AIDS) or AIDS related conditions (ARC) (OMC 9.40). Furthermore, additional requirements for City or Redevelopment Agency assisted housing prohibit discrimination on the basis of, ancestry, age, marital status, source of income, or any other arbitrary basis.

## **D. Preparation and Methodology**

### **1. Preparation of the AI**

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

### **2. 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.

### **3. Procedure for Completing the Analysis of Impediments**

HCD staff reviewed city laws, regulations and administrative policies that affect the provision and supply of housing in the City. Studies conducted on the availability of rental and ownership stock, as well as statewide data used in reference to lending institutions, were collected. In addition, 2000 Census data, HUD data, and the City's *Consolidated Plan*, and *Housing Element Update* provided valuable information for the AI. 2000 Census data was used for most demographic analyses since it is the most reliable recent data of this type. Because of concerns about the reliability of the data, the City has not used data from the U.S. Census Bureau's American Community Survey. However, the City did collect and analyze relevant data from other sources, including from fair housing organizations and data on foreclosures. The City also relied on reports filed by housing service organizations for information on reported discrimination issues. By using existing studies, HCD 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.

In August 2009 City staff solicited comments on the 2005 AI from 41 advocacy organizations, housing providers, property management firms, industry organizations, and City and State government departments. Many of the comments received were not about fair housing, but about the need for more affordable housing in the City. Later in this document the relationship between affordable housing and fair housing is discussed. To the extent that the comments were relevant to fair housing, the comments were incorporated into the AI.

### **E. 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 by data related to complaints.

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 neighborhood 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. It should be noted that such opposition is found in minority and non-minority neighborhoods alike.

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 as well as several studies on current lending practices.

The foreclosure crisis has wiped out equity in communities of color and these communities are having difficulty rebounding due to the lack of access to loans. Many of those who have lost their homes are re-entering the rental market with poor credit scores and loss of assets. Some are at risk of homelessness. In addition, foreclosures cause blight and lower property values in neighborhoods with a history of redlining. This, in turn, threatens the remaining homeowners' ability to refinance homes or homebuyers to buy homes in these areas of minority concentration.

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.

## II. JURISDICTIONAL BACKGROUND DATA

### A. Demographic Data

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

The majority of the demographic data used in this AI comes from the 2000 Census since this is the most accurate, detailed recent data of its type.

According to the California Department of Finance (DOF), The City of Oakland had an estimated population of 430,666 as of January 1, 2010 and was the eighth largest city in California. The City was home to 166,274 households.

Before 1980, Oakland had experienced three decades of population decline due to changes in the local economy, migration to suburban communities, and other factors. This downward trend was reversed in the 1980s and 1990s, and Oakland's population increased from about 339,000 in 1980 to over 430,000 in 2010. According to the 2000 Census, most of this growth was absorbed by an increase in occupied housing units, but between 1990 and 2000 there was also a small increase in average household size from 2.52 to 2.6 persons per household. (Data on average household size is not yet available for 2010).

Oakland is an ethnically diverse city. Since 1980, Oakland has become an increasingly multicultural city and analyses based primarily on the older Black/White dichotomy are less relevant today. No ethnic/racial group makes up a majority of the population. Since at least the 1940s, Oakland has had a significantly higher percentage of non-White and Hispanic residents than other cities of similar size. The most significant change in Oakland's population since 1990 has been a decrease in the number and the proportion of residents who identified themselves as White or as Black/African-American, and an increase in the number and proportion of residents who identified themselves as Asian/Pacific Islander or Hispanic/Latino. According to the 2000 Census, the White population decreased by 11 percent, and the Black population by 13 percent, while the Asian population increased by 16 percent and the Hispanic population increased by 78 percent. As a result, Oakland's population in 2000 was 24 percent White, 35 percent Black, 16 percent Asian, and 22 percent Hispanic<sup>1</sup>.

Oakland's population mix over the past 50 years has been influenced by economic and suburban development trends. The loss of many relatively well-paying "blue collar" and

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<sup>1</sup> The Census and HUD define Hispanic status as an ethnicity, distinct from race. Hispanic persons may be White, Black or any other race, and the racial categories of White, Black, etc. include both Hispanic and non-Hispanic persons. Wherever possible, the City has chosen to identify Hispanic as a racial category rather than an ethnicity in order to provide direct comparisons between Hispanics and other groups. Throughout the AI, the term "Hispanic" generally refers to Hispanics of any race, while other categories generally refer to only non-Hispanic persons within that group (e.g., "White" refers only to White, Non-Hispanic persons, "Black" refers only to Black, Non-Hispanic persons, and so forth).

military jobs, combined with rapid suburbanization in the Bay Area between 1950 and 1980, left Oakland with a higher percentage of lower-income and minority residents as White households moved out to the suburbs and Blacks moved in. Since the 1980s, increasing numbers of immigrants from Asian, Pacific Island, and Latin American/Hispanic countries have found homes in Oakland. According to the 2000 Census, nearly 12 percent of Oakland residents were foreign born and came to the United States between 1990 and 2000. Nearly 90 percent of these new residents came from either Asia or Latin America.

The decline in the African American population since 1990 may have two causes: some Black/African American families may have moved to suburban locations by choice to purchase less costly homes, while others may have moved involuntarily from Oakland due to rapidly rising housing costs during the late 1990s and 2000s, or by foreclosures in more recent years. Also notable is the continued decline of the White, Non-Hispanic population in Oakland.

Table 1 compares population changes in Oakland, Alameda County, and the State of California between 1990 and 2000 and compares the composition of Oakland's population with the countywide and statewide populations.

**Table 1  
 Population by Race and Ethnicity, City, County, and State  
 (1990 and 2000)**

Race/ Ethnicity	Oakland 1990		Oakland 2000		Alameda County 1990	Alameda County 2000	State 1990	State 2000
	Number	Percent	Number	Percent	Percent	Percent	Percent	Percent
<b>Non-Hispanic/Latino</b>								
White	105,927	28%	93,953	24%	53%	41%	57%	46%
Black or African American	160,640	43%	140,139	35%	17%	15%	7%	6%
Native American	1,695	<1%	1,471	<1%	<1%	<1%	<1%	1%
Asian/Pacific Islander	53,818	14%	62,259	16%	14%	21%	9%	11%
Other Race	895	<1%	1,229	<1%	7%	<1%	<1%	<1%
Two or More Races <sup>1</sup>	N/A	N/A	12,966	3%	N/A	4%	N/A	3%
<b>Hispanic/Latino (any race)</b>								
Hispanic or Latino	49,267	14%	87,467	22%	14%	19%	26%	32%
<b>Total</b>	<b>372,242</b>	<b>100%</b>	<b>399,484</b>	<b>100%</b>	--	--	--	--

Source: 1990 and 2000 Census.

This is a 2000 Census category only.

Note: Percentages may not add to 100 due to rounding.

## 2. Geographic Concentrations of Race and Ethnicity

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.

HUD uses three different definitions for “area of minority concentration”:

- Definition 1: Any neighborhood where the percentage of all minorities is more than 50 percent; or
- Definition 2: Any neighborhood where the percentage of all minorities is at least 20 percent above the overall percentage for the citywide minority population percentage.
- Definition 3: Any area where the percentage of a particular minority is at least 20 percent higher than the citywide percentage; or

1. The first method is not particularly useful for Oakland, as minorities make up nearly 76 percent of the City's population. An area with a minority percentage of 50 percent would actually have a much lower percentage than the citywide average, and would really need to be considered "under-concentrated" (See Map 1). For informational purposes, Map 2 illustrates those areas where a particular minority makes up more than 50 percent of the population in a census tract.
2. Under the second HUD definition, to qualify as an area of minority concentration in Oakland, a Census tract would need to have a minority population equal to at least 96 percent of the tract's population (20 percentage points above the citywide minority population of 76 percent). This would mean that only areas with fewer than 4 percent non-Hispanic Whites would qualify as an area of concentration. As illustrated on Map 3 on page 14, even under this fairly restrictive definition, several neighborhoods would qualify as areas of minority concentration, including parts of West Oakland, Chinatown, and San Antonio, and most of Central East Oakland and Elmhurst below MacArthur Boulevard.
3. The third HUD definition is more useful for determining clustering of particular racial/ethnic groups relative to their share of total population. Because each group constitutes a different percentage of the total citywide population, the threshold figure to define an area as "over-concentrated" would be different for each group. For example, a high concentration of Blacks would be 55.1 percent, while a high concentration of Asians would be 35.6 percent.

One drawback to this approach is that when the relative proportions of different groups vary considerably, the formula requires greater concentrations for some groups than for others. For example, for Asians, who make up 15.6 percent of the citywide population, an area of concentration would require 35.6 percent, which is more than double the citywide average. In contrast, for Blacks, who make up 35.1 percent of the citywide population, an area of concentration would require 55.1 percent, which is only 1.6 times the citywide average.

As an alternative, and given the diverse makeup of Oakland's population, the City has identified census tracts where a given minority population is more than 50 percent higher than (i.e., 1.5 times) the citywide average for that population. For example, 15.6 percent of the population is Asian, so we define census tracts with 23.4 percent Asians (1.5 times 23.4 percent) as concentrated. Because Blacks make up 35.1 of the population, an area of Black concentration is defined as one where Blacks make up 52.7 percent of a census tract's total population. As, illustrated in Maps 4 through 7, most of the flatland areas have high concentrations of at least one racial/ethnic group, while most of the tracts above the MacArthur Freeway have high concentrations of Non-Hispanic Whites.

Under the City’s definition, it is possible for a tract to have concentrations of more than one group (for example, a tract with 25 percent Asian and 35 percent Hispanic residents would have concentrations of both Asians and Hispanics). In practice, there are only a few census tracts where this occurs.

4. Finally, minority concentration can be understood as an area with an unusually low percentage of non-Hispanic Whites. Using the same approach as above, we define “low concentration” as an area where the number is 50 percent lower than (i.e., one-half of) the citywide average. Thus, a low concentration of non-Hispanic Whites would be an area where that group makes up less than approximately 12 percent of the population. Those areas, as shown in Map 8, under this definition of areas of concentration would include all of West Oakland, part of North Oakland, Chinatown, and nearly all neighborhoods east of Lake Merritt and below MacArthur Boulevard, with the exception of those close neighborhoods closest to the lake.

For the purposes of this Analysis of Impediments, the City has defined “area of minority concentration” to match the second HUD definition. Areas with a minority population greater than 96 percent are considered to be areas of high minority concentration, as shown in Map 3.

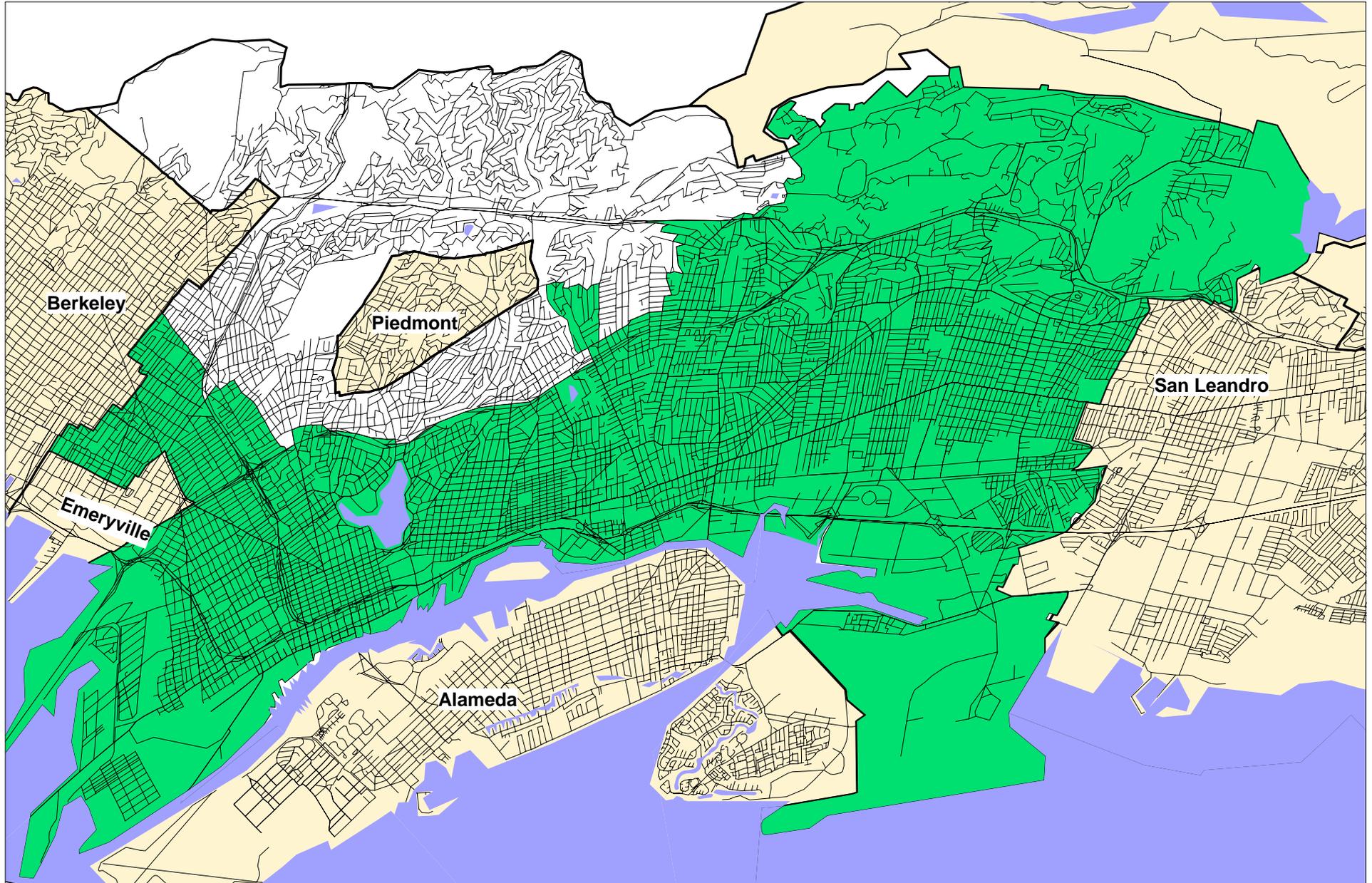
**Table 2  
 Concentrations of Race and Ethnicity (2000)**

Race/Ethnicity	Percent of Population in 2000	HUD Definition 3 20 percentage points higher than citywide percentage)	City’s Method (1.5 times the citywide Percentage)
<b>Non Hispanic/Latino</b>			
White	23.5%	43.5%	35.3%
Black or African American	35.1%	55.1%	52.7%
Native American	0.7%	20.7%	1.1%
Asian/Pacific Islander	15.6%	35.6%	23.4%
<b>Hispanic/Latino (any race)</b>			
Hispanic or Latino	21.9%	41.9%	32.9%

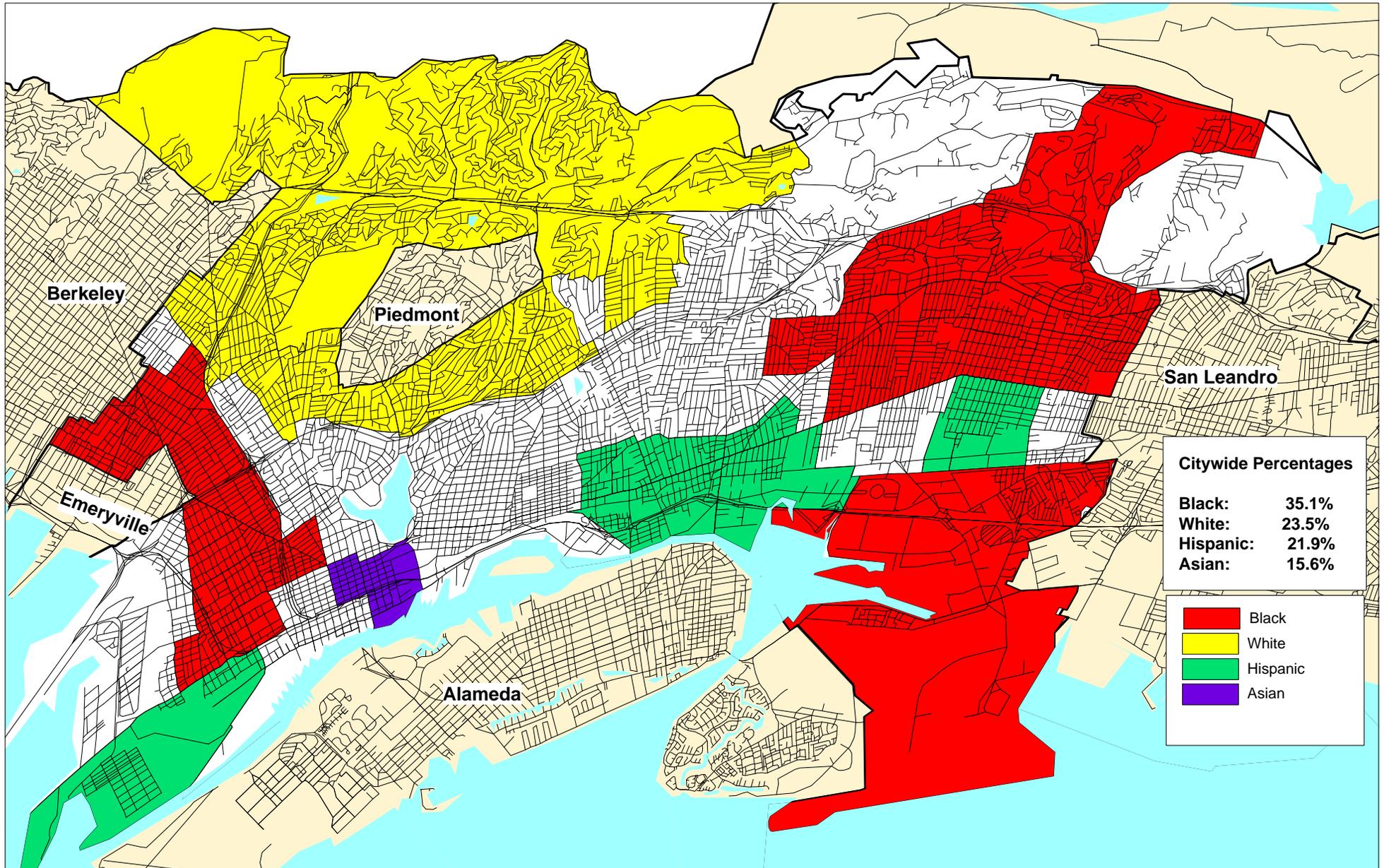
Source: 2000 Census.

# Map 1

## Areas with Minority Population Greater than 50% Oakland Census Tracts, 2000

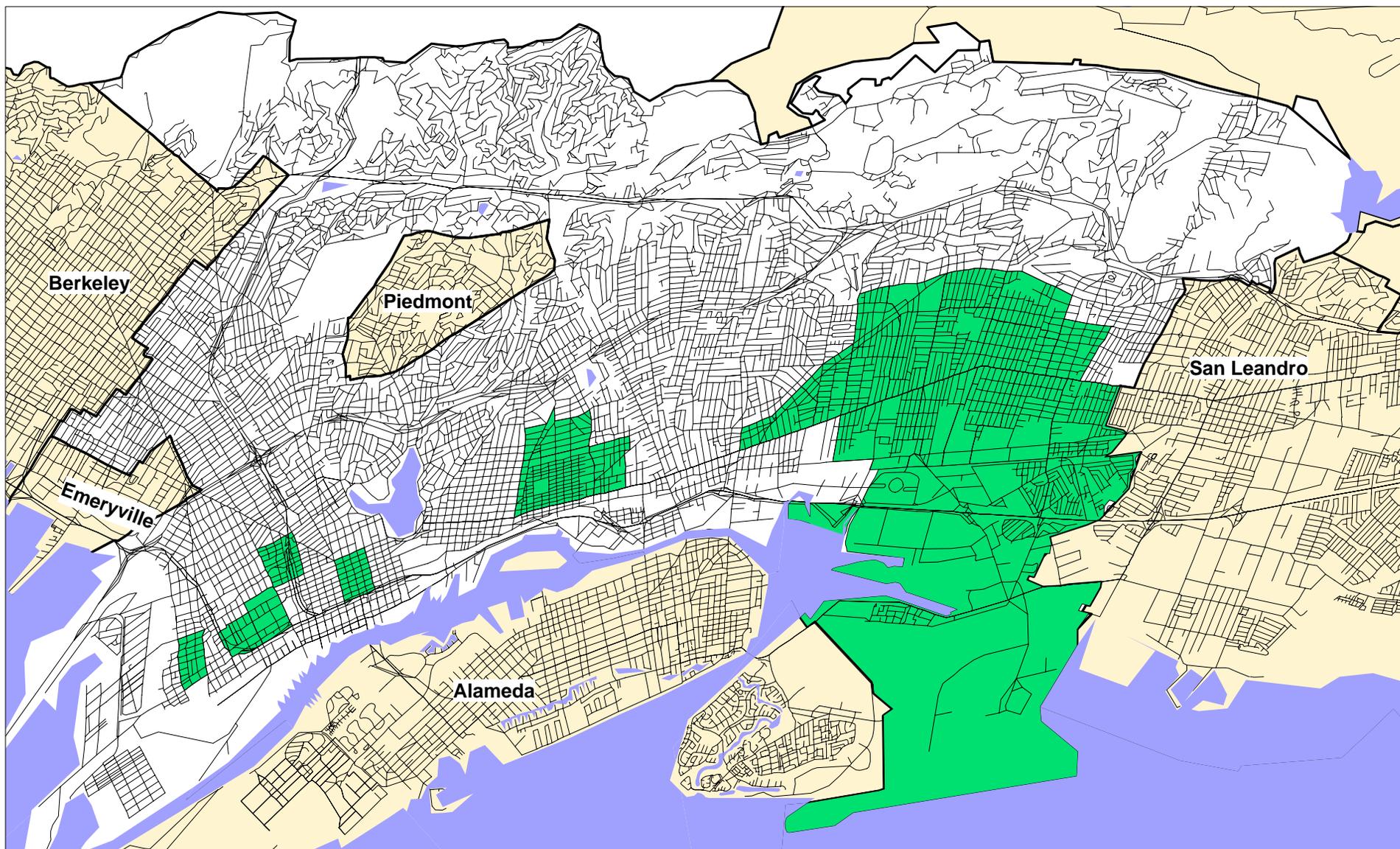


# Map 2 Areas with Racial/Ethnic Majorities Oakland Census Tracts, 2000

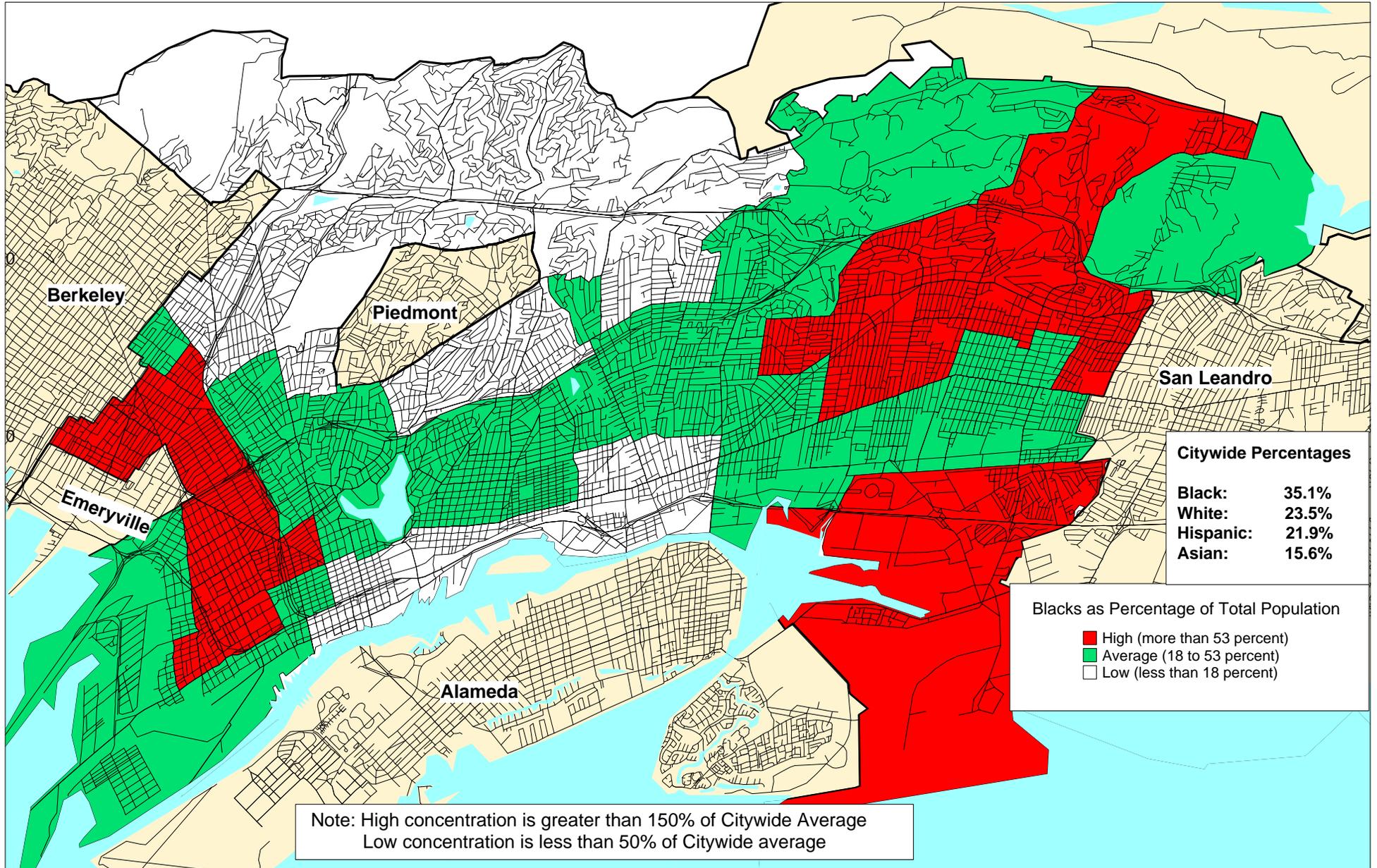


# Map 3

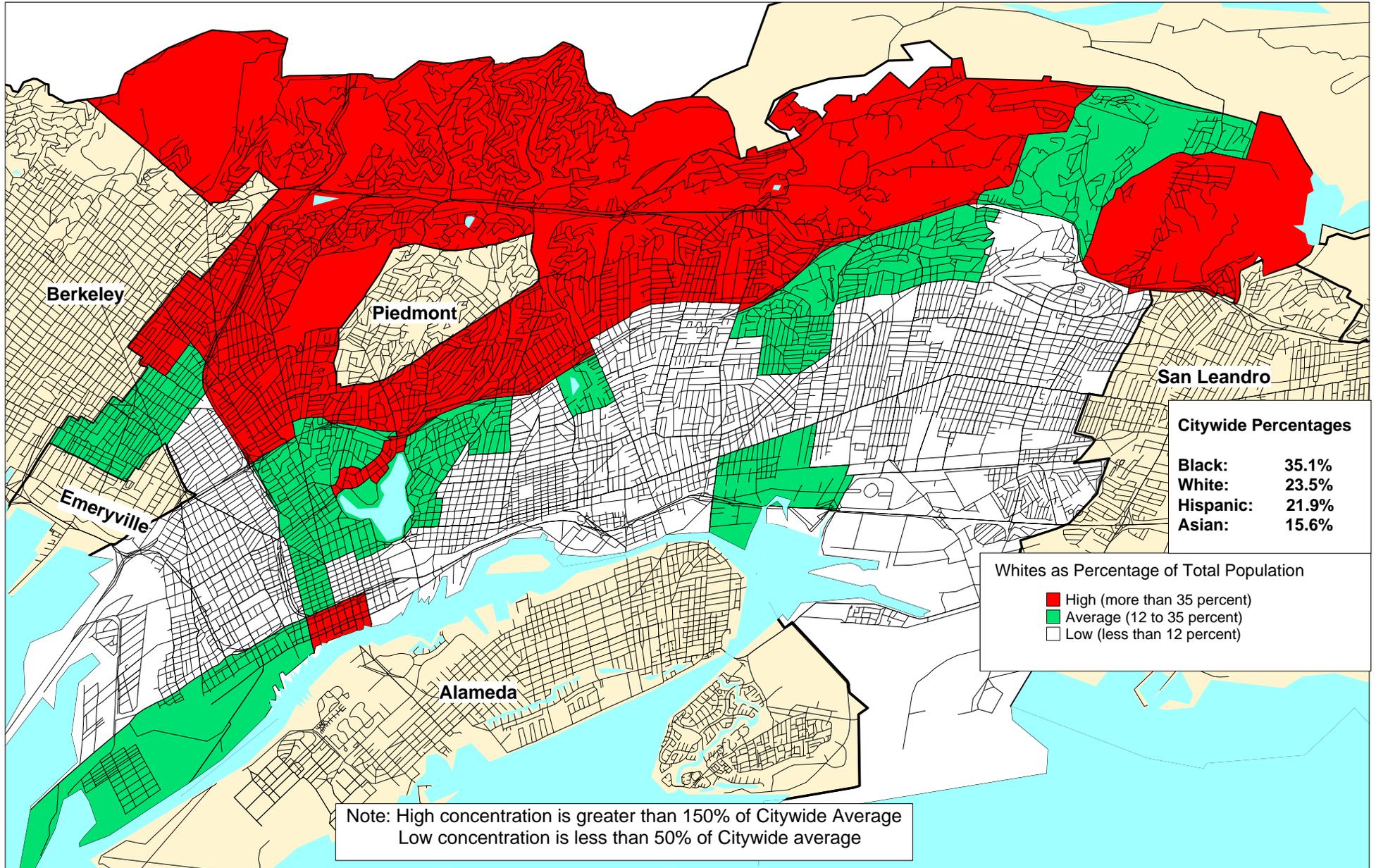
## Areas of Minority Concentration - HUD Definition (96% of population - 20 percentage points above City average) Oakland Census Tracts, 2000



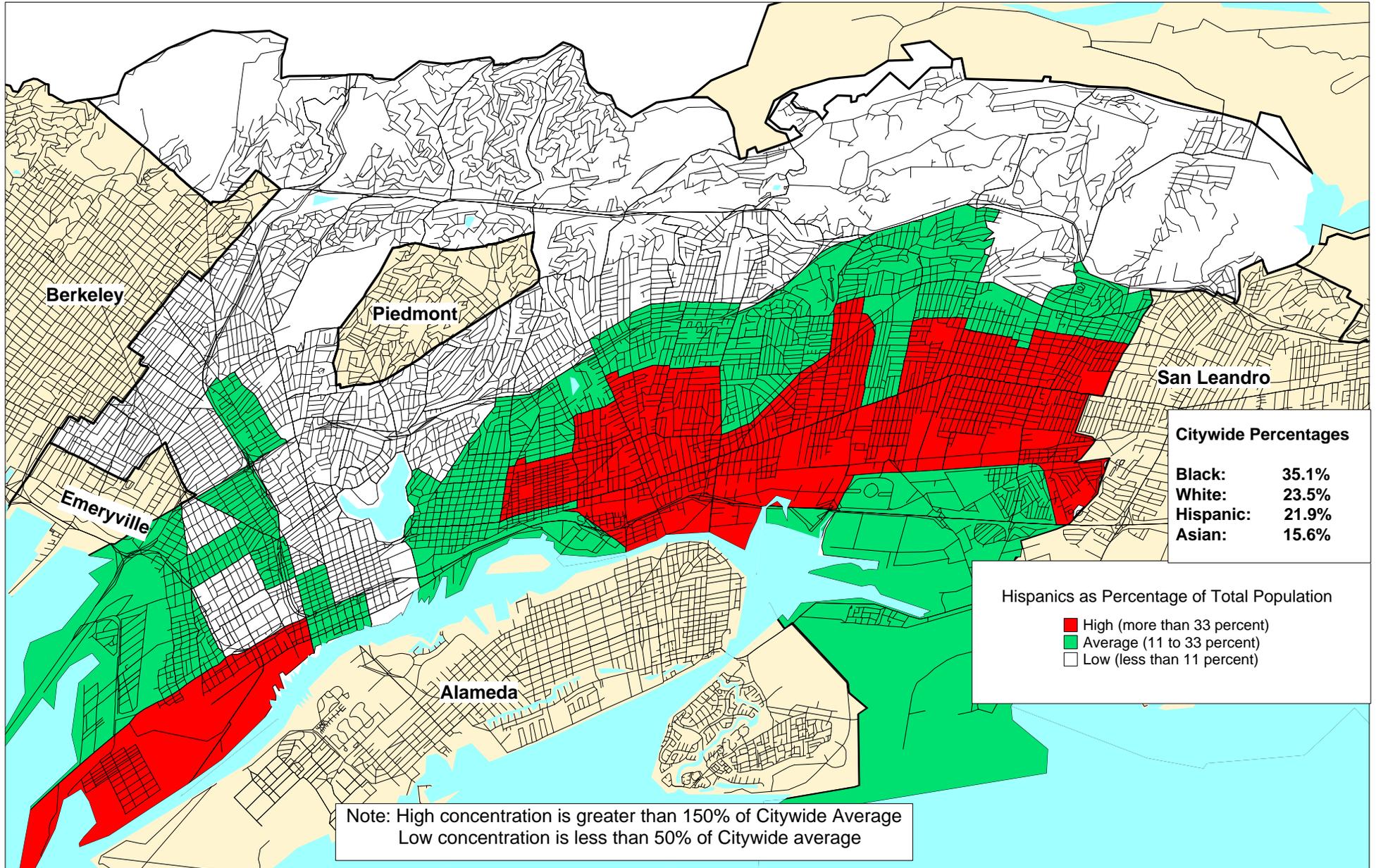
# Map 4 Concentration of Black Population Oakland Census Tracts, 2000



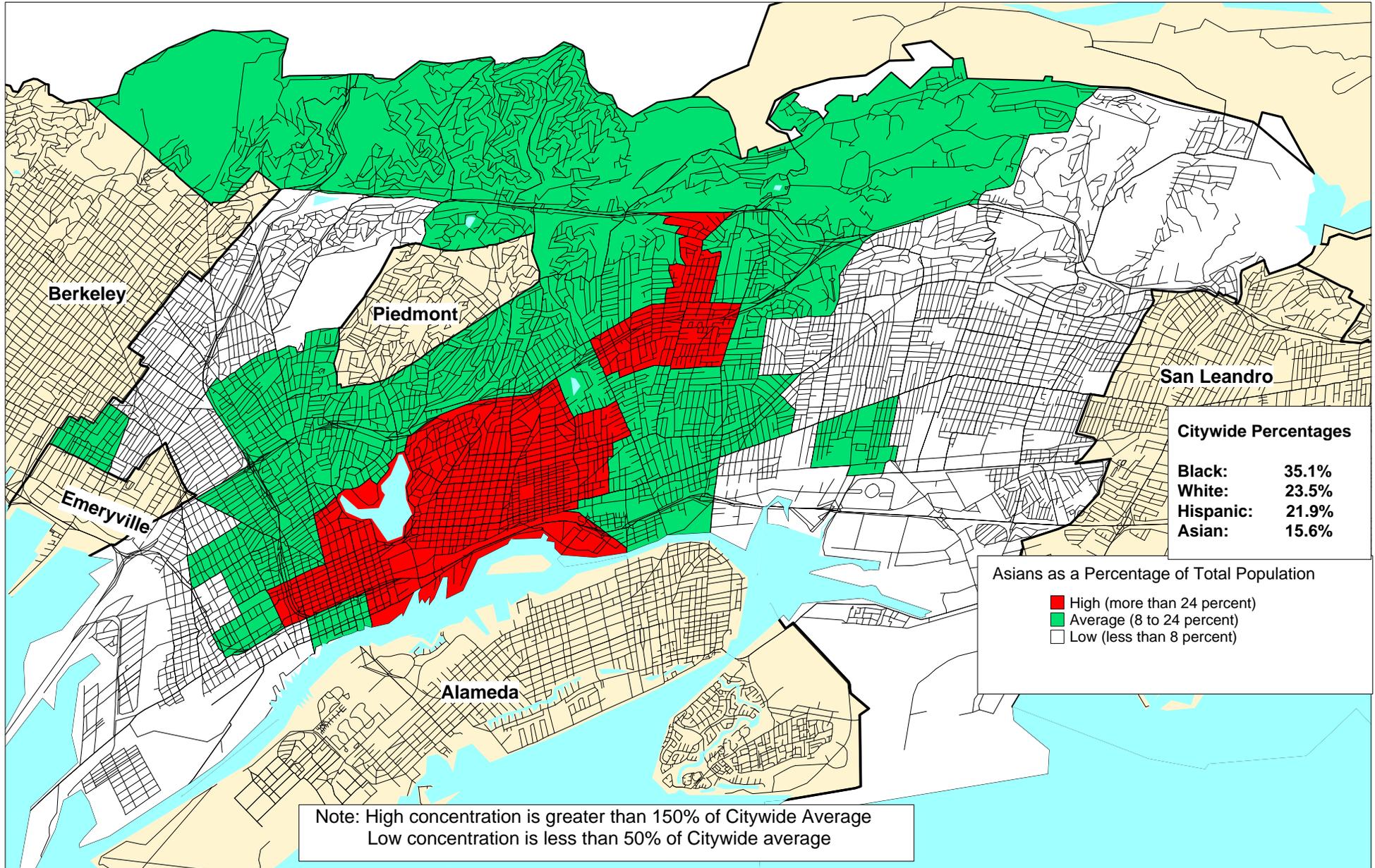
# Map 5 Concentration of White Population Oakland Census Tracts, 2000



# Map 6 Concentration of Hispanic Population Oakland Census Tracts, 2000

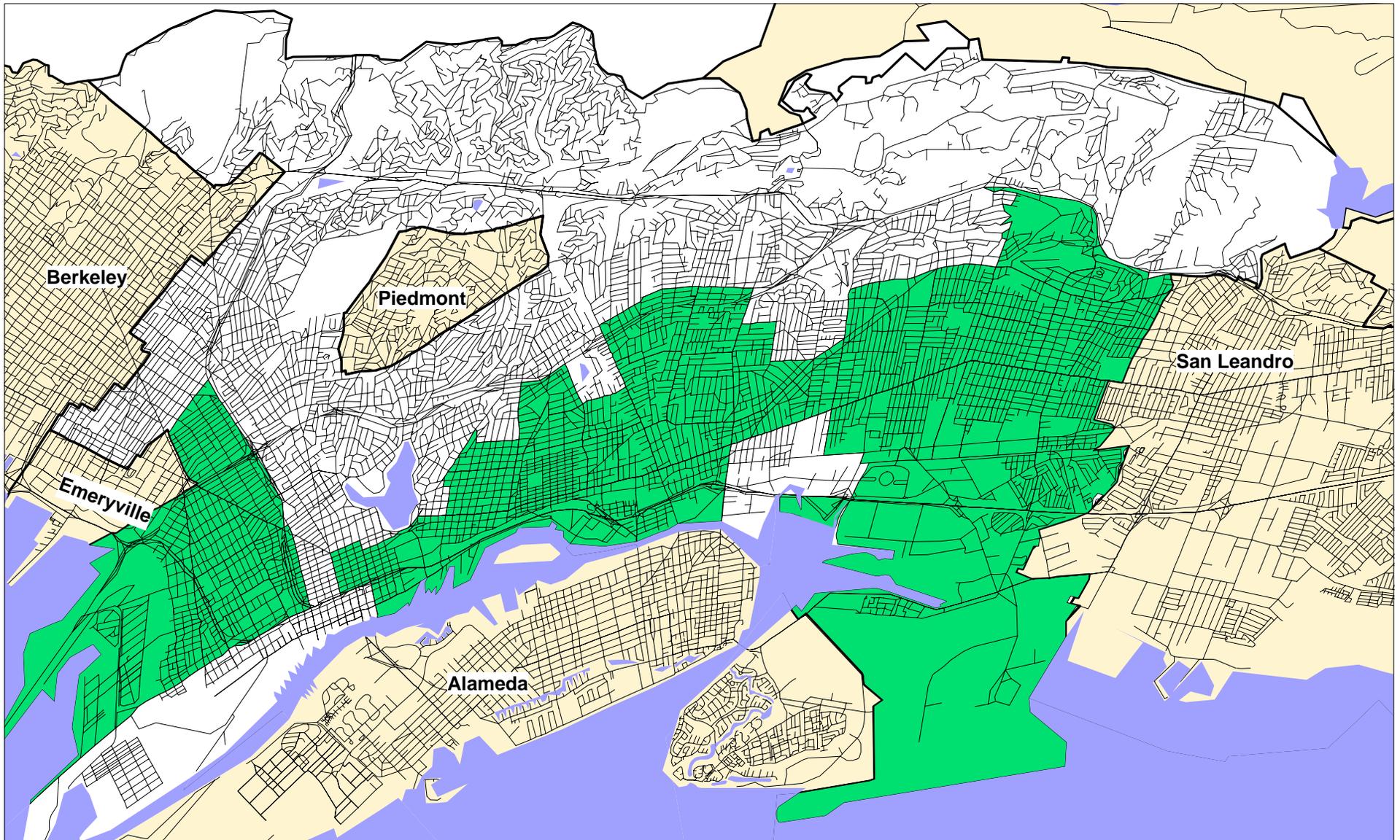


# Map 7 Concentration of Asian Population Oakland Census Tracts, 2000



# Map 8

## Areas of Minority Concentration - Alternate Definition (White population less than one-half of City average) Oakland Census Tracts, 2000



### **3. Household Characteristics**

According to the 2000 Census, Oakland has a high percentage of single adults and other non-family households (unrelated individuals living together). Nearly one-third of Oakland households consist of single persons, and about 30 percent consist of two people. Less than one-fourth of Oakland households have more than three people (mostly family households). The high percentage of smaller households in Oakland may be due, in part, to the relatively low proportion of housing units with more than two bedrooms compared to the surrounding suburban areas. Nearly 70 percent of Oakland's housing stock has two or fewer bedrooms, compared to 54 percent countywide.

The 2000 Census reported that 57 percent of all households in Oakland were family households (households with related individuals). This percentage was substantially below countywide figures. However, the number and percentage of large families (five or more persons) increased since 1990, leading to an increase in the average household size, from 2.52 in 1990 to 2.6 in 2000. The average family size also increased, from 3.28 to 3.38. These increases are directly related to the proportion of population groups with larger household sizes and the decline in the proportion of population groups with smaller household sizes. White and Black households, which declined as a percentage of all households, have smaller average household sizes (1.95 and 2.47 in 2000) compared to Hispanic and Asian-origin households (3.03 and 4.09 in 2000). The increase in household size may also be due to persons "doubling-up" in order to cope as Oakland rents increase faster than incomes. One consequence has been a dramatic increase in rates of overcrowding, particularly among large renter households.

Of Oakland's family households with children, more than one-third (38 percent) are female-headed households, compared to about one-fourth (23 percent) countywide. Although much smaller than the number of single-parent female-headed households, the number of single-parent male-headed households increased from fewer than 2,600 in 1990 to nearly 3,400 in 2000. Single parent households tend to have lower incomes and face housing affordability problems.

Table 3, Table 4, and Table 5 compare household size and composition by household type and provide information on household characteristics.

**Table 3**  
**Number of Persons per Household (2000)**

Persons per Household	Owner Households		Renter Households		Total Households	
	Count	Percentage	Count	Percentage	Count	Percentage
1 Person	15,067	24%	33,890	38%	48,957	32.5%
2 Persons	20,605	33%	22,281	25%	42,886	28.4%
3 Persons	10,344	17%	12,227	14%	22,571	15.0%
4 Persons	8,088	13%	8,441	10%	16,529	11.0%
5 Persons	3,844	6%	5,524	6%	9,368	6.2%
6 Persons	2,140	3%	2,917	3%	5,057	3.4%
7 + Persons	2,394	4%	3,025	4%	5,419	3.6%
<b>Total</b>	<b>62,482</b>	<b>100%</b>	<b>88,305</b>	<b>100%</b>	<b>150,787</b>	<b>100.0%</b>

Source: 2000 Census.

**Table 4**  
**Average Household Size by Race and Ethnicity of Householder (2000)**

Population Group (Race)	Average Household Size
Native Hawaiian or Other Pacific Islander (not Hispanic)	5.41
Hispanic (of any race)	4.06
Asian (not Hispanic)	3.02
Black (not Hispanic)	2.48
Two or More Races (not Hispanic)	2.46
American Indian and Alaskan Native (not Hispanic)	2.44
Some Other Race (not Hispanic)	2.41
White (not Hispanic)	1.93

Source: 2000 Census, PCT 8.

**Table 5**  
**Changes in Household Type (1990 – 2000)**

Household by Type	1990	Percent	2000	Percent
Total Households	144,521	100%	150,790	100%
Average Household Size	2.52	--	2.60	--
<b>Household Population</b>				
Family Households (families)	83,823	58%	86,347	57%
Married-Couple Family	49,906	35%	51,332	34%
With Children	N/A	N/A	24,838	16%
Female Householder, no spouse present	26,723	18%	26,707	18%
With Children	18,815	13%	14,932	10%
Male Householder, no spouse present	6,691	5%	8,040	5%
With Children	2,571	2%	3,298	2%
Average Family Size	3.28	--	3.38	--
Non-family Households	60,698	42%	64,443	43%
Households with one or more non-relatives	21,456	15%	25,945	17%
Households with no non-relatives	123,065	85%	124,845	83%
<b>Group Quarters (Non Household Population)</b>				
Total Group Quarters	7,175	<2%	27,735	<2%
Institutionalized persons	2,894	<1%	13,214	<1%
Other persons in group quarters	4,281	1%	14,521	1%

Sources: 1990 and 2000 Census.

Note: Percentages represent percentage of all households.

#### 4. Income Characteristics

The City of Oakland as a whole is an area of concentration of low income persons relative to the surrounding metropolitan area. The 2000 Census shows that Oakland's household income is far below, and its poverty rate<sup>2</sup> far above, the rates for both Alameda County and the larger 9-County Bay Area.<sup>3</sup>

**Table 6**  
**Income and Poverty**  
**(2000)**

Area	Median Household Income	Median Family Income	Poverty Rate
Oakland	\$40,055	\$44,384	19.4%
Alameda County	\$55,946	\$65,857	11.0%
9-County Bay Area	\$62,024	\$71,333	5.7%

Source: 2000 Census.

It should also be noted that in 2000, White households in Oakland had substantially higher incomes and lower poverty rates than minorities.

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<sup>2</sup> The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is considered poor. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The official poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts money income before taxes and does not include capital gains and noncash benefits (such as public housing, Medicaid, and food stamps). For example, a family consisting of five people, two of which are related children under 18 years, would have a poverty threshold of \$21,065 in 2000. If the family's income was lower than the threshold then they are considered "poor" according to the official poverty measure.

<sup>3</sup> The 9-County Bay Area consists of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties.

**Table 7**  
**Median Income by Race and Ethnicity**

<b>Population Group (Race)</b>	<b>Median Household Income</b>	<b>Median Family Income</b>
All Ethnicities	\$40,055	\$44,384
White (not Hispanic)	\$57,399	\$84,194
Black or African American (not Hispanic)	\$31,151	\$35,060
American Indian and Alaska Native (not Hispanic)	\$40,109	\$56,719
Asian (not Hispanic)	\$33,524	\$37,386
Native Hawaiian or Other Pacific Islander (not Hispanic)	\$42,906	\$43,281
Some Other Race (not Hispanic)	\$32,625	\$35,694
Two or More Races (not Hispanic)	\$36,976	\$36,983
Hispanic (of any race)	\$38,779	\$37,442

Source: 2000 Census, PCT11.

As shown in Table 8, based on 2000 census data, racial disparities in poverty rates are similar to those for income. Among White households, eight percent have incomes below poverty level whereas Blacks are at 25 percent, American Indian and Alaskan Natives are at 25 percent, Asians are at 22 percent, Pacific Islanders are at 13 percent and Hispanics are at 22 percent. Of the people living below the poverty level in Oakland, 47 percent are Black and 25 percent are Hispanic, 18 percent are Asian and 10 percent are White where those ethnicities/races make up 35 percent, 22 percent, 16 percent and 24 percent respectively.

**Table 8**  
**Poverty Rates by Race/Ethnicity**

Population Group (Race)	Total Population	Persons Living in Poverty	Percent
All Ethnicities	399,477	73,489	19.4%
White (not Hispanic)	93,613	7,080	7.8%
Black or African American (not Hispanic)	139,254	34,188	24.9%
American Indian and Alaska Native (not Hispanic)	1,475	351	25.2%
Asian (not Hispanic)	59,781	13,106	22.0%
Native Hawaiian or Other Pacific Islander (not Hispanic)	2,446	317	13.1%
Some Other Race (not Hispanic)	1,180	239	20.7%
Two or More Races (not Hispanic)	14,285	2,519	17.8%
Hispanic (of any race)	87,443	18,689	21.7%

Source: 2000 Census, PCT 1 and PCT 142.

Assisted housing programs rely on income categories defined by HUD, with 50 percent of metropolitan area median income defined as very low income and 80 percent of median defined as low income. Racial/ethnic minorities are more likely than non-minorities to be low income. As shown in Table 9, based on 2000 Census data, 32 percent of White households are lower income, while the corresponding figures are 64 percent for Black households, 61 percent for Asians and 63 percent for Hispanic households. This is particularly pronounced for the very low income category (less than 50 percent of median), where minorities are nearly twice as likely as non-minorities to fall into this category.

**Table 9  
 Income Distribution by Race and Ethnicity (2000)**

Income Category	Number and Percent of Households				
	All	White Non-Hispanic	Black Non-Hispanic	Asian/Pacific Islander	Hispanic
Very Low	55,390	10,103	25,882	9,298	8,679
	38%	21%	47%	47%	43%
Low	22,077	5,629	9,018	2,719	4,212
	15%	12%	16%	14%	21%
Moderate and Above Moderate	70,362	32,678	20,009	7,839	7,425
	48%	68%	36%	39%	37%
<b>Total</b>	<b>147,289</b>	<b>48,410</b>	<b>54,909</b>	<b>19,856</b>	<b>20,316</b>
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: 2000 Census, CHAS Data Set.

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.

## **5. Areas of Low Income Concentration**

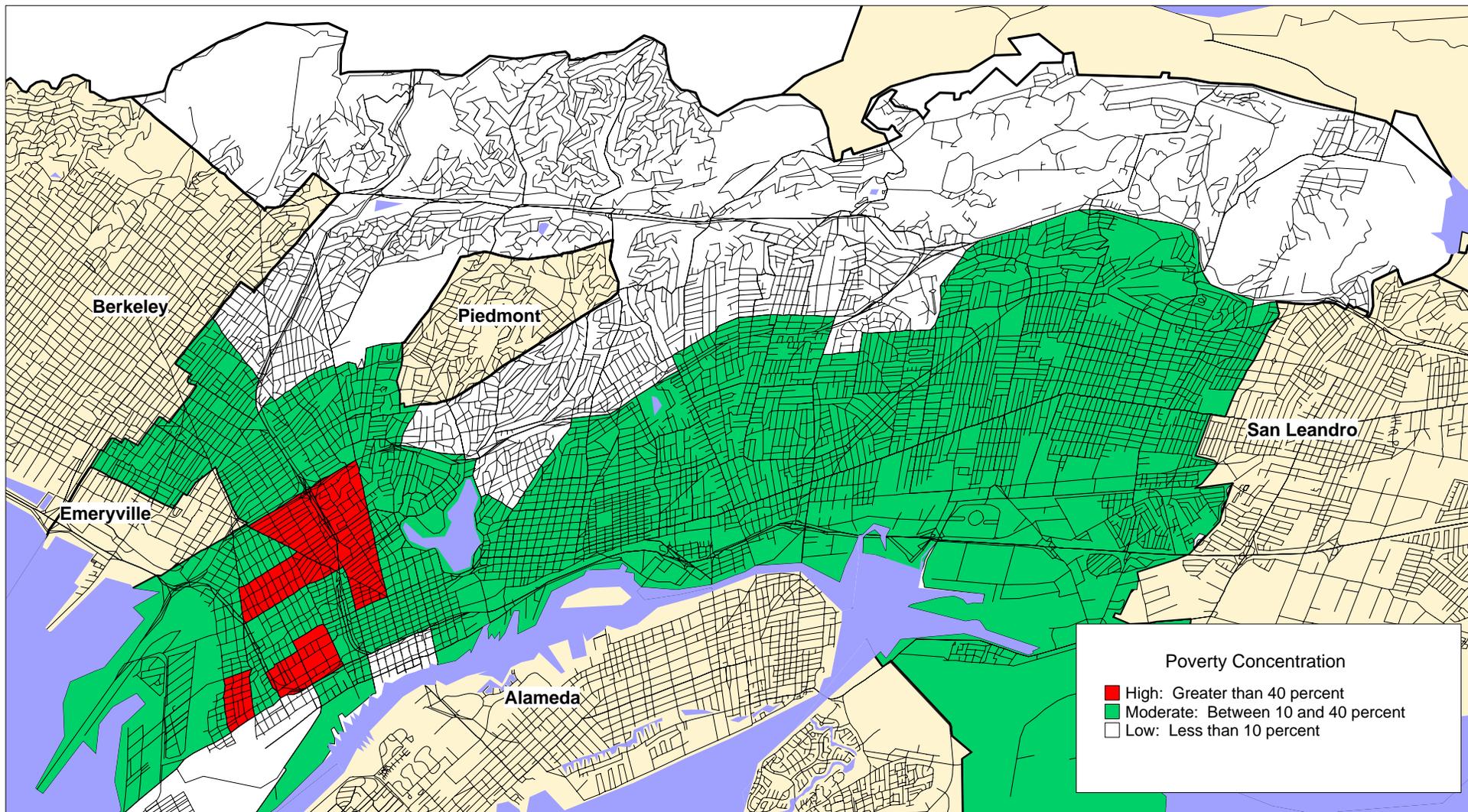
Low-income households alone are not considered a protected class. In Oakland, however, income level has the effect of restricting housing choices for protected classes. It is with this understanding that the discussion of areas of low income concentration is included in the Analysis of Impediments.

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 9.

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 percent 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 10 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.

# Map 9

## Areas of High and Low Concentration of Poverty Oakland Census Tracts, 2000

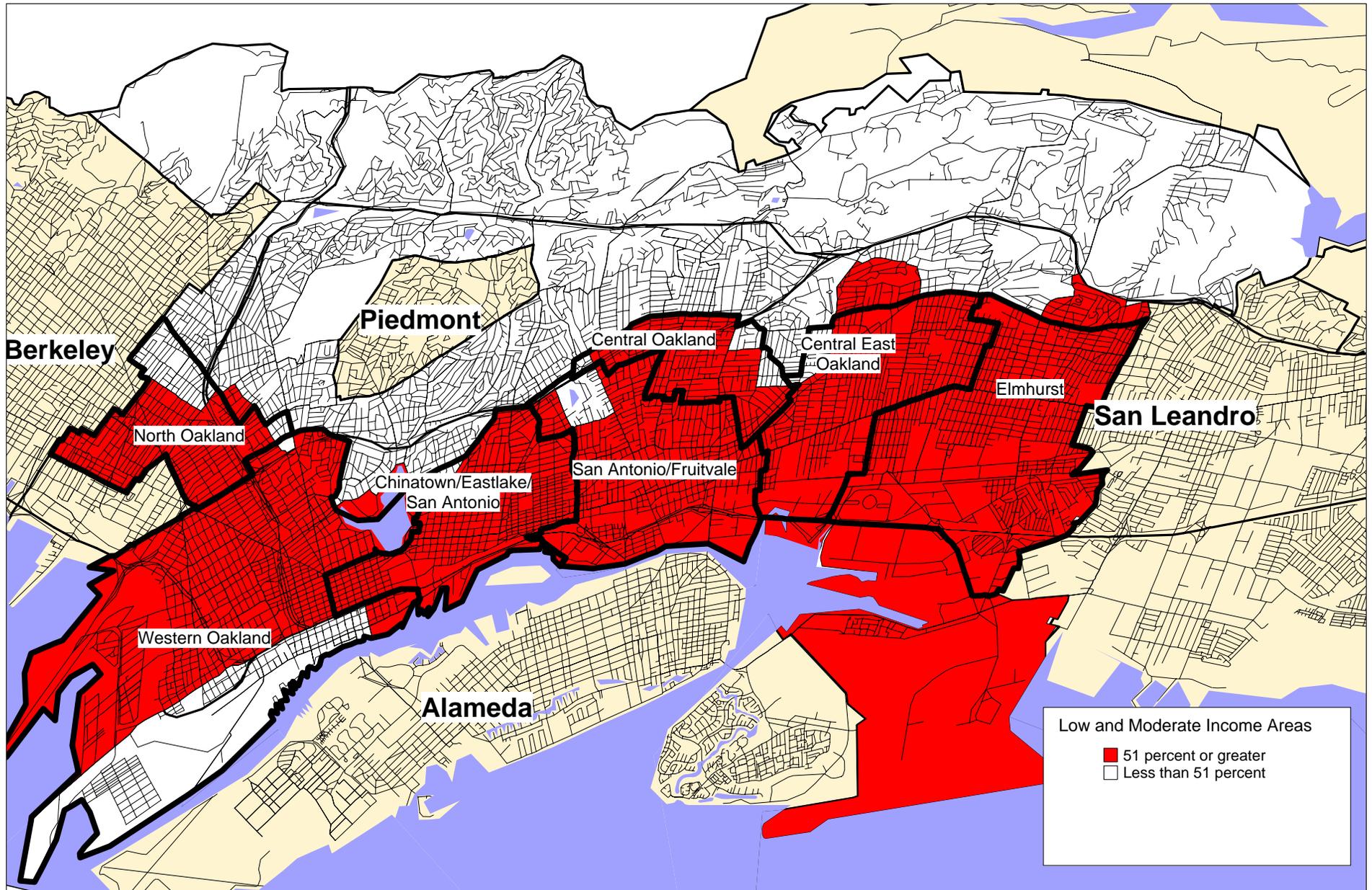


Source: 2000 Census

Prepared by Jeffrey Levin, City of Oakland/CEDA-HCD

# Map 10

## Low and Moderate Income Census Tracts and Community Development Districts



## **6. Seniors**

The 2000 Census identified 11,822 one- or two-person renter households with at least one member age 62 or older. Of these, 8,671 had incomes less than 50 percent of the area median income (73 percent of senior renter households). While there was a reduction in the number of senior renter households between 1990 and 2000, the percentage of senior households with incomes less than 50 percent of the area median income remained the same.

The 2000 Census identified 14,246 one- or two-person homeowner households with at least one member age 62 or older. Of these, 5,332 had incomes less than 50 percent of the area median income (37 percent of senior homeowner households). There was a 16 percent reduction in the number of senior homeowners from 1990 to 2000 there was a 24 percent reduction in the number of very low income senior homeowners.

## **7. Persons with Disabilities**

According to the 2000 Census, nearly 21 percent of the population age five and older (84,542 individuals) who live in Oakland reported a disability. The Census defines disability as the limitation in the ability of a person to perform one or more major life activities. As age increases, the incidence of disability increases. Nearly half of the population 65 and older reported having a disability. The Census also reported 29,428 households with mobility and self care limitations. Of these households, 69 percent are very low income and 81 percent are low income as compared to 50 percent and 67 percent of all renters. Persons with disabilities often face limited earning potential due to such factors as the nature of their disabilities, their status as retired seniors, and the reluctance of some employers to hire persons with disabilities. In addition to affordability problems, people with disabilities experience other difficulty in securing adequate housing because of discrimination and a lack of housing with accessibility features and adequate support services, which is discussed in more depth in the Housing Problems of Seniors and Persons with Special Needs section.

## **B. Housing Market Data**

### **1. Housing Supply**

According to the 2000 Census, Oakland has a total of 157,508 units. The Census data indicates that there was an approximately two percent net increase in the total number of year-round housing units in Oakland between 1990 and 2000, but a four percent increase in total occupied housing units. Housing production failed to meet demand for housing and therefore, the vacancy rate dropped. The rate of increase in both housing units and occupied housing trailed the growth in population substantially; the four percent increase in

total occupied units contrasts sharply to the 10 percent increase in population during the same period.

### **a. Tenure**

According to the 2000 Census, growth in the housing stock over the 1990s reflected a slight trend toward ownership housing. Because a significant number of previously vacant rental housing units became occupied, the ownership rate has actually decreased by one percent despite more ownership units being built. Demand continues for homeownership housing with a slight increase in supply despite the 3,000 units burned and rebuilt in the fire area.

### **b. Vacancy**

As noted above, household growth outpaced housing construction during the 1990s, so that by 2000, the vacancy rate was half that of the beginning of the decade. According to the 2000 Census, the effective vacancy rate<sup>4</sup> was just two percent for owner-occupied housing and three percent for renter housing. The effective vacancy rate was well below the level most housing analysts consider sufficient—about five percent—to allow for mobility and choice in housing and to moderate housing cost increases. By 2000 vacancy rates had reached a point where the existing housing stock could not absorb additional housing demand. While vacancy rates have increased since 2000 due to an economic slowdown, this is most likely a cyclical effect and not a long-term structural change.

## **2. Housing Costs**

The Bay Area is one of the most expensive housing markets in the country. In Oakland, rents and median sales prices rose slowly during much of the 1990s, price increases accelerated in the late 1990s and continued to increase rapidly until 2007. Since then, prices have declined dramatically as the housing bubble burst and as foreclosures increased. Despite these reductions, prices are still well above those of 10 years ago.

Comparing 1990 and 2000 Census data, the widening gap between housing costs and incomes is especially acute for family households, whose incomes lagged during the 1990s and who represented a large share of Oakland's population growth during that period. Increases in overpayment and overcrowding since 1990 are further indicators of the problems faced by lower-income households, especially family households, and those with very low-incomes.

Looking both at recent sales prices and market rental rates, data indicate that the widening gap trend continues into the first decade of the millennium. The construction of subsidized rental housing also continues to be a challenge as the subsidy cost per unit continues to climb resulting in more challenges to provide more deeply affordable units.

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<sup>4</sup> The percent of dwelling units available for occupancy excluding homes that are boarded up, used only part of the year, or sold or rented and awaiting occupancy

Development trends in Oakland suggest that market rate housing constructed, under construction, or approved since 2007 contains, or will contain, some housing units affordable to moderate-income small households and families. By contrast, units affordable to very low- and low-income households are not mandated in market rate projects and require significant amount of financial assistance.

### **a. Rental Costs**

Rental costs are usually evaluated based on two factors: rents paid by existing occupants of rental units and advertised rents for vacant units. When the housing market is tight, rents increase rapidly. Under these conditions, advertised rents for vacant units are often significantly higher than rents paid by existing tenants. The difference between rents for occupied units versus vacant units is magnified by the presence of rent control in Oakland. Property owners typically increase rents to market levels when they become vacant, creating a large gap between rents for occupied and vacant units.

Rental costs are often evaluated based on the “gross rent” paid by tenants, which includes utility payments, versus the contract rent for the dwelling units only. According to Census data, incomes increased faster than gross rents between 1990 and 2000. Incomes rose by nearly 50 percent and rents increased by nearly 30 percent. However, very low income renters (those earning less than 50 percent of the countywide median income) did not see a proportionate decrease in percentage of their income spent on housing. The percent of renters in this income group paying more than 30 percent of income for housing went from 77 percent in 1990 to 69 percent in 2000.

According to data collected for the City’s 2004 Rental Survey with updated 2008 data, median advertised rents remained flat or declined beginning in 2002 and continued this trend through 2004 for most studio, one-bedroom, and two-bedroom rental units in Oakland. At the time, those rents were still substantially higher than in the mid- to late 1990’s. In 2008 that flat to downward trend appears to have reversed as median rents have increased in all rental categories. Notably, there is a larger range of advertised rental prices. The City’s survey measures increases in rents on vacant units; tenants in place are not necessarily experiencing rent increases of this magnitude, particularly because Oakland’s Residential Rent Adjustment Ordinance limits rent increases to much lower rates (rent increases are tied to changes in the Consumer Price Index).

### **b. Homeownership Costs**

In both the region and the City of Oakland, housing prices increased rapidly from 2000 to 2007. Due to the recent financial and foreclosure crises, prices have dropped considerably since.

As shown in Table 10 below, between 2000 and 2008, the median home sales price in Oakland increased by 90 percent. However, by the first quarter of 2010, Oakland was the only city among those listed where the median home sales price was below the 2000

level. Housing prices in most Oakland neighborhoods are significantly lower than the May 2010 median Bay Area housing price of \$592,930, as reported by the California Association of Realtors®<sup>5</sup>.

**Table 10**  
**Selection of Bay Area Cities Median Home Sales Prices**  
**2000, January to July 2008 and 2010 Q1**

City	Median Home Sales Price 2000	Median Home Sales Price January-July 08	Median Home Sales Price 2010 Q1*
Alameda	\$359,000	\$625,000	\$610,000
Albany	\$335,000	\$500,000	\$520,000
Berkeley	\$420,000	\$735,000	\$600,000
Castro Valley	\$356,500	\$518,500	-
Emeryville	\$191,000	\$307,500	\$410,000
Fremont	\$382,000	\$564,000	\$575,000
Hayward	\$255,000	\$360,000	\$275,000
Oakland	\$211,500	\$401,000	\$185,000
Richmond	\$160,000	\$245,000	\$245,000
San Francisco	\$485,000	\$760,000	-
San Jose	\$400,000	\$560,000	-
San Leandro	\$265,000	\$391,000	\$335,000

Source: DataQuick. \*First Quarter 2010 data is approximate.

As illustrated in Table 11 below, after peaking at around \$600,000 in the third quarter of 2007, median home prices in Oakland fell to a low of approximately \$150,000 in the first quarter of 2009 and have only rebounded slightly since, sitting at around \$185,000 in the first quarter of 2010.

Despite the recent decreases in sales prices and their relative affordability compared to other Bay Area cities, incomes in Oakland are still too low to take advantage of the lower prices. Homeownership is difficult for moderate-income households and even more difficult for lower-income households. Because people of color are more likely to be lower income, housing problems are more common and homeownership rates are lower for those populations.

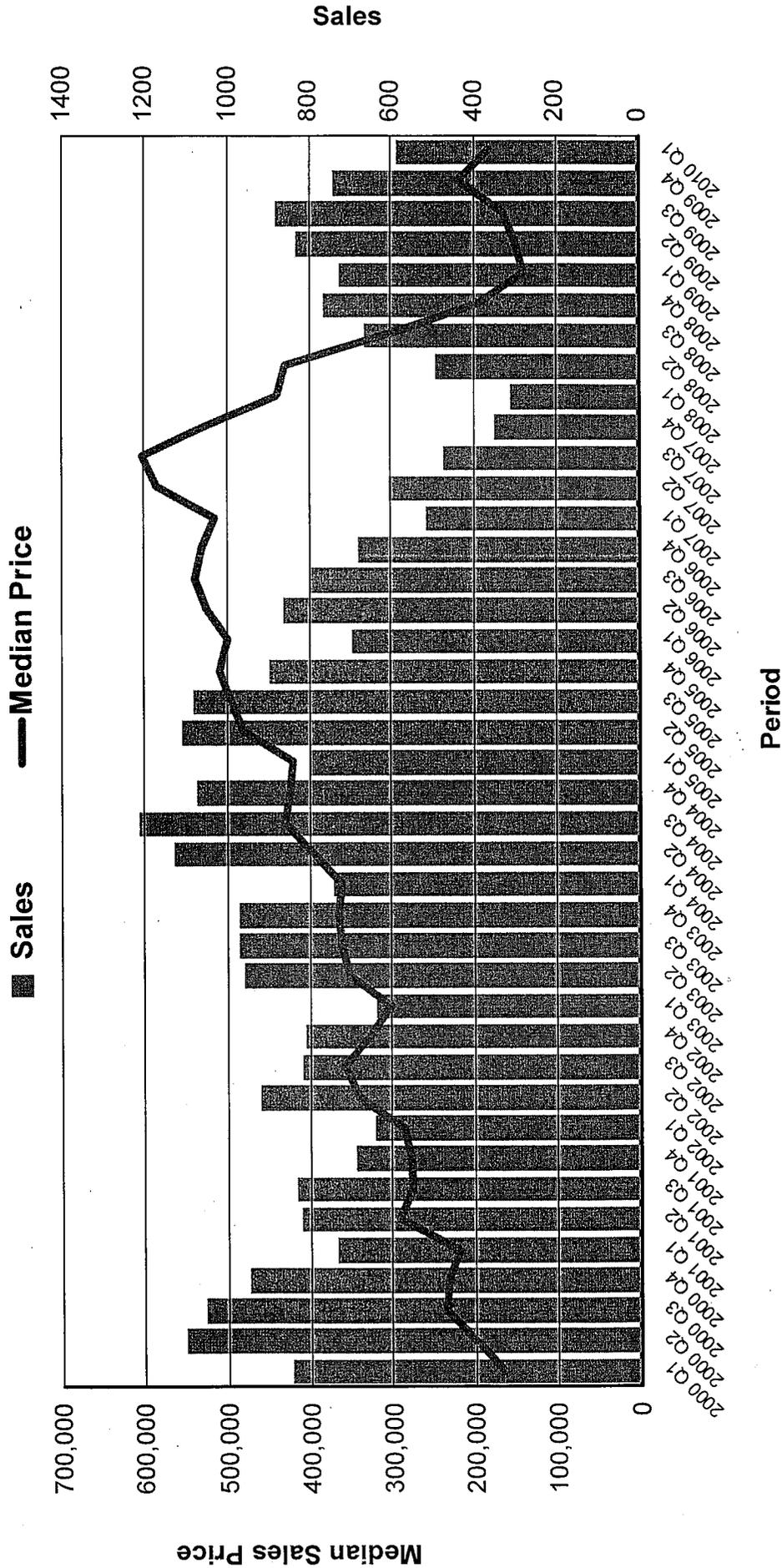
<sup>5</sup> As per California Association of Realtors press release June 22, 2010 (<http://www.car.org/newsstand/newsreleases/maysalesprice/>)



# THE CITY OF OAKLAND SALES HISTORY

Detached Single Family Residential Full Value Sales (01/01/2000 - 3/31/2010)

Table 11



\*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: Alameda County DataQuick Property Data

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HoL, Coren & Cone

### **3. Housing Conditions**

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.

Some of the indicators of substandard housing, such as an aging housing stock and the number of dwelling units lacking complete facilities, indicate that the City's housing stock may have deteriorated since 1990. Other indicators, such as the rehabilitation of earthquake-damaged residential hotels and the increase in private investment in many residential neighborhoods, suggest that housing conditions in Oakland may be improving.

Indicators used to define substandard housing can also influence conclusions regarding the condition of housing. For example, a 1982 housing conditions survey conducted by city officials found that about 10 percent of the City's housing stock was deteriorated and substandard. The 1982 survey may have counted only more seriously deteriorated dwelling units. A sample survey of housing conditions in 2002 found that as much as 30 percent of the housing stock may need various levels of repair, from deferred maintenance to substantial rehabilitation. Unfortunately, there is no empirical evidence based on consistent, periodically conducted citywide surveys of housing conditions on which to base definitive conclusions about whether Oakland's housing stock is improving or deteriorating.

According to the 2000 Census, approximately 2,200 dwelling units had no heating systems, over 1,600 dwelling units lacked complete plumbing, and nearly 2,650 dwelling units lacked complete kitchen facilities. Each of these measures showed a higher incidence than in 1990. According to the 1990 Census, approximately 1,300 dwelling units lacked heating, nearly 2,000 dwelling units lacked complete plumbing, and nearly 1,300 dwelling units did not have complete kitchen facilities. It should be noted that a significant percentage of these housing units are in single-room occupancy buildings that do not have private bath and kitchen facilities for individual dwelling units. In each of these measures, American Indians had a percentage twice as high as the average with all other race and ethnicities near the average. However, the population of American Indian households is less than 900.

Health hazards, such as presence of asbestos or lead-based paint, can also be an indicator of housing condition. The City estimates up to two-thirds of the housing units in Oakland could contain lead based paint. The large percentage of homes constructed before the 1970s increases the probability of lead paint contamination since this type of paint was commonly used up to that time.

Whether or not housing conditions in Oakland are improving overall, they remain a problem by any of the measures discussed above. Housing conditions in the City's oldest, poorest

neighborhoods with the highest proportion of renters are likely to suffer the most from substandard housing conditions.

#### 4. Tenure

According to the 2000 Census, the majority of Oakland’s housing, 88,301 units or 59 percent of the occupied housing stock, is renter-occupied. Approximately 41 percent (62,489 units) is owner-occupied. However, there are significant differences in tenure among different racial/ethnic groups. Only non-Hispanic White households had a majority of homeowners in 2000, and then only a small majority (52 percent in 1990 and 56 percent in 2000). Other racial and ethnic groups had homeownership rates between 33 percent and 50 percent.

As seen in Table 12, between 1990 and 2000, the homeownership rate improved for Whites and Hispanics but declined substantially for Asians and was virtually unchanged for Blacks.

**Table 12**  
**Tenure by Race and Ethnicity (1990 and 2000)**

Race	Owners		Renters		Percent Owners		Percent Renters	
	1990	2000	1990	2000	1990	2000	1990	2000
<b>Non-Hispanic or Latino</b>								
White	27,391	25,613	25,754	23,411	52%	56%	48%	42%
Black	21,760	20,214	39,763	35,985	35%	36%	65%	64%
Native American	196	269	485	596	29%	50%	71%	50%
Asian/Pacific Islander	6,435	8,168	9,418	11,821	50%	41%	50%	59%
Other <sup>1</sup>	95	5,577	153	11,515	38%	33%	62%	67%
<b>Hispanic or Latino</b>								
Hispanic or Latino	4,345	6,898	8,729	13,816	37%	41%	63%	59%
<b>Total</b>	<b>60,222</b>	<b>62,489</b>	<b>84,368</b>	<b>88,301</b>	<b>43%</b>	<b>41%</b>	<b>57%</b>	<b>59%</b>

Sources: 1990 and 2000 Census.<sup>1</sup>Other category includes two or more races, reported only for the 2000 Census.

Table 13 shows the income distribution of homeowner households for each racial and ethnic group. A higher percentage of minority homeowners are very low income than is true for Whites. This may leave them at a greater risk of losing their homes due to loss of income or increased expenses.

**Table 13**  
**Income of Homeowner Households by Race/Ethnicity (2000)**

Race/Ethnicity	Very Low- and Low-Income	Moderate Income	Above Moderate Income	Total
White	10.90%	8.00%	81.00%	100%
Black	28.80%	14.90%	56.40%	100%
Asian/Pacific Islander	24.30%	14.00%	61.60%	100%
Native American	29.20%	6.50%	64.30%	100%
Hispanic	22.80%	21.20%	56.10%	100%
<b>All</b>	<b>19.90%</b>	<b>12.60%</b>	<b>67.50%</b>	<b>100%</b>

Sources: 2000 Census, CHAS Data Set.

Table 14 shows that racial/ethnic disparities in ownership cannot be explained by differences in income alone. At all income levels, Blacks have lower homeownership rates than Whites. Low and moderate income Asians are more likely to own homes. Hispanics have significantly lower homeownership rates than Whites at Very Low and Moderate incomes.

Homeownership rates among very low, low, and moderate income households dropped from 1990 to 2000. With the exception of an increase for moderate income Blacks, these declines occurred in all three income groups regardless of race.

**Table 14**  
**Homeownership Rates by Income Category and Race/Ethnicity**

Income	Whites		Blacks		Asians/API		Hispanics		All	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Very Low- Income	30.6%	27.4%	23.1%	21.9%	n/a	21.2%	19.5%	17.7%	23.6%	21.7%
Low Income	37.0%	36.1%	34.0%	32.5%	n/a	41.9%	40.2%	33.8%	36.3%	34.0%
Moderate Income	62.9%	62.7%	53.6%	55.6%	n/a	63.8%	52.2%	50.8%	59.3%	59.0%
<b>Total</b>	<b>52.1%</b>	<b>52.3%</b>	<b>36.5%</b>	<b>35.9%</b>	<b>n/a</b>	<b>40.9%</b>	<b>35.7%</b>	<b>33.1%</b>	<b>42.6%</b>	<b>41.2%</b>

Source: 2000 Census, CHAS Data Set.

## **C. Housing Problems**

### **1. Households Overpaying for Housing**

A standard measure of housing affordability is that housing expenses should not exceed 30 percent of a household's gross (before tax) income. This is the accepted measure of affordability for state and federal housing programs. Households who pay more than this percentage are considered to have a "cost burden."

Households who pay more than 50 percent of gross income are considered to have a "severe cost burden" and at extremely low and very low income levels, are considered to be "worst case needs" households who are at risk of becoming homeless. Extremely low-income renters who pay half or more their incomes for housing are at greatest risk of becoming homeless because of their precarious financial circumstances. Extremely low-income homeowners who pay half or more of their incomes for housing have the least ability to meet utility expenses and do not have sufficient incomes to borrow funds to maintain, repair or improve their homes.

Not surprisingly, overpayment problems are most pronounced for those with the lowest incomes. According to the 2000 Census, about three-fourths of extremely low income households paid more than 30 percent of their incomes for housing; 60 percent of households with incomes between 30 and 50 percent of median income paid over 30 percent of income for housing; and about one-third of households with incomes between 50 and 80 percent of median paid over 30 percent.

A similar pattern exists for extreme cost burden, but it falls off more quickly as incomes rise. Extreme cost burdens are experienced by nearly 60 percent of extremely low income households, 20 percent of households with incomes between 30 and 50 percent of median, and just 8 percent of households with incomes between 50 and 80 percent of median.

These general patterns mask important differences between renters and owners. For renters, cost burden for households in the 50 to 80 percent of median income range are much lower than for owners with similar incomes. This difference is even more pronounced when comparing extreme cost burdens for renters and owners. It appears that for renters, beyond a certain income level, cost burdens fall quickly, but are replaced by much higher rates of other housing problems such as substandard conditions and overcrowding, suggesting that many renters, and particularly large families, resolve their affordability problems by living in inadequate housing rather than devoting larger portions of their income to housing that is standard quality and adequate for their household size. Higher cost burdens for owners could be the result of more liberal underwriting policies that allow higher debt to income ratios even for low income borrowers. While this helps expand ownership rates, it could also put low income owners at higher risks of default. To the extent that low income households are more likely to be minority, there is a disparate effect based on race and ethnicity.

Table 15 compares the percentage of households paying more than 30 percent of their incomes on housing in 1990 and 2000, broken out by tenure and HUD-defined income levels.

**Table 15**  
**Households Paying Over 30 Percent for Housing Costs**  
**(1990 and 2000)**

Income Level	Renters		Owners		All Households	
	1990	2000	1990	2000	1990	2000
Extremely Low-Income (0 to 30% MFI)	78%	74%	64%	73%	76%	74%
Very Low-Income (31% to 50% MFI)	72%	60%	43%	58%	63%	60%
Low Income (51% to 80% MFI)	43%	24%	35%	46%	40%	31%
Moderate Income (81% to 95% MFI)	1%	n/a	7%	n/a	4%	n/a

Sources: U.S. Department of Housing and Urban Development: 1990 and 2000 CHAS Data Books, derived from 1990 and 2000 Census.  
 Note: Percentages may not sum to 100% due to rounding.

Table 16 provides a similar comparison for households paying more than 50 percent their income for housing. Between 1990 and 2000 cost burdens for renters were reduced in all income categories even though rents went up faster than income. This could be attributed to the fact that housing assistance was expanded during this period and had a positive effect on housing burdens for low income populations.

**Table 16**  
**Households Paying Over 50 Percent for Housing Costs**  
**(1990 and 2000)**

Income Level	Renters		Owners		All Households	
	1990	2000	1990	2000	1990	2000
Extremely Low-Income (0 to 30% MFI)	61%	56%	45%	60%	58%	57%
Very Low-Income (31 to 50% MFI)	26%	16%	23%	35%	25%	21%
Low Income (51 to 80% MFI)	4%	3%	12%	18%	7%	8%
Moderate Income (81 to 95% MFI)	1%	n/a	7%	n/a	4%	n/a

Sources: U.S. Department of Housing and Urban Development: 1990 and 2000 CHAS Data Books, derived from 1990 and 2000 Census.  
 Note: Percentages may not sum to 100% due to rounding.

## **2. Overcrowding**

Overcrowding is a measure of the capacity of the housing stock to adequately accommodate residents. Too many individuals living in a housing unit with inadequate space and number of rooms can result in unhealthy living arrangements and accelerated deterioration of the housing stock. In the United States, housing providers and government agencies typically consider a household as overcrowded if there is more than one person per room or two persons per bedroom. Extreme overcrowding is often defined as more than 1.5 persons per room. Overcrowding may result when: 1) the cost of available housing with a sufficient number of bedrooms for larger families exceeds the family's ability to afford such housing, 2) unrelated individuals (such as students or low-wage single adult workers) share dwelling units due to high housing costs, 3) when the cost of housing requires two families to double up, or 4) when housing costs force extended family members to become part of the household.

Overcrowding in 2000 was greater than in 1990, according to the Census. Nearly 12 percent of the City's households lived in overcrowded conditions in 1990, increasing to 16 percent in 2000. Ten percent of Oakland households lived in severely overcrowded conditions in 2000 (more than 1.5 persons per room). Table 17 summarizes overcrowding in 2000.

Renter households typically have a higher rate of overcrowding than homeowners. Nearly 16 percent of renters lived in overcrowded conditions in 1990, while more than nine percent lived in extremely overcrowded conditions. By 2000, 22 percent of renters lived in overcrowded conditions. Large renter families had the highest rate of overcrowding, nearly 78.4 percent.

By comparison, six percent of homeowners lived in overcrowded conditions in 1990, about half of which were severely overcrowded. The rate of overcrowding increased to ten percent by 2000, according to the Census Bureau.

Overcrowding is closely associated with income. As reported earlier, younger households and non-White households have significantly lower incomes than older households and White, non-Hispanic households. The 2000 Census reported that overcrowding was highest among households age 34 or less. While households with the householder aged less than 35 years old make up 25 percent of the population, they make up 40 percent of the overcrowded households in the City. Conversely, overcrowding was significantly lower among older households (those with householders 55 years of age or more) which make up 31 percent of the population and only 13.3 percent of the households that are overcrowded. While 10.3 percent of the households in the City are overcrowded, only 1.5 percent of White households are overcrowded, 5.5 percent of the Blacks, 23.0 percent of Asian and 35.4 percent of Hispanics.

The increases in overcrowding are very likely due to a combination of two factors - rapidly rising housing costs during the 1990s, and an increase in the number of lower-income large families (including a substantial number of immigrant families). Large families frequently live in smaller housing units due to the lack of affordable units with three or more bedrooms,

in effect trading affordability for overcrowding. Apart from the problems this causes for the overcrowded families, it may also increase competition for housing units that otherwise might be more affordable to smaller households.

**Table 17**  
**Persons per Room in All Occupied Housing Units**  
**(2000)**

Persons	Oakland	Percent	County	Percent
Less than 1.00	126,340	84%	459,309	88%
1.01 to 1.50	8,951	6%	27,469	5%
1.51 or more	15,496	10%	36,588	7%
<b>Total Overcrowded Households</b>	<b>24,447</b>	<b>100%</b>	<b>64,057</b>	<b>100%</b>

Source: 2000 Census.

### 3. Housing Problems of Minorities

According to the 2000 Census, extremely low income White renters have higher than average rates of housing problems and higher rates than other races but lower than Hispanics. Very low income Whites have higher than average rates of housing problems, higher than Blacks and Asians but lower than other races and ethnicities. Low income Whites have lower than average rates of housing problems but still higher than Blacks. Moderate and above moderate income Whites have lower than average rates of household problems.

While the rate of housing problems for minority households is frequently lower than for Whites, because minority households are disproportionately represented in the extremely low income, very low income, and low income income levels, housing problems are disproportionately experienced by minorities overall. Hispanic households 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.

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.

**Table 18**  
**Renter Households with Housing Problems, by Race and Ethnicity**  
**(2000)**

<b>Income Level</b>	<b>White (Non-Hispanic)</b>	<b>Black (Non-Hispanic)</b>	<b>Asian (Non-Hispanic)</b>	<b>Pacific Islander (Non-Hispanic)</b>	<b>Native American (Non-Hispanic)</b>	<b>Hispanic (Any Race)</b>	<b>Other*</b>	<b>Total</b>
Extremely Low-Income	3,970	13,841	5,065	50	110	3,817	1,212	28,065
<i>w/ Housing Problems</i>	3,323	10,630	3,885	35	85	3,443	967	22,368
<i>Percent of group</i>	84%	77%	77%	70%	77%	90%	80%	80%
Very Low-Income	3,362	6,364	2,170	39	94	3,330	854	16,213
<i>w/ Housing Problems</i>	2,790	4,506	1,729	35	90	2,850	661	12,662
<i>Percent of group</i>	83%	71%	80%	90%	96%	86%	77%	78%
Low Income	3,596	6,087	1,550	29	45	2,788	713	14,808
<i>w/ Housing Problems</i>	1,618	2,325	876	25	35	1,743	323	6,945
<i>Percent. of group</i>	45%	38%	57%	86%	78%	63%	45%	47%
Moderate Income & Above	12,175	8,883	2,760	75	154	3,651	1,485	29,183
<i>w/ Housing Problems</i>	1,424	1,377	944	25	14	1,647	318	5,749
<i>Percent of group</i>	12%	16%	34%	33%	9%	45%	21%	20%
<b>All Households</b>	<b>23,103</b>	<b>35,175</b>	<b>11,545</b>	<b>193</b>	<b>403</b>	<b>13,586</b>	<b>4,264</b>	<b>88,269</b>
<i>w/ Housing Problems</i>	<b>9,149</b>	<b>18,819</b>	<b>7,435</b>	<b>120</b>	<b>224</b>	<b>9,687</b>	<b>2,320</b>	<b>47,754</b>
<i>Percent of group</i>	<b>40%</b>	<b>54%</b>	<b>64%</b>	<b>62%</b>	<b>56%</b>	<b>71%</b>	<b>54%</b>	<b>54%</b>

Source: 2000 Census. \*Includes More Than 1 Race, Other, and Unspecified

**Table 19**  
**Owner Households with Housing Problems, by Race/Ethnicity**  
**(2000)**

<b>Income Level</b>	<b>White (Non-Hispanic)</b>	<b>Black (Non-Hispanic)</b>	<b>Asian (Non-Hispanic)</b>	<b>Pacific Islander (Non-Hispanic)</b>	<b>Native American (Non-Hispanic)</b>	<b>Hispanic (Any Race)</b>	<b>Other*</b>	<b>Total</b>
Extremely Low Income	1,270	3,351	865	19	35	607	441	6,147
<i>w/ Housing Problems</i>	813	2,597	635	15	35	512	354	4,606
<i>Percent of group</i>	64%	78%	73%	79%	100%	84%	80%	75%
Very Low Income	1,501	2,326	1,025	65	10	925	329	5,852
<i>w/ Housing Problems</i>	754	1,505	725	65	0	797	203	3,845
<i>Percent of group</i>	50%	65%	71%	100%	0%	86%	62%	66%
Low Income	2,033	2,931	1,100	40	10	1,424	324	7,538
<i>w/ Housing Problems</i>	907	1,726	710	25	10	1,092	200	4,470
<i>Percent. of group</i>	45%	59%	65%	63%	100%	77%	62%	59%
Moderate Income & Above	20,503	11,126	4,915	89	99	3,774	1,342	40,506
<i>w/ Housing Problems</i>	4,080	2,915	1,597	75	25	1,808	422	10,500
<i>Percent of group</i>	20%	26%	33%	84%	25%	48%	31%	26%
<b>All Households</b>	<b>25,307</b>	<b>19,734</b>	<b>7,905</b>	<b>213</b>	<b>154</b>	<b>6,730</b>	<b>2,436</b>	<b>60,043</b>
<i>w/ Housing Problems</i>	<b>6,554</b>	<b>8,742</b>	<b>3,668</b>	<b>180</b>	<b>70</b>	<b>4,206</b>	<b>1,196</b>	<b>23,421</b>
<i>Percent of group</i>	<b>26%</b>	<b>44%</b>	<b>46%</b>	<b>85%</b>	<b>46%</b>	<b>63%</b>	<b>49%</b>	<b>39%</b>

Source: 2000 Census. \*Includes More Than 1 Race, Other, and Unspecified

#### **4. Housing Problems of Seniors and Persons with Special Needs**

Social service agencies serving various low-income populations report that units suitable for the elderly and persons with disabilities are in scarce supply relative to the need.

##### **a. Seniors**

###### *i. Income and Poverty*

According to the 2000 Census, Oakland has roughly 26,000 senior households, and a significant number of these seniors – 5,329 or 13 percent – live below the poverty level and 2,126 at half the poverty level. This is substantially greater than the 10 percent national average and the 8 percent state average proportion of seniors living under the poverty level. The median household income for seniors from 65 to 74 years was \$29,479 and for seniors 75 years and older was \$23,574. Of those living below the poverty level, 56 percent live with some sort of disability and of those living above the poverty level, 45 percent live with some sort of disability.

###### *ii. Housing Supply*

The City has a shortage of housing suitable for the elderly who have difficulty with daily tasks and for lower income elderly households. As of July 2010, there are 4,294 senior subsidized rental units in Oakland, of which 809 have accessible features. An additional 260 units not specifically reserved for seniors have accessible features.

In addition to subsidized rental housing developments for seniors, there are almost 60 community care facilities licensed in the City of Oakland. These facilities provide “assisted living” for 2,580 seniors in Oakland. Facilities range in size from six beds to larger retirement hotels providing space for over 100 seniors in a single location.

###### *iii. Housing Problems*

According to 2000 CHAS data, out of the 6,842 extremely low-income seniors, 4,516 (66 percent) have housing problems. Among very-low income seniors, 1,152 out of 1,829 households (63 percent) have housing problems. Among low-income seniors, 570 out of 1,213 households (47 percent) have housing problems. These figures show that the most serious affordability problems among seniors are for extremely low income seniors, therefore there is a need for assisted units with rental subsidies.

The 2000 Census data indicates that 56 percent of all senior renters have housing problems, slightly higher than the 54 percent for all renters. In 2000 there were 16,052 senior homeowner householders and 82 percent of them owned homes that were built before 1950. Among senior owners, 39 percent have housing problems, a figure that is lower than the rate for all owner households.

Despite the significant number of assisted senior housing units, many seniors have limited financial resources resulting in a great demand for affordable housing. According to the 2010-2015 Consolidated Plan, City staff sampled the three largest senior housing property management companies operating in the Oakland. Combined, these companies operate 64 percent of assisted senior housing developments in the City, which contains 55 percent of the total assisted senior housing units. The average wait for one of these units is from two to five years.

*iv. Other Issues*

Many Oakland seniors face challenges in mobility that are not as common in other local cities. Fully one-fourth of the Alameda County seniors 65 or over who responded to the Alameda County Area Agency on Aging's 2005 Needs Assessment Survey reported that they have serious problems with transportation. Many seniors can no longer drive or walk to a bus stop, even though they are healthy and want to participate in community life. Nearly one-third of the respondents have serious difficulty transporting themselves from their homes. According to the City of Oakland 2004 Senior Needs Assessment, eighty percent of older residents who use public transportation find it difficult to access.

For those able to live independently, housing facilities need to be affordable and safe, with access to transportation. Independent living can be sustained through accessibility and safety updates to existing housing units with equipment such as hand rails, stairs and elevator upgrades. Services to meet special needs may also include referrals for services available in the community such as: assistance with legal and financial concerns; assistance with daily activities such as chores and meal preparation; respite care; escort services, language assistance, and transportation assistance. In addition, mental health counseling including grief and support groups, telecare, and visiting counselors offer seniors emotional support.

Even as seniors continue to have a need for supportive services, funding for those services is being cut. City funding cuts have eliminated the public senior shuttle service which makes access to services difficult for seniors with limited mobility. Language barriers also prove to be a problem for service providers as the aging population becomes more diverse. All affordable senior residential communities in the City provide independent living care. The care providers surveyed find that aging in place for some senior citizens is a challenge as their needs increase and supportive services are not set up to meet those needs. In some cases there is a problem with finding affordable options for the next level of care. Furthermore, while Oakland provides a number of services directed at the elderly, large demand and limited resources make continuation and expansion of these programs increasingly difficult.

## **b. Other Persons with Special Needs**

### *i. Population of Other Persons with Special Needs*

According to the 2000 Census, Oakland has a greater than average population of persons with disabilities. Nearly 21 percent of the population age five and older (84,542 individuals) who live in Oakland reported a disability. As age increases, the incidence of disability increases. Nearly half of the population 65 and older reported having a disability. The Census also reported 29,428 households with mobility and self care limitations. Of these households, 69 percent are very low income and 81 percent are low income as compared to 50 percent and 67 percent of all renters. Fifty percent of households with a member who has mobility and/or self care limitations are extremely low income. These factors create a high demand for housing and services to meet the needs of persons with disabilities.

Many persons with disabilities, particularly those recently released from hospital care, have little or no income. A person with disabilities earns less per month from Supplemental Security Income (\$812) than the fair market value of a studio apartment (\$900).<sup>6</sup> There is the barrier of high unemployment and limited earning potential among people with profound physical and mental disabilities due to such factors as the nature of their disabilities, their status as retired seniors, and the reluctance of some employers to hire persons with disabilities. Many persons in these categories have very low or extremely low incomes and are either homeless or at risk of becoming homeless.

### *ii. Housing Supply*

As of July 2010, there are 1,069 assisted rental units that have accessible features. There are a number of accessible units in private developments, but many households with members with a disability still find it extremely difficult to locate housing that is either accessible or suitable for adaptation. To address this problem, in federally funded projects, including those funded with CDBG and HOME funds, at least five percent of the total number of units must be accessible to people with physical disabilities, and an additional two percent of units must be accessible to people with auditory and visual disabilities, as defined in the Uniform Federal Accessibility Standards (UFAS). The City's Assisted Housing Inventory identified 166 permanent housing units in ten developments designated specifically for individuals with physical and mental disabilities, as well as for those individuals with HIV/AIDS.

### *iii. Housing Problems*

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 persons with disabilities and/or households with a member with a disability find it extremely difficult to locate affordable housing that is

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<sup>6</sup> EveryOne Home Plan Fact Sheet - 2009

either accessible or suitable for adaptation. Source and amount of income for persons with disabilities can make finding affordable housing more difficult.

Large families that include a member of the household with a disability may face greater barriers to finding housing due to the shortage of large units and therefore a lack of large accessible units.

In July of 2009, OHA opened the Public Housing wait lists and accepted pre-applications to enter a lottery for placement on 12 Public Housing site-based wait lists. Of the 93,654 applications received for the lottery, 18,145, approximately 20 percent, requested reasonable accommodations. When the final selection for the 12 wait lists has been completed, OHA will evaluate the number of households that requested a reasonable accommodation.

As of June 30, 2009, the Section 8 wait list included 1,105 households where the head of household has a disability. Actual needs of all applicant households are evaluated when selected from the wait list to ensure that the housing placement meets actual needs.

Individuals who receive Section 8 housing vouchers for rental assistance often find it difficult to locate accessible rental housing for which housing vouchers can be used and property owners willing to accept the voucher. In some cases, the rent is above the fair market rent the federal program will cover, creating a gap between the assistance available under the voucher program and the actual rental cost, which must be paid by the voucher holder.

*iv. Other Issues*

Persons with disabilities may require living arrangements that meet their specific physical and financial needs, depending on the severity of their disabilities and whether they are affected by a physical, mental (including cognitive, developmental or emotional), sensory, alcohol/drug-related, or a chronic disease disability. While some individuals require full support services in their residences, others only require modifications to their homes to make their housing units more accessible. Buildings with accessible units also need to have safety features that take disabilities into account, including physical safety features and evacuation plans.

Affordable housing and services currently available often do not adequately support those in need. Persons with physical and/or mental disabilities require housing and support services that are designed to encourage independent living and accommodate their special needs. Market rate housing is not an option for many people in special needs categories, thus, demand for subsidized accessible housing with and without support services is very great.

A number of public and private organizations provide financial assistance, housing, residential care, and support services to persons with disabilities. However, the number of persons with disabilities in need of assistance is far greater than the availability of

assistance. The waiting time to receive this assistance is still very long. Service providers report that there is an urgent need for more housing vouchers with rental assistance for this population.

There are also a number of residential care facilities for persons with mental disabilities scattered throughout the City serving mostly non-senior adults and children and youths under the age of 25. Over the past several years, additional housing units have been added for persons with disabilities, particularly for persons with HIV/AIDS. There are also a number of residential alcohol and drug treatment centers, with inpatient and outpatient counseling services. However, according to service providers, the waiting time for admission into these programs is very long, during which time the needs of persons seeking services can become more severe.

Among the most urgent needs reported by organizations serving persons with disabilities are independent living units with supportive services; treatment for persons with chemical dependency, mental illness, and chronic illness; and life and job skills training to increase the ability of these individuals to live independently. People with severe mental disabilities have a great need for affordable housing, accessible housing and/or support services because they face very limited employment opportunities and great barriers to living independently. Support services should include counseling, support groups, employment training and placement assistance, and day centers with social and recreational activities. Additional services that should be offered to residents include independent living skills education, transportation, legal assistance related to non-discrimination laws and advocacy for benefits and legal issues. Persons with physical disabilities often require attendant referral services and attendant management training. Other services such as empowerment and self-advocacy training further enhance independent living skills for persons with a disability. Also needed are affordable, accessible child care and support groups for parents with physical disabilities.

#### Persons with Developmental Disabilities

The Regional Center of the East Bay (RCEB) provided the City of Oakland with specific demographics for the developmentally disabled population that they serve in the City.<sup>7</sup> The RCEB identified Oakland's population and their estimated housing needs during the Housing Element period of 2007 to 2014.

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<sup>7</sup> This organization uses the State of California's definition of developmental disability: the population with a lifelong disability caused by a mental or physical impairment manifested prior to the age 18 years and includes conditions such as mental retardation, epilepsy, autism, cerebral palsy or other conditions that require services similar to a person with mental retardation.

**Table 20**  
**Oakland Population of Persons with Developmental Disabilities**

	0-14 Years	15-22 Years	23-54 Years	55-65 Years	65+ Years	All
Total Population	1,878	810	1,834	206	48	4,776
Regional Center for the East Bay “Need Factor”	25%	50%	35%	25%	20%	
Estimated Housing Unit Need	470	405	642	52	10	1,578

Source: The Regional Center of the East Bay.

Environmental Illness and/or Multiple Chemical Sensitivity

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 HIV/AIDS

Persons with the HIV/AIDS virus often live on fixed incomes and face high medical bills. Affordable housing and housing offering special services for the HIV/AIDS population should recognize the special needs of this population. Vital services for the HIV/AIDS population include a significant amount of advocacy for legal issues such as 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 HIV/AIDS 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.

Discrimination affects the ability of people living with HIV/AIDS to access services. These factors include, the continued stigma and negative attitudes (including attitudes prevalent in organized religions) regarding HIV and HIV/AIDS risks behaviors, which lead to a reluctance on the part of people with HIV to disclose their HIV status to family members, friends, and care providers to seek care. People who speak languages other than English have difficulty accessing services.

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 becoming HIV. 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 subgroup 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.

## **5. Housing Problems of Large Families**

The U.S. Department of Housing (HUD) defines a large household or family as one with five or more members. Large households typically require units with more bedrooms. In general, housing for these households should provide safe outdoor play areas for children and have convenient access to schools and child-care facilities. These types of needs can pose problems, particularly for large families that cannot afford to buy or rent single-family houses, because apartments and condominium units are most often developed for smaller households and may not provide adequate outdoor spaces for children. When housing prices rise faster than incomes and when the number of larger housing units with three or more bedrooms is limited, large families are often forced to live in overcrowded conditions.

The Consolidated Plan acknowledges the difficulty that large families face when trying to find suitable accommodations, particularly if they are low-income renters. According to the Plan, there is a correlation between the number of large, low-income families, the shortage of low-cost rental housing with three or more bedrooms, and the incidence of overcrowding and overpayment. Large, low-income renter families at all income levels face a higher percentage of housing problems than other households of similar income.

At the time of the 2000 Census, Oakland was home to 11,365 renter and 8,526 owner households with five or more persons, or 19,891 large family households. In comparison to 1990, there has been an increase in the number of large households among both renters and owner-occupants.

Table 21 compares the number of large families in 1990 and 2000.

**Table 21**  
**Number of Large Households in Oakland (1990 and 2000)**

Large Households	1990		2000	
	Number	Percent Total Households	Number	Percent Total Households
Owner-Occupied 5-or-More Person Households	7,163	11.9%	8,526	13.6%
Renter-Occupied 5-or-More Person Households	9,966	11.8%	11,365	12.9%
<b>Total 5-or-More Person Households</b>	<b>17,129</b>	<b>11.9%</b>	<b>19,891</b>	<b>13.2%</b>

Sources: 1990 and 2000 Census.

As noted earlier, overcrowding rates are especially severe for large families, regardless of income. This is due to an acute shortage of housing units with four or more bedrooms, especially rental units. The 2000 Census identified 11,365 renter households with five or more persons, but only 2,341 rental units with four or more bedrooms. Despite the fact that there is a much better relationship between the number of large homeowner families and large owner-occupied units, overcrowding rates are still very high for lower income large families, which suggests that more affluent families are able to occupy homes larger than they might need, while low and moderate income large families can achieve homeownership only by buying units smaller than what they might need. Table 22 compares the number of housing units by tenure and number of bedrooms in 2000.

**Table 22**  
**Housing Units by Tenure and Number of Bedrooms (2000)**

Number of Bedrooms	Tenure		Total
	Owner-Occupied	Renter-Occupied	
Studios	1,426	16,972	18,398
One-bedroom	6,015	34,842	40,857
Two-bedrooms	21,140	24,887	46,027
Three-bedrooms	22,785	9,263	32,048
Four-bedrooms	8,647	1,763	10,410
Five-or-more-bedrooms	2,469	578	3,047
<b>Total Units</b>	<b>62,482</b>	<b>88,305</b>	<b>150,787</b>
Number of units with four or more bedrooms	11,116	2,341	13,457
Percent of total units with four or more bedrooms	17%	3%	9%

Source: 2000 Census.

## 6. Foreclosures

As will be discussed in detail in the Discrimination in Mortgage Lending and Foreclosures parts of Section IV, the Identification of Impediments to Fair Housing Choice section, the trend in subprime lending practices that escalated from approximately 2003 to 2007 dramatically impacted the City of Oakland. These high-risk mortgage loans, including those with adjustable rates and balloon payments, led to a substantial increase in the number of homeowners who have lost or are in danger of losing their homes to foreclosure. The City of Oakland is tracking the number of houses that are in foreclosure by monitoring properties that are in default (NOD), that have a trustee sale scheduled (NTS), or that are bank-owned (REO). Between January 2007 and July 2010, 11,413 NODs, 10,123 NTSs, and 8,012 REOs were recorded. Of the over 8,000 properties that were foreclosed by banks, most were single family homes but this figure also includes duplexes, triplexes and other multi-unit buildings. The City of Oakland estimates that about two-thirds of those houses are owned by banks with the remaining one-third possibly re-sold into private ownership.

In addition, the City acquired data from November 2008<sup>8</sup> on properties that had an adjustable rate loan scheduled to reset between December 2008 and November 2010 that had a greater than 90 percent combined loan-to-value ratio. This data showed that there were close to 7,365 properties with loan adjustments scheduled for 2008-2010. Of those properties, 3,655 (50 percent) loans adjusted in December 2008; an addition 2,648 (36 percent) loans were set to adjust between January 2009 and December 2009.

## D. Assisted Housing Resources

Assisted housing falls into three categories: public housing, Section 8 rental assistance, and privately-owned assisted housing.

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<sup>8</sup> Adjustable Rate Loan Rider data for the City of Oakland acquired from First American Core Logic. This data consists of first mortgage loans that will have at least one adjustment between November 2008 and November 2010 and that have a combined loan to value ratio of >90%. These data include loans on the following types of properties: condominiums, duplexes, multi-family, PUDs, fourplexes, single family residential, townhomes and triplexes. The adjustable rate loans that are counted in this data include: subprime, interest only, term and option. Data does not include negative or partial amortization loans.

**Table 23**  
**Assisted Housing**

Housing Type	Number of Units
Public Housing	1,606
Housing Choice Vouchers*	13,282
Privately Owned Assisted Housing*	8,505
<b>Total</b>	<b>23,393</b>

Sources: Oakland Housing Authority's Fiscal Year 2010 Annual Report and CEDA, City of Oakland.

\* Includes Tenant Protection Vouchers for the scattered site disposition units, as well as Section 8 Mod Rehab and other programs, converted to vouchers.

\*\* Includes for profit and non-profit owned housing.

Note: Assisted Housing may include project-based Section 8 or tenants may receive individual Section 8 Vouchers, therefore there may be double counting and the number of assisted households is slightly lower.

## 1. Public Housing

The Oakland Housing Authority (OHA) administers both the Public Housing Program and the Section 8 Housing Choice Voucher Program. Until recently, the Oakland Housing Authority owned and managed 3,221 units of public housing made up of large housing sites and scattered sites.

Recently OHA transferred 1,615 scattered site units out of the Public Housing program, mostly by leasing them to Oakland Housing Initiatives (OHI, a nonprofit affiliate of OHA) while retaining affordability restrictions. This was a strategy to ensure the physical and financial viability of the developments in order to provide low-, very low- and extremely low-income households, including minorities, with greater housing choice throughout the city, (approximately 67 percent of the scattered site units are located outside areas of minority concentration, see Map 11 on page 77). Sixty-one of the scattered site units may be sold at fair market value. As a result, according to OHA's Fiscal Year 2010 Annual Report the public housing stock now consists of 1,606 units on 14 sites.

Initially, tenants occupying the disposition units were issued Tenant Protection Vouchers. With these vouchers, existing families in former public housing scattered site units can move at any time. Once the families move out, OHA can then issue Project Based Vouchers to the scattered site units. OHA anticipates that these units will begin converting to Project Based Voucher units as families move out in Fiscal Year 2011.

Most of the remaining public housing sites were renovated or rebuilt, including four developments totaling 307 units that, under the HOPE VI program, were demolished and rebuilt as mixed income developments (with full one to one replacement of all public housing units). The units redeveloped under HOPE VI are operated by third party management companies. The HOPE VI strategy was to increase opportunities for tenants while preserving affordable housing by rebuilding existing public housing, adding services and transforming them into mixed income communities. By

providing opportunities for households at higher income levels, the concentration of poverty should be reduced.

## **2. Section 8 Vouchers**

According to OHA's Fiscal Year 2010 Making Transitions Work Annual Report, OHA manages 13,282 Section 8 Housing Choice Vouchers, including Section 8 Mainstream and Veterans Affairs Supportive Housing (VASH) Vouchers. Section 8 assistance promotes fair housing choice by making it possible for low income households to live outside areas of racial concentration and poverty concentration.

As of June 30, 2010, OHA has entered into contracts to project base 427 Housing Choice Vouchers in 13 developments, and has committed to an additional 1,914 units for 13 additional developments. Most of the project-based vouchers are located in housing developed (or under development) with assistance from the City or Oakland Redevelopment Agency, as further described below.

## **3. Privately-Owned Assisted Housing**

There is a substantial amount of subsidized housing in Oakland. Most of this housing is privately owned and was developed under various federal, state and City of Oakland funding programs. As of July 2010, there are 8,505 privately owned, publicly subsidized rental housing units in Oakland. Of these units, 166 are designated for persons with disabilities and/or HIV/AIDS, 3,313 for families, and 4,294 for seniors, while 679 are in residential hotels and 91 are transitional housing units for homeless individuals and families.

Thus the total number of households that receive rental assistance or live in apartments with subsidized rents is approximately 23,000. (Because some Section 8 tenant-based voucher holders live in privately-owned assisted housing, the number of assisted households may be slightly lower than the sum for all programs).

## **E. Immigrant and Non-English Speaking Populations**

For immigrant and non-English speaking populations, lack of access to information and program materials in their native language has prevented many from taking full advantage of available programs. In May 8, 2001 the City of Oakland, California, became the first city in the nation to pass an Equal Access to Services Ordinance (EAO) with the purpose of removing language barriers that limited-English speakers may have in accessing City services. The Ordinance mandates that Oakland must provide language access for residents that are limited or non-English speakers through (1) bilingual personnel in public contact positions (PCPs) throughout its agencies and (2) translated written outreach materials: brochures, forms, notices, applications, etc. that provide vital information to the public about the Department's services or programs. The

Ordinance targets languages that have 10,000 or more Oakland residents that are limited English speakers.

## **F. Fair Housing Resources**

This section provides an inventory of fair housing resources, including plans, research studies, reports, and fair housing and housing service organizations.

### **1. Plans**

- *Consolidated Plan for Housing and Community Development July 1, 2010 - June 30, 2015*, City of Oakland, Community and Economic Development Agency, May 15, 2010.
- *Consolidated Plan for Housing and Community Development, Annual Action Plan, July 1, 2010 – June 30, 2011*, City of Oakland, Community and Economic Development Agency, May 15, 2010.
- *City of Oakland, Housing Element 2007-2014, Revised Public Review Draft*, City of Oakland, Community and Economic Development Agency, June 3, 2009.

### **2. Research Studies and Reports**

- *The 2004 Fair Lending Disparities: Stubborn and Persistent*, National Community Reinvestment Coalition, April 2005.
- *The 2005 Fair Lending Disparities: Stubborn and Persistent II*, National Community Reinvestment Coalition, May 2006.
- *2010 Report: California Renters in the Foreclosure Crisis*, Tenants Together, Gabe Treves, May 2010.
- *All Other Things Being Equal: A Paired Testing Study of Mortgage Lending Institutions, Final Report*, The Urban Institute, Margery Turner et. al., April 2002.
- *The Broken Credit System: Discrimination and Unequal Access to Affordable Loans by Race and Age: Subprime Lending in Ten Large Metropolitan Areas*, National Community Reinvestment Coalition, 2003.
- *The Chasm between Words and Deeds: Lenders Not Modifying Loans as They Say To Avoid Foreclosures*, California Reinvestment Coalition, Kevin Stein, October, 2007.
- *The Continuing Chasm Between Words and Deeds III: Lenders' Failure to Stall Foreclosures at Odds with Public Pronouncements*, California Reinvestment Coalition, April 2008.
- *Credit Unions: True to Their Mission? (Part II) A Follow-Up National Analysis of Credit Union Compared to Bank Service to Working and Minority Communities*, National Community Reinvestment Coalition, 2009.

- *Discrimination Against Persons with Disabilities: Barriers at Every Step*, Urban Institute, Margery Turner et. al., June 2005.
- *Discrimination in Metropolitan Housing Markets: National Results from Phase 1, Phase 2, and Phase 3 of the Housing Discrimination Study (HDS)*, Margery Turner et. al., September 2003.
- *Foreclosed: The Burden of Homeownership Loss on City of Oakland and Alameda County Residents*, Housing and Economic Rights Advocates and California Reinvestment Coalition, December, 2007.
- *From Foreclosure to Re-Redlining: How America's Largest Financial Institutions Devastated California Communities*, California Reinvestment Coalition, February 2010.
- *The Growing Chasm Between Words and Deeds: Lenders Still Failing to Live up to their Public Commitment to Modify Home Loans and Help Borrowers Avoid Foreclosure*, California Reinvestment Coalition, December 2007.
- *Homeownership and Wealth Building Impeded: Continuing Lending Disparities for Minorities and Emerging Obstacles for Middle-Income and Female Borrowers of All Races*, National Community Reinvestment Coalition, The Opportunity Agenda, and Poverty & Race Research Action Council, April 2006.
- *Impediments to Fair Housing for People with Disabilities*, Center for Independent Living, No date.
- *Income is No Shield Against Racial Differences in Lending: A Comparison of High-Cost Lending in America's Metropolitan Areas*, National Community Reinvestment Coalition, July 2007.
- *Income is No Shield Against Racial Differences in Lending II: A Comparison of High-Cost Lending in America's Metropolitan and Rural Areas*, National Community Reinvestment Coalition, July 2008.
- *Income is No Shield, Part III: Assessing the Double Burden: Examining Racial and Gender Disparities in Mortgage Lending*, National Council of Negro Women in partnership with the National Community Reinvestment Coalition, June 2009.
- *Making Transitions Work (MTW) Annual Report FY 2009*, Oakland Housing Authority, September 28, 2009.
- *Politics and the Subprime Mortgage Meltdown: An Examination of Disparities by Congressional District, Political Party, Caucus Affiliation and Race*, Compliance Tech, 2009.
- *Who Really Gets Higher-Cost Home Loans?: Home Loan Disparities By Income, Race and Ethnicity of Borrowers and Neighborhoods in 14 California Communities in 2005*, California Reinvestment Coalition, December 2006.
- *Who Really Gets Home Loans? Year Ten, Mortgage Lending to African-American and Latino Borrowers in 5 California Communities in 2002*, California Reinvestment Coalition, November 2003.

- *The Widening Chasm Between Words and Deeds IV: Federal and State Policy Initiatives Fail to Stall Foreclosures in California*, California Reinvestment Coalition, September 2008.

### 3. Fair Housing and Housing Service Organizations

- Bay Area Legal Aid: provides legal assistance related to public, subsidized and private housing, fair housing and housing discrimination, housing conditions, rent control, eviction defense, lock-outs and utility shut-offs, and residential hotels to low-income Bay Area residents and trains advocates and community organizations.
- Catholic Charities of the East Bay: provides information and education regarding tenant responsibilities and rights, and information on how to maintain housing or prevent homelessness. One-on-one counseling for homeowners facing foreclosure or other mortgage problems is provided; services are offered in Spanish and English.
- Causa Justa/Just Cause: provides free tenant counseling, case management and information about general tenant rights to low-income residents of Oakland and San Francisco. This includes problems with repairs, rent increases, evictions, harassment or other problems with tenancy, or advice regarding fair housing and discrimination. Services available in English and Spanish.
- Center for Independent Living: provides assistance to consumers in finding and keeping affordable and accessible housing as well as information regarding disability issues related to housing and referral to other agencies that provide services to persons with disabilities.
- Centro Legal de la Raza: provides legal help for all aspects of the landlord-tenant relationship from the lease to the return of the deposit, including helping people fight unlawful evictions, rent increases and uninhabitable living conditions, preparing responses to unlawful detainers and providing representation for lawsuits against slumlords.
- East Bay Community Law Center: provides tenants' rights workshops for low-income tenants, provides legal services to low-income tenants who are being evicted, represents tenants in housing subsidy termination proceedings, and engages in strategic affirmative litigation aimed at forcing landlords to maintain their rental properties in a habitable condition. The Housing Practice also provides legal advice and assistance at the Self-Help Center of the Wiley Manuel Courthouse to self-represented litigants in eviction proceedings.
- Eden Council for Hope and Opportunity: provides fair housing counseling and education, tenant/landlord counseling and mediation, home equity conversion counseling and education and runs a rent/deposit grant program.
- Housing Rights, Inc.: provides housing rights counseling, enforcement of fair housing laws and landlord/tenant laws through mediation and counseling, education and outreach regarding housing rights and responsibilities, lawyer referral services, support to lower income households in the generation of wealth through homeownership and other asset-building activities and workshops for housing providers.

- Housing and Economic Rights Advocates: focuses on predatory or unfair mortgage lending, foreclosure prevention and fair housing by providing direct legal representation services, technical assistance, training and capacity building services, consumer education, training for legal professionals, community-based agencies, and governmental entities, and by researching and documenting the scope and impact of housing discrimination and predatory lending practices.
- National Community Reinvestment Coalition: provides mortgage delinquency and default resolution, loss mitigation, money debt management, full document file review, pre-purchase, homebuyer and fair housing counseling.
- Neighborhood Assistance Corporation of America: provides free workshops for both at-risk homeowners and homebuyers, property renovation assistance, credit resolution and property evaluation services, and foreclosure prevention, mortgage and financial counseling.
- NID Housing Counseling Agency, Inc.: offers counseling free of charge in both Spanish and Cantonese to consumers, as well as non-profits, public agencies and faith-based organizations in each of the following areas: Prepurchase, Budget/Credit, Pre-rental, Homeowner, Default/Foreclosure, Home Equity Conversion/Reverse Mortgages, Community Development Programs, Housing Rehabilitation, Refinance, Financial Literacy, Discrimination, Predatory Lending and Fair Housing.
- Operation HOPE Inc.: operates a Case Management Program that includes access to free credit and money management counseling, credit dispute resolution, free money management and budget analysis and preparation, access to exclusive matching grant funds and post funding assistance. They also offer a Homebuyers Program featuring federally insured banking partners, a Credit Counseling Program, and Home Buyers Seminars.
- Tenants Together: staffs a statewide Tenant Foreclosure Hotline which helps mitigate the impact of the foreclosure crisis on tenants by helping them learn and assert their rights. Hotline volunteers help tenants: find out if their unit is in foreclosure; identify the new owner after a foreclosure sale; learn about what to expect as the property goes through foreclosure; learn and assert their rights; keep utilities on and get repairs done; protect and recover security deposits; stand up to abusive and unfair conduct; locate organizations that provide legal representation; and report illegal conduct to law enforcement and regulatory agencies.
- The Unity Council Homeownership Center: helps underserved, lower-income, and moderate-income residents of Oakland and beyond who face difficulties in purchasing and/or maintaining their first home. Services include loss mitigation and mortgage delinquency and/or default resolution counseling, budgeting, credit counseling, debt reduction, financial literacy, asset building, loan modification services, and access to safe, affordable loan products, as well as Financial Fitness and Literacy Courses, Homebuyer Education Workshops, Post-Purchase Educational Workshops, Foreclosure Prevention Workshops, and Unity Council Individual Development Accounts.

### **III. 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. HUD Fair Housing and Equal Opportunity Division**

During the 2008-2009 Fiscal Year, 22 Oakland-based fair housing cases were filed with the HUD Fair Housing and Equal Opportunity Division (FHEO), five of which were filed directly with HUD and 17 of which were filed with a Fair Housing Assistance Program agency. The alleged discrimination in the cases included 12 for disability, six for race, three for familial status, two for sex, one for national origin, and one for retaliation (some cases have multiple complaints).<sup>9</sup>

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

##### **1. Reported Housing Services Agency Suits**

Fiscal Year 2008-09 East Bay Community Law Center and Centro Legal de la Raza filed 36 Affirmative Lawsuits none have involved discrimination. In Fiscal Year 2009-2010 East Bay Community Law Center and Centro Legal de la Raza filed 330 Affirmative Lawsuits 24 of which were Housing Discrimination suits.

##### **2. City of Oakland Suits**

The City of Oakland has filed lawsuits against both JPMorgan Chase and Fidelity National Financial along with their subsidiary companies and the local agents who are paid to remove tenants from properties the banks have acquired through foreclosure. Oakland also filed complaints against several local real estate companies and brokers who have sent wrongful eviction notices to tenants following foreclosure.

JPMorgan Chase agreed to a settlement that includes a \$35,000 payment to the City. The settlement also includes an example of a legal notice that banks can use to determine the occupancy of a foreclosed property in Oakland. Two agents have also settled with the City. The City Attorney's Office is in settlement negotiations with other defendants named in the complaints

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<sup>9</sup> No complaints or suits were brought against the City of Oakland.

## **C. Identification of Other Fair Housing Concerns or Problems**

### **1. CA Department of Fair Employment and Housing**

During the 2008-2009 Fiscal Year, 17 Oakland-based fair housing cases were filed with the State of California Department of Fair Employment and Housing (DFEH). Information was disclosed for 16 cases of these cases, while one was exempt from disclosure.

Of these 16 cases, seven cases were closed with a finding that there was no probable cause to prove a violation of the statute. The alleged basis for discrimination in those cases included four for disability, two for race, one for sexual orientation, one for national origin and one for source of income (some cases have multiple complaints). Of the remaining cases, five were resolved through successful mediation, one was withdrawn with resolution, in one case an accusation was not issued and in one case the complainant was not available. The discrimination complaints in those cases included five on the basis of disability, two for retaliation for protesting, two for familial status (children), one for race/color, and one for sexual harassment (some cases have multiple complaints).

The acts of discrimination reported by DFEH in these 16 cases included seven denials of reasonable modification/accommodation, six cases of unequal terms, five evictions, four cases of refusal to rent, and three cases of harassment (some cases have multiple acts of discrimination).

### **2. Summary of Fair Housing Agency Complaints**

Data on complaints is derived from the nonprofit agencies with which the City of Oakland contracts to offer fair housing counseling and to address issues related to fair housing. The contract for Fair Housing Services is chosen through a Request for Proposals (RFP) every two years. Currently the City contracts with Causa Justa/Just Cause to provide fair housing counseling to persons who have complained of discrimination. In addition, other Housing Services are eligible for funding through the CDBG RFP process, also a two year cycle. Currently the City contracts with East Bay Community Law Center (EBCLC) and Centro Legal de la Raza for Legal Housing Services and Center for Independent Living (CIL) for Housing Counseling and Housing Search for persons with disabilities, and ECHO Housing for Landlord/Tenant Mediation. The RFP for Fair Housing Services and other public services for Fiscal Years 2011-2013 has been released.

#### **a. Housing Services Data**

Data from Fiscal Year 2008-09 contractors, East Bay Community Law Center (EBCLC), Centro Legal de la Raza (Centro Legal), Center for Independent Living (CIL) and Eden Information and Referral (Eden I&R), included 4,806 persons or households assisted.

EBCLC and Centro Legal reported that 11 cases specifically related to fair housing. Of these four were based on disability, two on national origin, one on race, two on both

national origin and familial status combined, one on both race and age, and one based on disability, age, race and national origin combined. The types of housing complaints experienced in these 11 cases included five eviction cases, two landlord/tenant disputes, two related to conditions and two broadly categorized as fair housing issues. Eden I&R did not code their cases for discrimination in this manner.

In addition to the 11 fair housing cases described above, EBCLC also reported seven cases for which the main legal issue was related to fair housing or discrimination. The demographics of these complaints included three persons with special needs (one domestic violence, one mental disability and one physical disability), five women, three households with children (two of which were single-parent households), one Hispanic, four Black/African Americans, one Asian, one White and one combination of American Indian/Alaska Native and White.

East Bay Community Law Center and Centro Legal de la Raza reported 24 discrimination lawsuits in Fiscal Year 2009-2010. Data on the types of discrimination were not available at the time of publication.

Of the 4,806 persons or households assisted by the service organizations, the majority, 42 percent, were for housing search/info, 26 percent were a landlord/tenant dispute and 21 percent were eviction-related. However, a racial/ethnic breakdown of this data reveals possible fair housing-related issues.

*i. Incidence of Issues by Race/Ethnicity*

While Asians (non-Hispanic) and Hispanics (any race) make up 16 percent and 22 percent of Oakland's population respectively, only three percent of reported cases were filed by Asians (non-Hispanic), and only 13 percent by Hispanics (any race). By contrast, 67 percent of cases were reported by Black/African Americans (non-Hispanic), which is significantly greater than their respective proportion of the total population (35 percent). In addition, eight percent of total cases were reported by Whites (non-Hispanic), while they make up 24 percent of the population. Under-reporting by Asians and Hispanics could be due to language or cultural reasons, or it is possible that Black/African Americans have a greater incidence of housing issues. This could indicate a need for more outreach and education in languages other than English.

*ii. Frequency of Issues by Race/Ethnicity*

There were significant differences in the types of problems reported by different racial/ethnic groups. The main type of cases for Black/African Americans (non-Hispanic) was search/info (50 percent), while Whites (non-Hispanic) reported more landlord/tenant disputes (38 percent) than anything else. For Other/Multiple Race, both non-Hispanic and Hispanic, the main issue was eviction, 70 percent and 57 percent, respectively.

While the largest percent (45 percent) of cases for non-Hispanics involved search/info, this accounted for only 23 percent of Hispanic (all race) cases and ranked below eviction (31 percent), and landlord/tenant dispute (25 percent).

While housing conditions only accounted for three percent of total cases reported, 15 percent of all cases reported by Hispanics (all race) involved housing conditions. In addition, despite the fact that the distribution of types of cases reported by Asians is similar to the larger sample, there was not a single conditions complaint. However, this may not reflect the absence of housing conditions issues in the Asian community. These statistics, along with differing issues displayed by Hispanics and the underreporting from Asians and Hispanics, may be indicative of the need for more outreach to these communities.

*iii. Special Needs Cases*

Of all the cases handled, 1,524, or 32 percent, involved people who reported having some type of special need. This included 985 physical disability, 447 mental disability, 40 dual diagnosis, 21 other, 14 HIV/AIDS related, six obese, four domestic violence, two special education, two cognitive/developmental, two chronic health disorder, and one chronic alcoholic cases. Of these, 63 percent were related to search/info, 23 percent landlord/tenant dispute, seven percent payment assistance and six percent eviction.

**b. Causa Justa/Just Cause**

St. Peter's Housing Committee (now Causa Justa/Just Cause) reported 41 discrimination complaints in FY 2009-2010. These included discrimination based on familial status, disability, sexual orientation, marital status, race/ethnicity/color, national origin and gender.

**c. Eden Council for Hope and Opportunity (ECHO)**

Eden Council for Hope and Opportunity reported 485 eviction, 212 deposit, 95 repairs, 28 harassment, 18 rent increase, nine retaliation and seven entry landlord/tenant counseling cases in FY 2009-10.

**d. Bay Area Legal Aid**

Bay Area Legal Aid (BayLegal) receives funding directly from HUD's 2009 Fair Housing Initiatives Program (FHIP) that provides funding to public and private organizations that develop programs that are designed to prevent or eliminate discriminatory housing practices. During the 2008-2009 Fiscal Year, Bay Area Legal Aid (BayLegal) provided legal advice, brief services and full representation to Oakland city residents complaining of violations of Fair Housing law. BayLegal handled 39 fair housing discrimination cases. These included 23 disability, two familial status, seven gender and seven race related cases. One gender related cases also included discrimination based on disability and one also included discrimination based on race. Services provided included representing clients with disabilities who require reasonable accommodations to prevent eviction or terminations of their public housing or housing subsidies; preventing evictions and preserved Section 8 vouchers for various tenants and participants who have mental disabilities, and preventing an eviction of a client who needed a service dog despite the no-pet clause of her lease; representing domestic violence survivors who were at risk of losing

their subsidy or being evicted in violation of the Violence Against Women Act (VAWA) and Fair Housing laws.

BayLegal filed complaints with the Department of Housing and Urban Development (HUD) for discrimination by landlords on the basis of disability, race, gender, and family status. The number and disposition of these cases was not available.

### **3. Section 504 of the Rehabilitation act of 1973**

Section 504 prohibits discrimination based on disability in any program receiving federal financial assistance. This includes provisions for providing reasonable modifications in all rules, policies and procedures. Programs must be readily accessible to and useable by individuals with disabilities. Major alterations or construction of dwelling units must provide five percent of units accessible to people with mobility impairments and two percent of units accessible to people with visual or hearing impairments.

There have been no 504 complaints against the City of Oakland since the 2001 complaint discussed in the 2005 Analysis of Impediments to Fair Housing, which was fully resolved.

## **IV. 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, persons with a disability, 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.

### **B. 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 have been raised against housing serving persons with disabilities, particularly those with mental or developmental disabilities.

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

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

Because the City had received anecdotal complaints that immigrant and/or non English speaking populations were more likely to be steered into substandard housing units than other populations, the City of Oakland entered into a contract with Housing Rights, Inc. to undertake a systematic Fair Housing Audit of the Eastlake/San Antonio/Fruitvale Districts, which included 30 paired tests. The report entitled *Discriminatory Housing Trends* included a citywide audit of newspaper and other media advertisements and a survey of key informants/service providers.

Key findings:

- Discriminatory statements in regards to children and source of income are a significant problem.
- Craigslist and the Montclairion contained the most disturbing ads. One of the major problems with Craigslist is that advertisers are difficult to track down.
- The most common housing problem identified by the Key Informants was difficulty finding affordable housing (housing affordable to the caller rather than subsidized housing). The second was seeking rental assistance because of difficulties in making rent payments. Individuals with disabilities, especially mental disabilities, are the most vulnerable.
- From anecdotal reports, several of the Key Informant respondents indicated that immigrants/limited English speaking individuals are steered to substandard housing and have a significant need for assistance with advocating for better housing (repairs).
- For each paired test a Hispanic or Asian tester was paired with a Caucasian or African-American tester. Of the 30 sites tested there were seven sites where the owner/manager treated a tester differently. This included three cases of discrimination against the Hispanic, two against the African-American, one against the Caucasian, and one case of “other discrimination.” At 5 sites owners/managers gave different information to the tester, perhaps confusing them, but not clearly giving one advantage over the other. In testing for national origin three owners/managers treated a tester differently. The kinds of differential treatment experienced during the paired testing included more information and encouragement given to one tester than the other, differences in application process or rental terms, variability in access to or availability of units, or something discriminatory the tester was told or heard.

While the paired testing results showed some discrimination, other than more anecdotal reports, the data collected from testing did not result in a finding that that immigrant and/or non English speaking populations were more likely to be steered into substandard housing units than other populations. However, as stated in the previous section on Housing Services Data, it appears as though this might still be a barrier.

### **2. Other Reports of Discrimination in Rental Housing**

During the 2008-2009 Fiscal Year Bay Area Legal Aid handled 39 fair housing discrimination cases. These included 23 disability, two familial status, seven gender and seven race related cases. One gender related cases also included discrimination based on disability and one also included discrimination based on race.

The Center for Independent Living researched impediments to fair housing for people with disabilities. It found that there are four major impediments for persons with a disability: 1) housing affordability; 2) accessibility; 3) the general practice of housing development for persons with a disability and; 4) segregation and discrimination of people with disabilities in housing.

## **D. Lack of Accessible Features in Housing**

Accessible features in housing are needed by many persons with disabilities to safely and comfortably inhabit their units. However, many low income homeowners with disabilities lack the resources to modify their homes. Similarly, owners of rental property may be unable or unwilling to fund accessibility improvements making it difficult for renters with disabilities to find suitable housing. First-time homebuyers with disabilities often require modifications before they can inhabit their new homes.

## **E. Barriers to the Provision of Supportive Housing**

The City has been able to provide or secure funding for capital costs, for supportive housing, but there are three other barriers to providing more supportive housing for persons with special needs:

- It has been difficult to identify and secure funding sources for supportive services to be provided as part of an assisted housing project.
- In addition to the issues discussed in the Community Opposition to the Siting of Affordable Rental Housing section, there has also been substantial neighborhood concern and opposition to the siting of facilities that provide supportive housing for persons with disabilities, particularly those with mental disabilities and persons recovering from alcohol and drug addiction.
- Most funding for supportive services is awarded on an annual basis but housing development funds require commitments that are decades-long. This is a barrier to housing providers developing supportive housing projects.

## **F. Discrimination in Mortgage Lending**

In the 2005 Analysis of Impediments to Fair Housing, the City, relying on Home Mortgage Disclosure Act (HMDA) data and California Reinvestment Coalition (CRC) data and analysis, identified four key trends in the patterns of the state's top lenders:

- There is Unequal Access to Home Purchase Loans.
- People of Color Pay More for Home Loans.

- A Two-Tier System of Credit Exists Within Large Financial Corporations.
- The Cost to Borrowers of Subprime Lending is High.

At the time, the City reported on the two-tiered system of credit within financial corporations that adversely affects African American and Latino borrowers as well as the high cost of subprime lending and the rise of predatory lending. While the two-tiered system of credit remains, along with subprime and predatory lending, it has also precipitated new issues, including rising foreclosure rates and the re-redlining of minority neighborhoods.

## 1. 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. The table below shows the approval and denial rates for mortgages on conventional home purchase loans for applications made in 2008 in the Oakland-Fremont-Hayward Metropolitan Statistical Area/Metropolitan Division (MSA/MD), as a percentage of the total applications received. These figures are broken out by race, ethnicity and income of applicant. The five income ranges include less than 50 percent of MSA median income, 50-79 percent, 80-99 percent, 100-119 percent and 120 percent or more of MSA median income.

### a. Applications by Race

Analysis of this report reveals a few issues. Firstly, there are relatively few applications by Blacks at all income levels, reaching a maximum of six percent of all applicants with incomes less than 50 percent of MSA median income. Whites represent 51 percent of all applicants at this income level despite the fact that there are many low-income Blacks and fewer Whites at this income level living in the MSA. Asians make up 29 percent and Hispanics (of any race) make up 25 percent of applicants at this income level. This indicates that low-income Blacks are under-represented among applicants for home mortgage loans. At all income levels, four percent of applicants are Black, 47 percent White, 30 percent Asian and 11 percent Hispanic.

### b. Origination and Denial Rates

Secondly, even when adjustments are made for incomes, origination and denial rates among races/ethnicities are disparate. Asians have the highest origination rate and lowest denial rate at all income levels except the highest income level, in which case Whites have the highest origination rates and lowest denial rates.

At the lowest three income ranges there are relatively minor differences in origination and denial rates among Asians, Whites, Blacks and Hispanics. Asians and Whites are slightly more likely to originate a loan and less likely to be denied than are Blacks and Hispanics.

At the highest two income levels these differences are magnified. At 100-119 percent of MSA median income Asians have a 60 percent origination rate and Whites have a 58 percent rate, while the rate for Blacks and Hispanics is only 39 and 43 percent, respectively. At the 120 percent or more of MSA median income level a substantial gap between the origination and denial rates of these groups also exists.

Furthermore, 328 applications were received from American Indians/Alaska Natives at all incomes. Of these, 53 percent were originated and 22 percent were denied.

The differences in origination and denial rates by race and ethnicity become more pronounced with higher incomes. However, because they exist at each income level, this suggests that even though minorities are more likely to be low income, discrimination in lending, particularly against Black and Hispanic borrowers, continues to be a serious barrier to fair housing.

The inability of minorities to access financing is one reason for the disparate minority homeownership rate in the City of Oakland, which was discussed in the Tenure part of the Housing Market Data section of Section II, Jurisdictional Background Data.

Income and Race/Ethnicity	Apps. Received	Loans Originated		Apps. Approved But Not Accepted	Apps. Denied		Apps. Withdrawn	Files Closed as Incomplete.
<b>Less Than 50% Of MSA Median</b>								
<b>Race</b>								
Am. Ind./Alaska Native	25	10	40%	1	10	40%	4	0
Asian	578	305	53%	59	135	23%	58	21
Black or Af. American	110	47	43%	7	42	38%	13	1
Nat. Hawaiian/Pac. Isl.	25	13	52%	1	7	28%	4	0
White	1018	488	48%	107	306	30%	91	26
2 or More Minority Race	7	3	43%	0	3	43%	0	1
Joint (White/Minority)	11	6	55%	0	5	45%	0	0
Race Not Available	213	64	30%	24	86	40%	31	8
<b>Ethnicity</b>								
Hispanic or Latino	504	214	42%	49	173	34%	53	15
Not Hispanic or Latino	1302	662	51%	136	350	27%	120	34
Joint (Hispanic/Not)	7	4	57%	0	3	43%	0	0
Ethnicity Not Available	174	56	32%	14	68	39%	28	8
<b>50-79% Of MSA Median</b>								
<b>Race</b>								
Am. Ind./Alaska Native	70	31	44%	11	17	24%	11	0
Asian	1757	1015	58%	214	274	16%	211	43
Black or Af. American	303	143	47%	41	76	25%	32	11
Nat. Hawaiian/Pac. Isl.	49	29	59%	5	13	27%	1	1
White	2826	1608	57%	362	560	20%	229	67
2 or More Minority Race	6	1	17%	1	2	33%	2	0
Joint (White/Minority)	46	29	63%	4	7	15%	6	0
Race Not Available	717	354	49%	82	179	25%	82	20
<b>Ethnicity</b>								
Hispanic or Latino	1131	539	48%	154	309	27%	92	37
Not Hispanic or Latino	3939	2311	59%	492	646	16%	402	88
Joint (Hispanic/Not)	62	30	48%	6	14	23%	12	0
Ethnicity Not Available	642	330	51%	68	159	25%	68	17
<b>80-99% Of MSA Median</b>								
<b>Race</b>								
Am. Ind./Alaska Native	65	41	63%	4	12	18%	4	4
Asian	1366	830	61%	157	204	15%	137	38
Black or Af. American	215	109	51%	24	47	22%	28	7
Nat. Hawaiian/Pac. Isl.	75	40	53%	14	11	15%	9	1
White	2322	1304	56%	299	469	20%	195	55
2 or More Minority Race	5	3	60%	2	0	0%	0	0
Joint (White/Minority)	75	51	68%	7	11	15%	5	1
Race Not Available	669	309	46%	93	161	24%	81	25
<b>Ethnicity</b>								
Hispanic or Latino	793	376	47%	103	234	30%	59	21
Not Hispanic or Latino	3338	1992	60%	410	522	16%	325	89
Joint (Hispanic/Not)	72	37	51%	10	14	19%	7	4
Ethnicity Not Available	589	282	48%	77	145	25%	68	17

Income and Race/Ethnicity	Apps. Received	Loans Originated		Apps. Approved But Not Accepted	Apps. Denied		Apps. Withdrawn	Files Closed as Incomplete.
<b>100-119% Of MSA Median</b>								
<b>Race</b>								
Am. Ind./Alaska Native	41	20	49%	2	14	34%	4	1
Asian	1258	758	60%	169	196	16%	101	34
Black or Af. American	160	62	39%	26	38	24%	18	16
Nat. Hawaiian/Pac. Isl.	66	31	47%	9	10	15%	13	3
White	1871	1079	58%	242	344	18%	156	50
2 or More Minority Race	10	5	50%	2	1	10%	2	0
Joint (White/Minority)	76	49	64%	6	13	17%	5	3
Race Not Available	539	263	49%	72	121	22%	63	20
<b>Ethnicity</b>								
Hispanic or Latino	497	214	43%	75	148	30%	39	21
Not Hispanic or Latino	3001	1782	59%	389	487	16%	260	83
Joint (Hispanic/Not)	47	33	70%	5	5	11%	2	2
Ethnicity Not Available	476	238	50%	59	97	20%	61	21
<b>120% Or More Of MSA Median</b>								
<b>Race</b>								
Am. Ind./Alaska Native	127	73	57%	10	20	16%	21	3
Asian	6789	3681	54%	990	1158	17%	725	235
Black or Af. American	592	233	39%	85	188	32%	54	32
Nat. Hawaiian/Pac. Isl.	283	148	52%	28	62	22%	30	15
White	9951	5989	60%	1281	1523	15%	829	329
2 or More Minority Race	36	22	61%	6	4	11%	2	2
Joint (White/Minority)	760	487	64%	96	90	12%	71	16
Race Not Available	3467	1852	53%	406	596	17%	489	124
<b>Ethnicity</b>								
Hispanic or Latino	1347	607	45%	186	367	27%	112	75
Not Hispanic or Latino	16959	9837	58%	2275	2660	16%	1625	562
Joint (Hispanic/Not)	434	290	67%	42	56	13%	37	9
Ethnicity Not Available	3265	1751	54%	399	558	17%	447	110

Source: 2008 Oakland-Fremont-Hayward, CA MSA/MD 2008 HMDA Data. Aggregate Table 5-2; Disposition of Applications for Conventional Home-Purchase Loans, 1 to 4 Family and Manufactured Home Dwellings, By Income, Race and Ethnicity of Applicant, 2008.

## 2. Consequences of the Two-Tiered System of Subprime Lending

According to a 2010 California Reinvestment Coalition (CRC) report<sup>10</sup>, neighborhoods that were refused loans through redlining in the past decade were then inundated with high-cost subprime loans and high risk Adjustable Rate Mortgages (option ARM) loans. In their 2006 report<sup>11</sup>, CRC explains how these high cost, high risk option ARM and interest-only (IO) loans were sold aggressively, under the pretext that they would help Californians become homeowners and access home equity. Legitimate subprime lending can enable credit-impaired households to purchase a house or access home equity. Yet subprime lending is also ripe for abuse. Subprime lenders generally charge borrowers more money in the form of higher interest rates, higher up front points and fees, or all of the above. Subprime loans are also more likely to include additional terms, such as prepayment penalty and mandatory arbitration provisions or credit insurance products, which are not in the borrower's interest. CRC and others have estimated that up to half of all subprime borrowers could qualify for a lower cost prime loan. Even for borrowers with impaired credit, it is unclear that their credit risk warrants the often much higher rates and fees that they pay. In California the average higher-cost borrower paid \$610.05 more a month on their home loan than the majority of Californians. In Oakland, heavily minority concentrated neighborhoods were especially targeted for subprime lending. Every lender that CRC analyzed in their 2010 report made *most* of its subprime loans in neighborhoods where 80 percent or more of the residents were minorities.

### a. First Mortgages

According to CRC's 2006 report, in Oakland, 27.5 percent of the first mortgages to owner occupants in 2005 were higher-cost, up from only 10.1 percent in 2004. In general minorities, as well as minority and low-income neighborhoods paid more to achieve homeownership. In Oakland in 2005, African Americans and Latinos were 4.6 and 4.7 times more likely, respectively, to get higher-cost home purchase loans than whites. Minority neighborhoods were almost 10 times as likely to receive higher-cost home purchase loans. Similarly, low and moderate income neighborhoods were 2.7 times more likely than middle and upper income neighborhoods.

According to CRC, many of these loans were unaffordable and unsustainable for blue-collar households, leading to extensive foreclosures and the current foreclosure crisis. These foreclosures have had an unequal impact on minority concentrated, low to moderate income neighborhoods of African Americans and Latinos who have been targeted by high-cost subprime lending since 2000. As foreclosures increased, foreclosed properties selling at reduced prices decreased the value of surrounding properties, sometimes below the cost of the mortgage, pushing neighboring homeowners towards foreclosure and making it difficult to avoid foreclosure by selling their homes. While predatory lending helped cause

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<sup>10</sup> *From Foreclosure to Re-Redlining: How America's Largest Financial Institutions Devastated California Communities*, California Reinvestment Coalition, February 2010.

<sup>11</sup> *Who Really Gets Higher-Cost Home Loans?: Home Loan Disparities By Income, Race and Ethnicity of Borrowers and Neighborhoods in 14 California Communities in 2005*, California Reinvestment Coalition, December 2006.

the current foreclosure crisis, a round of resetting option ARM loans looms over the state of California. These loans, which can require substantial payment increases in short periods of time, are most likely to lead to foreclosure.

In California, homeownership remains the main asset and best path towards wealth accumulation. As a result, the foreclosure crisis' uneven impact on minority communities is creating further economic deterioration and the loss of generational wealth in entire neighborhoods. In addition, foreclosed properties become sources of crime and blight further threatening these neighborhoods.

## **b. Second Mortgages**

In addition to the foreclosures caused by owners defaulting on first mortgages, second mortgages have contributed to rising foreclosure rates. According to a 2007 report by Housing and Economic Rights Advocates (HERA) and CRC,<sup>12</sup> as home values rose from 2000 to 2007, brokers and lenders encouraged homeowners to take money out of their homes through refinance mortgages. The new mortgages now include the costs of the refinancing, including broker and lender fees, plus extra costs. Furthermore, as discussed in CRC's 2010 report, many second mortgages are Home Equity Lines of Credit (HELOCs), which do not require many of the consumer protections that are involved in first mortgages. In 2006 19.3 percent of all loans in Oakland were second mortgages.

According to CRC's 2006 report, in Oakland in 2005 African American and Latinos borrowers were 2.8 and 2.6 times more likely to receive higher-cost refinance loans than Whites, respectively. In addition, minority neighborhoods were 23.6 times more likely than White neighborhoods to acquire higher-cost refinance loans. Low and moderate income neighborhoods were almost three times more likely to receive higher-cost refinance loans than middle and upper income neighborhoods.

Due to high cost, high risk refinances, established homeowners, including seniors who had entirely paid off their mortgages prior to predatory refinance loans, face foreclosure. This is due to the fact that they refinanced when home prices were high into adjustable rate mortgage products that they are unable to afford once the payments started to adjust. In addition, they were unable to refinance as their home values started to drop forcing them into a foreclosure situation. The home equity losses have been immense in established Oakland neighborhoods with a high minority homeownership rates.

## **c. Predatory Lending Legislation**

In October 2001, the Oakland City Council unanimously passed an Anti-Predatory Lending Ordinance (Ord. No. 12361 CMS) to prohibit abusive lending terms and practices for home mortgage loans. The ordinance required borrowers to receive independent loan counseling prior to closing a high-cost home loan. The ordinance regulated a number of predatory

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<sup>12</sup> *Foreclosed: The Burden of Homeownership Loss on City of Oakland and Alameda County Residents*, Housing and Economic Rights Advocates and California Reinvestment Coalition, December, 2007.

lending practices including loan flipping, steering borrowers into high-cost home loans that charge high interest rates or points and fees, prepayment penalties, financing of single-premium credit insurance, encouraging consumers to default on existing loans in order to refinance into a new loan, and making loans regardless of the borrower's ability to repay. Further protections also applied to high-cost loans. However, on January 31, 2005 the California Supreme Court invalidated the ordinance, ruling that the ordinance was preempted by the California covered-loan statute enacted in 2001. Had the ordinance passed it is likely that subprime lending in the City of Oakland would have been curtailed.

### **3. Current Lending Climate**

#### **a. Banks Making Limited Home Mortgage Modifications**

According to CRC's 2010 report, due to the current foreclosure crisis, an increasing number of homeowners are "underwater," owing more on their mortgages than their homes are now worth. These homeowners could save their homes if lenders were willing to reduce the amount of principal owed so that it was more aligned to the value of the home. Yet over the past two years banks have been unwilling to work with borrowers seeking to restructure their mortgages or take out new loans to save their homes. This runs contrary to the promises made by banks in press releases and the fact that they have been contracted to do as part of the Treasury Department's Home Affordable Modification Program (HAMP). In a December 2008 to November 2009 CRC sample, for every loan modification made each month in Oakland there were an average of 21.87 foreclosed properties, compared to only 6.77 nationwide.

Not only are high-risk, high-cost and predatory loans more likely to lead to foreclosure, but they also make it harder for homeowners to get out of trouble since loan servicers are unwilling to significantly reduce the amount of principal. Second loans on properties make foreclosure prevention and loan modification more difficult since the holders of second mortgages are hesitant to allow to modifications, which has been used as a justification by servicers to not offer modifications. The possible resolutions that do exist are less useful for Californians since they are more likely to have problematic loans and be underwater, and less likely to get loan modification assistance.

## **b. Reduced Access to Finance (Re-Redlining)**

According to CRC's 2010 study, beginning in 2008 mortgage lending rates for all Californians dropped drastically, with denial rates highest in minority neighborhoods – the communities most in need of new investment, lines of credit and refinance loans. Nevertheless, while high-cost lending decreased considerably in 2008, it was still more likely to take place in minority neighborhoods. In Oakland in 2008, almost nine percent of loans made in neighborhoods with 80 percent or more people of color were subprime, compared to approximately three percent in neighborhoods with 79.9 to 50 percent people of color.

Meanwhile, with the decline in subprime and predatory loans products, widespread re-redlining is occurring in minority neighborhoods. There was a substantial decline in low-cost, prime loans in minority neighborhoods from 2006 to 2008. In Oakland, there were nearly three times as many prime loans made in mainly minority neighborhoods in 2006 than there were in 2008. In 2006, 45.3 percent of all low-cost, prime loans in Oakland were made in neighborhoods with 80 percent or more people of color, while this dropped to 33.9 percent in 2008.

## **c. Scams**

In addition to unscrupulous, yet legal, high-cost, subprime loan products, homeowners and potential homeowners have fallen victim to numerous mortgage-related scams. HUD has identified several types of scams that are being carried out by predatory lenders, appraisers, mortgage brokers and home improvement contractors which are causing people to lose their homes and investments. These include:

- Selling properties for much more than they are worth using false appraisals.
- Encouraging borrowers to lie about their income, expenses, or cash available for downpayments in order to get a loan.
- Knowingly lending more money than a borrower can afford to repay.
- Charging high interest rates to borrowers based on their race or national origin and not on their credit history.
- Charging fees for unnecessary or nonexistent products and services.
- Pressuring borrowers to accept higher-risk loans such as balloon loans, interest only payments, and steep pre-payment penalties.
- Targeting vulnerable borrowers to cash-out refinances offers when they know borrowers are in need of cash due to medical, unemployment or debt problems.
- "Stripping" homeowners' equity from their homes by convincing them to refinance again and again when there is no benefit to the borrower.
- Using high pressure sales tactics to sell home improvements and then finance them at high interest rates.

## **G. Foreclosures**

### **1. The Effect of Foreclosures on Homeowners and their Communities**

As mentioned in the previous Discrimination in Mortgage Lending section many homeowners have experienced foreclosure or are now struggling to avoid foreclosure while banks are making few home mortgage modifications to help people stay in their homes. This foreclosure crisis has had numerous negative impacts, including:

- Borrowers efforts to keep up with unaffordable mortgage payments are wiping-out their savings.
- Borrowers facing adjustable rate loan interest resets cannot keep up with their mortgage payments.
- Foreclosed homeowners are hurt by reduced credit scores resulting in diminished ability to seek homeownership opportunities in the future and hurting efforts by the City to encourage homeownership for its residents.
- Foreclosed properties sold at reduced prices decrease the value of surrounding properties, sometimes below the cost of the mortgage, pushing neighboring homeowners towards foreclosure and making it difficult to avoid foreclosure by selling their homes. Meanwhile, borrowers able to keep up with their mortgage payments and remain in their home face decreasing equity.
- Due to high cost, high risk refinances, established homeowners, including seniors who had entirely paid off their mortgages prior to predatory refinance loans, face foreclosure.
- Home equity losses have been immense in established Oakland neighborhoods with a high minority homeownership rates resulting in further economic deterioration and the loss of generational wealth.
- Foreclosed (REO) homes have negative impacts on neighborhoods since absentee homeowners (i.e. banks) do not adequately manage the vacant properties resulting in blight and locations for criminal activities.

As discussed in the previous section, the California Reinvestment Coalition's analyses indicate that foreclosures in Oakland have had an unequal impact on minority concentrated, low to moderate income neighborhoods of African Americans and Latinos. While the City of Oakland's data on individual foreclosures is not available by race, mapping foreclosures over areas of minority concentration reveals a high concentration of foreclosures in areas of minority concentration. While properties that were foreclosed (Real Estate Owned) between January 2007 and July 2010 are scattered throughout the City, 3,563, or 45 percent of foreclosures, lay within areas of minority concentration (see Map 11). Furthermore, the demographic effects of the foreclosure crisis on the City's minority population is yet to be determined since the race of individuals who will replace former owners of foreclosed properties will not be known until the next census.

## 2. The Effect of Foreclosures on Renters

The foreclosure crisis does not just negatively affect homeowners; renters in properties in all stages of foreclosure are also adversely affected, including through unlawful eviction attempts. In May 2010, Tenants Together released its *2010 Report: California Renters in the Foreclosure Crisis*. The report found that in California in 2009 at least 37 percent of foreclosed units were rentals, with 77,145 rental units foreclosed and over 200,000 renters directly affected. At 41.1 percent, Alameda County ranked fifth in the state in terms of percent of foreclosed units that were renter-occupied.<sup>13</sup> Most of these renters have been displaced from their homes by banks since 85 percent of properties are acquired at foreclosure by financial institutions.

The report also identified that real estate agents and eviction lawyers working on behalf of banks and private investors acquiring foreclosed properties are harassing tenants and violating their rights. Tenants in pre-foreclosure situations often face health hazards due to unresponsive landlords and after tenants have been displaced they are often denied the return of their security deposits and have difficulty finding suitable housing. The lack of stability and trauma that this causes can be especially difficult for seniors, families with children and persons with disabilities.

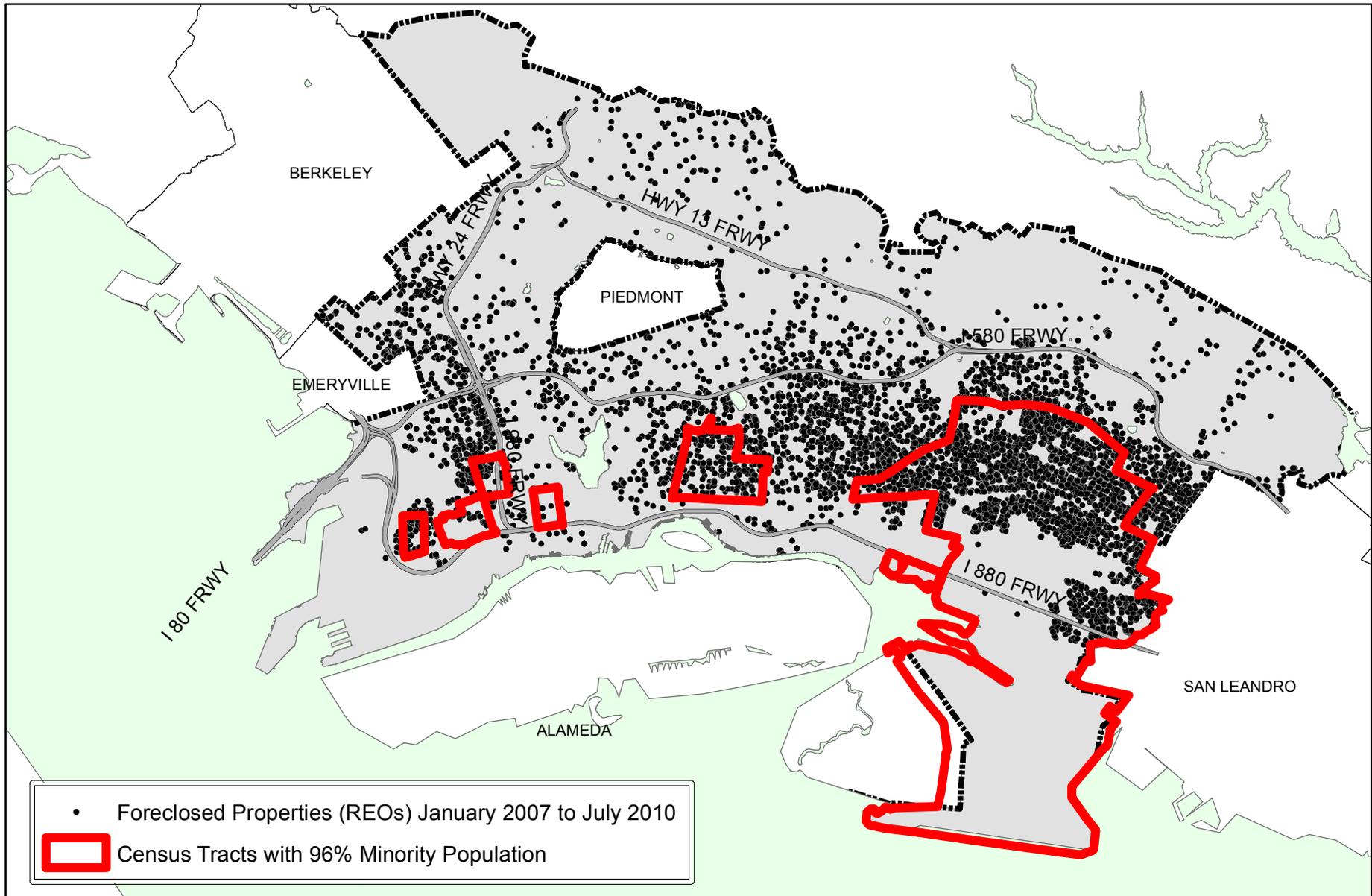
In Oakland, tenants are protected by a Measure EE, the Just Cause for Eviction Ordinance. Under the ordinance, renters in good standing cannot be evicted or have their rents raised due to foreclosure. However, renters are regularly seeking assistance from service providers due to no-cause evictions, rent increases, offers of payment for moving (“cash for keys”) and eviction issues because they stopped paying rent when the building ownership changed.

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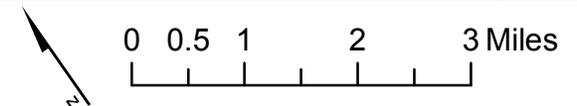
<sup>13</sup> Counties with less than 30 foreclosed properties were excluded. The four California counties with the greatest percent of foreclosed units that were renter-occupied were Humboldt (48.7%), San Francisco (44.6%), Los Angeles (44.4%), and Glenn (41.6%) counties.

# Map 11

## Foreclosed Properties and Areas of Minority Concentration January 2007 to July 2010



Sources: 2000 Census; RealtyTrac  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



## **H. Housing Conditions**

Many low income homeowners are seniors, persons with disabilities and/or minorities who have few resources available to rehabilitate their homes and cannot keep up with routine maintenance and must live with substandard housing conditions. As a result, what was previously high quality housing is at risk of deterioration, both losing value and becoming uninhabitable.

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

The Housing Element identified constraints to the availability and affordability of housing for all income groups and therefore reduce housing choice. These included permit processes, zoning standards, development fees and intergovernmental coordination. The Housing Element included policies and actions to remove those constraints.

One potential constraint is that the current Zoning Ordinance requires that permanent supportive housing go through additional Planning review solely because services are provided. Residential Care Residential Activities that require a state license or are state licensed for seven or more residents which provide twenty-four (24) hour primarily nonmedical care and supervision, as well as all Service-Enriched Permanent Housing and Transitional Housing Residential Activities are subject to a CUP process that allows neighbors to mount opposition. Furthermore, regardless of number of residents, Residential Care, Service-Enriched Permanent Housing and Transitional Housing Residential Activities may never be within 300 feet of another residential care facility.

Oakland's ordinance regarding second units prohibits building second units in areas with narrow street widths, which tend to be areas with low concentrations of minorities. While this may be a legitimate public safety concern, it may adversely affect minorities seeking affordable housing and limit the creation of housing opportunities outside areas of minority concentration.

## **J. Access to Transportation**

Low income and especially very low income people, seniors and persons with disabilities are more likely to rely solely on public transportation for access to education, jobs and services. Affordable housing near public transportation options is a necessity. Housing choice is decreased when routes are eliminated or changed and fares increased.

## **K. Policies Regarding Public Housing and Section 8**

According to OHA's Fiscal Year 2010 Annual Report, the public housing stock consists of 14 sites with 1,606 total units, 48 percent of which are outside areas of minority concentration (see Map 12)<sup>14</sup>. While 52 percent of public housing units are within minority concentrated areas, OHA has

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<sup>14</sup> Note that the public housing unit count from OHA does not include Tassafaronga, while the data that was mapped does include this project.

adopted a strategy of rebuilding them, adding services and transforming them into mixed income communities. In addition, of the 1,554 units in public housing disposition scattered sites, approximately 67 percent are outside areas of minority concentration (see Map 13). Since the majority of these units lay outside areas of minority concentration, the disposition process, which has kept them viable, has preserved a broader range of housing choices. In addition, because tenants in the disposition sites are now in the Section 8 program and can receive Section 8 Vouchers, this has further increased their ability to seek housing outside areas of minority concentration.

The Housing Authority also administers the Housing Choice Voucher tenant-based and project-based programs. Through the Housing Choice Voucher tenant-based program, households use the subsidies to secure privately owned rental housing that meets certain qualifications. Qualified households pay 30 percent of adjusted income or 10 percent of gross income, whichever is greater. The Housing Choice Vouchers pay the owner the difference between what the qualified household pays and the area Payment Standard. Voucher holders may choose housing that rents for more than the area Payment Standard, but they are responsible for paying the difference between the charged rent and the Payment Standard. A small number of Housing Choice Vouchers are project-based (i.e., attached to specific units).

Map 14 shows the distribution of these units by census tract as of July 1, 2010, while Map 15 shows these units as a percentage of all renter occupied units within each tract<sup>15</sup>. As Map 14 indicates, these Section 8 units are located both inside and outside areas of minority concentration. By looking at Section 8 units as a percentage of all renter occupied units, in Map 15 we see that the share of these units are even more widely distributed across the City's rental housing stock. There remains a lower concentration of Section 8 units in the hills since there not only is a low concentration of rental housing in these neighborhoods, but rents are expensive and likely well beyond the area Payment Standard.

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<sup>15</sup> This only provides a snapshot as families move in and out daily. The figures also do not reflect contracts still processing, families that are actively seeking units and vacant "project-based" program units. It only counts units that are under contract in Oakland and does not account for "Port Out" contracts (e.g. OHA assisted families living in other jurisdictions through the Housing Choice Voucher program's portability provisions).

According to the OHA Making Transitions Work FY 2008-09 Annual Report, the racial/ethnic breakdown of the occupied OHA units was as follows:

**Table 24**  
**Characteristics of Oakland Housing Authority Tenants by Race/Ethnicity of Head of Household, FY 2008-09**

	Public Housing		Section 8 - All		Total OHA	
<b>Race</b>						
White	161	5.6%	706	5.8%	867	5.8%
Black	2,094	73.1%	8,926	73.5%	11,020	73.4%
Asian/Pacific Islander	543	18.9%	2,393	19.7%	2,936	19.6%
Native American	8	0.3%	57	0.5%	65	0.4%
Other/Missing Data	60	2.1%	68	0.6%	128	0.9%
<b>Total</b>	<b>2,866</b>	<b>100.0%</b>	<b>12,150</b>	<b>100.0%</b>	<b>15,016</b>	<b>100.0%</b>
<b>Ethnicity</b>						
Hispanic	120	4.2%	361	3.0%	481	3.2%
Non-Hispanic	2,711	94.6%	11,785	97.0%	14,496	96.5%
Missing Data	35	1.2%	4	0.0%	39	0.3%
<b>Total</b>	<b>2,866</b>	<b>100.0%</b>	<b>12,150</b>	<b>100.0%</b>	<b>15,016</b>	<b>100.0%</b>

Source: OHA Making Transitions Work FY 2008-09 Annual Report.

A significant percent of households served by OHA continue to be categorized as Extremely Low Income as defined by households with incomes below 30 percent of the Area Median Income. Overall, during FY 2008-09 nearly 82 percent of all households served fell into this category. Occupancy is not reflective of the percentage of very low income people of different races and ethnicities in the City of Oakland. Non-Hispanic Whites and Hispanics are underrepresented as compared to their distribution in the very low-income population. Non-Hispanic African Americans make up 47 percent of the very low-income people in Oakland but 73.1 percent of public housing residents. Asians are fairly evenly represented, making up 17 percent of the very low-income people in Oakland and 18.9 percent of public housing residents. However, Non-Hispanic Whites make up 18 percent of the very low-income people in Oakland but only 5.6 percent of public housing residents. Hispanics make up 16 percent of very low-income people in Oakland but only 4.2 percent of public housing residents. The Authority continues to conduct extensive outreach to all communities. Furthermore, the distribution of different races and ethnicities between public housing and Section 8 units is fairly even.

OHA continues to implement an income mixing policy adopted in FY 2007-08 for newly renovated public housing sites. This policy is designed to address the disproportionate number of extremely low income families (income below 30 percent of AMI) in OHA public housing. The income mixing policy for these newly re-tenanted sites is as follows:

- 25 percent of the units serve families with incomes up to 20 percent of AMI.
- 25 percent of the units serve families with incomes between 20 and 30 percent of AMI.
- 25 percent of the units serve families between 30 and 40 percent of AMI.
- 25 percent of the units serve families between 40 and 80 (the public housing limit) percent of AMI.

Implementation of this policy has been generally successful except for difficulties identifying a sufficient number of households with incomes below 20 percent of AMI. The agency planned to explore some modifications to the income mixing policy during FY 2009-10.

**Table 25**  
**Characteristics of Oakland Housing Authority Tenants by Household Type, FY 2008-09**

	Public Housing		Section 8 - All		Total OHA	
Elderly	718	25.1%	2,402	19.8%	3,120	20.8%
Disability	407	14.2%	3,046	25.1%	3,453	23.0%
Family	1,708	59.6%	6,698	55.1%	8,406	56.0%
Missing Data	33	1.2%	4	0.03%	37	0.2%
<b>Total</b>	<b>2,866</b>	<b>100.0%</b>	<b>12,150</b>	<b>100.0%</b>	<b>15,016</b>	<b>100.0%</b>

Source: OHA Making Transitions Work FY 2008-09 Annual Report.

In general, the classes of people listed in Table 25 are fairly representative of the population of very low income renter households in Oakland. Twenty percent of very low income renter households in Oakland are elderly and 20.8 percent of all OHA tenants are elderly. Families, which make up 50.1 percent of very low income renter households in Oakland, are slightly overrepresented, accounting for 56 percent of all OHA tenants. However, elderly and family households make up a greater percentage of public housing tenants while households with a person with a disability make up a greater percentage of Section 8 tenants.

The following section provides a summary of Wait Lists as of June 30, 2009 for the Public Housing and Section 8 Program and information about the families on the wait lists by household size, family type, income, race and ethnicity. The data reported for FY 2008-09 includes site-based wait lists managed by third party property management companies.

**Table 26**  
**Oakland Housing Authority Wait Lists by**  
**Race/Ethnicity of Head of Household, as of June 30, 2009**

	Public Housing Waiting List		Section 8 - All Waiting List		Total OHA	
<b>Race</b>						
White	486	6.0%	1,003	10.6%	1,489	8.4%
Black	5,317	65.4%	6,641	69.9%	11,958	67.8%
Asian/Pacific Islander	1,562	19.2%	1,122	11.8%	2,684	15.2%
Native American	27	0.3%	62	0.7%	89	0.5%
Other/Missing Data	740	9.1%	667	7.0%	1,407	8.0%
<b>Total</b>	<b>8,132</b>	<b>100.0%</b>	<b>9,495</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>
<b>Ethnicity</b>						
Hispanic	348	4.3%	281	3.0%	629	3.6%
Non-Hispanic	6,730	82.8%	8,209	86.5%	14,939	84.8%
Missing Data	1,054	13.0%	1,005	10.6%	2,059	11.7%
<b>Total</b>	<b>8,132</b>	<b>100.0%</b>	<b>9,495</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>

Source: OHA Making Transitions Work FY 2008-09 Annual Report.

As mentioned previously, 47 percent of very low-income people in Oakland are Non-Hispanic African Americans, 17 percent are Asian, 18 percent are White (Non-Hispanic), and 16 percent are Hispanic. Similar to the racial/ethnic characteristics of OHA tenants, on Total OHA waiting lists Non-Hispanic Blacks are over represented, Asians are fairly evenly represented and Non-Hispanic Whites and Hispanics are underrepresented. In general, Whites and Blacks were slightly more likely to be on Section 8 waiting lists, while Asians and Hispanics were slightly more likely to be on Public Housing waiting lists.

Between July 27, 2009 and July 31, 2009, OHA opened the Public Housing wait lists and accepted 93,654 pre-applications to enter a lottery for placement on 12 Public Housing site-based wait lists. The average income for households who submitted pre-applications was \$20,272.19. The racial breakdown of the applicants for these wait lists differs from the wait lists reported in the FY 2008-09 Making Transitions Work. More Blacks (75.4 percent), Hispanics (8.8 percent) and Native Americans (2.5 percent), and slightly more Whites (9.4 percent) applied, however fewer Asians (10 percent) applied. While the Housing Authority's efforts to provide outreach to decrease race/ethnicity disparities have increased the percentage of Whites and Hispanics, the percentage of Asians has decreased while the percentage of African Americans has increased.

**Table 27**  
**Oakland Housing Authority Wait Lists by**  
**Household Type, as of June 30, 2009**

	Public Housing		Section 8 - All		Total	
Elderly	1,280	15.7%	516	5.4%	1,796	10.2%
Disability	454	5.6%	1,105	11.6%	1,559	8.8%
Family	6,398	78.7%	7,834	82.5%	14,232	80.7%
Missing Data	0	0.0%	40	0.4%	0	0.2%
<b>Total</b>	<b>8,132</b>	<b>100.0%</b>	<b>9,495</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>

Source: OHA Making Transitions Work FY 2008-09 Annual Report.

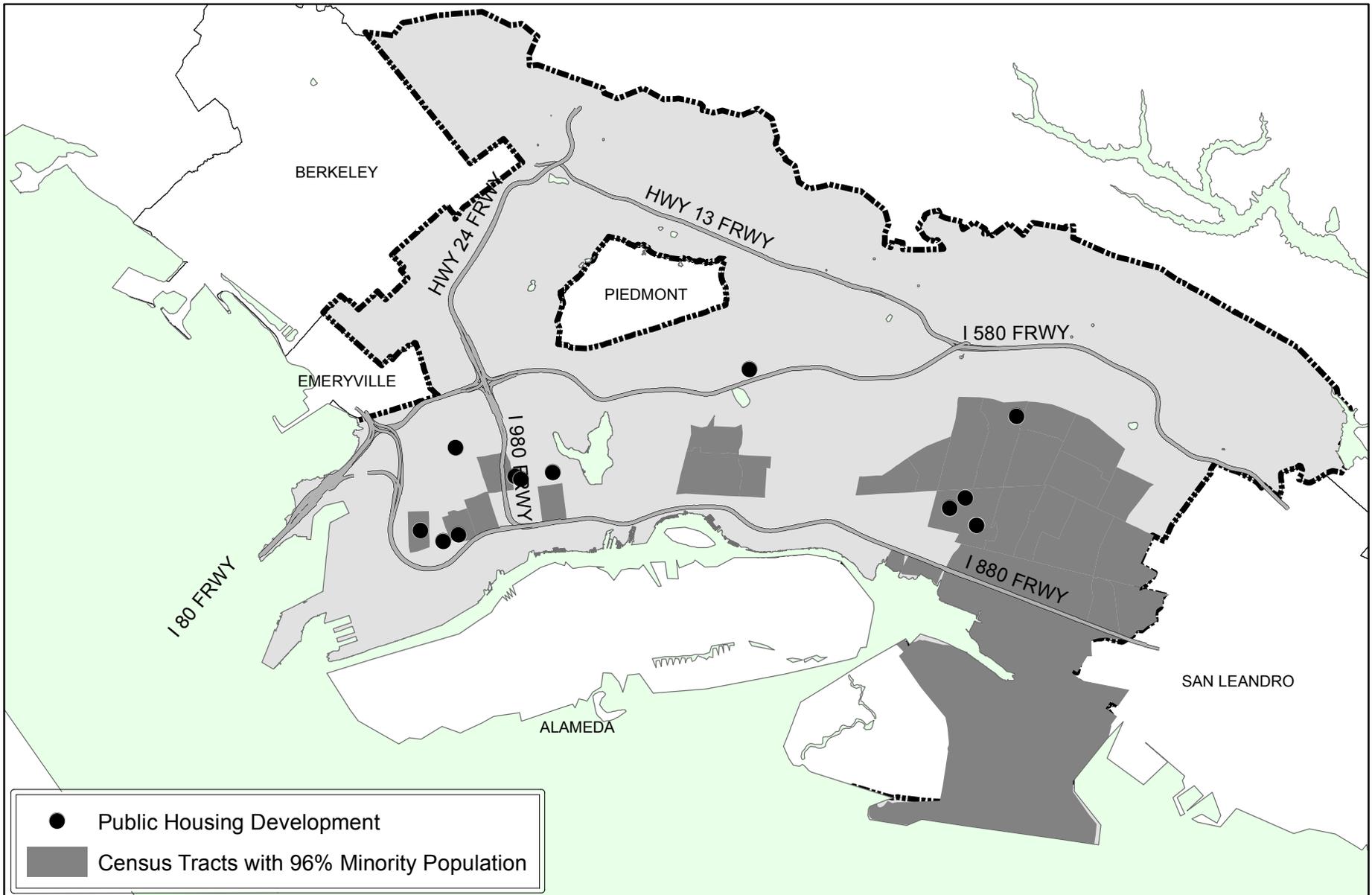
As mentioned previously, 20 percent of very low income renter households in Oakland are elderly and 50.1 percent are families. However, families are overrepresented on OHA wait lists, accounting for 80.7 percent of total applicants while elderly make up only 10.2. The distribution of applicants by household types indicates that households that include persons with disabilities and families favor Section 8 over public housing, while elderly households prefer public housing.

Between July 27, 2009 and July 31, 2009, when OHA opened the Public Housing wait lists for pre-applications to enter a lottery for placement on 12 Public Housing site-based wait lists, the types of households that applied for these wait lists differed from those on the wait lists reported in the FY 2008-09 Making Transitions Work. Fewer elderly (8.6 percent) and family (50 percent) households applied, while more households requested a reasonable accommodation for a disability (19.4 percent).

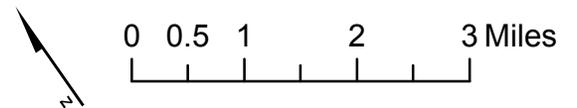
# Map 12

## Public Housing and Areas of Minority Concentration

### July 2010



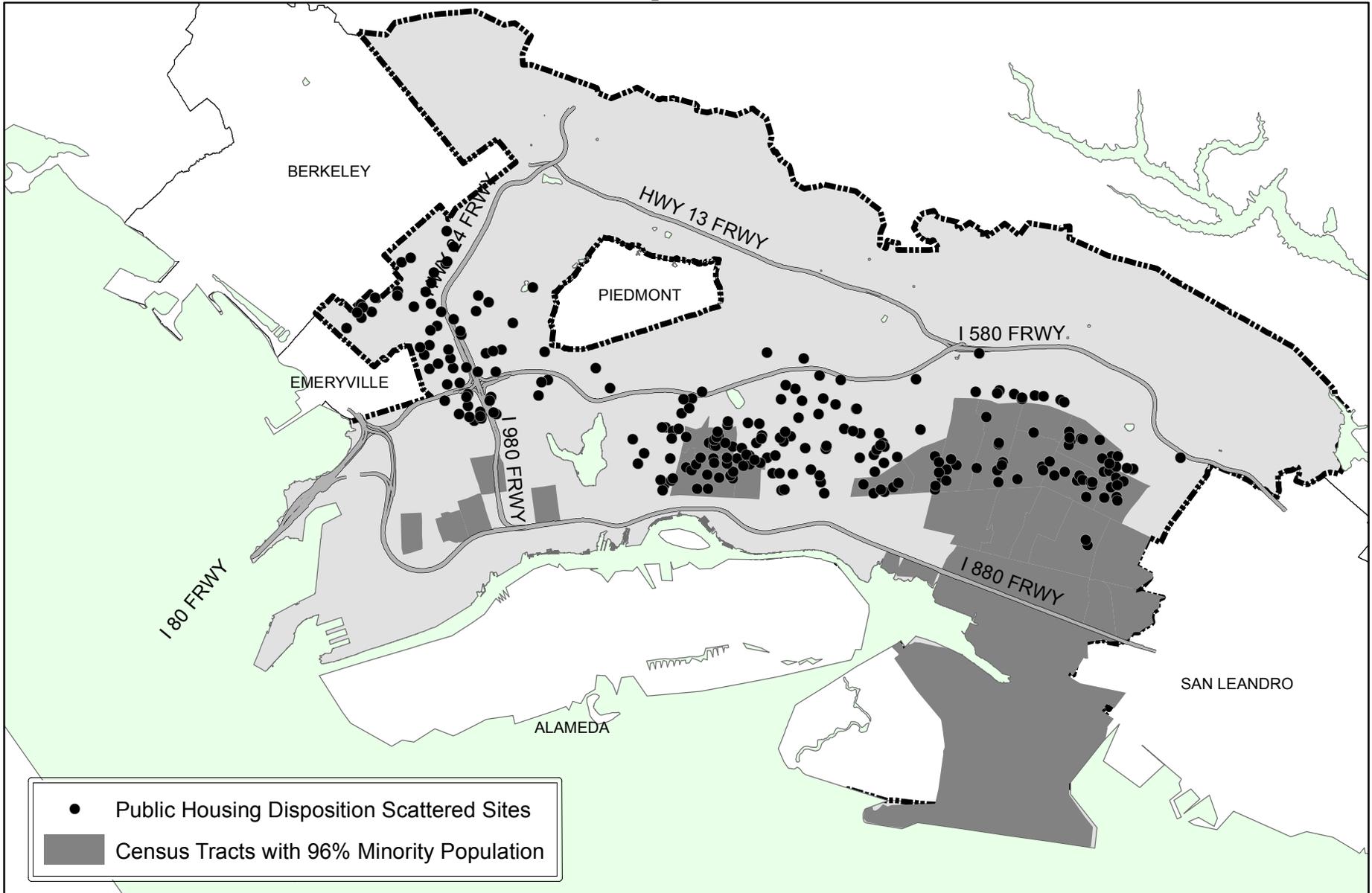
Sources: 2000 Census; Oakland Housing Authority  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



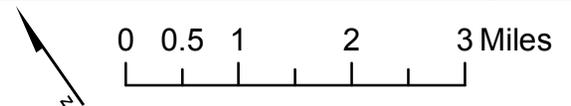
# Map 13

## Public Housing Disposition Scattered Sites and Areas of Minority Concentration

### July 2010

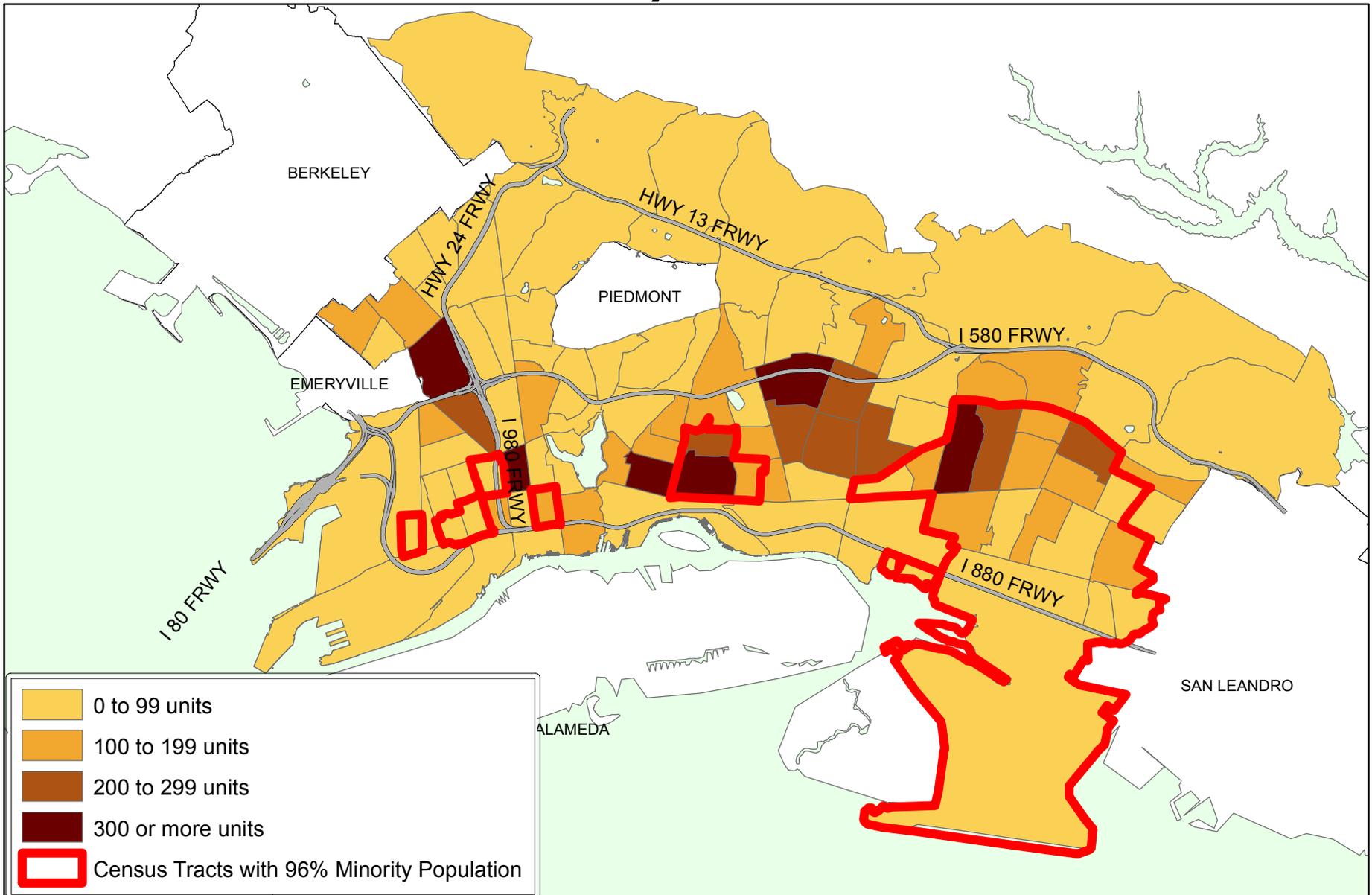


Sources: 2000 Census; Oakland Housing Authority  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



# Map 14

## Section 8 Units by Census Tract and Areas of Minority Concentration July 2010



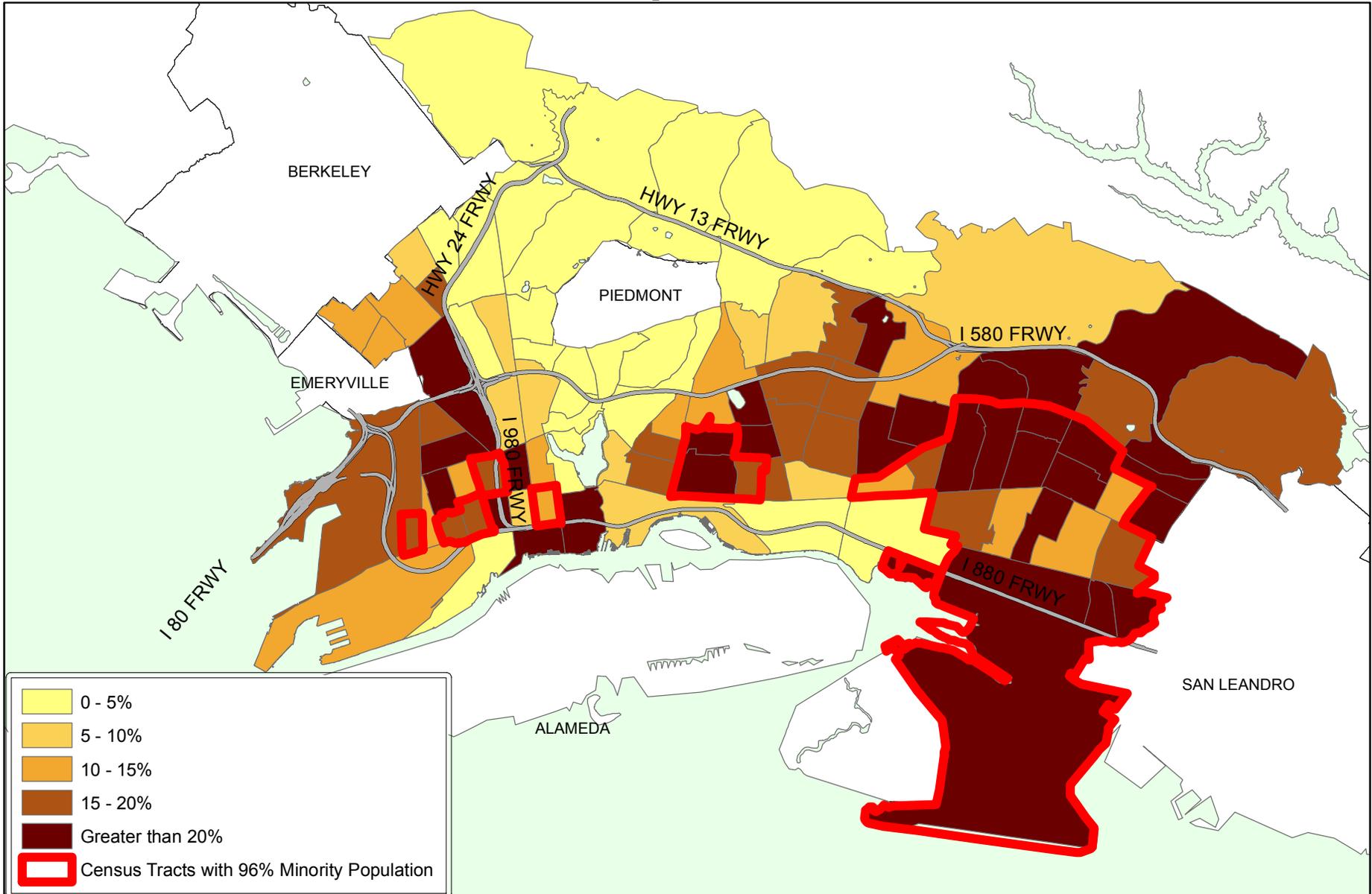
Sources: 2000 Census; Oakland Housing Authority  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



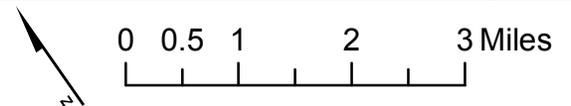
# Map 15

## Section 8 Units as Percent of Renter Occupied Units and Areas of Minority Concentration

### July 2010



Sources: 2000 Census; Oakland Housing Authority  
 Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



## **L. Policies Regarding Other Assisted Housing**

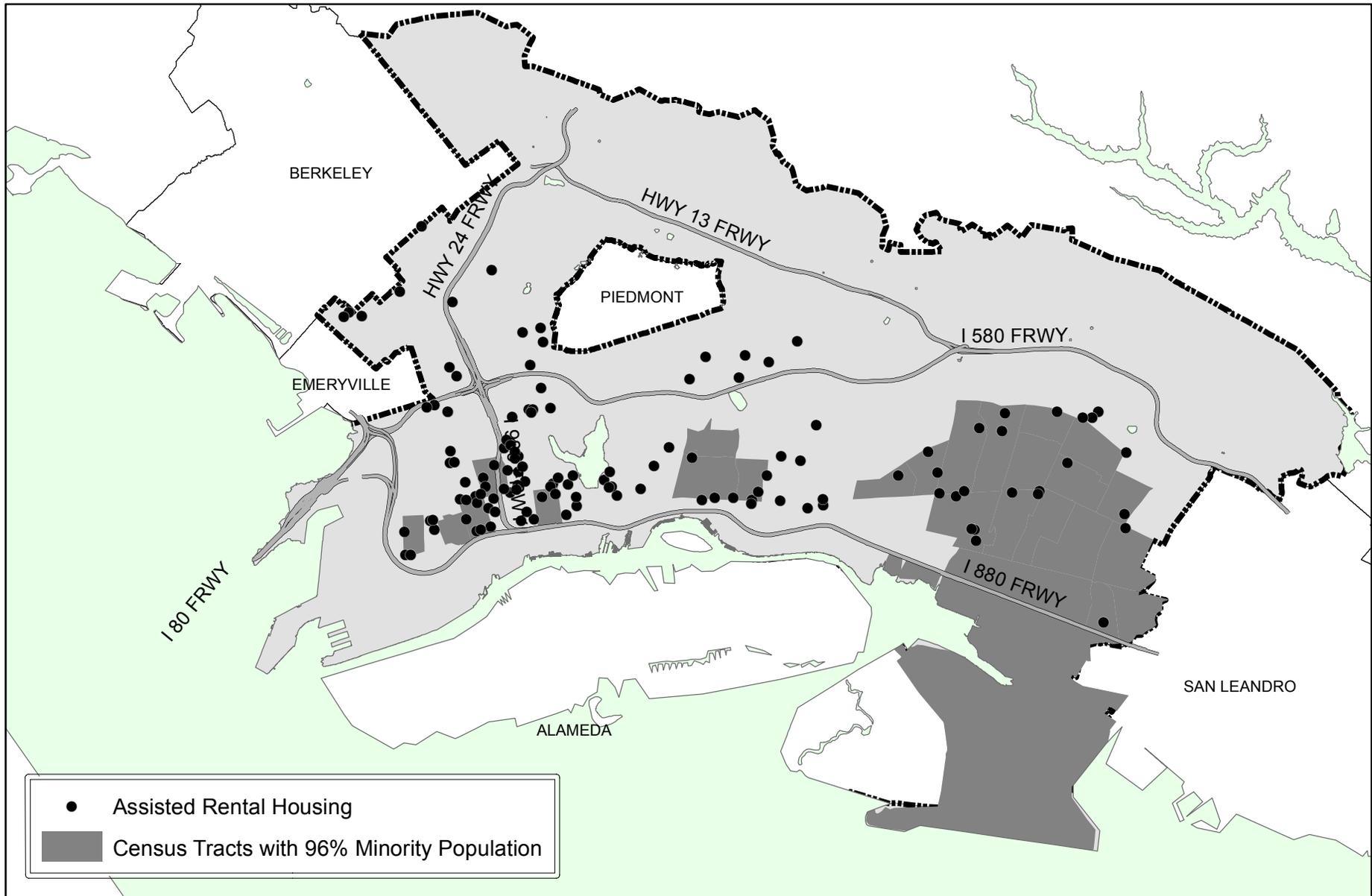
In addition to Public Housing and Section 8 assisted households, there are approximately 130 privately owned (for profit and nonprofit) developments containing 8,505 rental units that have been affordable to low income household with assistance from HUD, the City, the Oakland Redevelopment Agency, or other public sources. These developments include units for families, seniors, and persons with a disability, as well as single room occupancy and transitional housing developments.

Map 16 on the following page shows 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. Ninety of the 130 assisted rental housing developments, containing 74 percent of the total units, lay outside areas of minority concentration, thereby affirmatively furthering fair housing choice regardless of race or ethnicity. However, there is a high concentration of assisted family housing in the West Oakland area, which is an area of minority concentration. The concentration of units in West Oakland consists mostly of older HUD-assisted housing, while City-assisted developments built since 1980 are more widely dispersed. As can be seen from the map, there is little or no assisted housing in the hill areas, which are areas of low concentration of low income and minority persons. The principal reasons for the lack of assisted in the hill areas are that the area is zoned exclusively for single-family housing, has development costs substantially higher than other areas of the City, and is less transit-accessible than the flatland areas.

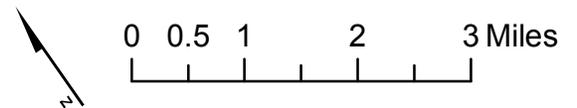
# Map 16

## Assisted Rental Housing and Areas of Minority Concentration

### May 2010



Sources: 2000 Census; City of Oakland, CEDA - HCD  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



## **M. Policies Regarding Location of Housing and Community Development Activities**

### **1. Housing Development Program**

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.

During the City's Notice of Funding Availability (NOFA) process, which provides funding for the development of affordable housing, the City does give additional points to rental housing located outside of areas of concentrations of poverty to promote a wider range of housing opportunities. In general, the City encourages high density multi-family housing along major arterial streets, in the downtown areas, and near mass transit stations. The NOFA also gives preferences to ownership projects in census tracts with low homeownership rates in an effort to increase ownership rates and contribute to neighborhood revitalization. However, areas with low concentrations of minorities are predominately in the hills, which for the most part are zoned single family and also are not in close proximity to public transit and services. As a result, in practice, little City-assisted housing is built in areas with low concentrations of minorities.

### **2. Housing Rehabilitation Programs**

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.

This program is aimed at improving the condition of housing currently occupied by low income households, most of whom are racial and ethnic minorities. The program is 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 and improving housing conditions for minorities and low income families.

### **3. First-Time Homebuyer Programs**

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. As illustrated in Map 17, almost two-thirds of the first-time homebuyer loans between January 2000 and December 2009 were outside areas of minority concentration, thereby affirmatively furthering fair housing choice for low-income residents regardless of race/ethnicity. Because 73.3 percent of households in this program are minority, this program contributes to the expansion of housing choice.

Furthermore, the percentage of minority first time homebuyer households is similar to the percentage of Oakland households between 50 and 80 percent of area median income (those who are most likely to qualify for first-time homebuyer assistance). However, when you look at minority households (see Table 29), African Americans are underrepresented and Asians, Hispanics and Whites are slightly overrepresented. This disparity could be explained by the fact that buyers must have a first mortgage to enter the City’s program and, as discussed in the Discrimination in Mortgage Lending section, African Americans have low application rates.

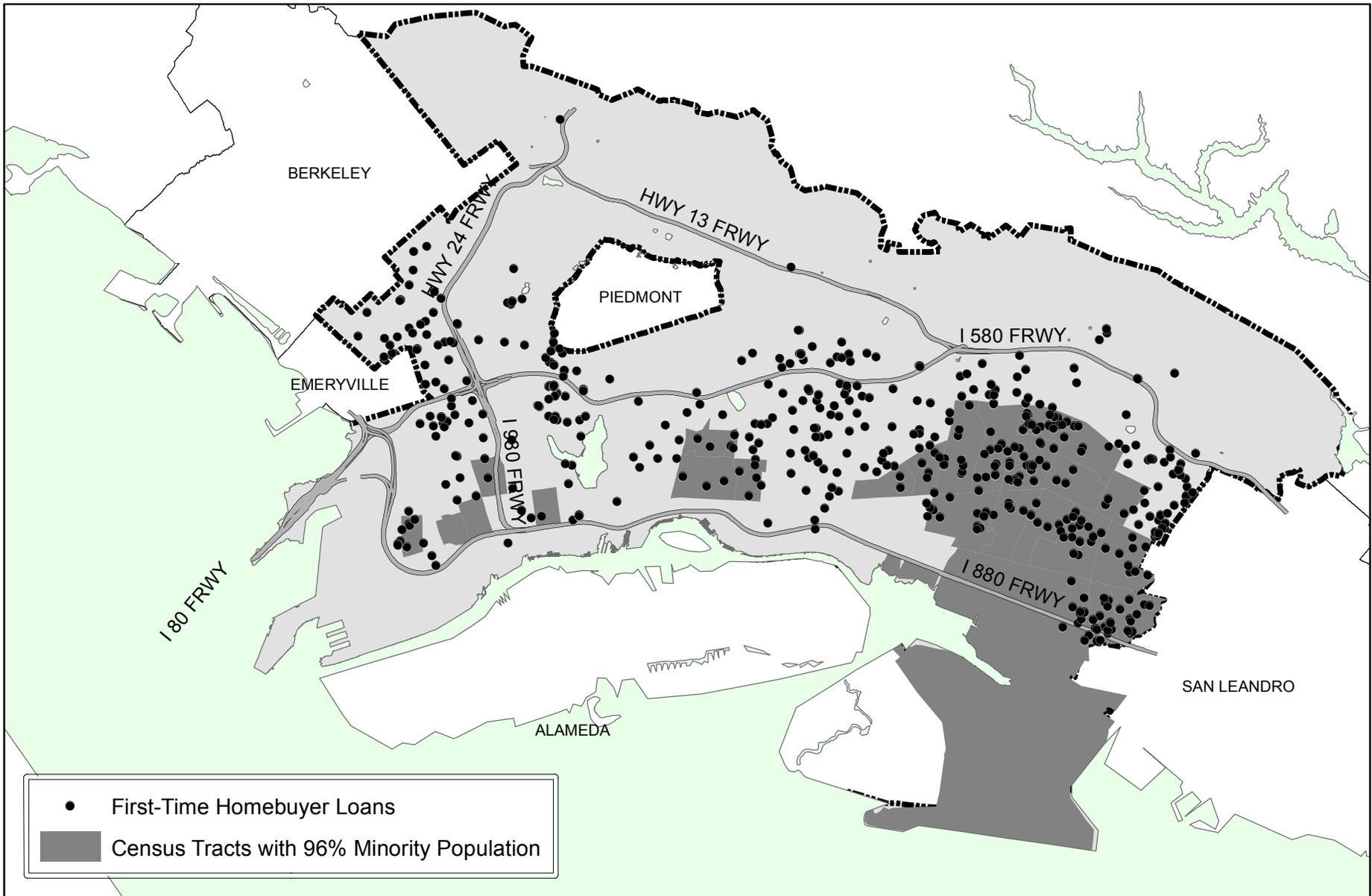
**Table 28**  
**First-time Homebuyer Loans and Low-Income Households by Race/Ethnicity**

Race/Ethnicity	Loans	Percent of First-Time Homebuyer Loans (2000 to 2009)	Percent of Low-Income Households (2000)
White	150	26.1%	25.5%
African American/Black	177	30.8%	40.8%
Native American	7	1.2%	0.2%
Asian/Pacific Islander	102	17.8%	12.3%
Hispanic	124	21.6%	19.1%
Other/Unknown	14	2.4%	2%
<b>Total*</b>	<b>574</b>	<b>100%</b>	<b>100%</b>

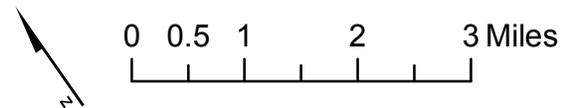
Sources: CEDA, City of Oakland and 2000 CHAS Data.

# Map 17

## First-Time Homebuyer Loans and Areas of Minority Concentration January 2000 to December 2009



Sources: 2000 Census; City of Oakland, CEDA - HCD  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



#### **4. Community Development Block Grant-Funded Neighborhood Programs**

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.

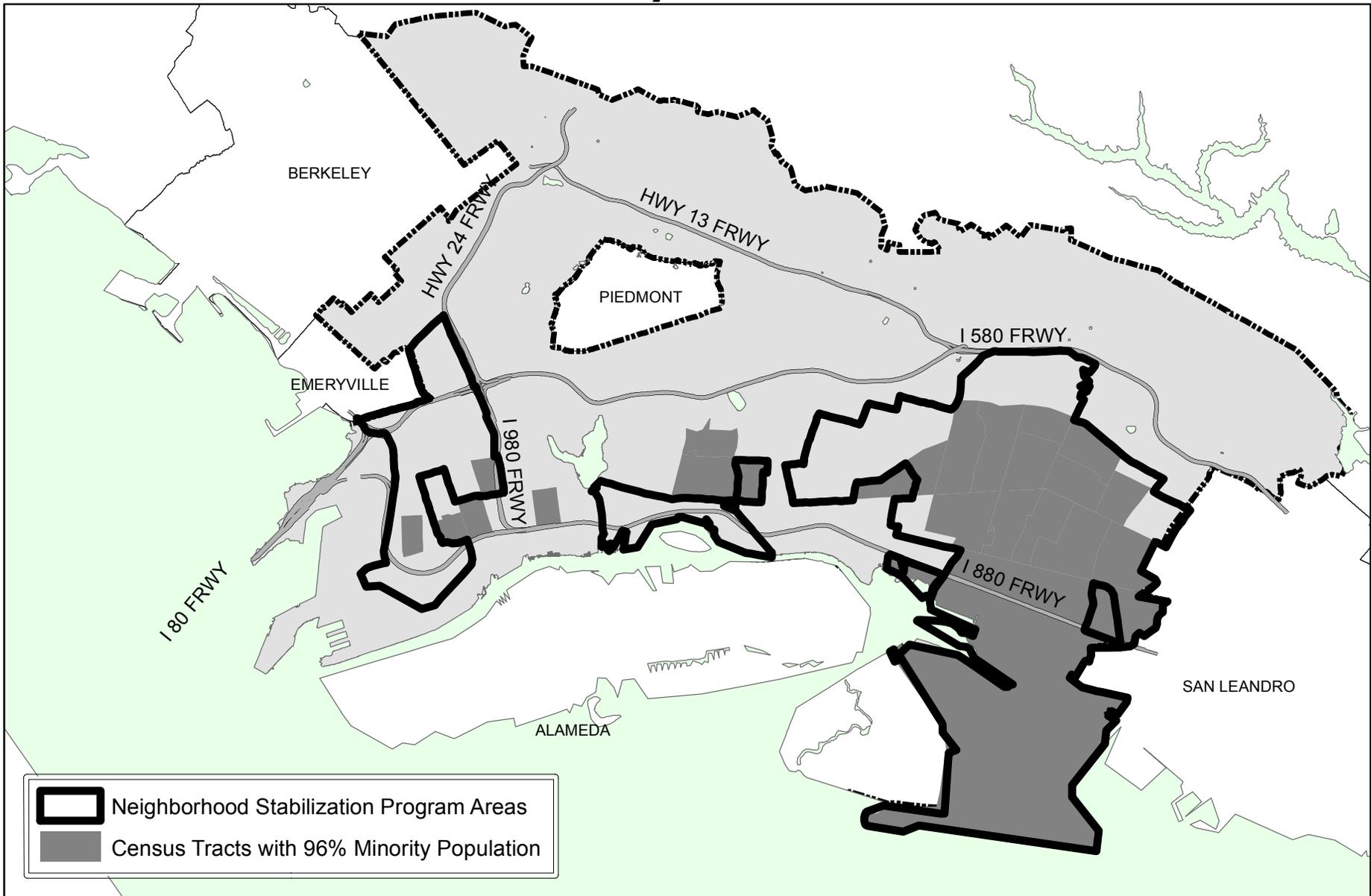
#### **5. Neighborhood Stabilization Program**

In response to communities severely impacted by the national foreclosure crisis, HUD developed and funded the Neighborhood Stabilization Program (NSP) to overcome negative impacts of foreclosure and abandonment and help revitalize and stabilize communities. NSP targets areas particularly affected by the foreclosure crisis, providing funding to acquire and redevelop abandoned and/or foreclosed homes and residential properties that otherwise might become sources of blight. All activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income (AMI). However, the City chose to target its NSP program to homebuyers between 60 to 80 percent AMI and renters below 50 percent AMI. In May 2010, the City amended its NSP areas to include both the areas identified in its NSP 1 application and areas that were included in its NSP 2 application. East Oakland has both a concentration of minorities and higher homeownership rates and was one of the most impacted areas for predatory lending. As a result, the area of minority concentration and NSP area in East Oakland overlap considerably, thus providing this community with the resources to combat blight (see Map 18). In West Oakland, because the areas of minority concentration are predominately rental housing – much of it publicly assisted – these areas have fewer foreclosures. Meanwhile, the areas in West Oakland with higher homeownership rates are somewhat more racially heterogeneous. As a result, in West Oakland there is little overlap between NSP area and areas of minority concentration. Part of the San Antonio/Fruitvale NSP area overlaps with the area of minority concentration, however, some of it, although it has a high percentage of minorities, does not meet the 96 percent minority population definition.

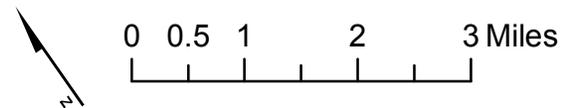
# Map 18

## Neighborhood Stabilization Program Areas and Areas of Minority Concentration

May 2010



Sources: 2000 Census; City of Oakland, CEDA - HCD  
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD



## V. 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 eight housing priority areas in the City's Consolidated Plan.

### A. Funding of Fair Housing Organizations

The City of Oakland contracts with nonprofit agencies to offer fair housing counseling and to address issues related to fair housing. The contract for Fair Housing Services is chosen through a Request for Proposals (RFP) every two years. Currently the City contracts with Causa Justa/Just Cause to provide fair housing counseling to persons who have complained of discrimination. In addition, other Housing Services are eligible for funding through the CDBG RFP process, also a two year cycle. Currently the City contracts with East Bay Community Law Center (EBCLC) and Centro Legal de la Raza for Legal Housing Services and Center for Independent Living (CIL) for Housing Counseling and Housing Search for persons with disabilities, and ECHO Housing for Landlord/Tenant Mediation. The RFP for Fair Housing and other public services for Fiscal Years 2011-2013 has been released.

Bay Area Legal Aid (BayLegal) receives funding directly from HUD's 2009 Fair Housing Initiatives Program (FHIP) that provides funding to public and private organizations that develop programs that are designed to prevent or eliminate discriminatory housing practices. BayLegal's FHIP grant is to address the fair housing needs of low-income Bay Area residents, with a focus on non-English speaking immigrants, people with disabilities, and underserved populations. Services will be provided in the Bay Area counties of Alameda, Contra Costa, San Mateo, Santa Clara and San Francisco, and will include investigating discrimination complaints, conducting testing, hosting community fair housing education presentations, providing fair housing enforcement training for Bay Area government and community organizations, and conducting fair housing law and litigation training.

### B. Guidelines and City Requirements for Housing Development Funding

Applicants for Housing Development funds through the City's annual Notice of Funding Availability process who may be receiving federal funding (such as HOME funds), are required to comply with applicable federal statutes and laws, including, but not limited to:

- Section 3 of the U.S. Housing Act of 1968, as amended.
- Equal Opportunity and related requirements in 24 CFR Section 982.53.
- Section 504 of the Rehabilitation Act of 1973.

- Americans with Disabilities Act of 1990.
- Architectural Barriers Act of 1968.
- Fair Housing Act of 1988.
- National Environmental Protection Act (NEPA).
- Federal prevailing wage requirements (Please note that projects will be required to meet the higher of Federal or State prevailing wage requirements).

## **C. Fair Housing Marketing Procedures**

Under the federally funded HOME Program, all housing assisted with HOME funds must be marketed in accordance with Affirmative Fair 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. A summary of key features of the 2010 Affirmative Fair Marketing Procedures, which specifically describe methods and practices related to fair housing, are described below and the entire document is included as Appendix A: Affirmative Fair Marketing Procedures.

### **1. Training**

The owner and managing agent shall provide property management staff with all relevant regulations and fair housing provisions. All property management staff shall be required to follow the procedures and policies adopted by the owner and managing agent.

Property management staff shall annually receive instruction regarding fair housing laws and the development's Affirmative Fair Marketing Plan. Formal training programs shall include marketing, outreach, data collection, reporting, and record keeping.

### **2. Marketing and Outreach**

Owners are required to engage in special outreach to persons and groups in the housing market area who, in the absence of such outreach are not likely to apply for the housing. In determining what special outreach is needed, owners should take into account past patterns of discrimination, the racial and ethnic makeup of the neighborhood, language barriers, location, or other factors that might make it less likely that some persons and groups (a) would be aware of the availability of the housing or (b) would be likely to apply for the housing.

Multilingual advertising is encouraged where such efforts would result in reaching persons and groups not likely to apply. Owners and managers must ensure that people with limited

English proficiency are not discouraged from applying or discriminated against and are encouraged to provide translation assistance or referrals to community-based organizations that can assist with translation.

#### **D. Monitoring Existing Assisted Housing**

Housing developments assisted by the City and/or Redevelopment Agency are both fiscally and physically 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.

#### **E. 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 Housing and Community Development Division of the Community and Economic Development Agency

## VI. 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 the difference in the rate of housing problems for some minorities is significant--particularly for Hispanic renters and owners at all income levels, Asian renters at very low and moderate levels, and Asian owners at low and moderate income levels. In addition, because minorities are far more likely to be low income, rates of housing problems for minorities are 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.**

**Data received on an ongoing basis by fair housing 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 continuing foreclosure crisis is creating economic deterioration and loss of family assets and generational wealth.** Those who have lost their homes are re-entering the rental market with poor credit scores and loss of assets. Some are at risk of homelessness. In addition foreclosures cause blight and lower property values in neighborhoods with a history of redlining. This, in turn, threatens the remaining homeowners' ability to refinance homes or homebuyers to buy homes in these areas of minority concentration.

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. However, because minorities are more likely to be low income, minority households have a higher rate of housing problems, particularly the ability to secure decent affordable housing.

### **Recommendations:**

- Continue to work with developers to identify and pursue all available funding for affordable housing.
- On a case by case basis, encourage developers of market rate housing developments to include units for low and moderate households.
- Continue to work to remove constraints to the development of housing as specified in the Housing Element in order to increase the supply of housing.
- Continue to give funding priority to affordable housing proposals include units for extremely low and very low income households.
- Continue to encourage the siting of affordable housing in areas without concentrations of poverty.

## **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:**

- Continue to 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 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 or Rental of Housing**

Fair housing data received by Fair Housing and Housing Counseling agencies continue to suggest discrimination against racial and ethnic minorities and other protected groups, including families 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.

#### **Recommendations:**

- Continue to provide funding to nonprofit agencies to provide fair housing counseling, investigate complaints, provide information and referrals.
- 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.
- Continue to encourage fair housing organizations to use FHIP and other funding to provide training to the Oakland Board of Realtors, the Oakland Apartment Association, and other real estate organizations, on fair housing issues in the sale and rental of housing.
- Continue to support law firms that work with affordable housing owners and agents to provide assistance regarding fair housing practices.
- Continue to require City funded fair housing organizations to provide workshops and other public education efforts on tenants and landlord rights and responsibilities.
- Expand efforts to provide outreach and information materials in other languages in order to reach out to underserved populations.
- Continue to provide fair housing resources on the City's website.
- Continue to support agencies providing outreach and counseling to minority homebuyers.
- Encourage owners and managers of affordable housing to provide translation assistance or referrals to community-based organizations that can assist with translation for housing applicants.

## **D. Lack of Accessible Features in Housing**

Accessible features in housing are needed by many persons with disabilities to safely and comfortably inhabit their units. However, many low income homeowners with disabilities lack the resources to modify their homes. Similarly, owners of rental property may be unable or unwilling to fund accessibility improvements making it difficult for renters with disabilities to find suitable housing. First-time homebuyers with disabilities often require modifications before they can inhabit their new homes.

### **Recommendations:**

- Continue to provide Access Improvement Program Grants to existing homeowners and owners of rental developments.
- Continue to require 504 accessible units to be built in City assisted rental developments.
- To ensure greater access to homeownership opportunities for households with a member with disabilities, the City will allow first time homebuyers using the Mortgage Assistance Program to also obtain an Access Improvement Program Grant.

## **E. Barriers to the Provision of Supportive Housing**

More funding is needed for long-term services linked to housing, especially for vulnerable populations. As stated in the impediments section, there continues to be neighborhood opposition to the siting of housing with supportive services.

### **Recommendations:**

- Continue the work of PATH/Everyone Home partnerships to find sources for long-term services linked to housing, particularly for the homeless and those at-risk of being homeless, the most vulnerable populations.
- Continue to provide education and outreach regarding housing with supportive services (see section on Community Opposition to the Siting of Affordable Rental Housing).
- Continue to seek out ways to secure longer term commitments for supportive housing funding.

## **F. 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 Coalition, 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.
- Attempt to overcome housing discrimination by encouraging financial institution participation in mortgage lending to low and moderate income individuals and in low and moderate income communities, largely through joint City, partnering industry organizations, Freddie Mac, and Fannie Mae efforts to promote existing lending programs and create new programs.
- Participate in organizations that advocate for expansion of lending practices.
- The City will consider funding and will support applications for non-city funding for consumer counseling that includes financial literacy and credit counseling in particular for household considering lending choices.

**G. Foreclosures**

Foreclosures in neighborhoods cause blight and lower property values. This in turn threatens the remaining homeowners' ability to refinance homes or homebuyers to buy homes in these areas of minority concentration and is a barrier to equal housing choice. The City supports the California Reinvestment Coalition recommendation to seek policy solutions to four key issues: lack of transparency for foreclosure prevention efforts; lack of accountability for banks; need to reverse the neighborhood impacts of redlining, toxic loans, foreclosures, inadequate loan modification outcomes, and lack of access to credit; and loss of household and community wealth.

**Recommendations:**

- Continue to seek and use NSP funds and other funding sources to acquire, rehabilitate and resell foreclosed homes to low income homebuyers.
- Recommend that the Departments of Justice and Housing and Urban Development prioritize fair housing investigation and enforcement.
- Recommend that the Treasury Department inspect the race data collected under HAMP to make sure that the program is affirmatively furthering fair housing.
- Encourage more research to gain a deeper understanding of the role of race in mortgage lending and foreclosure prevention in order to inform public policy and encourage the accountability of financial institutions.
- Continue to work with non-profit housing services providers to target programs to extremely low, low and moderate income homeowners at risk of losing their homes to foreclosure.
- Continue to reach out to homeowners and renters whose homes are at risk of foreclosure through mailings with information on foreclosure counseling, avoiding scams and renter's rights.

- Support housing counseling efforts by either providing City funding or supporting applications for outside funding.
- Continue to participate in or sponsor foreclosure counseling clinics with non-profit housing service providers and lenders.
- Continue to enforce the City's Just Cause Ordinance to protect tenants from being evicted from foreclosed housing units.

## **H. Housing Conditions**

Many low income homeowners are seniors, persons with disabilities and/or minorities who have few resources available to rehabilitate their homes and cannot keep up with routine maintenance and must live with substandard housing conditions. As a result, what was previously high quality housing is at risk of deterioration, both losing value and becoming uninhabitable.

In addition, while housing conditions only accounted for three percent of total cases reported to the City of Oakland by fair housing contractors in FY 2008-09, 15 percent of all cases reported by Hispanics (all race) involved housing conditions. Meanwhile, despite the fact that the distribution of types of cases reported by Asians is similar to the larger sample, there was not a single conditions complaint. This may not reflect the absence of housing conditions issues in the Asian community. These statistics, along with differing issues displayed by Hispanics and the underreporting from Asians and Hispanics, may be indicative of the need for more outreach to these communities.

### **Recommendations:**

- Continue funding for housing rehabilitation both inside and outside areas of minority concentration.
- Expand fair housing and affordable housing outreach and education in languages other than English.

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

In general, the Cities Land Use and Zoning requirements support residential development, and give advantages to affordable residential development in particular.

### **Recommendations:**

- Review and revise the Zoning Ordinance definition and treatment of Residential Care Facilities and group homes.
- Continue to streamline processes for the issuance of zoning and building permits, including development of new automated systems and internet-based information and application systems.

- Continue to work to remove the constraints to housing development identified in the City's Housing Element which should, in turn, remove constraints to building affordable housing and increase housing choice.

## **J. Access to Transportation**

Low income and especially very low income people, seniors and persons with disabilities are more likely to rely solely on public transportation for access to education, jobs and services. Affordable housing near public transportation options is a necessity. Housing choice is decreased when routes are eliminated or changed and fares increased.

### **Recommendations:**

- Continue to encourage high density multi-family housing along major arterial streets in the downtown areas and near mass transit stations.
- Continue to give priority to affordable housing developments near transit to provide better access to jobs and services, including transit villages at The West Oakland, Fruitvale, MacArthur and Coliseum BART stations.

## **K. Policies Regarding Public Housing and Section 8**

As shown earlier, the Oakland Housing Authority's tenant population and waiting list do not reflect the percentage of people living below the poverty level.

### **Recommendations:**

- Encourage the Oakland Housing Authority to expand its outreach efforts to residents and owners to ensure that residents are broadly reflective of Oakland's ethnic diversity.

## **L. Policies Regarding 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:**

- Continue to give priority to rental housing developments located outside of areas of concentrations of poverty and ownership projects in census tracts with low homeownership rates.

## **M. Policies Regarding Location of Housing and Community Development Activities**

The Housing Development, Housing Rehabilitation, First-time Homebuyer, Community Development Block Grant, and Neighborhood Stabilization Programs all provide funding for housing options in various parts of the city, both within and outside areas of minority concentration.

### **Recommendations:**

- Continue to locate City housing activities both inside areas of minority concentration to promote revitalization and outside areas of minority concentration to promote more locational choice.

## **N. Increase Minority Homeownership**

Minorities make up 76 percent of the population in Oakland but make up only 59 percent of the homeowners.

### **Recommendations:**

- Work with existing advocacy groups on faith-based initiatives to provide services that educate, advocate and build bridges to increase homeownership opportunities for minorities and low to moderate income households.
- Work with non-profit counseling agencies, national real estate professional organizations, national community organizations and lenders to educate minority households and to remove barriers unique to buyers from different races and ethnicities.
- Sponsor or participate in homeownership fairs to publicize homeownership programs and educate potential homebuyers about opportunities for affordable homeownership.
- Continue to provide first-time homebuyer assistance to very low, low and moderate income households.

## **O. Expand Information about Affordable Housing Opportunities**

The City recently reviewed and rewrote the Affirmative Fair Marketing Procedures based on the California Department of Housing and Community Development sample.

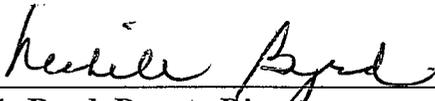
### **Recommendations:**

- Continue to expand access to information about affordable housing opportunities so that people know about available resources.

- Continue to update the Affirmative Fair Marketing Procedures as needed and monitor compliance with the Procedures as part of the annual Assisted Housing monitoring assessment.
- Continue to provide printed and web-based listings of affordable housing developments.

## **VII. 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 14, 2010



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**Michele Byrd, Deputy Director**  
**Housing and Community Development**

## **VIII. APPENDICES**

### **A. Appendix A: Affirmative Fair Marketing Procedures**

**City of Oakland  
Community and Economic Development Agency**

## **Affirmative Fair Marketing Procedures**

### **I. Policy on Nondiscrimination and Accessibility**

1. Owners and managing agents of housing assisted by the City of Oakland or the Redevelopment Agency of the City of Oakland (referred to together as the “City/Agency”) must not discriminate against potential tenants or purchasers on the basis of race, color, religion, sex, physical or mental (including cognitive, developmental or emotional) disability, familial status (presence of child under age of 18 and pregnant women), national origin, ancestry, age, marital status, sexual orientation, gender identity or expression, having Acquired Immune Deficiency Syndrome (AIDS) or AIDS related conditions (ARC), source of income, any arbitrary basis, or any other status protected by federal, state or local law.
2. In addition, owners must undertake affirmative marketing efforts to reach persons that are unlikely to apply for housing due its nature, location or other factors.
3. Developers receiving Federal funds are required to create units that are accessible to people with disabilities. At least five percent of new units must be accessible to people with mobility impairments and at least two percent must be accessible to people with hearing or vision impairments.
4. In addition to Federal laws requiring units for people with physical disabilities, fair housing laws require owners to make reasonable accommodations to people with all types of disabilities who request accommodations due to disability at any time during the application, resident selection and rent-up process. In doing so, owners are required to make and pay for structural and non-structural modifications to dwelling units and common areas when needed as a reasonable accommodation for tenants or applicants with disabilities. In such cases where providing a requested accommodation would result in an undue financial and administrative burden, developers are required to take any other action that would not result in an undue burden.
5. All developers who receive funds from the City/Agency are required to enter into loan agreements, and regulatory agreements or affordability agreements with the City/Agency prior to receiving any funds. These agreements are designed to bind the recipients to all of the program requirements, including the affirmative fair marketing procedures.

6. The following document outlines the affirmative fair marketing procedures that must be adhered to by developers and owners of housing units assisted by the City/Agency.

## **II. Training**

1. The owner and managing agent shall provide property management staff with all relevant regulations and fair housing provisions. All property management staff shall be required to follow the procedures and policies adopted by the owner and managing agent.
2. Property management staff shall annually receive instruction regarding fair housing laws and the development's Affirmative Fair Marketing Plan. Formal training programs shall include marketing, outreach, data collection, reporting, and record keeping.

## **III. Methods and Practices for Informing the Public**

1. In order to inform the public, owners, and prospective tenants about Federal fair housing laws and the City/Agency's affirmative marketing policies, the City/Agency will include the Equal Housing Opportunity logo and/or slogan, and a logo and/or slogan indicating accessibility to persons with disabilities, in all press releases, solicitations, and program information materials.
2. In addition, the City/Agency provides funding to a number of fair housing agencies to provide information and counseling regarding fair housing laws and policies.

## **IV. Marketing and Outreach**

1. As a condition of the agreements, not less than 180 days prior to project completion, owners must submit proposed marketing and management plans to the City for review and approval. Prior to commencing marketing activities, owners will be required to meet with City staff to review the proposed marketing strategy to ensure that affirmative marketing efforts will be employed.  
Marketing plans must include information on strategies for reaching persons and groups not likely to apply including, but not limited to, households that include a member with disabilities. Marketing plans must also include procedures for ensuring that people with disabilities who request accessible features are given preference for occupancy of accessible units, as described below. Management plans must include policies for ensuring reasonable accommodation for persons with disabilities. Management plans must also contain policies and provisions for recordkeeping and monitoring. The City/Agency will provide written guidance on selection of tenants and reasonable accommodation during occupancy, if requested.

2. All advertising shall display the Equal Housing Opportunity logo and/or the phrase “Equal Housing Opportunity”, and a logo and/or slogan indicating accessibility to persons with disabilities. Fair housing posters must be displayed at the project rental or sales office.

Marketing plans must include use of a welcoming statement to encourage people with disabilities to apply for units, as well as a description of available units, accessible features, eligibility criteria, and the application process. The City/Agency will provide developers with sample notices, if requested.

Marketing plans must indicate that qualified applicants with disabilities who request accommodation shall receive priority for the accessible units. Open houses and marketing offices must be accessible to allow persons with disabilities to visit the site and retrieve information about accessible units.

3. Owners are required to advertise in newspapers of general circulation, and to provide notice to community groups when units become available.

Marketing shall include the use of newspapers of general circulation in Oakland. The managing agent shall place notices in newspapers, specialized publications, and newsletters to reach potential residents. Applications, notices, and all publications will include a Fair Housing and Equal Opportunity Logo, and the Accessibility Logo. Community media advertisement of the projects may include the following:

- a. Oakland Tribune
  - b. Oakland Post
  - c. Post/El Mundo (Spanish)
  - d. El Bohemio (Spanish)
  - e. Ang Newspaper
  - f. Sing Tao Daily Newspaper (Chinese)
  - g. Eden I&R, Inc. 2-1-1- Information and Referral Line
4. Consistent with the resident population each development was designed to serve, the marketing of the project must ensure equal access to appropriate size units for all persons in any category protected by Federal, state, and local laws governing discrimination.

Owners are required to engage in special outreach to persons and groups in the housing market area who, in the absence of such outreach are not likely to apply for the housing. In determining what special outreach is needed, owners should take into account past patterns of discrimination, the racial and ethnic makeup of the neighborhood, language barriers, location, or other factors that might make it less likely that some persons and groups (a) would be aware of the availability of the housing or (b) would be likely to apply for the housing.

Special marketing outreach consideration will be given to the following underserved populations:

- a. African-Americans

- b. American Indians
  - c. Hispanics
  - d. Asians and Pacific Islanders
  - e. Persons with disabilities and persons with special supportive housing needs
  - f. Very low income households of all types (including persons making the transition from homelessness to permanent housing)
  - g. Immigrants
  - h. Non-English speaking residents
  - i. Large families
5. In particular, owners are required to advertise in media which are reasonably likely to reach such targeted groups, and to provide notice to community organizations, fair housing agencies, and other similar organizations. A list of local disability organizations and community development boards will be provided by CEDA if requested. CEDA will also provide developers with sample advertisements if requested.

Multilingual advertising is encouraged where such efforts would result in reaching persons and groups not likely to apply. Owners and managers must ensure that people with limited English proficiency are not discouraged from applying or discriminated against and are encouraged to provide translation assistance or referrals to community-based organizations that can assist with translation.

## **V. Specific Procedures for Ensuring that Accessible Units are Occupied by People with Disabilities who Require Accessible Features**

1. Outreach by owners to the disability community shall include the distribution of notices describing:
  - a. the availability of all units;
  - b. specific information regarding the availability and features of accessible units;
  - c. eligibility criteria; and
  - d. application procedures
2. All application forms shall include information indicating that people with disabilities requiring accessible features shall receive priority for accessible units. The application must include a section to be filled out by any applicant requesting an accommodation with details on the applicant's special needs for accessible features or other accommodations. Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation. (Housing units targeting seniors or people with disabilities may request documentation of age or disability to verify eligibility, but only if the same questions and documentation are asked of all applicants.) This will allow developers to provide, upfront, any necessary accessible features and/or accommodations for those people requesting accommodations. For more information on tenant selection, request the document entitled "Selection of Individual Tenants."

3. Owners shall take reasonable nondiscriminatory steps to maximize the utilization of accessible units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, any vacant, accessible unit should first be offered to a current, tenant with disabilities of the same project or comparable project under the owner's control. The occupant with disabilities must require the features in the vacant unit and must be occupying a unit not having such features. If no such occupant exists, the developer shall then offer the unit to a qualified applicant on the waiting list who has a disability requiring the accessibility features of the unit.
4. Owners may offer an accessible rental unit to an applicant without a disability after efforts have been exhausted to occupy the unit by an individual with a disability. However, the owner shall require such an applicant to agree to move to an available comparable non-accessible unit when the accessible unit is needed by a household that includes a member with disabilities. Such an agreement should be incorporated into the lease.
5. Note: An owner may not prohibit an eligible family with a member who has a disability from accepting a non-accessible unit which may become available before an accessible unit. Owners are generally required to modify such a non-accessible unit as needed or move a household that includes a member with disabilities into a unit that can be altered. If the modifications would result in an undue financial and administrative burden or alteration in the nature of a program, the owner is required to take any other action that would not result in an undue burden. All applicants should be provided information about how to request a reasonable accommodation at the time they apply for admission and at every recertification.

## **VI. Procedures for Complaints**

1. The owner shall maintain written procedures indicating how applicants or tenants can file complaints regarding fair marketing and/or alleged discriminatory practices.
2. Owner shall promptly investigate all applicant or tenant complaints and shall take corrective actions as necessary.
3. Owner shall maintain records of all such complaints, investigations and corrective actions.

## **VII. Compliance Assessment**

1. The owner and managing agent must review the project's marketing and management plans at least every five years and update as needed to ensure compliance. The advertising sources shall be included in the review to determine if past sources should be changed or expanded.
2. The owner and managing agent shall annually assess the success of affirmative marketing actions for each project. If the demographic data of the applicants and residents vary

significantly from the jurisdiction's population data for the target income group, advertising efforts and outreach should be targeted to underrepresented groups in an attempt to balance the applicants and residents with the demographics of the jurisdiction.

### **VIII. Data Collection and Record Keeping**

1. Owners must establish and maintain an Affirmative Fair Marketing file for each project to hold advertisements, flyers, and other public information documents to demonstrate that the appropriate logo and language have been used. Additionally, owners must keep records of activities to implement the affirmative marketing plan, including other community outreach efforts and an annual analysis. Upon request, owners are required to submit to the City/Agency copies of all advertisements indicating the date the advertisements were placed and the media outlets which were used. Owners must also provide copies of notices sent to community groups and a listing of those groups to which notices were sent. Owners must maintain records for at least five years regarding marketing and tenant selection practices.
2. Owners shall keep up-to-date records for each project regarding the characteristics of persons applying for vacant units, persons selected to occupy units and residents of the project (including race, ethnicity, presence of children under the age of 18 in the household, requests for reasonable accommodation for a disability, income, and household size) , and records about tenant selection or rejection. Under no circumstance should an applicant be required to disclose a disability unless requesting an accommodation. (Housing units targeting seniors or people with disabilities may request documentation of age or disability to verify eligibility, but only if the same questions and documentation are asked of all applicants.) Applicants cannot be discriminated against due to the presence of children in the household.
3. Application materials must include the "City of Oakland/Oakland Redevelopment Agency Race and Ethnic Data Intake Form" or a substantially equivalent form. The owner and managing agent are required to offer each household member the opportunity to complete the form. Parents or guardians are to complete the form for children under the age of 18. Completed documents for the entire household shall be stapled together and placed in the household's file.
4. Owners must maintain information regarding the location, description and number of vacant and occupied accessible units. In addition, owners must track and keep records of accessible and non-accessible units that are occupied by tenants requesting reasonable accommodations for a disability. Owners also should document any reasonable accommodations made to, or requested by, tenants during the reporting year.

### **IX. Reporting and Monitoring**

1. As part of the City/Agency's monitoring of assisted housing developments, the City/Agency may review the owners' records to verify that either:

- a. Each household living in a physical and sensory accessible unit has at least one household member who needs the accessible features of the unit; or
  - b. If an accessible unit is not occupied by a household who has at least one household member who needs the accessible features of the unit, the owner will verify that no such households (either current or prospective tenants) are on a waiting list for the accessible unit. The owner will also provide documentation that the current occupants agree to move to a comparable non-accessible unit when the accessible unit is needed by a household that includes a member with disabilities.
2. The owner and managing agent shall provide the City/Agency access to any pertinent books, documents, papers or other records of their City/Agency-assisted properties, as necessary, for determining compliance with civil rights and nondiscrimination requirements.
  3. The duration of monitoring of Affirmative Fair Housing Marketing (AFHM) requirements varies with each housing program. For homeownership programs, AFHM requirements apply through the completion of initial sales transactions on units covered by the approved AFHM plan. For assisted rental housing, AFHM requirements apply throughout the term of the loan and regulatory agreements, including those periods when the project does not maintain occupancy. Assisted housing developments must comply with current City/Agency Affirmative Fair Housing Marketing requirements, not the policies in effect when the regulatory agreement was executed. Owners are responsible for researching and implementing the City/Agency's current requirements.

## **X. Assessment of Success and Corrective Actions**

1. The City/Agency will review records maintained by owners to ensure that affirmative fair marketing requirements are being met. Where the characteristics of applicants are significantly different from the make-up of the City/Agency's population (i.e., in cases where specific groups are over-represented or under-represented), the City/Agency will examine in more detail the owner's actions to determine if a violation of the requirements has occurred.
2. The City/Agency may employ a variety of corrective actions. Initially, owners who have not fully complied with the requirements will be directed to engage in targeted marketing efforts to reach groups not initially reached. In cases where owners refuse to comply with the affirmative fair marketing procedures, the City/Agency may take additional actions to secure performance under the loan agreement or regulatory agreement, including declaring the loan in default and recapturing the funds.

## **Attachments**

Attachment A: Additional Resources Available from the City of Oakland  
Attachment B: Sample Advertisement/Listing

## **Attachment A**

### **Additional Resources Available from the City of Oakland**

- List of local disability organizations (available from CDBG Program)
- List of local HUD-approved housing counseling organizations, if applicable (available from Homeownership Program)
- List of City-trained loan consultants, if applicable (available from Homeownership Program)
- List of City-trained real estate professionals, if applicable (available from Homeownership Program)
- Sample Notice of Housing Availability
- Housing Logos and Slogans
  - Accessibility for Persons with Disabilities Logo and Slogan
  - Equal Housing Opportunity Logo and Slogan
- Reasonable Accommodation Sample Notice and Forms
  - Sample Notice of Right of Reasonable Accommodation
  - Sample Request for a Reasonable Accommodation Form
  - Sample Unit Transfer Request Form
  - Sample Verification of Need for a Reasonable Accommodation Form
  - Sample Response to a Request for Reasonable Accommodation Form
- Legal Considerations During Screening and Intake
- Operation and Management of Housing
- City of Oakland/Oakland Redevelopment Agency Race and Ethnic Data Intake Form and Instructions
- HUD-27061 “Race and Ethnic Data Reporting Form” and Instructions

## **Attachment B**

### **Sample Advertisement**

*(Project name)*, an affordable housing development in Oakland has *(studio, 1, 2, 3, and/or 4)* bedroom apartments available at reduced rents for qualified low income households. Applicants with disabilities are encouraged to apply. Income and other restrictions apply. *(Section 8 welcome)* Equal Opportunity Housing Provider.