July 19, 2016

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Assessment of Fair Housing

Dear Board Members,

RECOMMENDATION:
Review and approve Assessment of Fair Housing Work Plan

SUMMARY

In 2007, the Marin Board of Supervisors adopted the Countywide Plan that identified three E’s – Environment, Economy, and Equity – as core principles and priorities for creating a sustainable future for our communities. As part of the County’s continuing efforts to advance equity for all residents, the Community Development Agency is proposing a community engagement strategy to address barriers to fair housing choice in Marin.

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in the sale, rental, and financing in housing-related transactions based on race, color, national origin, religion, sex, disability, marital status, and familial status (including households with children under the age of 18, pregnant women, and people securing custody of children under the age of 18).

Federal grants, including Community Block Grants (CDBG) and HOME Investment Partnerships (HOME) funds, provide funding to support affordable housing programs and services for our nonprofits and most vulnerable residents. Over the last five years, the County has received over $7.5 million dollars in CDBG and HOME grants. As the lead grant recipient, the County is required to take meaningful actions that combat discrimination, overcome patterns of segregation, and foster inclusive communities free from barriers that restrict access to opportunities for protected classes. Cities and towns that benefit from federal grants are expected to contribute to these efforts.

As part of the County’s responsibility to comply with fair housing laws, it is also required to prepare an Assessment of Fair Housing (AFH), which will identify and evaluate barriers to fair housing choice and contributing factors that exist within our communities. A final report must be submitted to the federal Department of Housing and Urban Development (HUD) by October 5, 2019, and staff is recommending an extensive, 18-month community engagement process to elicit community-based solutions and recommendations that reflect the support and trust from a broad range of entities and individuals. Staff is submitting, for the Board’s consideration, a work plan to prepare the Assessment of Fair Housing that will provide the basis for an
implementation plan to address the identified barriers. The implementation plan is expected to be submitted to your Board for approval in 2018.

BACKGROUND

Historic racial segregation exemplified in Marin
Fair Housing laws are civil rights laws. While there are laws against housing discrimination and significant progress has been made in societal attitudes around diversity and inclusiveness, nearly 6 in 10 African Americans still live in segregated neighborhoods. The history of Marin City is a local example of how government policies and practices created segregated communities.

Until the start of American involvement in World War II in 1941, there were few blacks living in Marin County. In 1942, Kenneth Bechtel, an industrial builder, signed a contract with the U.S. government to construct transport vessels for the U.S. Navy. It created Marinship, which during World War II built nearly 100 liberty ships and tankers. The Bechtel Company was also given permission to develop a community to house some of its workers, and the unincorporated community of Marin City was constructed as a temporary housing facility.

Since Marinship faced a shortfall in local, available workers, Bechtel overlooked the standard workplace exclusions and recruited African Americans from southern states such as Louisiana, Arkansas, Texas and Oklahoma. At its peak in 1944, Marinship employed 22,000 workers from every state in the Union, and Marin City had a population of 6,500 people, including over 1,000 school-aged children, and was home to Midwestern whites (85%), southern blacks (10%), and Chinese immigrants (5%). Marin City was the country’s first integrated federal housing project, and eventually would be hailed as a model city for the company’s workers and a bold social experiment in race relations. During an era when segregation was widely practiced in California as well as across the country, Marin City was a diverse, racially integrated community.

At the end of the war, military veterans returned in droves. Housing was in short supply and families were doubling up. With a large civilian housing shortage, the National Housing Act of 1949 was created.

Under the National Housing Act, the Federal Housing Administration (FHA) guaranteed bank loans to housing developments that were designed to move whites out of integrated, urban areas into all-white subdivisions in the suburbs. FHA loan guarantees were made to developers on the condition that homes could be sold only to whites. Racially restrictive covenants were used to prevent people of color from purchasing homes in white communities in Marin, and the Federal Housing Administration’s Underwriting Manual recommended the use of restrictive covenants to “provide the surest protection against undesirable encroachment and inharmonious use.” While the Civil Rights Act of 1969 prohibited such transactions, many of these covenants still remain in property deeds in Marin.

Whites returning from World War II were able to purchase homes with mortgages that were guaranteed by the Federal Government. Many homes in Marin in the late 1940s were selling for $7,000 to $8,000 and families often got mortgages with 0% to 5% down payments. In some cases, the monthly cost to purchase a home was less than what a family would pay for rent in public housing.
Today's wealth inequality was created, in part, after World War II when explicit policies and programs of the federal government provided whites the opportunities for home ownership with very affordable prices and financing, while blacks were prohibited from participating in the same programs. Today, the home equity appreciation for families who were able to purchase homes after the war has allowed those families to use their accumulated wealth to finance college educations, fund retirement, bequeath money, and to support their children's home ownership. For generations, blacks have not had those same opportunities.

While Marin City is an example of one community that has endured the effects of deliberate policies and practices that created and perpetuated segregation and the lack of access to opportunities, Fair Housing laws are for all protected classes. The County has an obligation to develop concrete and effective fair housing goals, strategies, and actions that will broaden housing choices and increase opportunities for integrated communities.

The 2011 Analysis of Impediments to Fair Housing Choice

In October 2011, the BOS approved the Implementation Plan for the Analysis of Impediments to Fair Housing Choice that identified 29 specific recommendations to address barriers to fair housing choice in Marin. Staff, along with the Priority Setting Committee and community members, has documented and achieved many of the identified goals and outcomes, including:

- The Board of Supervisors has allocated $1 million dollars to support the creation of affordable family housing;
- The Board of Supervisors has allocated $450,000 to support landlord incentives aimed at expanding landlord participation in the Marin Housing Authority's Section 8 Voucher Program;
- A Fair Housing Program Specialist (or Social Equity Program Coordinator) was hired to focus on furthering fair housing and supporting equity programs through the implementation of the Analysis of Impediments to Fair Housing Choice, the County's Social Equity Team, and the new Assessment of Fair Housing.
- As part of the County’s Social Equity Team, the Community Development Agency, Health & Human Services, The Marin County Free Library, the Probation Department, the Parks Department, Human Resources and the County Administrator’s Office, have all undertaken equity initiatives to ensure that all citizens of Marin County have full and equal access to information and opportunities, and to address inequities and barriers that prevent individuals and communities from reaching their full potential.
- Fair housing and equal opportunity criteria are a more visible and comprehensive part of the Community Development Block Grant (CDBG) and HOME Program project selection process and all applicants are required to detail how their projects affirmatively further fair housing.
- The CDBG Priority Setting Committee has been expanded to include non-elected community representatives of protected classes, and the number of community representatives have increased from 7 to 9 members.

In December 2015, the Department of Housing and Urban Development (HUD) replaced the Analysis of Fair Housing Choice with the Assessment of Fair Housing (AFH). This new approach to identifying and analyzing barriers to fair housing choice will allow jurisdictions to set locally-determined fair housing priorities and
goals. While the Assessment of Fair Housing will replace the Analysis of Impediments to Fair Housing Choice (AI), staff will continue to work on outstanding items from the AI.

Going forward with the new Assessment of Fair Housing
The Department of Housing and Urban Development’s requirement to conduct an Assessment of Fair Housing (AFH), and to affirmatively further fair housing, will result in setting county-wide goals that can be achieved within the upcoming three-year planning cycle. Staff is proposing a work plan for the AFH. The AFH, including the County’s findings that identify barriers to fair housing choice for all protected classes, and its recommendations to address such barriers, will be developed into a new implementation plan, and will be incorporated into subsequent Consolidated Plans.

The work plan contains an extensive and comprehensive community engagement component with the intent of reaching a broad range of interested parties, especially those least likely to participate in planning activities. An advisory group, consisting of representatives from protected classes, local nonprofits, elected officials, and members of the community, will provide strategic oversight, advice and feedback on citizen engagement strategies; will collaborate on conducting inclusive and broad discussions; and will consider action plans and solutions to overcome barriers to fair housing choice. The advisory group will work with County staff to engage the public, with particular outreach to members of the protected classes and communities of color. The public will be asked to address topics that include:

- Segregation/Integration and disproportionate housing needs;
- Publicly supported housing;
- Disability and access; and
- Disparities in access and opportunities.

These discussions will be followed by two Board workshops to provide updates on the process and one or more Board hearings to approve a new Implementation Plan.

Among the principal outcomes of the AFH community outreach process are:

- Identifying specific barriers and contributing factors to fair housing choice and disparities in access to opportunities, and developing strategies to address and overcome barriers;
- Engaging community voices who have previously not participated in County-wide initiatives, including youth and young adults;
- Engaging County employees, affinity groups and social equity teams in fair housing discussions;
- Developing a communications strategy that is transparent and inclusive;
- Align CDBG and HOME funding with AFH goals.

FISCAL/STAFFING IMPACT:
This work plan will require an additional budget allocation, primarily for existing staff to coordinate and prepare the AFH. The estimated budget is $114,608 annually for a total of $229,216 for two years.

REVIEWED BY: (These boxes must be checked)
[ ] Department of Finance  [x] N/A
SIGNATURE:

Liz Darby
Social Equity Policy Coordinator

Brian C. Crawford
Director

FMBB DOCUMENTS:
(This section is not required but should be included for actions that require FMBB(s). Only list the document numbers.)

REQUISITION NUMBERS:
(This section is not required but should be included for actions that require FMBB(s). Only list the document numbers.)