

COMMUNITY DEVELOPMENT AGENCY

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June 12, 2018

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

SUBJECT: Progress Report on Assessment of Fair Housing Work Plan to Identify Barriers to Fair Housing Choice.

Dear Board Members:

RECOMMENDATION: Receive staff updates and allow opportunity for public input on Assessment of Fair Housing Work Plan, including Community Advisory Group and Steering Committee recommendations.

SUMMARY:

Since initiating Marin County's Assessment of Fair Housing in the fall of 2016, staff has conducted an extensive community engagement process reaching over 1,400 people from all areas of Marin, with a focus on communities most impacted by barriers to fair housing choice. The 131 initial comments and suggestions that came from this process were evaluated by a Community Advisory Group and a Steering Committee and were further distilled down to 37 recommendations. Given the breadth of the recommendations, these two groups independently identified priorities for your Board's consideration in the near term.

The recommendations addressed in this update reflect work completed to date on the first phase of the community engagement and outreach process for the Assessment of Fair Housing which included an analysis of data and other information about historic segregation and integration policies, racially and ethnically concentrated areas of poverty, and significant contributing factors that are related to publicly supported housing, disability and access issues. Following this update to your Board, staff will continue the community engagement and outreach process to discuss barriers to fair housing choice as it relates to disparities in access to services and opportunities, including in education, employment, transportation and environmentally healthy communities.

DISCUSSION:

Assessment of Fair Housing Work Plan

In August 2015, the federal Department of Housing and Urban Development (HUD) announced a new approach to affirmatively furthering fair housing to help connect housing and community development policy and investment planning with meaningful actions and required all recipients of federal grants to prepare an Assessment of Fair Housing (AFH). The goal of the AFH is to identify and evaluate barriers to fair housing choice and contributing factors that exist within communities. Key to implementing an effective AFH process is community participation, consultation and coordination. In

addition, County staff established a partnership with the Marin Housing Authority to develop coordinated solutions to address fair housing choice in Marin.

In June 2016, the Board of Supervisors approved the Assessment of Fair Housing Work Plan, which identified specific community engagement efforts to address barriers to fair housing choice in Marin. A detailed update on the AFH Work Plan is discussed below.

As part of the first part of the work plan in July 2016, staff, in partnership with the Marin Housing Authority, initiated a robust community engagement process over the course of 20 months, connecting with more than 1,400 individuals, groups, nonprofits, youth, and County employees, among others.

Staff invited residents of Marin to work with the County and created a Community Advisory Group. This group worked with staff to identify barriers to housing in Marin and to develop recommendations that addressed those barriers. The invitation to join the Community Advisory Group was prepared both in English and Spanish, and 16 applications were received. A key component for selection was individuals who had not previously had a seat at the table for public policy development. Of the 10 residents selected by staff, four are from San Rafael, two from Marin City/Sausalito, two from Novato, one from West Marin, one from Larkspur, and one from San Anselmo. Five members of the group are female, six are male; five are white, three are African-American, and three are Latino. The Community Advisory Group began meeting in December 2016 and continued to work through May 2018. Meetings were held in the evening, and members were provided with meals and a small stipend for their participation. Most members had not previously engaged in group discussions with the County.

Staff also created a Steering Committee to provide oversight for the AFH Work Plan. As with the composition of the Community Advisory Group, the selection of committee members was based in part on intentional outreach to individuals who had not previously participated in County conversations. The Steering Committee consisted of 20 people representing public housing, faith-based organizations, the Housing Authority, Asian communities, cities and towns, African American communities, business, the disabled community, children, legal aid, people experiencing homelessness, Latino communities and philanthropy. The Steering Committee was formed in January 2017 and met regularly through May 2018. RDJ Enterprises, a professional facilitator, was engaged to assist the group from January to December 2017.

In addition to regular meetings with the Community Advisory Group and Steering Committee, staff attended community meetings, participated in working groups, and listened to what residents, community representatives, advocates, housing organizations and others, had to say about housing in Marin. Conversations included discussions about a wide range of issues, including:

- Community resistance and institutional racism;
- Challenges and complexities with planning/zoning/land use;
- Myths and perceptions about affordable housing and the people who live in affordable and subsidized housing;
- Financial resources and the cost of building in Marin;
- Communication, information and community engagement processes; and

- Other topics including transportation, employment, education, people with disabilities and disparities in health outcomes.

Both the Community Advisory Group and the Steering Committee analyzed local, demographic data and engaged in comprehensive discussions about race, segregation and integration patterns in the County, and why where you live matters. The groups reviewed and discussed data and subjects including homeowners and renters in Marin, legal and illegal housing advertisement, the cost of housing in Marin, household incomes, the results of the 2015 Rental Housing Survey, and anticipated housing needs as the number of adults age 60 and over in Marin continues to grow.

Throughout the community engagement process, both groups became more familiar with and educated about disability and ableism, fair housing laws, publicly supported housing programs including the various Marin Housing Authority programs, shared and received additional resources including updates to County policies, articles about housing in Marin, reading recommendations and other information about housing-related topics. The Steering Committee reviewed and discussed the Grand Jury Report - Overcoming Barriers to Housing Affordability, dated April 6, 2017, and gained knowledge and insight through discussions about the effects of racism and gentrification in African American communities.

Youth groups were also engaged. Students from the Marin School of Environmental Leadership (MarinSEL) made a presentation to the Community Advisory Group, which included a video they created that presented transportation challenges for residents in the Canal neighborhood of San Rafael. The Marin County Youth Commission's Housing Subcommittee prepared a presentation on Just Cause for Eviction and facilitated focus groups to collect information on how renting and evictions affect youth.

In July 2017, staff presented both the Community Advisory Group and Steering Committee with a list of 131 recommendations, comments and perceptions provided by individual residents, community representatives, County employees, nonprofit organizations, and from attendees at numerous community meetings in Marin City, the Canal, Mill Valley, San Rafael, and West Marin. Staff organized those recommendations, comments and perceptions into actionable items which resulted in 37 specific recommendations for review. From September 2017 through March 2018, the Community Advisory Group and Steering Committee reviewed, deliberated and identified five recommendations as priorities. Of the five recommendations, two were identified to present to the Board of Supervisors:

1. Request the Board of Supervisors vote on a Just Cause for Eviction ordinance in 2018 to reinforce and complement renter protection measures already adopted by the Board for residents in unincorporated areas of Marin. If the Board decides to approve a Just Cause for Eviction ordinance, County staff should provide public education for the ordinance and administrative support to cities and towns to help them implement a Just for Cause Eviction ordinance.

By way of background, a Just Cause for Eviction ordinance is included in a comprehensive list of affordable housing policy options the Board of Supervisors has been working on in a phased manner since late 2015. As reported to the Board at their May 8, 2018 meeting (staff updates on Mandatory Mediation program and other housing related initiatives), staff anticipates the

Board will revisit a Just Cause for Eviction ordinance in a workshop format during the fall of 2018.

2. Develop a Housing Oversight Committee that includes members of the public, representatives from all cities and towns, mayors, Aides to the Board of Supervisors, professional realtors and investors, Marin Housing Authority, Marin Community Foundation, Office of Education, Marin Economic Forum, homeowners and renters, and members of the protected classes to affirmatively further fair housing, increase affordable housing in Marin and develop model ordinances for cities and towns. Utilize and include existing housing-related organizations including Marin Chronic Homelessness Action Taskforce (MCHAT), the Landlord Incentive Program, the Marin Community Foundation Acquisition team, among others, to develop policies, programs and practices with an equity and racial equity lens that address housing challenges in Marin. This recommendation is consistent with the Grand Jury Report's recommendation for the creation of a County Regional Housing Coordinator.

In addition to the above recommendations, members of the Community Advisory Group were also asked to identify a priority for their specific communities. The recommendations from the Community Advisory Group are:

- Develop a Community Land Trust in Marin City;
- Regulate, tax, license and/or limit the number of short-term rentals allowed in West Marin;
- Review how the County's parking and traffic policies disproportionately affect low-income residents and people of color, and develop alternate ways for payment of fees; and
- Develop ways to increase the County's ability to attract affordable housing in Marin.

History of the Assessment of Fair Housing

The Fair Housing Act requires recipients of HUD funding to affirmatively further fair housing, which means, according to HUD, "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." Specifically, affirmatively furthering fair housing means taking meaningful actions that, when taken together,

- Addresses significant disparities in housing needs and in access to opportunities;
- Replaces segregated living patterns with truly integrated and balanced living patterns;
- Transforms racially and ethnically concentrated areas of poverty into areas of opportunity; and
- Fosters and maintains compliance with civil rights and fair housing laws.

In 2009, HUD conducted a comprehensive review of the County's compliance with its fair housing and equal opportunity regulations, which concluded with an agreement between the County and HUD, known as a Voluntary Compliance Agreement (VCA).

The VCA included a process for compliance activities, monitoring reports, analysis of the demographics of beneficiaries of our Federal grant projects, a review of our affirmative marketing for fair housing choice, a completion of an Analysis of Impediments to Fair Housing Choice (AI), and ongoing activities that address issues raised by the AI.

In 2011, the Board of Supervisors (BOS) approved the Implementation Plan for the AI that identified 29 specific recommendations to address barriers to fair housing choice in Marin. In response to those recommendations, the following actions were taken:

- The DREAM (Diversity, Respect, Encouragement, Acceptance, Marin) collaborative, which was started by a group of County employees interested in promoting diversity and inclusion in the workforce, was expanded to include representatives from five affinity groups -- for African Americans, Asian-Americans, Latinos, LGBT employees, and people with disabilities — and several employee resource groups.
- The County's Planning Commission, Parks and Open Space Commission, and Human Rights Commission increased its representation by women and people of color.
- The Community Development Block Grants (CDBG) program expanded the Priority Setting Committee (PSC) to include non-elected, community representatives of protected classes. The PSC reviews applications from local non-profit and public agencies for federal CDBG and HOME Investment Partnerships Program funds. These community representatives assist in the funding decisions for CDBG grant recipients.
- The Board of Supervisors adopted the 5-Year Business Plan, with a Focus Area for Diversity and Inclusion, and a goal of increasing diversity in the County's Human Resources Department's candidate pool and interview panels.
- The County sponsored 23 people, representing County employees and residents from across different sectors and economies, to attend PolicyLink's Equity Summit in Los Angeles in October 2015. The group participated in issue-based sessions on topics such as housing, health, regional planning, infrastructure investments, financial security, and education, to advance conversations about equity in the County.
- A Fair Housing Program Specialist, with the title of Social Equity Program and Policy Coordinator, was hired in 2015 with the focus on furthering fair housing and was also empowered to advance equity programs within and throughout the County.
- The Board of Supervisors used County Housing Trust funds for the acquisition of two family complexes in Forest Knolls and Fairfax. CDBG and HOME funding was used for affordable housing for individuals with disabilities, including: Marin Center for Independent Living, Buckelew, Novato House, and Lifehouse DelGando. CDBG and HOME funds were also used for new family housing in Oma Village and Mt. Budell Place.

The VCA expired in December 2015, and County and HUD staff are currently discussing a new VCA that acknowledges the County's progress in addressing issues identified in the expired VCA and AI and demonstrates the County's commitment to comply with federal fair housing laws and to create affordable housing in Marin.

Since 2015, the County has not only continued to address specific requirements identified in the VCA and AI, but has further advanced the overall objective of identifying and addressing barriers to housing and other disparities in Marin, including:

- The Board of Supervisors allocated \$1 million dollars to support the creation of affordable family housing.
- The Board of Supervisors allocated \$450,000 to support landlord incentives aimed at expanding landlord participation in the Marin Housing Authority's Section 8 Voucher Program.
- The County sponsored its first group of County staff in 2016 to participate in the Government Alliance on Race and Equity (GARE) to develop a Racial Equity Plan for Marin and to work with other jurisdictions to advance racial equity throughout the Bay Area. A second cohort was added in 2017.
- The Federal Grants Programs, including the CDBG and HOME Program, now require applicants to demonstrate how their proposed projects affirmatively further fair housing.
- The County Administrator's Office identified equity as a priority for the next budgeting cycle, which will allocate resources and funding to advance equity within the County organization and in communities countywide.
- The Board of Supervisors approved a source of income ordinance that precludes landlords from advertising or discriminating against certain sources of income – including Section 8 voucher holders, or from charging higher deposits based on a person's source of income, and from treating a person differently based on their source of income.
- The County sponsored a community engagement and education event with famed author and educator, Richard Rothstein, who wrote *THE COLOR OF LAW, The Forgotten History of How Our Government Segregated America*. Marin property owners were encouraged to review their property deeds to identify any racially restricted covenants.
- The County participated in Race Matters: A Dialogue and Educational Series on Race and How Racism Has Served to Divide People and Maintain Systems of Inequalities. Discussions included housing, with recommendations, strategies and solutions to address racial inequities in the County.
- The County, sponsored the 2017 and 2018 Fair Housing Conference in Marin.
- Amendments to the County's Development Code were adopted to allow property owners to have Junior Accessory Dwelling Units and Accessory Dwelling Units, on their property. More recently, the Board of Supervisors voted

to waive building and planning fees up to \$1,500 for the creation of the Junior Accessory Dwelling Units.

- The Board of Supervisors approved the County's first Racial Equity Action Plan and a Diversity Hiring Took Kit.
- A Rental Housing Dispute Resolution ordinance (known as "Mandatory Mediation") was established to help resolve disputes when an annual rent increase of more than 5 percent is being sought by a landlord.

In January 2018, the Board of Supervisors identified the goal of developing solutions that promote equity as one of its highest priorities and included their commitment to address disparities and rectify a historic record of institutional exclusion. Board President Damon Connolly has said "With its partners in the community, the County is dedicated to delivering services to the people who need the help the most and removing real or perceived barriers to receiving those services."

BACKGROUND:

A Disturbing History of Our Nation's Past

Our country has a long history of federal, state and local policies that have created residential segregation. Beginning with Franklin Roosevelt's New Deal, a series of government laws, programs and regulations, combined with real estate and banking policies and practices were designed and implemented to separate communities based on race. Today, while there are laws against housing discrimination and progress has been made, nearly 6 in 10 African Americans still live in segregated neighborhoods.

Marin County is no exception to the effects of historic racial segregation in housing. The history of Marin City is a local example of how government policies and practices created segregated communities that continue to exist today.

Until the start of American involvement in World War II in 1941, there were few African Americans 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, and Marinship Corporation was created. During World War II, Marinship 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 its temporary housing facility.

Since Marinship faced a shortfall in available local workers, Bechtel overlooked the standard workplace exclusions which prevented employment of African Americans for skilled positions and instead recruited African Americans from southern states such as Louisiana, Arkansas, Texas and Oklahoma. Many of these workers were eager to migrate from states where Jim Crow laws and lynching of African Americans still occurred. Marinship offered employment and economic opportunities, free from the sharecropping system of the South, and these opportunities gave hope to African Americans for a better life.

At its peak in 1944, Marinship employed 22,000 workers from every state in the Union, and Marin City had grown to a population of 6,500 people, which included over 1,000 school-aged children. It was home to Midwestern whites (85%), southern blacks

(10%), and Chinese immigrants (5%). Marin City became the country's first integrated federal housing project, and eventually would be hailed as a model community 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, harmonious and racially integrated community. At the end of the war, military veterans returned in droves all over the country. Housing was in short supply and families doubled up so that two or more families often shared a single home. In order to address a large civilian housing shortage, Congress passed the National Housing Act of 1949.

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 white people. 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 ultimately prohibited such transactions, many of these covenants remain in property deeds in Marin.

Through utilizing the programs established under the National Housing Act, white people returning from World War II were able to purchase homes with mortgages that were guaranteed by the federal government. Because of the National Housing Act, many homes in Marin in the late 1940s sold for \$7,000 to \$8,000 and white families were able to secure 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 white people with the opportunities for home ownership with very affordable prices and financing, while African Americans 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. As a direct result of government policies and practices, generations of African Americans have not had those same opportunities.

Work Still To Be Done

While the County has done a great deal to acknowledge its history and develop policies and programs to address equity, there is plenty of room to improve as reflected by recent reports highlighting the challenges that Marin faces. In February 2017, KQED News published an article entitled, "Why is Marin County So White?", which asked the question, "The Bay Area is one of the most diverse places in the country. Within the Bay Area, why is Marin County the least diverse?"

That same year, the Marin County Civil Grand Jury produced a report entitled, *Overcoming Barriers to Housing Affordability*, which identified, "Perhaps the most challenging barrier to tackle is that of altering long held misperceptions of a community." Also, in 2017, HUD released its income limits for determining eligibility for its assisted housing programs, and determined that, in Marin County, a family of four

with an income of \$105,350 per year is considered "low income," because it is 80 percent of the \$115,300 median income for the area. At the end of 2017, the Advancement Project identified Marin County as the Number One Most Racially Disparate County in California in areas that include economic opportunity, culture and education, "showing us that a rising tide does not lift all boats." And most recently in January 2018, the L.A. Times article entitled, "Marin County has long resisted growth in the name of environmentalism. But high housing costs and segregation persists," highlights a history of community opposition to affordable housing development.

CONCLUSION:

Many African Americans came to Marin County to seek employment and economic opportunities and to start a better life. As a result of federal programs and policies, those opportunities were denied once again despite the contributions African Americans made to this country. The legacy of discriminatory housing policies has help to create the current wealth disparity and racial segregation in our communities.

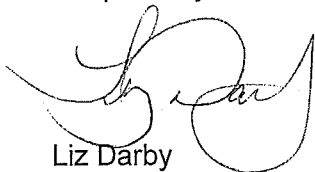
Staff requests that your Board consider the community recommendations to address barriers to fair housing choice and to provide direction to staff on implementation. Next, utilizing the same community engagement process as discussed above, staff will propose a work plan to address additional AFH topics including disparities in access to education, healthy communities, transportation and employment. Staff will prepare and present a work plan to the Board of Supervisors in Fall 2018.

FISCAL/STAFFING IMPACT: Funding for the Analysis of Fair Housing was set aside by the Board for the 2018-2019 fiscal year. The fiscal and staffing impacts of the Housing Oversight Committee will be evaluated in conjunction with the Board Subcommittee and County Administrator's Office.

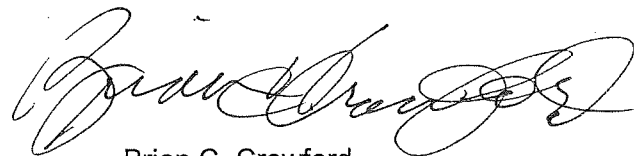
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| <input type="checkbox"/> Auditor Controller | <input checked="" type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

Respectfully submitted,



Liz Darby
Social Equity Program Policy Coordinator



Brian C. Crawford
Director

ATTACHMENTS:

1. 2016 Assessment of Fair Housing Work Plan
2. Proposed Recommendations
3. Just Cause for Eviction Recommendation
4. Housing Oversight Committee Recommendation
5. Administrative record (comments received)