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#### **Title**

The Fair Housing Land Use Score in California: An Evaluation of 199 Municipal Plans

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## **About The UCLA Lewis Center For Regional Policy Studies**

Housed at the UCLA Luskin School of Public Affairs, the Ralph & Goldy Lewis Center for Regional Policy Studies is committed to addressing the pressing policy and planning issues in Greater Los Angeles. The Lewis Center advances research on two critical and overlapping challenges housing affordability and transportation equity — and how these areas intersect and shape the well-being of Los Angeles residents, especially those from marginalized and underserved communities. Since 1989, Lewis Center scholars and staff have produced high-quality research, programs and publications designed to inform policymakers, officials, students, and the broader public. lewis.ucla.edu

## **Land Acknowledgment**

As a land grant institution, the Lewis Center for Regional Policy Studies at UCLA acknowledges the Gabrielino/Tongva peoples as the traditional land caretakers of Tovaangar (Los Angeles basin, So. Channel Islands).

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# **Acknowledgments and Disclaimer**

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With the Foundation's support, the Lewis Center is studying implementation of fair housing laws and efforts to affirmatively further fair housing (AFFH) in California. AFFH is a state and federal mandate for local jurisdictions to "do more than simply not discriminate" and "take meaningful actions to overcome patterns of segregation and foster inclusive communities." Reversing the legacy of discrimination and segregation in the housing market — by increasing affordable housing options in opportunity-rich neighborhoods, reinvesting in historically underinvested communities, and reducing racial and ethnic disparities in homeownership, among other activities — remains a largely unfulfilled promise of the Fair Housing Act of 1968.

Lewis Center faculty, staff, students, and affiliates are examining fair housing implementation and outcomes across four domains: housing element law; mortgage finance and homeownership; local zoning and development patterns; and changes over time in majority-Black cities and neighborhoods. With each publication, we provide a different perspective on progress and remaining obstacles in the pursuit of a fairer, more equitable housing market in California. From these analyses we hope to draw insights and make recommendations that can inform policymaking, program design, implementation, and accountability measures at every level of government.

The views expressed in this report are those of the authors and should not be attributed to the Wells Fargo Foundation.



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# **Executive Summary**

Most local governments in California have finalized their 2021–2029/2022–2030 housing plans. These plans must identify parcels with capacity to add new housing, and unlike previous plans, state law now mandates that they affirmatively further fair housing. State guidelines suggest that local governments identify or create capacity for new housing, especially for lowincome households, in high-opportunity neighborhoods. In this report, we assess whether local governments followed these guidelines by analyzing the site inventories adopted by 199 California cities before April 2024. We do this using the Fair Housing Land Use Score (FHLUS), which measures the distribution of housing sites by neighborhood opportunity, using metrics such as household incomes and environmental quality. We can thereby answer the question, are cities meeting their fair housing obligations? The answer is no. Most cities (roughly 80%) disproportionately plan for new housing in their least affluent neighborhoods and those with worse environmental quality, and sites designated for low-income housing are less likely to be in high-opportunity neighborhoods than sites for above moderate-income households. One positive finding is that sites proposed in rezoning plans are better located than non-rezoned sites, even though they are a minority of sites. In addition to reporting the FHLUS, we provide preliminary evidence of whether certain kinds of cities — e.g., bigger, more affluent, or more equal cities did better at planning for housing in their high-opportunity neighborhoods. We find no significant correlations between cities' socioeconomic or other characteristics and their FHLUS. The one factor associated with the FHLUS is the spatial distribution of existing zoning: Cities mostly identify sites for new multifamily housing near existing multifamily housing, suggesting an important role for inertia in housing plans. Our findings illustrate how rules for site selection maintain the status quo and demonstrate that unless the state requires new housing sites be created in highopportunity neighborhoods, California cities will not affirmatively further fair housing.

## Introduction

A California law, Assembly Bill 686 (2018), requires local governments to affirmatively further fair housing (AFFH) in their housing plans, which are known as housing elements and updated every eight years. Jurisdictions must now analyze fair housing issues and develop programs to address them, including in their selection of sites available for new housing development and low-income housing especially.

One AFFH goal is creating "integrated and balanced neighborhoods", which, in its guidelines, the California Department of Housing and Community Development (HCD) encourages by instructing cities to demonstrate that their site inventories decrease segregation for protected classes and by income (HCD, 2021a).

In this report, we assess the success of the AFFH mandate in directing local land use planning by evaluating the spatial distribution of housing element site inventories. We evaluate sites' distribution using the Fair Housing Land Use Score (FHLUS) (Monkkonen, Lens, et al., 2024), a tool that measures the spatial distribution of sites across neighborhoods with varying degrees of opportunity. We started with the 2021–2029 housing elements of over 300 cities from all major urban regions of the state. Reliable data are available for only 248 of these cities, and we exclude another 49 from the bulk of our analysis because their small size makes the spatial evaluation of sites less meaningful. Our results therefore concentrate on the remaining 199 cities.

We measure neighborhood opportunity in four ways — household incomes, environmental quality, racial composition, and transportation access. This means, for example, that we report the extent to which cities' housing development plans concentrate new housing in their more or less polluted neighborhoods. We report the FHLUS for housing capacity (in units) on three types of sites: all housing sites, sites identified for low-income housing, and sites proposed for rezoning (to residential use, higher densities, or both) in the methodology section.<sup>1</sup>

<sup>1</sup> In this report, we use the terms "units" and "sites" interchangeably. The FHLUS is calculated based on sites weighted by the number of units they could hold. In an analysis of site distribution, we believe it wouldn't make sense to treat a site for 100 units the same as one for a duplex.

We also assess whether certain types of cities perform better than others at identifying or rezoning sites in ways that meet AFFH goals. We hypothesize that a combination of inertia, political pressure from residents, and the rules governing site eligibility guide site selection. By inertia, we posit a tendency to deviate little from existing plans — expecting cities to select sites for new multifamily development near existing multifamily zones, for example. We therefore present the FHLUS for cities' existing multifamily zoning as a baseline indicator of how existing land use plans shape fair housing outcomes. We expect that the well-documented political pressure to prevent new housing development in or near single-family neighborhoods will also be a major determinant of where sites are located (Morrow, 2013).

Finally, we argue that the rules governing site selection, in combination with the existing land subdivision patterns of California's urban areas, limit cities' ability to select sites that adhere to fair housing guidance. HCD guidelines stipulate a preference for vacant or underutilized sites, and by law sites for low-income housing must be larger than half an acre. The overlap between single-family zones, which in California are mostly composed of lots smaller than half an acre, and affluence, higher environmental quality, and underrepresentation by people of color, makes it challenging even for cities with the best intentions to advance fair housing goals in their plans. We explore these hypotheses in the data section.

We conclude with policy recommendations for two audiences. First, we make recommendations to HCD about AFFH guidelines, review procedures, and data collection. Second, we propose legal and technical reforms that the state legislature can enact to advance fair housing goals.

# Background

### **Housing Elements**

Housing elements are one tool California uses to address housing needs and manage land use (Elmendorf et al., 2020). All local governments with land-use authority (i.e., cities and counties) update their housing element every eight years, detailing their plans to facilitate new housing production, prevent displacement, meet sustainability and resilience goals, and meet other community housing needs. Several state laws passed in the late 2010s created stricter oversight of housing elements by HCD.

Each jurisdiction receives a housing growth target — specific numbers of new units affordable at different income levels — through the Regional Housing Needs Allocation (RHNA) process. They must then plan for and facilitate the construction of these new units during the period of the plan. RHNA targets are not a construction mandate, but all jurisdictions must identify specific parcels with appropriate zoning, infrastructure, and existing uses² that would not preclude the assigned housing from being built. Parcels that cities use to satisfy their low-income housing targets must be half an acre or larger and zoned for a minimum density of 30 units per acre in urban areas.

If a jurisdiction does not have sufficient land with suitable zoning, it must commit to rezoning land to create capacity for new housing (Monkkonen et al., 2023). While these sites may not be redeveloped in the near term, they represent locations the jurisdiction believes growth can and should be accommodated. Rezoned sites are subject to more strict rules than existing sites cities identify, as we will discuss in the recommendations section.

Scholars and advocates have criticized previous iterations of the housing plans for being ineffective, and for furthering regional disparities by allocating housing targets to lower-income municipalities far from employment (Lewis, 2005; Clare, 2019; Monkkonen et al., 2019; Ramsey-Musolf, 2020). Research has also shown that sites in prior Bay Area housing plans did not provide meaningful roadmaps for new housing development (Kapur et al., 2021). Yet, until now, there has not been analysis of the kinds of neighborhoods in which cities are planning for new housing development and whether plans advance fair housing goals.

<sup>2</sup> Such as non-substantial physical improvements, vacant or marginally operating businesses, and/or dilapidated conditions (HCD, 2020).

Three bills signed in 2018 sought to improve regional equity by increasing targets for affluent and centrally located cities, and by creating a fair housing mandate. Senate Bill (SB) 828 raised unit targets across the state by revising the overall production goal, previously based on population projections, to one that accommodates existing "unmet need." Assembly Bill (AB) 1771 required regional governments to consider equity in their RHNA plans, and instructed regional councils of government to allocate targets to local governments using objective factors.

Most importantly for this research, AB 686 defined "affirmatively furthering fair housing" (AFFH), a phrase that comes from the Fair Housing Act of 1968, and made all levels of government in California subject to the AFFH mandate. It dictates that governments must facilitate "meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws." By allowing for the revision or removal of land use regulations that abet racial and socioeconomic segregation (Rothwell and Massey, 2014; Lens and Monkkonen, 2016; Owens, 2019), housing element updates represent a crucial opportunity to advance fair housing goals.

## Affirmatively Furthering Fair Housing – HCD's Guidance

In their plans, local governments must produce a list of suitable sites for new housing, also known as a site inventory. These sites — and especially sites for housing affordable to low-income households — must be distributed across neighborhoods in ways that advance fair housing goals. Specifically, they should be located in areas of opportunity (e.g., high-income, low pollution) that also meaningfully reduce segregation (HCD, 2021a). Under these new guidelines, cities are required to locate or create sites in high-opportunity neighborhoods.

HCD's guidance requests that cities assess the distribution of sites' inventories in two ways. HCD states that "the analysis must show how the sites' inventory decreases the segregation index scores for protected classes and along income within the jurisdiction, as well as the segregation indices at a regional scale" and requests that jurisdictions evaluate the existing spatial distribution of subsidized housing, both "within and surrounding the jurisdiction." (HCD, 2021a, p. 46)

One problem with this guidance is that it is challenging, if not impossible, to evaluate how a proposed housing plan will change the distribution of different populations in a city, much less within a region. HCD guidelines are not clear on how such analyses are to be completed consistently and reliably, and HCD has not published the sample AFFH analyses originally slated for summer 2021 (HCD, 2021b).

Instead of a method to demonstrate the impacts of a site inventory on segregation, the quidance does propose a method for assessing whether a site inventory disproportionately concentrates housing sites in neighborhoods with many low-income households. This method is not a precise and comparable measure of site distribution for three reasons. First, cities are allowed to propose their own thresholds for whether a neighborhood contains "significantly" more lower- and moderate-income households than the city as a whole. This is an attempt to allow for contextdependent thresholds, but it also allows cities to identify limits that are advantageous for their analysis. Rather than using a threshold to guide the proposed distribution of sites, the preferred distribution of sites might instead be used to decide the threshold.

Second, HCD's proposed metric doesn't account for the amount of available land in each neighborhood, which confounds accurate analysis. Imagine a hypothetical city with only two neighborhoods, one low-income and the other high-income, each with 500 housing units. If a housing plan identifies half of the planned sites in each neighborhood, it would seem there is no over-concentration of sites in the lower-income neighborhood. However, if the higher-income neighborhood accounts for 80% of the city's area and the lower-income is only 20%, then housing is in fact being concentrated in the poorer neighborhood. This hypothetical is an extreme, but since low-density neighborhoods tend to be more affluent, the correlation is common.

Third, by focusing on significantly lower- or higher-income neighborhoods compared to city averages, the metric disregards the potential for AFFH action in middle-income neighborhoods. These neighborhoods typically account for the majority of available land and may also offer highquality amenities and resources to residents, but they are not a focus of HCD's methodology.

HCD's enforcement of their proposed methodology was limited, making it challenging to evaluate whether sites' inventories met the expectation of "meaningful action." Many cities conducted largely qualitative reviews of their site inventories, presenting only maps of sites overlaid on neighborhood economic and demographic characteristics (e.g., median household income, protected characteristics). Some cities also presented basic statistical tables. Most cities did not quantify the spatial distribution of sites by neighborhood, and even fewer adjusted for the land area of each neighborhood. Maps and summary tables alone are insufficient for determining whether sites are concentrated in certain types of neighborhoods.

# Methodology

### The Fair Housing Land Use Score

The Fair Housing Land Use Score (FHLUS) measures the distribution of public policies across neighborhoods relative to neighborhood opportunity and available land. The measure is based on the Gini Coefficient, which is the global standard measure of income inequality. The FHLUS can take any value from -1 to 1. A score of -1 indicates that 100% of planned housing sites, low-income housing sites, or land zoned for multifamily housing (depending on which is being measured) is located in the lowest-opportunity neighborhood (measured by median household income or environmental quality, for example). A score of 1 indicates that all are located in the highest-opportunity neighborhood, and a zero represents equal distribution across all neighborhoods, relative to neighborhood area. A positive score means that sites are disproportionately located in neighborhoods with above-median opportunity rankings, and negative scores indicate a disproportionate share are in neighborhoods below the median.

To illustrate how the FHLUS works, **Figure 1** presents two hypothetical housing plans. Housing sites in Plan A are clearly concentrated in relatively lower-income census tracts, whereas Plan B concentrates sites in higher-income tracts. A visual review doesn't communicate how concentrated either plan is, however. Are sites in Plan A more concentrated in low-income neighborhoods than those in Plan B are concentrated in high-income neighborhoods? Are the plans closer to an equal distribution between neighborhoods or a completely unequal allocation into a single neighborhood?

The differences between the plans become clearer and quantifiable in **Figure 2**, in which we plot the cumulative distribution of units against the cumulative share of land across neighborhoods, ranked by neighborhood median income. Roughly 75% of units in Plan A are in the lower-income half of the city, while in Plan B 68% of units are in the city's higher-income half. The FHLUS values for Plans A and B, which represent the area between the two lines in Figure 2 (with negative values above the blue line and positive values below it), are -0.37 and 0.27, respectively.

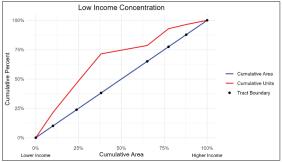
Figure 1. Two Hypothetical Plans for New Housing



Plan A. Sites Concentrated in Lower-Income Neighborhoods



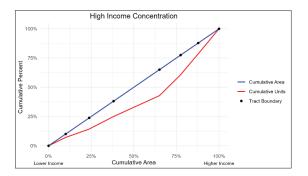
Figure 2.



Plan A. Fair Housing Land Use Score = -0.37



Plan B. Sites Concentrated in Higher-Income Neighborhoods



Plan B. Fair Housing Land Use Score = 0.27

As a tool for measuring whether cities' site inventories advance AFFH goals, the FHLUS offers a number of advantages. It is standardized and consistent, allowing for comparison across jurisdictions and across time. It is also flexible, accommodating any opportunity indicator, provided neighborhoods can be ranked by them. The FHLUS also weights each site by the number of units it can accommodate, rather than treating all sites the same. Without weighting, a city could identify 10 sites with capacity for 10 units each in its high-income tracts, and 10 sites with capacity for 100 units each in its low-income tracts, and appear to be distributing capacity equally between wealthier and poorer neighborhoods.3

<sup>3</sup> For more detail on the FHLUS, including the formula used to calculate scores, see Monkkonen, Lens, et al., 2024, and Monkkonen, Barrall, et al., 2024.

## **Hypotheses Explaining FHLUS Variation Between Cities**

In addition to calculating the FHLUS, we assess two interrelated hypotheses to explain variation in scores between cities based on our observation of housing element update processes and the academic literature. The first is the inertia of the planning process, which imposes long procedures like environmental review and public meetings for any change to a city's zoning, and is exacerbated by the complexity of additional requirements for rezoning parcels set by state law and HCD. This means that to the extent possible, city planners and their consultants are likely to rely on existing multifamily zoned parcels to meet their housing obligations, rather than rezoning. We thus expect scores for sites' inventories to be correlated with the FHLUS for existing multifamily zoning.

The second hypothesis that may explain FHLUS variation is local politics. A substantial body of literature on opposition to new housing, especially for low-income households, suggests that cities where NIMBY attitudes dominate local politics (i.e., affluent places with more homeowners and elder, white conservative residents) will produce plans with lower, more negative scores (Einstein, 2021; Brouwer and Trounstine, 2024). This will compound the inertia discussed above, but likely varies separately from it. There could be a city with strong NIMBY political tendencies that score high on the FHLUS simply because they happen to have relatively affluent multifamily areas, whereas another city scores low on the FHLUS even after substantial rezoning because its initial zoning scored very low.

## Data

#### **Housing Element Sites**

Our data on cities' housing sites are from their adopted site inventories, part of each city's housing element. HCD requires each jurisdiction to provide two lists of sites in a prescribed table format to comply with SB 6 (2019). The tables contain parcel-specific information, including the assessor's parcel number, lot size, street address, expected dwelling unit capacity by income level (cities must identify specific sites where market-rate and moderate-, low-, and very low-income housing are feasible), and zoning. Cities list the parcels that do not need rezoning to add new housing in Table A, and Table B lists parcels that will be rezoned to meet its RHNA obligations.

Between August 2023 and April 2024, we acquired adopted sites' inventories in Microsoft Excel format for 340 cities and counties from all major urban areas of the state directly from HCD. Tables A and B are mutually exclusive lists in theory, but in practice they often are not. We therefore removed parcels that appear in both tables from Table A for each jurisdiction (68,560 units out of 1,360,590 total units in Table A)<sup>4</sup>. We retain the sites in Table B to reflect the scope and locations of proposed rezoning.

HCD and the California Department of General Services (DGS) provide an online map (referred to hereafter as "webmap") with spatial information for some inventory sites (DGS, 2023). We downloaded the tables from this webmap, again removed duplicates from Table A, and compared the total units to those from the Excel sites' inventories to estimate the difference in geocodes for each city in DGS's webmap. We found a total difference of 222,128 units between the webmap and Tables A/B<sup>5</sup>.

We obtained geographic coordinates for sites missing from the DGS webmap using a multi-step geocoding approach. First, if there was no difference between the webmap and Table A/B for the total number of units, we used site coordinates from the webmap, assuming it to be accurate.

For cities within the Southern California Association of Governments (SCAG) region where there was a difference, we joined sites to a multi-county parcel dataset downloaded from HELPR 2.0, a web tool created by SCAG to assist cities with their housing element updates (SCAG, 2022). We geocoded the limited number of sites that didn't match the parcel dataset with Geocodio, an

<sup>4</sup> We exclude the City of Los Angeles because its site inventory is so large that it would obscure differences in other cities. With Los Angeles included, the difference is 309,868 units.

<sup>5</sup> Excluding the City of Los Angeles.

online geocoding and reverse geocoding service. For cities outside the SCAG region, we used the DGS webmap as our base data. Again, in a limited number of cities outside of SCAG, we crossreferenced assessor parcel numbers between Table A/B and the DGS webmap to identify the missing parcels and then geocoded them with Geocodio. For non-SCAG cities without data from the DGS webmap, we rely on Geocodio.

We removed sites where Geocodio indicated a faulty geocode<sup>6</sup>, and estimated the number of missing units/failed geocodes by comparing high-confidence sites with the expected number of units based on Table A/B. We excluded sites outside a jurisdiction's boundaries; for example, planned annexations. Finally, we matched sites to census tracts and calculated the number of units in each RHNA income category for each tract.

Compared to the DGS webmap, our dataset offers more jurisdictions (340 vs 297)<sup>7</sup> and achieves lower geocoding error rates with no erroneously duplicated parcels in Tables A and B.

## **Identifying Reliable Inventories**

HCD required virtually every jurisdiction to revise and resubmit their housing elements before certifying them as compliant. Some revisions were substantial and required alterations to the sites' inventory, whereas others were minor. Many of the inventories provided by HCD are certified and final, but some appear to be from earlier adopted versions, and thus may have changed since we acquired the data. The DGS webmap may also be based on older versions of some jurisdictions' site inventories.

To address these potential issues, we cross-reference site inventory dates and data from HCD's Review and Compliance Dashboard (HCD, 2024c) to determine whether our version of every sites' inventories is current. We assume that inventories dated after the certification date and those dated up to 60 days before the certification date are the final, certified inventories8.

For sites from the DGS webmap and in cases where not all sites are geocoded successfully, we assume that HCD/DGS use the inventory that they provided to us directly as the foundation for

<sup>6</sup> This includes sites where Geocodio's accuracy was ≤ 0.9 or where the geocode source was based on county, city name, or street center.

<sup>7</sup> As of April 2024.

<sup>8</sup> HCD has 60 days to review second or later drafts of housing elements, so an inventory dated up to 60 days before certification is likely to be the final version.

their geocoding<sup>9</sup>. We ultimately use the housing elements for the 199 incorporated cities that have less than 10% geocoding errors and where the population is at least 15,000. We include inventories that may not be certified or that may have subsequently changed after their initial adoption. Regardless of their certification status, these inventories were adopted by each jurisdiction's city council, and provide important data on cities' intent and their initial attempts to meet site inventory requirements. We acknowledge that some jurisdictions may have revised their inventories in subsequent drafts.

To further verify the importance of including uncertified plans, we compared the FHLUS for certified and uncertified cities. We find that the mean FHLUS is higher for certified cities on all four indicators, but none of the differences are statistically significant (p<0.05). Median scores for certified cities also tend to be higher for most indices, but the results are not consistent. For example, the median score for all sites median-income FHLUS is higher in uncertified cities (-0.21 compared to -0.26).

#### **Zoning and Land Use**

We only have data on existing zoning for cities in two major urban regions in the state, Sacramento Area Council of Governments (SACOG) and SCAG. For these cities, we compare the acreage of multifamily-zoned land<sup>10</sup> to all residentially zoned land. For cities within the SACOG region, we use the 2021 general plan land use place types (determined by SACOG) as a proxy for zoning (SACOG, 2023). For the SCAG region, we use zoning data from HELPR 2.0. Generally, zoning and general plan data from SCAG and SACOG do not reflect zoning changes implemented through the latest housing element update.

The FHLUS uses the land area in each neighborhood to weigh its importance, which makes it sensitive to mismeasurement of the same. For example, if high-opportunity neighborhoods have undevelopable terrain due to steep hills, a city's score will be biased downward. We take this into account by removing land zoned for "open-space and public lands" in the California Statewide Zoning map or identified as protected by the California Protected Areas Database (OPR, 2023; GreenInfo Network, 2022).

<sup>9</sup> We remove a limited number of cities where HCD map has more units than Table A/B, as this is an indication that the HCD map is based off of an outdated inventory.

<sup>10</sup> We do not include mixed-use zones because of questions about data reliability, and local mixed-use zones often have conditions that do not meet state requirements for housing element sites.

## **Neighborhood Opportunity**

We use the 2021 U.S. Census Bureau's American Community Survey (ACS) 5-Year data to identify neighborhoods, defined as census tracts (U.S. Census Bureau, 2021)<sup>11</sup>. We present the FHLUS for four neighborhood-level variables: median household income<sup>12</sup>, percent non-Hispanic white, environmental quality, and transportation access. These differ from the opportunity metrics used by the California Tax Credit Allocation Committee (TCAC), which sets criteria for allocating low-income housing subsidies. TCAC's opportunity measure combines five groups of socioeconomic variables (poverty rate, education level, the unemployment rate, median home value, and school outcomes like student proficiency and graduation rates) along with environmental burden to generate an index of opportunity (TCAC, 2024).

We chose to use individual variables like median household income rather than an index of multiple variables because it is simpler and allows us to see differences between the spatial distribution of component variables of the index. We measure race/ethnicity using the share of non-Hispanic white residents because of the underemphasized importance of white neighborhoods in overall levels of segregation and efforts to integrate cities (Goetz et al., 2019). TCAC separately identifies racially and ethnically concentrated areas of poverty by combining poverty rates and "overrepresentation of individual non-white racial/ethnic groups and/or people of color as a whole relative to the county" (TCAC, 2024, p. 3-4), rather than ranking tracts by the share of different racial/ethnic groups.

For environmental quality data we use the "Environmental Burden Percentile," from the U.S. Department of Transportation's (U.S. DOT) Equitable Transportation Index. The Environmental Burden Percentile is a composite index that accounts for various air pollutants, hazardous facilities, transportation infrastructure, and water pollution<sup>13</sup>. (U.S. DOT, 2023)

<sup>11</sup> We use 2021 data because it corresponds with the time frame during which three of the four major urbanized regions in California (Los Angeles, Sacramento, and San Diego) were updating their housing elements. For a limited number of low-population census tracts without reliable ACS data, we estimated the median income and non-Hispanic white percentages by taking the average of the surrounding census tracts. Tracts with low-population and no RHNA sites were not included in the FHLUS calculation.

<sup>12</sup> The census/ACS only reports income up to \$250,000. A limited number of cities had multiple census tracts with a median income of \$250,000. Tied tracts were ranked based on median home value, followed by gross rent, and then share homeowner in any cases where all three preceding indicators reported the maximum value.

<sup>13</sup> For more information about these variables, reference the Technical Documentation: <a href="https://www.transportation.gov/sites/dot.gov/files/2023-05/5.2.23ETC%20Explorer%20Technical%20">https://www.transportation.gov/sites/dot.gov/files/2023-05/5.2.23ETC%20Explorer%20Technical%20</a>
<a href="DocumentationFinal.pdf">DocumentationFinal.pdf</a>

Finally, we include a measure of transportation access, in part because many local governments use this as a criteria in selecting sites. This data also comes from the U.S. Equitable Transportation Index, and we use the "Transportation Access Percentile" variable, which incorporates indicators of public transportation availability and frequency, travel times, job access, and automobile ownership to establish a score for each census tract (U.S. DOT, 2023). Transportation access is negatively correlated with environmental quality and opportunity indicators, and we expect neighborhoods with higher scores in these latter indicators to score lower in transportation access, and vice versa.

The legacy of planning practice in the U.S. has created cities that concentrate their more affordable housing types near large boulevards and local downtowns (Jackson, 1985; Trounstine, 2018), which are areas with higher transportation access but lower environmental quality (Voulgaris et al., 2016). It makes sense to build higher-density housing in these areas; the fair housing problem arises when affordable housing is blocked in other neighborhoods, especially those with higher quality schools and other amenities.

## Results

### Summary Statistics by Site Category and Opportunity Index

In this section, we present the summary of FHLUS for three overlapping groups of cities. The first is the 199 cities that have a population greater than 15,000, reliable site inventory data, and low geocoding error rates. The second is the 100 cities that rezoned land to meet their RHNA housing capacity targets. These cities are of particular interest because they actually committed to changing their land use policy, rather than simply identifying existing sites with housing development potential. The third group is the 123 cities for which we have reliable zoning data, distinguishing single-family zones from multifamily. This group is made up of cities in the SCAG and SACOG regions, and analysis of it separately allows us to assess the role of existing land use plans in housing element site selection.

Table 1. Housing Element Sites Data Samples by Region

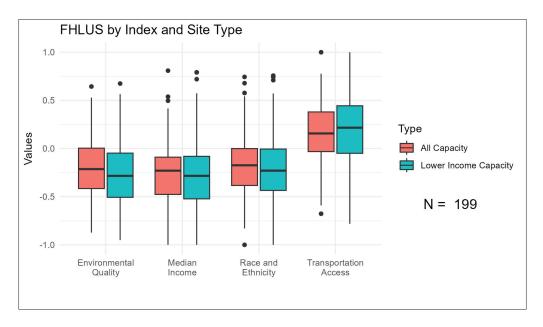
cog	Total with Data	Cities, <10% Geocoding Fail, >15,000 population	Total with Rezoning	With Rezoning, <10% Geocoding Fail, >15,000 population
ABAG	90	54	36	15
SACOG	26	4	8	2
SANDAG	16	8	5	1
SCAG	168	124	95	79
Other	40	9	12	3
Total	340	199	156	100

Notes: Some cities are not located within a Council of Governments (COG), though few are above 15,000 people and have reliable data.

Table 1 presents the number of cities in each region in our three samples. Southern California has a smaller share of small cities (<15,000 population) than the Bay Area, and more cities requiring rezoning. This is presumably because its regional housing need allocation was larger (6.7 units for every 100 people compared to 5.7), and a new allocation methodology to cities meant more places experienced a larger jump increase in planning targets.

Figure 3 presents the FHLUS for the full sample of 199 cities with over 15,000 residents and reliable site data. The median city scores between -0.17 and -0.23 on neighborhood environmental quality, median household income, and share white, indicating that they disproportionately concentrate sites for new housing in their lower-opportunity neighborhoods. For these three neighborhood variables, the median city's score for the distribution of low-income housing sites is substantially lower than for all sites, by 22–29%, indicating that cities' plans identify sites for moderate and above-moderate income (market-rate) housing in higher-opportunity neighborhoods, on average, than lower-income housing.

Figure 3. Fair Housing Land Use Score for cities with 15,000 residents and reliable data



The median city receives a positive FHLUS (0.16) for transportation access. As discussed above, this results from the practice of concentrating more affordable housing types near large boulevards and downtowns. Building housing in these areas is not the problem, the fair housing issue is preventing the construction of affordable housing elsewhere.

Figure 4 graphs the FHLUS for the 100 cities that include rezoning in their housing element. Average rezoned sites scores are higher than scores for all sites. This is also true on a case-by-case basis in roughly 70% of these cities. This means that rezoned sites are located in neighborhoods

with relatively higher incomes, higher shares of white residents, and better environmental quality than non-rezoned sites. Housing element zone changes, therefore, are creating housing capacity in higher-opportunity neighborhoods. This practice is not universal, however, and the median scores for rezoned sites are still negative, calling into question whether these zone changes are truly affirmatively furthering fair housing although they are better than the status quo. Transportation access follows the same pattern, with zoning changes occuring in areas with better access than existing sites.

Figure 4. Fair Housing Land Use Score for cities with over 15,000 residents, reliable sites data, and rezoning in their housing element

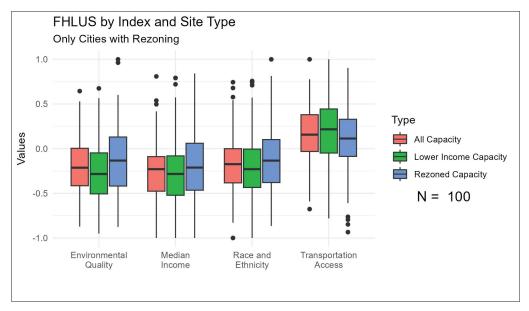


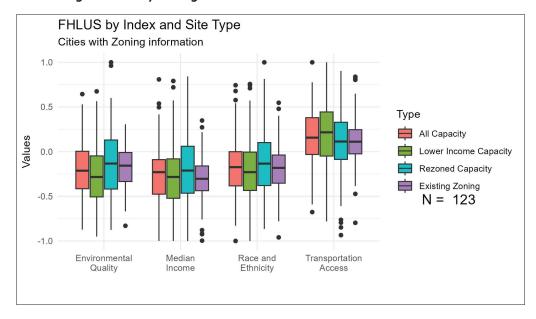
Figure 5 summarizes scores for the 123 cities with reliable zoning data, allowing us to compare the scores for all sites, low-income sites, and rezoned sites to the FHLUS for sites with multifamily zoning<sup>14</sup>. The relationships between the four FHLUS measures varies by the neighborhood opportunity variable. Existing multifamily zoning scores higher on the FHLUS than all sites or low-income sites for environmental quality, but not for median household income or share white. Rezoned sites have the highest FHLUS, on average, for all opportunity variables, except transportation access.

<sup>14</sup> Of the cities for which we can calculate FHLUS for existing zoning, only 80 have rezoned sites.

Assessing cities individually, rather than comparing averages of scores across many cities, provides greater insight. For example, the average FHLUS for environmental quality is higher for existing zoning than for all sites and substantially higher than for low-income sites, but 50% of cities have a higher FHLUS for all sites than for their existing zoning and 41% of cities for low-income sites.

On average, cities' rezoned sites are located in higher-opportunity neighborhoods than all sites and existing multifamily zoning. Sixty-three percent of cities score higher on the FHLUS for median income for their rezoned sites than for their existing zoning, for example. For environmental quality it is 52% of cities, and for share non-Hispanic white it is 44%. This comparison between the FHLUS for a housing plan — especially rezoned sites — and for its existing zoning is perhaps the most relevant way to analyze plans because it takes into consideration the city's existing conditions and the component of the plan that changes land use. The comparison reveals, for example, which cities further concentrated new housing capacity in lower-opportunity neighborhoods and which dispersed capacity to higher-opportunity neighborhoods.

Figure 5. Fair Housing Land Use Score for cities with over 15,000 residents, reliable sites data, and data on existing multifamily zoning



Assessing whether a city's FHLUS is below zero is also important, as this is a potential threshold expectation for a housing plan to advance fair housing goals. A negative score indicates the city is disproportionately planning for housing in neighborhoods with lower incomes, worse environmental quality, or a smaller share non-Hispanic white residents. Table 2 presents the share of cities with a positive FHLUS for all sites, low-income sites, rezoned sites, and existing multifamily zoning.

Table 2. Percent of cities with FHLUS greater than zero

Neighborhood Variable	All Sites (%)	Low-Income Sites (%)	Rezoned Sites (%)
Environmental Quality	25	22	34
Median household income	18	17	30
Share non-Hispanic white	25	14	36
Transportation access	72	72	68
N	199	199	100

A substantial majority of cities have a negative FHLUS for income, environmental quality, and share white. Low-income sites consistently have slightly lower scores than all sites. Although rezoned sites have higher scores than all sites and low-income sites for these three opportunity indicators, the scores are still negative for a majority of cities — between 64–70%. This is discouraging. Rezoning is the primary land use tool employed in housing plans, and in most cases it is exacerbating rather than ameliorating cities' unequal access to higher-opportunity neighborhoods. In contrast, most cities score positively on transportation access.

## Which kinds of cities scored higher?

Given that we can now measure how well local housing plans advance fair housing goals using the Fair Housing Land Use Score, we explore whether certain kinds of cities scored better than others. To do so, we correlate the FHLUS with city characteristics that, according to previous scholarship on land use planning and politics, might predict better outcomes. Surprisingly, we find very limited or no correlation between most city-level characteristics and the FHLUS. Tables 3 to 6 present correlations between the FHLUS for each neighborhood-level opportunity indicator and city

characteristics like population, density, median home value, median household income, share homeowners, median age, and recent vote share for the Democratic presidential candidate.

Table 3 reports correlations between neighborhood median incomes and all sites, low-income sites, rezoned sites, and existing multifamily zoning. We find no correlations stronger than +/-0.2. In fact, only four of 32 correlations exceed +/- 0.15, and three of these are correlations with multifamily zoning, not housing element sites. The fourth is a negative correlation between all sites and city median home value.

Table 3. Correlation Matrix: Median Household Income

City Characteristic	All Sites	Low-Income Sites	Rezoned Sites	Existing Zoning
Population (log)	-0.01	-0.06	0.01	-0.16
Population density (log)	0.03	0.13	0.12	0.18
Median Home Value (log)	-0.15	-0.01	-0.03	-0.11
Median income (log)	-0.07	-0.09	-0.06	-0.15
White (%)	0.01	-0.01	-0.01	-0.07
Homeowner (%)	-0.01	0.07	-0.03	-0.06
Median Age (log)	-0.02	0.08	0.12	0.10
2020 Votes Democrat (%)	-0.02	-0.06	0.01	-0.16
N	199	199	100	123

The FHLUS for environmental quality, reported in **Table 4**, reveals the strongest associations with city characteristics. Population density and median age are positively correlated with all three site-based scores, with R values between 0.21 and 0.39. Median incomes and share white are negatively correlated with environmental quality scores, scoring between -0.14 and -0.24, meaning that cities with higher incomes and larger proportions of white residents plan for new housing in neighborhoods with worse environmental quality.

Table 4. Correlation Matrix: Environmental Quality

City Characteristic	All Sites	Low-Income Sites	Rezoned Sites	Existing Zoning
Population (log)	-0.05	-0.05	-0.06	-0.08
Population density (log)	0.26	0.39	0.29	0.35
Median Home Value (log)	-0.09	0.07	0.00	0.08
Median income (log)	-0.24	-0.21	-0.14	-0.16
White (%)	-0.15	-0.18	-0.22	-0.15
Homeowner (%)	-0.17	-0.07	-0.10	0.09
Median Age (log)	0.21	0.28	0.34	0.34
2020 Votes Democrat (%)	-0.05	-0.05	-0.06	-0.08
N	199	199	100	123

We report associations between the share of non-Hispanic white FHLUS and city characteristics in Table 5, finding again that density is correlated with a higher FHLUS for all three site types. Citylevel median household income and share white are negatively associated with sites being located in relatively whiter neighborhoods — meaning that cities with a larger share of white residents are more likely to identify housing sites in neighborhoods with more non-white residents — though again the correlations are small (e.g., -0.14 to -0.20).

Table 5. Correlation Matrix: Share Non-Hispanic White

City Characteristic	All Sites	Low-Income Sites	Rezoned Sites	Existing Zoning
Population (log)	-0.01	-0.04	-0.14	-0.13
Population density (log)	0.13	0.16	0.24	0.11
Median Home Value (log)	-0.07	0.00	-0.05	-0.12
Median income (log)	-0.17	-0.14	-0.20	-0.14
White (%)	-0.01	-0.03	-0.18	-0.03
Homeowner (%)	-0.06	-0.02	-0.02	0.00
Median Age (log)	0.15	0.14	0.29	0.12
2020 Votes Democrat (%)	-0.01	-0.04	-0.14	-0.13
N	199	199	100	123

Finally, **Table 6** reports correlations for the transportation access FHLUS. In this case, density is the only city-level variable associated with the FHLUS. Denser cities have lower scores, with correlations between -0.2 and -0.3.

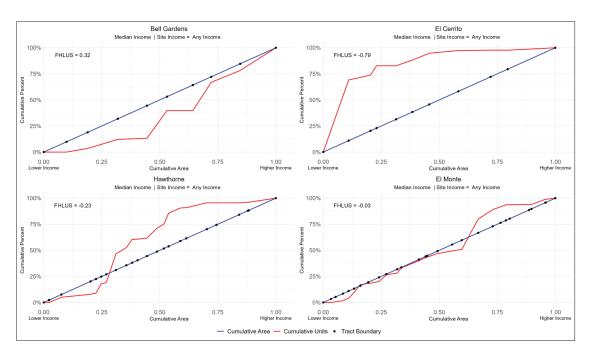
Table 6. **Correlation Matrix: Transportation Access** 

City Characteristic	All Sites	Low-Income Sites	Rezoned Sites	Existing Zoning
Population (log)	0.05	0.13	0.11	0.11
Population density (log)	-0.22	-0.30	-0.20	-0.19
Median Home Value (log)	-0.01	-0.10	-0.07	-0.04
Median income (log)	0.09	0.07	0.02	0.10
White (%)	0.04	0.07	0.07	0.11
Homeowner (%)	0.00	-0.08	-0.03	-0.03
Median Age (log)	-0.02	-0.11	-0.12	-0.17
2020 Votes Democrat (%)	0.05	0.13	0.11	0.11
N	199	199	100	123

# Case Studies: The Good, the Bad, the Median, and the Neutral

In this section, we use four case studies to illustrate the range of FHLUS outcomes. Measuring the FHLUS for median income, we present cities with a positive score (Bell Gardens), a low score (El Cerrito), a median score (Hawthorne), and a neutral score (El Monte). Figure 6 shows the FHLUS graphs for these four cities.

Figure 6. Fair Housing Land Use Scores for Bell Gardens, El Cerrito, Hawthorne, and El Monte



Bell Gardens is a medium-sized city (population ~40,000) in southern Los Angeles County. Its housing element includes units in nearly every neighborhood, but the capacity is disproportionately concentrated in the higher-income half of the city. That makes it a rare case of having a positive FHLUS of 0.32. Bell Gardens is also an interesting case, as it illustrates the challenge of achieving multiple fair housing goals. In Bell Gardens, relatively higher-income neighborhoods have a higher pollution burden, which is reflected in their scoring poorly on the environmental quality FHLUS (-0.18) in spite of their positive score on the income FHLUS.

El Cerrito is a small city (population ~26,000) in the Bay Area, located between Richmond and Berkeley. It is an example of unfair land use planning, as roughly 70% of the sites in its housing plan are located in its lowest-income census tract, adjacent to the El Cerrito Del Norte BART station. Most of the remaining units are also concentrated in lower-income neighborhoods, resulting in a FHLUS of -0.79.

Hawthorne is a medium-sized city (population ~88,000) in western Los Angeles County. It has a FHLUS close to the median for all cities (-0.23). The city has very few units in its lowest-income tracts. Most units are located in middle-income neighborhoods, and a high concentration of units in lower-middle income neighborhoods results in a negative score. Nearly all of the city's sites are adjacent to large commercial boulevards, but they are spread across the city's neighborhoods.

Finally, we use El Monte to illustrate the case of a neutral FHLUS. El Monte is a medium-sized city (population ~105,000) in the San Gabriel Valley, in eastern Los Angeles County. Its FHLUS is slightly below zero (-0.03), with sites spread evenly across the city. Nearly every neighborhood accommodates at least some housing, though many units are concentrated in a relatively highincome commercial and industrial area adjacent to a large transit station.

# Conclusion: Why aren't cities advancing fair housing goals?

In this report, we present the first statewide comprehensive fair housing evaluation of California cities' housing plans. The FHLUS reveals that most cities in California are disproportionately concentrating their planned housing in neighborhoods with lower incomes, more pollution, and fewer white residents. We do not find a pattern across cities – demographic characteristics associated with anti-development attitudes have weak or no correlation with the sites distribution. This suggests that other factors, such as available land and state laws regulating housing sites, are the more important reasons cities score badly.

Our analysis of local government housing plans in California shows that cities relying on existing zoned sites (i.e., they are not rezoning) to meet their housing needs consistently score lower than cities required to rezone for additional capacity, on three important opportunity indicators: neighborhood income, environmental quality, and the non-Hispanic white population share. We expect this, given that cities are relying on sites in existing multifamily or mixed-use zones. Because multifamily housing is less expensive than single-family housing, using existing zoning as a site criterion perpetuates existing disparities in neighborhood income. Systemic inequalities in the U.S. economy and housing market mean income disparities also manifest as racial segregation and disparities in neighborhood environmental quality. But why are cities motivated to avoid rezoning, even when doing so results in unfair and presumably less effective housing plans?

Inertia and local political pressure to preserve the status quo are likely reasons cities rely on existing zoning: rezoning requires substantial time, effort, and resources, and is almost always contested by local stakeholders. But cities' obligations under the California Environmental Quality Act (CEQA) and housing element law also favor using existing sites. Maintaining existing zoning does not require an environmental review under CEQA, whereas rezoning almost always does. When rezoning, cities may face legal CEQA challenges by residents, businesses, interest groups, or community organizations. Rezoning for lower-income housing in wealthy areas is especially likely to attract legal challenges (Hernandez and Friedman, 2015).

Housing element law presents additional barriers for cities that seek to rezone in response to RHNA requirements. Cities are discouraged from falling out of compliance by a growing number of state penalties, including ineligibility for state grants, fines, and the loss of land-use control through the builder's remedy. However, under AB 1398 (2021), if a city misses its initial housing element update deadline and fails to rezone within a year, HCD cannot certify its housing element until the city completes any required rezoning. It is therefore easier for cities to achieve and maintain compliance by relying on existing zoning, especially if their city council does not approve the housing element by the initial deadline. Even cities that plan on rezoning may leave it out of their housing element and pursue it separately at a later date, as Pasadena and San Diego did.

Cities that do rezone to meet RHNA targets face additional requirements, particularly for lowerincome sites, under Cal. Gov. Code 65583.2(h). This section adds standards, which are only applicable to rezoned sites, in three key areas: discretionary review, housing density, and mixeduse zoning. This section of housing element law is unnecessarily complex and punitive, and is likely to discourage cities from rezoning during the housing element update process.

First, housing element law removes cities' ability to wield discretionary power over housing developments on rezoned lower-income sites, provided that projects include at least 20% of units for lower-income households. We endorse the benefits of reduced discretion in housing approvals (Manville et al, 2023), yet applying a ministerial process only to rezoned sites is an unusual and potentially counterproductive approach. Even if cities are interested in rezoning in ways that affirmatively further fair housing, they may be reluctant to cede their discretion in this manner and may face more local opposition if they try. This requirement may also be somewhat redundant, as the Housing Accountability Act mandates local jurisdictions' approval of projects that comply with zoning and objective standards. Furthermore, because ministerial projects are exempt from CEQA review, rezonings linked to ministerial approval can require more stringent CEQA review and documentation during the housing element process, which cities may wish to avoid.

Second, the law establishes minimum densities for rezoned lower-income sites, beyond what is required for non-rezoned lower-income sites. The law states that all sites must allow at least 16 units per site and prohibits projects at densities lower than 20 units per acre. This makes it impossible for cities to rezone with standards allowing for both single- and multifamily residential development and use these as low-income sites in their housing element. Effectively, this rule forces cities seeking to upzone lower-density residential areas to make the existing housing "nonconforming." This is another significant barrier to getting credit for allowing new high-density housing in lower-density (and more affluent) neighborhoods.

Finally, California housing law sets performance standards for non-residential or mixed-use zoning in sites' inventories. If a city plans on using mixed-use zoning to accommodate more than 50% of its additional lower-income housing capacity, then sites rezoned to mixed-use and flagged for future lower-income housing development are subject to additional requirements. These sites must allow for 100% residential use, and in cases where developers do not want to build a 100% residential project, at least half of total project floor area must be for residential uses. The first clause forces local governments to permit fully residential redevelopment on sites with commercial revenue-generating potential, while the second reduces flexibility for commercial property owners considering redevelopment. In combination, these rules may make cities reluctant to broadly upzone commercial areas to meet their lower-income RHNA. Given that the purpose of RHNA is to set the stage for new housing development by identifying appropriately zoned land, state rules should err on the side of providing flexibility for developers.

## Site Probability and Evidence of Redevelopment Potential

An additional statutory mandate complicates obtaining credit for housing sites in affluent neighborhoods. Cities must select sites that are "likely" to redevelop over the eight-year housing element cycle based on existing uses and past experiences with redevelopment. While wellintentioned, implementing this provision is challenging because it is difficult to predict which parcels will be redeveloped in the near term (Elmendorf et al., 2020).

To address this, HCD requests that cities justify their site selection by evaluating the zoning and uses of recently completed projects. This requirement has a few shortfalls. First, many cities (especially smaller cities) have approved few or no multifamily infill housing developments over the past decade (HCD, 2024b). Further, because multifamily zoning is associated with lowerincome neighborhoods, there is often little evidence for multifamily development probabilities in higher-income neighborhoods. These circumstances may make it more difficult to justify sites in general, and in higher-income neighborhoods in particular.

#### **Prioritizing Measures of Opportunity**

A final challenge in advancing fair housing goals — and measuring progress — is that some aspects of neighborhood opportunity are uncorrelated or negatively correlated with one another. A city like Bell Gardens exemplifies a challenge some cities face when trying to maximize multiple indicators of opportunity. Neighborhood median income, environmental quality, and share non-Hispanic white are not always positively correlated, and among the more than 6,000 census tracts included in this study, transportation accessibility is negatively correlated with household incomes (r = -0.20), share white (r = -0.24), and environmental quality (r = -0.56). Cities make decisions about zoning and land use based on various measures of neighborhood opportunity, but it is difficult — if not impossible — for most cities to achieve positive scores in each of these four domains simultaneously.

# **Policy Recommendations**

Incorporating the insights provided by the Fair Housing Land Use Score into the housing element site selection process, we recommend the following actions and reforms for the Department of Housing and Community Development and the California State Legislature.

## Recommendations for the Department of Housing and Community **Development**

#### **REVISED METRICS AND AFFH ANALYSIS**

We recommend that HCD require a consistent, area-based approach for measuring the distribution of sites in the housing element site inventory. The FHLUS is our preferred option, but at a minimum, HCD should mandate that cities' fair housing analysis compare the number of planned units (or share of RHNA) to available land in each neighborhood. Available land should be adjusted to account for areas where development is discouraged or prohibited, such as sensitive habitat or on extreme slopes. However, these adjustments should be based only on objective physical and environmental constraints, not regulatory constraints like existing zoning. Cities should also be required to report the FHLUS for existing zoning, and for cities that are rezoning, rezoned sites and citywide zoning after rezoning. The expectation should be that cities' revised zoning maps score higher than their existing zoning. We caution that the FHLUS should not be the only consideration for assessing site inventories or zoning plans – it must be taken in context with other local knowledge and comprehensive public engagement.

Additionally, we recommend HCD revise its quidance on the fair housing analysis of site inventories. Asking local governments to estimate changes to local and regional segregation indices based on housing plans is complicated and speculative, and we have not found a single city that adhered to HCD's request as it was written. HCD and state law (AB 1304) require site inventories to address integration and segregation for racial composition, disability, family status, and income. These are the ultimate goals of fair housing, but site evaluation should be specific to the housing plans themselves. We suggest the analysis focus on neighborhood opportunity rather than protected characteristics of residents, creating the potential for integration without mandating a specific type of housing be built or expecting specific types of people to move in. HCD should require cities to consider the four variables presented in this brief: income, environmental quality, share non-Hispanic white or another measure of racial/ethnic segregation, and transportation access. These measures offer a more direct and tangible assessment of planning practice than a single composite opportunity index.

Ideally, the timeline of housing element preparation should allow HCD to conduct an objective and independent evaluation of cities' sites' distribution — well before housing element adoption. This would provide more time for public input on site inventories, and for HCD to provide specific feedback on their strengths and weaknesses. While HCD currently reviews and critiques AFFH analyses, there is a need and authority for HCD to increase pressure on cities that propose objectively unfair site distributions.

#### **DATA QUALITY AND TRANSPARENCY**

HCD has increased its data transparency in recent years, launching multiple dashboards on its website and working with DGS to publish an interactive site inventory map. We propose three additional reforms to improve data quality and transparency of site inventories.

First, cities should face increased scrutiny and review of their official site inventory tables, which are submitted to HCD along with their housing elements. Many of the cities we reviewed provided tables or text within their housing elements that did not match those in Tables A and B. One problem is inconsistent reporting of proposed or pending housing developments. Currently, cities are not required to include approved projects in the site inventory (HCD, 2022), but unapproved projects need to be reported and analyzed. However, the rules on pending projects as related to fair housing are vague and cities are inconsistent about reporting and analysis of pending projects. HCD should explicitly mandate the inclusion and assessment of all pending projects in the site inventory and AFFH sections, not just those currently being entitled. If a city's approved pending projects are concentrated in a single neighborhood – or in lower-income neighborhoods — the principles of AFFH suggest that sites for future development should mostly be located elsewhere.

Second, HCD should also amend the Table A/B form to require geographic coordinates for each housing element site. This would save time and effort for HCD, DGS, and the public, and would improve geocoding accuracy, furthering compliance under HCD's statutory mandate (SB 6). Additionally, site specific coordinates would help cities comply with different provisions of state law in future housing element updates, especially identifying re-used sites.

Third, HCD should host an online database with each city's draft and certified Tables A and B, enabling developers and advocates to quickly map and identify housing opportunity sites<sup>15</sup>. This could easily be incorporated into HCD's existing Housing Element Download tool (HCD, 2024a).

<sup>15</sup> Cities are already required to make their inventories available on their websites, but they are typically posted as PDFs or within the housing element (also in PDF format), making it challenging to identify and evaluate sites.

#### Recommendations for the State Legislature

In the absence of comprehensive RHNA reform, there are several targeted changes to state law that would support fair housing outcomes in site selection during the next housing element update cycle.

#### **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

CEQA is a substantial barrier for cities trying to rezone on a short timeline. Evaluating the potential impact of hundreds or thousands of new units can take over a year and may be challenged in court, potentially adding years of further delay. To address this, the Legislature should expand SB 10 (2021), which exempts from CEQA requirements some upzoning near transit, to apply in more areas and to larger projects. Currently, the law only exempts parcels zoned for up to 10 dwelling units. Increasing this threshold, and potentially revising it to be based on density instead of total units (to account for different parcel sizes) would make it much easier for cities to rezone to meet their housing capacity targets, and to do so in higher-opportunity areas by avoiding costly litigation. It would also allow cities to begin producing housing quickly.

#### SITE REQUIREMENTS FOR LOW-INCOME HOUSING

The Legislature should amend, and in some cases remove, requirements specific to low-income housing sites. It should begin by removing the minimum size requirement (0.5 acres) and convert to a method based on the number or density of dwelling units. For example, the Legislature could mandate that each site used for low-income housing allow at least 15 units. This would incentivize cities to rezone smaller lots at high densities and make it more feasible to create housing in highopportunity neighborhoods.

Furthermore, the Legislature should remove additional requirements, such as minimum densities and by-right approvals, for rezoned sites. These requirements may drive cities to minimize their rezoning, and they complicate local zoning by potentially creating different standards for parcels with the same zoning. The minimum density requirements make it challenging for cities to get credit for rezoning single-family areas for multifamily housing, and should be removed. The state should encourage consistent and predictable by-right approval processes, but it should rely on other laws, such as SB 423, to achieve them. Rules that lead to the stratification of a city's parcels sites based on rezoning or a proposed income for future development create unnecessary complexity in zoning codes. Finally, the Legislature should add some flexibility for redevelopment of commercial sites. Requiring specific ratios of residential to commercial floor area can create barriers for smaller or incremental infill projects on larger commercial sites, and these ratios should be removed.

#### SAFE HARBOR ASSUMPTIONS

The Legislature could also encourage rezoning in higher-income and single-family neighborhoods by providing a "safe harbor," or a ratio for calculating site capacity. For example, the Legislature could credit cities 25% of gross capacity — parcel size multiplied by maximum density — when they rezone single-family parcels to 30 units per acre or more, eliminating the need for site-by-site analysis or additional rationale. Twenty-five percent is proposed here for illustrative purposes, and the Legislature could refine it after feedback from developers, cities, and HCD. Critically, the ratio should be high enough to incentivize use of the safe harbor, but not so high that cities can meet their housing capacity targets with limited and insufficient rezoning.

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