

UCLA

Reports

Title

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

Permalink

<https://escholarship.org/uc/item/6fn5g105>

Authors

Barrall, Aaron

Monkkonen, Paavo

Publication Date

2024-10-01



UCLA Lewis Center
for Regional Policy Studies

The Fair Housing Land Use Score in California

An Evaluation of 199 Municipal Plans



October 2024



Acknowledgments and Disclaimer

This research was supported by a gift from the Wells Fargo Foundation, whose generosity we gratefully acknowledge.

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.

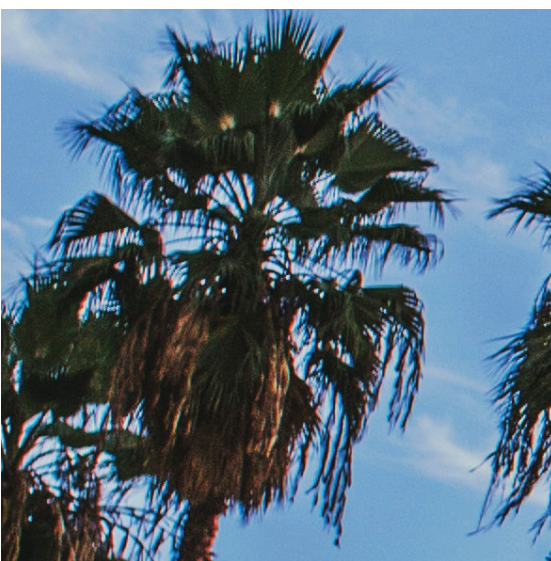
Lewis Center faculty, staff, students, and affiliates are examining fair housing implementation and outcomes across four domains: housing element law; mortgage finance and homeownership; local zoning and development patterns; and changes over time in majority-Black cities and neighborhoods. With each 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.



Table of Contents

Executive Summary	5
Introduction	6
Background	8
Methodology	11
Data	14
Results	19
Case Studies: The Good, the Bad, the Median, and the Neutral	28
Conclusion: Why aren't cities advancing fair housing goals?	30
Policy Recommendations	33
References	37



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 low-income 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 high-opportunity neighborhoods, California cities will not affirmatively further fair housing.

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.

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).

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.

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 Trounstone, 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.

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 cross-referenced 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 geocode⁶, 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)⁷ 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

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

7 As of April 2024.

8 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.

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)¹¹. We present the FHLUS for four neighborhood-level variables: median household income¹², 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 pollution¹³. (U.S. DOT, 2023)

11 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.

12 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.

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

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

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 occurring 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

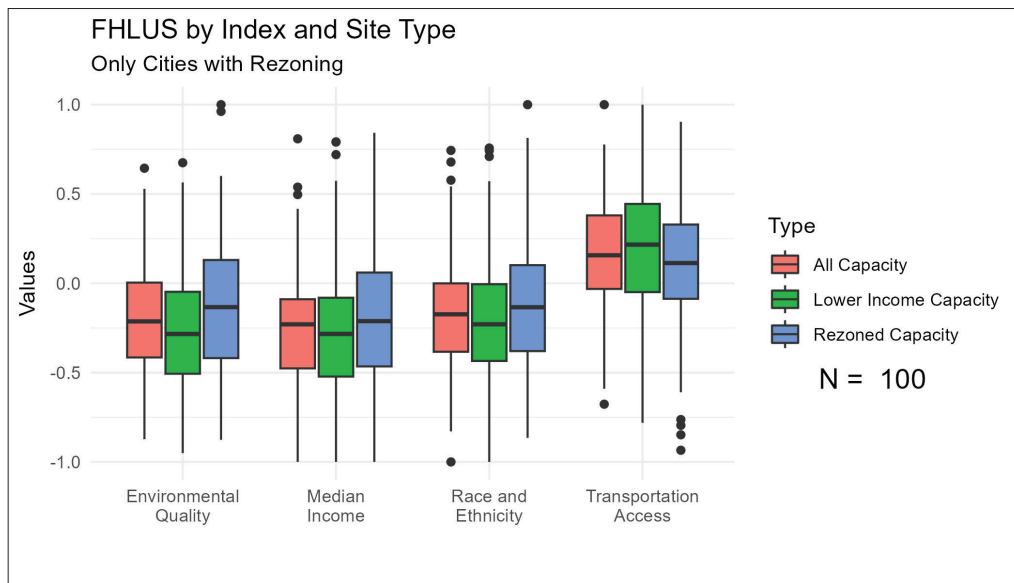


Figure 5 summarizes scores for the 123 cities with reliable zoning data, allowing us to compare the scores for all sites, low-income sites, and rezoned sites to the FHLUS for sites with multifamily zoning¹⁴. The relationships between the four FHLUS measures varies by the neighborhood opportunity variable. 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.

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

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

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

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

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 high-income commercial and industrial area adjacent to a large transit station.

Cities that do rezone to meet RHNA targets face additional requirements, particularly for lower-income 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 mixed-use 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 “non-conforming.” 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.

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 guidance 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.

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 high-opportunity 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.

References

Brouwer, N. R., & Trounstein, J. (2024). NIMBYs, YIMBYs, and the Politics of Land Use in American Cities. *Annual Review of Political Science*, 27(1), 165–184. <https://doi.org/10.1146/annurev-polisci-041322-041133>

California Department of General Services. (2023). *Housing and Local Land Development Opportunities* (Version April 15, 2024) [Dataset]. <https://experience.arcgis.com/experience/670e112e04ae415e9755f2d65fded76c/>

California Department of Housing and Community Development. (2020, June 10). *Housing Element Site Inventory Guidebook*. https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

California Department of Housing and Community Development. (2021a, April 27). *Affirmatively Furthering Fair Housing—Guidance for All Public Entities and for Housing Elements*. https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf

California Department of Housing and Community Development. (2021b, June 15). *AFFH Webinar on Implementing AB 686: Guidance for Housing Elements*. <https://www.youtube.com/watch?v=2LbbdRwLKxA>

California Department of Housing and Community Development. (2022, May 10). *ELECTRONIC HOUSING ELEMENT SITES INVENTORY FORM INSTRUCTIONS*. <https://www.hcd.ca.gov/docs/planning-and-community-development/site-inventory-instructions.pdf>

California Department of Housing and Community Development. (2024a). *Housing Element Download Tool* [Dataset]. <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-download-tool>

California Department of Housing and Community Development. (2024b). *Housing Element Implementation and APR Dashboard* [Dataset]. <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>

California Department of Housing and Community Development. (2024c). *Housing Element Review and Compliance Report* [Dataset].

California Governor’s Office of Planning and Research. (2023). *California Statewide Zoning* [Shapefile]. <https://gis.data.ca.gov/datasets/Gov-OPR::california-statewide-zoning/about>

Manville, M., Monkkonen, P., Gray, N., & Phillips, S. (2023). Does Discretion Delay Development?: The Impact of Approval Pathways on Multifamily Housing’s Time to Permit. *Journal of the American Planning Association*, 89(3), 336–347. <https://doi.org/10.1080/01944363.2022.2106291>

Monkkonen, P., Barrall, A., & Echavarria, A. (2024). Meaningful Action: Evaluating Local Government Plans to Affirmatively Further Fair Housing in California. *Housing Policy Debate*, 1–25. <https://doi.org/10.1080/10511482.2024.2337033>

Monkkonen, P., Lens, M., O’Neill, M., Elmendorf, C., Preston, G., & Robichaud, R. (2024). Do Land Use Plans Affirmatively Further Fair Housing?: Measuring Progress. *Journal of the American Planning Association*, 90(2), 247–260. <https://doi.org/10.1080/01944363.2023.2213214>

Monkkonen, P., Manville, M., & Friedman, S. (2019). A Flawed Law: Reforming California’s Housing Element. *UCLA Lewis Center*.

Monkkonen, P., Manville, M., Lens, M., Barrall, A., & Arena, O. (2023). California’s Strengthened Housing Element Law: Early Evidence on Higher Housing Targets and Rezoning. *Cityscape*, 25(2), Article 6.

Morrow, G. D. (2013). *The Homeowner Revolution: Democracy, Land Use and the Los Angeles Slow-Growth Movement, 1965-1992* [UCLA]. <https://escholarship.org/uc/item/6k64g20f>

Owens, A. (2019). Building Inequality: Housing Segregation and Income Segregation. *Sociological Science*, 6, 497–525. <https://doi.org/10.15195/v6.a19>

Ramsey-Musolf, D. (2020). The Efficacy of Allocating Housing Growth in the Los Angeles Region (2006–2014). *Urban Science*, 4(3), Article 3. <https://doi.org/10.3390/urbansci4030043>

Rothwell, J., & Massey, D. S. (2009). The Effect of Density Zoning on Racial Segregation in U.S. Urban Areas. *Urban Affairs Review*, 44(6), 779–806. <https://doi.org/10.1177/1078087409334163>

Sacramento Area Council of Governments. (2022). *Local Land Use Plan Data* [Geodatabase].

Southern California Association of Governments. (2022). *Housing Element Parcel (HELPR) Tool 2.0* [Geodatabase]. <https://rdp.scag.ca.gov/helpr/>

Trounstine, J. (2018). *Segregation by Design: Local Politics and Inequality in American Cities* (1st ed.). Cambridge University Press. <https://doi.org/10.1017/9781108555722>

U.S. Census Bureau. (2022). *2017-2021 American Community Survey 5-Year Estimates* [Dataset].



UCLA Lewis Center for Regional Policy Studies

2381 Public Affairs Building, Los Angeles, CA 90095

lewiscenter@luskin.ucla.edu

lewis.ucla.edu

© 2024

