

July 21, 2023

RE: Affirmatively Furthering Fair Housing Opportunity Framework Survey

Dear HCD Staff,

We appreciate HCD's continued commitment to improving the Opportunity Framework, and we thank you for this opportunity to provide comments. Our responses are included below in Addendum #1.

MidPen Housing is one of the nation's leading nonprofit developers, owners and managers of high-quality affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed over 100 communities and 8,000 homes for low-income families, seniors, including homeless families and individuals and those with supportive housing needs throughout Northern California. In our 5-year strategic plan we outlined via a Theory of Change the following priorities:

- Housing that supports racial and economic inclusion,
- Diversity, equity, inclusion, and belonging are centered in all talent and operational decisions and policies, and
- Strengthen infrastructure & investment to advance housing and racial justice

If you have any questions, please feel free to contact me at (650) 477-6195 or [nmerriman@midpen-housing.org](mailto:nmerriman@midpen-housing.org).

Sincerely,



Nevada Merriman, Director of Policy

CC:

Matthew O. Franklin, President and CEO, MidPen Housing

Alice Talcott, VP Housing Finance, MidPen Housing

Abram Diaz, Policy Director, NPH

## Addendum #1

*1b. What is one impactful thing that HCD – or another state agency – could do to better promote access to high opportunity areas?*

- HCD should seek to expand the definition of “opportunity”:
  - Broadly embrace a “yes/and” approach to conceptualizing what opportunity is.
  - Acknowledge culturally-appropriate resources. (e.g. neighborhood amenities that support a specific community)
  - Recognize that while moving can often bring opportunity, staying in place can also provide opportunities (such as in the case of gentrification). There are tradeoffs with moving homes, such as social and emotional impacts.
- HCD should consider how opportunity is truly accessed on the ground:
  - Asset mapping in the community can be part of the process for bringing to light what opportunities exist. Such an exercise could look similar to TCAC amenities scoring, with additional flexibility for defining the assets around a development.
  - HCD should consider developing an inclusion score that is more comprehensive with respect to the experiences of marginalized groups of people. (Considerations may include: Are students of color graduating on par with white peers? Does the hate crime data suggest a hostile environment? How diverse are the employers and workforce?). At the local level, citywide assessments can be conducted across various systems to inform planning for addressing inequities.

*1c. What is one impactful thing that HCD – or another state agency – could do to better promote integrated and balanced living patterns that undo patterns of segregation?*

We encourage HCD to study the impacts of local live/work preference policies on the successful implementation of AFFH in California. Regardless of where a community is sited and built, who receives the preference in the Resident Selection Criteria is material to whether or not this policy is effective. In some cases, the policy may allow for residents to return to their community after experiencing displacement; in others, it may further exclusion.

*2a. What can the state do to better couple housing dollars with investments in other types of community assets or infrastructure, such as schools, jobs, safety, or health?*

Coordinate with state agencies responsible for funding services that address social determinants of health to couple investment in areas serving residents of affordable housing. The California Master Plan for Ageing (Goal 1, Strategy A) provides an existing framework for coordination among state agencies to develop more affordable housing options to meet the needs of all stages of life for all people, regardless of age, race, income, ability, or household size. In another model, Medicaid service providers receive funds for housing clients. State agencies should also look for opportunities to target investment in areas of most need focused on improving community assets such as schools, recreational facilities and programs, social service programs, parks, streets, active transportation and infrastructure.

*2b. What can the state do to better support comprehensive community development initiatives led by community-based organizations?*

Provide support and seed funding for emerging CDCs. Evaluate existing funding program set-asides for community-based and emerging developers to assess the success of these programs in meeting their goals. Set regulations that prevent these funds from being awarded to projects developed by partnerships that would qualify for funding outside the set-aside pools.

*4a. What is one impactful thing that HCD could do to better promote AFFH through the Housing Element process?*

Incorporating the TCAC Opportunity Map into the Housing Element process was an impactful step. We commend HCD for setting the expectation that Cities approach this in a more rigorous and methodical way. To further break down exclusion, the state needs more tools and resources for implementing the vision of the House Element. HCD can work more with high-resource small cities (e.g. through planning grants and offering incentives that expand capacity) to reduce exclusionary barriers.

*4b. What is one impactful thing that HCD could do to better promote AFFH through the RHNA process?*

Currently, HCD's conceptualization of Racially Concentrated Areas of Affluence (RCAAs) only includes areas where the majority of residents are white. In many areas in the state, this definition fails to capture additional areas with racially exclusionary concentrations of wealth. HCD should expand the definition of RCAAs to include concentrations of wealth within any racial majority.

*6a. How should the state balance the need to increase opportunity in historically disinvested areas with the need to promote housing choice and expand access to high resource areas?*

A "balanced" strategy needs to recognize the advantages and disadvantages with building new housing in particular areas. For example, many high resource areas are also areas of high fire risk. It is our position that State programs should not incentivize building in the high and highest fire risk areas. In addition to inherent safety risks, there are many insurance implications that cannot be ignored in an era of major insurers declining to offer new coverage plans.

Similarly, water is a scarce resource in many communities, but this isn't always recognized in the geography of the opportunity framework. Real estate development barriers to development (excluding deliberately exclusionary practices) should be considered, as a high resource area may offer amenities of one kind, while having many disadvantages of another kind.

A balanced strategy also requires recognizing the value of moderate resource areas, which in some cases provide opportunities for accessible homeownership and have been shown to be where more of the state's racially integrated communities exist. Because opportunity is defined at the census tract level, we know that many moderate resources areas are still close to the amenities offered in high resource tracts. These moderate areas should not be discounted in the opportunity framework.

## **8. Measuring Progress**

*What metrics should the state use to track its progress towards affirmatively furthering fair housing?*

- Consider talking more to residents to capture resident experiences.
- Pose the question “Is it working?” so that we establish a feedback loop that goes beyond a narrow scope of where properties are being built to consider the outcomes and experiences of residents down the line.
- Capture more basic data about who is living in affordable housing properties in and where they are coming from.

## **9. Additional Comments & Feedback**

*Do you have any additional comments and/or feedback you would like to share with us?*

HCD should consider how to make this process as transparent as possible. How is HCD bringing back information to participants? What is the responsibility to share out within the industry? Equity is both an outcome and a process.