THE CASE FOR HOUSING IMPACTS ASSESSMENT:

THE HUMAN HEALTH AND SOCIAL IMPACTS OF INADEQUATE HOUSING AND THEIR CONSIDERATION IN CEQA POLICY AND PRACTICE

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CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC HEALTH
OCCUPATIONAL & ENVIRONMENTAL HEALTH SECTION
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INTRODUCTION

The California Environmental Quality Act (CEQA)[1] requires governmental agencies to provide a public accounting of all potentially adverse impacts of decisions that change the environment. While some consider CEQA to be concerned exclusively with the physical environment, the aims of CEQA extend to human well being. For example, CEQA's policy goals include maintaining "…conditions under which man and nature can exist in productive harmony to fulfill the social and economic requirements of present and future generations," and "..,providing a decent home and satisfying living environment for every Californian." (California Government Code §21000) Under CEQA, a local agency must consider reasonably foreseeable "… environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly."[2]

Traditionally, health and human impact assessment within environmental review has focused on hazardous environmental agents such as air pollutants. While such impacts are important, the relationships between the physical environment and human health include many other neglected dimensions.

Unmet housing needs in San Francisco result in particularly significant public health costs. Inadequate or unaffordable housing forces San Francisco residents into crowded or substandard conditions; requires them to compromise access to jobs and services, and quality education; and requires them to work multiple jobs to make ends meet. The Department of Public Health witnesses these effects when we care for the homeless, in the course of our enforcement of environmental health and housing standards, and through our efforts to improve the housing of those with environmentally related illnesses such as asthma.

Unmet housing needs also have indirect environmental and economic consequences. High housing costs are disincentives for business development or expansion which also means reduced economic opportunities for residents. High cost housing in regional job centers such as San Francisco is one factor that drives development of lower cost housing on the urban fringe, contributing to traffic congestion and air pollution, as well as the loss of regional farmland and open space.[3]

As one strategy to ensure adequate affordable housing in San Francisco, the San Francisco Department of Health, in partnership with the City's Department of Planning, has researched how environmental impact analysis might more

[1] CEQA, similar to NEPA, predated the more proscriptive environmental regulatory approaches such as the Clean Water Act aiming instead to ensure transparency and accountability in decision making. CEQA requires public agencies to produce an Environmental Impact Report (EIR) prior to making public decision that may have significant adverse environmental effects. (California Public Resources Code, Environmental Protection, §21000) An EIR must analysis on all potentially significant adverse environmental impacts, feasible alternatives, and steps to avoid or limit impacts. If an EIR concludes that a project would have significant impacts, the agency can not approve it until it either they determine that mitigation or alternatives are infeasible or that the project's benefits outweigh the adverse impacts.

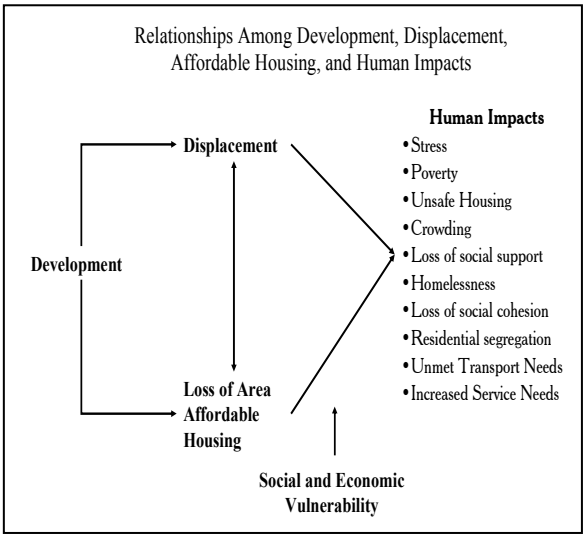
[2] CEQA Guidelines. Title 14. California Code of Regulations. (Accessed at http://ceres.ca.gov/topic/env_law/ceqa/guidelines/)

[3] http://www.brookings.edu/views/speeches/downs/20030529_downs.htm

comprehensively account for impacts on affordable housing and residential displacement.

CEQA guidelines allow cities to determine their own impacts of concern, screening criteria, assessment and evaluative methodologies, and preferred mitigation measures. In addition, though the guidelines provide a list of potential adverse impacts on the environment they do not provide a way of judging whether the effects are significant in a particular set of circumstances. One way for local jurisdictions and public agencies to ensure consistent and objective determinations in their environmental review is to adopt a 'threshold of significance.'[4]

CEQA authorizes local governments to adopt by "…ordinance, resolution, rule, or regulation" locally specific "objectives, criteria, and procedures for the evaluation of projects." (California Government Code §21082). These 'thresholds of significance' are qualitative or quantitative standards that provide local agencies a way to differentiate whether a particular environmental effect is significant. Thresholds may be based on health based standards, service capacity standards, ecological tolerance standards, policies and goals within the city's general plan, or any other standard based on environmental quality. Ideally, threshold development should involve public participation and the documentation of a threshold should include (1) a definition for the effect (2) the reasons the effect is significant (3) the criteria at which effect becomes significant (4) references and sources (5) potential mitigation measures if available.



Methods to consider impacts on housing affordability and residential displacement exist; however, these methods have not been applied to impact assessment practice in San Francisco. In California, several local jurisdictions (Los Angeles, Santa Barbara, and LakeTahoe) have adopted comprehensive, environmental review guidelines which include thresholds of significance for housing impacts. San Francisco adopted level of service standards (LOS) for the evaluation of impacts on automobile and transit in 2002 but does not have consistent evaluative criteria for several other important environmental effects included effects on housing.

This technical report outlines several ways that impacts on housing affordability and residential displacement can be included in the process of environmental review. It also provides the groundwork for developing local significance thresholds criteria for housing impacts. We have organized this document into three sections: (1) Social and health consequences of housing affordability and residential displacement; (2)

[4] Thresholds of Significance: Criteria for Defining Environmental Significance. CEQA Technical Advice Series Govenor's Office of Planning and Research 1994 Accessed May 24th 2004 at: http://ceres.ca.gov/topic/env_law/ceqa/more/tas/threshld.pdf

Interpretation of CEQA policy and guidelines with regards to the analysis of social, health, and environmental justice impacts; (3) Public agency guidelines for affordable housing and displacement impact assessment.

The first section provides a scan of the public health and social science research that relates affordability and displacement to adverse human outcomes. We organized this section using a public health framework that relates project development to residential displacement and housing affordability and these effects to indirect adverse human impacts. (The framework used in this report is illustrated in the figure above.) The second section considers the impacts on affordability and displacement as indirect social impacts, as indirect human health impacts, as environmental justice impacts, and as impacts that affect long term environmental policy goals. The third section provides a scan of impact assessment methods and practice applicable to housing impacts analysis bringing together a number of federal, state, and local tools and guidelines.

SECTION I. SOCIAL AND HEALTH CONSEQUENCES OF HOUSING AFFORDABILITY AND RESIDENTIAL DISPLACEMENT

The pathways between affordable housing, residential displacement, and human health and well being are numerous and complex. The impacts of any particular project or program that affects housing affordability or displaces residents depend on both contextual and individual factors including the availability of affordable housing units, the extent of relocation assistance provided, the income and savings of displaced residents, and the availability of social support networks.

This section provides a summary of available evidence on the adverse human consequences of housing affordability and residential displacement. Sources include case studies, interviews, and studies on homelessness, and public health and social science research.

Unmet Needs for Affordable Housing in California and San Francisco

According to *Slum Housing in LA*, a recent publication by UCLA's Advanced Policy Institute, the Federal goal of "securing the health and living standards of its people…" has only been met for upper and moderate income groups, while communities that are poor in both rural and inner city areas lack adequate housing. [5] Three in ten US households have housing affordability problems.

The affordable housing crisis is particularly acute in California. In San Francisco, only 7.3% of households currently earn enough to afford the median sale price of housing.[6] In addition, the fair market rent for a two-bedroom apartment is $1,904 which is affordable only to those who make 90% of the average family's median income of $86,100.[7] Exacerbating this situation, the gap between the minimum wage and the minimum hourly wage required to afford adequate housing has increased. Currently, over 35,000 low income renters pay more than 50% of their income in rent. Even individuals earning modest wages, such as, public service employees and those in the construction trades simply cannot afford to live where they work.[8]

A related factor, affecting low income renters, is the unmet demand for subsidized housing programs. In California, over two-thirds of qualifying low income households remains on waiting lists for housing assistance.[9] The state has 186,000 rental units housing 450,000 low income people which benefited from public finance. About 70% of this stock, over 120,000 units, represents housing in the HUD Section 8 program for which rent subsidy contracts are expiring. The conversion of subsidized housing will further aggravate unmet demand for low income housing.

[5] Richman N, Pitkin B. Understanding Slum: The Case of Los Angeles, USA. 2003 UCLA Advanced Policy Institute. Los Angeles, CA.

[6] San Francisco Planning Department. Update of the Housing Element of the General Plan. (Accessed at: http://www.ci.sf.ca.us/planning/citywide/c1_housing_element.htm)

[7] National Low Income Housing Coalition Out of Reach 2003: America's Housing Wage Climbs. (Accessed at: http://www.nlihc.org/oor2003/)

[8] Governor' Environmental Goals and Policy Report. Office of Planning and Research 2003

[9] Forbes, Elaine. 2000

While the population of San Francisco is growing, San Francisco is not currently meeting the housing production goals of moderate income, low income and very low income communities. The Mayor's Office of Housing estimates that the City needs to build 19,000 units of affordable housing between 2001 and 2005 to meet its needs. Furthermore, according to the Housing Element of the General Plan, the strongest job growth is expected in the service and retail sectors; however, much of that growth is represented by low and medium wage jobs including cashiers, waiters and cooks, sales people and clerks, and painters, carpenters and electricians.

The Relationship between Displacement and Affordable Housing

Residential displacement has become a critical issue in California where housing shortage disproportionately affects low income and minority populations. Displacement can occur in the context of demolition or redevelopment of residential property or the conversion of rental units to ownership housing. Displacement also occurs in the context of gentrification when neighborhoods change in a way that inflates rents. Structural forces that contribute to displacement of individuals and families and unsatisfactory relocation in San Francisco include the relatively high cost of housing relative to incomes, the large unmet need for housing particularly at lower income levels, and the high cost of land and housing. Given that San Francisco is a setting with a limited supply of affordable housing, residents displaced through eviction or redevelopment are unlikely to be successfully relocated into adequate and affordable housing replacement housing.

Human Health Impacts of Inadequate Housing

Residential displacement or the permanent loss of area affordable housing can be expected to lead to diverse health effects. Both displaced residents and those entering the housing market may have to pay more for housing.[10] Some may accept affordable but inadequate, substandard, or poorer quality housing. Some may move out of the city or region while others may move into a temporary living situation with a friend or family member. Finally, some may become homeless. Low income individuals and families are more susceptible to adverse consequences after displacement as they have limited options for relocation.

Stress Displacement may increase levels of psychological and physiological stress, for example, by creating a new economic strain among low income individuals. If residents are displaced away from jobs or schools, longer commutes may be a further source of stress and reduce time for leisure or family activities. For children, frequent family relocation leads to children's grade repetitions, school suspensions, and emotional and behavioral problems.[11] Living in resource poor neighborhoods, frequent school changes, and substandard housing all contribute to poor child development and school

[10] Hartman, Chester. Comment on "Neighborhood revitalization and displacement: A review of the evidence. Journal of the American Planning Association. 1979;45:488-491.

[11] Cooper, Merrill. Housing Affordability: A Children's Issue. Canadian Policy Research Networks Discussion Paper. Ottawa. 2001

performance.[12]

A number of scientific studies have demonstrated health consequences of psychosocial stress. For example, a randomized study of healthy human volunteers demonstrated that chronic stress doubled the rate at which inoculation with a common cold virus led to a clinical infection. [13] Other studies have linked the experience of stress with chronic diseases including heart disease, hypertension, and diabetes.[14] Among pregnant women, stress has also been associated with a greater likelihood for pre-term delivery and low birth weight birth – both factors that potentially lead to developmental delays and increased infant morbidity and mortality.

Poverty There is little doubt that poverty leads to poor health. Numerous research studies in diverse countries show that poverty contributes to a poorer subjective sense of health, higher mortality, less emotional stability, worse chronic conditions, and poorer physical functioning.[15]

Unaffordable housing is both a dimension of poverty and a contributor to poverty. Households with incomes several times the full-time minimum wage can pay more than half of their incomes for housing.[16] When housing is unaffordable, people often sacrifice other material needs including food, clothing, and health care services. Nationally, those with incomes in the bottom fifth of the income distribution and paying 50% of their incomes for housing have an average of $417 to cover all non-housing monthly expenses.[17] Lack of affordable housing has also been linked to inadequate nutrition, especially among children. A recent survey of American cities found that low paying jobs and high housing costs are the most frequently cited reasons for hunger.[18] Children from low-income families receiving housing subsidies showed increased growth compared with children whose families were on a subsidy waiting list, an observation consistent with the idea that subsidies provide a protective effect against childhood malnutrition.

Unaffordable housing may add to psychosocial stress. People required to work extra hours or at multiple jobs may sacrifice personal leisure family relationships. Time pressured parents may choose either more punitive or low-effort strategies to resolve conflict with children.[19] Studies have shown that economic strains such as being unable to pay the bills cause depression in mothers and harsh parenting styles. Displacement and relocation may also result in job loss with potential further aggravation of

[12] Ross, DP & Roberts, P. Income and child well being: A new perspective on the policy debate. Canadian Council for Social Development. Ottawa. 1999.
[13] Cohen, Sheldon et al. Types of Stressor that increase susceptibility to the common cold in Healthy Adults. Health Psychology. 1998; 17(3):214-223.
[14] McEwen, Bruce E. Protective and damaging effects of stress mediators. New England Journal of Medicine. 1998; 338(3): 171-179.
[15] Phipps, Shelly. The Impact of Poverty on Health: A Scan of the Research Literature. Ottawa. Canadian Institute for Health Information 2003.
[16] The State of the Nation's Housing. Joint Center for Housing Studies of Harvard University. 2003.
[17]
[18] Sandel, M, Sharfstein, J, Shaw, R. There's no place like home: How America's Housing Crisis Threatens our Children. Housing America. San Francisco. 1999.
[19] Dunn, James R. A population health approach to housing: A framework for research. Report prepared for the National Housing research Committee and the Canada Mortgage and Housing Committee. University of Calgary. 2002.

economic strain and psychosocial stress.

Overcrowding Statewide, 24% of renter households are overcrowded while in San Francisco over 30% of renter households are characterized as overcrowded.[20] [21] Families frequently double up as a way to cope with the lack of affordable housing. Similarly, displaced residents find temporary lodging with families or friends. Overcrowding results in respiratory infections in adults and ear infection in children.[22] Overcrowding also means the lack of quiet space for children to do homework, negatively impacting their development, education, and future life opportunities.[23]

Housing Safety Over half of the San Francisco's housing was built over 50 years ago and requires significant rehabilitation to maintain habitability; 94% of the housing stock was built before 1978. Most of the city's pre-1950 dilapidated housing stock is located in low-income neighborhoods. A number of environmental conditions in older and poorly maintained housing affect health. Inadequate heating can lead to overexposure to cold. Poorly maintained paint leads to lead poisoning. Other unsafe conditions include exposed heating sources, unprotected windows and slippery surfaces that increase risks for injuries. Older units and low-income units tend also to have a greater likelihood of deferred maintenance.

Indoor Air Quality Irritants and allergens present in one's home environments contribute to asthma. Some of the most important allergens implicated in the development and recurrence of asthma include house dust mites, cockroach antigens, cat dander, mold spores, and pollens.[24] Old carpeting serves as a reservoir for dust, allergens and chemicals. Kitchens and baths, particularly in older housing stock, often lack adequate ventilation increasing problems associated with moisture and mold.

Since 1999, SFDPH has conducted several hundred assessments for asthmatic children and adults and identified through evaluation research the role of housing affordability as a barrier to reducing asthma triggers in the home. While SFDPH enforces laws to ensure the safety and habitability of housing, inspectors have found many instances where substandard and unhealthy conditions exist yet tenants are reluctant to initiate enforcement actions. Commonly, tenants are fearful of landlord reprisal or eviction in an unaffordable housing market.

Social Support If displaced residents are forced to relocate outside of their neighborhood, valuable supportive family and community relationships can be lost both for those leaving and well as for those remaining behind. Strong social relationships and community cohesion are protective of health in multiple ways. Neighbors, friends, and family provide material as well as emotional support. Support, perceived or provided, can buffer stressful

[20] Govenor's Environmental Goals and Policy Report. Op Cit.
[21] Based on San Francisco data from the 1999 American Housing Survey. (Accessed at: http://www.census.gov/hhes/www/ahs.html)
[22] Krieger, J & Higgens, DL. Housing and Health: Time again for Public Health Action. American Journal of Public Health. 2002; 92: 758-768.
[23] Cooper, M. op cit.
[24] Institute of Medicine. Clearing the Air: Asthma and Indoor Air Exposures. National Academy Press. Washington D.C. 2000.

situations, prevents damaging feelings of isolation, and contributes to a sense of self-esteem and value.[25] The magnitude of the effect of social support on health is substantial and has been illustrated by several prospective long term studies in the United States. For example, in the Alameda County Study, those with fewer social contacts (e.g. marriage, family, friends, and group membership) had twice the risk of early death, even accounting for income, race, smoking, obesity, and exercise.[26]

Homelessness One of the most severe consequences of both unaffordable housing and displacement is homelessness. Hunger and homelessness are on the rise in major American cities, according to a 2003 survey by the U.S. Conference of Mayors.[27] Requests for emergency shelter assistance increased by an average of 13 percent in the 25 large cities surveyed. Twenty-three participating cities reported that lack of affordable housing was the leading cause of homelessness.

Over 350,000 Californians are estimated to be homeless.[28] A particularly disturbing trend is the rise of family homelessness. It is estimated that between 80,000 and 95,000 homeless children exist in California.[29] The USCM survey documents that Eighty-four percent of the cities have turned away homeless families from emergency shelters due to lack of resources.

Homelessness contributes to a number of other well described physical, behavioral and mental health problems in adults and children. Lack of housing and the overcrowding found in temporary housing for the homeless have been found to contribute to morbidity from respiratory infections and activation of tuberculosis. Substandard housing, such as that used by the homeless population, often lack safe drinking water and hot water for washing; often have ineffective waste disposal, intrusion by disease vectors (e.g., insects and rats); and often have inadequate food storage, all of which have long been identified as contributing to the spread of infectious diseases. [30] A 1994 study of children living in homeless shelters in the Los Angeles area found that the vast majority (78%) of homeless children interviewed suffered from depression, a behavioral problem, or severe academic delay.[31] Among sheltered homeless men and women, age adjusted death rates are several fold higher than in the general population.[32]

Homelessness is strongly linked to hunger. Temporary housing for homeless children often lacks cooking facilities.[33] In the 2003 US

[25] Cohen, S, Underwood, LG, Gottlieb, BH. Social Support Measurement and Intervention. Oxford University Press. New York. 2000.
[26] Berkman LF, Syme SL Social networks, host resistance, and mortality: a nine-year follow-up study of Alameda County residents. American Journal of Epidemiology. 1979; 109(2):186-204.
[27] The United States Conference of Mayors Hunger and Homelessness Study December 2003.
[28] Governor's Environmental Goals and Policy Report. Op Cit.
[29] Governor's Environmental Goals and Policy Report Op Cit.
[30] US Conference of Mayors
[31] Zima BT, Wells KB, Freeman HE. Emotional and behavioral problems and severe academic delays among sheltered homeless children in Los Angeles County. American Journal of Public Health. February 1994 Vol 84: 260-264
[32] Barrow, SM, Herman, DB, Cordova P, Stuening, EL. Mortality among Homeless Shelter Residents in New York City. American Journal of Public Health. 1999; 89: 529-534.
[33] Krieger J, Higgins DL. Housing and Health: Time Again for Public Health Action. American Journal of Public Health. May 2002, Vol 92, No. 5: 758-768

Conference of Mayors' (USCM) survey, requests for emergency food assistance increased by an average of 17 percent over the past year. The USCM survey finds that 59 percent of individuals requesting emergency food assistance were members of families with children and their parents, and that 39 percent of the adults requesting such assistance were employed. Eighty-seven percent of the cities surveyed expect that requests for emergency food assistance will increase again over the next year. Ninety-one percent of cities participating in the survey expect that requests for emergency food assistance by families with children will increase next year. Eighty-eight percent expect that requests for emergency shelter will increase next year, and 80% expect requests for shelter by homeless families will increase in 2004.

Social Cohesion One of the most significant effects of eviction and displacement may be the erosion of social capital and social cohesion which are social indicators strongly associated with health, education, and neighborhood safety.[34]

The New York Times recently profiled a community, Franklin Square, as one of the few places in the NY area where housing affordability is promoted resulting in the integration of generations residing side-by-side. In addition to the richness of sharing experiences across generations, the Franklin Square community benefits from long-term residents who invest in maintaining the built environment, invest in the community, and contribute to community cohesion and youth development:

> "'[Franklin Square] It's just a wonderful, very stable community,' said Julie Soffientini, an assistant school superintendent who moved in 30 years ago and raised two daughters with her husband, Raymond. She said she appreciated the clean streets, well-kept properties and convenient local shopping."
>
> "Pupils begin at the Franklin Square Union Free School District, an elementary district with an enrollment of 1,975 in three schools, all for kindergarten through Grade 6. Statistics released by the state Department of Education in October showed that 99.3 percent of fourth grade students in the district met or exceeded state standards in math. Elementary school students in the Franklin Square district consistently score above state averages on other standardized tests."

The example provided above illustrates the positive impacts on society by long-term resident investment: cleaner streets, resulting in reduced cost of City-subsidized loitering cleaning; higher school performance, particularly among the younger aged-group, which results in higher school completion.

In contrast, the erosion of neighborhoods as a result of forced displacement results in the reduction of long-term residents who are most likely to invest in their communities. In areas where residents feel less invested because of the continual threat of displacement, one can find depilated environmental conditions, such as broken windows on buildings, loitering and illegal disposing of hazardous substances. Furthermore, neighborhoods where residents have little incentive to invest are shown to have higher high school drop out rates, as well as crime rates.

[34] Putnam, Robert. Social Capital: Measurement and Consequences. ISUMA. 2001(Spring): 41-51.

Segregation The loss of affordable housing and displacement may also lead to residential segregation and 'ghettoization'. Displacement may contribute to residential segregation (by ethnicity, income, or class) if available housing for displaced residents is not available in integrated neighborhoods. A study that examined expiring HUD Section 8 agreements with private owners in California, found that, on average, families relocated to relatively more racially-segregated communities.[35]

Racially segregated neighborhoods tend to have less neighborhood amenities such as schools, libraries and public transportation due to economic, political and linguistic isolation, and racism. Research has documented the health impacts of residential segregation. Many studies have shown, for example a strong association between segregation and homicide rates. Besides an excess in mortality, studies have also demonstrated a relationship between residential segregation and negative health outcomes including teenage childbearing, tuberculosis, cardiovascular disease, availability of food establishments serving healthy fare and exposure to toxic air pollutants.[36]

Strong evidence for the effects of segregated environments comes from the HUD Moving to Opportunity demonstration program. This program, implemented in five US cities, evaluated the health and social effects of relocating households from public or subsidized housing in high poverty neighborhoods to private rental housing in non-poverty neighborhoods. The program design involved a random assignment of families to an experimental group (vouchers for housing in low poverty neighborhoods and relocation assistance) a section 8 group (geographically unrestricted vouchers), and a control group and longitudinal follow-up of families over 10 years. The executive summary of the interim evaluation (midpoint of follow up) testify to the social value of non-poverty area residence. [37]

> From the families' perspectives, the principal benefit of the move was a substantial improvement in housing and neighborhood conditions. Families who moved with program vouchers largely achieved the single objective that loomed largest for them at baseline: living in a home and neighborhood where they and their children could feel and be safe from crime and violence. On a list of observable characteristics, their homes and neighborhoods were substantially more desirable than those where control group members lived. These benefits accrued to families in both the experimental group and the Section 8 group, although the improvements tended to be roughly twice as large for experimental group families, who were required to move to low-poverty areas, at least initially.
>
> Perhaps not surprisingly, these improvements in living environment led to significant gains in

[35] Forbes E. Eroding Neighborhood Integration: The Impact of California's Expiring Section 8 Rent Subsidy Contracts on Low-Income Family Housing. 2000 The Ralph and Goldy Lewis Center for Regional Policy Studies. UCLA, School of Public Policy and Social Research. Los Angeles, California

[36] Acevedo-Garcia D, Lochner KA, Osypuk TL, Subramanian SV. Future Directions in Residential Segregation and Health Research: A Multilevel Approach. American Journal of Public Health. 2003; 93:215-221

[37] U.S. Department of Housing and Urban Development Moving to Opportunity for Fair Housing Demonstration Program: Interim Impacts Evaluation. 2003 (accessed at www.huduser.org)

mental health among adults in the experimental group. The levels of psychological distress and depression were substantially reduced in this group. In addition, adults in both the experimental and Section 8 groups experienced substantial reductions in obesity for reasons we do not yet understand. Among the children in these families, girls appear to have benefited from the move in several ways. They experienced improved psychological well-being, reporting lower rates of psychological distress, depression, and generalized anxiety disorder, and improved perceptions of their likelihood of going to college and getting a well paid, stable job as an adult. These girls' behaviors changed as well, with a smaller proportion working instead of attending school. They were less likely to engage in risky behavior or to use marijuana. Finally, both these girls and society as a whole benefited from a reduced number of arrests for violent crimes.

Increased Transportation System Demands Displaced residents may find that affordable and adequate replacement housing only exists far from their current neighborhoods, potentially, meaning that they will live far from jobs and schools. Relocation may thus create a new demand for public transportation services or alternatively new demands for automobile purchase and use. Studies on the effects of urban sprawl have found that low income families, children and the elderly are disproportionately affected by the longer distances needed to travel as a result of relocation to the outskirts of a city or a region. The working poor rely on both urban public transit systems to hold steady jobs and access health care, child care and other critical social services. Former welfare recipients are particularly dependent upon the provision of reliable and convenient transportation services.

Increased Demands for Social Services For a project that results in significant displacement or relocation to non comparable housing, the magnitude of human health and social impacts may be severe. This may result in the need to fund and develop new social services to address the human impacts. For example, displacement may potentially result in new demand for safety net services for health and welfare, for mental health services, and for special educational services for children. In San Francisco, services for homeless adults and children cost the City millions of dollars and over the past several years demand for services has greatly exceeded capacity. The demand for such services is indirectly related to the magnitude of the adverse displacement outcomes.

Displacement in California and San Francisco

During the period from March 2002 through February 2003, a total of 1,643 various eviction notices were filed with the department. This figure includes 93 notices given due to failure to pay rent, which are not required to be filed with the department. The number of notices filed with the department for this period represents a 22% decrease over the prior year's filings (2,101).

The largest declines were in owner occupancy evictions, 516, or a 29% decrease, nuisance declined by 10% to 251 and eviction notices for breach declined by nearly 40% to 231. The only increases were in temporary capital improvement evictions which increased from 44

to 68, or a 26% increase and Ellis Act evictions, from 148 buildings to 187 for a 26% increase for the period. In San Francisco, the Ellis Act, a state law which says that landlords have the unconditional right to "go out of business" is used by property owners to 'change the use' of the building (condominium conversions) resulting in evictions.

Reasons for Just-Cause Evictions 2001/02 and 2002/03[38]

Just Cause	2001/02	2002/03
Owner-Occupied	726	516
Demolish/remove unit	113	67
Capital improvement (temporary)	44	68
Ellis eviction	148	187

While the issues of affordable housing, displacement, and gentrification are high on the public agenda, limited recent research has tracked the direct consequences of displacement on people. A 1999-2000 analysis of Ellis evictions in San Francisco conducted by the San Francisco Tenants' Union reveals that:

- Seniors, people with disabilities and children are most likely to become victims of the Ellis Act, comprising 51% of all Ellis Act evictions since 1999.

- Those most apt to be evicted are renters with long-term tenancies and affordable rents. Those evicted under Ellis had an average tenancy of over 11 years and were paying an average rent of $1,024 for a 2 bedroom apartment.

- Further, the Ellis Act is resulting in the loss of thousands of affordable units. For every new affordable unit that is built, 5 affordable units are lost.

Accounts from local housing advocacy organizations reveal some consequences of forced eviction among low-income families and the elderly. St. Peter's Housing, a Mission district-based non-profit organization serving low income families around housing issues and landlord/tenant problems, for example, report that a significant proportion of the families they serve are forced to separate to obtain temporary shelter, while other families resort to overcrowding in illegal units and yet other families are forced to leave their neighborhoods and the City in order to secure an affordable place to live.

St. Peter estimates that at least 20% of their clients have one or more family member aged 60 years or older. According to St. Peter's Housing, elderly residents and families are more frequently displaced, experience particularly high levels discrimination in securing housing, and are most vulnerable for separation as a result of eviction. The following case history illustrates the complexity of housing issues confronted by families with elderly members:

> An elderly couple was forced to separate (from their daughter and grandchildren) and to resort to live in an illegal in-law unit. The unit was so poorly maintained that the stairs leading to the entrance of the unit collapsed resulting in the broken hip of the elderly woman. The elderly woman reported the incidence to St. Peter's for advice. St. Peter reported this case the

[38] Rent Stabilization and Arbitration Board, April 28, 2003

> Department of Building Inspections (DBI) whose inspector cited the owner for the illegal unit, and forced the owner to shut down the illegal unit. DBI's inspection is in itself intended to protect families from living in substandard conditions and yet, in this particularly case, served to aggravate the elderly couple living situation. The elderly couple was not only forced to separate from their family, but were now suffering from the injured hip and its incurred health care cost, and as a result of the inspection was now faced with displacement. [Personal communication, St. Peter's Housing, December 2003]

The effects of displacement as a result of the lack of affordable housing among the senior population are heightened among its Gay and Lesbian subgroups. Recent, cross-sectional evidence of GLBT elderly living in the greater Los Angeles Area shows that:

- Same-sex partners cannot share a room in most care facilities, forcing many GLBT older adults retreat back into the closet, in order to secure housing at nursing homes.
- Same-sex partners cannot receive Social Security survivor benefits.
- GLBT older adults do not have the same family support systems as their heterosexual counterparts.
- There are many government programs that target the elderly, but none are geared towards GLBT older adults.[39]

[39] Gay and Lesbian Elder Housing of Los Angeles Website: http://www.glehc.org/facts.htm, accessed on December 3, 2003

SECTION II SOCIAL, HEALTH, AND ENVIRONMENTAL JUSTICE IMPACTS IN CEQA POLICY

As discussed in the section above, the lack of housing affordability in California and its human impacts suggests that environmental impact assessment (EIA) should consider how a development project might impact housing affordability or displaced residents. Four ways in which these issues fit into the framework of the California Environmental Quality Act (CEQA) include:

- As potential indirect social and economic impacts on population and housing;
- As indirect health impacts of physical or social impacts;
- As environmental justice impacts;
- As impacts requiring evaluation for consistency with city, regional and state housing and environmental policy goals.

Adverse Social and Economic Effects of Impacts on Population and Housing

CEQA considers the loss of housing requiring construction of new housing and the displacement of people as potential adverse environmental impacts requiring analysis in the environmental checklist provided in CEQA Guidelines. The checklists screening questions include:

- Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?
- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
- Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

However, impacts on population and housing may have particular adverse effects on parts of the population. For example, if a project replaces low income housing with market rate housing, this may disproportionately and adversely impact those with lower income. This type of impact may be considered an adverse social impact. Under CEQA, adverse social and economic impacts may be analyzed in determining the significance of physical environmental changes. Title 14, section 15064, subsection (e) of the California Administrative Code provides the following guidance:

> Economic and social changes resulting from a project shall not be treated as significant effects on the environment. *Economic or social changes may be used, however, to determine that a physical change shall be regarded as a significant effect on the environment.* Where a physical change is caused by economic or social effects of a project, the physical change may be regarded as a significant effect in the same manner as any other physical change resulting from the project. Alternatively, economic and social effects of a physical change may be used to determine that the physical change is a significant effect on the environment. *If the physical change causes adverse economic or social effects on people, those adverse effects may be used as a factor in determining whether the physical change is significant.* [Emphasis added]

For example, if a project would cause overcrowding of a public facility and the overcrowding causes an

> adverse effect on people, the overcrowding would be regarded as a significant effect.

Despite the guidance above, the inclusion of social and economic impacts under CEQA is controversial. Many interpret the language in section 15064, subsection (e) to mean that the analysis of indirect adverse social and economic effects may be considered in an EIR but are not, strictly speaking, required.[40] According to the California Department of Transportation: "Many people in California, including some decision-makers, harbor the general belief that CEQA addresses only purely "environmental" issues, not social, demographic, or economic issues often raised by proposed projects. This is erroneous. The assumption however is understandable due to the complex linkage that must be demonstrated between the physical, social, and economic environment, and the determination of 'Significance'."[41]

Some case law has directly addressed this issue. In Citizen's Association for Sensible Development of Bishop Area v. County of Inyo,[42] the courts reconciled the ambiguity of section 15064, subsection (e) with subsections (d) and (f) which discussed evaluation of secondary or indirect consequences of a project. In the Bishop case, the Court ruled that subsection (f) gave the lead agency discretion to determine whether the consequences of social and economic changes were significant but did not give it discretion not to consider these consequences at all. In their ruling, the Court interpreted section 15064 as follows: "the lead agency shall consider the secondary or indirect environmental consequences of economic and social changes, but may find them to be insignificant."

Indirect Health Impacts

Environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly are considered mandatory findings of significance in accordance with CEQA Guidelines Section 15065.

> A lead agency shall find that a project may have a significant effect on the environment and thereby require an EIR to be prepared for the project where any of the following conditions occur: (d) The environmental effects of a project will cause substantial adverse effects on human beings, either directly or indirectly.

As discussed in the evidence provided above, housing affordability and displacement affect health in numerous ways. Projects that have area or regional affects on the availability of affordable housing may be considered to have potential indirect adverse health consequences. Since displaced residents may not be relocated in adequate housing, the potential indirect health impacts of displacement also warrant consideration.

Environmental Justice Impacts

Environmental justice is rooted in the Equal Protection Clause of the U.S. Constitution and can be advanced using National Environmental

[40] Bass, RE., Herson, AI, Bogdan, KM. CEQA Deskbook A step-by-step guide on how to comply with the California Environmental Quality Act. Solano Press. Point Arena, 2001.
[41] Guidelines for Community Impact Assessment. California Department of Transportation. 1997
[42] Citizen's Association for Sensible Development v. County of Inyo, 172Cal.App.3d 151 (1985)

Policy Act (NEPA) as well as the Civil Rights Act of 1964. Environmental Justice provides another rationale for considering the effects on affordable housing or the displacement of low income residents under CEQA. California Law defines Environmental Justice as "… the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies."[43]

While environmental justice analysis and efforts in California have historically emphasized disproportionate health effects of toxic physical environmental agents, the concept of environmental justice is broader than the physical environment and human health. As stated in the 1997 President's Council of Economic Quality (CEQ) guidance adverse environmental justice effects can be also economic, social, cultural, and ecological impacts directly or indirectly related to physical environmental changes or impacts. 1997 CEQ Guidance states:

> When determining whether environmental effects are disproportionately high and adverse, agencies are to consider the following three factors to the extent practicable:
> (a) Whether there is or will be an impact on the natural or physical environment that significantly (as employed by NEPA) and adversely affects a minority population, low-income population, or Indian tribe. Such effects may include ecological, cultural, human health, economic, or social impacts on minority communities, low-income communities, or Indian tribes when those impacts are interrelated to impacts on the natural or physical environment; and
> (b) Whether environmental effects are significant (as employed by NEPA) and/or may be having an adverse impact on minority populations, low-income populations, or Indian tribes that appreciably exceeds or is likely to appreciably exceed those on the general population or other appropriate comparison group; and
> (c) Whether the environmental effects occur or would occur in a minority population, low-income population, or Indian tribe affected by cumulative or multiple adverse exposures from environmental hazards.

In California, Assembly Bill 1553 requires that the principles of environmental justice be incorporated into state guidelines for local general plans. As discussed below, this broader definition of environmental justice effects is consistent with adverse environmental effects under NEPA and CEQA as well as the 2003 State of California General Plan Guidelines Section on Environmental Justice and Sustainability and the 2003 Governor's Environmental Goals and Policy Report. The 2003 General Plan Guidelines include mixed-income housing development as a component of sustainability and environmental justice. Even from the standpoint of public health, inequitable social and economic effects can be equally if not more important that inequitable environment quality effects. An environmental justice analysis of projects that result in population or housing loss could focus on the potential for disproportionate impacts to low income and minority populations both living in the current units as well as effects on the market for affordable housing in the region.

[43] California Government Code Section 65040.12

Consistency with Local, Regional and State Land Use Policy

CEQA guidelines consider potential significant environmental impacts to include: "Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?" Local policies related to affordable housing can be found in the Housing Element of the General Plan, the HUD Consolidated Plan, and local ordinances related to rent and to eviction prevention.

California State law defines also a jurisdictions fair share housing goals in terms of four categories of affordability through the Regional Housing Needs Determination (RHND) process, devised to address the need for and planning of housing across a range of affordability and in all communities throughout California. Each jurisdiction within the Bay Area (101 cities, 9 counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is specified by the California State Department of Housing and Community Development (HCD) and finalized through negotiations with Association of Bay Area Governments. The timeframe for this RHND process is January 1, 1999, through June 30, 2006, (a seven and a half year planning period). The current RHND requires 5244 units affordable to very low income residents, 2136 units affordable to low income residents, 5639 units affordable to moderate income residents, and 7363 units affordable to above moderate income residents. While San Francisco has met its market rate housing targets in recent years, it has not met moderate income, low income and very low income housing needs.

Total Need	Very Low	Low	Moderate	Above Moderate
20,372	5,244	2,126	5,639	7,363

The 2003 State of California General Plan Guidelines may also be viewed as applicable impacts on affordable housing.[44] The guideline's section on sustainability and environmental justice emphasize the need to carefully match employment potential, housing demand by income level and type, and new housing production.

The importance of ensuring adequate and affordable housing for every sector of the population to long term environmental quality and ecological sustainability is also emphasized in the 2003 Governor's Environmental Goals and Policy Report.[45] These State policies together with the emphasis on long term environmental goals in CEQA guidelines Section 15065 (b) suggests that impacts on housing affordability and adequacy are also potential mandatory findings of significance.

[44] 2003 State of California General Plan Guidelines. Office of Planning and Research. 2003

[45] Governor's Environmental Goals and Policy Report. Office of Planning and Research. 2003 (Accessed at: http://www.opr.ca.gov/EnvGoals/PDFs/EGPR--11-10-03.pdf)

SECTION III IMPACT ASSESSMENT METHODS AND GUIDELINES FOR AFFORDABLE HOUSING AND DISPLACEMENT

A number of federal, state and local agencies consider displacement of low-income populations and loss affordable housing as potentially adverse impacts in the context of Environmental Impact Assessment. Examples of methods and guidelines are provided below:

Social Impact Assessment (SIA) The practice of SIA dates back to the construction of the trans-Alaska pipeline. At the time, critics argued that the Environmental Impact Statement (EIS) produced for that project failed to address potential social effects such as the influx of tens of thousands of non-native construction workers on the culture of the Inuit. In 1994, the U.S. Federal Government published a set of guidelines for SIA to support social assessment under NEPA.[46] Social impacts are defined as "…the consequences to human populations of any public or private actions-that alter the ways in which people live, work, play, relate to one another, organize to meet their needs and generally cope as members of society. The term also includes cultural impacts involving changes to the norms, values, and beliefs that guide and rationalize their cognition of themselves and their society." The guidelines categorized social impact variables as follows:

1. Population Characteristics mean present population and expected change, ethnic and racial diversity, and influxes and outflows of temporary residents as well as the arrival of seasonal or leisure residents.

2. Community and Institutional Structures mean the size, structure, and level of organization of local government including linkages to the larger political systems. They also include historical and present patterns of employment and industrial diversification, the size and level of activity of voluntary associations, religious organizations and interests groups, and finally, how these institutions relate to each other.

3. Political and Social Resources refer to the distribution of power authority, the interested and affected publics, and the leadership capability and capacity within the community or region.

4. Individual and Family Changes refer to factors which influence the daily life of the individuals and families, including attitudes, perceptions, family characteristics and friendship networks. These changes range from attitudes toward the policy to an alteration in family and friendship networks to perceptions of risk, health, and safety.

5. Community Resources: Resources include patterns of natural resource and land use; the availability of housing and community services to include health, police and fire protection and sanitation facilities. A key to the continuity and survival of human communities are their historical and cultural resources. Under this collection of variables we also consider possible

[46] http://www.nmfs.noaa.gov/sfa/social_impact_guide.htm

changes for indigenous people and religious sub-cultures.

U.S. Department of Transportation Community Impact Assessment Guidance Among transportation agencies, changes in policies have included redefining the definition of "environment" to include "the natural environment, the built environment, the cultural and social fabric of our country and our neighborhoods, and the quality of life of the people who live here,' and considering project mediated effects on community cohesion; public facilities; employment; tax and property values; displacement of people, businesses, and farms; and adverse impacts on community and regional growth.

DOT guidelines for community impact assessment consider a number of social and economic factors.[47] They further recognize that while community impact assessment should not be exhaustive, it should focus on community goals and issues of community concern and controversy. The guidelines identify that displacement can involve, neighborhoods, businesses, and people. (www.ciatrans.net) Recommended analysis of impacts on residential displacement include the number and type (multi-family, single family) of residences displaced and the particular needs of vulnerable groups (disabled, minority, elderly).

Council on Environmental Quality Environmental Justice Guidance The Council on Environmental Quality, the federal agency tasked with oversight of NEPA and government compliance with Executive Order 12898 developed guidance to assist federal agencies with addressing environmental justice concerns in the context of NEPA procedures. This guidance suggests that agencies should 'determine whether minority populations, low-income populations, or Indian tribes are present in the affected area…consider data concerning the potential for multiple or cumulative exposure to human health or environmental hazards…recognize the interrelated cultural, social, occupational, historical, or economic factors that may multiply the natural and physical environmental effects…[and]…should assure meaningful community representation in the process.[48]

California Department of Transportation The California Department of Transportation (CalTrans) reference documents for CEQA provide specific guidance for the evaluation of impacts on population and on housing displacement. The 1997 Guidelines for Community Impact Assessment point out that the disproportionate displacement of vulnerable populations can have significant adverse human impacts:

> Certain population groups such as senior citizens, low income residents and non English speaking people often have strong community ties and depend on primary social relationships and important support networks that can be severed upon relocation. Households with school aged children may consider relocation especially disruptive if school transfers would be involved. Disabled people and those

[47] Federal Highway Administration Community Impact Assessment Website (Accessed at: www.ciatrans.net)

[48] Environmental Justice: Guidance under the National Environmental Policy Act. Council on Environmental Quality. 1997.

without automobile transportation often have special relocation problems.

The guidelines suggest investigating the demographics of the residents to determine if any vulnerable groups (Low income, minority, seniors, disabled, and children) would be impacted. The guidelines suggest evaluating the effects on the stock of affordable housing:

> A loss of a substantial number of houses affordable to people with low and moderate incomes may have an effect on the community stock of affordable housing. This could have the effect of increasing the demand for housing in a given sector of the market, bidding up the cost of that housing if the market supply is constrained and thereby disproportionately affecting certain income groups.

Similarly, the 2003 Desk Guide for Environmental Justice in Transportation Planning and Investments. The environmental justice guidelines categorize social and economic impacts into land use and development, population and housing, and fiscal and economic. These guidelines suggest analysis of population and housing impacts consider a number of variables. These include:

- Property acquisition and displacement
- Access to neighborhoods
- Community Cohesion
- Safety and security
- Visual and aesthetic quality
- Property values and gentrification

A particular concern emphasized by CalTrans is impacts of displacement and relocation on neighborhood or community cohesion. The decision tree for residential displacement includes assessment of the availability of relocation housing in the community where displacement is occurring. Social impacts considerations identified by CalTrans related to cohesion include:

- Is there evidence that community cohesion exists?
- Will the proposed project affect interaction among persons and groups?
- Will the proposed project cause redistribution of the population or an influx or loss of populations?
- Will certain people be separated or set apart from others?

City of Los Angeles Thresholds Guide In its *1998 CEQA Thresholds Guide*, the City of Los Angeles uses the following screening criteria for evaluating significant effects on population and housing displacement.[49]

- *Would the project result in the net loss of any existing housing units affordable to very low income or low income households (as defined by federal and/or City standards), through demolition, conversion, or other means.*

The Los Angeles guidelines evaluate the significance of population and housing impacts by considering the following factors:

- The net change in market rate and affordable units in the project area
- The current and anticipated supply of market rate and affordable units in the project area

[49] http://www.ci.la.ca.us/EAD/EADWeb-AQD/Thresholds_PDF/introceq.pdf

- The demographics of the project area
- The consistency with city and regional housing policies

The guidelines also suggest the following two mitigation measure for displacement of affordable housing:

- Exceed the statutory requirements for relocation assistance
- Increase the number of housing units affordable to lower income households

Tahoe Regional Planning Agency (TRPA) The TRPA Initial Environmental Checklist[50] requires a response to and evidence for the following questions relevant to the displacement of low income residents and the loss of affordable housing:

- Will the proposal include or result in the temporary or permanent displacement of residents?
- Will the proposal decrease the amount of housing in the Tahoe Region historically or currently being rented at rates affordable by lower and very-low-income households?
- Will the proposal result in the loss of housing for lower-income and very-low-income households?

Mitigation of affordable housing loss is required for project approval. According to planners at the TRPA any loss of affordable housing due to redevelopment has to be either rebuilt on site or offsite taking into account similar accessibility to transport resources. A recent example of such mitigation occurred with the proposed development of the 138 unit Round Hill Vacation Resort. The development of the time share condominium involved the removal of the 186 unit Lake Park Apartments. To mitigate displacement, the project included the construction of 67 new apartment units offsite prioritized for displaced tenants, affordable housing restrictions for the new apartments, phased demolition over 24 months with eviction of no more than 8 units per month, and relocation assistance.[51]

County of Santa Barbara Santa Barbara's 1993 Environmental Thresholds and Guideline Manual[52] provide a specific threshold for the loss of affordable housing. The rationale for establishing such a threshold comes from the county's affordable housing policies. The Santa Barbara County Housing Element documents a substantial shortfall in affordable housing opportunities and the preservation of the existing affordable housing stock is a stated goal of the Housing Element. According to the Element, "the loss or demolition of existing affordable units can displace very low to moderate income persons and further restricts the housing market." The threshold for Very Low to Moderate Income Housing Units is as follows:

- *The loss of four or more very low to moderate income housing opportunities through demolition, conversion, or other means represents a significant housing impact. Affordability is determined on the basis of the applicable definitions within the County's Comprehensive Plan and Coastal Plan.*

[50] http://www.trpa.org/Applications/new_applications2003/IECFINAL%20APRIL%202002%20Comp.pdf

[51] Lyn Barnett, Tahoe Regional Planning Association,. Personal Communication. and Balloffet and Associates. Round Hill Vacation Resort / Lake vista Apartments Environmental Assessment.

[52] http://ceres.ca.gov/planning/ceqa/thresholds.html

Mitigations to assist persons residing in those units shall be applied.

Santa Barbara's CEQA guidance also provides the following mitigation measures:

- *Mitigations would include extended length of notice to quit premises, relocation expenses, demolished or converted units through physical on or off-site replacement or by the payment of fees. Onsite replacement of low or moderate income housing is the preferable alternative. If onsite replacement is infeasible, the units shall be replaced offsite. Payment of an in-lieu fee shall occur only if on and off-site replacement are proven to be infeasible. Housing mitigation fees shall be sufficient to provide replacement of the demolished or converted units.*

Appendix I Model Housing Impacts Analysis

Screening Criteria

- Will the project result a decrease in the supply of housing?
- Will the project result in an increase in the demand for housing?
- Will the proposal result in the loss of housing affordability, availability or quality for low income or otherwise sensitive populations?
- Will low income or otherwise sensitive be displaced or relocated?

Setting Variables

- The demographics of the project area and locality
- The current and anticipated supply of housing units in the project area and locality disaggregated by affordability;
- Availability of vacant units in the project area and locality disaggregated by level of affordability;
- The quality (safety, environmental conditions…) of available housing units in the project area and locality (sources: census, local housing complaint data)
- Evidence of social cohesion in project area(e.g. organization, interactions, relationships, and support among residents)
- Access to public services in the project area (transportation, schools, childcare…)
- The number and type of employment opportunities in proximity to the project area

Analysis Variables

- The net change in market rate units historically or currently being rented at rates affordable by lower and very-low-income households in the project area
- The net change in affordable (including section 8, permanently affordable, and rent-controlled) units historically or currently being rented at rates affordable by lower and very-low-income households in the project area
- Existence within the displaced population of a higher than average proportion of ethnic minority, low income, medically vulnerable or health sensitive populations among displaced residents
- The location and comparability of replacement housing for displaced households;
- Effects on support (food, advice, childcare, elder care) provided to and by displaced residents
- Increased dependence on public assistance or public services
- Changes in accessibility to or utilization of public services
- Changes in the number of family or relatives living in close proximity
- Effects on crowding: changes in the number of individuals per room in the project area
- Changes in accessibility to public transportation
- Changes in the need for automobile ownership or use

Significance Criteria

- Net loss of housing supply relative to demand in the area, locality, or region;
- Net loss of affordable housing in the project area or locality;
- Significant reduction in housing quality or safety;
- Significant number of residents relocated to non-comparable housing;
- Any residents made temporarily or permanently homeless;
- Loss of community cohesion in project area;
- Increase of local residential segregation.

Mitigation Measures

- Change land use / zoning controls to enable increased housing density;
- Develop relocation plan consistent with California State Relocation Assistance and Property Acquisition Guidelines;
- Construct of replacement affordable housing onsite or offsite;
- Housing impact fees.

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Housing Instability and Food Insecurity as Barriers to Health Care Among Low-Income Americans

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Abstract

Go to:

Background

Homelessness and hunger are associated with poor health outcomes. Housing instability and food insecurity describe less severe problems securing housing and food.

Objective

To determine the association between housing instability and food insecurity and access to ambulatory health care and rates of acute health care utilization.

Design

Secondary data analysis of the National Survey of American Families.

Participants

16,651 low-income adults.

Measurement

Self-reported measures of past-year access: (1) not having a usual source of care, (2) postponing needed medical care, or (3) postponing medication; and past-year utilization: (1) not having an ambulatory care visit, (2) having emergency department (ED) visits, or (3) inpatient hospitalization.

Results

23.6% of subjects had housing instability and 42.7% had food insecurity. In multivariate logistic regression models, housing instability was independently associated with not having a usual source of care (adjusted odds ratio [AOR] 1.31, 95% confidence interval [CI] 1.08 to 1.59), postponing needed medical care (AOR 1.84, 95% CI 1.46 to 2.31) and postponing medications (AOR 2.16, 95% CI 1.70 to 2.74), increased ED use (AOR: 1.43, 95% CI 1.20 to 1.70), and hospitalizations (AOR 1.30, 95% CI 1.01 to 1.67). Food insecurity was independently associated with postponing needed medical care (AOR 1.74, 95% CI 1.38 to 2.21) and postponing medications (AOR 2.15, 95% CI 1.62 to 2.85), increased ED use (AOR 1.39, 95% CI 1.17 to 1.66), and hospitalizations (AOR 1.42, 95% CI 1.09 to 1.85).

AR000717

Conclusions

Housing instability and food insecurity are associated with poor access to ambulatory care and high rates of acute care. These competing life demands may lead to delays in seeking care and predispose to acute care.

Keywords: homelessness, hunger, access to care, disparities

In the United States, approximately 3 million people experience an episode of homelessness,[1] and approximately 9 million people experience hunger annually.[2] Homelessness is associated with high rates of morbidity[3–5] and mortality.[6–9] Homeless persons face barriers to receiving health care and have higher rates of emergency department (ED) use,[10] inpatient hospitalization,[11,12] and longer hospital stays[13] than low-income housed persons. They are less likely to use ambulatory care and preventive services.[11,14–16]

Persons experiencing hunger generate more costs per diagnostic-related group.[17] Diabetics with hunger have increased hypoglycemic episodes[18] and increased health care utilization.[19] Individuals at risk for homelessness or hunger may prioritize meeting basic needs over seeking health care.[20]

Housing instability and food insecurity represent the less severe and more widespread forms of homelessness and hunger. Housing instability is variably defined as having difficulty paying rent, spending more than 50% of household income on housing,[21] having frequent moves, living in overcrowded conditions, or doubling up with friends and relatives.[16,22,23] There is no standard definition or validated instrument to assess housing instability; there are limited data on its prevalence. Differing forms of housing instability are potential risk factors for homelessness.[24–29]

Annually, 39 million persons experience food insecurity.[2] Food insecurity is defined as having limited or uncertain availability of nutritionally adequate and safe foods or ability to acquire foods in socially acceptable ways.[30] Food insecurity exists upon a continuum, with food insecure in between food secure and hunger.[31] There is a small literature on food insecurity and health. ED patients who reported prioritizing food over medications reported increased visits[32] and children with food insecurity had higher rates of acute care and worse outcomes than food-secure children.[33]

Whereas homelessness and hunger are known to be associated with poor access to health care,[11,20,32] it is not known whether housing instability and food insecurity are. We hypothesize that competing demands to acquire food and shelter in persons with housing instability and food insecurity are associated with decreased access to ambulatory health care and increased use of acute care. We compared barriers to access and use of health care for a household-based nationally representative sample of low-income adults with and without housing instability and food insecurity.

METHODS

Go to:

Subjects and Setting

We conducted a secondary data analysis of factors associated with access to health care and utilization of ambulatory, ED, and inpatient hospital services among low-income adults who participated in the 1999 National Survey of America's Families (NSAF).[34] NSAF, a household survey conducted by the Urban Institute, was designed to provide a nationally representative sample of the civilian, noninstitutionalized U.S. population under the age of 65 years.[35] Interviews were conducted between February and October 1999. The 1999 public use data files provide data on over 100,000 nonelderly persons from over 42,000 households sampled from 13 states.[36] In order to obtain information on the low-income population, researchers oversampled families with incomes less than 200% of the federal poverty level. There were 2 sampling frames: random digit dialing and area sampling to include households without telephones.[35] The study did not include homeless or institutionalized persons. The overall response rate was approximately 70%.[34] There were no differences in response rates between those above and below 200% poverty level.[37]

The institutional review board at University of California, San Francisco approved the study.

We selected study subjects from the 1999 NSAF public use data files. We included all adults aged 18 to 64 with total family incomes less than 200% of the federal poverty level.

MEASURES

Go to:

Primary Independent Variables

Our primary independent variables were housing instability and food insecurity. We defined housing instability as self-reported difficulty in paying rent, mortgage, or utility bills in the past year. Respondents with housing instability were asked whether they had moved in with friends or family because they had no other choice; we considered those who had to be doubled up. For food insecurity, we defined anyone having any positive response to the following 3 questions: in the past year did they, or their family, (1) worry that their food would run out, (2) have the food that they bought not last and not have the money to buy more, and (3) cut the size of meals or skipped meals because there was not enough money for food. Respondents were asked, for the first 2 questions, whether these were often true, sometimes true, or never true, and for the third they were asked the frequency with which they cut meals. These represent 3 questions from the United States Department of Agriculture's 18-item scale to ascertain food insecurity and hunger.[31]

Independent Covariates

Independent covariates were categorized into predisposing, enabling, and need factors after Gelberg and colleagues' behavioral model of health care utilization for vulnerable populations.[38,39] According to the model, predisposing, enabling, and need factors determine patterns of health care utilization. Predisposing variables included housing instability, food insecurity, age, gender, race/ethnicity, marital status, whether or not the subject had children, region of country, immigration status, and education. Enabling factors included income, employment status, receipt of governmental income subsidies, and health insurance. Need factors included current self-reported health status, health status compared with 12 months back, and having a work-limiting health condition. We did not have data on other health indicators or substance use.

We defined race/ethnicity as white non-Latino, black non-Latino, Latino, or other, and marital status as married/partnered or unmarried/unpartnered. We classified respondents as either U.S. or foreign born, and as U.S. citizen or noncitizen. We defined income based on percentage of the federal poverty level for the household: <50%, 50% to <100%, 100% to 150%, or 150% to 200% of federal poverty level. We defined subjects' health insurance status as either full-year private insurance, full-year public insurance, full-year public and private insurance, part-year uninsured, or full-year uninsured.

Dependent Variables

For our dependent variables, we used 3 past-year measures of access to care: (1) not having a usual source of care, (2) postponing needed medical care, and (3) postponing needed medications, and 3 past-year utilization measures: (1) not having ambulatory care use, (2) number of ED visits, and (3) any nonmaternal hospitalizations. We classified respondents as not having a usual source of care if they reported either not having a usual place for health care or that the ED was their usual source of care. We categorized ED use as 0, 1 to 2, or 3 or more ED visits based on the respondent's self-reported number of ED visits for physical health care in the prior year. We dichotomized ambulatory care use (present or absent) based on the respondent's self-reported number of physician or mid-level provider visits for physical health care in the past year, excluding ED or inpatient hospital settings. We dichotomized inpatient hospital use (present or absent) based on the respondent's self-report of any overnight inpatient hospital stay for nonpregnancy-related medical care in the past year.

Statistical Analysis

We excluded respondents with missing data for specific variables from models that relied on those data. In all but the ED model, this resulted from missing data from independent variables and ranged from 0.8% to 1.3% of respondents. For the ED model, 2.7% of respondents were missing data on the outcome; there were a total of 3.3% missing. We used binary logistic regression to test for bivariate associations and to determine adjusted odds ratios (AORs) in multivariate models for all the outcomes except the ED, for which we used ordinal logistic regression. In ordinal logistic regression, each category is compared with the one previous (we compared those with 1 to 2 visits with those with no visits, and those with 3 or more to those with 1 to 2 visits); the AORs hold for each comparison. We constructed stepwise multivariate models. We considered as candidates all variables that were associated with the outcome at $\alpha<0.15$ in the bivariate models. We began constructing each model with housing instability and food insecurity, and then added, singly and in order, the predisposing, enabling, and need factors. We retained the newly added variable if its effect was statistically significant at $\alpha<0.05$. If the new variable rendered statistically insignificant any variable already in the model (except housing instability and food insecurity), we removed the variable rendered insignificant. When no additional candidate variables remained, we retested all variables that were removed in a previous step for addition to the model at $\alpha<0.05$. We reperformed analyses using a 3-level housing variable (stable/unstable /doubled up). We present all candidate variables in Table 1. We present only the AORs for health insurance and the primary independent variables in Tables 2 and 3.

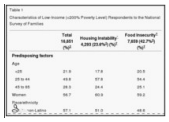

Table 1

Characteristics of Low-Income (<200% Poverty Level) Respondents to the National Survey of Families

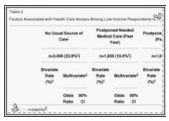

Table 2

Factors Associated with Health Care Access Among Low-Income Respondents to the NSAF

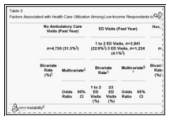

Table 3

Factors Associated with Health Care Utilization Among Low-Income Respondents to the NSAF Continued

We used the random adult weights provided by NSAF to derive nationally representative proportions (for the <200% poverty-level population) and regression analyses estimates. The weights account for the unequal probability of sampling (at both the household and person levels) and include adjustments for nonresponse and undercoverage.[40] We adjusted for clustering of individuals within households. All analyses used the survey data modules of Intercooled STATA 8.0 for Windows software (Stata Corporation, College Station, TX).

RESULTS

Go to:

Predisposing Factors

There were 16,651 subjects. The median age was 37. The majority of respondents were women (56.7%—Table 1). The majority of respondents were white. Approximately two thirds had at least a high school diploma. Slightly more than half were married or partnered, and more than half had children.

Housing Instability and Food Insecurity

One quarter (23.6%) of the respondents noted having had difficulties paying their rent, mortgage, or utilities in the past year, thus meeting our definition for housing instability. Among the subset of respondents who reported housing instability, 11.0% were doubled up.

Almost one half (42.7%) of the respondents fulfilled our criteria for having food insecurity. Over a third (38.0%) noted worrying about whether their food would run out. A third (32.5%) noted that the food that they had had not lasted. A quarter (21.4%) noted skipping meals for lack of money. Among those with housing instability, 76.7% reported food insecurity. Among those with food insecurity, 42.4% reported housing instability (Table 1).

Enabling Factors

Less than one fifth of the respondents reported their household income to be less than 50% of the poverty line; the remainder was evenly divided between 50% to 100%, 100% to 150%, and 150% to 200% of the poverty line. Over half of the respondents reported working for income. Approximately one third of the respondents reported receiving income support.

Over half of the respondents reported being covered by insurance for the full year prior to the survey. Over a quarter reported being uninsured for the full year, and almost 15% reported being uninsured for part of the year (Table 1).

Need Factors

One quarter of the respondents reported fair or poor health, and approximately 10% noted that their health had declined in the prior year. Almost a quarter had a work-limiting health condition (Table 1).

Dependent Variables

A quarter of the respondents (23.9%) fulfilled our criteria for not having a usual source of health care, either by stating that they did not have a usual source of care or that an ED was their usual source; 10.0% of respondents reporting having postponed needed medical care and 9.1% reported having postponed needed medications. Almost a third (31.3%) noted not having had an ambulatory care visit. Over a quarter (27.0%) of respondents had at least 1 ED visit, 22.9% had 1 or 2 visits, and 4.1% had 3 or more visits. 9.8% had a nonpregnancy-related hospitalization (Table 1).

Factors Associated with Access to Care

Housing instability and food insecurity were both associated with our predetermined measures of poor access to health care (Table 2). In multivariate models, housing instability was associated with all 3 measures: not having a usual source of care (AOR 1.31, 95% CI 1.08 to 1.59), postponing needed health care (AOR 1.84, 95% CI 1.46 to 2.31), and postponing needed medications (AOR 2.16, 95% CI 1.70 to 2.74). Food insecurity was associated with both postponing needed health care (AOR 1.74, 95% CI 1.38 to 2.21) and medications (AOR 2.15, 95% CI 1.62 to 2.85) but not with having no usual source of care.

Health Care Utilization

While neither housing instability nor food insecurity were associated with not having had ambulatory care visits in the prior year, both were associated with increasing numbers of ED visits and having had a nonpregnancy-related hospitalization in the prior year (Table 3). In the ED model, using an ordinal logistic model, comparing those with no ED visits to those with 1 to 2 and those with 3 or more ED visits, we found that housing instability (AOR: 1.43, 95% CI 1.20 to 1.70) and food insecurity (AOR 1.40, 95% CI 1.17 to 1.66) were associated with a single category increase in ED use. In a multivariate model, housing instability (AOR 1.30, 95% CI 1.01 to 1.67) and food insecurity (AOR 1.42, 95% CI 1.09 to 1.85) were both associated with hospitalizations.

Use of 3-Level Housing Measure

When we redid the analyses with a 3-level housing variable, our results did not change significantly. Housing instability/not doubled up remained significantly associated in all models where it previously had been, with similar AOR. Housing instability/doubled up was independently associated with all things that housing instability had, with slightly elevated AOR.

DISCUSSION

Go to:

In this nationally representative sample of low-income adults, we found a high prevalence of housing instability and food insecurity: 23.6% reported housing instability and 42.7% reported food insecurity. Among persons with housing instability and food insecurity, we found high rates of poor access to care and high rates of acute health care use. These rates were intermediate between those of homeless persons and of the poverty population found in nationally representative surveys. For instance, nationally representative studies that examined postponing needed medical care found rates of 8% to 12% in the overall population, 11% to 12% in the low-income population, and 25% in the homeless population, compared with 19% in the unstable housing group in our study.[10,11,41–44]

Both housing instability and food insecurity were independently associated with having barriers to health care and increased use of acute-care services. While being doubled up was independently associated with the same outcomes that housing instability had, housing instability/not doubled up remained significant, suggesting that the problems with housing instability are not driven by the doubled up. Housing instability and food insecurity were not associated with having no ambulatory care visits, and food insecurity was not associated with having no usual source of care. This suggests that the barriers placed by housing instability and food insecurity are not absolute: affected persons had basic access to care, but were still more likely to delay care when needed and more likely to be seen in the ED or be hospitalized.

Malnutrition has been documented to have adverse affects on health: our results demonstrate that food insecurity is associated with difficulties receiving health care. This extends prior findings of food insecurity being associated with increased hypoglycemia among adult diabetics,[18] rates of obesity in adults,[45] ED visits in adults,[32] and ED use and hospitalizations in infants and toddlers.[33] Homelessness has been shown to be associated with poor health outcomes,[6–9] decreased access to care,[11] and increased use of acute-care services[10,12,13,46]; our findings extend these findings to the unstably housed population. We posit that these negative effects may be understood through the concept of competing priorities. This prioritization may act through decisions about time and money: people may choose to place limited financial resources or time in food or housing before they do so in health care. Difficulty in obtaining basic necessities, such as food and shelter, has been shown to impair access to health care in homeless populations and among persons with HIV infection.[20,47] As housing instability and food insecurity are more common than homelessness and hunger, these effects may be more widespread than recognized previously.

Our study has several important limitations. The cross-sectional study design limits our ability to draw causal conclusions. There is no standard definition of housing instability and we used a narrow measure. While a validated tool for measuring food insecurity exists, the full scale was not available in NSAF, although the questions in NSAF were derived from those scales. We chose to use any positive response to the questions as indicative of food insecurity. We hypothesize that this would be less sensitive and specific than the validated tool and may have biased our results toward the null. We could not exclude the

possibility that some respondents experienced an episode of literal homelessness in the past year; nor could we ascertain whether some had moderate or severe hunger. All responses were self-reported, including health care utilization measures. We did not have information on several potentially important covariates, such as health-related behaviors, substance abuse, and mental illness. We did not know whether ED use or hospitalizations were potentially preventable. We do not know whether pregnancy-related ambulatory care visits accounted for a portion of the visits, and whether these visits were different between those with and without food insecurity and housing instability. Finally, we do not know what came first: poor access to care or housing instability and food insecurity. A subject's poor access to care and increased use of acute care could have negatively impacted his or her ability to secure housing and obtain adequate food.[48,49]

In this nationally representative study of low-income adults, we found that both housing instability and food insecurity were common, and both were independently associated with barriers to health care and high use of acute care. Persons confronted with competing demands on their limited resources may preference obtaining food and housing rather than attending to health care needs. Housing instability and food insecurity should be thought of as risk factors for poor access to care and high use of acute-care services. Policies that improve housing stability (such as rent support programs, housing vouchers, and expansion of low-income housing availability) and food security (such as through the expansion of the food stamp program) may improve access to health care and health care outcomes. Further research needs to be carried out to clarify whether this association is confounded by unmeasured factors, to clarify the direction of the effect, and to determine whether interventions that improve housing stability and food security improve access to care and health care outcomes.

Acknowledgments

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We would like to thank Charles McCulloch, PhD, for his statistical advice, and Cliff Wilson for his assistance in preparing the manuscript. Dr. Kushel's work was supported by the Agency for Healthcare Research and Quality grant K08 HS011415-03 and by the Hellman Family Award for early career development. Dr. Gupta's work was supported by the Doris Duke Clinical Research Fellowship.

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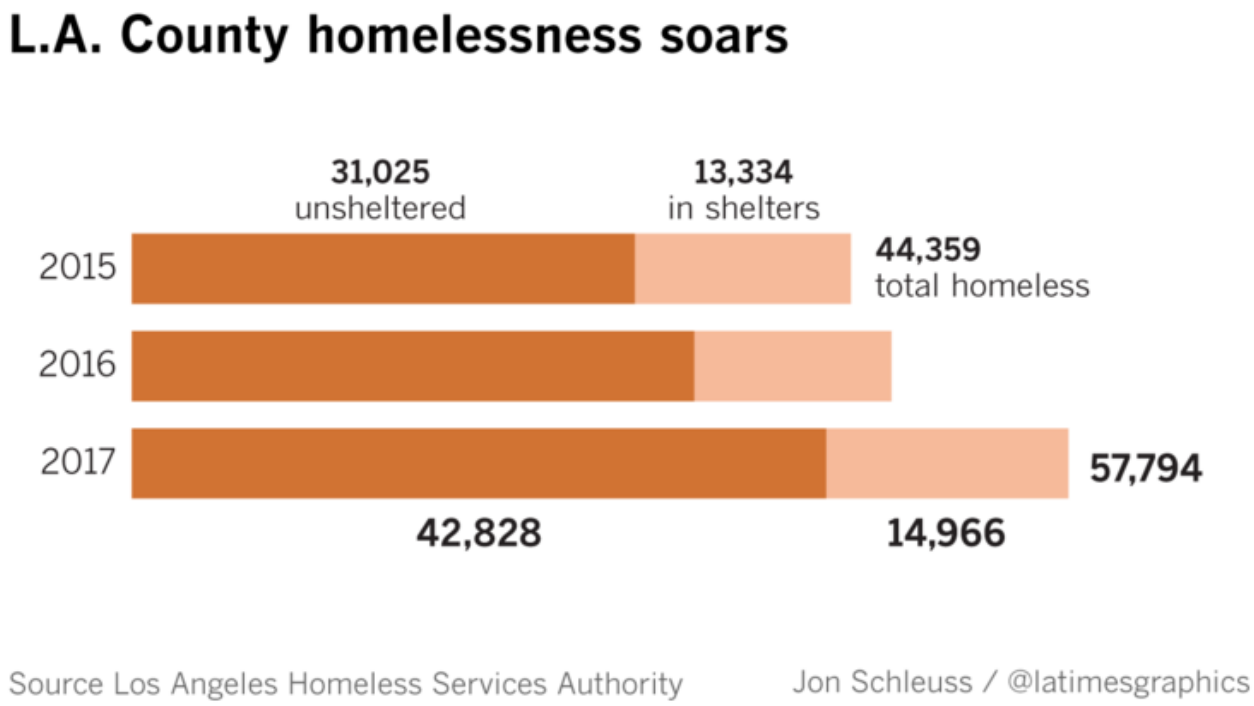
L.A. County homelessness jumps a 'staggering' 23% as need far outpaces housing, new count shows



Los Angeles County saw a large increase in its homeless population in 2017. (Los Angeles Times)

By **Gale Holland and Doug Smith**

MAY 31, 2017, 3:05 PM

Los Angeles County's homeless population has soared 23% over last year despite increasing success in placing people in housing, according to the latest annual count released Wednesday.

The sharp rise, to nearly 58,000, suggested that the pathway into homelessness continues to outpace intensifying efforts that — through rent subsidies, new construction, outreach and support services — got more than 14,000 people permanently off the streets last year.

"Staggering," Los Angeles County Supervisor Janice Hahn said in a statement. "It is clear that if we are going to end the homeless crisis, we need to stem the overwhelming tide of people falling into homelessness."

Said Leslie Evans, a West Adams resident active in efforts to combat homelessness in South Los Angeles: "These are scary numbers."

The startling jump in homelessness affected every significant demographic group, including youth, families, veterans and the chronically homeless, according to the report. Homeless officials and political leaders pointed to steadily rising housing costs and stagnant incomes as the underlying cause.

Homelessness also increased sharply in the city of Los Angeles, where the count of just over 34,000 was up 20% from 2016.

"There's no sugarcoating the bad news," Los Angeles Mayor Eric Garcetti said at a news conference Wednesday where the Los Angeles Homeless Services Authority released its report. "We can't let rents double every year. I was particularly disappointed to see veteran numbers go up."

Garcetti called homelessness a problem that has persisted "through administrations, through recessions," adding, "Our city is in the midst of an extraordinary homelessness crisis that needs an extraordinary response. These men, these women, these children are our neighbors."

The Homeless Services Authority linked the worsening problem to the economic stress on renters in the Los Angeles area. More than 2 million households in L.A. and Orange counties have housing costs that exceed 30% of income, according to data from Harvard University's Joint Center for Housing Studies included in the report.

According to the nonprofit California Housing Partnership Corp., median rent, adjusted for inflation, increased more than 30% from 2000 to 2015, while the median income was flat.

Currently, the median asking price for rentals countywide is $1,995 for one-bedroom apartments and $2,416 for all multifamily units, according to the real estate website Zillow.

"I am deeply concerned that over the next few years we will continue to be overwhelmed by people for whom rents are simply unsustainable," Supervisor Sheila Kuehl said in a statement. She called for changes in land use and rent control regulations to boost affordable housing.

Mirroring last year's count, only one of every four homeless people in both the city and across the county were classified as "sheltered," meaning they were counted in an emergency shelter or longer-term transitional program. That left three of every four, or just under 43,000 countywide, living on the street.

The chronic homeless population — defined as those who have been on the streets at least a year or multiple times and suffering mental illness, addiction or physical disability — increased 20% to more than 17,000, despite increasing numbers placed into housing.

There were few exceptions to the bad news.

Even the homeless veteran population jumped in 2017, marking a backsliding of the gains made last year by city, state and federal programs that slashed the number of homeless veterans by a third. With the number of veterans placed into housing slightly down, the count of 4,828 homeless veterans was up 57%.

making headway was the strong increase in the number of homeless families being sheltered. Though the population of homeless families increased %.

The 2017 count, conducted in January, will become the baseline for a multibillion-dollar homeless program funded by two successful ballot measures.

Proposition HHH, approved by Los Angeles voters in November, will provide $1.2 billion in bond proceeds over a decade to build permanent housing. Measure H, approved by county voters in March, will provide an estimated $3.5 billion over 10 years for rent subsidies and services. The county Board of Supervisors is scheduled to vote on budgets for the first three years on June 13.

The combined initiatives aim to create or subsidize 15,000 housing units and pay for services to support those living in them.

Voters "have afforded us opportunity we never had ... to step forward and confront the problem of homelessness in Los Angeles," said Supervisor Mark Ridley-Thomas. "I am not at all discouraged by this data. We knew intuitively there was an uptick. ... Now we have the resources to stand up to it."

Ridley-Thomas called on the community to "put your war clothes on and get ready to fight."

The Los Angeles count, the largest in the nation, is an estimate based on a street tally conducted by 7,700 volunteers over three days and nights. For the last dozen years, the U.S. Department of Housing and Urban Development has required cities, counties and other regions to conduct a count in order to receive federal homelessness aid.

The numbers give an imperfect snapshot of the highly fluid homeless population at a point in time. The number of people who lose their homes over the course of a year is more than three times greater on a given night, homeless officials say.

Because the homeless authority has refined its methodology over the years and expanded its volunteer base, year-over-year comparisons can be misleading.

Officials acknowledged, for example, that last year's 11% increase at least partially resulted from the introduction of a special effort to locate hard-to-find youth.

But the scale of this year's increase left little doubt that homelessness was on the rise.

Earlier this month, Orange County reported an 8% increase in its homeless population over two years. More than half of the county's nearly 4,800 homeless people were living without shelter.

A 26% increase toppled years of stagnant or declining numbers in Santa Monica, bringing its homeless population to nearly 1,000, the highest number in a decade. City officials said more than half the homeless people came from other parts of the county.

A brighter picture emerged from Long Beach, which conducts its own count. The city recorded a 21% decline in its homeless population, crediting a nearly 200% increase in permanent housing there. But the actual decrease — 482 people — barely affected the regional totals.

In Los Angeles County, the most drastic increase — 48% — occurred in the San Gabriel Valley district of Supervisor Hilda Solis, where the count rose to just under 13,000.

Ridley-Thomas' district remained the most affected with nearly 19,000 people counted, a 22% increase.

Surveys conducted with the Los Angeles count provided demographic breakdowns for the portion of the county excluding Long Beach, Pasadena and Glendale, cities that conduct their own counts.

These showed increases of 20% or more for every type of improvised shelter — cars (2,147), vans (1,862), campers and recreational vehicles (4,545), tents (2,343) and makeshift shelters (3,516).

Youths made up the fastest growing homeless age group with those 18 to 24 up 64%, followed by those under 18 at 41%.

Those numbers didn't surprise Heidi Calmus, who works in the Hollywood branch of Covenant House, an international homeless services agency.

Calmus said the agency sees 100 to 150 new homeless youth in Hollywood every month. All the shelters have waiting lists, and permanent housing is impossible to find, even with a rent voucher.

"The system is overwhelmed," Calmus said.

While blacks remained the largest racial/ethnic group, making up 40% of all homeless people, the number of Latinos grew by almost two-thirds. Whites declined by a modest 2% and Asians, though remaining only 1% of all homeless people, increased by nearly a third.

Three-fourths of homeless people reported they had been in the county for five years or more, while 12% had been residents for less than a year.

Times staff writer Andrew Khouri contributed to this report.

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ALSO

Home at last: Vets' circuitous paths through homelessness meet in new permanent home

Huntington Beach opposes county supervisor's proposal for homeless shelter

In Venice, where money meets misery, hoping for an end to homeless camps

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UPDATES:

3:05 p.m.: This article was updated with additional details.

11:25 a.m.: This article was updated with additional context and reaction.

9:45 a.m.: This article was updated with reaction.

This article was originally published at 9:20 a.m.

This article is related to: Homelessness, Eric Garcetti, Sheila Kuehl, Mark Ridley-Thomas

5 RENTAL HOUSING

After more than a decade of soaring demand and five years of real rent increases, rental markets across the nation remain extremely tight in 2016. Rapid growth in both renters and rents continued in most markets, although the pace moderated somewhat in certain high-cost markets. Meanwhile, multifamily construction took up the lead from single-family conversions in adding supply, but most of these new apartments are concentrated at the high end. As a result, the diminishing supply of low-cost rental housing remains in high demand, fueling ongoing concerns about the market's ability to meet the housing needs of lower-income households.

PERSISTENT STRENGTH OF DEMAND

By the Housing Vacancy Survey's count, the number of renter households rose by 600,000 from 2015 to 2016, marking 12 consecutive years of growth and lifting net growth since 2005 to nearly 10 million **(Figure 25).** Although still solid, the level of renter growth in 2016 did represent a sharp deceleration from the previous two years.

Some 43.3 million households currently rent their housing, including more than 80 million adults and families with over 30 million children. The renter share of US households now stands at a 50-year high of 37 percent, up more than 5 percentage points from 2004, when the homeownership rate peaked.

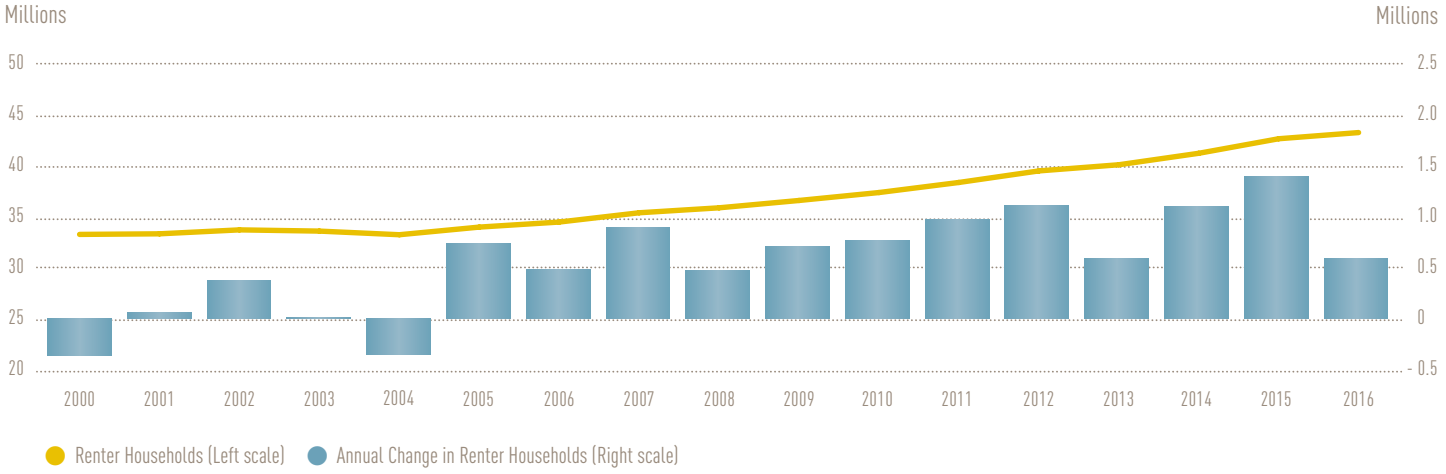
The surge in rental demand that began in 2005 is broad-based and includes several types of households that traditionally prefer homeownership—in particular, older adults, families with children, and high-income households. These changes reflect a number of factors, including the fallout from the mortgage foreclosure crisis as well as larger demographic shifts, particularly the aging of the US population.

Indeed, older households aged 55 and over accounted for fully 44 percent of renter household growth between 2005 and 2016. As a result, the share of renters in this age group increased to 27 percent last year—up from 22 percent in 2005. Renters under age 35 were responsible for the next largest share of growth (25 percent), driven primarily by their delayed entry into the homebuying market. Meanwhile, households in the 35–44 age range—the group that experienced the sharpest drop in homeownership after the housing crash—contributed 14 percent of renter household growth in 2005–2016 despite a net loss of households in this age range.

Families with children are also increasingly likely to rent rather than own their homes. The share of these households living in rental housing jumped from 32 percent in 2005 to 39 percent in 2016, accounting for 22 percent of renter household growth over this period. The large increases in renting among families with children reflect high rates of foreclosure-induced exits from

FIGURE 25

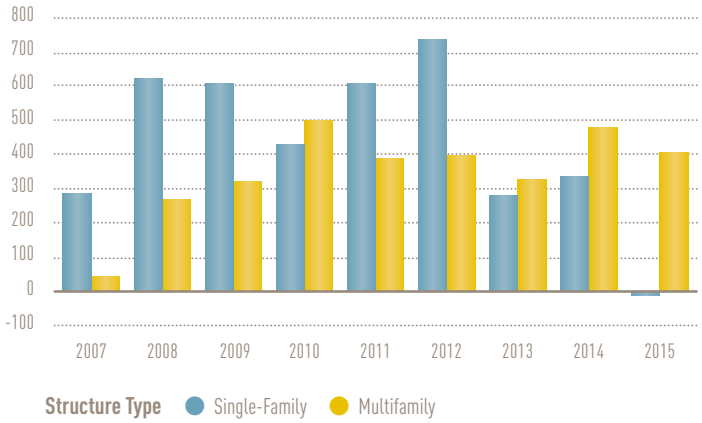
Rental Demand Was Up for the 12th Consecutive Year in 2016



Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

FIGURE 26

Single-Family Additions to the Rental Supply Have Slowed



Note: Single-family homes include both detached and attached units as well as mobile homes and trailers.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

homeownership in combination with lower rates of homebuying since the Great Recession. As a result of these shifts, the share of children living in rental housing climbed from 29 percent in 2005 to 36 percent in 2016.

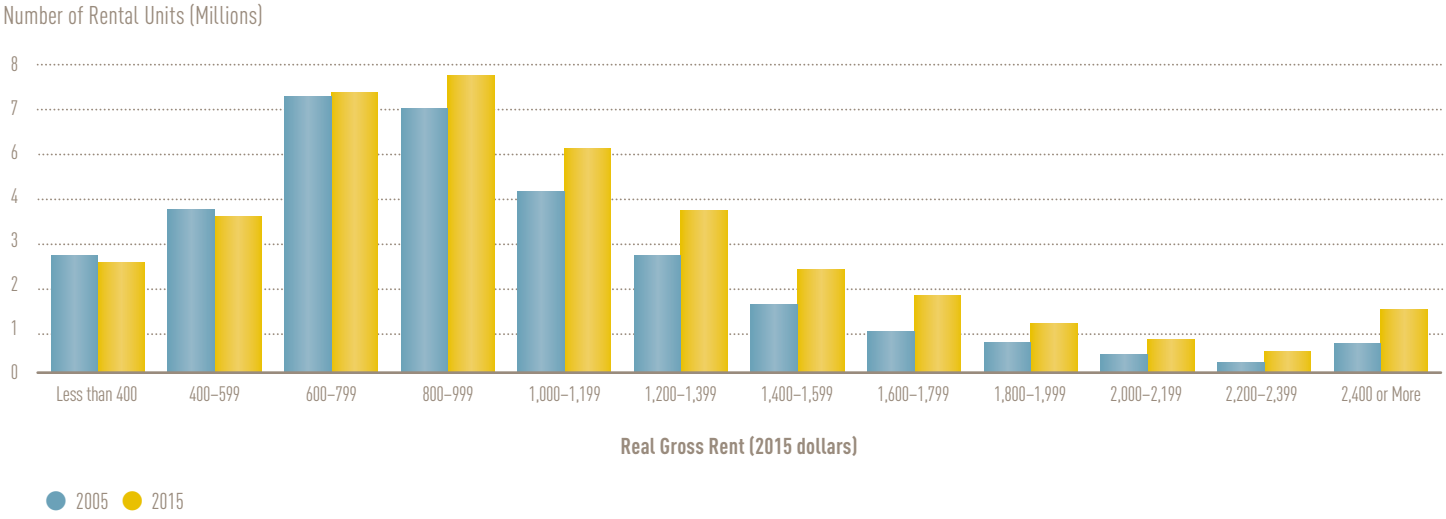
Meanwhile, the share of high-income households (earning at least $100,000) that rented their homes increased from 12 percent to 18 percent from 2005 to 2016. High-income households thus drove 22 percent of the overall growth in renter households, while households earning $50,000–99,999 accounted for an equal share. The move to renting among high-income households—most with two earners—intensified in recent years, accounting for nearly half (47 percent) of the growth in renters between 2013 and 2016.

Despite the influx of higher-income households into the market, the typical renter household had an annual income of just $37,900 in 2015—only about half the $70,800 annual income of the typical homeowner household. In addition, 16 million renter households had annual incomes of less than $25,000, including 11 million with incomes below the federal poverty threshold.

According to the latest American Community Survey, the share of households renting their homes continued to grow in the majority of the nation's largest 50 metro areas between 2013 and 2015. Increases in renting even picked up pace in several markets (including Houston, Jacksonville, and Miami) relative to the previous eight years. However, the renter share of households actually fell in 11 of the 50 largest metros.

FIGURE 27

As Losses in Low-Rent Units Continue, Growth of the Rental Housing Stock Is Shifting to the High End



Notes: Data exclude rental units occupied without payment of rent. Gross rents are adjusted by the CPI-U for All Items less shelter.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

SHIFTS IN THE RENTAL SUPPLY

Changes in the supply of rental housing reflect a mix of new construction, conversions to and from owner occupancy and other uses, and losses of housing from the stock due to structural inadequacies and demolitions. Between 2005 and 2015, increases in single-family rental homes drove much of the growth in occupied rentals, adding nearly 4 million units on net to the national stock and lifting the single-family share from 36 percent to 39 percent. Over this period, the single-family share of occupied rental housing increased in 49 of the 50 largest metros (New Orleans being the exception), with especially strong growth in areas with high foreclosure rates and little new multifamily construction (such as Cleveland, Memphis, Phoenix, and Riverside).

But construction of multifamily housing has been increasing since 2010 and replaced single-family homes as the primary source of rental stock growth in 2013. In fact, the number of single-family homes occupied by renters fell slightly in 2015 while the number of renter-occupied multifamily units—mainly in large structures with 10 or more apartments—increased by 407,000 **(Figure 26).** Growth in the large multifamily share of rentals in 2013–2015 was particularly strong in metros such as Austin, Portland, and Seattle, where new construction added significantly to the stock.

Completions of new multifamily units totaled 321,000 in 2016, only slightly higher than the 2015 level but up 5 percent from annual averages in the 2000s. Over 90 percent of multifamily units started or completed last year were intended for the rental market, and more than 80 percent were in properties with 20 or more units. In addition, nearly half of new multifamily rental units completed in 2015 were located in structures with at least four floors—more than double the share in 2005. Although typical floor area has changed little over time, newer rental units are less likely to have three or more bedrooms.

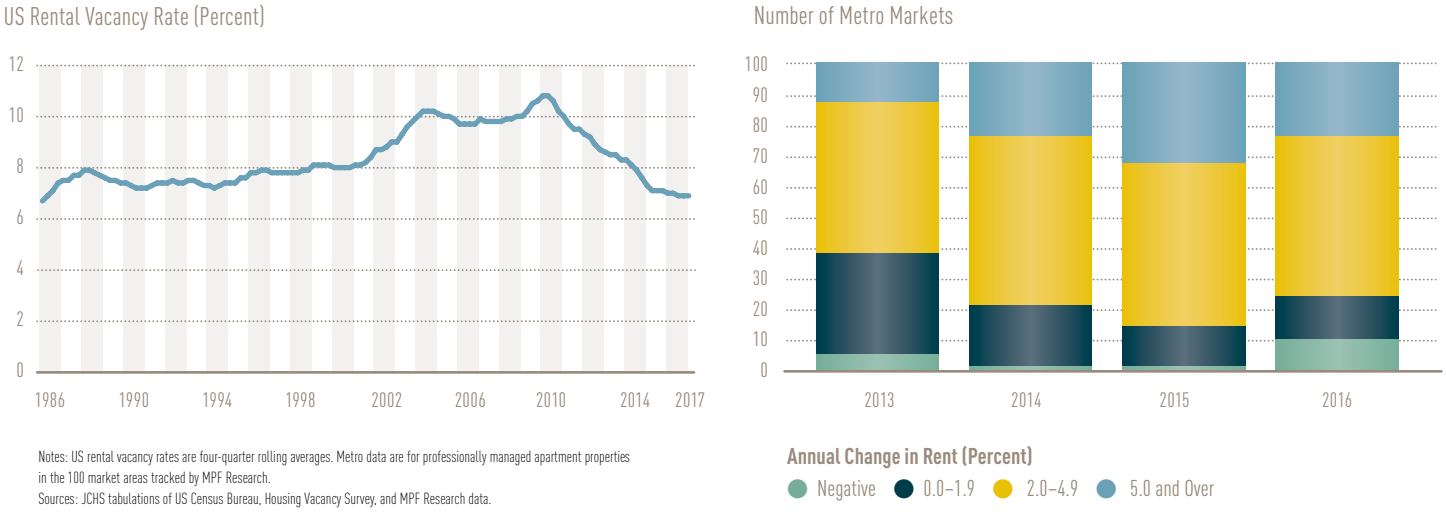
Recent additions to the rental supply remain concentrated at the upper end of the market. According to preliminary data from the Survey of Market Absorption, the typical asking rent for a new unfurnished apartment climbed by 5.6 percent annually in real terms in 2016, rising to $1,478. Although newly constructed units have always commanded a rent premium, the asking rent for new multifamily apartments increased significantly from 61 percent above the median asking rent for all existing vacant units in the 2000s to 73 percent in 2016. The 2015 American Community Survey data for the 100 largest metros confirm this trend, indicating that nearly half (46 percent) of the rental units built in 2010 or later were in the top quartile of area rents, while more than two-thirds fell into the top half.

SHORTAGES OF LOW-COST RENTALS

Although new rental construction is aimed primarily at the upper end of the market, these additions to the stock have the potential to alleviate pressure at the lower end if some units filter down to lower rent levels. But even with multifamily construction at its highest level in two decades, additions to the rental supply have not kept pace with swelling demand. As a result, rents have climbed across the board **(Figure 27).** Indeed,

FIGURE 28

With the US Rental Vacancy Rate at a 30-Year Low, Rents Are Still Increasing in the Majority of Apartment Markets



Notes: US rental vacancy rates are four-quarter rolling averages. Metro data are for professionally managed apartment properties in the 100 market areas tracked by MPF Research.
Sources: JCHS tabulations of US Census Bureau, Housing Vacancy Survey, and MPF Research data.

bolstered by new high-end construction and rising rents for existing apartments, the number of units renting for $2,000 per month or more increased 97 percent in real terms between 2005 and 2015. At the same time, the supply of units renting for less than $800 declined by 2 percent, with most of the loss occurring at the lowest rent levels. The total number of units renting for less than $800 declined by over 260,000 from 2005 to 2015, a time when the overall rental stock increased by over 6.7 million units. The shift in the rental stock toward the high end is also clear from the 32 percent rise in real median asking rents since 2000.

Nearly half of the nation's 100 largest metro areas posted absolute declines in their stocks of low-rent units (defined as having real gross rents under $800) between 2005 and 2015. Metros with the largest losses in percentage terms included Austin, Denver, Portland, and Seattle, where supplies were down by a third or more. At the same time, 88 of the largest 100 metros reported declines in the shares of low-rent units. Among the markets with the smallest shares were San Diego, San Jose, and Washington, DC, where under 10 percent of units rented for less than $800 in 2015.

The result is a worsening mismatch of demand and supply, with the number of low-income renters far outstripping the number of available units at the lowest end of the market. Indeed, the National Low Income Housing Coalition reports that the absolute deficit of rental units affordable and available to low-income households exceeds 500,000 in the New York and Los Angeles metro areas. In addition, the gap in units affordable and available to extremely low-income renters exceeds 50,000 in fully 31 metropolitan areas. The failure of higher-end units to filter down to lower price points is also apparent in the deficit of units affordable and available to middle-income renters in more than 10 metro areas, including Los Angeles, New York, Miami, and San Francisco.

VACANCY RATE AT NEW LOWS

Despite the recent burst of multifamily construction, the national rental vacancy rate slipped to a 30-year low of 6.9 percent in 2016. Indeed, rental markets in most areas of the country remain tight. MPF Research reports that vacancy rates for professionally managed apartments in early 2017 were under 3 percent in 20 of the 100 markets it tracks, and under 5 percent in 65 of those markets.

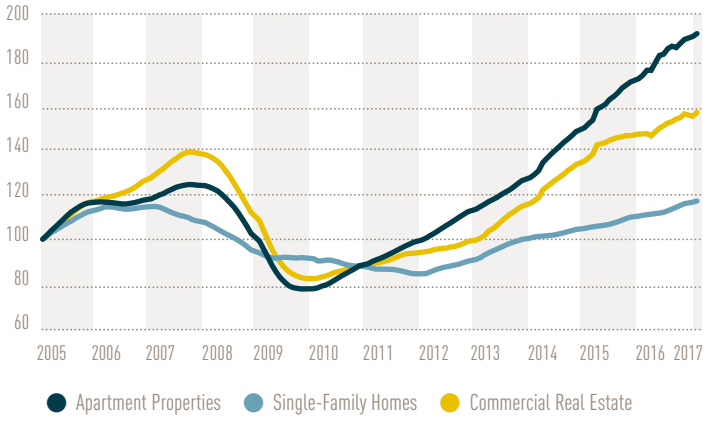
Under these historically tight conditions, rents were up both nationally and in the majority of markets in early 2017. The US Consumer Price Index for rent of primary residence rose at a 3.8 percent annual rate through April, far exceeding the 0.9 percent inflation rate for non-housing-related goods. According to MPF Research data, rents for units in professionally managed properties were up by 3.7 percent nationwide in early 2017, with increases in 91 of the 100 markets tracked.

Rental market conditions did, however, show some signs of easing last year. For one, the nominal rent increase MPF Research reported represents a slowdown from the 4.7 percent pace averaged in 2014–2015. In addition, rent gains decelerated in 2016 in more than half (58) of the 100 markets that MPF Research tracks, while the number posting actual rent declines rose to 10 **(Figure 28).** Among the list of metros where rents were down

FIGURE 29

Apartment Property Prices Have Appreciated Much More Rapidly than Single-Family Home and Commercial Real Estate Prices

Index Values



Note: Data are monthly through February 2017.
Sources: JCHS tabulations of Moody's/RCA Property Price Indexes; S&P CoreLogic Case-Shiller U.S. National Home Price Index.

are several large, high-profile markets, including Houston, New York City, and San Francisco.

Within markets, signs of easing were most apparent in the high-end segment. Vacancy rates for professionally managed (Class A) rentals were up in more than two-thirds of the 100 markets in the first quarter of 2017 from a year earlier, climbing more than 2.0 percentage points in many areas to a nationwide average of 6.4 percent. At the same time, however, vacancy rates in the lowest-quality segment (Class C) fell nationwide for the seventh straight year, to just 3.8 percent.

STRONG RENTAL PROPERTY PERFORMANCE

With ultra-low vacancy rates and widespread real rent gains, multifamily rental properties continued to perform well. According to data from the National Council of Real Estate Investment Fiduciaries (NCREIF), net operating income for investment-grade properties rose for the seventh consecutive year in 2016. While lower than the 10.7 percent gain in 2015, last year's increase was still strong at 6.9 percent.

The rise in nominal apartment property prices also slowed somewhat from a 14.8 percent increase in 2015, but remained a healthy 11.0 percent in 2016 according to Moody's/RCA Apartment Price Index. As of March 2017, apartment property prices were still rising at an 8.1 percent annual rate, and exceeded the 2007 peak by 52 percent in nominal terms and 31 percent in real terms. The impressive rebound in rental property prices far outstrips the recoveries in both the single-family housing and commercial real estate markets **(Figure 29).**

Meanwhile, annual investor return on investment dipped to 6.7 percent in the first quarter of 2017, following several years of double-digit gains. Still, investor demand for rental properties remains strong, with NCREIF data showing a drop in the required rate of return or capitalization rate to 4.6 percent in the first quarter of 2017—one of the lowest rates posted in records dating back to 1982. Indeed, CBRE reports even lower cap rates for Class A multifamily properties in city centers of several large markets, including Los Angeles, New York, and San Francisco.

Many property owners have taken advantage of years of strong financials to make improvements deferred during the downturn. The National Apartment Association (NAA) reports that capital spending per unit increased 13 percent annually from 2010 to 2015 in real terms. Community-wide upgrades often focus on fitness centers, business centers, clubhouses, and other common areas, while in-unit improvements typically include installation of washer/dryers and high-end kitchen appliances. According to other NAA/Axiometrics research, these upgrades and other major renovations have lifted effective rents for apartment properties 8 percent on average.

ROBUST MULTIFAMILY LENDING

The value of multifamily debt outstanding rose by nearly $100 billion in 2016, marking the second year of record-high increases and lifting the total to over $1.1 trillion. More than two-thirds of the growth ($67 billion) came from federal sources, while banks and thrifts contributed $39 billion. In contrast, multifamily mortgage debt in commercial mortgage backed securities continued to shrink, by $15 billion.

At the same time, however, MBA's Multifamily Originations Index indicates that growth in the dollar value of loan originations slowed from 31 percent in 2015 to just 6 percent last year. One of the reasons for this moderation may be changing multifamily lending standards. According to a Federal Reserve survey in the first quarter of 2017, one-third of domestic banks reported tightening standards for commercial real estate loans secured by multifamily residential structures, up from 22.5 percent a year earlier and no reports of tightening two years earlier.

Stricter underwriting comes partly in response to concerns over rising property prices as well as excess high-end supply in some markets. Developers also grew more cautious as evidenced by the Federal Reserve's survey of loan officers, with the share reporting stronger demand for multifamily loans falling from 20.6 percent at the end of 2015 to just 2.9 percent at the end of 2016.

Loan performance in the rental property sector continued to improve last year. Only 0.18 percent of all FDIC-insured loans secured by multifamily residential properties were in noncurrent status (90 days past due or in nonaccrual status) as of the last quarter of 2016, down from 0.28 percent a year earlier.

According to Moody's Delinquency Tracker, the noncurrent rate for commercial mortgage-backed securities (60 days past due, in foreclosure, or REO) was higher but still stood at a relatively low 2.5 percent in March 2017.

THE OUTLOOK

The last 12 years have seen unprecedented growth in rental housing demand across a broad cross-section of US households. New multifamily construction has rebounded strongly in an effort to keep up with this surge in demand, with most new supply aimed at the upper end. While there are indications that some luxury segments are becoming saturated, rental conditions in a large majority of metropolitan areas remain tight.

Growth in rental demand may, however, moderate as the share of households opting to rent appears to be stabilizing near 37 percent. But with the large millennial generation now moving into their 20s and 30s, Joint Center projections point to solid growth in renter households over the next 20 years. And even if demand were to slow, there is still broad need for additional supply—particularly of rental units at the lower end of the market where ultra-low vacancy rates are pushing up rents.

In the near term, rising vacancy rates at the upper end, record-setting apartment prices, and the specter of interest rate hikes have the potential to slow the growth in luxury units. But given how tight rental markets remain and the ongoing strength of demand, any slowdown in construction will likely be neither steep nor prolonged.

JCHS
Housing Perspectives
Research, trends, and perspective from The Harvard Joint Center for Housing Studies

Tuesday, June 27, 2017

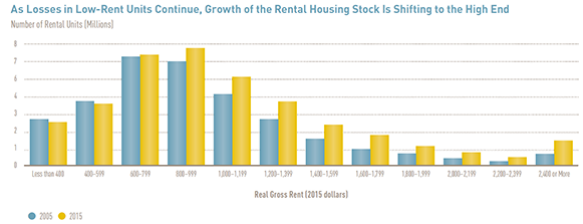
Our Disappearing Supply of Low-Cost Rental Housing

by Elizabeth La Jeunesse
Research Analyst

It's not an illusion: low-cost rental housing in the US is disappearing. And our 2017 *State of the Nation's Housing* report has the numbers to prove it.

Using ACS data from 2005 and 2015, our new report shows how gains in the supply of high-end units and losses of low and modest-priced units over the past decade has shifted the entire rental stock toward the high end. Nationwide, the number of units renting for $2,000 or more per month (in constant, inflation-adjusted dollars) nearly doubled between 2005 and 2015, while the number of units renting for below $800 fell by 2 percent (Figure 1).

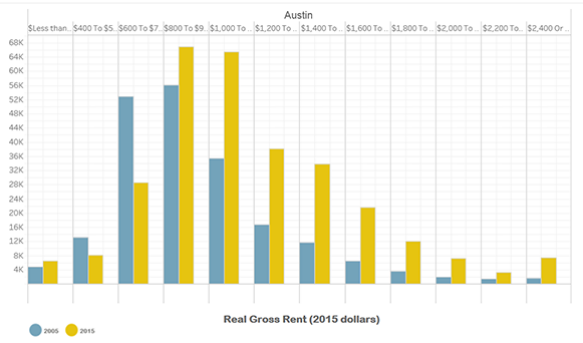
Figure 1: Across the US



Released in conjunction with the report, our new interactive tool shows how this shift played out differently in the nation's 100 largest metropolitan areas. Metros reporting the most dramatic losses of units renting for less than $800 per month included Austin, Seattle, Portland, and Denver – all places where apartment markets heated up in recent years.

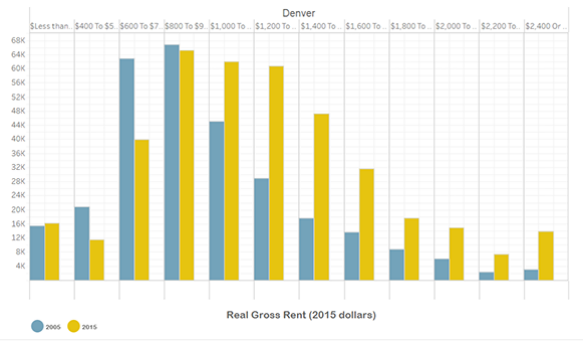
Austin's transformation was particularly striking. The number of units with rents under $800 declined by nearly 40 percent (a loss of around 27,000 units), while those with rents at $2,000 or more increased more than three-fold (Figure 2).

Figure 2: Austin



The pattern was similar in Denver, where the number of units renting for under $800 declined by nearly a third, a loss of 31,000 modest-priced rentals, even as the number of units with rents over $2,000 per month tripled, an increase of more than 24,000 units (Figure 3).

Figure 3: Denver



The largest aggregate increases in high-cost rentals took place in the New York, Los Angeles, San Francisco, and Washington DC metro areas. According to ACS data, the New York metro added nearly 250,000 units renting for more than $2,000 per month, while it lost more than 120,000 units renting for less than $800 a month (Figure 4).

Figure 4: New York

About

Harvard Joint Center for Housing Studies

Drawing from the ongoing research and analysis of the Harvard Joint Center for Housing Studies, Housing Perspectives provides timely insight into current trends and key issues in housing. We dig deeper into the housing headlines to discuss critical issues and trends in housing, community development, global urbanism, and sustainability. Posts are written by staff of the Joint Center, drawing from their wide-ranging knowledge and experience studying housing. We hope you will follow Housing Perspectives, and we welcome your comments.

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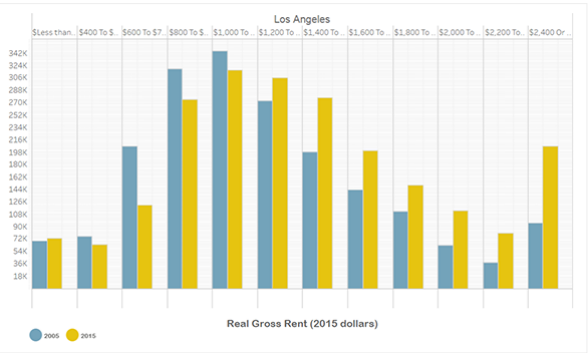
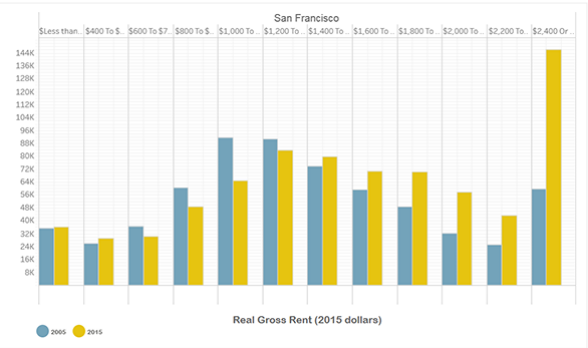
Los Angeles underwent a similar shift in rental stock, losing over 94,000 units renting for less than $800 between 2005 and 2015, while gaining over 200,000 high-cost units (Figure 5).

Figure 5: Los Angeles



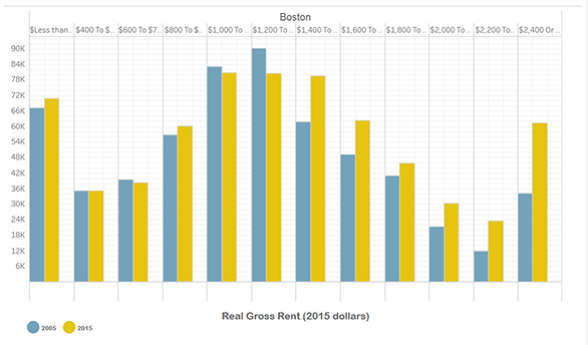
The San Francisco and Washington DC metropolitan areas both added over 100,000 high-cost rental units. In San Francisco, the highest-cost rental segment (those renting for more than $2,400 per month) underwent particularly rapid growth, rising by 145 percent, from almost 60,000 units in 2005 to more than 146,000 units in 2015. In contrast, the stock of low-priced rentals in the region, which was quite low in 2005, was virtually unchanged over the subsequent decade (Figure 6).

Figure 6: San Francisco



In general, areas with large numbers of assisted rental units saw little or no growth in their stock of low-priced rentals but significant growth in the most expensive units. For example, the number of units renting for less than under $800 in the Boston metro was basically unchanged, while the number of units renting for more than $2,000 grew by 70 percent (Figure 7).

Figure 7: Boston

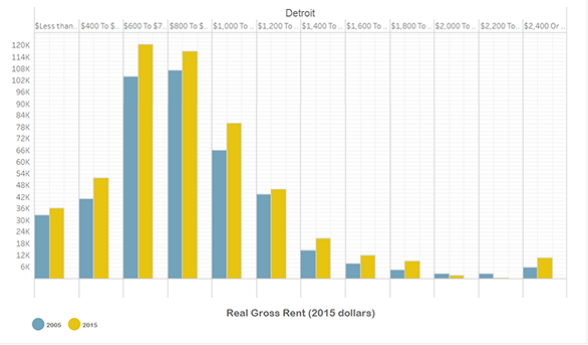


Because of such shifts, in most metro areas the share of units that rented for less than $800 a month fell between 2005 and 2015. In Austin, for example, the share of units renting for under $800 per month declined from over a third in 2005 to less than 15 percent in 2015. Similarly, the share of units renting for under $800 per month in New York City metro, home to around 3.5

million renter households, dropped from 23 percent of all units in 2005 to just 18 percent in 2015. And in the Washington, D.C. metro, the number of units renting for less than $800 per month dropped from 15 percent in 2005 to just 10 percent in 2015.

In contrast, both the number and the share of low-rent units rose in a few metros, including the Las Vegas, Cleveland, Sacramento, and Detroit metros. These areas tended to have larger numbers of distressed properties as well as lower rates of economic growth and multifamily construction, which combined to hold down the growth in real rents between 2005 and 2015. In Detroit, for example, there was a 17 percent increase in the share of units renting for less than $800 a month and only a small rise in the number of high-rent units (Figure 8).

Figure 8: Detroit



Use our interactive tool to see how the distribution of rental units changed in the nation's 100 largest metro areas between 2005 and 2015.

Download an Excel file with the data for each metro area (W-16).

Posted by Harvard Joint Center for Housing Studies at 1:05 PM

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MILLIONS OF AMERICANS BURDENED BY HOUSING COSTS IN 2015

	---------- Metropolitan Area ----------	Cost Burdened Renter Share (%)	Severely Burdened Renter Share (%)	Cost Burdened Owner Share (%)	Severely Burdened Owner Share (%)	Moderately Burdened Renter Households	Severely Burdened Renter Households	Total Burdened Renter Households	Number o Renter Household
1	New York-Newark-Jersey City, NY-NJ-PA	52.5	29.9	36.1	17.1	792,800	1,044,600	1,837,500	3,498,(
2	Los Angeles-Long Beach-Anaheim, CA	57.1	31.0	35.7	16.7	586,500	695,500	1,282,000	2,244,8
3	Chicago-Naperville-Elgin, IL-IN-WI	50.3	27.9	27.8	12.1	284,900	355,700	640,700	1,273,8
4	Dallas-Fort Worth-Arlington, TX	45.9	22.7	22.3	8.6	234,800	229,300	464,000	1,010,(
5	Houston-The Woodlands-Sugar Land, TX	46.7	24.2	20.5	8.8	211,700	227,800	439,400	940,7
6	Washington-Arlington-Alexandria, DC-VA-MD-WV	45.9	22.6	23.9	9.2	191,500	185,300	376,800	821,1
7	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	51.0	28.6	28.0	12.1	162,900	208,100	370,900	727,4
8	Miami-Fort Lauderdale-West Palm Beach, FL	61.5	35.4	34.7	17.0	224,800	304,200	529,100	860,1
9	Atlanta-Sandy Springs-Roswell, GA	47.8	25.3	23.0	10.1	174,700	196,300	371,100	776,9
10	Boston-Cambridge-Newton, MA-NH	48.8	24.8	28.4	12.0	165,600	171,700	337,300	691,3
11	San Francisco-Oakland-Hayward, CA	46.4	24.0	30.4	13.2	175,100	188,100	363,200	782,6
12	Phoenix-Mesa-Scottsdale, AZ	47.3	24.3	23.9	10.6	145,300	154,000	299,300	632,8
13	Riverside-San Bernardino-Ontario, CA	56.7	30.6	33.4	14.6	137,400	161,500	298,800	527,3
14	Detroit-Warren-Dearborn, MI	49.5	27.5	22.9	10.5	117,700	146,500	264,200	533,8
15	Seattle-Tacoma-Bellevue, WA	45.4	22.7	25.4	10.0	130,200	130,100	260,300	573,6
16	Minneapolis-St. Paul-Bloomington, MN-WI	46.4	23.3	20.1	7.6	97,500	98,400	195,900	422,7
17	San Diego-Carlsbad, CA	54.6	28.4	34.2	15.0	139,700	151,600	291,200	533,7
18	Tampa-St. Petersburg-Clearwater, FL	50.5	26.1	25.7	11.5	105,900	112,800	218,700	432,9
19	Denver-Aurora-Lakewood, CO	47.9	23.4	22.9	8.8	97,500	92,900	190,500	397,5
20	St. Louis, MO-IL	45.6	24.1	20.6	8.5	75,600	84,700	160,200	351,7

Moderately cost-burdened households pay more than 30 percent of income for housing, including utilities; severely cost-burdened households pay more than 50 percent.

See this data on a map.