

Advancing Fair Housing at the State Level



Lessons from California and Other States' Efforts to Affirmatively Further Fair Housing



Title VIII of the Civil Rights Act of 1968, also known as the Fair Housing Act, requires recipients of HUD and other federal funding to Affirmatively Further Fair Housing (AFFH). Affirmatively furthering fair housing means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Here are the Federally protected characteristics under the Fair Housing Act:

- Race
- Color
- National Origin
- Religion
- Sex—including gender identity and sexual orientation
- Familial Status—including families with children under the age of 18, pregnant persons, any person in the process of securing legal custody of a minor child (including adoptive or foster parents), persons with written permission of the parent or legal guardian
- Disability

About this Case Study

This case study examines strategies California has taken to advance its AFFH goals and provides lessons for other states to consider in fulfilling their AFFH obligation. It is informed by 17 interviews with staff from fair housing organizations and local, regional, and state government agencies across California. Additionally, examples of fair housing efforts from other states are highlighted throughout.

Who Should Use this Case Study?

The case study is primarily designed for state governments but includes lessons for all HUD program participants, especially large entitlement jurisdictions that coordinate fair housing activities among a broad set of actors or programs.

While the AFFH obligation is a federal requirement, individual states may also pursue AFFH laws at the state level. State governments are well-positioned to advance AFFH goals through their ability to **shape local land use and zoning laws**, their **enforcement authority**, and their role in **distributing funding** to local and regional agencies. States are also equipped to pursue strategies aimed at addressing long-standing patterns of housing segregation and discrimination and foster inclusive, opportunity-rich communities in addition to and beyond that of the federal obligation.

Since 2016, **the State of California has taken actions – both legislative and administrative – to achieve fair housing goals more intentionally** across all levels of government. The state has developed policies and tools to strengthen and regulate local fair housing plans, set regional housing targets across affordability levels to drive planning for new housing, and incentivized affordable housing development in well-resourced areas.

California’s actions demonstrate how state governments can play a critical role in AFFH, including by facilitating effective local fair housing planning and enacting statewide policies to promote integrated communities and equitable access to opportunity.

While California’s housing landscape differs from that of other states in important ways, many of its programs and policies are applicable to advancing fair housing in other parts of the country. The case study focuses on five broad strategies states can take to AFFH and concludes with lessons for other states to consider in their own work to advance fair housing.

Select any strategy to begin.

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Strategy 1: Enacting AFFH into State Law

In 2017, California state legislators introduced [Assembly Bill 686 \(AB 686\)](#) to **embed the duty to AFFH into state law**. The bill was designed to align with the obligations of the federal AFFH regulations at that time and enact California's commitment to AFFH.

The bill's sponsors included state policymakers and state and national policy and legal organizations. The team drew from local examples, including Los Angeles' [Assessment of Fair Housing](#) process, to demonstrate potential outcomes to legislators and highlight the importance of conducting fair housing planning.



The sponsors emphasized the importance of affordable housing investments in the law, as well as land use and zoning. They also tied the law's AFFH obligations to California's housing element planning process, which localities were familiar with. Incorporating AFFH requirements into the housing element, which already included state oversight procedures and requirements for community outreach, offered a pre-built pathway for AFFH implementation at the local level.



[View a timeline of key steps California took to advance fair housing from 2016 to 2023.](#)

What is California's housing element?

California's [housing element](#) and [Regional Housing Needs Allocation](#) (RHNA) are important processes the state uses to help localities understand and address local housing needs and advance fair housing. Established as law in 1969, California's RHNA mandates all local governments within the state, including cities, towns, and counties, to comprehensively plan for the housing needs of residents across all income levels. **Every eight years, local governments develop a housing element, detailing potential development sites and outlining strategies they will pursue to meet the housing needs of its community.**

California state officials determine the housing needs of each region (See [Strategy 3 Section: Meaningful Action: Overseeing a Regional Housing Needs Allocation](#)), and then work with regional governments to devise plans for distributing housing targets to local governments. Needs are determined by analysis of factors including housing overcrowding, cost burden, vacancy, and the imbalance between the number of jobs and housing units in an area.

Local governments then develop a housing element (see [Strategy 2: Supporting and Monitoring Local and Regional Fair Housing Planning](#)) that inventories potential housing sites and describes strategies to mitigate constraints to new development. **If they do not have enough available sites to meet housing needs, local jurisdictions are required to address this shortfall**, which may involve rezoning.

The housing element is subject to public review and feedback and is reviewed by the state Department of Housing and Community Development (HCD) to ensure compliance with state laws and regulations. Upon approval, local governments are required by state law to implement the strategies they outlined. If a jurisdiction does not develop an adequate housing element, they may be subject to court-imposed fines, become ineligible for state funds, and subject to the Builder's Remedy, which requires that a non-compliant jurisdiction approve any housing project as long as at least 20 percent of the homes are low-income or 100 percent of them are moderate-income.

Meaningful Action: Passing AB 686 and Developing Implementation Infrastructure

In 2018, [AB 686](#) was signed into law. The law includes two key components that support fair housing planning and implementation in the state.

1. All housing and community development programs run by public entities must AFFH.

The law requires all public entities take the following meaningful actions:

- Address significant disparities in housing needs and in access to opportunity
- Replace segregated living patterns with truly integrated and balanced living patterns
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity
- Foster and maintain compliance with civil rights and fair housing laws

Public entities include all subdivisions of the state, cities, counties, and public housing agencies. All state and local laws, programs, and activities must AFFH, and public entities must not take any action inconsistent with this obligation.



2. The housing element requires municipalities and counties to develop fair housing plans with specific AFFH goals and actions.

AB 686 added new requirements to the housing element process related to conducting community outreach, identifying and prioritizing contributing factors to fair housing issues, and developing goals and actions to AFFH.

The law also added a new assessment of fair housing and an AFFH component to the housing element's site inventory. California's assessment of fair housing requires an **analysis of patterns, trends, conditions, and practices that contribute to fair housing issues**. The site inventory is a process through which jurisdictions identify sites which are appropriately zoned and available to accommodate their housing targets. AB 686 **requires that these sites now be identified and evaluated relative to a jurisdiction's fair housing goals**. Both the assessment of fair housing and site inventory need to address the following:

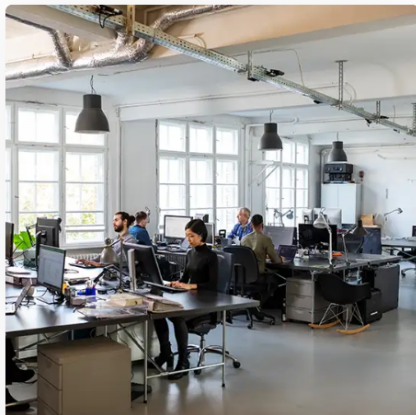
- Integration and segregation
- Racially or ethnically concentrated areas of poverty
- Disparities in access to opportunity for people with protected characteristics, including persons with disabilities
- Disproportionate housing needs within the jurisdiction, including displacement risk

Teams Tasked to Follow State's AFFH Vision

California's Department of HCD has several teams tasked with following through on the state's AFFH vision.

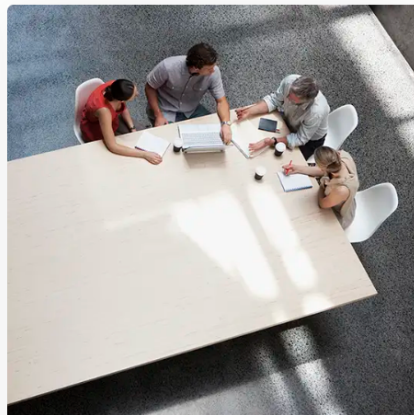
Hover over the flip cards to learn more about each team.

Flip All Cards



Housing Element Team

Housing element staff work with local jurisdictions on local land use and housing plans, including helping them to develop robust Fair Housing plans and equitable site inventories within their Element. Staff published step-by-step guidelines for the housing element, provide specific written feedback on each jurisdiction's draft housing element, and are available for one-on-one assistance. More information on the available technical assistance can be found in the Providing Technical Assistance section of [Strategy 2](#).



Housing Accountability Unit

The Housing Accountability Unit serves as an enforcement arm and monitors the AFFH components of local housing elements to ensure jurisdictions follow through on meaningful actions. See the Ongoing Monitoring and Enforcement section of [Strategy 2](#) for more information.



Fair Housing Staff Unit

Dedicated fair housing staff focus on ensuring the state is taking appropriate action to AFFH. This includes partnering with other agencies to increase access to opportunity by prioritizing the awarding of Low-Income Housing Tax Credits and other subsidy programs for affordable housing proposed in well-resourced areas. More information on state-level actions to AFFH is included in Strategies 3-5.

Leveraging LIHTC Qualified Allocations Plans to Advance Fair Housing

The Low-Income Housing Tax Credit program, or LIHTC, is one of the leading funding sources for new affordable housing. Through the LIHTC program, the federal government awards tax credits to state housing finance agencies that then award the credits to developers that reserve units for lower-income households.

State governments influence LIHTC awards by developing Qualified Allocation Plans (QAPs). QAPs set selection criteria the state uses to evaluate LIHTC proposals and can set aside resources for certain kinds of development. Because QAPs are flexible and direct millions in funds, state governments can use them to advance a variety of housing goals, such as by giving preference to projects proposed in well-resourced areas.

Pennsylvania, Massachusetts, Missouri, and North Carolina all leverage LIHTC to support fair housing goals.

Pennsylvania explicitly includes reducing racial segregation as a priority in its QAP. It sets aside annual funding for at least three urban developments which “counteract the pattern through which some metropolitan areas are being segregated by income or race.” To be eligible for this set aside, projects can either provide new units in well-resourced areas or contribute to a “broader community revitalization program” in a marginalized area. The state also sets aside funding for three projects in high-opportunity suburban or rural areas, with the goal of promoting new mixed income communities. To help ensure that these units are accessible to low-income households, Pennsylvania’s QAP further requires all LIHTC units to be advertised on the state’s affordable housing database.



Missouri requires that LIHTC developments in well-resourced areas conduct affirmative marketing among residents who live in high-poverty communities to promote housing choice.

Under most conditions, **North Carolina**’s QAP bars LIHTC development within areas of “minority and low-income concentration.” This encourages developers to spread affordable housing and promote mixed-income communities.

Massachusetts’ QAP awards extra points to developments based on their neighborhood’s access to jobs, quality schools, and health care facilities. These extra points incentivize developers to build in well-resourced areas. The state also requires new LIHTC projects to take explicit steps to ensure racial diversity among their residents, including through marketing efforts that reach “identified minority groups that are least likely to apply.”

Ongoing Challenges

While AB 686 enjoys broad support from housing stakeholders in California, some have raised concerns about the law, including:

Balancing fair housing and climate goals. One of the major substantive discussions during the legislative process was the tension between fair housing and California's climate goals. Many higher resource neighborhoods are car-oriented suburbs and pursuing affordable housing development in those areas was perceived as potentially running counter to efforts to reduce greenhouse gas emissions. At the same time, efforts to build affordable units in areas with low-cost public transit can further racial segregation, as these neighborhoods **are more likely to be communities of color**. Additionally, historical planning practice has often **concentrated multi-family homes on unsafe and polluted high traffic corridors**.



Due to the geography of U.S. transportation infrastructure, planning reforms aimed at increasing housing in transit-rich locations could perpetuate this practice, counter to AFFH goals. Although steps have been taken to **coordinate housing, transportation, and air quality policies**, grappling with the integration of fair housing and climate goals remains a persistent challenge for California.

- **Potential for inconsistency between state and federal requirements.** Misalignment could increase administrative burdens for jurisdictions and public agencies and contribute to competing AFFH policies. State laws may need to be revised to maintain alignment current federal rules.
- **Unfunded mandate for California jurisdictions.** Under the state law, every California jurisdiction is subject to AFFH planning and implementation requirements. Some jurisdictions expressed concerns that they would not have the appropriate resources to implement the new law's requirements. To mitigate these concerns, HCD provided local planning grants that could be used toward AFFH planning and process improvements. See **Strategy 2: Supporting and Monitoring Local and Regional Fair Housing Planning** for more information on the planning grants.
- **Role of regional agencies.** Regional Councils of Governments (COGs) did not want to be covered by the bill's AFFH requirements, as they are primarily focused on transportation planning and funding. Ultimately, COGs were not explicitly covered by the general provision in AB 686. However, the State passed **AB 1771** in 2018 to expand on AB 686, which requires COGs to address AFFH in each RHNA plan. Specifically, AB 1771 requires each RHNA plan to "include an objective to increase access to areas of high opportunity for lower-income residents, while avoiding displacement and affirmatively furthering fair housing."
- **Requirements for specific AFFH policies.** Some stakeholders were worried that a state AFFH law might directly or indirectly mandate a specific policy, such as inclusionary zoning. The language of AB 686 was drafted without any requirements that the state or local jurisdictions implement any specific AFFH policy.

Codifying AFFH under Maryland Law

Maryland is another state that has codified AFFH into law. In 2021, legislators passed [House Bill 90](#), which requires the state's local governments and public housing agencies to AFFH.

When submitting a housing element, jurisdictions must include an assessment of fair housing that describes goals and challenges related to AFFH. Upon request, the state's Department of Housing and Community Development (DHCD) will provide technical assistance to cities, counties, and PHAs to help them develop an assessment of fair housing. The state has developed a lengthy [resource page](#) which discusses best practices and provides mapping tools and reference information to support fair housing planning.

To track state level progress, the law also requires DHCD to release a report on fair housing every five years. Local governments and PHAs who have not yet completed an assessment of fair housing can submit data for this report using a streamlined [compliance form](#). When reporting on fair housing progress, DHCD must also discuss how it is "collaborating with and supporting nonprofit and governmental entities devoted to furthering fair housing," reflecting the state's comprehensive vision for advancing fair housing.

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Strategy 2: Supporting and Monitoring Local and Regional Fair Housing Planning

In addition to AB 686, California has additional fair housing related laws:

- [AB 101](#) (2019), which authorized HCD to conduct audits of local housing elements.
- [AB 215](#) (2021), which authorized HCD to review any local actions that are inconsistent with a jurisdiction's adopted housing element.

These laws are part of **an intentional state strategy to ramp up local actions to AFFH**. Specifically, these laws include:

- Requirements for all of California's jurisdictions to complete AFFH planning within their housing elements.
- Enhanced State oversight and enforcement over local land use planning.

Through additional regulation of fair housing planning, the state hopes to leverage local resources more effectively to AFFH and to ensure that localities remain committed to their fair housing goals.

Meaningful Action: Providing Technical Assistance

To facilitate local fair housing planning, HCD provides technical assistance and planning grants. For example, [Local Early Action Planning \(LEAP\)](#) grants to local governments and [Regional Early Action Planning \(REAP\)](#) grants to regional governments, provided in 2019-2022 from state budget allocations, were used for planning and implementing fair housing goals.

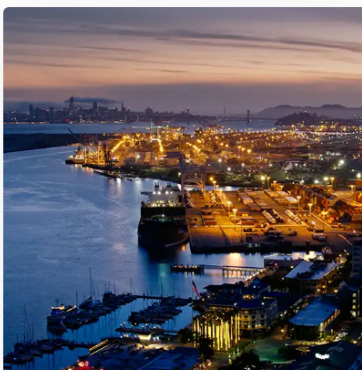
Click the flip cards below to learn more about how three entities used these grants to support their fair housing work.

Flip All Cards



Los Angeles

Los Angeles used these grants to fund additional staff to develop the AFFH component of their Housing Element, funded community-based organizations to lead community outreach, and conducted a [feasibility analysis of rezoning plans](#).



Emeryville

Emeryville, a small city in Northern California, used the planning grant to fund community outreach and [conduct research](#) on existing conditions and housing sites throughout the city.



Association of Bay Area Governments

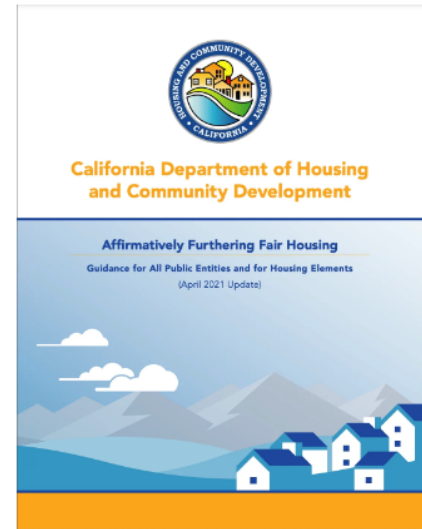
The Association of Bay Area Governments (ABAG), a regional government representing 109 cities and counties, used its funds to provide technical assistance and develop [tailored data packets](#) for use by local governments.

Best Practice

Community outreach should be inclusive and intentional: Interviewees highlighted the role of dedicated funding to support community organizers and other community outreach efforts, to create accessible and more effective community outreach processes. They also reflected on the need for public participation to go beyond a 'check the box' exercise and result in meaningful engagement. As one advocate put it, "there's a big difference between 'tell us your opinion so that we can tell you what we were going to do anyway' and 'we genuinely want to incorporate you into the process of identifying community needs and coming up with the programs to address them.'"

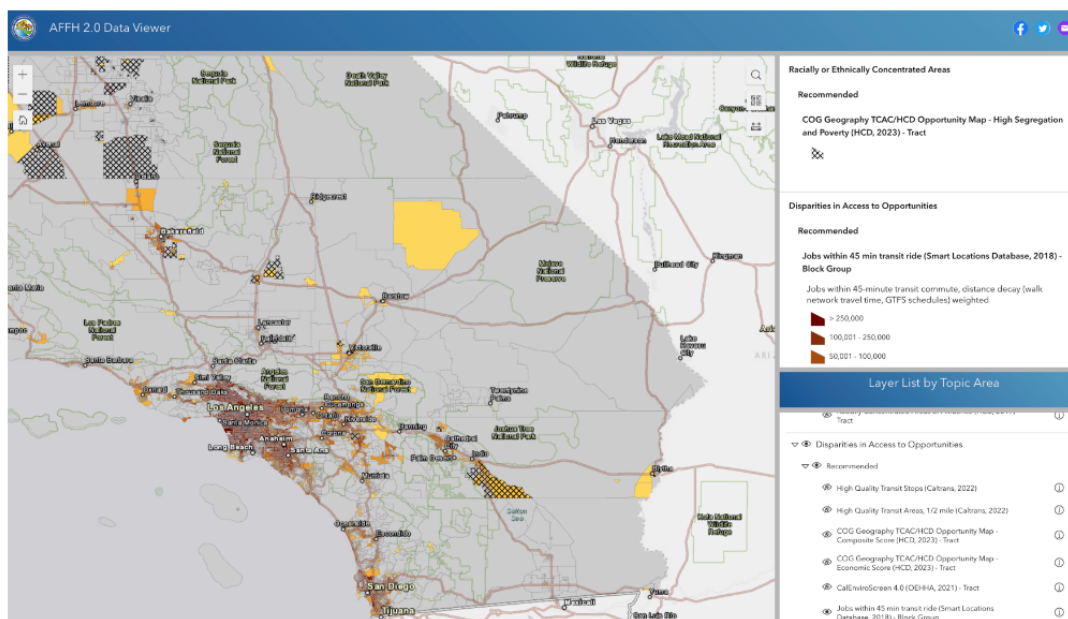
In 2020, HCD published [Guidance for All Public Entities and for Housing Elements](#), which includes **step-by-step guidelines on AFFH requirements, a list of resources, best practices, and tips for implementation.**

However, this guidance was still being developed while many jurisdictions were working on their Housing Element updates. As a result, cities who had earlier deadlines for their Housing Elements began to develop AFFH plans without it.



Best Practice

It is important to **release AFFH guidance in a timely manner**, prior to the first submission dates, to allow jurisdictions to incorporate the guidance into their fair housing plan submissions.



California's AFFH Data Viewer displays housing data related to poverty, race, affordability, and other topic areas.

California created the [AFFH Data Viewer](#), an **interactive map that jurisdictions can use to explore data** that informs their assessment of fair housing and their AFFH goals. This mapping tool allows jurisdictions to view data overlay categories like existing affordable housing assets, racially or ethnically concentrated areas of poverty/affluence, disparities in access to opportunities, fair housing enforcement and outreach capacity, and disproportionate housing needs/displacement risks.

“Having geospatial data available to us was incredible. As a small city with a small budget, we don’t have the ability to generate this kind of information on our own.”

—City Planner, City of Santa Maria, CA

Best Practice

Supporting planning staff is critical: For many local planners, AFFH arrives as a new task which they must complete without necessarily receiving additional resources. As one California fair housing expert noted, planners often receive little guidance and face intense community opposition, making their jobs even harder. States can support local housing staff by providing clear planning guidance and data tools, as well as funding to hire more team members if needed. A planner from Sacramento encouraged states to provide funding for dedicated AFFH staff, who can concentrate exclusively on planning and implementing fair housing efforts.

Some regional government agencies also elected to create tools to support local jurisdictions with fair housing planning and implementation. For example, the Association of Bay Area Governments used funds provided by the state’s REAP program to host an [Affirmatively Furthering Fair Housing Policies and Programs Toolkit](#) on their website. It includes a list of fair housing assistance organizations and highlights 15 strategies that Bay Area jurisdictions can implement to further fair housing. These tools, as well as the tailored data packages highlighted earlier, were reviewed and approved by HCD.

Meaningful Action: Ongoing Monitoring and Enforcement

California has implemented steps to ensure localities are fulfilling their obligation to AFFH.

HCD’s Housing Element team reviews every local jurisdiction’s plan before certifying it.

In the most recent round of review, nearly every jurisdiction received a findings letter with feedback from HCD on how to strengthen their plans prior to certification. HCD feedback to submitters commonly requested stronger AFFH analysis; [a survey of 33 initial findings letters](#) found that 94 percent included comments related to AFFH. The state’s feedback on AFFH components pushed jurisdictions to develop housing mobility strategies through increasing access to well-resourced neighborhoods, as well as implementing community place-based strategies for neighborhood improvement.



“Programs for anti-displacement and new housing in well-resourced areas do not appear adequate to address the fair housing issues described in the element.”

—HCD [feedback](#) regarding deficiencies in a city’s Housing Element

HCD's Housing Element team also reviews each jurisdiction's AFFH programs to make sure they **incorporate concrete timelines for achieving key milestones** (i.e. deadlines for city adoption of rezoning plans or launch dates for specific AFFH programs). In Sacramento, for example, HCD requested the city incorporate more specific targets and metrics to measure success towards their stated AFFH goals. A statewide housing advocate reflected that recent administrative and legislative changes have "set off the rise of a much stronger enforcement regime in HCD, so we're seeing much stronger Housing Elements."

Without an HCD-certified adopted Housing Element that includes a robust fair housing plan, jurisdictions are ineligible or less competitive for many state programs, including programs that are not primarily focused on housing. State programs with funding contingent upon approval of a Housing Element include:

- [Community Development Block Grant Balance of State Program](#)
- [Infill Infrastructure Grant Program](#)
- [Local Housing Trust Fund Program](#)
- [Affordable Housing and Sustainable Communities Program](#)
- [Permanent Local Housing Allocation Program](#)
- [Caltrans Sustainable Communities Grant Program](#).

Fair housing incentives tied to transportation funds, for example, can be highly motivating for communities that resist housing development to nevertheless complete an approved fair housing plan. A regional government staff member reflected on the effectiveness of this strategy, saying that "wealthier jurisdictions want to fix their roads and build their bike paths, and it makes tons of policy and planning sense to say, 'well we're not going to give it to you unless you do better on housing.'"

In 2021, HCD created the Housing Accountability Unit to strengthen enforcement over local jurisdictions, including complying with AFFH law.

Failure to implement program actions, such as following through on zoning changes to make identified sites

available for development, can result in a decertified Housing Element and, if necessary, referral to the California Office of the Attorney General for court action. State law also allows a right-of-action to affected parties, such as residents or advocacy organizations, to sue cities or counties who are not compliant. Also in 2021, HCD rolled out a [Housing Accountability Dashboard](#), intended to provide readily accessible, real-time updates on the number of market-rate and affordable housing units "unlocked" due to enforcement actions taken by HCD. This tool facilitates accountability from the state and courts and better enables effective organizing and advocacy at the local political level.



Ongoing Challenges

Standardized AFFH requirements can pose unique challenges to different types of jurisdictions. When implementing AFFH at the state level, it is important to craft regulations and guidance to help all types of jurisdictions. While limited funding and staff capacity can constrain AFFH planning and implementation, they are not insurmountable.

Small jurisdictions may lack staff to complete AFFH planning, or may have limited financial resources or the capacity to collect or analyze data. A fair housing expert who has

supported over 30 jurisdictions in their AFFH analysis for the current Housing Element cycle reflected that some small jurisdictions have “no money, no staff, and no understanding of what AFFH means.” As discussed in this strategy, California offers technical assistance to localities to help address this challenge.

More populous jurisdictions may find it difficult to meet comprehensive AFFH requirements. While larger cities often have more resources that can be leveraged for planning, their size presents challenges too, for instance, in making community outreach and site inventorying much more time intensive.

A requirement to analyze lease affordability across every property is “just not feasible when you’re working at a scale of 600,000 units.”

— Feedback on AFFH requirements from a city staffer in Los Angeles

Rural jurisdictions face unique challenges as well. Because of their dispersed resources and geography that usually requires car ownership, rural areas often struggle to identify areas where new affordable housing would be viable. A city planner from Humboldt, CA described how areas that both count as “high opportunity” and are “suitable to build affordable housing” are limited, making it challenging to meet fair housing goals.

While California provided state planning grants to jurisdictions from 2019 to 2022, **the Housing Element process itself does not come with additional funding for jurisdictions to use to meet AFFH goals.** This has frustrated some local staff, as the state has increased low-income housing targets through the RHNA process without offering more resources to build affordable housing. One fair housing expert who worked with dozens of jurisdictions reflected that these plans may end up as “just words on paper if there’s no actual construction happening or more opportunities being developed.” Their sentiment reflects a need for localities to not only plan for development, but to take other steps to facilitate construction, such as by enabling development on government-owned land, providing subsidies, or [reducing regulatory barriers](#).



It can be particularly difficult for localities to propose strategies that "transform concentrated areas of poverty into areas of opportunity". This AFFH mandate generally requires implementation funding for which little state support is available.

California does not provide "the kind of funding that [cities] need to address community development challenges."

— Local planner, California

Jurisdictions can also face **challenges cultivating the political will to tackle fair housing issues**. Hover over the flip cards to learn how California has addressed two common forms of political opposition.

Flip All Cards



Reluctant Local Officials

Some local elected officials are not receptive to new affordable housing developments, or to fair housing efforts in general. When their reluctance leads to violations of fair housing law, California takes action. For instance, the state is suing the city of Huntington Beach over its refusal to approve new affordable housing. Some jurisdictions noted that it was helpful to point to the state as the enforcer. A regional government staff member reflected, "the fact that the state has built up its enforcement capacity, and has political oomph behind it, seems to be critical because local governments pay attention to that."



"Not in My Backyard" Attitudes

In some communities, resistance from residents with NIMBY (not-in-my-backyard) attitudes continues to make it difficult to build affordable housing, particularly in exclusionary, high-resource areas. Planning staff in San Diego commented that, second to funding, "community opposition is probably the biggest challenge" in trying to implement the city's fair housing goals. Communities address this concern through community outreach that clarifies the importance and non-threatening nature of affordable housing.

Best Practice

The AFFH story matters: Interviewees emphasized the importance of clear, consistent messaging to create a human-centered narrative on the importance of AFFH. This perspective can help counter public fears about new housing development.

- An analyst at Los Angeles' Housing Department reflected on the importance of using data to tell a story to "build the consciousness of elected officials and the public about what the disparities are and why they matter."
- A coordinator for the City of Emeryville said, "understanding the historical context of your community is critical, so don't gloss over that."
- Planning staff in San Diego highlighted the importance of "clear communications regarding the needs for more housing and what that will look like in people's neighborhoods" that is "easily digestible on a human emotional level."

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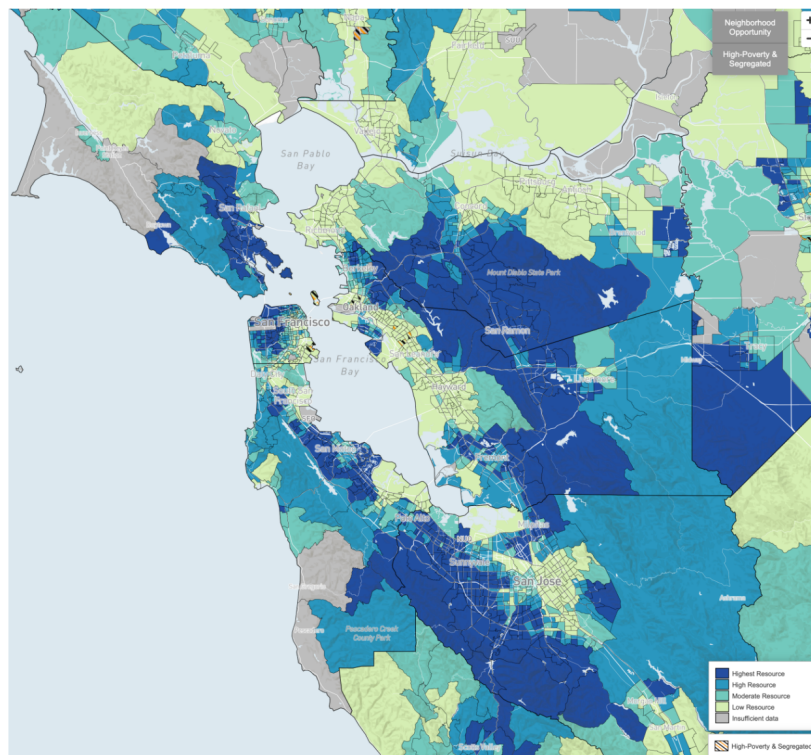
Strategy 3: Incentivizing Affordable Housing Development in Well-Resourced Areas

Historically, affordable housing developments have been concentrated in areas characterized by high poverty, racial segregation, and limited access to quality schools, healthcare, parks, and other public amenities. This concentration reinforces existing patterns of inequality and can limit access to opportunity for protected classes. Between 2003 and 2015, for example, **only five percent of LIHTC credits for new family housing developments were allocated to projects in the highest opportunity neighborhoods** in California, even though these neighborhoods account for 20 percent of the state's census tracts.

As part of its commitment to AFFH, the state has been working to **encourage new affordable housing development in well-resourced areas** through a variety of tools, processes and resources, including an Opportunity Map and requirements of the Regional Housing Needs Allocation plans. The intent of this strategy is to identify and open exclusionary neighborhoods, thereby creating more integrated communities, increasing access to opportunity, and allowing all Californians options to live where they choose.

Meaningful Action: Developing an Opportunity Map

California's state agency developed an **Opportunity Map** to help prioritize affordable family housing development in well-resourced areas. While the **AFFH Data viewer** discussed earlier is designed for jurisdictions to explore data that informs their AFFH goals, the Opportunity Map is used in California's LIHTC allocation process and other state housing funding programs, and is useful in both fair housing planning and in developing equitable site inventories.



This image of the Opportunity Map shows varying levels of opportunity across neighborhoods in the Bay Area.

Comparing the four years before and after the state began using the map to set competitive priorities for new large family projects (where at least 25 percent of units have more than three bedrooms), the number of funded affordable housing units to meet the needs of families with children in well-resourced areas **increased more than 60 percent**. While this increase translates to a significant jump in the share of new, large family affordable units in higher resource areas (from 12 percent to 26 percent), the majority of large family LIHTC projects remain in lower-resource areas of the state. As of 2021, **93 percent of all LIHTC funded units in family-serving developments were located outside of the state's highest resource neighborhoods**.

How California Created the Opportunity Map

To develop the Opportunity Map, state agencies engaged a group of research organizations to provide advice on evidence-based approaches. The intent of the map is to identify areas in every region of the state whose characteristics are associated with positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children.

Each year, the state, in collaboration with its research partners (a group of independent housing organizations and research centers), revises the methodology in response to public comment and a review of recent research and emerging evidence. In the [methodology for the Opportunity Map](#), each track is compared to the regional median across eight educational and economic indicators:

- Poverty Rate
- Adult Education Rate
- Employment Rate
- Median Home Values
- 4th Grade Math Proficiency
- 4th Grade Reading Proficiency
- High School Graduation Rate
- Student Poverty Rate

A track receives one point for each indicator that falls above the regional median. Then, tracks that are flagged as environmentally burdened subtract one point. Tracks with a final score of six or above are designated as high or highest resource in the Opportunity Map. New family housing projects proposed in those neighborhoods receive extra points on their LIHTC applications.

Local and regional jurisdictions are also using the Opportunity Map to identify opportunities for more affordable housing in tracts designated as high or highest resource. Some cities have found that using the Opportunity Map can help them circumvent a contentious process of classifying neighborhood types in their local jurisdictions. In Los Angeles, for example, the city has been following the state's Opportunity Map guidance to give priority to affordable housing projects in higher resource areas with locally directed funds. As a result, the number of affordable housing projects in the city's higher resource areas has increased from six to 18 percent.

Best Practice

Provide training in data tools: When states or local governments create resources like California's Opportunity Map, they should provide training and technical assistance to enable planners to make the most of them. By easing the learning curve and demonstrating key features, trainings ensure that data tools can be leveraged to their full potential.

Meaningful Action: Overseeing a Regional Housing Needs Allocation

Regional housing needs allocation (RHNA) plans are required, under [AB 1771](#), to increase access to areas of high opportunity for lower-income residents, while avoiding displacement and affirmatively furthering fair housing. In addition to requiring that jurisdictions zone for new housing under the RHNA process, **the state sets housing production targets for specific income levels to ensure that new housing is affordable to all households.**

This process starts when HCD determines how much housing, and at which affordability levels, is needed for each California region. To do so, the state analyzes data on overcrowding, cost burden, vacancy rates, and jobs-housing imbalances. Then, regional governments develop a RHNA plan in partnership with HCD to allocate housing need, by income category, across all local jurisdictions.



HCD reviews these plans with an AFFH lens to ensure they allocate adequate shares of very-low and low-income housing to high-resource, job-rich cities and counties in order to foster more economically and racially integrated communities. In addition, HCD develops the RHNA plan directly for twenty, mostly rural counties across the state that do not have a regional government agency.

To meet their RHNA targets, **many local jurisdictions are rezoning high-resource areas to build more affordable housing.**

- In Los Angeles, for example, the city is implementing a rezoning program to [accommodate over 255,000 units](#) based on their RHNA targets. The rezoning program aims to [incentivize the development of lower-income housing](#) and focuses on new housing capacity in higher resourced areas of the city.
- The city of Sacramento has made a commitment to [eliminate single family zoning altogether](#); as of 2022 approximately 77 percent of residential land in Sacramento had been zoned exclusively for single family homes. Through their rezoning efforts, the city is aiming to accommodate more multi-unit affordable housing in well-resourced areas.

In 2019, the passage of Assembly Bill 101 required HCD to develop an improved RHNA process for the next eight-year cycle. These will include streamlining housing development and better addressing the state's housing shortage. HCD is currently working to develop recommendations to improve the RHNA methodology. This includes conducting a survey and community outreach on topics including the use of RHNA to better meet AFFH goals.

Zoning and Fair Housing Action in Connecticut

Connecticut took a direct approach to encourage localities to reevaluate zoning policies. In 2021, it became the first state to **require that all localities AFFH** through zoning policies. Localities must demonstrate that their policies AFFH in accordance with the **Fair Housing Act** in reports to the state's Office of Policy and Management.

Connecticut paired this change with state-level zoning reforms. These zoning reforms:

- Authorized the construction of accessory dwelling units in most residential lots
- Lowered mandatory parking requirements
- Curtailed towns' ability to set square footage minimums for new construction

Local governments retain control over their own zoning decisions and can even opt out of some state-level standards. However, they must demonstrate a commitment to AFFH, which includes taking steps to encourage affordable housing development.



Ensuring a Fair Share of Affordable Housing Across New Jersey

In the 1970s, the NAACP and fair housing advocates in New Jersey sued the town of Mount Laurel, arguing that its exclusionary zoning laws (and “slum” clearance policies) prevented adequate housing for low- and moderate-income residents. In 1975 and 1983, New Jersey’s State Supreme Court ruled in the Mount Laurel cases that zoning policies designed to exclude affordable housing are unconstitutional and stated that the state has an



obligation to ensure that localities provide their “fair share” of affordable units. As a result, towns in New Jersey are required to create a housing element and a Fair Share Plan, which outline actions the town will take to meet its affordable housing obligations.

To enforce the decision, the state created a Council on Affordable Housing, which calculated specific requirements for each local government and fielded fair housing plans from them. Those that did not comply exposed themselves to lawsuits and “builder’s remedy” developments- which are allowed to circumvent zoning restrictions in non-compliant localities.

For decades, New Jersey’s approach did little to create more and better dispersed affordable units. In particular, cities were able to pay other municipalities to take on their affordable housing obligations, which reinforced segregation. But in 2015 the State Supreme Court replaced the Council on Affordable Housing with direct judicial oversight, requiring towns to submit plans directly for court approval. Through over 340 settlement agreements, towns revised their zoning laws to encourage affordable housing production.

Since these changes took effect, the state has produced roughly 2,700 new deed-restricted affordable units per year- almost twice the 1980-2014 average. These new developments have **disrupted patterns of segregation** and helped integrate families of color into historically White areas.

Ongoing Challenges

Some stakeholders feel California is not effectively balancing its approach to AFFH, **emphasizing mobility strategies (such as opening up access to opportunity) without adequate consideration of place-based strategies (such as preventing displacement or investing in concentrated areas of poverty)**. For example, critics of the state's Opportunity Map argue that it directs funding away from low-income neighborhoods and perpetuates cycles of historic disinvestment. In addition, there are several methodological limitations to the Map. These include that there is no objective definition of 'opportunity,' and the dimensions that shape economic mobility pathways include complex elements like safe neighborhoods, quality education, and economic vitality, all of which are difficult to measure. Indicators included in the Opportunity Map are limited to those with publicly available comprehensive data at the neighborhood level.

There are also funding constraints that limit where and how much affordable housing is built, irrespective of local and state planning efforts to AFFH. The construction of new affordable housing is expensive—in 2019, for example, the average cost per unit of new construction funder with 9 percent LIHTC was **\$480,000**—and both state and local funding sources fall short of need. Because of the high costs of construction, it is also difficult to build lower cost, unsubsidized housing. A planner in Humboldt commented, "our wage scale does not match the cost of producing housing," so without a subsidy "we're only producing housing at a level well above median income."



The high cost of building new affordable housing is driven by many factors. These include the rising cost of labor and building materials, the increasing size and amenities of new homes, building and permitting regulations, and the limited availability of buildable land. No single program, policy, or funding source can alleviate high development costs. Instead, places with high housing costs, like California, can consider solutions like:

- Building on publicly owned land
- Reducing regulatory barriers that add to the cost of new development
- Creating more efficient uses of land, such as by upzoning, to enable more units to be built on smaller and less expensive parcels

To learn more, explore:

- The guide to [Increasing the Supply of Affordable Housing](#) describes cost-saving approaches to financing, land use, and other areas.
- HUD's [Regulatory Barriers Clearinghouse](#), discusses how localities can change their regulatory policies to make affordable housing development easier.
- The [Housing Policy Framework](#) **Pages** [Using Solutions](#), offers details on how to fit affordable housing production into a broader housing strategy.

Passing Affordable Housing Legislation

Since 2016, California has passed **over 100 pieces of legislation** to promote affordable housing development. These laws focus on streamlining housing approval processes, increasing housing density, and reducing barriers to new construction. Examples include:



- **Senate Bill 35** (2017), which removed all discretionary processes and **streamlined the approval process for multifamily infill projects in cities that are not keeping pace with permitting of new housing** in line with their regional targets. SB 35 allows developers to bypass local reviews for zoning-conformant developments that provide a minimum share of affordable units, meet specific labor provisions, and are consistent with local planning standards. It also allows projects to sidestep citizen litigation arising from claims under California's Environmental Quality Act. Between 2018 and 2023, **over 18,000 new units were approved by-right for streamlining** under the law, most of which have been designated for lower income households.
- **Senate Bill 330** (Housing Crisis Act of 2019), held zoning regulations at their January 1, 2018 levels, **preventing local governments from downzoning or imposing new building moratoriums**. The law streamlines the approval process for housing projects, limits public hearings, and mandates city approvals for developments that comply with current zoning rules. The law also imposes fines on cities that violate the state's Housing Accountability Act (1982), which disallows cities from denying housing and shelter projects that meet objective local development standards.
- Legislation that strengthens **California's Density Bonus Law**, which **permits developers to build at higher densities if their projects incorporate a designated share of affordable housing units**. **AB 2345** (2020) allows a density increase of up to 50 percent for projects with at least 15 percent lower-income housing units. **AB 1763** (2019) offers an 80 percent density bonus or unlimited density for 100 percent affordable housing projects near major transit stops. **AB 2334** (2022) expanded density benefits for affordable projects in areas with low-vehicle miles traveled.
- **AB 2011** and **SB 6** (2022), which streamline the approval process for new housing on land zoned for commercial uses, such as office, retail, and parking spaces. These laws allow by-right affordable housing development on commercial land, with market-rate housing projects required to include a 15 percent affordable housing component. **Senate Bill 4** (2023), expanded these laws to include lands owned by faith-based organizations and higher education institutions for affordable housing development. Under Senate Bill 4, **approximately 171,000 acres of land are eligible for benefits**.

Enabling Affordable Housing to AFFH in Other States

States other than California have adopted laws to make affordable housing easier to build. In several cases, these laws are tailored to support fair housing goals by making it easier to build affordable housing in well-resourced communities.

In **Washington**, Governor Jay Inslee declared 2023 the “[Year of Housing](#)” and worked with the legislature to expand support for equity-focused affordable housing. Among 10 different bipartisan housing bills passed that year, the state adopted [HB 1110](#), which required cities to modify their zoning regulations to permit “middle housing:” duplexes, townhomes, and other styles that fall between single-family homes and mid-rise apartments. Because these homes are denser, they are well-designed for maximizing the number of units that can be built in pricier, well-resourced areas. The bill also funds technical assistance efforts, which provide model ordinances and other guidance to help localities leverage middle housing to achieve their goals. [SB 5045](#), meanwhile, made affordably priced accessory dwelling units exempt from property taxes. This bill incentivized landlords to rent ADUs in well-resourced areas to lower income residents.



In 2019, to promote affordability, **Oregon** passed [House Bill 2001](#) to require local governments to allow a greater diversity of housing types to be built. The law requires the Portland metropolitan area and cities elsewhere in the state with a population of more than 25,000 to allow the permitting of missing middle housing types – townhomes, duplexes, triplexes, quadruplexes, and cottage courts – in areas zoned for single-family homes. Additionally, the law requires smaller localities to allow development of duplexes in areas zoned for single-family homes. Early [analysis](#) suggests the law has contributed to an increase in permitted duplexes.



Vermont recently passed the [Housing Opportunities Made for Everyone \(HOME\) Act](#), which aims to reduce housing costs and spur increased housing development. The law limits localities’ ability to require more than one parking space per housing unit, which can [drive up housing costs](#). Additionally, the act requires localities to allow small multifamily development in residential areas served by water and sewer and offer density bonuses for affordable units in multifamily buildings and relaxes restrictions on new accessory dwelling units.

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Strategy 4: Developing Anti-Displacement Tools and Renter Protection Policies

When housing costs in a neighborhood rise, some residents may struggle to afford their homes and be forced to move elsewhere. This process of displacement **disproportionately affect low-income communities of color**, making it an important consideration in AFFH planning.

Renters can be displaced through a variety of landlord actions, including rent increases and condominium conversions. Displacement can be triggered by higher property taxes due to rising property values, which may affect renters and homeowners alike. An influx of high-income residents and businesses, or new development that

makes the area more appealing, can also lead to displacement, as can environmental deterioration that forces relocation, such as wildfires or flood events. For people who are forced to move, **displacement can cause housing instability, social disruption, and economic hardship**.

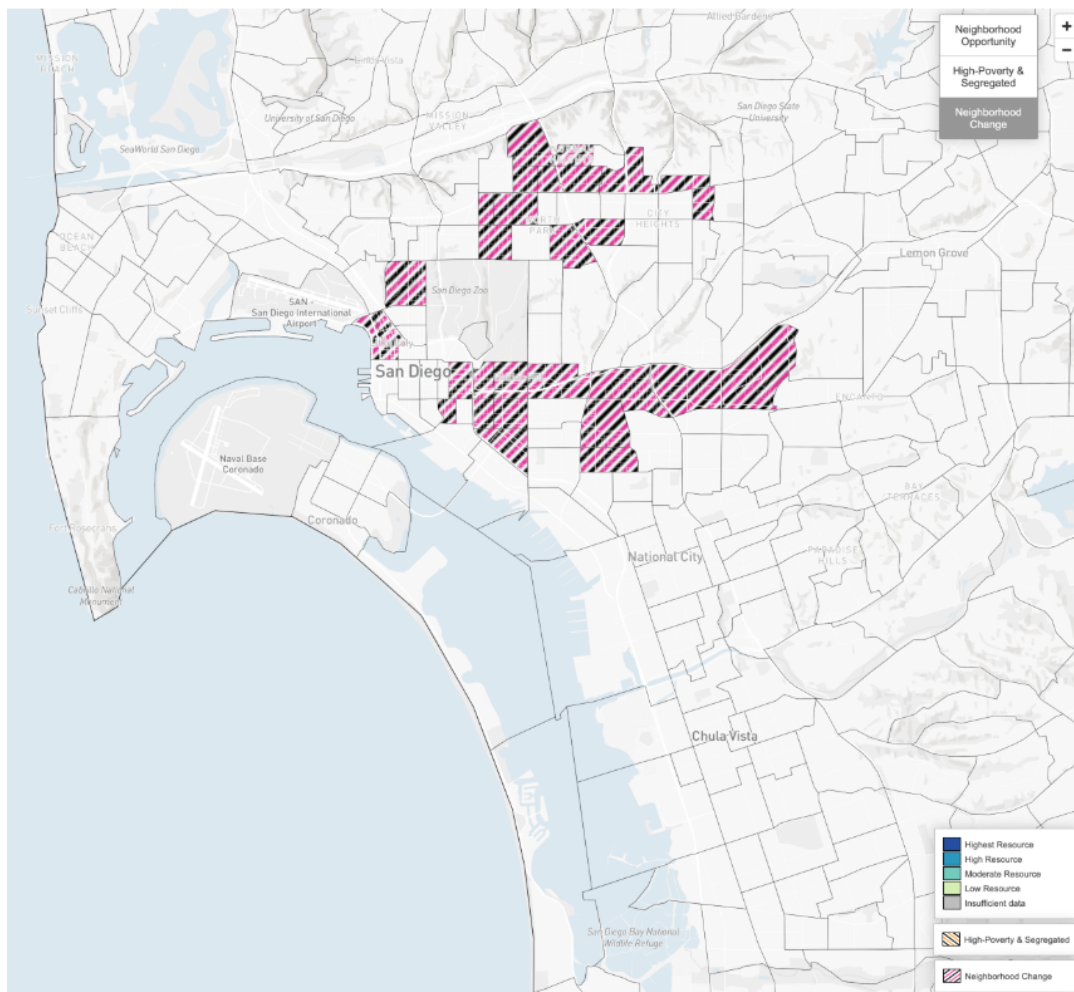
Protecting renters and preventing displacement are key tenets of California's AFFH mandate, and the state has worked to build a tool to identify areas that may be facing displacement pressures and pass renter protection policies to mitigate displacement.



Meaningful Action: Developing a Neighborhood Change Map

In 2023, HCD released a draft **Neighborhood Change Map** to inform statewide policy for funding affordable housing. The interactive map identifies census tracts that have undergone:

- **Substantial racial/ethnic demographic change**, measured by growth in the non-Hispanic white share of the population.
- **Economic change**, measured by growth in high-income households, and markers of disproportionate housing needs (such as rising median rents and gaps between incomes and home values).



The Neighborhood Change map highlights changing neighborhoods, such as in San Diego, and overlays them above the resource designations created by the state's Opportunity Map.

The mapping tool aims to inform anti-displacement strategies and could advance several AFFH objectives, including advancing racial and economic integration, increasing access to opportunity, and addressing disproportionate housing needs. These AFFH objectives are addressed through the map's four stated goals:

- Goal 1: **Stabilize and prevent displacement** of current low-income and/or POC residents in neighborhoods experiencing or that recently experienced an influx of high-income and white households.
- Goal 2: Ensure neighborhoods experiencing or that recently experienced an influx of high-income and white households remain **open and accessible to potential future low-income residents and/or residents of color**, and mitigate future exclusion.
- Goal 3: **Preserve and foster racial and economic integration** in neighborhoods experiencing an influx of high-income and white residents, preventing historic patterns of segregation from reconfiguring.

If adopted, a neighborhood change map could help prioritize funding for affordable housing projects proposed in changing neighborhoods to stabilize communities and prevent displacement.

Meaningful Action: Passing Legislation to Protect Renters

In 2019, California passed [AB 1482](#) to **regulate rent increases and establish just cause eviction protections**. The law introduced a cap on annual rent increases, limiting them to a maximum of 10 percent. The law also specifies that, after residing in a unit for one year, tenants are shielded from eviction without a "just cause," such as non-payment of rent or lease violations. There are several exceptions to AB 1482. The law does not apply to properties less than 15 years old, single-family homes not owned by corporations, and owner-occupied duplexes. The law also does not cover price changes between tenants due to unit vacancies. In the wake of this state law, several California cities have passed local legislation to expand applicability in some of these areas or decrease the maximum eligible amounts that rents can go up year over year.



To mitigate potential displacement pressures, recent pro-housing laws have also included tenant protection language. For example, [SB 330](#) (the Housing Crisis Act of 2019) aims to accelerate housing production by streamlining permitting and approvals, while also incorporating tenant protections. SB 330 mandates a **"no net loss" requirement, stipulating that any development project proposing to tear down existing housing must build at least as much housing in its place**. In addition, displaced residents receive relocation benefits and a right of first refusal for a comparable unit in the new project at an affordable rent. SB 9, known as the California HOME Act, which allows for duplexes and lot splits in single family areas, also includes specific tenant protections. The law excludes properties where a tenant has resided in the home in the past three years, requires any new units created to be offered as a long-term rental, and prohibits the demolition or altering of affordable housing, rent-controlled housing, or housing that has been withdrawn from the rental market in the last 15 years.

Banning Source of Income Discrimination to Protect Renters

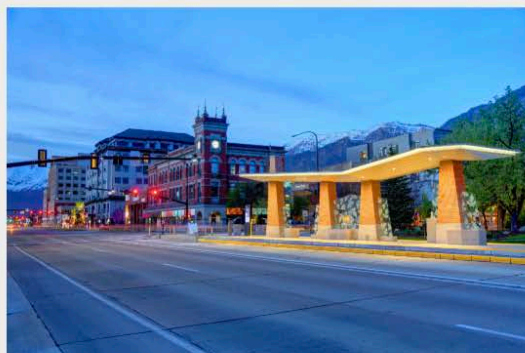
Housing Choice Vouchers (HCV), sometimes called Section 8 Vouchers, which are funded by HUD and administered by local public housing agencies, can be a powerful tool for disrupting segregation and helping lower-income families access well-resourced areas. HCVs provide rental subsidies to be used in the private housing market, rather than units located in subsidized housing projects. Since voucher holders' portion of their rent is tied to their income and the other portion is covered with the HCV, vouchers can also help households avoid displacement as their neighborhood changes.

However, households often face discrimination from private landlords when trying to use their voucher, especially in more affluent areas. To counteract this barrier, 17 states (including California) and the District of Columbia ban discrimination based on source of income, including Housing Choice Vouchers.

Utah has one of the oldest source of income protections in this country. Its law extends the same rights to voucher holders that protect individuals based on race, sex, religion, and other personal characteristics. Individuals who experience discrimination can file complaints with the state's Division of Antidiscrimination and Labor or file a lawsuit independently. In 2016, the Utah Apartment Association lobbied to repeal protections specifically for voucher holders, but a coalition of housing leaders from PHAs and non-profit groups successfully defended the law.

Most other state source of income laws extend the same protections as Utah's, but some states offer additional protections or incentives to support housing choice voucher holders. For instance, **Virginia** has [The Communities of Opportunity Tax Credit Program \(COTCP\)](#) which aims to decentralize poverty by enhancing low-income residents' access to affordable housing units in higher-income areas. COTCP does this by providing state income tax credits to landlords who own property in eligible census tracts throughout the State, who participate in the Housing Choice Voucher program. Similarly, **Washington** reimburses landlords for unpaid rent and utilities for tenants using [a housing subsidy program](#) to encourage them to adhere to the state's ban on source of income discrimination.

For a breakdown of all state and local source of income protections in the U.S., see this report from the [Poverty and Race Research Action Council](#).



Ongoing Challenges

The state is still exploring and developing tools to address displacement. The Neighborhood Change Map has not yet been adopted, so it is unclear how it will be used to inform policies. It also does not aim to identify neighborhoods in early stages of change or predict neighborhoods at-risk of displacement. Other new tools or policies may be required to support communities that are undergoing initial stages of neighborhood change.

Enforcing legislation that protects renters is an ongoing challenge. **Without comprehensive data on rent levels and tenancy records, it is difficult to enforce the rent caps established** by AB 1482. The law can also only be enforced in court, leaving it to tenants to prove they have been subject to an unlawful rent increase or eviction. In 2023, California [took its first AB 1482 enforcement action](#) against a landlord who had increased rents by an average of 151 percent. For pro-housing laws, like [SB 330](#) and [SB 9](#), it can be difficult to verify a property's rental history to assess whether developers are abiding by the no net loss requirements. Advocates have raised concerns about how policies that make it easier for market-rate developers to build homes play out in different communities, particularly without protections in place to mitigate the risk of displacement.

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Strategy 5: Investing in Community Revitalization

Decades of discriminatory and exclusionary policies, coupled with insufficient investment in low-income neighborhoods, have given rise to concentrated areas of poverty and neighborhoods with disparities in access to opportunity across California. The harmful impacts of concentrated poverty are disproportionately felt by **people of color** and **people with disabilities**. Achieving the AFFH goal of transforming these concentrated areas of poverty into areas of opportunity will require significant community investment.

Community revitalization efforts, which include targeted investments to address housing, safety, education, health, infrastructure, and/or employment, can uplift historically disadvantaged and disinvested neighborhoods. **A balanced approach to AFFH recognizes that strategies like these, which create opportunity in disinvested neighborhoods, are just as important as removing barriers to existing well-resourced places.**

California has long had an interest in supporting community revitalization but has had few tools to accomplish it on a large scale. Opportunities have generally been limited to using resources like federal community development block grants and planning grants, and prioritizing applications for LIHTC and other affordable housing funding for projects in designated revitalization areas. However, HCD is exploring ways to further prioritize affordable housing projects that are tied to comprehensive community revitalization programs.



Meaningful Action: Transformative Climate Communities Program

In 2016, the state created the **Transformative Climate Communities (TCC)** program, which **invests in marginalized communities across California that have been affected by pollution**. The program was initially funded by revenue from California's cap and trade program, through which businesses and other entities pay for a limited quantity of greenhouse gas emissions, though it is now funded through state general funds. Since 2018, TCC has provided \$326 million in grants to thirty communities. To apply, TCC requires that low-income communities engage a diverse range of stakeholders to develop a shared vision of community transformation. Selected communities develop their own strategies, goals, and projects to reduce environmental pollutants and improve community services. They work one-on-one with TCC staff to create these plans.



The TCC program furthers AFFH goals by funding development and infrastructure projects that aim to provide health, environmental, and economic benefits to marginalized communities. It specifically supports areas with concentrated poverty and high environmental burdens, such as air pollution. Because of historic patterns of discrimination, these areas typically align with racially or ethnically concentrated areas of poverty (RECAPs), which are commonly targeted for supportive fair housing interventions. The intent of the TCC program is to elevate community priorities, allowing residents to shape investments to improve their neighborhoods. In doing so, it advances fair housing goals like preventing displacement and expanding housing choice.

Downtown Ontario in southern California, a predominantly Hispanic community, was awarded a \$33 million TCC grant for a range of projects including 101 new affordable housing units, over five miles of bike lanes, and a new small business incubator. In Fresno, home to neighborhoods with some of the nation's highest concentrations of poverty, \$66.5 million of TCC funds have been used for a range of projects including 56 new affordable homes, 17 acres of parks and community gardens, and a new West Fresno City College satellite site.



The TCC program is inherently complex. Each grant covers multiple projects and engages many community partners. This approach, designed to spur community-wide, holistic investments, can make the program difficult to administer and manage. However, it can also equip local communities to better attract and pursue additional funding opportunities. By comprehensively planning for community needs and engaging a wide range of partners on multiple projects through the TCC program, local communities may be better equipped to continue their community revitalization efforts beyond the life of the grant.

Ongoing Challenges

California recognizes that there are further opportunities to launch place-based strategies in pursuit of a balanced AFFH approach. In June 2023, HCD kicked off an ‘Opportunity Framework’ project to identify new policies that can further the full range of AFFH objectives, including transforming racially and ethnically concentrated areas of poverty into areas of opportunity. Many interviewees felt that the state could do more to treat mobility and community reinvestment strategies as equal.

Community investment approaches are important for “having different types of strategies that are matched for different types of places.”

—Housing staff member, Association of Bay Area Governments

There are examples of local jurisdictions working with existing resources to move the needle on community investment and revitalization. In San Diego, city policymakers are focusing on “making improvements to areas that have been underserved in the past” by prioritizing infrastructure investments in lower resource communities, as defined by the state’s Opportunity Map. Meanwhile, Santa Maria’s latest housing elements calls for the redevelopment of the city’s downtown area, including building affordable housing and improving existing infrastructure. However, funding is a major constraint for comprehensive community development across the state. One statewide advocate reflected that community revitalization is “primarily a resource issue,” and there is a need for “significantly more funding to address historic disinvestment in local communities.”



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Lessons for Other States to Strengthen AFFH Programs and Policies

The states highlighted in this case study are still working to address their AFFH goals, as reversing decades of discriminatory housing practices requires significant and sustained effort, but there is much to be learned from the recent actions of the states included. Their successes and challenges offer lessons for other states working to AFFH, and inform the following suggestions.



Establish a leadership-level staff position dedicated to advancing AFFH goals and facilitating inter-agency partnerships

Assigning responsibility for developing statewide AFFH strategies to a dedicated leadership-level individual can make implementation more effective. Part of this individual's responsibilities might include managing allocated staff and facilitating cooperation with various agencies and levels of government to refine fair housing practices or ensure AFFH goals that require coordination across agencies are implemented. This type of inter-agency collaboration can be used to design a holistic AFFH approach, and more thoughtfully align fair housing goals with other relevant plans and actions.

In California, HCD appointed a Deputy Director of Fair Housing, who is charged with designing and pushing forward many of the state's AFFH strategies.

Use data to highlight fair housing issues and drive progress towards AFFH goals

Analyzing statewide data can identify fair housing issues, such as inequities in housing access, quality, and affordability. Data can also be used to target resources more effectively, such as directing investments into communities with concentrated poverty or creating new housing in well-resourced communities.

In California, the State's Opportunity Map epitomizes this principle by visualizing and leveraging data to prioritize resources for affordable housing development. Regular data collection and analysis can also be used to monitor progress towards AFFH goals and highlight fair housing issues that require additional resources.

Design requirements to build on existing state laws or federal AFFH rules

Tailoring fair housing requirements to align with existing state laws can allow states to use established processes to make AFFH implementation easier.

In both Maryland and California, lawmakers attached AFFH requirements to the existing housing element process. Other states should look to strengthen their own pre-existing housing review or funding processes. If no such processes exist, states can look for ways to layer AFFH programs into existing planning process for local jurisdictions.

Develop accountability mechanisms, including a mix of incentives and penalties to drive local behavior

Providing grants, technical assistance, or other funding opportunities can encourage local jurisdictions to follow through on their fair housing goals. In California, tying transportation funding to a compliant housing element helped overcome resistance from jurisdictions that may otherwise resist affordable housing development. States might also penalize jurisdictions that do not meet their fair housing goals with fines or loss of eligibility for certain statewide funding programs. Periodic audits by dedicated staff can help ensure compliance. In California, local jurisdictions need a state-certified housing element to be eligible for many statewide funding programs.

New Jersey created a Council on Affordable Housing, which calculated specific requirements for each local government and fielded fair housing plans from them. Those that did not comply exposed themselves to lawsuits and “builder’s remedy” developments- which are allowed to circumvent zoning restrictions in non-compliant localities. For decades, this approach made little traction, but when the State Supreme Court replaced the Council on Affordable Housing with direct judicial oversight in 2015, over 340 settlement agreements led towns to revise their zoning laws to encourage affordable housing production. Since these changes took effect, the state has produced roughly 2,700 new deed-restricted affordable units per year- almost twice the 1980-2014 average.

Pursue a mix of AFFH strategies to meet the needs of different neighborhood types

In every state, different neighborhoods have unique challenges and opportunities to AFFH. Neighborhoods with concentrated poverty may benefit from infrastructure investments and anti-displacement strategies, while historically exclusionary neighborhoods might need intervention to build more affordable housing. A suite of AFFH policies and programs can allow for tailored solutions to meet diverse community needs, which can adapt as neighborhoods change over time.

[Pennsylvania’s](#) LIHTC program sets aside annual funding for projects that either provide new units in well-resourced areas or contribute to a “broader community revitalization program” in a marginalized area. In addition, the state also sets aside funding for projects in high-opportunity suburban or rural areas, with the goal of promoting new mixed income communities.

Similarly, [Massachusetts’](#) LIHTC program awards extra points to developments based on the neighborhood’s access to jobs, quality schools, and health care facilities. These extra points incentivize developers to build in well-resourced areas.

To review California’s efforts to affirmatively further fair housing, you can view two appendices, which cover:

- [California’s Timeline of AFFH Activity](#)
- [Resources Developed for California Jurisdictions to Support AFFH](#)

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Appendix 1 - California's AFFH Timeline

Year	Action
2016	State housing agencies engaged academic consulting support and began exploring use of an "Opportunity Map" for siting affordable housing
	State created the Transformative Climate Communities (TCC) program , which invests in disadvantaged communities across California that have been affected by pollution.
2017	AB 686 was introduced to embed the duty to AFFH into California state law.
	HCD created new leadership position, appointed by the Governor, to oversee fair housing agenda across the executive branch
2018	AB 686 was passed, requiring all California public entities to AFFH through their housing and community development programs.
	The ' Opportunity Map ' was first used in major state housing programs to prioritize development of affordable family housing in high resource areas
	AB 1771 was passed, which required regional governments to address AFFH in each Regional Housing Needs Allocation plan
2019	All local Housing Elements submitted to HCD must now include a program to AFFH, per AB 686
	The State first provided local and regional early action planning grants, which many localities used for planning and implementation towards fair housing goals
	AB 1482 was passed to regulate rent increases and establish just cause eviction protections

	AB 101 was passed, which authorized HCD to conduct audits of local Housing Elements and required HCD to develop an improved Regional Housing Needs Allocation process.
2020	HCD released initial versions of the State's AFFH guidance document and data viewer
2021	AB 1304 was passed, to further specify that the AFFH Housing Element analysis must include an analysis of Racially Concentrated Areas of Affluence, and that Assessment component must include local and regional trends
	AB 215 was passed, which authorized HCD to review any local actions that are inconsistent with a jurisdiction's adopted Housing Element
	HCD created the Housing Accountability Unit to strengthen State enforcement over local jurisdictions, and launched the Housing Accountability Dashboard to provide real-time updates on the number of housing units "unlocked" due to enforcement actions taken by HCD
2023	HCD kicked off an 'Opportunity Framework' project to identify new policies or programs that can further the full range of AFFH objectives, including transforming racially and ethnically concentrated areas of poverty into areas of opportunity.
	HCD released a draft Neighborhood Change Map that aims to inform statewide policy for funding affordable housing.

Appendix 2 - California's AFFH Laws and Resources

Laws

- [AB 686](#) (2017), which established a state-level AFFH mandate in California.
- [SB 35](#) (2017), which removed all discretionary processes and streamlined the approval process for multifamily infill projects in cities are not keeping pace with new housing permitting goals.
- [AB 1771](#) (2019), which requires councils of government to address AFFH in their Regional Housing Needs Assessments (RHNAs).
- [AB 101](#) (2019), which authorized HCD to conduct audits of local Housing Elements.
- [SB 330](#) (2019), which blocked local governments from downzoning or imposing new building moratoriums.
- [AB 1482](#) (2019), which regulated rent increases and established just cause eviction protections.
- [AB 1763](#) (2019), which offers an 80 percent density bonus or unlimited density for 100 percent affordable housing projects near major transit stops.
- [AB 2345](#) (2020), which allows a density increase of up to 50 percent for projects with at least 15 percent lower-income housing units.
- [AB 215](#) (2021), which authorized HCD to review any local actions that are inconsistent with a jurisdiction's adopted Housing Element.
- [AB 2334](#) (2022), which expand density benefits for affordable projects in areas with low-vehicle miles traveled.
- [AB 2011](#) and [SB 6](#) (2022), which streamlined the approval process for new housing on land zoned for commercial uses.

Guidance Documents

- [Guidance for All Public Entities and for Housing Elements](#), which instructs California localities on how to complete their Housing Elements plans, including AFFH planning.
- [Affirmatively Furthering Fair Housing Policies and Programs Toolkit](#), a resource developed by the Association of Bay Area Governments which describes strategies for completing AFFH planning and goal-setting.

Mapping and Data Tools

- [AFFH Data Viewer](#), which displays local data to inform AFFH planning.
- [Housing Accountability Dashboard](#), which provides accessible, real-time updates on market-rate and affordable housing units "unlocked" due to enforcement actions.
- [Opportunity Map](#), which visualizes varying levels of opportunity available in California neighborhoods.
- [Neighborhood Change Map](#), which maps neighborhoods in California that are experiencing gentrification and may be at risk for displacement.

This case study, “Advancing Fair Housing at the State Level: Lessons from California and Other States’ Efforts to Affirmatively Further Fair Housing,” was an online resource on the HUD Exchange, a website of the U.S. Department of Housing and Urban Development.

The case study was a joint effort of [Abt Global](#) and the [Turner Center for Housing Innovation](#) at the University of California, Berkeley.