

An aerial photograph of a city, likely San Francisco, with a green overlay. A dark red, irregularly shaped text box is positioned on the left side of the image, containing the title in white, bold, sans-serif capital letters. The background shows a dense urban landscape with buildings, streets, and a hilly area in the distance.

# **REGIONAL RESEGREGATION: REFLECTIONS ON RACE, CLASS, AND POWER IN BAY AREA SUBURBS**



**NOVEMBER 2017**

# Introduction

Rising inequality is reshaping the Bay Area. In 2016, our report *Race, Inequality, and the Resegregation of the Bay Area* traced the rise of poverty in suburban places and the movement of Black and Latino communities to the urban fringe. Following up on the release of this report, we reached out to political and community leaders, city and county staff, and local philanthropy from suburbs that have seen some of the most dramatic demographic changes in the last 15 years. In total, we spoke with over two dozen people in eight cities across three subregions – Vallejo and Fairfield in Solano County; Antioch, Oakley, and Brentwood in east Contra Costa County; and Morgan Hill and Gilroy in south Santa Clara County. This paper provides a summary of the themes that emerged from these conversations.

# What We Learned

## Housing insecurity and homelessness are rising rapidly everywhere

The housing crisis in major Bay Area cities such as San Francisco has dominated recent headlines with stories of soaring rents and cramped living situations. But there is a housing crisis unfolding in the suburbs, too. Bay Area rents are rising fastest in suburban cities such as Fairfield, where the annual average increase is 8.4 percent. Vallejo, Antioch, Pittsburg, and Gilroy have all seen their renter population grow to over 40 percent of households, many of whom live in single-family homes that were converted to rentals after the last recession. However, many people told us that renters are losing their homes as landlords cash out and sell the homes, forcing renters to move out and either double-up with friends and family, or leave the area altogether. One local official in Gilroy said that more and more people are living in unpermitted converted garages, particularly in the lower-income east side. In Vallejo, rental vacancy rates have declined rapidly, and one official said it has dipped below one percent. This loss of rental housing has hit Section 8 Housing Choice Voucher recipients particularly hard as many homes that once accepted Section 8 assistance are being taken off the rental market and few places are accepting vouchers.

The housing crisis has impacted other, vital public systems, such as schools and city governments. Families have been forced to change school districts mid-year. Students may qualify for federal free or reduced lunch programs, but their families cannot get assistance from local affordable housing

programs. Teachers are forced to move far away from the schools where they teach. These troubling trends point to the potential danger of a housing crisis that leads to the long-term erosion of important public institutions.

*“During the recession years, we probably did see an influx of people from [the urban core]. Investors bought 20-30 homes at a time during foreclosure. Their response at the time was Section 8, but now they can sell those homes... A lot of those homes have converted from rental to for-sale.”*

*– Public official*

These rising housing costs have also contributed to an increase in homelessness. According to county data, Solano and Santa Clara Counties have seen double-digit increases in their homeless population over the last two years. While Contra Costa County reports an overall decline in the homeless population, there has been a 33 percent increase in homelessness in east Contra Costa County. The primary reason people state for becoming homeless is not being able to afford rent. While the initial response of many city decision makers was a desire to simply get rid of the homeless, some noted that they have seen a political shift in the last year to officials wanting to help them. In Vallejo, for example, the city recently piloted a program that covers rent for a year for a homeless person living in the city who is on a pathway to self-sufficiency (such as a being in a job, or in rehabilitation or job training), and moves them to the front of the list for Section



8 vouchers if they successfully complete the year. The program helped 20 homeless residents get off the streets in its pilot year. However, this is far below what is needed in the city, and most other places have not provided an increase in resources or services at all.

While there is significant awareness of the housing challenges, solutions to address the problems have been slow to come. None of these cities have attempted to pass a renter protection ordinance or put a measure on the ballot, although many acknowledge that rising rents and landlord negligence are problems. There is interest among some local activists in trying to pass rent control. However, the effectiveness of rent control in some of these cities would be limited. In cities such as Oakley, 88 percent of all homes are single-family and most have been built in the last 20 years, which would exempt them from rent control under current state law. This highlights the urgency of the need to reform state laws, such as Costa Hawkins which constrains rent control laws, in order to protect renters who live in the suburbs. Other rent protections, such as just cause eviction ordinances or the expansion of access to legal aid for tenants, if passed, could help.

Low-income renters could also benefit from more affordable housing in these places, but this presents additional challenges in many of these cities. One person cautioned that “affordable housing is a dirty word” in his city, where public backlash against renters has led to the city restricting how many new homes can be turned into rentals. In several cities, the prevailing opinion is that their local housing is relatively affordable, and new home sales of \$500-600,000, compared with \$800,000 in other parts of the Bay Area are cited.

## **Suburbs face twin challenges of poor transportation infrastructure and few good jobs**

Many people we interviewed cited the decline in middle-wage jobs and rise in low-wage work as a major challenge in their communities; former military and manufacturing jobs in Solano and east Contra Costa County have declined if not disappeared entirely, while low-wage service jobs have grown. In Gilroy, the local economy is dependent on retail and outlet stores, which produce highly variable sales tax revenue and low-quality jobs.

*“There [are] some light industrial sites that [have] been sold to a private developer for job growth. But that’s not enough. [Lack of jobs] is a problem. So we load up the freeways, taking parents away from their families and away from civic engagement.”*

*– Public official*

At the same time, inadequate yet costly transportation options leave residents isolated from jobs in the region and cut into people’s paychecks. The number of residents commuting a significant distance to their jobs (at least 25 miles) has increased by 10 percent or more in many of these places. Highways are extremely congested, particularly routes 101 and 80. Long commutes also make it more difficult for residents to participate in local meetings or events.

While some regional transit options exist, many people are left unserved. Vallejo’s ferry service to San Francisco is running at capacity, with no short-term plans to expand service, and costs

\$14 dollars each way. Caltrain provides very limited service to south Santa Clara County, and only on weekdays during commute hours. Earlier this year, Santa Clara Valley Transportation Authority approved changes that dramatically decreased bus services in Morgan Hill and Gilroy, while focusing more service in and around downtown San Jose, further limiting transit options for people living farther away from the urban core. BART service to Pittsburg and Antioch is expected to begin next year, but many expressed concern that the new East Contra Costa BART Extension (“eBART”) will provide second class service. There are plans to increase local bus service to the new eBART stations, but it is unclear how much this will improve mobility for people who are traveling to destinations within east county, such as Los Medanos Community College.

Many stakeholders we spoke with in these places expressed frustration with the region’s perception of them as bedroom communities. They expressed a need to strengthen local transit and local economic development so that people could find good jobs in their own cities without having to suffer long commutes. In Vallejo, there have been efforts to create manufacturing jobs on Mare Island and along the waterfront. However, a proposal to begin manufacturing electric cars recently fell through, and a plan to build a cement factory in South Vallejo has raised strong environmental justice concerns. In east Contra Costa County, Supervisor Federal Glover has launched an initiative to support economic development along the northern waterfront, but the plan has yet to lead to any significant new businesses or jobs.

## **Low-income residents and renters lack political voice and representation**

As demographics change in these cities, political representation has been slow to catch up. There have been some recent victories where people of color have been elected into local office in Pittsburg, Vallejo, and Antioch, but this has not been the case in other places. In Gilroy and Vallejo in particular, several city council candidates of color who ran on explicitly progressive platforms did not win their elections. People we spoke with cited several reasons why progressive candidates of color have faced challenges in gaining local political representation, including the need for political reforms and for a strong leadership development ladder.

***“Change happens through ballot measures and the people, not city council. We’re working on getting people engaged through an ad hoc committee to determine what kind of ballot measures we should have in 2018.”***

***– Local elected***

Several people we spoke with said political reforms such as campaign finance reform and the creation of city council districts would help increase the representation of low-income residents on local councils. One person stated that a city council race can cost as much as \$30,000, which limits who can participate and increases the candidates’ need to seek funding and endorsements from wealthy and influential donors, such as developers, chambers of commerce, and local police associations. Public finance could help more people run for office without needing to fundraise from these special

interests. Also, the creation of districts versus at-large city councils may make it less expensive to run for office, and increase the representation of candidates from lower-income neighborhoods. In Gilroy, for example, although nearly half of the council is Latino, none of the council members live in east Gilroy, which is predominately low-income.

Leadership development programs could help increase civic engagement and create pathways into local office for residents. In Vallejo, for example, four of the current local elected officials have served on the participatory budgeting advisory committee in the past. In Oakley, the city runs a leadership academy for local residents, to increase civic participation.

Several people also noted that low-income communities and communities of color face the twin challenges of institutional hurdles to participating in local government meetings and not understanding the value of participation. In Bay Point, after years of not being engaged, a group of Latino parents concerned with the education of their children have obtained translation services in school meetings so they can participate. But this is not the case in most public meetings.

Local ballot initiatives to raise revenue to fund city services have not had much success, which people we spoke with attributed to the low appetite suburban residents have for taxes or government spending. Antioch, Oakley, and Vallejo have all attempted to increase revenues through the ballot box to fund libraries, youth programs, and fire services, but without success. There have been some notable exceptions; in 2014, Antioch successfully passed a business license tax on landlords in order to curtail rental activity, and there is talk of attempting to pass additional measures to raise revenue in 2018.

## **Local nonprofits and social services do not have capacity or funding support to meet the growing need**

As residents struggle with rising housing costs, homelessness, inadequate transportation infrastructure, and poor job opportunities, the nonprofits and social services in these places have not been able to keep up with increased demand. A report on foundation giving by county released last year shows that Solano County has the lowest giving rate in the Bay Area, with just \$3 in foundation dollars per capita, compared with \$27 for Contra Costa County, \$162 for Santa Clara County, and \$1,199 for San Francisco. Several nonprofits in Solano have had to close their doors in recent years due to a lack of available funding. In the easternmost part of Contra Costa County, only one nonprofit in Brentwood provides social services for the entire area, including Oakley and Discovery Bay, after other regional service agencies left due to a lack of funding.

***“We apply [for funds] and we don’t have the resources, matching funds that we can put on the table to compete. We have to fend for ourselves.”***

***– City staff***

Despite the growing demand, local nonprofits struggle to survive. They lack the capacity to compete against larger and better resourced organizations in the urban core, and they feel that local foundations are not investing in them due to this low capacity. There are some notable efforts to break this cycle. In East Contra Costa, a group of local funders

has invested in multi-year capacity-building technical assistance to about 20 nonprofits. In Solano, the Solano Community Foundation has developed a nonprofit partnership program that provides professional development trainings and assistance to local nonprofits. The foundation runs a directory of over 50 local nonprofits to help raise their profile.

In this discussion on local resources and capacities, it is important to recognize that there are vast disparities in income, political representation, and resources both across and within these cities. Several people described Gilroy as essentially two cities; one side gets resources and political representation, and the other does not. Efforts to invest in local capacity-building should consider how race, class, and inequality plays out both within and across cities.

## Taking Action

This paper only begins to touch on the experiences and challenges facing low-income people and communities of color who live in places outside of the Bay Area urban core. While much more understanding is needed to develop a clearer picture of these communities, our findings provide some initial insights and a framework for moving forward:

**Recognize that racial equity is regional.** Low-income communities and communities of color are part of neighborhoods throughout the Bay Area, and a growing number are living in the region's suburbs. We need to recognize that an effective racial equity movement in the Bay Area must be regional, and expand our frame and our work beyond the

urban core. The explosion of the renters' rights movement on the peninsula, in south Alameda County, and in Santa Rosa is an encouraging sign that the fight for housing justice is finding fertile ground in new places. We need to continue to build on this momentum to reach people in places such as Gilroy, Vallejo, and Antioch.

*“There’s a sense of big demographic changes but we don’t always get good information or data about exactly what is happening and where. We know that we can’t solve issues like housing and transportation access alone, but we’re not sure what that regional connection looks like sometimes.”*

– Community organizer

### **Build local equity leadership connected to the regional movement.**

A strong regional movement for equity depends on strong local leaders. Regionally-oriented groups based in the urban core need to support the leadership of those based in the urban fringe. In every community we went to, we saw residents who are on the front lines: creating homeless shelters and services; organizing to eliminate environmental hazards in low-income neighborhoods; defending immigrants against new federal threats; and standing up to rent increases. And they are doing this work with few financial resources, and while isolated from other social justice organizers in the region. We need to strengthen our connections across communities facing the same struggles. We should consider strategies to increase the representation of underrepresented

communities, such as public finance, political districts, and language interpretation at public meetings. And we need to support leaders in their efforts to win seats on local decision-making bodies and get elected to political office in order to advance an equity agenda in city policies.

**Invest in local organizations.** Local organizations are best positioned to understand the unique assets and challenges of their communities. They will not leave their own community if faced with budget cuts or a change in strategic direction by leadership. Regional bodies with resources, such as larger foundations and county and regional agencies, should invest in local organizations, and help build their capacity to grow sustainably, in order to meet the needs in their communities. The capacity-building initiative led by several foundations in east Contra Costa County is a promising example of how to do this, though it is important to recognize the need to also invest in local organizing leadership in addition to nonprofit service providers.

**Advance suburban equity in local, regional, and state fights.** Issues from housing and transportation, to criminal justice, schools, and immigration, impact suburban communities, though in ways that may not be the same as in urban communities or even across different suburban places. For example, repealing or reforming Costa Hawkins would greatly increase the potential impact of rent control in cities such as Antioch, where 40 percent of the population are renters, yet nearly 80 percent of the homes are single-family and therefore currently exempt from rent control because of this law. Further, as the demographics in our cities and suburbs continue to change, traditional inclusion policies such as local hiring become less powerful tools for ensuring that low-income communities of color benefit from local investments. Targeted hiring, which establishes hiring goals and pinpoints preferences based on the socio-economic status of the neighborhood or individual, can be more effective in ensuring that people do not lose access to employment opportunities because they can no longer afford to live close to those opportunities.

For 27 years, Urban Habitat has been committed to advancing equity in the region. We are working to build leadership capacity, win social justice campaigns, and democratize power in the suburbs. However, we cannot do this work alone. Cities, foundations, organizers and advocates, labor, and regional organizations all need to work together towards advancing regional solutions to the challenges of housing affordability, poor transportation infrastructure, and political voice, throughout the Bay Area.



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Urban Habitat works to democratize power and advance equitable policies to create a just and connected Bay Area for low-income communities and communities of color.

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