HOPE SF in Context: A Neighborhood Analysis of Bayview / Hunters Point, Potrero Hill and Visitacion Valley

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Introduction

HOPE SF is an ambitious multi-decade public housing revitalization initiative, started in 2006, that aims to rebuild the largest and most dilapidated dwellings in San Francisco, through public-private-partnerships, while simultaneously reintegrating these developments into the city and adding low-income[1] and market-rate units. It is, in part, a response by the San Francisco government to the defunding and mixed results of the HOPE VI program, a federal initiative to convert public housing into mixed income developments throughout the nation (The Urban Institute, 2013, pp. 6–7). HOPE SF and HOPE VI reflect the policy priority throughout the 1990s and 2000s of reducing concentrations of poverty and simultaneously getting rid isolated public housing communities that created unsafe, disconnected environments.

The Federal HOPE VI program was criticized for its lack of prioritization of the existing public housing residents during construction and after redevelopment. There was little emphasis on ensuring that public housing residents that were displaced during the rebuilding process could return to the newly built units. As a result, nationally, fewer than 40% of original public housing residents returned to live in new or rehabilitated developments (Schwartz, 2010, p. 188). This was partially written into the policy and practice of revitalization in many cases, where high rise apartment-style housing was converted into smaller, less dense developments. Since fewer total units were constructed, and since many of those units were reserved for market rate tenants or homebuyers, some public housing residents were guaranteed to be displaced. Further, combined with new, more strict requirements, many public housing residents did not re-qualify for tenancy when new units were ready. Other criticisms of HOPE VI include the lack of consideration for the timeline of development, since construction disrupted the lives of everyone who lived in the original units for several years.

Informed by these issues, HOPE SF sought to overcome them through its four goals: Build superior housing; Enhance the lives of existing residents; Serve as a catalyst for improving the surrounding neighborhood; and Advance knowledge in the field nationally about best practices in public housing revitalization and community development.[2]

To accomplish its second goal, "Enhancing the lives of existing residents," HOPE SF included promises to build as many units as it destroyed and to work to ensure that everyone that was displaced by rebuilding could return once the new units were complete. Part of this was accomplished in the design process. HOPE SF chose relatively low-density, barracks-style housing to be part of the program, so that developers could reasonably rebuild more units on the same amount of land. This also reintroduced these developments to the broader neighborhood, by turning enclosed, cul-de-sac style blocks into street-facing, urban-style developments which would be less closed off from the rest of the neighborhood, potentially discouraging economic exclusion and decreasing crime.

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[1] "Low-income units" refers to income-restricted housing, funded in part by the Federal Low-Income Housing Tax Credit (LIHTC)

[2] "About HOPE SF," http://hope-sf.org/about.php

Design was also a critical piece of the third goal, "Serving as a catalyst for improving the surrounding neighborhood," but most important to that end was bringing in higher income individuals to stimulate economic growth, attract businesses and improve schools. The third goal is the motivating factor behind this research. HOPE SF acknowledged that the social and economic issues facing public housing residents are shared by many residents of the surrounding neighborhoods. If HOPE SF is an intervention to improve educational, income and health outcomes for public housing residents, why not also do so for the broader neighborhoods that are also facing similar social and economic issues? This research seeks to uncover the major issue areas facing the neighborhoods surrounding HOPE SF sites and to inform what policies and programs could help HOPE SF serve as a catalyst for neighborhood-wide improvements in social, economic and health outcomes for neighborhood-wide residents.

HOPE SF has been under way for over a decade. It has made immense progress and also encountered many difficulties. Some of these difficulties are new, since HOPE SF is unprecedented in terms of its size and level of redevelopment. The first site to be redeveloped, Hunters View, has successfully moved in all of the original public housing residents and is in the process of building low-income and market rate units. Alice Griffith was the second to begin redevelopment and has moved-in the first wave of public housing residents. The use of phased development has allowed many residents to move directly from their old public housing unit to their new one, without the disruption of moving to a temporary satellite unit during construction. Sunnydale has begun construction and is in the process of moving-in the first group. Potrero Terrace and Potrero Annex are still in the pre-construction planning process. Both of the Potrero developments and Sunnydale will be unable to complete new construction with phased development, meaning that hundreds of tenants will have to move temporarily before returning to their new units.

Part of the ability to catalyze change in the neighborhood has to do with project design, which for most of the sites is already complete. This research will focus on neighborhood factors that could be influenced by policy and programmatic decisions by HOPE SF staff and stakeholders. While so much rests on the work of the developers, property managers, service providers, and non-profit organizations, HOPE SF involves over a dozen city departments and has the potential to lead the nation in resident and community-focused redevelopment, through collaboration across these entities.

HOPE SF is also an intensely forward-thinking initiative, building into its mission the advancement of knowledge about public housing revitalization and community development. It is my hope that this research will help inform HOPE SF practitioners in ways that allow them to lead the field of public housing-based community development and to allow researchers to continue to study the potential for public housing developments to have a vitalizing effect on their neighborhoods.

Public Housing and Community Development

Public Housing Authorities (PHAs) have historically, and understandably, focused on the outcomes of tenants of their own developments. However, in the last several decades, increasing research and awareness about "neighborhood effects," the impact that one's neighborhood has on individual outcomes, has inspired housing policy that focuses on neighborhood revitalization (Oakes, Andrade, Biyoow, & Cowan, 2015). The most widespread of such policies is the Choice Neighborhoods Initiative

(CNI), the federal successor to HOPE VI (Schwartz, 2010, p. 190). According to the Urban Institute's Interim Report on CNI:

> *It differs most from HOPE VI by providing funding for projects that create synergy between renovation of the target development and revitalization efforts within the neighborhood surrounding the target development. Beyond providing funding for neighborhood investments, Choice also fosters partnerships among organizations, agencies, and institutions working throughout the neighborhood to build affordable housing, provide social services, care for and educate children and youth, ensure public safety, and revitalize the neighborhood's commercial opportunities and infrastructure.*
> (The Urban Institute, 2013, pp. 1–1)

CNI's neighborhood programs demonstrate the current practices, and early signs of success and failure to address community-wide issues through subsidized housing programs. The Bayview neighborhood (home to two HOPE SF developments) was a recipient of a CNI grant in 2011. The CNI worked in tandem with HOPE SF to fund improvements to public housing and to implement programs to benefit Bayview's neighborhood outcomes. The CNI grant was divided amongst three plans, the Housing Plan, the People Plan and the Neighborhood Plan. The People Plan primarily focused on public housing residents, including child care, workforce development and case management but it also impacted the broader neighborhood through interactions with the San Francisco Unified School District (SFUSD) such as principal development and teacher improvement. The Neighborhood Plan includes funding for an early childhood education center and an opportunity center within Alice Griffith and open to neighborhood residents as well. The childcare center which opened in early 2018, has capacity for about 70 children, meaning it has limited capacity to serve families beyond the residents of Alice Griffith (Mojadad, 2018).

Beyond that, however, the neighborhood improvements that undergird the mission of the CNI are left to the existing massive development plans that San Francisco has negotiated with developers for Southeast San Francisco:

> *The master plan for Hunters Point Shipyard and Candlestick Point includes extensive investments for the neighborhood, including architectural cohesion; compact, pedestrian friendly streets and walkways; disaster resiliency; access to transit and job opportunities; access to community spaces and recreation; defensible space; and microclimate appropriate landscaping…. These investments together include many of the components necessary for transformation of the neighborhood into a mixed-income, high-opportunity community.* (The Urban Institute, 2013, pp. 6–15)

CNI also lists several San Francisco programs and non-profit initiatives that are doing community development work in the Bayview but does not elaborate on how the CNI will impact these programs. Five years after this interim report was published, the Hunters Point and Candlestick Point developments are still in the planning process, meaning that none of the neighborhood investments have been realized. Relying on developer agreements to accomplish neighborhood revitalization may not be the best way to go about neighborhood revitalization work. However, there is little research on initiatives by PHAs to engage in neighborhood scale programs.

HOPE SF is a self-reflective initiative and has attempted to build in adaptability and data-based accountability into its programs. HOPE SF staff and stakeholders have begun to discuss possibilities for

materially engaging with their broader neighborhoods. Staff at Mercy Housing, the property management organization at Sunnydale has recently begun outreach to the Visitacion Valley neighborhood to obtain feedback and input on the development of a new community "Hub" that hopes to attract neighborhood residents.

This research, seeks to inform these current and future discussions about the myriad ways that HOPE SF can engage with the broader communities in which its developments live. The following data provide a quantitative window through which to understand the social and economic issues that Southeast San Francisco residents are facing, and to uncover potential ways for HOPE SF to intervene. While informative about the economic realities of these neighborhoods, these data may provide more questions than answers about underlying phenomena that are occurring. Qualitative research is needed to interpret how the trends that these data show are experienced by residents. Qualitative analysis, community engagement and participatory research is imperative if HOPE SF is to be successful in neighborhood-scale revitalization efforts.

Southeast San Francisco

It is no accident that much public housing is situated in neighborhoods experiencing high rates of social and economic issues. The spatial organization of cities throughout the U.S. is tied to the race and class-based planning of the 20th century, during which federal, state and local policy redefined our cities along racial and economic lines (Rothstein, 2017). Public housing shares a disproportionate amount of blame for reinforcing segregation both within its walls and through the practices of where it was sited. Alongside racist practices such as redlining, siting locally unwanted land uses (LULUs) in communities of color and the subsidizing of exclusive suburban communities, public housing was placed in neighborhoods that would put up the least resistance to living with low-income residents and residents of color. In San Francisco that largely meant the few areas that Black residents were allowed to live; the Western Addition and Southeast San Francisco.

The Southeast quadrant of the city was a home to heavy industry for most of the 20th century, attracting large numbers of African Americans to the area to work the few kinds of jobs that were available to them due to business and union prejudice. Throughout the civil rights movement to today, the Black, Hispanic, and people of color communities of Southeast San Francisco have agitated for greater municipal investment, improvements in housing, reduction in blight and economic development in addition to organizing for racial justice. San Francisco City Hall, however, largely neglected the Southeast section, and social problems increased as the middle class fled the neighborhoods of increasing crime and poverty.

Public housing faced similar problems of disinvestment, middle-class flight and increasing poverty and crime. Both Southeast San Francisco and the public housing situated there, were and are victims of these large-scale racial and economic policies. Just as there has been little improvement to the infrastructure the public housing residents live in, there has been little done by the city to reverse the lack of neighborhood development.

Today, thousands of San Francisco's public housing residents live in buildings that were built in the 1940s to temporarily house World War II factory workers. Many low-income residents live in neighborhoods that have suffered from disinvestment, poverty and crime. New economic changes have

threatened communities, such as the rapidly increasing housing and rent prices as well as concurrent gentrification and displacement. Still, many of the problems facing HOPE SF's public housing residents are the same ones that the broader neighborhoods are dealing with.

It is the intent of this research to demonstrate where the known problems of the HOPE SF residents overlap with those of the communities of Potrero Hill, Bayview / Hunters Point (referred to as Bayview from here on) and Visitacion Valley in order to promote a holistic, neighborhood-level intervention through HOPE SF stakeholders and programs.

Methodology

The primary method for conducting this neighborhood research was analyzing publicly available, quantitative data. As a research assistant to Dr. Carolina Reid, who is working with the HOPE SF executive team, I was tasked with creating a Neighborhood Level Report of the areas surrounding each HOPE SF site in order to better understand the issues faced by the broader communities that new HOPE SF developments will be a part of.

In order to accomplish this, I had to first determine the boundaries of these neighborhoods. The benefits of this analysis come from both understanding the unique context of neighborhoods (smaller scale) and from the generalizable economic and social phenomena that a neighborhood is experiencing (larger scale). I settled on the groupings of Census Tracts pictured in Figure 1, which conform to natural and physical neighborhood boundaries such as major thoroughfares and highways. While Census Tract boundaries are somewhat arbitrary and may bisect neighborhoods, the usefulness of these boundaries comes from the assumption that these tracts are more similar to one another than they are to the average tract in San Francisco, a fact which is demonstrated throughout the research. This research relies on the assumption that there are and could be neighborhood level effects of community development programs implemented by HOPE SF.

Figure 1: Map of HOPE SF Neighborhoods
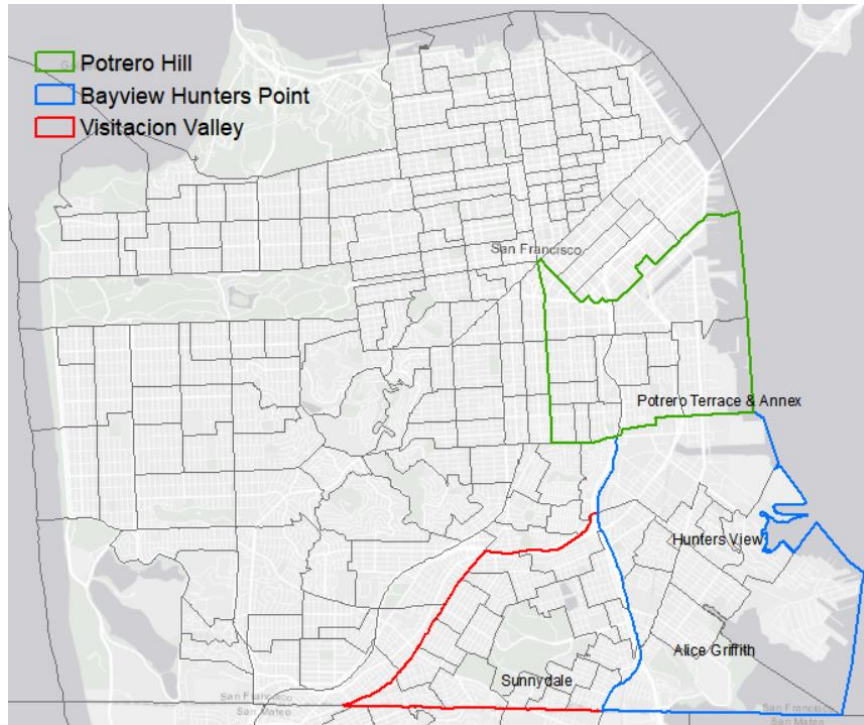
Upon selecting these three neighborhoods (since Alice Griffith and Hunters View share the Bayview neighborhood) I began to compile and clean large datasets on social and economic features of these neighborhoods using the city of San Francisco as a comparison group. The majority of data come from various Census publications such as the Decennial Censuses from 1980, 1990 and 2000 as well as the American Community Survey 5-year estimates from 2009 and 2016. Looking into the past nearly forty years allows a greater understanding of the trends that have shaped these communities over time.

This data will add to our understanding of the historical present, situating neighborhood effects in terms that reflect the cumulative impacts of economic forces on neighborhoods and individuals. While going back further than 1980 would have added to the research, much data from years prior to 1980 were often collected in a way that makes it difficult to compare to subsequent years. Indeed, this is sometimes the case for data collected in 1980 and 1990 especially with changing treatments of social factors such as race and ethnicity on the Census.

These Census data focus on social, economic and housing metrics such as race and ethnicity, education, family structure, income, tenure, and education. These metrics were analyzed across time for each neighborhood and compared to the city-wide average as well as to the other HOPE SF neighborhoods to find the unique (or shared) trends that stand out and might be suggestive of ongoing social and economic change affecting the areas surrounding HOPE SF developments.

I also analyzed other publicly available data, but these rarely cover years prior to 2000, giving an incomplete picture of the trends that the Census covers. Other data sources include Zillow for rent and home values, County Business Patterns data and Longitudinal Employer-Household Dynamics (also published by the Census), the Home Mortgage Disclosure Act (HMDA), and the 500 Cities population health survey.

Exploring these data visually through graphs and charts, I found trends and comparisons where these neighborhoods stand out, that indicate neighborhood level issues or suggest community development solutions. In the future, researchers could add to these data to continue to track and measure trends in social and economic factors. Using data visualization, I chose the most striking trends to investigate with further secondary research, diving deeper into certain issues that might be especially relevant for HOPE SF when considering community development programs that could have an impact on neighborhoods.

During this process of compiling data, I was also meeting with staff, stakeholders and residents of HOPE SF to get the "lay of the land," of HOPE SF communities. I was present at meetings with developers, property managers and service providers. I attended community meetings and events, engaging in informal conversations with many residents and stakeholders to ensure that my quantitative research reflected reality as it was "on the ground." This provided additional background for analyzing the data and helped identify any missing pieces to the story of these communities. This was key to my research in many ways. For example, I might have neglected to isolate the race category "Native Hawaiian and Pacific Islander" identifying individuals as separate from the racial category "Asian." This would have been a mistake and a loss to the relevance of the research as there is a strong community of Pacific Islanders, especially Samoan-Americans, that live in HOPE SF communities, despite comprising only 0.34% of San Francisco's population in 2016. The following section consists of the most striking trends and metrics that I identified through my analysis, accompanied by my interpretation and suggestions for what this might mean for HOPE SF's engagement with its broader communities.

Racial Shift

Throughout the history of San Francisco, neighborhoods have changed dramatically in form, function and population. As an economic hub for trading, shipping and production, the city drew immigrants from all over the world to live and work. Southeast San Francisco, a center of industrial production, has been the centerpiece of many of the economic changes that drew people to the city as well as many of the political changes that brought about the displacement of populations. The southeastern neighborhoods have witnessed waves of European migration in the 19th century, and then in the 20th century the rise and expulsion of Chinese fishing communities, the Great Migration of African Americans from southern states, and much more, all with the accompanying political and economic actions by city government (Brahinsky, 2012). Understanding the racial dynamics of each neighborhood is imperative to community engagement efforts by HOPE SF stakeholders.

The graphs on page 10, show the change in populations by race for each neighborhood and San Francisco as a whole since 1980. Over the course of those thirty-six years, the changes in population were dramatic. Overall, San Francisco grew, but the growth was not even or shared by all racial groups. Significantly, the Asian population of the city nearly doubled between 1980 and 2016. This change was reflected in every HOPE SF neighborhood as well, more than doubling in each, though with different timelines and degrees of change. For example, in Potrero Hill, the Asian population grew slowly between 1980 and 2000. At some point in the 2000s, the population began to grow more quickly and then increased dramatically after 2009. But Asians still remain a minority in Potrero Hill.

 In contrast, in Bayview the Asian population grew significantly from the 1980s onward, from one of the smallest racial groups (less than 2,000 in 1980) to the largest racial group (more than 13,000 in 2016). Bayview, like Potrero Hill, also shows signs of more rapid growth after the economic recession, with about one third of that population growth happening between 2009 and 2016. Uniquely to the HOPE SF

neighborhoods, Visitacion Valley already had a large Asian population in 1980 of almost 14,000. This grew most rapidly before 2000, when the rapid growth rate slowed. Nonetheless, the Asian population in Visitacion Valley is today, by far the largest racial group with approximately 38,000 (the next largest being Hispanic at about 22,000).

One trend that has been much discussed and analyzed in San Francisco is the decline in the Black population. Between 1980 and 2016, the Black population decreased by about half, from almost 85,000 to less than 44,000. This trend can also be seen in each HOPE SF neighborhood. Despite already having a small Black population in 1980, Potrero Hill saw a steady decline in the number of Black residents. Visitacion Valley saw much more rapid decline, dropping by about two thirds between 1980 and 2016.

Bayview is the only HOPE SF neighborhood that had a recent Black majority. After growing from 1980 to 1990 (perhaps suggestive of a previous growth trend) the Black population in the Bayview declined rapidly, dropping by about 7,000 in the last 26 years. The growth in the Black population in Bayview in the 1980s, in addition to natural population growth, could have been augmented by in-migration of Black households from elsewhere in San Francisco. The legacies of exclusionary zoning and redlining meant that throughout the 20th century, Black people could not move to most neighborhoods in San Francisco (Brahinsky, 2014). Further, whole Black communities were displaced by urban renewal in other parts of the city, leaving many with the choice to either settle in the Bayview, which has been called the "last stronghold that Blacks have in the city (Jones, 2014)," or to leave the city altogether.

In addition to other forms of displacement, it is possible that many middle class Black families left the city from the Bayview and elsewhere, in a phenomenon described as "Black flight" (Woldoff, 2011). Black flight was encouraged by continued disinvestment, poverty and drug activity that is emblematic of racialized and marginalized communities in the US during this period (Brahinsky, 2014).

San Francisco is one of the iconic cities centered in conversations about gentrification and displacement. While the decline in its Black population indicates the presence of these phenomena, the most common narratives around gentrification and displacement suggest affluent White newcomers to an area. Bayview's history of racial shift since 1980 provides a more complex narrative, as the White population there has long been, and remains, fairly small. Instead, the rise in Asians, and to a lesser degree Hispanics, mirrors the decline in Bayview Black community.
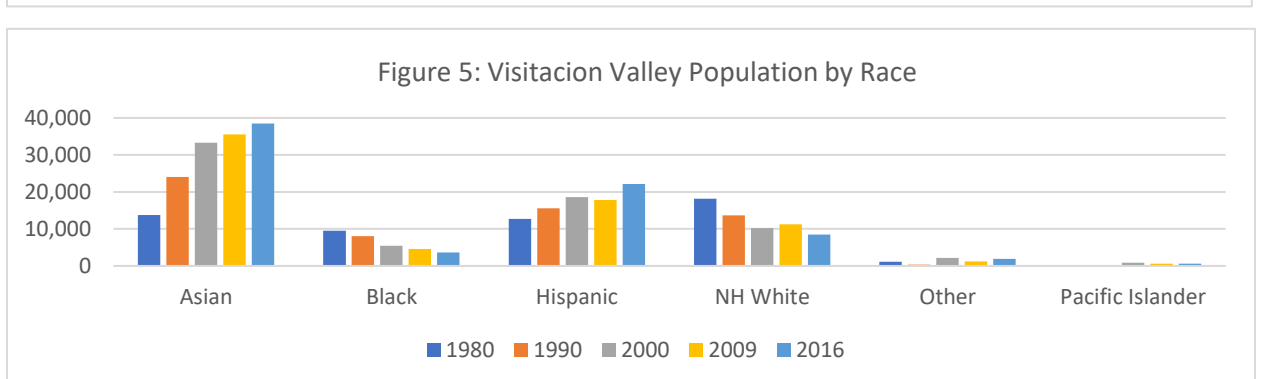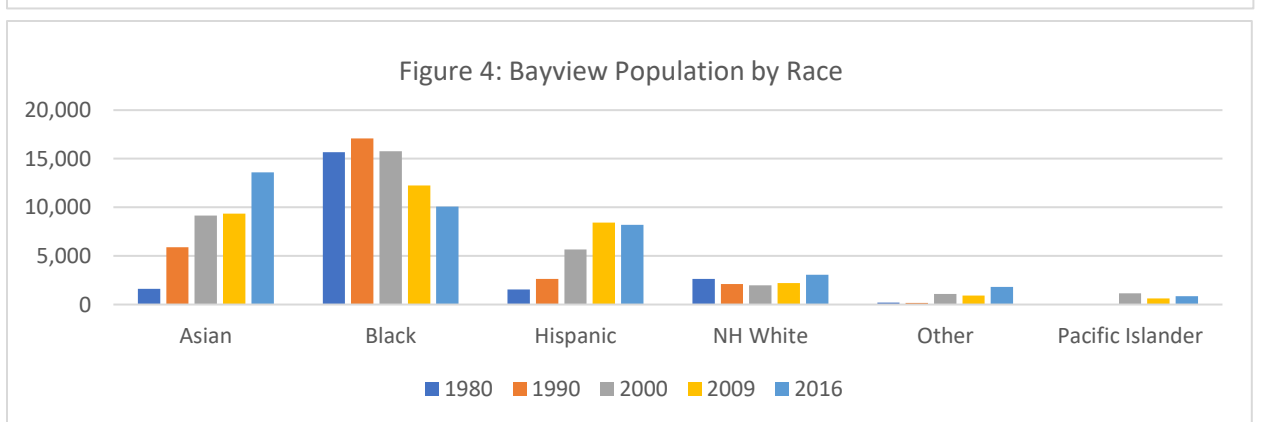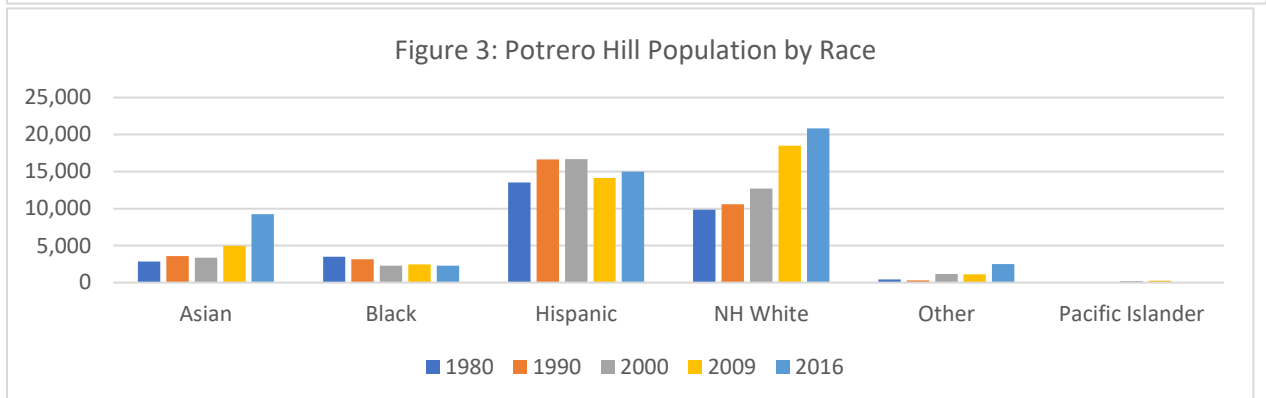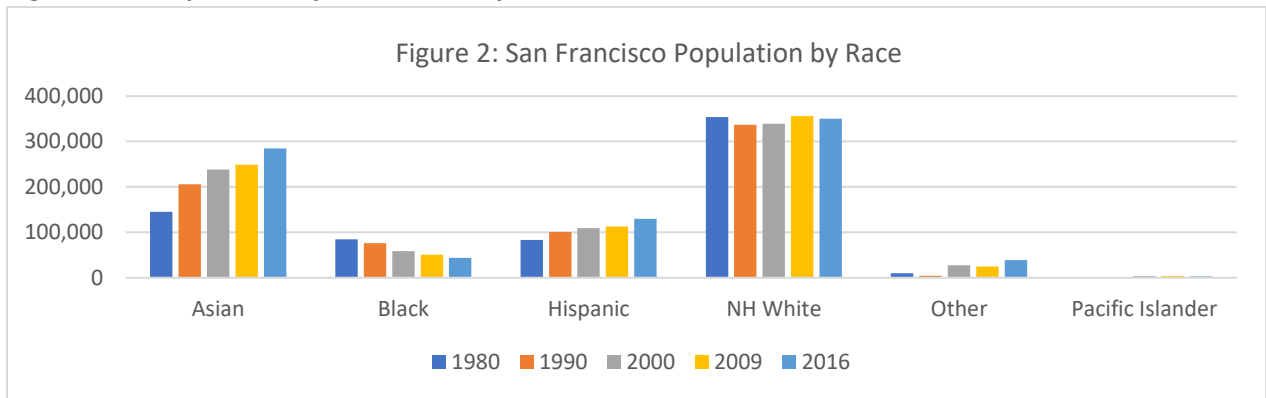
In fact, San Francisco's White population has remained stagnant since 1980. Some might interpret this as contradicting the notion of gentrification and displacement but it could also suggest large numbers of White residents moving out who are "replaced" by large numbers moving into the city. The racial shifts in Visitacion Valley and Potrero Hill provide evidence that the latter might have occurred. In Visitacion Valley the White population has declined steadily, by about 10,000 between 1980 and 2016. On the other hand, the White population in Potrero Hill increased by about 10,000 in the same period. This does not necessarily suggest that White households moved from Visitacion Valley to Potrero Hill, rather it demonstrates the possibility that there is simultaneous in- and out-migration of the same racial group.

The Hispanic population of San Francisco grew slowly but steadily between 1980 and 2016. Each HOPE SF neighborhood tells a slightly different story, however. Bayview's Hispanic population grew most rapidly between 1980 and 2009 before slowing. The Hispanic population of Visitacion Valley also grew over the last four decades with a slight decline between 2000 and 2009. In contrast, in Potrero Hill,

where the Hispanic population was the largest ethnic group from 1980 to 2000, declined and was surpassed by the White population in the 21st century.

While more data is needed to determine the movement of individuals, these suggest dramatic changes in the composition of San Francisco. Looking at other factors such as income and education over time may reveal more about the likely trends that each community has faced and continues to face in an ever-changing city.

**Figures 2-5: Population by Race/Ethnicity, 1980 to 2016**

Figure 2: San Francisco Population by Race

Legend: 1980, 1990, 2000, 2009, 2016

Categories: Asian, Black, Hispanic, NH White, Other, Pacific Islander

Figure 3: Potrero Hill Population by Race

Legend: 1980, 1990, 2000, 2009, 2016

Categories: Asian, Black, Hispanic, NH White, Other, Pacific Islander

Figure 4: Bayview Population by Race

Legend: 1980, 1990, 2000, 2009, 2016

Categories: Asian, Black, Hispanic, NH White, Other, Pacific Islander

Figure 5: Visitacion Valley Population by Race

Legend: 1980, 1990, 2000, 2009, 2016

Categories: Asian, Black, Hispanic, NH White, Other, Pacific Islander

Source: Census 1980 Table T13, Census 1990 SF1 Table P10, Census 2000 SF1 Table P8, ACS 2009 5-year estimates Table B03002, ACS 2016 5-year estimates Table B03002

Racial Composition

Analyzing the change in populations by race can help us understand migrations and growth in each neighborhood. It is also useful to know the current proportion or racial composition of these neighborhoods. Figure 6 shows the racial and ethnic composition of San Francisco and each HOPE SF neighborhood. The racial composition of a neighborhood has an impact on its culture and can impact the experience of its residents. To the extent that HOPE SF interacts with the broader community, and indeed impacts the racial composition of these neighborhoods, it must address issues of race with cultural competency and sensitivity to historical context.

> *The demographics of families who live in public housing in San Francisco are rapidly changing due to a dwindling African-American population, which contributes to feelings of loss and threat among those who have been living in these neighborhoods for generations. HOPE SF staff have witnessed fighting between different ethnic groups, and a growing number of monolingual Samoan and Chinese residents say they feel isolated from their neighbors and the programs offered in their communities.* ("Bridging Divides with Peer-to-Peer Strategies in Public Housing," 2017)

While more than one in four Bayview residents is Black, Potrero Hill, Visitacion Valley and San Francisco at large are closer to one in twenty, meaning that community engagement by HOPE SF will have different challenges and opportunities in Bayview. There, the neighborhood's Black community is undergoing similar changes to the public housing communities, linked to the threat of loss and displacement. Community engagement in Potrero Hill will require bridging cultural divides between the large percentage of Black public housing residents with the surrounding community which is only about 5% Black. Each neighborhood has substantial Asian and Hispanic populations which may provide opportunities for linking public housing residents to community resources and organizations of a similar culture or language. These broad racial and ethnic categories do not necessarily indicate cultural similarities that HOPE SF can capitalize on in community engagement but they may help HOPE SF stakeholders be strategic about finding opportunities for connection between their residents and the broader neighborhoods in which they live.


Figure 6: Racial Composition, 2016
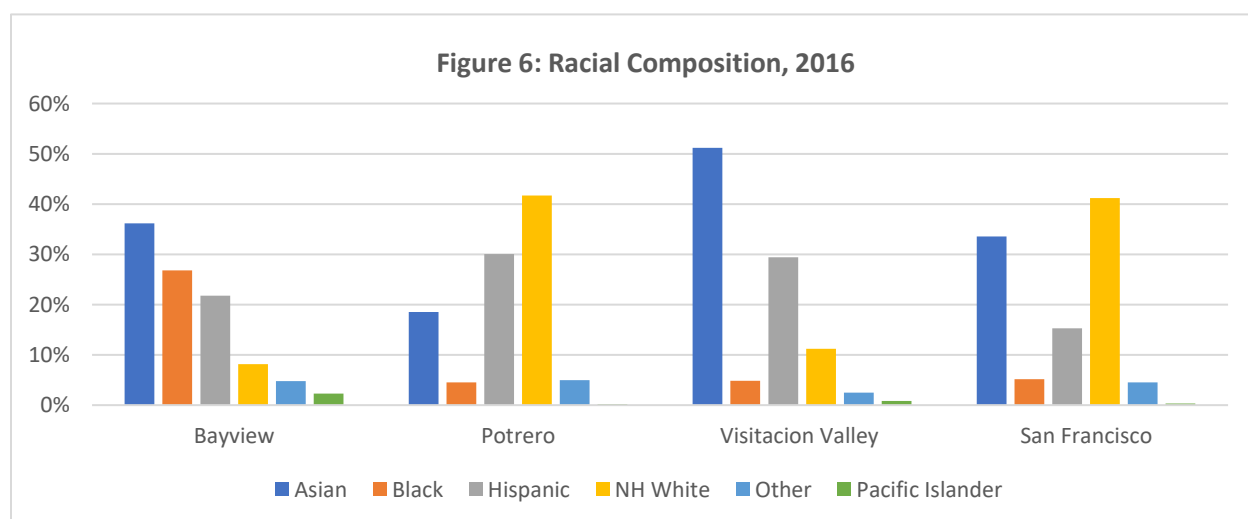
Source: Census, ACS 2016 5-year Estimates Table B03002

Household Composition

San Francisco has the lowest percentage of children of any major American city, a trend which may be tied to families leaving the city (Graff, 2017). Families with children have higher expenses than those without. The average cost of childcare in the city has reached $1,900 per month, which is out of reach for many families considering the simultaneously high cost of housing (Mojadad, 2018).

A potential phenomenon which is connected to this change is the influx of young, single professionals, with high-paying technology jobs - the same group that is often tied to gentrification pressure. If there is displacement of families with children and an increase in childless households, it could show a shift in community composition with enormous social and economic impacts. A loss of families with children could not only damage the social fabric of neighborhoods but could also lead to economic difficulties such as the lack of diversity in the labor pool. This issue has become central to the discussion of the housing affordability crisis debate into the Bay Area and elsewhere, as public and service workers such as teachers and service workers are often forced to live far from the city and commute long-distances and long-hours to their jobs (Walker, 2018).

San Francisco's households with children have not declined as drastically as one might imagine. Figure 7 shows only slight decline or stagnation in the proportion of households with children city-wide. However, the HOPE SF neighborhoods show a different story. Each HOPE SF neighborhood was more family-oriented in 1990 than San Francisco as a whole. While the decline in households with children is seen everywhere, it has been faster in HOPE SF neighborhoods. While the Southeastern section of the city may be more youth-oriented today, it is clearly undergoing a more pronounced change than the rest of the city. This low percentage of children may have economic effects but could also dramatically alter the culture and lifestyle of residents in these neighborhoods.

Figure 7: Share of Households with Children, 1990 to 2016
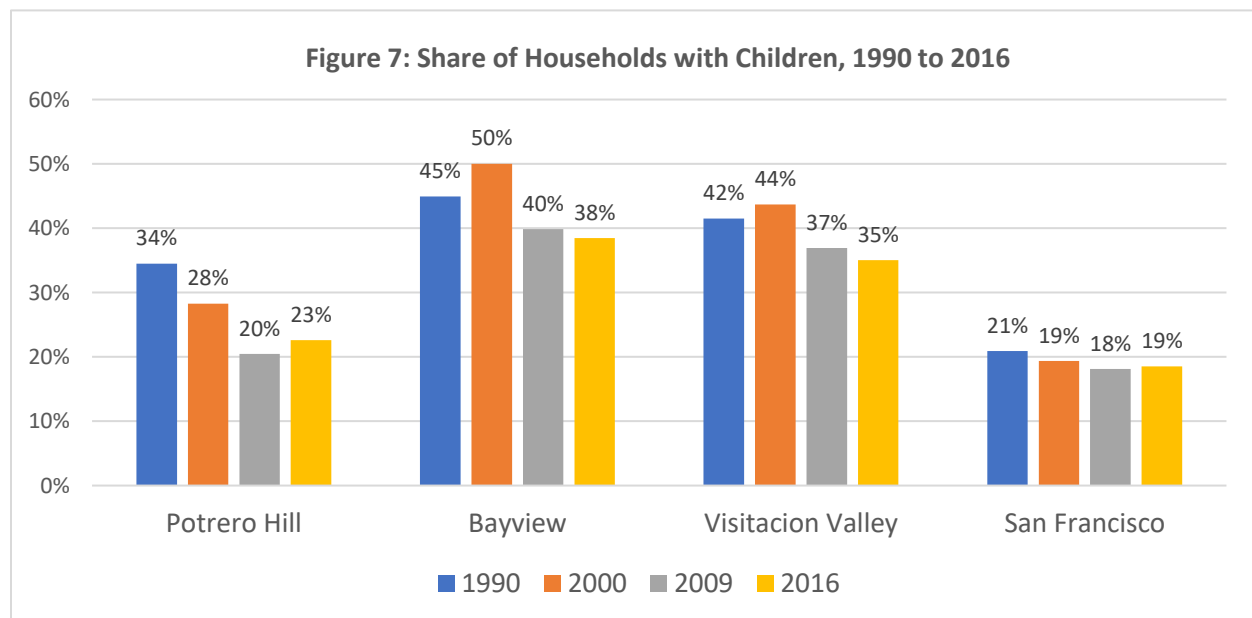
Source: Census 1990 Social Explorer Table T16, Census 2000 SF1 Table P19, ACS 2009 5-year estimates Table B11005, ACS 2016 5-year estimates Table B11005
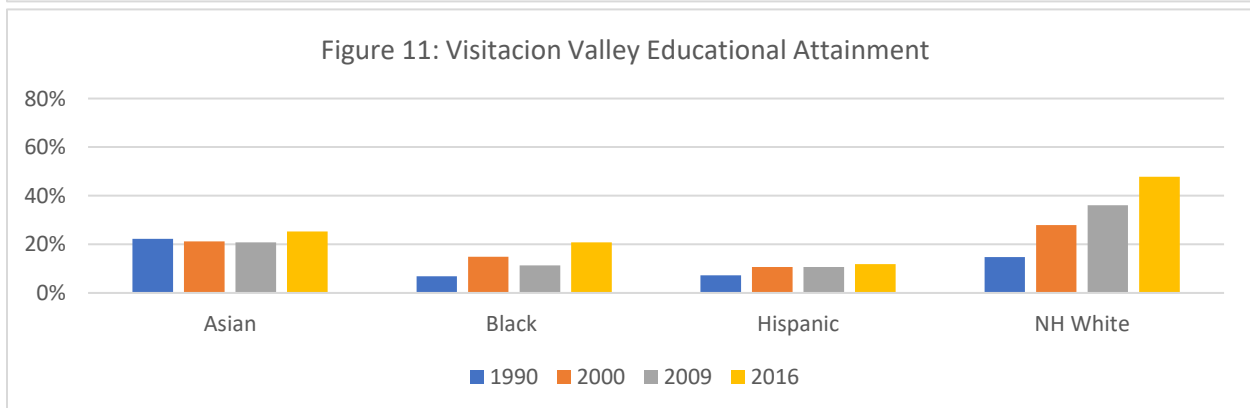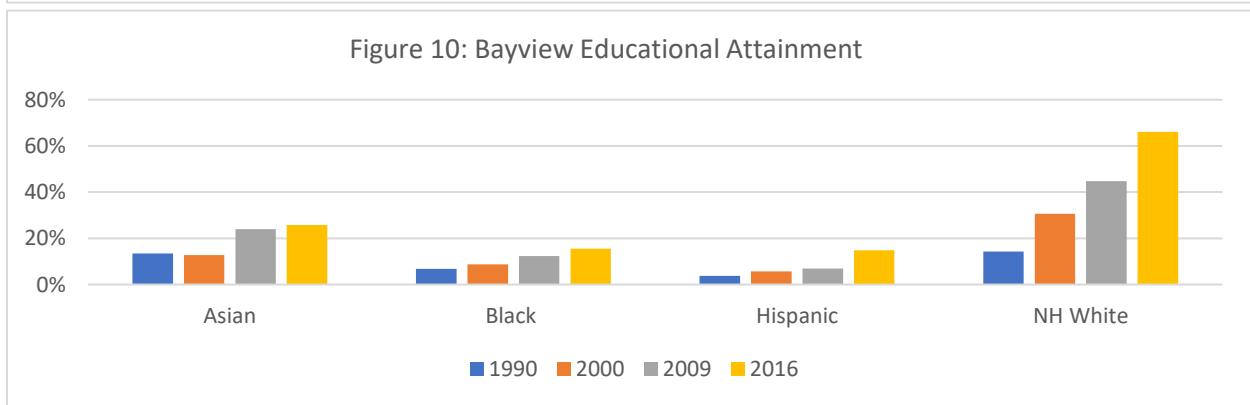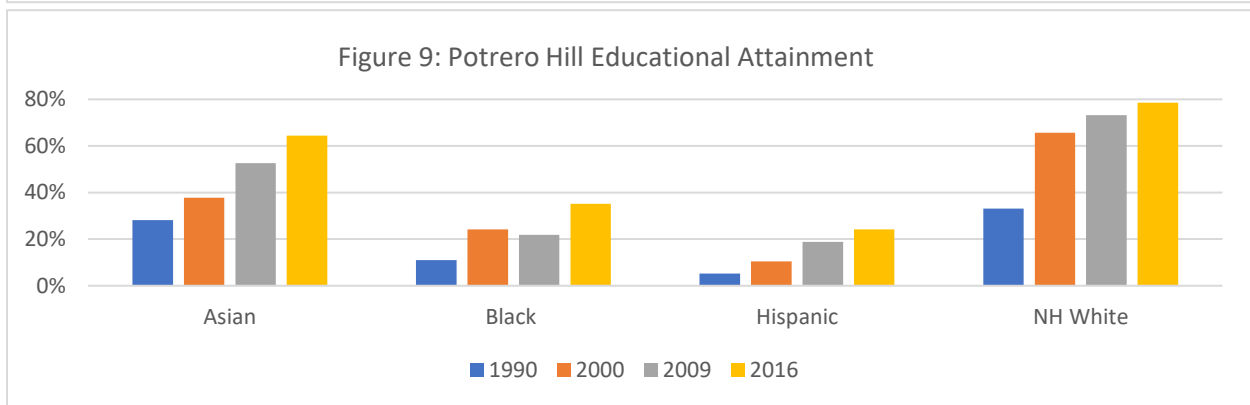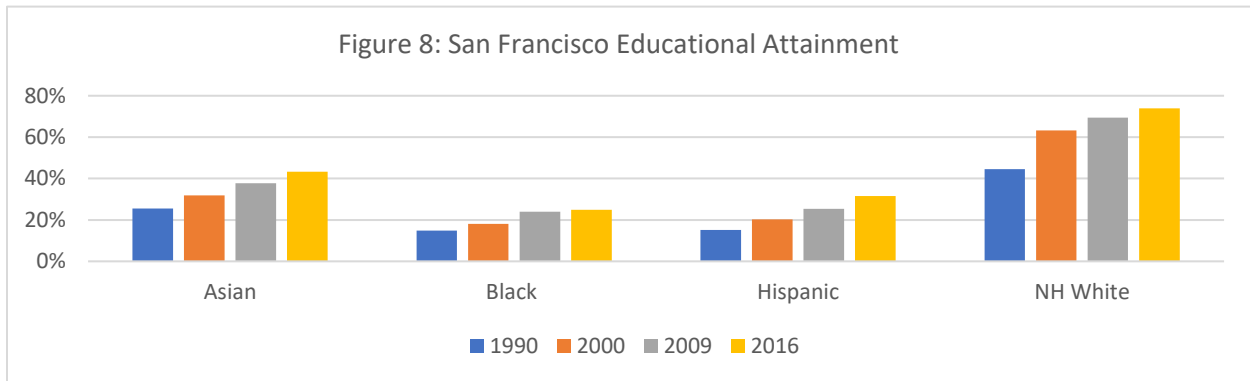
Educational Attainment

Educational attainment is a factor in income, financial stability and upward mobility and therefore is a primary goal of community and economic development. The graphs on page 14 show that in San Francisco, there is a steady increase in educational attainment for all racial groups. However, there is also a dramatic disparity between races in educational attainment (measured here as the proportion of adults, age 25 and over, who have a bachelor's degree). Approximately three out of four White residents have a bachelor's compared to only one in four for Black residents. Asians and Hispanics have rates of 43% and 32% respectively.

Potrero Hill follows the city-wide pattern closely, the exception being a much higher rate of 64% for Asians. Bayview and Visitacion Valley have lower rates of bachelor's degrees across racial groups, perhaps due to their history of blue-collar, industrial job sectors. This is more pronounced for people of color, as neither Asians, Hispanics, nor Blacks exceed 25% of adults with a bachelor's degree, whereas White educational attainment is still high in those areas. Additionally, the growth over time in educational attainment is less substantial in Bayview and Visitacion Valley. This poses a challenge for community development practitioners, as youth have fewer highly educated role models in their neighborhoods to normalize the expectation of pursuing higher education.

Rapid gains in educational attainment may also be suggestive that a community is vulnerable to, or already experiencing, gentrification and displacement (Zuk et al., 2015). If well-educated newcomers move into an area, they may bring high incomes and push out businesses that cater to lower income folks, while also driving rents up for existing households. The stagnant growth in educational attainment in these neighborhoods could also suggest a brain-drain of educated individuals who see more opportunity in areas with less crime and poverty.

Figures 8-11: Proportion of Adults 25 and over with a Bachelor's Degree by Race

Figure 8: San Francisco Educational Attainment

Figure 9: Potrero Hill Educational Attainment

Figure 10: Bayview Educational Attainment

Figure 11: Visitacion Valley Educational Attainment

Source: Census 1980 SF3 Table P59, Census 1990 SF3 Table P58, Census 2000 SF3 Table P148B-I, ACS 2009 5-year estimates Table C15002B-I, ACS 2016 5-year estimates Table C15002B-I.

Household Income

It is widely known that inequality has grown in San Francisco, as rising housing prices and cost of living make it difficult for even moderate-income folks to remain in the city. The details of these larger changes are still missing from the story: Are people falling into poverty? Is the middle-class moving away from the city? Are new more affluent individuals moving in? Is it a combination of all three? Looking at the various changes in income by race can enhance our understanding of how these trends are shaping that neighborhoods surrounding HOPE SF.

The graphs on page 16 show the breakdown of households by race into income buckets, which are adjusted for inflation to capture roughly the same income groups between 1990 and 2016. The city has experienced a hollowing out of the middle class, meaning an increase in rich and poor households and a decrease in those with middle-income levels.

The proportion in the wealthiest category increased for every race, although the most significant increases were White (+28%) and Asian (+18%) households, while wealthy Hispanics increased by about 15% and Blacks by only about 5%. The proportion of those in the lowest income group increased for every group except for Whites. The rise in the lowest income bracket was especially significant among Black households, for whom the proportion making less than $20,000 jumped from 29% in 1990 to 39% in 2016.

The relative proportions between racial groups did not change much between 1990 and 2016. White households had the largest proportion in the highest income bracket and the smallest proportion in the lowest income bracket of any race in both years. While White households making over $150,000 increased by the greatest degree, middle income White households appear to have seen the greatest decline. As suggested before, this could signify upward mobility. However, such drastic shifts suggest that these are not the same households with different incomes, rather they are likely different households altogether.

Figures 12-13: Change in Households by Income by Race, 1990 and 2016 (Inflation adjusted to 2018 dollars)

Figure 12: San Francisco Household Income, 1990

Figure 13: San Francisco Household Income, 2016
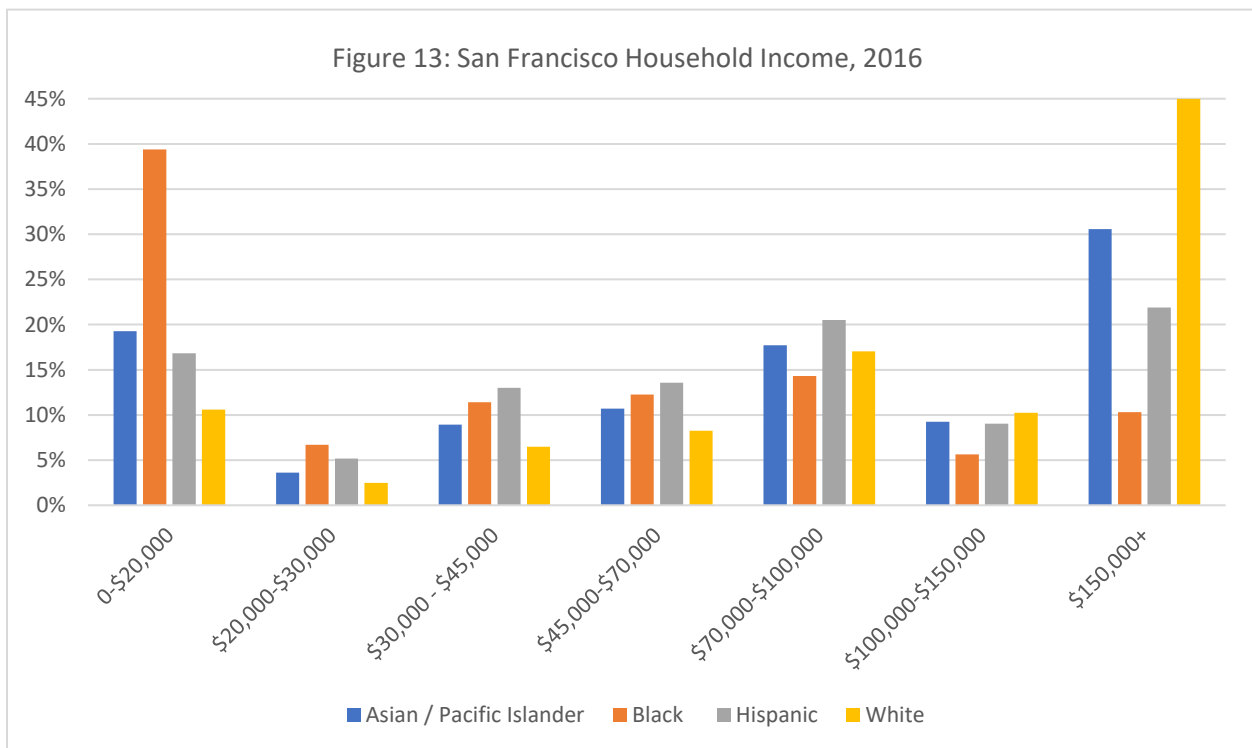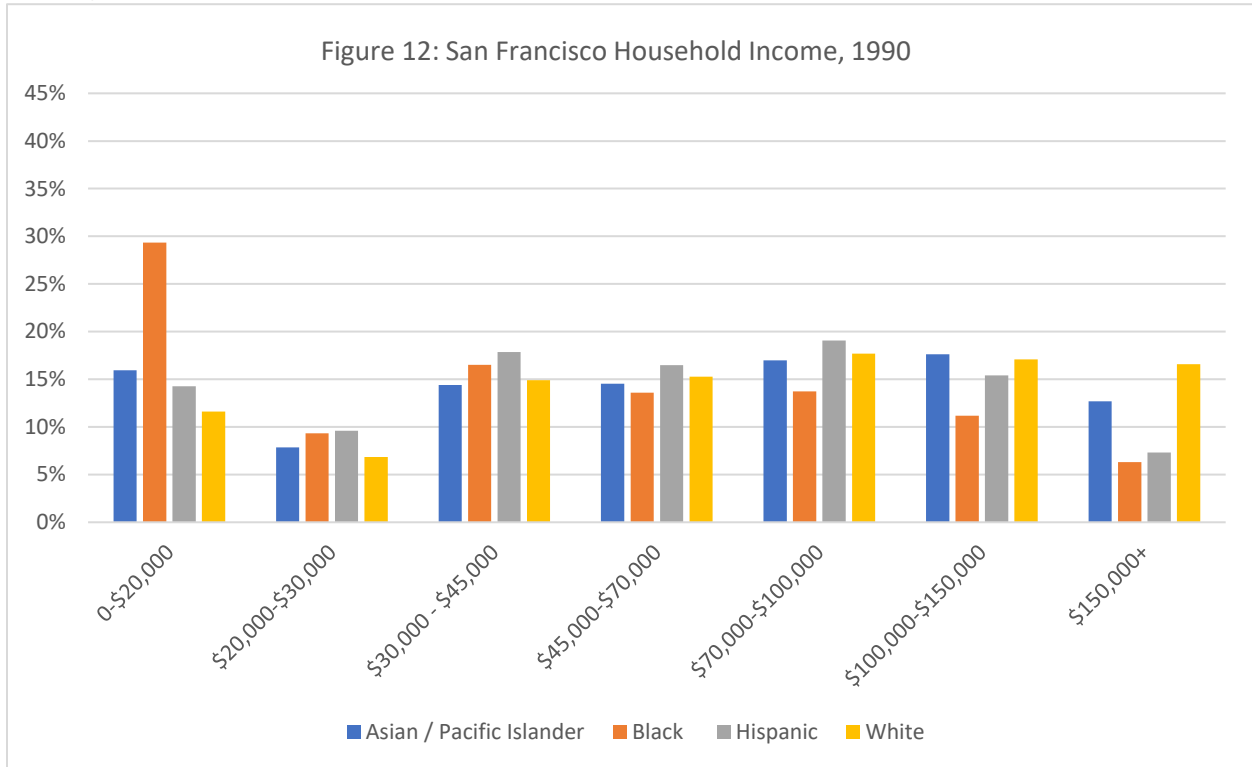
Source: Census 1990 SF3 Table P083/P082, ACS 2016 5-year estimates Tables B19001 B-I

These trends appear more drastic when the data are compared in a different way, looking at net changes in the 21st century alone. The graphs on page 18 show the net change in number of households by race in broader income brackets for the time periods 2000 to 2011 and 2011 to 2017. The first period shows relatively little change in the net number of households of each race. There is a small loss in households for nearly every income group among Black households. There is slight growth in every income group for Hispanic households, and there is more substantial growth in each income group for Asian households. The greatest net decline in that period is for middle-income White households.
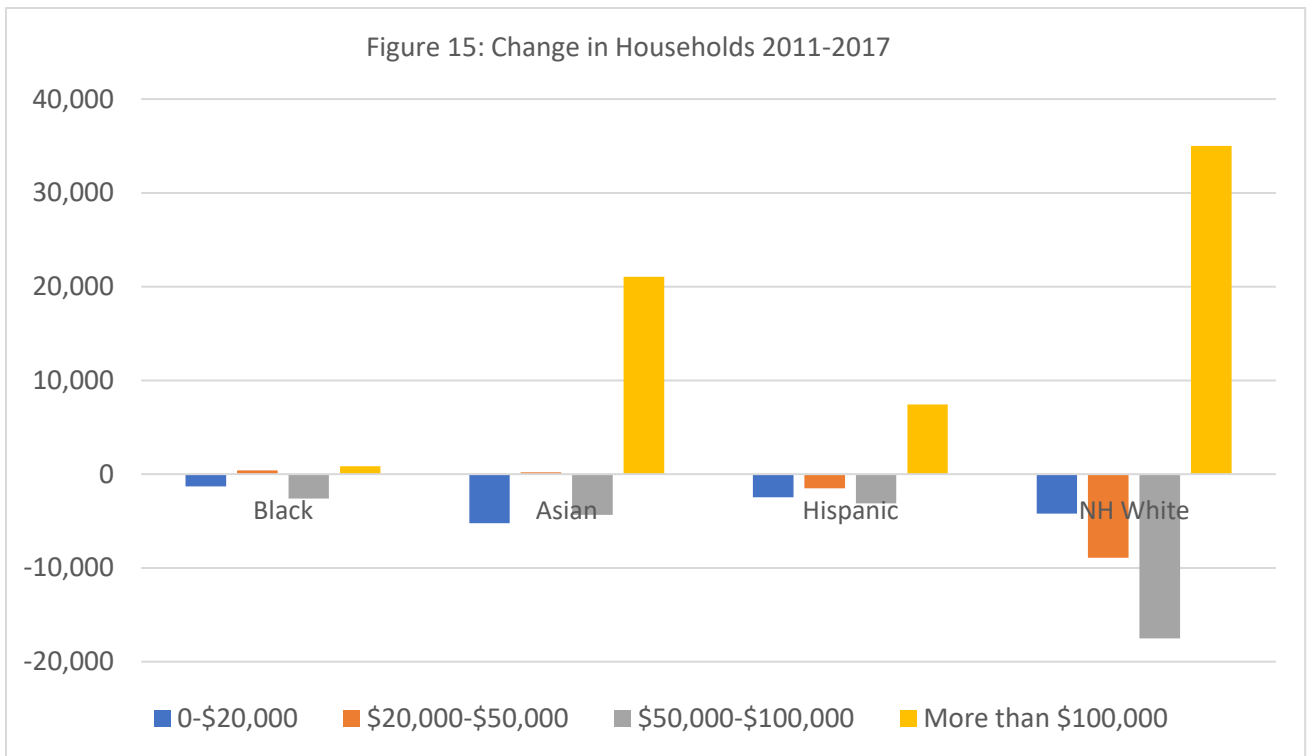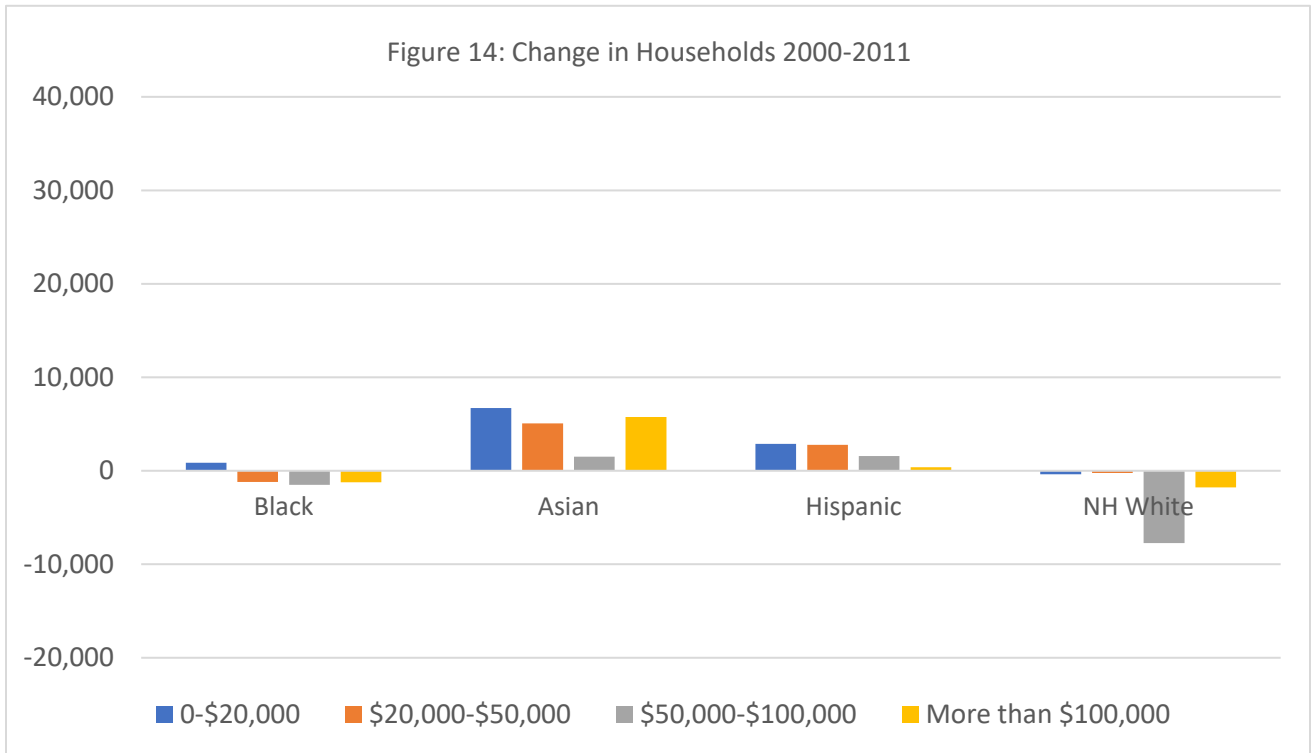
These net changes are all dwarfed by the drastic changes that are seen in the next (shorter) period of 2011 to 2017. The net growth in households making over $100,000 is dramatic. White households in the highest income group increased by almost 35,000, Asian households by over 20,000 and Hispanic households by about 7,500. Further, the decline in households in lower income brackets was more substantial, again most pronounced for White households, which declined by nearly 30,000 in the combined lower income brackets. There was also a greater decline in lower and middle-income households for other races, though to a much smaller degree.

Some of this could be due to increases in household income, but data suggest that this change could be primarily changes in households themselves. Between 2011 and 2017, over 200,000 Whites and over 100,000 Asians (individuals not households) reported that they lived somewhere other than San Francisco the prior year.[3] The increase in high-income White and Asian households could therefore be primarily comprised of newcomers to the city.

This signals a dramatic restructuring of the city in terms of income composition and the turnover of historic residents. If these trends are taking place in HOPE SF neighborhoods it will present significant challenges for community development activities.

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[3] Census ACS 2017 1YR Estimates, Table S0701

Figures 14-15: Net Change in Households by Income and Race, 2000 to 2017 (Inflation adjusted to 2017 dollars)

Figure 14: Change in Households 2000-2011

Legend: ■ 0-$20,000 ■ $20,000-$50,000 ■ $50,000-$100,000 ■ More than $100,000

Categories: Black, Asian, Hispanic, NH White

Figure 15: Change in Households 2011-2017

Legend: ■ 0-$20,000 ■ $20,000-$50,000 ■ $50,000-$100,000 ■ More than $100,000

Categories: Black, Asian, Hispanic, NH White

Source: Census 2000 SF3 Table P151, ACS 2011 1-year estimates Tables B19001B-I, ACS 2017 1-year Estimates Tables B19001B-I
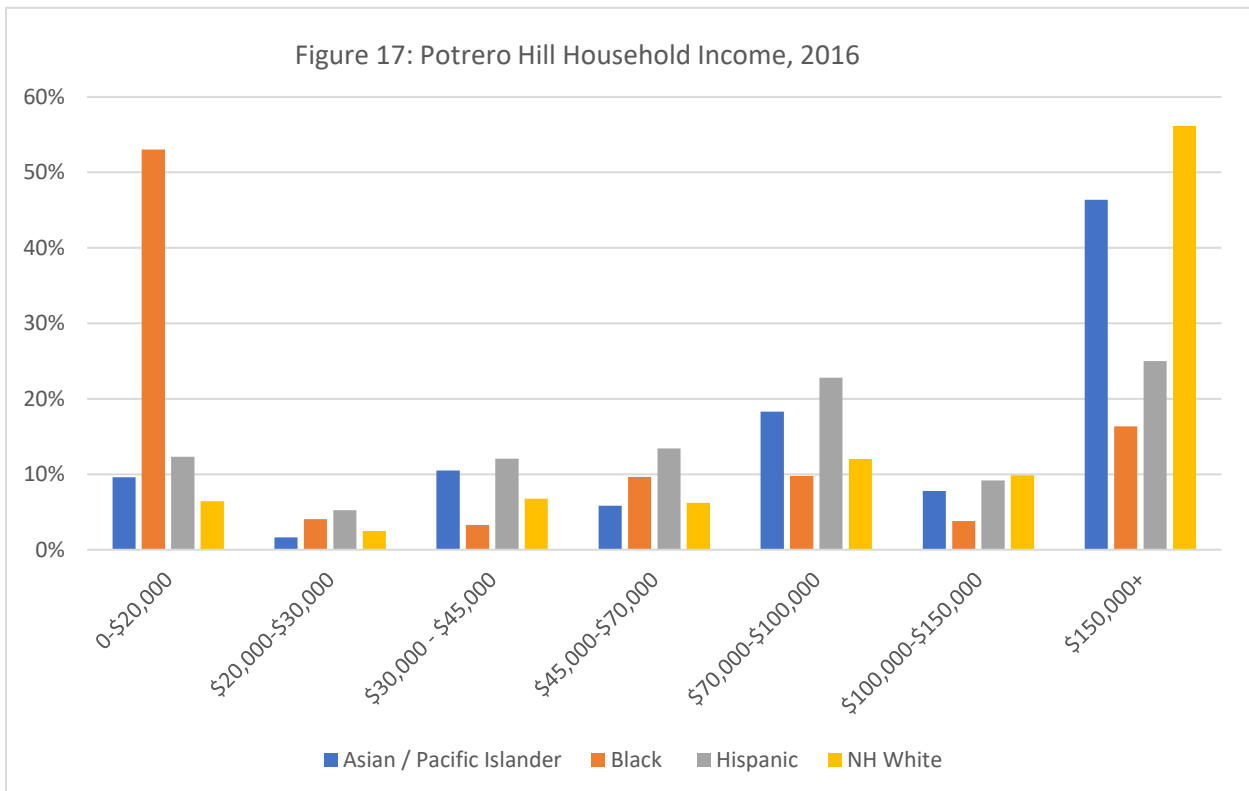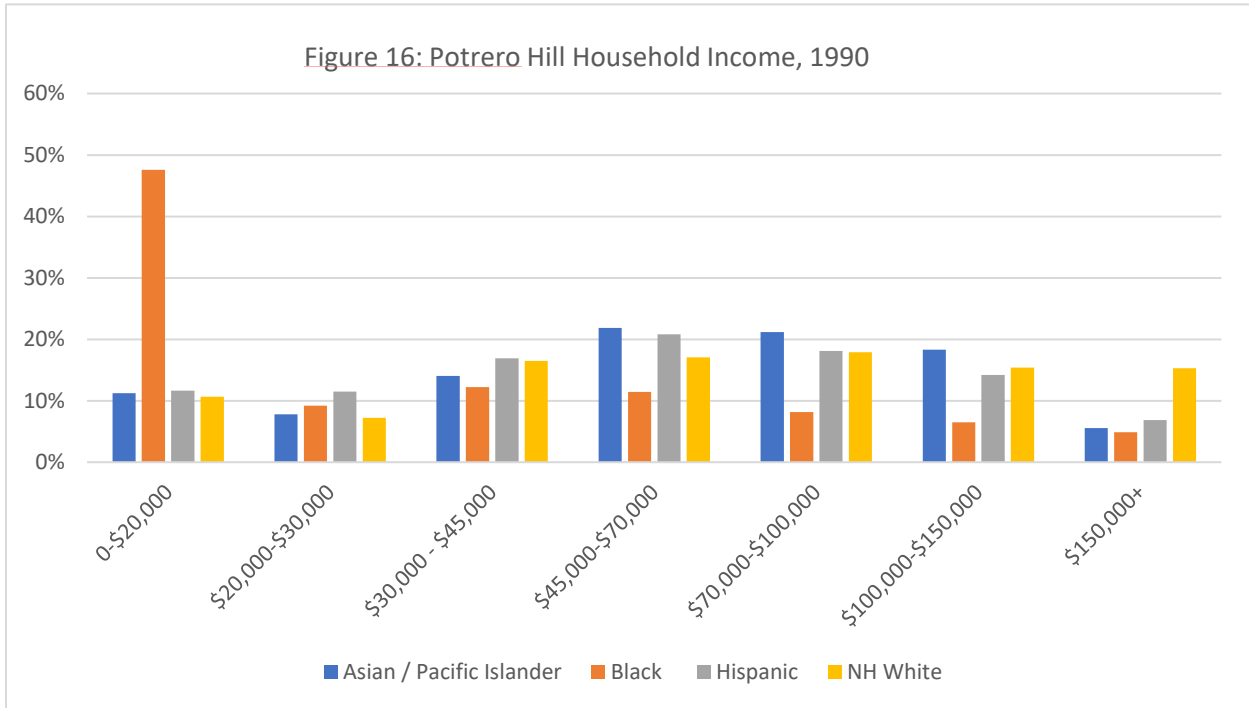
The graphs on pages 20-22 show the change in proportions of households in several income buckets by race for each HOPE SF neighborhood. HOPE SF neighborhoods largely follow the city-wide pattern of a decline in middle-income households and an increase in wealthier households.

In Potrero Hill the proportion of low-income Black households making less than $20,000 in 2016 is over half. This is partly due to the large number of Black households in Potrero Terrace & Annex, but also suggests that the broader neighborhood has few middle- and upper income Black households. Potrero Hill was also the most definitive example of the decline in middle-income households and the most dramatic growth in the highest income bracket. Potrero Hill experienced more relative growth in wealthy households than San Francisco overall.

In Bayview Hunters Point, the number of Black households in the lowest income bracket is lower than the city-wide proportion, perhaps due to the remaining Black middle class. Bayview also experienced less growth in wealthier households in general, though the rise in wealthier White and Asian households was significant. Households in the lowest income bracket increased for all racial groups except White.
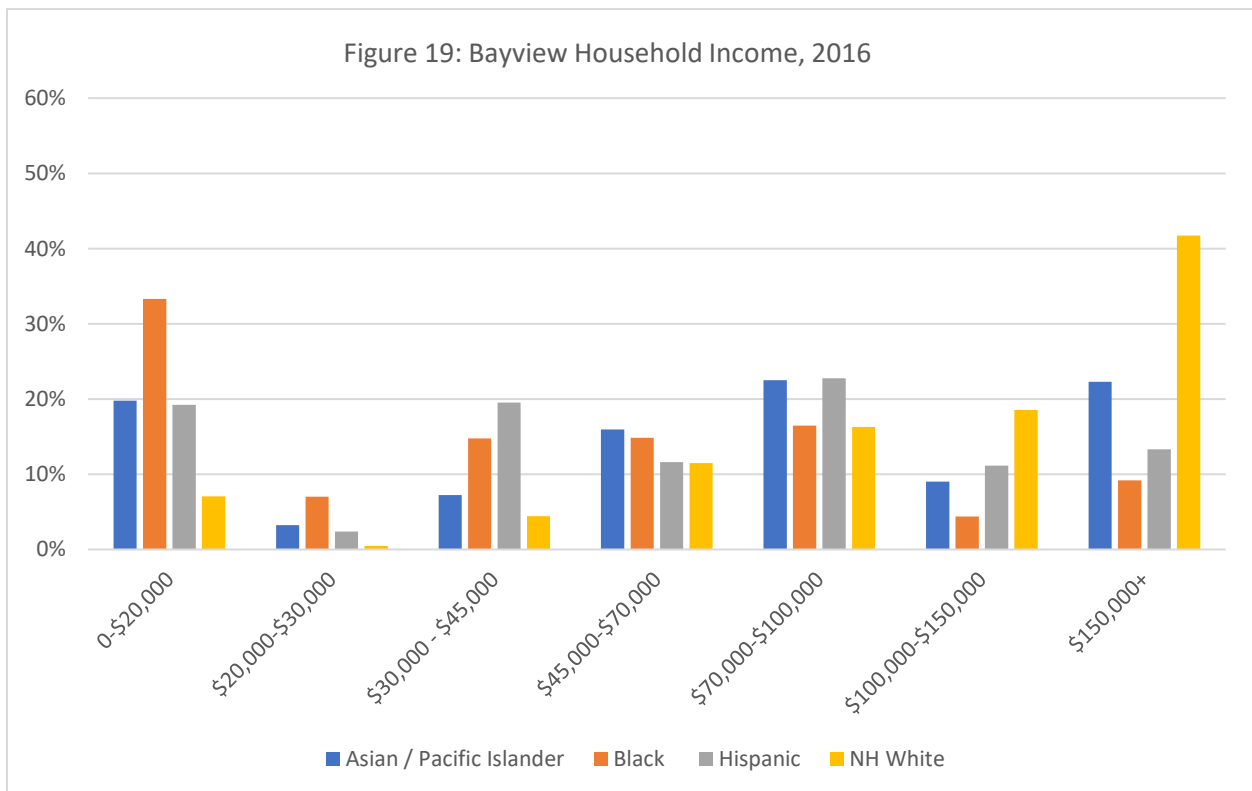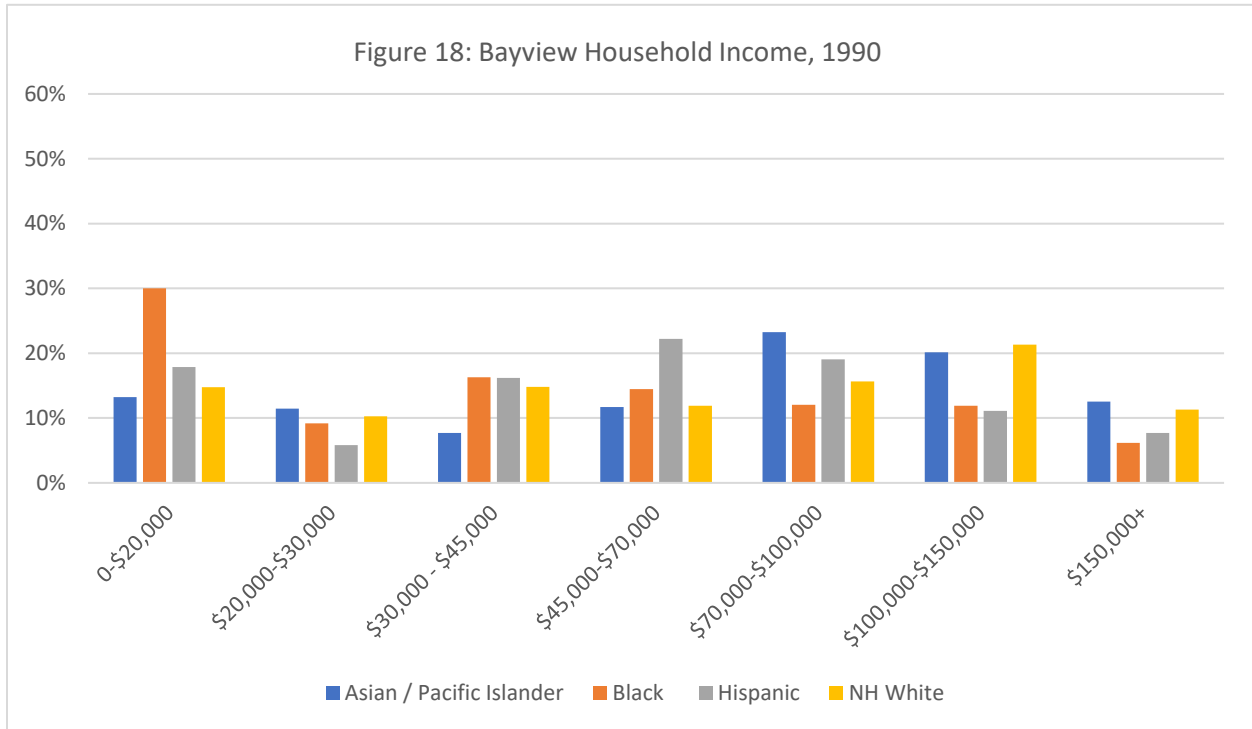
Visitacion Valley is unique in maintaining a relatively large proportion of middle-income households compared to San Francisco and other HOPE SF neighborhoods. It is also the only neighborhood in which the proportion of White households making less than $20,000 increased between 1990 and 2016.

Figures 16-17: Change in Households by Income by Race, 1990 and 2016 (Inflation adjusted to 2018 dollars)

Figure 16: Potrero Hill Household Income, 1990

Legend: Asian / Pacific Islander, Black, Hispanic, NH White

Figure 17: Potrero Hill Household Income, 2016

Legend: Asian / Pacific Islander, Black, Hispanic, NH White

Source: Census 1990 SF3 Table P083/P082, ACS 2016 5-year estimates Tables B19001 B-I

Figures 18-19: Change in Households by Income by Race, 1990 and 2016 (Inflation adjusted to 2018 dollars)

Figure 18: Bayview Household Income, 1990

Legend: Asian / Pacific Islander, Black, Hispanic, NH White

Figure 19: Bayview Household Income, 2016

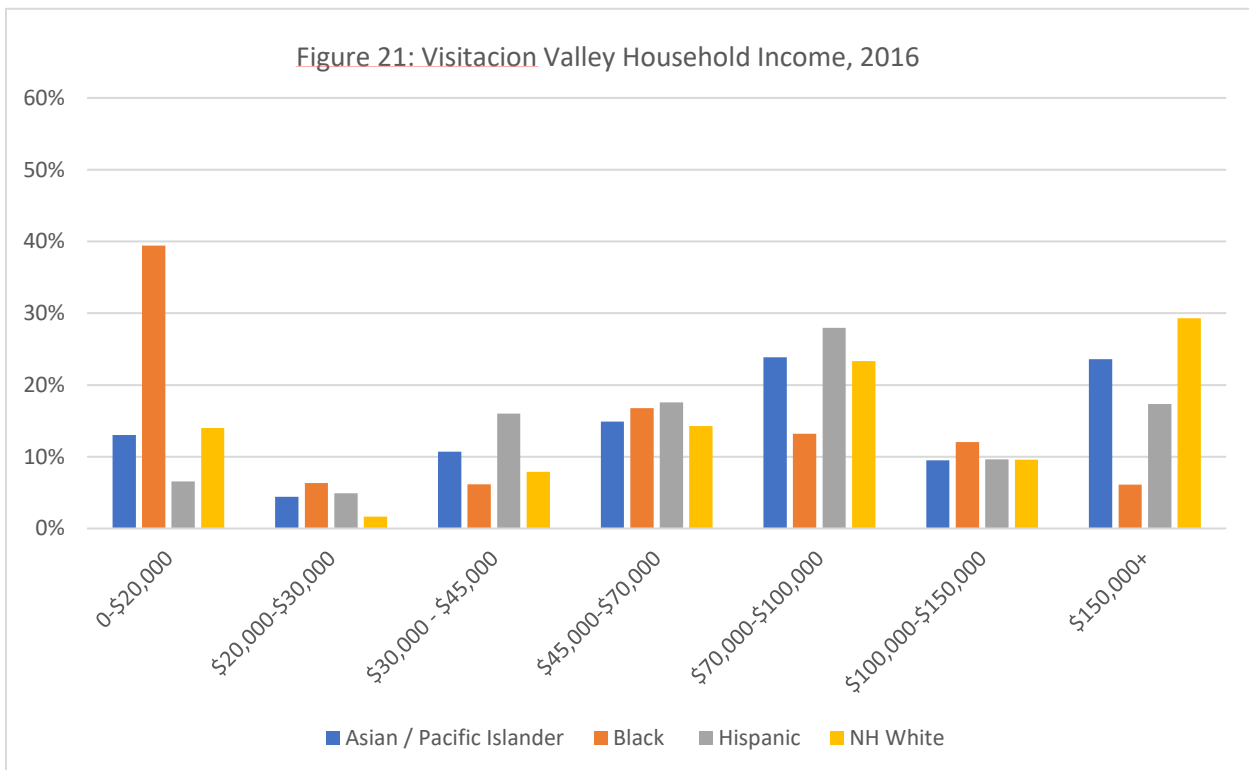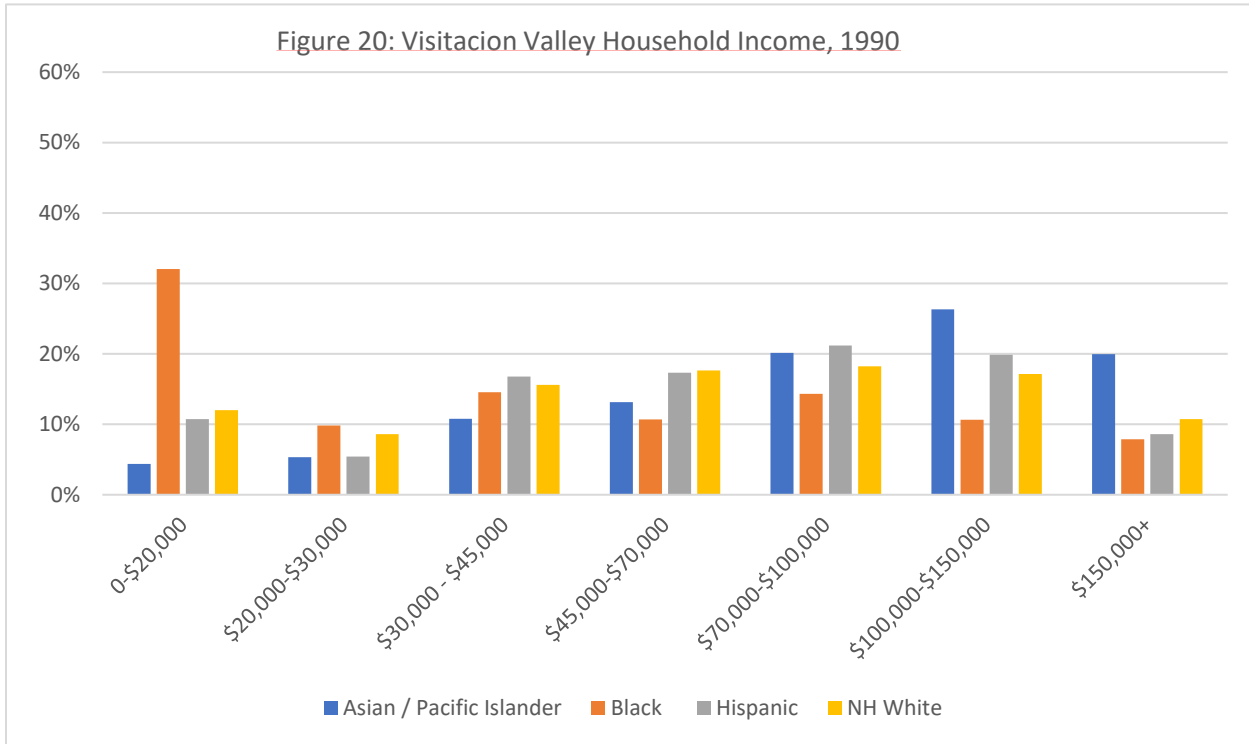Legend: Asian / Pacific Islander, Black, Hispanic, NH White

Source: Census 1990 SF3 Table P083/P082, ACS 2016 5-year estimates Tables B19001 B-I

Figures 20-21: Change in Households by Income by Race, 1990 and 2016 (Inflation adjusted to 2018 dollars)

Figure 20: Visitacion Valley Household Income, 1990

Figure 21: Visitacion Valley Household Income, 2016

Source: Census 1990 SF3 Table P083/P082, ACS 2016 5-year estimates Tables B19001 B-I
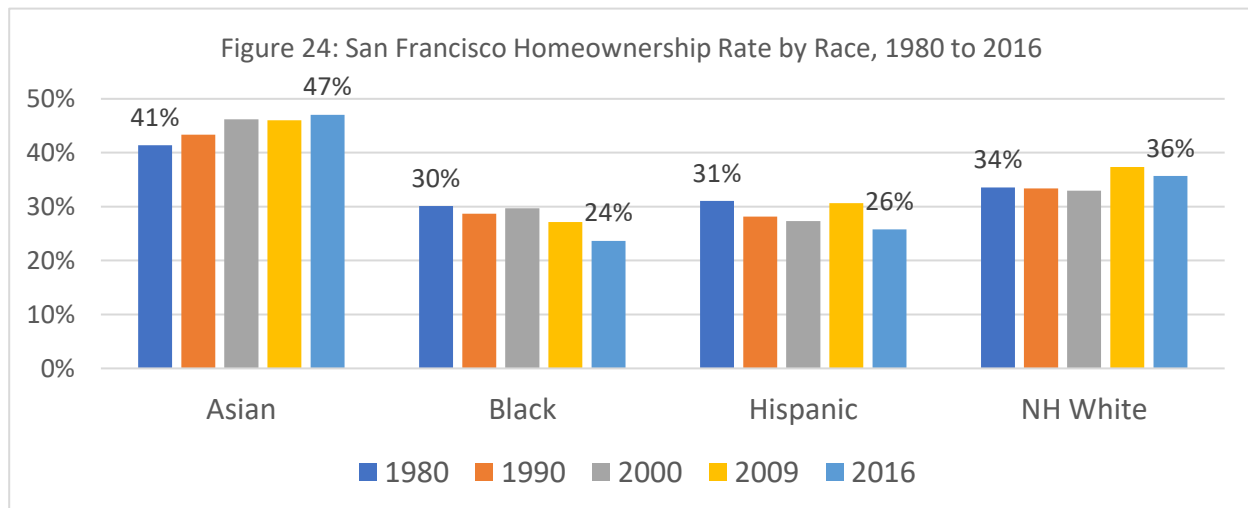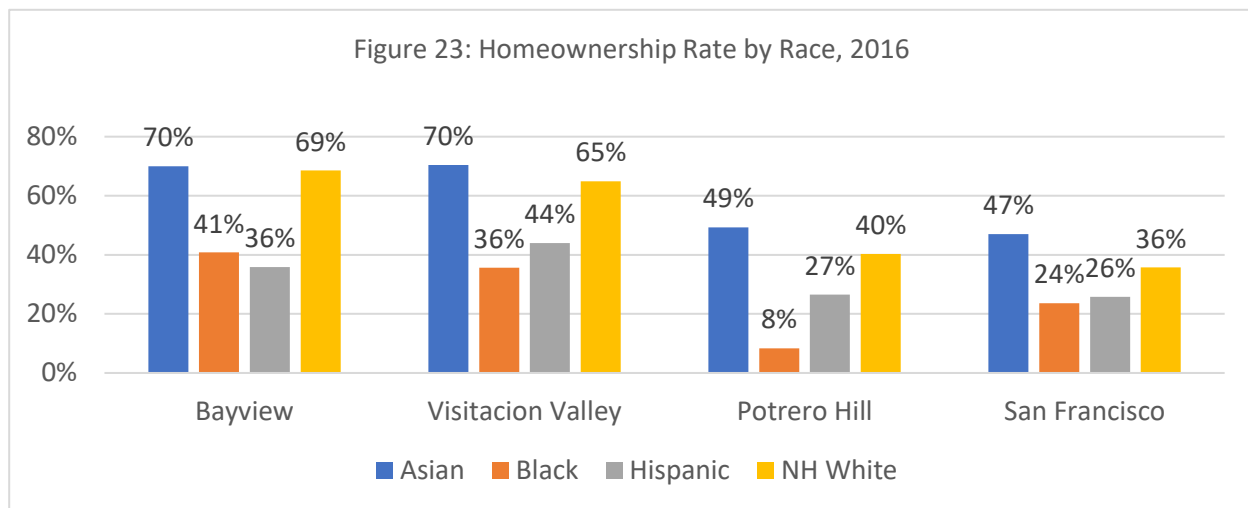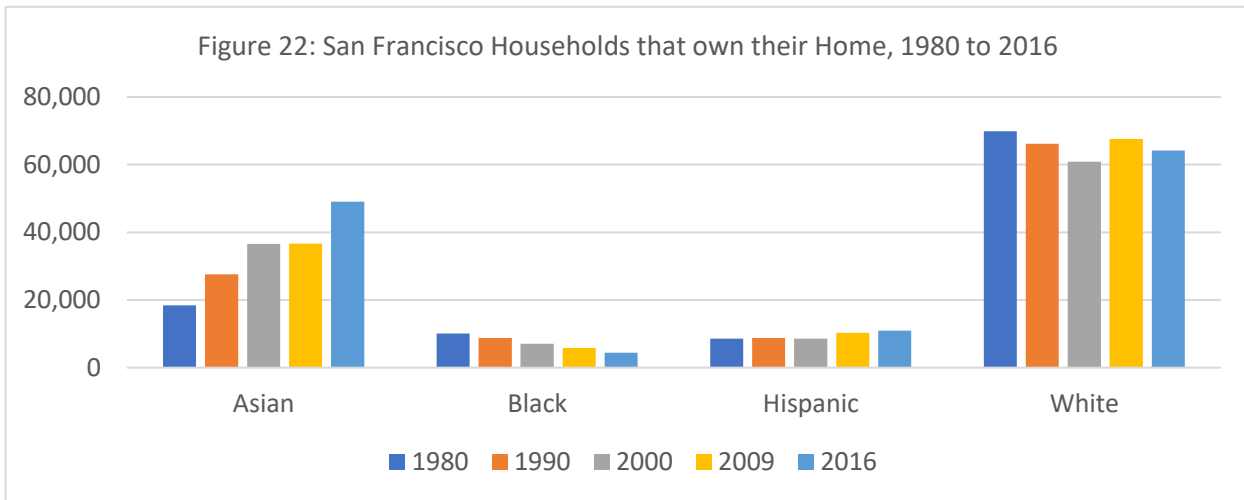
Homeownership

Homeownership is an important vehicle for developing intergenerational wealth in the United States and can have a huge impact on the character, economy and development of a neighborhood. Looking at who owns and who rents in a neighborhood can indicate challenges and opportunities for furthering racial equity. As the graphs on page 24 show, in San Francisco, there is a large disparity in homeownership among racial groups.

City-wide homeownership rates (the proportion of households that own their homes versus those that rent) changed significantly over this period, with steady growth in homeownership among Asians. Asian-headed households have the highest rate of homeownership at nearly one half (47%). More than one-in-three White households owns their home but the rate has remained relatively stagnant between 1980 and 2016. Black and Hispanic homeownership rates declined significantly in that period to about one-in-four households owning versus renting.

In absolute terms, the data show similar trends. Despite a stagnant homeownership rate, White households are still the largest homeowning group, while Asian-owned homes more than doubled from about 18,000 in 1980 to nearly 50,000 in 2016. Interestingly, the otherwise steady growth in Asian homeowning households stopped between 2000 and 2009, before rising rapidly again after 2009. While there was slight growth in Hispanic homeownership, there was a steady decline in Black homeowning households.

Figures 22-24: Homeownership Characteristics of San Francisco and HOPE SF Neihborhoods

Figure 22: San Francisco Households that own their Home, 1980 to 2016

Legend: 1980, 1990, 2000, 2009, 2016

Categories: Asian, Black, Hispanic, White

Figure 23: Homeownership Rate by Race, 2016

Bayview: Asian 70%, Black 41%, Hispanic 36%, NH White 69%
Visitacion Valley: Asian 70%, Black 36%, Hispanic 44%, NH White 65%
Potrero Hill: Asian 49%, Black 8%, Hispanic 27%, NH White 40%
San Francisco: Asian 47%, Black 24%, Hispanic 26%, NH White 36%

Legend: Asian, Black, Hispanic, NH White

Figure 24: San Francisco Homeownership Rate by Race, 1980 to 2016

Asian: 41% ... 47%
Black: 30% ... 24%
Hispanic: 31% ... 26%
NH White: 34% ... 36%

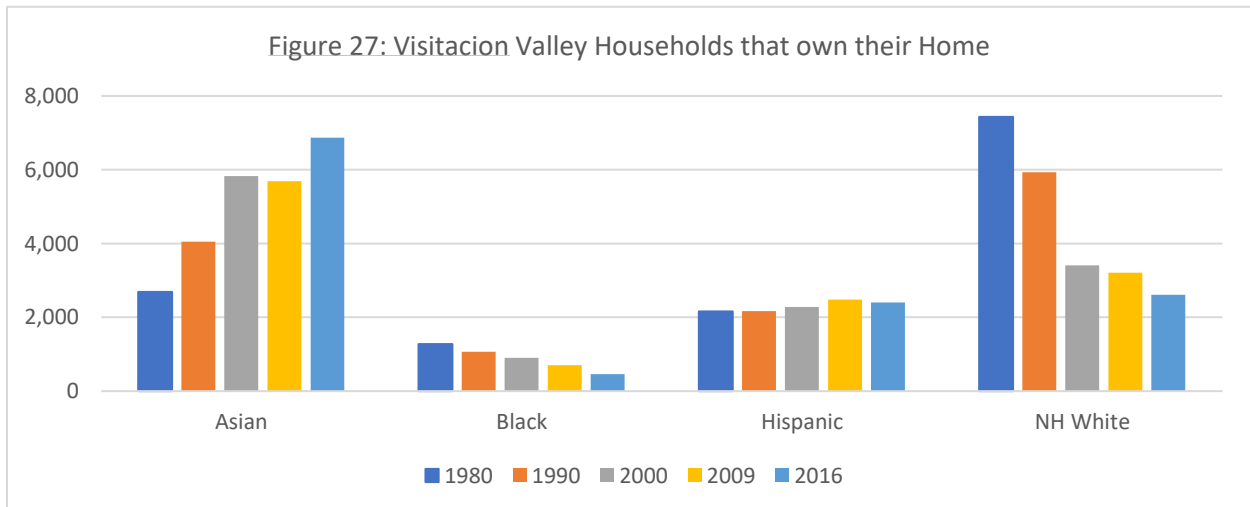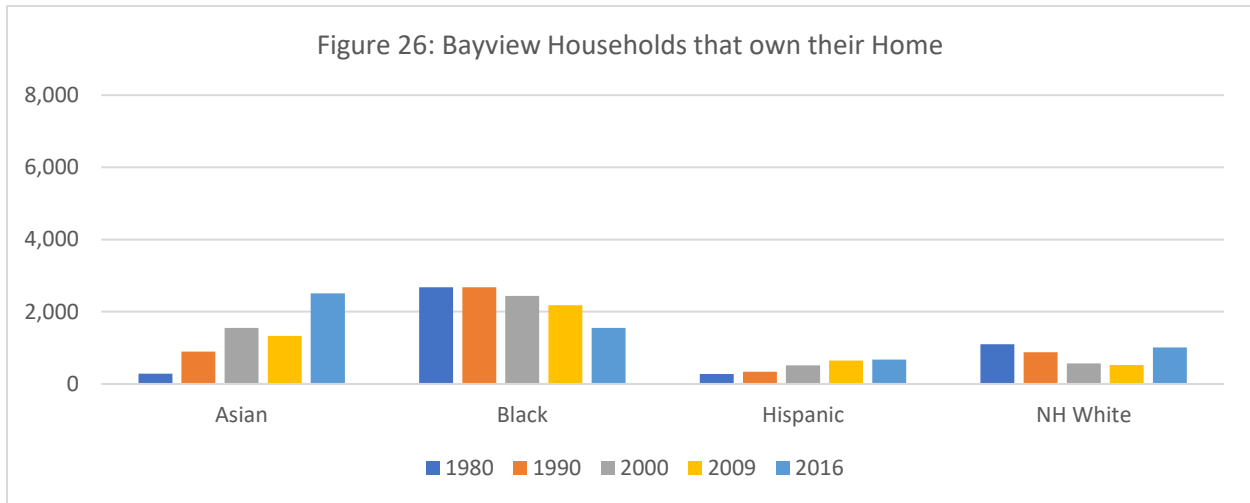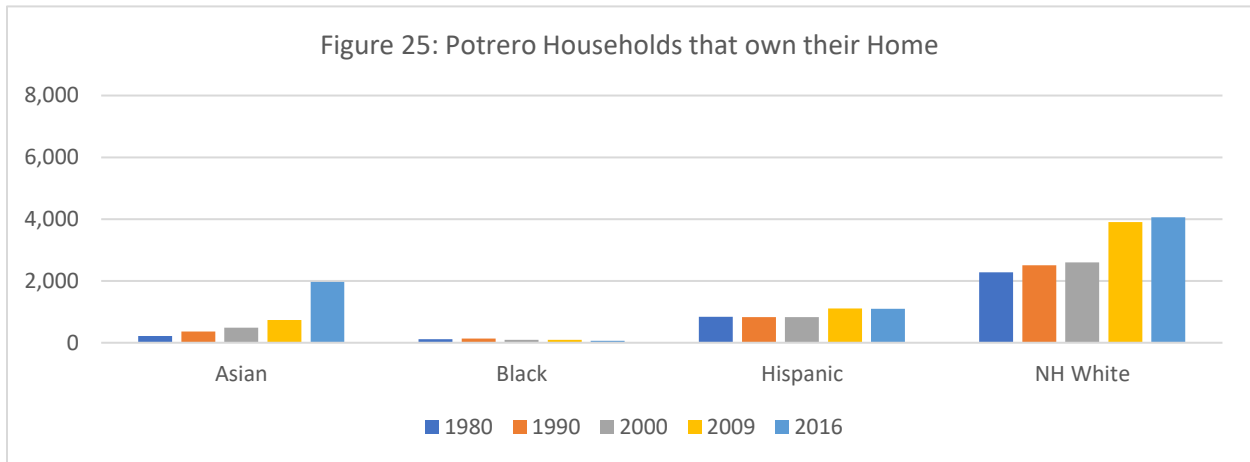Legend: 1980, 1990, 2000, 2009, 2016

Source: Census 1980 Tables T109, T110; Census 1990 SF1 Tables H9, H11; Census 2000 SF3 Tables H11-H13, ACS 2009 5-year estimates Tables B25003B-I, ACS 2016 5-year estimates Tables B25003B-I

The graphs on page 26 show that HOPE SF neighborhoods are overall more occupied by owners than the San Francisco average. While Potrero Hill most closely resembles the lower city-wide homeownership rates, Black homeownership is shockingly low, at 8%. In contrast, Bayview and Visitacion Valley have significantly higher homeownership rates across racial groups, with nearly two-thirds or more of White and Asian households owning their home. Hispanic homeownership grew only slightly in each HOPE SF neighborhood.

The relatively high rate of Black homeownership (41%) in the Bayview is perhaps what makes it considered the "last stronghold" by some residents. Nonetheless, the number of Black-headed households that own their homes has decreased by more than half since 1980 in Bayview (and decreased in all HOPE SF neighborhoods). The same trend surrounding the Great Recession in San Francisco is also noticeable in Bayview, with stagnant Asian and White homeownership between 2000 and 2009 followed by sharp increases between 2009 and 2016.

Visitacion Valley has the greatest number of home-owning households of all the HOPE SF neighborhoods. Interestingly, the rise in homeowning Asian households is matched only by the decline in the White-owned homes. The decline in the White population closely matches the decline in White homeownership. This may indicate that White homeowners have decided to leave the neighborhood in large numbers, as opposed to renters being displaced by rising rents.

Figures 25-27: HOPE SF Neighborhood Households that Own Their Home by Race

Figure 25: Potrero Households that own their Home

Figure 26: Bayview Households that own their Home

Figure 27: Visitacion Valley Households that own their Home

Source: Census 1980 Tables T109, T110; Census 1990 SF1 Tables H9, H11; Census 2000 SF3 Tables H11-H13, ACS 2009 5-year estimates Tables B25003B-I, ACS 2016 5-year estimates Tables B25003B-I

Mortgages

Home Mortgage Disclosure Act (HMDA) data further demonstrates the disparity in homeownership in San Francisco. The chart below shows the number of home-purchase mortgages completed between 2012 and 2016. Comparing the racial composition of the city and HOPE SF neighborhoods with the share of loans originated by race shows that these loans are far from proportional. In every HOPE SF neighborhood and the city at large, White and Asian borrowers are over-represented in home purchases and Black and Hispanic borrowers are underrepresented. Together, Blacks and Hispanics make up about 20% of the city but loans going to Blacks and Hispanics are less than 5%. This is especially stark and surprising in Bayview which has a legacy of Black homeownership and high rates of homeownership for Black and Hispanic households. It is also surprising in Visitacion Valley and Potrero Hill where Hispanics make up nearly a third of the population but only 5% and 2% of home-purchase loans, respectively.

Figure 28: Mortgage Originations and Population Composition by Race

		Mortgages	Share of Mortgages	Share of Population
Potrero Hill	Asian	799	30%	19%
	Black	24	1%	5%
	Hispanic	62	2%	30%
	NH White	1,191	44%	42%
Bayview	Asian	543	46%	36%
	Black	37	3%	27%
	Hispanic	60	5%	22%
	NH White	377	32%	8%
Visitacion Valley	Asian	854	60%	51%
	Black	13	1%	5%
	Hispanic	75	5%	29%
	NH White	351	25%	11%
San Francisco	Asian	8,474	39%	34%
	Black	202	1%	5%
	Hispanic	698	3%	15%
	NH White	12,164	56%	41%

Source: Home Mortgage Disclosure Act Flat Files 2012-2016, www.ffiec.gov; ACS 2016 5-year estimates Table B03002

Interestingly, while high numbers of mortgages going to Asians generally correlates with a high Asian population, Whites have a large percentage of recent loan originations in areas where the White population is small. For example, in Bayview and Visitacion Valley, White is the fourth and third largest racial group respectively, yet Whites are second in mortgages in both neighborhoods.

The Cost of Housing

San Francisco is iconic of rapidly rising housing costs. The Bay Area Housing Crisis is known worldwide and the city is at the center of the discussion. Housing market trends in the city and HOPE SF neighborhoods specifically must be addressed for successful community development to occur. The graphs on page 29 show data from Zillow, an online real estate database company, that uses the data on home costs and rents posted on its website to estimate median costs for various geographies.[4]
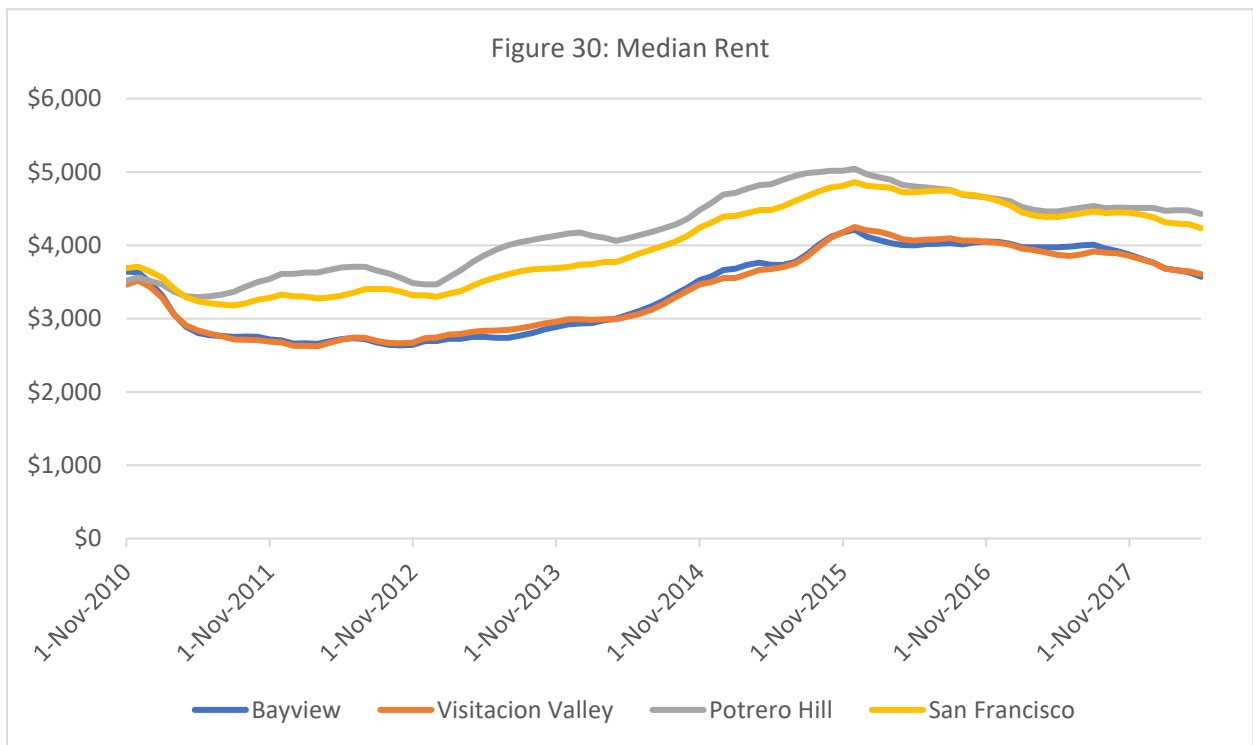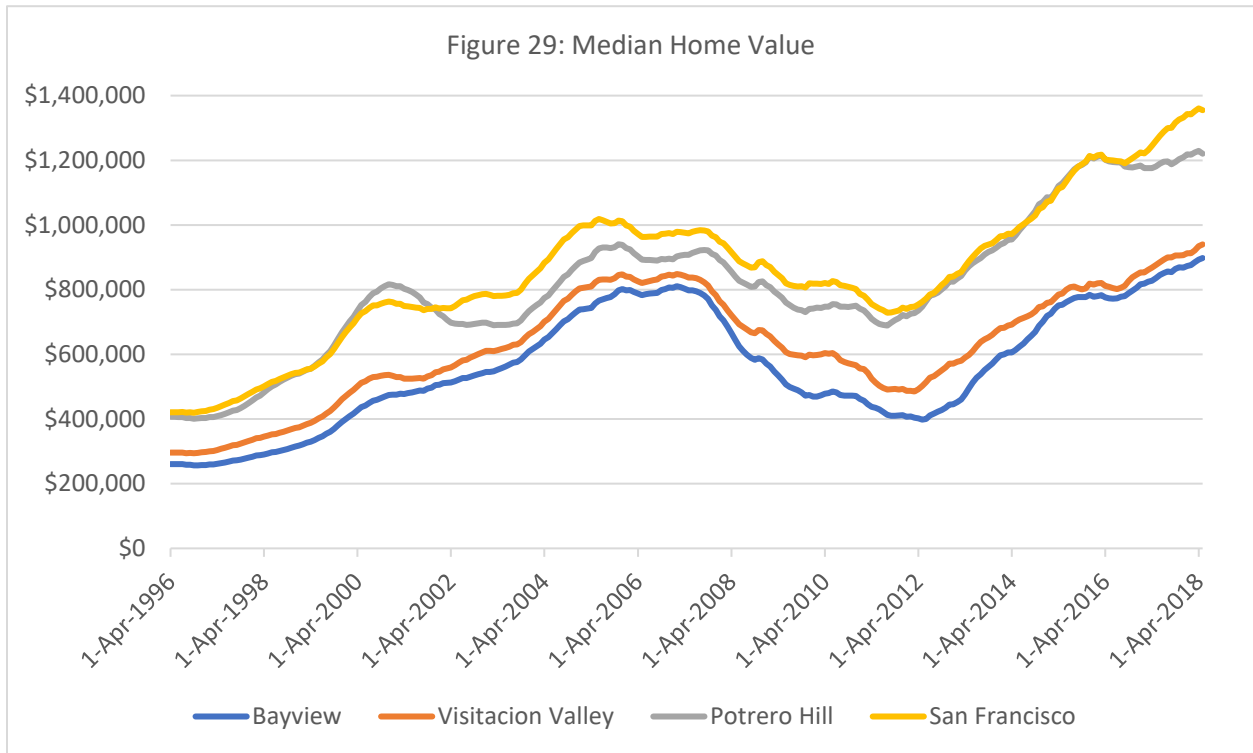
In the last two decades home values in San Francisco have indeed increased rapidly, first in the early 2000s before declining during the Great Recession, and then climbing more rapidly as the recovery began. San Francisco's median home value exceeded the pre-Recession high during the Summer of 2014 and has not declined significantly since. HOPE SF neighborhoods have followed similar trends, with Potrero Hill closely mirroring the city-median. Bayview and Visitacion Valley followed similar trends but have remained significantly less expensive throughout this period. This greater affordability is a potential benefit and also a risk for these neighborhoods. The upward trajectory of home values combined with their relative affordability within San Francisco makes these locations ideal for investing in property, which can drive up prices quickly and lead to dramatic changes in neighborhood character.

Rent data for the Zip Codes containing the HOPE SF neighborhoods only exists on Zillow for the past eight years. These data show the post-recession increase in rent throughout the city with all neighborhoods experiencing a decline in rent after 2015. Nonetheless, these rents are unaffordable to the majority of HOPE SF neighborhood residents. The annual income needed to reasonably afford a rent of $4,000 is $116,400[5]. As with home purchases, the relatively affordable rents of Bayview and Visitacion Valley make them preferable locations for newcomers, which can trigger gentrification and displacement pressures.

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[4] These graphs use the Zip Codes comprising each HOPE SF neighborhood, which cover a slightly different area than the census tract boundaries used throughout this research.
[5] Living wage from http://livingwage.mit.edu/

Figures 29-30: Home and Rent Prices in San Francisco and HOPE SF Neighborhood Zip Codes (Adjusted for Inflation to 2018 dollars)

Figure 29: Median Home Value

Legend: Bayview, Visitacion Valley, Potrero Hill, San Francisco

Figure 30: Median Rent

Legend: Bayview, Visitacion Valley, Potrero Hill, San Francisco

Universe: all homes; Source: Zillow Home Value Index (ZHVI) and Zillow Rental Index (ZRI); seasonally adjusted measure of the median estimated home value across a given region and housing type. www.zillow.com/research/data/

Housing Development

The four HOPE SF sites are in neighborhoods that are expected to undergo continuing change in the near future. Due in part to the relative affordability of land and in part to the availability of unused land the city is planning large developments in the Southeast section of the city. As the Choice Neighborhood plans for Bayview mentioned, that development is part of the neighborhood revitalization strategy. However, implementing massive developments with a large influx of new populations can cause severe disruptions especially in vulnerable communities.

The San Francisco development pipeline shows a picture of what level of change, each neighborhood might experience in the next several years in terms of new residential housing development. The city has 67,811 units which are in the process of planning, permitting or construction. This would be an 18% increase in the number of households as a percentage of the number of households in 2016. By attracting new individuals to fill these units, this development will rapidly increase the population of many of the city's neighborhoods. While the vast majority will be "market rate" developments, 17% of units city-wide would be income restricted units.

Figure 31: San Francisco Development Pipeline (as of March 2018)

Area	Units	Affordable Units	Percent Affordable	Households in 2016*	Pipeline units as percent of 2016 households
Potrero Hill	7,553	1,182	16%	22,180	34%
Bayview	12,773	3,413	27%	12,661	101%
Visitation Valley	1,939	213	11%	24,349	8%
San Francisco	67,811	11,447	17%	378,092	18%

Source: City and County of San Francisco Planning Department, sf-planning.org/pipeline-report

Bayview is the neighborhood that is expected to see the most growth of any region in San Francisco. Despite making up only about 3.3% of San Francisco's households in 2016 this neighborhood accounts for approximately nearly 19% of the housing units in the pipeline, potentially doubling the population in that neighborhood. Due to community pressure surrounding the largest development in the Bayview, the redevelopment of Hunters Point and Candlestick park, the developer has agreed to several community benefits associated with the market rate development, including a significant affordability requirement. Approximately 27% of the units in development in Bayview are slated to be income restricted, although that includes both low-income and 'workforce housing' units for individuals making up to 160% of the area median income (in 2018, 150% of AMI for a family of four is $177,600).

Potrero Hill has also seen a lot of development activity and could see a 34% increase in housing units. The affordable percentage is significantly lower, more similar to the city-wide ratio.[6] Visitacion Valley has the least development underway and also the least affordable units as a percentage of total units.

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[6] The LIHTC and market rate HOPE SF developments are included in these calculations, though public housing units are not counted, since they are replacing demolished public housing units.

The immensity of changes in the future has prompted communities, especially in the Bayview where the largest changes are set to occur, to engage in the development process and advocate for community benefits or in some cases against development plans.

The development pipeline will have serious implications for the composition and characters of these broader neighborhoods and certainly will have economic implications in terms of the types of businesses and jobs that accompany new development. For example, in Bayview where one quarter of residents are Black, if the influx of new residents is largely not Black, it may put businesses that primarily serve the Black community at risk. Further, redevelopment may increase the nearby rent and home values and cost of living, which could drive middle- and low-income residents to leave the city.

Public Health

Like many neighborhoods that have suffered from neglect and disinvestment, the populations of HOPE SF neighborhoods have suffered from increased rates of health problems. The Southeast section of the city has been subject to environmental racism, carrying a disproportionate burden of heavy industry and benefiting from fewer environmental assets and amenities throughout its history (Bullard, 1994). In addition, the social determinants of health in these neighborhoods contribute to the prevalence of chronic illness, mental health issues and lack of access to quality health care (Braveman, Egerter, & Williams, 2011).

Figure 32: Percentage of Adults with Asthma
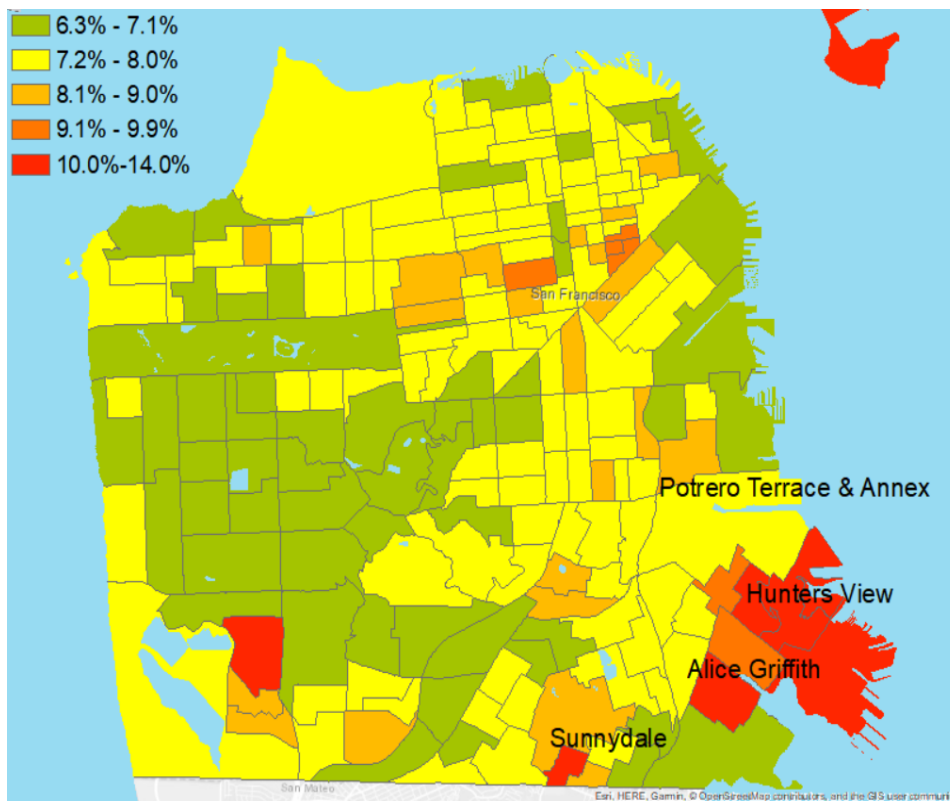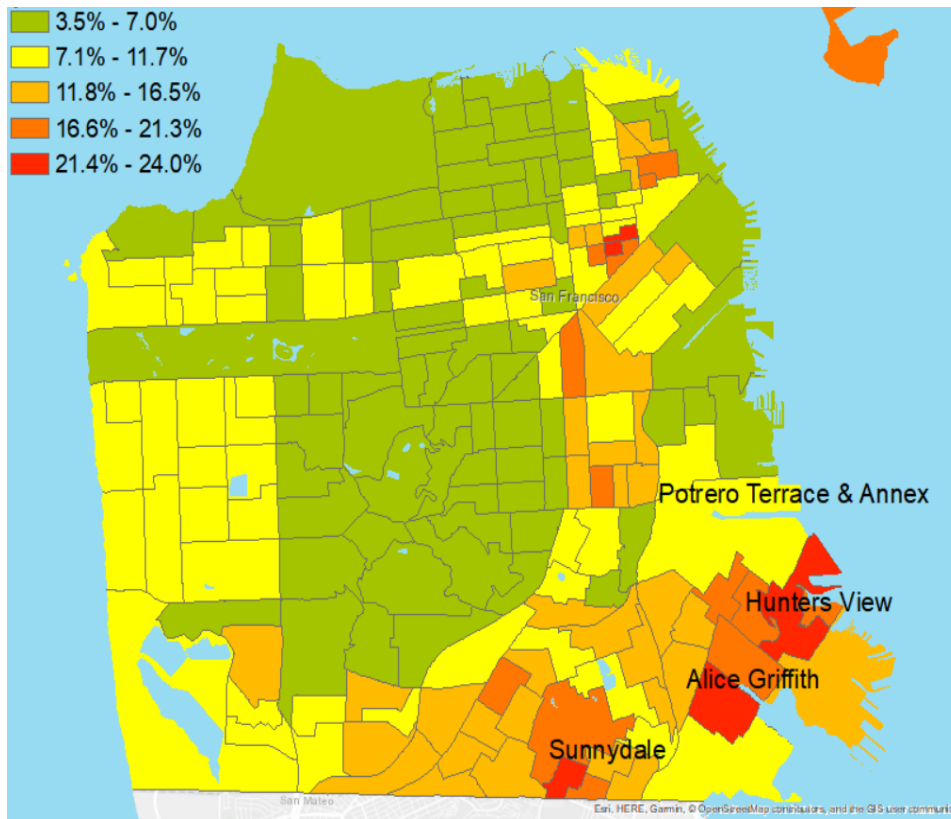

Median = 7.4% Standard Deviation = 0.92%
Source: 500 Cities, "Local Data for Better Health Survey," Centers for Disease Control and Prevention, 2014

In HOPE SF neighborhoods, social, environmental and political factors coalesce resulting in outcomes like the extreme level of adult asthma in census tracts containing HOPE SF communities (Figure 32). This disparity is likely due to a culmination of social and environmental factors (Pastor & Morello-Frosch, 2014). The prevalence of heavy industry in Southeast San Francisco is certainly a contributing factor but should affect all of the census tracts in the area. However, we can see that while higher asthma rates exist throughout the Bayview and Visitacion Valley, the worst rates are localized in the specific census tracts where HOPE SF public housing developments are located, indicating that income is a factor as well.

Living in old, dilapidated public housing developments likely contributes to the high rate of asthma. In addition to industry, large developments and construction projects have arguably exacerbated the rate of adult asthma. Bayview community groups have organized and advocated for greater protections from the effects of "development dust" and other airborne hazards due to large-scale development happening in this corner of the city (Dillon, 2018).

Figure 33 shows one challenge to building and sustaining healthy communities through the HOPE SF initiative. Despite gains through the Affordable Care Act and the expansion of California's Medi-Cal state-wide health insurance program, as many as 24% of residents of HOPE SF census tracts are not covered by health insurance.

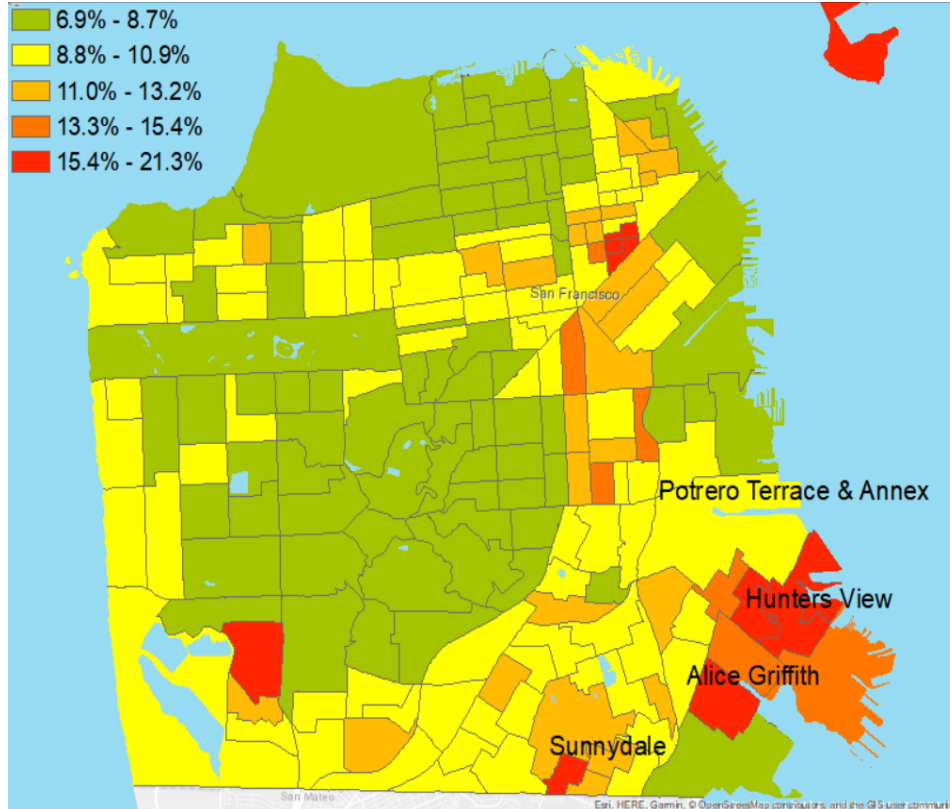**Figure 33: Adults Lacking Health Insurance**

Median = 7.7% Standard Deviation = 4.8%
Source: 500 Cities, "Local Data for Better Health Survey," Centers for Disease Control and Prevention, 2014

As Figure 34 shows, community development practitioners face the additional barrier of the high prevalence of poor mental health and trauma that accompanies poverty and economic marginalization prevalent in HOPE SF communities.

Figure 34: Adults Experiencing Poor Mental Health for more than 14 days per year

Median = 9.3% Standard Deviation = 2.2%
Source: 500 Cities, "Local Data for Better Health Survey," Centers for Disease Control and Prevention, 2014

All three of the above maps show that Potrero Hill's health metrics are closer to (or below) the city median than to the other HOPE SF neighborhoods. Part of this is simply that the surrounding communities of Visitacion Valley and Bayview are more similar in income to the HOPE SF residents. Further the census tract containing Potrero Terrace & Annex is consistently further from the median for each metric than other census tracts in Potrero Hill, likely showing the influence of the social determinants of health on Potrero Terrace & Annex residents.

Employment

In general, San Franciscans have access to the dynamic and thriving city's job market. However, recent decades have shown a divergence in the types of jobs being created in San Francisco, trending towards high-salary, high-educational requirement jobs and low-wage jobs, while middle income jobs that do not require a college education have declined. This has disproportionately affected the traditionally blue collar, industrial neighborhoods of the Southeast. Figure 35 (on page 36) shows the most prevalent jobs in San Francisco and HOPE SF neighborhoods. In San Francisco, the most prevalent jobs are in the professional, scientific and technical services, which are typically high-income and have high barriers to entry.

These jobs, while abundant, may not be the appropriate targets for HOPE SF community development activities. The next most prevalent industry in the city is food service and accommodation. Food service jobs are notoriously low-paying but may be attainable for individuals with limited education and job experience. In 2017 the median wage for food service jobs in San Francisco was $14.74[7], well below the San Francisco living wage for a single adult of $19.63.[8] While these jobs may serve a purpose such as providing experience and supplementary income, they cannot lift community members out of poverty or sustain economic development in a neighborhood.

Healthcare is the third highest job-producing industry in San Francisco. While these jobs range from doctor to receptionist, some low-barrier jobs in healthcare pay a living wage. The median income for Health Care Support Occupations in San Francisco in 2017 was $22.77, which is over the living wage for a single adult with no children. This wage still may not cover the increasing cost of rent in the city and is certainly not enough to support a family with children. While partnerships with profitable health care companies at the city-wide level could improve employment in Southeast San Francisco, transportation is an additional issue that HOPE SF neighborhoods face, as the Southeast is underserved by municipal public transit, exacerbating the geographical distance to employment opportunities.

Alternatively, neighborhood-level actions by HOPE SF may provide even greater opportunities to connect residents to successful industries as well as spur endogenous economic growth. Research has shown that low-income job-seekers may rely on smaller geographies in their employment search.[9] Further, growth in jobs at the neighborhood level increases the chances that residents will find jobs and maintain employment.[10] Finally, being closer to jobs is a significant benefit to workers who not only are underserved by public transportation, but may also face discrimination and inequitable access to job markets such as black, female, and older workers.[11]

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[7] Wage data is from the 2017 Occupational Employment Statistics survey, Bureau of Labor Statistics: bls.gov/oes
[8] MIT's Living Wage Calculator estimates $19.63/hr as the living wage in San Francisco for one adult with no children. A single parent with one child requires a wage of $38.93/hr to meet basic needs
[9] Daniel Immergluck, "Job Proximity and the Urban Employment Problem: Do Suitable Nearby Jobs Improve Neighbourhood Employment Rates?" Urban Studies 35, no. 1 (1998).
[10] Scott W. Allard and Sheldon Danziger, "Proximity and Opportunity: How Residence and Race Affect the Employment of Welfare Recipients," Housing Policy Debate 13, no. 4 (2002).
[11] Laurent Gobillon and Harris Selod, "Spatial Mismatch, Poverty, and Vulnerable Populations," in Handbook of Regional Science (New York: Springer, 2012)

Figure 35: Prevalent Industries in San Francisco and HOPE SF Neighborhoods, 2015

Industry	Number of Jobs	Share of Jobs
Potrero Hill		
Transportation and Warehousing	10,010	14.9%
Public Administration	7,952	11.8%
Professional/Scientific/Technical Services	7,051	10.5%
Accommodation and Food Services	6,280	9.3%
Information	4,480	6.7%
Arts, Entertainment, and Recreation	4,087	6.1%
Retail Trade	3,964	5.9%
Utilities	3,913	5.8%
Bayview		
Construction	5,105	21.4%
Wholesale Trade	3,331	14.0%
Health Care and Social Assistance	2,242	9.4%
Transportation and Warehousing	2,172	9.1%
Accommodation and Food Services	2,140	9.0%
Admin/Support, Waste Mgmt./Remediation	1,874	7.8%
Manufacturing	1,640	6.9%
Retail Trade	1,431	6.0%
Visitacion Valley		
Health Care and Social Assistance	3,477	38.8%
Public Administration	1,398	15.6%
Educational Services	778	8.7%
Admin/Support, Waste Mgmt./Remediation	753	8.4%
Retail Trade	586	6.5%
Other Services (excluding Public Admin.)	546	6.1%
Accommodation and Food Services	457	5.1%
Construction	400	4.5%
San Francisco		
Professional/Scientific/Technical Services	121,457	17.3%
Accommodation and Food Services	82,642	11.8%
Health Care and Social Assistance	78,238	11.2%
Educational Services	55,971	8.0%
Retail Trade	47,619	6.8%
Admin/Support, Waste Mgmt./Remediation	45,754	6.5%
Finance and Insurance	41,404	5.9%
Information	36,744	5.2%

Source: Census OnTheMap, LEHD Origin-Destination Employment Statistics (LODES), Worker Area Characteristics (WAC) 2015.

In comparison to city overall, HOPE SF neighborhoods have a greater share of jobs that are attainable for residents with less education. For example, in Bayview, the most prevalent jobs are in construction. The median wage for construction jobs in San Francisco was $30.11 in 2017. Construction jobs can have low barriers to entry but can also require training. Fortunately, this is an area where San Francisco and HOPE SF have leverage. Since developments require city approval, cities often negotiate for local-hiring preference, ensuring that a portion of the construction workers on a project live in the neighborhood. However, developers cannot be required to hire residents that do not have a certain level of training. In response, HOPE SF and the SF Office of Economic and Workforce Development has developed a 12-week construction training program for HOPE SF residents called CityBuild. Upon completion of the program, CityBuild guarantees job placement in HOPE SF construction activities and has placed nearly 1,000 residents in construction jobs.[12]

The success of this program suggests an opportunity for HOPE SF and the City to expand job training to the private construction activities and to include other neighborhood residents. If applied more broadly, programs like these could produce economic gains compounded by the growth of middle-income workers and ensure that the historic residents of Southeast San Francisco benefit from changes to their built environment.

Potrero Hill has the greatest number of jobs of the HOPE SF neighborhoods with 67,197 in 2015, primarily in transportation and warehousing, accounting for over 10,000 jobs. Warehousing is an industry with low education requirements, but wages are typically not high enough to support a family in San Francisco. The median income in 2017 for transportation jobs was $19.43. Nonetheless, for Southeast residents for whom a low-wage job would be an improvement in financial stability, HOPE SF and the city should consider a program for transportation and warehousing jobs like CityBuild.

Visitacion Valley has the fewest jobs overall with only 8,856 in 2015, perhaps due to the residential character the neighborhood. Importantly, Visitacion Valley is adjacent to Daly City, within San Matteo County, so residents may have good access to jobs there as well. Nearly 40% of the jobs in Visitacion Valley are in health care services, which suggests an opportunity for developing connections between residents and the healthcare industry, locally.
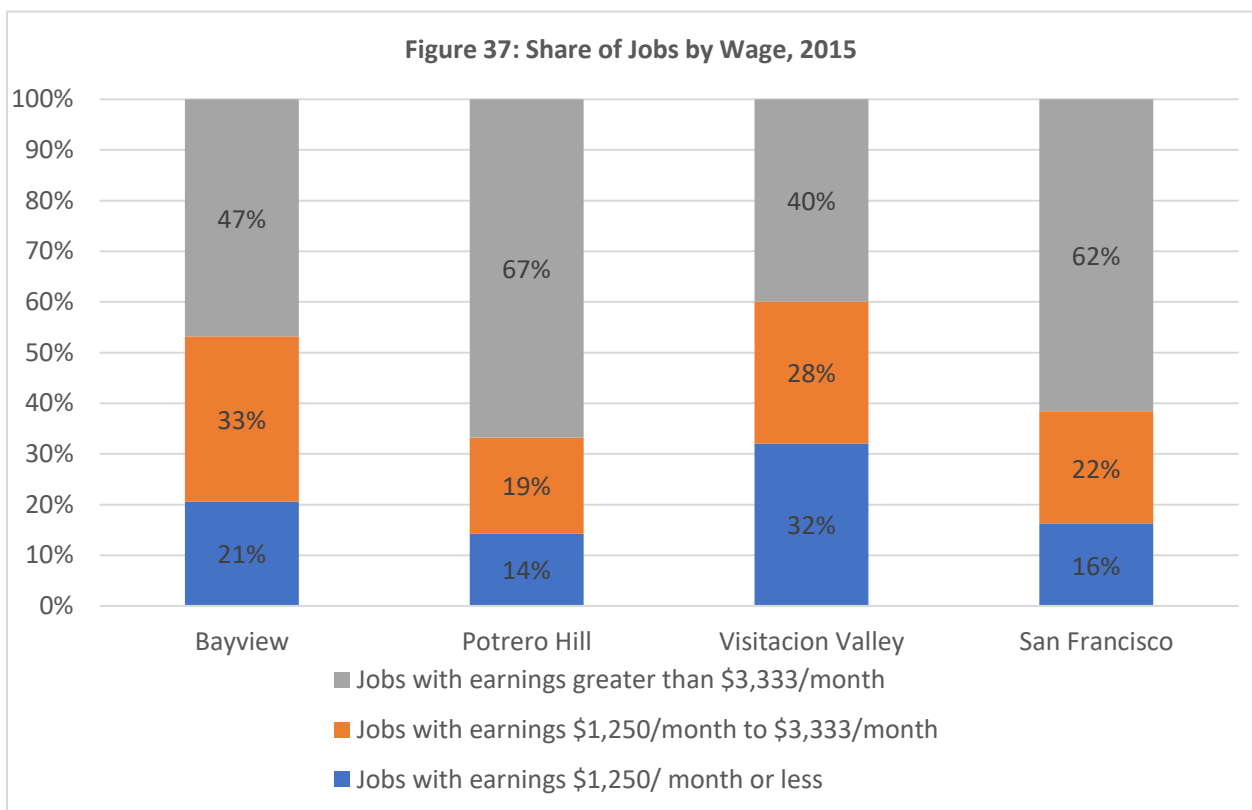
Figure 36 (on the following page) shows the net change in jobs between 2002 and 2015. While city employment grew by 35% in that period, HOPE SF neighborhoods trended very differently. Potrero Hill and Visitacion Valley both more than doubled in number of jobs (though from very different initial totals). Bayview experienced a significant loss, declining in the number of jobs by almost a third.

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[12] http://hope-sf.org/citybuild.php

Figure 36: Job Characteristics in HOPE SF Neighborhoods

	Jobs in 2002	Jobs in 2015	Net Change 2002-2015	Workers with HS degree or less, 2015	Percent of Jobs for HS or less, 2015
Potrero Hill	31,731	67,197	112%	15,693	23%
Bayview	33,800	23,874	-29%	8,304	35%
Visitacion Valley	4,359	8,856	103%	3,115	35%
San Francisco	517,832	700,616	35%	164,633	23%

Source: Census OnTheMap, LEHD Origin-Destination Employment Statistics (LODES), Worker Area Characteristics (WAC), 2002 and 2015.

Figure 37: Share of Jobs by Wage, 2015

Source: Source: Census OnTheMap, LEHD Origin-Destination Employment Statistics (LODES), Worker Area Characteristics (WAC), 2015.

Figure 38 (on the following page) shows industry-level changes for each neighborhood which provide a more detailed understanding of the changes in this period. Highlighting the growth and decline in a few key industries, several trends are city-wide though some are unique to certain HOPE SF neighborhoods. For example, the decline in manufacturing jobs has been discussed as one trend that threatens San Francisco's middle class. This decline was more severe than the city average in every HOPE SF neighborhood between 2002 and 2015.

Figure 38: Change in Number of Jobs by Industry (2002 – 2015)

	Construction			Manufacturing		
	Jobs in 2002	Jobs in 2015	Percent Change	Jobs in 2002	Jobs in 2015	Percent Change
Bayview	3,973	4,998	26%	2,812	1,596	-43%
Potrero Hill	2,474	2,786	13%	3,357	1,945	-42%
Visitacion Valley	354	370	5%	156	76	-51%
San Francisco	17,665	18,579	5%	14,019	9,916	-29%
	Food Service			**Information**		
	Jobs in 2002	Jobs in 2015	Percent Change	Jobs in 2002	Jobs in 2015	Percent Change
Bayview	829	2,041	146%	580	514	-11%
Potrero Hill	2,309	6,280	172%	2,153	4,480	108%
Visitacion Valley	296	404	36%	17	3	-82%
San Francisco	57,283	82,642	44%	21,271	36,744	73%
	Real Estate			**Health Care**		
	Jobs in 2002	Jobs in 2015	Percent Change	Jobs in 2002	Jobs in 2015	Percent Change
Bayview	498	881	77%	689	1,953	183%
Potrero Hill	781	751	-4%	1,370	2,826	106%
Visitacion Valley	34	38	12%	1,115	3,243	191%
San Francisco	13,286	13,992	5%	45,249	78,238	73%
	Retail			**Transportation/Warehousing**		
	Jobs in 2002	Jobs in 2015	Percent Change	Jobs in 2002	Jobs in 2015	Percent Change
Bayview	1,593	1,316	-17%	2,181	2,170	-1%
Potrero Hill	2,864	3,964	38%	4,893	10,010	105%
Visitacion Valley	552	585	6%	213	35	-84%
San Francisco	42,671	47,619	12%	17,506	15,807	-10%

Source: Census OnTheMap, LEHD Origin-Destination Employment Statistics (LODES), Worker Area Characteristics (WAC), 2002 and 2015.

Construction jobs, on the other hand, has grown in each HOPE SF neighborhood and the city, perhaps because of the attraction of rising housing prices and rent. Bayview experienced the largest increase in construction jobs as well as a large increase in real estate jobs, pointing to the amount of development and private investment happening in that neighborhood. Potrero Hill saw large increases in both retail jobs and information sector work, demonstrating the presence of high-income workers, while Bayview lost retail jobs. Partnerships with key, growing sectors could dramatically increase the financial stability and community development of HOPE SF neighborhoods. If HOPE SF can provide the community knowledge, connections and examples of success such as CityBuild, the city could deliver incentives, subsidies, negotiation and training to improve local hiring practices.

Currently, most working residents in each HOPE SF neighborhoods work outside of that geography (Figure 39), perhaps because many workers commute to downtown San Francisco. Additionally, most of the jobs within HOPE SF neighborhoods are occupied by workers living somewhere else. Fewer than 5% of workers both live and work in each HOPE SF neighborhood. HOPE SF likely needs to incorporate this into their community development work. Increasing access to neighborhood jobs would mitigate the challenge that poor public transit service presents. Further, access to capital, incentives and subsidies could spur endogenous growth through entrepreneurship in neighborhoods on the cusp of rapid change.
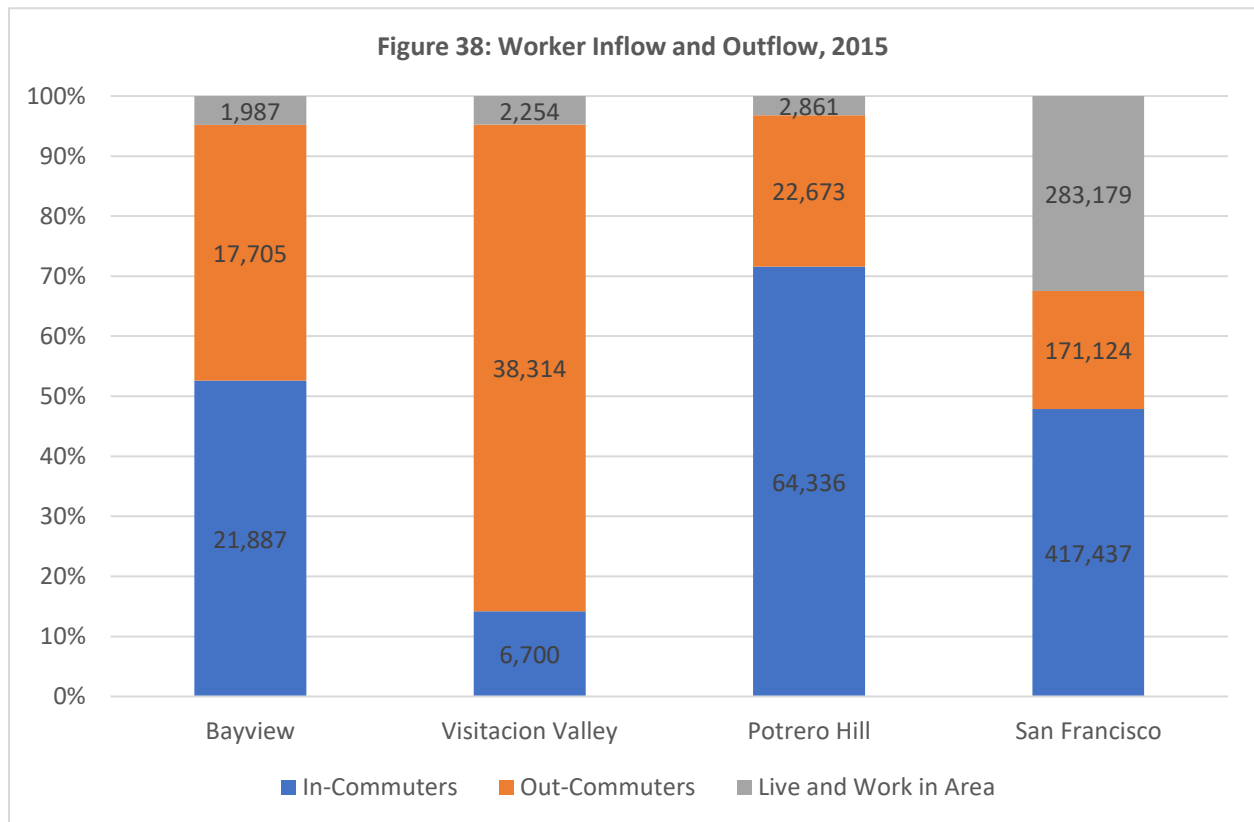
Figure 38: Worker Inflow and Outflow, 2015

Source: Census OnTheMap, LEHD Origin-Destination Employment Statistics (LODES), Worker Area Characteristics (WAC) and Resident Area Characteristics (RAC) 2015.

Conclusions and Recommendations

The above findings present challenges and opportunities for HOPE SF to solidify connections between public housing residents and their neighbors, while working to improve outcomes for both. For HOPE SF to accomplish its goals, all stakeholders will need to be aware of the economic and social realities of each neighborhood and to confront the barriers to success that come with them. The findings in this research are general and may not accurately reflect the lived experience of any individual living in HOPE SF neighborhoods. However, this information can be creatively used to design programs that benefit community development activities throughout Southeast San Francisco. Each finding in this report should be explored in more detail, guided by residents, who are the ultimate experts and historians of their neighborhoods. Qualitative research is needed to understand the narratives behind these quantitative changes. This report can be used as a guide for understanding the quantitative impacts on people through the existing and emerging community narratives.

One fact cannot be overlooked. The Black population has continued to decline in every neighborhood. The threat of displacement, combined with rapid new development has not only physical but emotional consequences for these communities. Engaging with this issue should take different forms in each neighborhood. In Bayview, where the Black community is large and has a high rate of homeownership, the community may be able to collectivize resources, through equity sharing programs and land trusts that can secure land for affordable housing. Homeownership is clearly an important foothold for communities, allowing them to preserve the culture and character of their neighborhoods as well as provide a bulwark against displacement.

The declining homeownership by Black residents, post-recession, is particularly worrisome. The City's successor to the redevelopment agency (OCII) has an existing low-income homeownership program. This program should work with HOPE SF to identify residents who might be able to support a mortgage and reserve some new for-sale units for historic residents of these communities. The relatively affordable housing prices of Bayview is also an opportunity for San Francisco to invest in low-income homeownership programs, acquiring homes and providing them to historic residents who are at risk of displacement at subsidized rates.

In Potrero Hill, where most Black-headed households are poor and there are few other Black households in the neighborhood, community engagement will look different. The cultural divides between public housing residents and their neighbors may be greater there requiring targeted interventions to create cross-cultural connections with affluent Potrero Hill residents. In Bayview and Visitacion Valley, cross-cultural connections could promote strong political coalitions and mitigate conflict between the declining Black community and growing Asian and Hispanic communities.

Additionally, the modest growth in the Hispanic population and rapid changes in household income, suggest concurrent in-migration and displacement. HOPE SF can create buy-in from their broader neighborhoods by becoming advocates and champions of anti-displacement measures, both using its position to influence city government while also serving as a channel for community organizing around displacement issues.

As a housing institution, HOPE SF should be vocal about the disparity in mortgage lending in these communities, where Black and Hispanic borrowers receive disproportionately few loans compared to

their share of the population. Further research is required to understand if discrimination, language barriers, financial illiteracy or other obstacles are present.

The rapid growth in both low- and high-income Asian households as well as Asian homeownership also lends itself to further research. Perhaps HOPE SF could learn from local successes and potentially develop targeted programs that connect low-, middle-, and high-income individuals that share a common ethnic background towards community development goals.

The city-wide decline in the middle class is a serious challenge, but HOPE SF has the potential to engage with this issue to benefit its residents and their neighborhoods. As HOPE SF developments become mixed income communities, stakeholders could work with the city to build more middle-class housing in addition to public housing and low-income units. Adding middle income to the mix could create less cultural friction than introducing affluent residents to HOPE SF communities. While developers rely on the high rents and sale prices that market rate tenants and homebuyers bring, HOPE SF could advocate for city funding to subsidize these units to preserve the city's shrinking middle class.

In terms of economic development, HOPE SF has a large role to play as an advocate, service provider and employer. CityBuild has already proven successful at connecting HOPE SF residents to construction jobs, but programs like it should exist in all the growing sectors of these local economies. Further, by including neighborhood residents in these employment services, HOPE SF could help resist displacement due to rising housing costs and preserve community-oriented businesses.

HOPE SF needs to play a dual role, not only as a housing and services provider, but as an advocacy organization. While it is focused on ensuring a one-to-one return rate for its original public housing residents the larger neighborhoods are also facing displacement pressure. Even though its mission is to serve original public housing residents first, there is a role that HOPE SF can play advocating for the greater community.

This starts with changing policy, practices and operating culture among municipal and HOPE SF staff and stakeholders. The institutional definitions and perceptions of *the community* can set the tone for residents of the developments and the broader neighborhoods. HOPE SF should seek out engagement with neighborhood-wide community groups and activities, filling gaps where they exist. Ultimately, community development cannot be successful in a vacuum. If HOPE SF is to provide success for its own residents it must seek to help and seek help from residents of these neighborhoods.

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