PARTNERSHIP FOR STRONG COMMUNITIES

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ADVANCING EQUITY

INSIGHTS & RECOMMENDATIONS FROM THE CONNECTICUT HOUSING SEGREGATION STUDY

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In January of this year, the **Connecticut Housing Segregation Study** was released. Commissioned by the Office of Policy and Management (OPM) as mandated by **Public Act No. 23-204** of 2023, this study, prepared by **Urbanomics**, investigates the levels of segregation in Connecticut and the extent to which government-assisted affordable housing has contributed to or alleviated it over time.

While the report's primary objective is not to dissect the root causes of segregation, it does acknowledge the historical legacy of racial segregation, particularly its disproportionate impact on communities of color. Factors such as exclusionary zoning, redlining, appraisal biases, and local opposition are identified as significant contributors to segregation across the state, findings consistent with research nationwide.

By examining segregation at the state, regional and municipal levels, the report provides valuable insights into the current landscape. Despite some positive developments, significant barriers to integration persist, as evidenced by data spanning from 1990 to 2020, which captures a period of notable demographic shifts.

Moreover, the report puts forth recommendations aimed at addressing these entrenched issues, urging stakeholders to take proactive steps towards fostering more inclusive and equitable communities. These findings are worth highlighting as Connecticut's residents continue working towards creating thriving communities. Here we breakdown five main points from the report based on its major findings and recommendations.

1. Connecticut's metropolitan areas rank among the most racially and ethnically segregated in the nation and have high levels of income inequality. However, statewide, segregation along racial and ethnic lines has decreased.

Although cities like Bridgeport and Hartford rank among the most segregated in the nation in terms of race and income, racial segregation has decreased in Connecticut according to measures of evenness, exposure, concentration, centralization, and clustering. These measures include nine indexes that assess different elements of segregation highlighted by the **United States Census Bureau from the works of Massey and Denton (1988).** For most of the analysis, white populations serve as the reference majority group, and results are broken down for three ethno-racial minority groups: Black (Non-Hispanic), Hispanic, and Asian and Pacific Islander (Non-Hispanic).

The **Dissimilarity Index** measures the percentage of a group's population that would need to relocate for each neighborhood to mirror the group's overall percentage in the municipality. It is a measure of the evenness of the distribution of a subject population across a geographic area. The report uses the multi-dissimilarity version of the index. (p. 44) Values of 0.60 and above are considered high, and across planning regions, there have been decreases in these indices compared to 1990 levels. However, segregation remains high for Black and Hispanic residents in some parts of the state. Suburban areas made the least progress, particularly on the Black dissimilarity index, while small cities showed no evidence of progress on the Hispanic dissimilarity index. (pp. 52-54)

The **Interaction Index** gauges the level of interaction between minority group members and members of the majority group, calculated as the minority-weighted average of the majority population's proportion in each municipality. (p. 44) Higher values of this measure of exposure show more integration and there has been limited improvement particularly for the Black population who maintain the lowest interaction indices with the white population. Asian and Pacific Islander (AAPI) and the Hispanic population have seen declines in the interaction index from 1990 to 2020 with the white population. Midsized cities tended to have the lowest interaction indices for racial and ethnic minorities. (pp. 22-26)

The **Isolation Index** measures the percentage of minority residents in the census tract where the minority resident lives. It is considered a measure of exposure and the opposite of the interaction index. Therefore, it reflects similar patterns observed with the Interaction index, with Black people recording a higher isolation index but experiencing reductions in racial isolation over the years. Conversely, isolation has increased for Hispanic communities, with the highest rates found in midsize cities. (pp. 56-58)

The **Centralization Index** measures the degree to which a group is spatially located near a region's population center, with higher indices indicating that minorities are closer to the center than the majority. This is measured as the Absolute Centralization Index and the Relative Centralization Index, both ranging from -1 to 1. The absolute centralization index measures only the distribution of the minority group around the population center, where a score of 0 reflects uniform distribution. On the other hand, the relative centralization index compares the areal profile of the minority and white majority groups, with an index of 0 indicating that both groups have the same spatial distribution. In both measures, the results from 1990 to 2020 show a pattern of decentralization across regions for Black and Hispanic populations. (pp. 45, 58-62) ration index measures the concentration of a minority group relative to the majority group.

HERE FOR HOUSING

Additionally, changes in population centrality are noted for Blacks in the Capitol and Naugatuck Valley regions, and for Hispanics in the Southeastern, and Western regions, indicating reduced spatial segregation.

The **Clustering Index** measures the formation of racial or ethnic enclaves. This index could be either absolute clustering or relative clustering. It can be seen as a measure of the likelihood that individuals of a particular racial or ethnic group reside closer to others within the same group. The Absolute Clustering Index measures the number of members of a group as a proportion of the total population of that area. On the other hand, the Relative Clustering Index measures the average distance between minority residents and majority residents. It is essentially the minority group's population density relative to the population density of the majority group. Higher clustering indices indicate less segregation by clustering. The absolute index ranges from 0 to 1, while the relative index ranges from 0 to greater values, with lower values indicating lower differences in clustering compared to the reference group (i.e., the white population) or less segregation. (pp. 45-46) The measure of the Absolute Clustering Index shows limited improvements in clustered segregation for Asian and Pacific Islander (AAPI) and Hispanic populations compared to 1990 in some regions, but it has mostly worsened for Black people. However, when the Relative Clustering Index is considered, there have been improvements for all minority groups, indicating lower differences in the relative population density of minority populations and white populations. (pp. 62-65)

The **Concentration Index** is a measure of spatial segregation, it measures the amount of space occupied by a group in in an area. The Absolute Concentration Index calculates the extent to which the minority group is concentrated in specific census blocks. The index can vary from zero to 1, with higher values indicating higher levels of concentration. On the other hand, the relative concentration index measures the concentration of a minority group relative to the majority group. The values can range from -1 to 1, with a value of zero indicating equal levels of concentration for minority and majority groups or complete integration. (p. 46) The absolute concentration index showed steady declines for Black, Hispanic, and AAPI populations. The relative concentration index also indicated patterns of increasing integration. (pp. 65-68)

As a measure of economic segregation, the study measures income inequality at the municipal level. The report uses the **GINI index** which measures the wealth gap between the wealthiest households and the lowest earning households.

The Study uses the ACS calculations for this data, and it ranges from 0 to 1, with zero indicating perfect equality. (pp. 46-47) During the comparison period, the index has increased in over 70 percent of Connecticut's municipalities. In the state as a whole, the GINI index has increased by 1.5 percentage points suggesting increased economic segregation. (p. 68)

2. Although a correlation exists between subsidized housing and segregation, there is no evidence to suggest a causal relationship between them.

The study highlights an indirect link between affordable and subsidized housing and segregation levels, though causality could not be determined due to data limitations. (p. 77) While a correlation exists between subsidized housing and segregation, it is possible that the factors explaining segregation also explain the location of subsidized housing. The report theorizes that the increasing disparity between subsidized and market-rate housing prices presents a disincentive for families to relocate, thus failing to incentivize integration.

Acknowledging data limitations, the study emphasized that subsidized housing tends to be concentrated in already segregated communities due to historical factors. These historical factors include bias in real estate, banking and appraisal practices, private covenants and community prejudices and exclusionary zoning practices, among others. (p. 1) They suggest that alternative forms of assistance, such as housing choice vouchers and single-family mortgages, have the potential to be more effective in addressing segregation. Additionally, current programs like housing choice vouchers, Low-Income Housing Tax Credit (LIHTC), and Connecticut's Affordable Housing Land Use Appeals Procedure (Section 8-30g) have shown limited success in mitigating the problem of segregation. (p. 87)

3. Policy changes are necessary to promote further desegregation, as several current housing policies have not been as effective in adequately addressing the problem.

The study highlights best practices based on a national review of resources provided by organizations with a long history of research around housing and segregation. These best practices[i] reflect many issues that have long been highlighted by researchers over the years. (pp. 81-82)

i. These included resources from Harvard University Joint Center for Housing Studies, Habitat for Humanity, Brookings Institution, The White House, Regional Plan Association, American Planning Association, Urban Land Institute, Poverty & Race Research Action Council: Mobility Works, The Russell Sage Foundation, HUD Fair Housing Planning Toolkit.

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These include:

- Strengthening and enforcing fair housing laws to enable affordable and/or multifamily housing development in all communities.
- Assisting communities in meeting their **Affirmatively Furthering Fair Housing (AFFH)** goals and obligations.
- Desisting from policies that promote segregation through zoning and land use reforms.
- Reinvestment in low-income areas to diversify housing options while including anti-gentrification measures.
- Investing in affordable housing in areas of opportunity, and regular collection and analysis of housing data to identify patterns of segregation.
- Improving mobility of voucher holders.
- Expanding participation of landlords in voucher programs.

The survey of housing professionals across the state reinforced these issues. Interviewees emphasized the imperative to augment housing stock, especially in areas with greater opportunities, citing challenges in housing development (pp. 83-84). They underscored the potential of fair share housing and 8-30g regulations in incentivizing integration-promoting housing and offering a recourse for builders. Additionally, interviewees advocated for enhanced support for household mobility, highlighting barriers to voucher utilization that discourage lower-income households from relocating to areas with increased opportunities.

4. Policy recommendations for Connecticut to tackle the issue at hand include enhancing access to subsidized housing, improving statewide housing quality, and promoting mobility. The study also calls for policy changes aimed at addressing segregation, incentivizing mixed-income developments, and collecting data on residents' race and ethnicity in subsidized housing.

Here are the key recommendations:

- Enhance access to existing subsidized housing by implementing a streamlined statewide application portal and maintaining funds for security deposit coverage. (pp. 87-88)
- Foster the development of quality housing statewide by establishing and adopting an actionable affirmative housing policy that includes adopting a fair share plan that targets mixed income housing, with incentivizes and deterrents for implementation and streamlining the approvals process. (p 89)

- Revise housing choice vouchers to align them with fair market rates reflective of local real estate conditions. This includes creating a vacancy gap fund to cover rent for periods when landlords are forced to leave units vacant due to inspection processes and ensuring better alignment between state and federal voucher program amounts. Additionally, improvements to public housing should be made to reduce costs and introduce flexibility to better meet residents' needs. (pp. 89-90)
- Promote mobility to combat the concentration of poverty through counseling, post-move supportive services, and funding. Implementing a single access portal for voucher users to find housing would facilitate this goal. (p. 91)
- Advocate for changes to existing policies, such as incorporating desegregation language into all relevant sections of the state plan of conservation and development, incentivizing mixed-use and transit-oriented development, and amending the Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP) to improve access for smaller, rural communities. (pp. 91-93)
- Urge the Department of Housing (DOH) to develop regulations for collecting data on the race and ethnicity of residents in subsidized housing units and to include this data in its annual Report. (p. 93-94)

5. Going forward, the report provides data and analysis that would be useful for further research and policy development around housing and residential segregation, highlighting qualified findings on the state of segregation and the work that needs to be done.

The study acknowledges that Connecticut has become more diverse, which may partially explain why it is less segregated in terms of race than it used to be. According to data analysis from the report, most municipalities are less segregated than they used to be. This is good news, but due to data limitations, it calls for cautious celebration. The report points out that segregation in Connecticut remains one of the highest in the nation. However, there is a lot that can be done to bring about better integration across towns in the state.

Rental housing has played a significant role in increasing racial integration, and as such, the findings in the report point to many issues related to access to adequate rental housing. There remain stark barriers to mobility to communities of opportunity, including landlords not accepting vouchers and the lack of development of affordable housing for low and middle-income households. This situation entrenches segregation by concentrating housing opportunities in specific areas for historically marginalized communities.

It is important to highlight that the aim of the study is to address segregation based on income, race, and ethnicity. Therefore, its primary message is not about access to housing. It should not come as a shock that some housing programs that are successful in ensuring individuals and families have a safe place to live do not automatically improve integration. The findings in the report provide insight into the situation concerning housing, calling for action and opening opportunities for further research into segregation and housing choice.

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