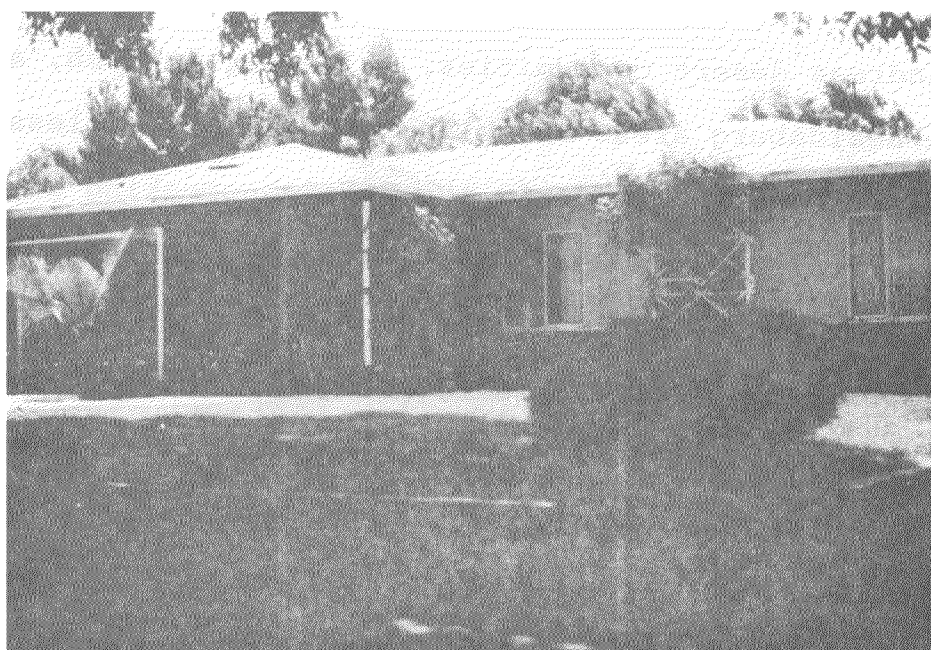


Most housing in Antioch is similar to that illustrated by Photographs 45 and 46. Photograph 46 reveals the damage occurring to the structures surrounding the houses.



Summary

The 1970 Census data, 1981 housing price data and the field study provide evidence of three characteristics of special studies zones residence. First, the zones are racially, ethnically, and economically diverse. Second, although the zones are generally comparable in make-up to the state of California, they are slightly wealthier, and contain a higher proportion of whites. Third, the zones are composed of newer and larger housing units. These findings have important implications for a geologically differentiated lending policy.

The heterogeneity of special studies zones occupance can be supported by the range of values for each of the variables investigated (Table 1). Composite percentages for zones displayed wide variation. For example, while the population of Compton was 95.8% black, the Raymond Hill, San Jacinto, San Andreas desert communities, Calveras, Antioch, and Rogers Creek-Healdsburg areas had black populations of less than 1% of their totals. Similarly the Spanish-speaking population ranged from 30.3% of the total in the San Andreas-San Bernardino region to less than 1% on the Calaveras fault. The percentage of persons over age 65 ranged from a high of 34.9% for the San Andreas desert communities to a low of just over 1% along the Compton section of the Newport-Inglewood special studies zone. Finally, even the most stereotypical

of California characteristics--possession of an automobile--varied widely among the zones, from a high of over 99% in the San Andreas-South San Francisco-Los Gatos region to a low of 75.8% in the San Andreas-San Bernardino areas. It simply cannot be argued that a particular segment of the California population is concentrated within the special studies zones. Rather, the zones are representative of the diverse population which makes up the whole state.

It must be noted, however, that the composite averages for zone residents do differ from the state figures in a few categories. The percentage of black population is lower within the zones than for the state: the zones had a median value of 0.6% blacks for 1970, while comparable state figures were 7.0%. Similarly, in the special studies zones, 7.3% of the households were headed by women, while 11% of state households were so organized. Only 10.5% of zone residents were employed as service or private household workers, while the state figure was 18.0%. Special studies zones housing was newer: only about 10% was build before 1939. In addition, there was a larger percentage of owner-occupancy in the zones--almost 71% compared to 55% for the state. In short, residents of the zones were more likely to be white, owner-occupiers, have higher incomes, higher-status jobs, and reside in newer housing. It is clear that the zones do not contain a disproportionate concentration of poor or minority households. See Table 2.

TABLE 2

COMPARISON OF CALIFORNIA PERCENTAGES AND THE
COMPOSITE MEDIANS OF THE SPECIAL STUDIES ZONES

VARIABLE	CALIFORNIA*	SSZ**
<u>Percentage of the population:</u>		
BLACK	7.0	0.6
SPANISH-SPEAKING	7.9	8.2
OVER 65 YEARS	6.0	9.0
OVER 75 YEARS	4.0	3.0
HUSBAND/WIFE FAMILY WITH CHILDREN UNDER EIGHTEEN	47.0	48.2
FEMALE HEAD OF HOUSEHOLD	11.0	7.3
FEMALE HEAD OF HOUSEHOLD WITH CHILDREN UNDER EIGHTEEN	7.0	4.2
MOVED WITHIN FIVE YEARS	57.0	51.6
FEWER THAN EIGHT YEARS OF SCHOOL COMPLETED	19.8	19.0
OPERATORS, TRANSPORT WORKERS, LABORERS	13.0	15.0
FARM WORKERS	2.0	0.4
SERVICE AND PRIVATE HOUSEHOLD WORKERS	18.0	10.5
HOUSEHOLDS WITHOUT AUTOMOBILES	1.6	5.4
<u>Percentage of the housing:</u>		
OWNER-OCCUPIED	55.0	70.9
BUILT BEFORE 1939	23.0	9.6
<u>Median:</u>		
SCHOOL YEARS COMPLETED	12.4	12.4
INCOME OF FAMILIES AND UNRELATED INDIVIDUALS	\$8,277	\$9,708
NUMBER OF ROOMS PER HOUSE	4.7	5.0
VALUE OF OWNER-OCCUPIED HOUSING	\$23,100	\$24,000
CONTRACT RENT	\$173	\$130

*Values for the state of California are based on percentages and medians for the total population, based on the 1970 Census of Population.

**Composite values for the special studies zones are medians for the percentages and median values for the 15 special studies zones regions identified in Table 1.

These empirical findings have important implications for a geographically differentiated lending policy. Although anti-redlining policies were devised to protect minority, low-income or disadvantaged households from possible lack of access to mortgage funds, it has been argued that such policies could be used to prevent lenders from any policy discriminating on the basis of location or area. Since there is no systematic concentration of low-income or minority population in the special studies zones any lending policy which might discriminate against these areas on the basis of geologic risk would not result in discrimination against low-income or minority households. On the contrary, it is more likely that middle-income households would be most affected by a policy of spatially differentiated lending. It is precisely these households which could best afford an additional charge for a separate earthquake insurance policy, or mandatory structural reinforcements. If financial institutions were to adopt a spatially differentiated mortgage lending policy, based on geologic or seismic characteristics associated with the special studies zones, this type of policy would not, on its face, discriminate against any already disadvantaged sector of the population.

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