

Chapter 14 of the report is the model fair housing analysis of impediments for a selected CBDG-eligible county, further referred to as Model County. The purpose of this Model County AI is to provide a general analytical framework and methodology that can serve as tools to assess fair housing in communities and neighborhoods and identify trends and issues common among State-CDBG eligible jurisdictions. The Model County was selected in part because of its relatively smaller population size, which may limit access to essential services (See Technical Appendix), along with its relatively high poverty rate, which is typical of most State CDBG-eligible jurisdictions.

The Model County AI report is organized into three parts:

- Part I: summary of the analytical framework and data sources used to assess the Model County.
- Part II: demographic profile to serve as context for the analysis of the impediments to fair housing.
- Part III: analysis of impediments to fair housing.
- Part IV: conclusions and next steps.

The report ends with a Technical Appendix, detailing the methodology and limitations used throughout this chapter.

Analytical Framework

The Model County analysis examines five explicit questions that are critical to determining potential impediments to fair housing. Table 14-1 below further summarizes the following five empirical questions and approaches (indicators and data sources) that guide the analytical framework. Detailed methodology and discussion on the data sources and their limitations can be found in the Technical Appendix.

Question 1 - Residential Segregation: Are current housing patterns an indicator of residential segregation? This question is addressed using a dissimilarity index (DI) at the county level as an indicator and initial step in assessing if housing patterns may indicate residential segregation. The DI is calculated using 2010 Census household data at the block group level.

Question 2 - Over- and Under-Representation: If dissimilarity values are an indicator of residential segregation, the second question is whether racial and ethnic groups are over- and under-represented. Over- and under-representation is calculated at the

census tract level using 2010 decennial Census and 2005-2009 5-year American Community Survey (ACS) household data.

Over- and under-representation for a census tract is measured using a 10-percent or greater differential from the county share of a given race/ethnicity category. For example, if African-Americans constitute 5% of the county but 20% of a census tract within the county, then they are over-represented in that area. A similar approach is used to determine over- and under-representation of very low-income (VLI) families. The conservative estimate of VLI families was tabulated from 2005-2009 ACS family data at the census tract level using HUD's 4-person median family income (MFI) limits for each county. These spatial analyses of over- and under-representation are replicated for various programs throughout the remaining sections of the report.

Question 3 - Implications of Residential Patterns: The third question addresses the consequences and implications of these residential patterns. Specifically, do these patterns promote access to good jobs and educational opportunities, health facilities, and basic infrastructure such as transit and safe water? Various datasets and units of observation were used to examine this question.

Question 4 - The Role of Income and the Private Housing Market: Can over/under-representation be explained by income distributions? That is, do patterns of over- and under-representation still hold when adjusting for income? If observed patterns of uneven distribution cannot be explained by income, are these caused by direct or indirect discriminatory practices in the private real estate and financial market? The part on adjusted over-/under-representation by income evaluates whether neighborhood rental housing patterns are limiting the mobility of residents. Home Mortgage Disclosure Act (HMDA) data are used to assess whether racial/ethnic minorities have access to the private housing market and to examine the spatial location of originated loans. Fair housing complaints filed with Department of Fair Employment and Housing (DFEH) and HUD are also used as indicators of fair housing barriers. The hate crime rates are the final indicator used to assess this question.

Question 5 - The Role of Public Funding and Government Practices: The final question addresses public housing funds and the role of government. Does federal and State funding and the siting of these projects contributing to segregation or integration? Do the actions/practices by government promote or deter fair housing? This part of the report uses survey and administrative data on the State CDBG and HOME programs, among other sources.

Limitations of Analysis

The framework and tools used in this report are not exhaustive; instead they are intended to provide a benchmark to further existing practices and to provide guidance to ensure fair housing objectives are being addressed. For the Model County, the analytical framework is guided, in part, by a review of prevailing practices by other

federal grantees around the country. A total of 11 AIs were reviewed for content.¹ Many AIs were more descriptive than analytical, and often presented statistics unrelated to fundamental questions regarding the extent, nature, and causes of racial segregation and discrimination in housing. One reason that many other AIs do not directly answer questions around fair housing is because regulatory guidance on content and analytical requirements for AIs is still under development. There is also limited research on measures of segregation in rural areas. While there exists a significant body of research on residential segregation at the national, regional, and urban scales, very little on exists for rural areas. As such, the analysis conducted in this chapter was developed based on the best data available. Given the limited guidance available, using a 10-percent threshold is a common practice among as seen in various AIs and is also used in HUD programs.

Key Findings

Residential Segregation and Over-Representation

- The DI for the Model County indicates residential segregation between racial/ethnic minority and Non-Hispanic White Households.
- Relative to Non-Hispanic Whites, minorities were more likely to reside in areas where they were over-represented. After adjusting for income, these patterns were still observed.
- Minorities were also more likely to reside in lower-income neighborhoods.

Implications of Residential Pattern

There is no clear pattern when assessing the implications of the observed segregated patterns and under- and over-representation of certain racial/ethnic groups. The following summarizes the findings:

- Larger schools are more frequently lower performing. This may be due to the larger percentage of socioeconomically disadvantaged students in these schools.
- Minorities were also less likely to reside in job-poor neighborhoods.
- Minorities lived slightly further from the County's only Medical Center and were less likely to reside within walking distance from transit. Given the unique challenges posed by a rural setting (e.g., traveling longer distances to access jobs and public services), further research is needed regarding the unmet transit needs.
- There is no clear pattern regarding the influence of ethnicity or income and access to safe drinking water. However, water systems serving mobile home parks were more likely to be in violation of State health codes than other systems.

¹ The AIs reviewed include: Clark County, Nevada (2010); Murfreesboro, Tennessee (2010); State of Arizona (2006), State of South Dakota (2005); and Westchester County, New York (2011). The following California AIs were reviewed: Alameda County (2009), Contra Costa County (2001), City of Los Angeles (2005), San Diego Regional AI (2010), Santa Mateo County (2004), and San Francisco City and County (2003).

The Role of Income and the Private Housing Market

The data suggest that Black or African American households have limited access to the private homeowner market in the Model County. It also indicates that while the market is not contributing to racial/ethnic segregation, it is also not opening up opportunities for minorities to purchase homes in more affluent neighborhoods. Other indicators of discrimination, such as hate crimes, do not reflect unfair housing practices in the private housing market.

The Role of Public Funding and Government Practices

CDBG and HOME

All three jurisdictions in the Model County applied for and received HOME or CDBG funding from HCD between 2005 and 2010. In general, HOME assisted a greater number of households than CDBG. The residential locations of both CDBG and HOME beneficiaries suggest that these programs are not contributing to the segregation of VLI families. However, minority beneficiaries were more likely to reside in areas over-represented by VLI families than Non-Hispanic Whites—that is they were more likely to reside in low-income neighborhoods. This suggests that HOME and CDBG funding activity may play a role in the observed pattern of racial segregation if minorities are unable to access more affluent areas which tend to have a higher proportion of Non-Hispanic White residents.

Housing Choice Voucher Recipients

The residential location of Housing Choice Voucher recipients suggests that the program is not contributing to racial segregation. However, the program is also not contributing to integration as very few recipients reside in areas where their racial/ethnic group is under-represented. Further, the program may be contributing to the concentration of recipients in low-income neighborhoods as recipients are more likely to reside in these areas.

**Table 14-1
Indicators & Data Sources**

Question	Indicators	Data Source	Unit of Analysis	
			Geography	Demographic
1. Do housing patterns indicate racial residential segregation?	Dissimilarity index (DI) by Race/Ethnicity	2010 Decennial Census	Countywide calculated at the census tract and census block group	Populations and households by race and ethnicity
2. If so, where are the areas with over- and under-representation?	10% or more differential from the county average representation of a group	2010 Decennial Census, 2005-2009 5-year ACS est.	Countywide, census tract and census block group	Populations and households by race and ethnicity, family income
3. What are the consequences & implications of these residential patterns?	Job richness, school performance, access to health facilities, transit, basic infrastructure (water)	LEHD, CA Dept. of Education, CA Office of Statewide Health Planning and Development, Model County Transit System, CA Dept. Public Health	Varies by data source, includes countywide, census tract and block group, elementary schools and districts	Workers, elementary school students, population and households by race and ethnicity, public transit system, public water systems
4. What are the roles of income distribution the private real estate market in these areas? a. Can income explain residential patterns? b. Does the neighborhood income & housing market account for housing patterns? c. If income cannot explain residential patterns, are there direct/indirect discriminatory practices in real estate and financial market? d. Other indicators of discrimination	This question is addressed using three approaches: a. Household income adjustment of areas relative to county distribution b. Supply of affordable housing units relative to demand c. Access to lending, housing complaints d. Hate crimes	a. 2005-2009 5yr. ACS est. b. 2005-2009 5yr. ACS est. household income data c. Home Mortgage Disclosure Act data, CA Dept. of Fair Employment & Housing & HUD complaint data d. FBI Uniform Crime Reports	a. Countywide, block group b. Countywide, block group c. Varies by data source, includes countywide, census tract, block group, place d. County	a. Households by race and ethnicity b. Households by race and ethnicity, housing units c. Varies with data source, includes households and population d. Reported crimes
5. What is the role of government? a. Is fund allocation contributing to segregation or integration? b. Do housing agency practices promote or deter fair housing? c. Do planning practices promote or deter fair housing practices?	These question overlap and are addressed using various information, including: a. Housing Choice Vouchers, CDBG & HOME funding b. Survey of fair housing impediments and practices c. Zoning and land use ordinances		Varies by data source, includes countywide, census tract, block group, place, and administrative data	Varies with data source, includes 2010 household and 2005-2009 5yr. ACS est. family data

Fair Housing Impediments and Practices

In the fair housing survey, the Model County did not report any “very severe” fair housing impediments or local impediments. It is unusual to have no severe impediments when there are also many fair housing practices that have never been implemented. Two out of 15 fair housing impediments were considered “somewhat severe” and two out of 9 local impediments were considered “not very severe.” Four out of 8 economic impediments were considered “Very Severe.” One out of 18 fair housing enforcement practices were implemented weekly in Model County. Five out of 9 outreach practices were implemented weekly. . The Unincorporated Model County was also the only jurisdiction of the 3 State-CDBG eligible jurisdictions surveyed to indicate it consistently implements fair housing enforcement and outreach practices. Finally, while it is not difficult to access information regarding the fair housing complaint process, there are indications that it is difficult to receive support in filing a complaint. In addition, The Unincorporated Model County was the only jurisdiction to report “very severe” economic impediments.

Selected Demographic Profile

The Model County is an agricultural area in Northern California. The County is small geographically and in population with predominately lower- to middle- income residents. It has mostly Non-Hispanic White residents, but is increasingly becoming more demographically diverse. With over 1,000 farms, agriculture remains the primary source of the county's economy. The Model County also has various industries and prominent businesses, in addition to its heavy agricultural presence.

The following provides a general demographic profile of the Model County’s residents. The profile focuses on characteristics related to protected classes for which there is available data. These characteristics include gender and age, race and ethnicity diversity, native and foreign-born populations, population with a disability, frail elderly, and population in poverty.

There are four sections to the profile:

- overview of population trends
- population characteristics
- description of the area’s households
- overview of housing in the Model County

Population Trends in the Model County

In this section, population trends are summarized for Model County from 1970 to 2010. Projected population for the county is also provided. There are two cities in the county, referred to as City A and City B. Both of these cities, as well as the unincorporated part of the county, are State CDBG-eligible jurisdictions. The unincorporated area is comprised of various communities, three of which are census-designated places (CDPs) as of the 2010 Census. The largest of the CDPs is referred to as CDP 1. The trends indicate that population in City A is increasing; however population growth in City B, the unincorporated areas of the county, and CDP 1 has been steady for the past 20 years.

Over the past 20 years, City A has become the primary residential community in the county. Historical Census and 5-year ACS data for the CDPs are only available for CDP 1. Due to this limited data availability and its importance as a growing neighborhood in the county, the only CDP analyzed for this report is CDP 1. Table 14-2 provides an overview of the projected population trends for these areas.

Table 14-2
Population Trends in Model County

Year	Model County Total Population	Incorporated		Unincorporated	
		City A	City B	Total	CDP 1
1970	18,000	4,000	4,000	11,000	No data
1980	21,000	4,000	5,000	13,000	1,000
1990	25,000	5,000	6,000	14,000	2,000
2000	26,000	6,000	6,000	14,000	2,000
2010	28,000	7,000	6,000	14,000	2,000
2015	31,000	N/A	N/A	N/A	N/A
2020	34,000	N/A	N/A	N/A	N/A

Source: 1970-1980 DOF Historic Census Data, 1990 Census SF1; 2010 Census Public Law; 2000 Census SF1; 2015-2020 DOF Interim Projections. (Numbers rounded).

Population Characteristics

The Fair Housing Act of 1968 protects the following classes: race, color, religion, national origin, sex/gender,² familial status,³ and handicap/disability status.⁴ This section provides data for Model County on: (1) gender and age, (2) race and ethnicity diversity, (3) native and foreign-born populations, (4) population with a disability, (5) frail elderly, and (6) population in poverty. Data is summarized for most of these classes to the extent available. If data is not available for the class, a proxy may be used. For example, native and foreign-born populations in combination with race and ethnicity data provide information on color and national origin. Section 3, Household Characteristics in the Model County, provides information on familial status. Although

² This class of sex/gender was added from a Fair Housing Act amended in 1974.

³ This class of familial status was added from a Fair Housing Act was amended in 1988 (effective March 13, 1989).

⁴ This class of handicap/disability status was added from a Fair Housing Act was amended in 1988 (effective March 13, 1989).

poverty is not a protected class, low-income persons have affordable and special housing needs. Therefore, data on families below the Federal Poverty Level is also included.

1. Gender and Age Demographics

According to the 2010 Census, the gender and age demographics in the Model County were somewhat similar to that of the State. There were slightly more males than females in the County compared to the State. Both genders comprised an equal share of the adult population (those 18 years and older) in the Model County while women accounted for a slightly higher share of the adult population in the State as a whole. There were slightly more elderly residents in the Model County than in the State but similar to the State, there were more elderly women in the Model County than men. The difference in the proportions by gender is much greater in the Model County than in the State.

2. Racial and Ethnic Diversity

In 2010, Model County and California had similar racial and ethnic patterns. Non-Hispanic Whites accounted for the largest share, followed by those of Hispanic or Latino origin, and then Asians. Similar to the State, the county had low proportions of American Indians and Alaska Natives (AIAN), and Native Hawaiians and Other Pacific Islanders (NHOPI). However, the county had a much smaller percentage of the population that was Asian or Black or African American than the State as a whole (about a 10- and 5-percentage point difference from the State, respectively).

In California, the majority of the population belonged to a racial/ethnic minority group (60% in 2010). In the Model County, only about 44% of the population was of a racial/ethnic minority (See Table 14-3). This indicates that the Model County was much less diverse than the State as a whole. However, population trends since 2000 have shown a shift in the area's demographic composition as the Non-Hispanic White population declined (not shown). Those of Hispanic or Latino origin accounted for 85% of the minority population in the County (22-percentage points higher than the State distribution). Additionally, CDP 1 was disproportionately of Hispanic or Latino origin (87%), signaling some degree of residential over-concentration of Hispanics in CDP 1.

**Table 14-3
Racial and Ethnic Diversity in the Model County, 2010 Census-Public Law**

	Model County	Incorporated		Unincorporated	
		City A	City B	Total	CDP 1
White Alone	71%	66%	70%	74%	47%
Black or African American	1%	1%	1%	1%	1%
American Indian & Alaska Native	2%	2%	2%	2%	1%
Asian	3%	3%	5%	1%	1%
Native Hawaiian & Other Pacific Islander	0%	0%	0%	0%	0%
Hispanic or Latino	37%	45%	33%	36%	85%
Non-Hispanic White	56%	49%	58%	58%	13%
Total Minority	44%	51%	42%	42%	87%
Non-Hispanic Minority	7%	6%	10%	6%	3%

Source: 2010 Census Redistricting Data Public Law 94-171

3. Native and Foreign Born Populations

According to the 2005-2009 American Community Survey (ACS), the majority of Californians were native-born (73%).⁵ Table 14-4 below shows that the nativity rate in the Model County was more than 10 percentage points greater than the State rate of 73%. However, in CDP 1 the observed pattern was opposite, with the nativity rate at only 59%.

**Table 14-4
Nativity Rates in Model County**

	Model County	Incorporated		Unincorporated	
		City A	City B	Total	CDP 1
Overall Nativity Rate	84%	81%	87%	85%	59%
White Alone	91%	89%	92%	91%	58%
Black or African American	96%	75%	100%	100%	N/A
American Indian & Alaska Native	90%	100%	93%	87%	N/A
Asian	58%	76%	0%	61%	0%
Native Hawaiian & Other Pacific Islander	100%	N/A	N/A	100%	N/A
Hispanic or Latino	62%	59%	64%	62%	56%
Non-Hispanic White	98%	96%	99%	98%	97%
Total Minority	65%	62%	67%	66%	56%
Non-Hispanic Minority	19%	19%	23%	16%	28%
Share of the Foreign-Born Population		30%	19%	51%	16%
Foreign Born Hispanics or Latinos as a Proportion of the Total Foreign-Born	83%	82%	82%	85%	98%

Source: 2005-2009 5-year ACS

Non-Hispanic Whites had the highest proportion of native-born population at about 98% while Hispanics had the lowest at 62%. In the race categories, Asians had the lowest percentage of the native population (58%) and, though small in numbers, Native Hawaiians and Other Pacific Islanders, followed by Blacks or African Americans, had the highest nativity rates (100% and 95%, respectively). The foreign-born population of the county was disproportionately of Hispanic or Latino origin (83%), even more so in CDP 1, where 98% of the total foreign born population were Hispanic or Latino.

⁵ Native born refers to persons born in the United States, Puerto Rico, a U.S. Island Area or Commonwealth

4. Population with a Disability

There is limited data available on persons with disabilities in accordance to the broader HUD definition as detailed in Chapter 2. The most recent available data on measures of disability are the 2005-2007 3-year ACS estimates. This 3-year estimate data are limited to the 5 years and older, civilian, non-institutionalized population reporting a disability, including those living in group-quarters. The analysis is also restricted to four of the six functional limitations reported by the Bureau of the Census (BOC): physical, mental, self-care, and sensory impairments.⁶

Table 14-5 indicates a higher proportion of the population in the Model County reported a disability relative to that of the State (16% compared to 13%). Disabled persons in the Model County were more likely to have multiple disabilities than those in the State. The County had similar prevalence rates for those reporting a physical and self-care disability, but a lower prevalence of those with mental disabilities. For the sensory disabled, the Model County had a higher prevalence than the State.

Table 14-5
Disability and Prevalence in Model County

	Model County	State
Percent of Base Population		
Disabled	16%	13%
One Disability	38%	44%
Two or More Disability	62%	56%
Disability Prevalence		
% Physical Disability	40%	41%
% Mental Disability	23%	26%
% Sensory Disability	23%	19%
% Self-Care Disability	15%	14%

*Base population are the Civilian Non-institutionalized Population 5 years and over. Prevalence is a given disability as a percentage of the total base population reporting a disability.

Source: 2005-2007 3-year ACS

5. Frail Elderly

The BOC disability designation of "go-outside-the-home" is the closest proxy to the Plan's definition of frailty as detailed in Chapter 2. According to 2005-2009 5-year ACS estimates, California had over 700,000 frail elderly, approximately 19% of the elderly population. The Model County had a slightly higher percentage of the frail elderly population than the State (21%). Further, the frail elderly in the Model County were more likely to be poor, as defined by the federal poverty level (18% compared to 12% in the State).

⁶ Because of the small population size of the Model County, data for jurisdictions are not available due to required population thresholds for the American Community Survey.

6. Population in Poverty

The most common indicator of poverty in the U.S. is whether or not an individual's or a family unit's income falls below the Federal Poverty Level (FPL). In 2009, the average FPL threshold was set at \$10,956 for an individual and \$21,954 for a family of four. The poverty rate of an area would be the percentage of these individuals (or families) that fall below the FPL.

Table 14-6 shows that, according to 2005-2009 5-year ACS estimates, the Model County had a higher poverty rate than the State (18% compared to 13%). Within the county, CDP 1 had a disproportionately higher rate – more than twice that of the State rate and almost twice that of the Model County as a whole. The Asian population had the highest poverty rate (62%), particularly in City A where almost all Asians were poor (94%). Blacks or African Americans had the second highest rate with more than half of their population in poverty in the County and an 81% rate in City B.⁷ The last row in table 14-6 also shows that Minorities accounted for more than 50-percent of the poor in the Model County. Minorities (mostly Hispanic or Latinos) were disproportionately poor in CDP 1.

Table 14-6
Poverty Rates in Model County

	State	Model County	Incorporated		Unincorporated	
			City A	City B	Total	CDP 1
Poverty Rate	13%	18%	21%	19%	16%	28%
Asian	10%	62%	94%	13%	52%	0%
Black or African American	20%	51%	0%	81%	0%	--
American Indian & Alaska Native	18%	26%	67%	37%	15%	--
Native Hawaiian & Other Pacific Islander	13%	0%	--	--	0%	--
Hispanic or Latino	19%	17%	9%	19%	20%	29%
Non-Hispanic White	8%	15%	23%	15%	11%	22%
Total Minority	17%	22%	19%	25%	23%	28%
Minorities as a proportion of total poor	74%	52%	39%	52%	61%	95%

Source: 2005-2009 5-year ACS

7. Very Low-income families

Aside from poverty rates, another indicator of need is the share of families that are considered very low-income but not below the poverty line. A conservative approximation of these proportions were tabulated using family income data from the 2005-2009 5-year ACS and HUD's MFI income limit. The data show that Model County has a slightly lower proportion of very low-income families compared to State CDBG-eligible jurisdictions as a whole (26% compared to 28%, respectively). City B has the highest rate of families with very low-incomes, an interesting finding given that City B is the area with the highest median household income in the Model County as discussed in the next section.

⁷ The rate for Asians and Blacks may be high given the small sample size in these areas; nonetheless, the poverty rate remains an important measure of need for these populations.

**Table 14-7
Very Low-Income Families in Model County**

All CDBG-Eligible Jurisdictions in State	Model County	City A	City B	Total Unincorporated Area
28%	26%	25%	30%	26%

Source: Tabulated by P.M. Ong, 2010 Census Public Law Households Data; 2005-2009 5-year ACS Family data & HUD MFI limits

Household Characteristics in the Model County

This section provides household characteristics in Model County and includes the following subsections: (1) households with children, (2) linguistically isolated households, and (3) median household income. Families with children who are under age 18 is a protected class under Federal and State law and as such is included as a household characteristic for the purposes of the Model County analysis. Linguistically isolated household information is provided as these households may have special housing needs or barriers to accessing affordable housing. Since housing affordability pertains to the relationship between housing and income, median household income data is also summarized.

1. Households with Children

The Model County and the State had a similar distribution of household types. According to the 2010 Census, about 38% of households in both the Model County and the State were households with children. The main unincorporated area, CDP 1, had the largest proportion of households with children (53%), followed by the main residential city, City A, with 43%. Children in the Model County were just as likely to live in a single-parent household as children in the State (27% compared to 26%, respectively). However, the data also suggests that children in City B were much more likely to live in single-parent homes, with 36% of households having an absent spouse.

**Table 14-8
Households with Children in Model County**

	State	Model County	Incorporated		Unincorporated	
			City A	City B	Total	CDP 1
Households with children*	38%	39%	43%	39%	37%	53%
Single-parent Families	26%	27%	31%	36%	20%	24%

Source: 2010 Decennial Census Demographic Profile 1; households with children are defined as households with one or more individual under the age of 18; single-parent households are the ratio of husband-wife families with an absent spouse to households with children.

2. Linguistically Isolated Households

Linguistically isolated households are defined as households in which no person over the age of 14 speaks English “at least very well and are in need of language assistance” (BOC 2010b). According to the 2005-2009 5-year ACS, about 11% of California households were considered linguistically isolated, with Spanish-only households accounting for the largest share (63%). Table 14-9 indicates approximately 9% of

households in the Model County were linguistically isolated and that Spanish-only households accounted for a significantly larger share of those households (89%) as compared to the State. This indicates a greater need for Spanish-language assistance in the Model County.

The table below shows that the majority of linguistically isolated households (45%) are located in the unincorporated area of the Model County. City A and City B have similar shares, about 27 and 28%, respectively. This pattern is expected, given that the unincorporated area as a whole contained the majority of all households (51%), the largest share of the foreign-born population (51%), and the largest share of the Hispanic-foreign born population (85%). These patterns also indicate a great need for Spanish-language assistance for public services in CDP 1 as 30% of households in that area are linguistically isolated, speaking only Spanish.

Table 14-9
Linguistically Isolated Households in Model County

	Model County	Incorporated City A	Incorporated City B	Unincorporated Total	Unincorporated CDP 1
Total Linguistically Isolated Households	9%	11%	10%	8%	30%
Spanish	89%	91%	87%	89%	100%
Other Indo-European languages	6%	0%	7%	8%	0%
Asian and Pacific Island languages	5%	9%	6%	2%	0%
Other languages	1%	0%	0%	2%	0%
Share of Total Households		24%	25%	51%	5%
Share of Total Isolated Households		27%	28%	45%	16%

Source: 2005-2009 5-year ACS

3. Median Household Income

The median household income in the Model County was \$41,000 which is about \$20,000 lower than in the State as a whole (See Table 14-10). The median incomes in the unincorporated area and City B were similar to the county. In contrast, the median income in City A (the main city) and CDP 1 were well below the county's. These observed income patterns coupled with patterns of poverty suggest that CDP 1 was disproportionately low income. In general, median household income patterns by race/ethnicity in the Model County are similar to the state patterns with Black of African American households having the lowest median income (about \$14,000). The exceptions are Asian households, which have substantially lower incomes in the Model County.

Table 14-10
Median Household Income in Model County

	State	Model County	Incorporated		Unincorporated	
			City A	City B	Total	CDP 1
Median Income	\$60,392	\$41,000	\$37,000	\$42,000	\$41,000*	\$30,000
Asian	\$73,570	\$26,000	\$24,500	\$26,000	--	--
Black or African American	\$43,397	\$14,000	\$17,000	\$13,000	--	--
American Indian & Alaska Native	\$46,912	\$34,000	\$111,000**	\$34,000	--	--
Native Hawaiian & Other Pacific Islander	\$64,000	--	--	--	--	--
Hispanic or Latino	\$46,535	\$39,000	\$39,000	\$40,000	--	\$29,000
Non-Hispanic White	\$69,828	\$44,000	\$37,000	\$45,000	--	\$45,000

*Source: U.S. Census Bureau, 2005-2009 5-year ACS; * Interpolated; -- Not available; ** Amount has a substantially large margin of error. Dollars are rounded.*

Housing Characteristics in the Model County

The following section provides an overview of housing characteristics in the Model County, and includes the following subsections: (1) housing units and overall vacancies, (2) residential vacancies, (3) housing tenure, and (4) housing burden for both owners and renters. In this section, data is summarized regarding the overall housing market and housing affordability.

1. Housing Units & Overall Vacancies

Vacancies are a key feature of the housing market. The availability of units affects people's ability to relocate in response to changes in employment, economic opportunity, family situation and other factors. A housing market with limited available units inhibits residential mobility and creates unreasonable upward pressure on home prices and rents, in turn, creating a possible drag on the economy. Conversely, an excess number of vacancies can facilitate residential mobility but can also lead to the loss of home equity and make rental properties unprofitable. An optimal vacancy rate is one that keeps housing prices stable with reasonable increases comparable to other goods and services relative to income. The Model County had an estimated 11,000 housing units, making up a share of less than 1% of the total housing units in the State. Over half of the total housing units in the Model County are located in the unincorporated areas (52%).

With about 1,000 vacant units, the vacancy rate for the county was 9%, one percentage point greater than the State (8%). A majority of vacant units were located in the unincorporated areas of the Model County (61%). For the incorporated area, City B had a higher vacancy rate than City A (23% compared to 14%, respectively). At 3%, the CDP 1 area had the lowest overall vacancy rate in the county.

Table 14-11
Overall Vacancy Rates in Model County

	Housing Units	Share of County Total	
		Occupied Units	Vacant Units
Model County Total	11,000	10,000	1,000
Incorporated			
City A	24%	25%	14%
City B	22%	22%	23%
Unincorporated			
Total	52%	51%	61%
CDP 1	5%	5%	3%

Source: U.S. Census 2010, SF-1

2. Residential Vacancies

An estimated 400 vacant units in the Model County are either for sale or for rent, making up 4% of all housing units. The county's vacancy rates for homeowner and rental units were similar to those of the State (2% and 6% respectively). Within the county, both the incorporated and unincorporated areas had similar homeowner vacancy rates when compared to the overall county and the state (2%). City B's rental vacancy rate was the highest at 9%, and City A's rate was the lowest at 4%.

Table 14-2
Residential Vacancy Rates in Model County

	Homeowner Vacancy Rate ⁸	Rental Vacancy Rate ⁹
Model County	2%	6%
Incorporated Area	2%	6%
City A	2%	4%
City B	2%	9%
Unincorporated Area	2%	7%
CDP 1	2%	5%
California	2%	6%

Source: U.S. Census 2010, SF-1

3. Housing Tenure

Overall, the Model County had a higher ownership rate than California (70% compared to 54%, respectively). According to the ACS, the majority of households in the Model County owned their homes; 30% of households were renter households. Table 14-13 shows that the proportions of renter households are relatively similar for City A and City B at 35% and 36%, respectively. Even though the unincorporated area had a lower

⁸ The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale". It is computed by dividing the total number of vacant units "for sale only" by the sum of own-occupied units, vacant units that are "for sale only," and vacant units that have been sold out but not yet occupied.

⁹ The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied.

proportion of renter households at 25%, CDP 1 had a much higher proportion of renters with 58%, even exceeding the proportion of renters for the entire county.

By race/ethnicity, minorities as a whole had a lower renter rate in the Model County and, therefore, a higher rate of homeownership (75% compared to 62%, respectively). Asian households, in particular, had a much higher ownership rate in the County with only 15% renting. On the other hand, Black or African American had the lowest homeownership rate in the County than any other minority group. The renter rate for Blacks is also slightly higher in the County than in the state (66% compared to 61%).

Table 14-13
Housing Tenure (Renter) in Model County

	State	Model County	Incorporated		Unincorporated	
			City A	City B	Total	CDP 1
Renter Households	42%	30%	35%	36%	26%	58%
Asian	42%	15%	0%	27%	18%	--
Black or African American	61%	66%	0%	100%	0%	--
American Indian & Alaska Native	51%	28%	0%	33%	30%	--
Native Hawaiian & Other Pacific Islander	52%	0%	--	--	0%	--
Hispanic or Latino	53%	45%	28%	51%	51%	63%
Non-Hispanic White	34%	24%	39%	26%	17%	18%
Total Minorities	38%	25%	37%	31%	17%	24%

Source: U.S. Census Bureau, 2005-2009 5-year ACS: -- Not available

4. Housing Burden

Facing some of the highest rents and home prices in the country, California residents pay more for housing, and also spend a greater share of their income on housing than the national average. The ratio of monthly housing costs to household income – known as the housing cost burden – reveals the financial strain that Californians face. While this report does not examine these trends in detail, an overview of homeowner burden is provided below.

BURDENED OWNERS

The three primary causes of the foreclosure crisis were rapid home value appreciation, increased homeowner housing burden, and an unprecedented surge in subprime and Alt-A (almost “prime”) lending. Rapid home value appreciation, coupled with decreased real household income growth, has placed an additional financial burden on homeowners. When an owner pays 30% or more of their income on monthly housing expenses¹⁰, this is considered a housing burden. Table 14-14 shows that about 36% of the owner households in the Model County were considered burdened. Compared to

¹⁰ Monthly housing expenses are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgages, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees).

the county proportion, homeowners in City A (the primary residential area), as well as those in CDP 1, are more likely to be burdened households. About 45% of owners in City A and 41% of those in CDP 1 are considered burdened.¹¹

Table 14-14
Burdened Homeowners and Renters in Model County

	Model County	Incorporated City A	Unincorporated City B	Total	CDP 1
Burdened Homeowners	36%	45%	36%	33%	41%
Rent Burdened Households	49%	53%	61%	39%	61%
Severe Rent Burdened Household	24%	25%	41%	12%	15%

Source: 2005-2009 5-year ACS

RENT BURDEN

Households are considered rent burdened when they contribute more than 30% of their income towards rent. Table 14-14 shows that nearly half (49%) of renter households in the Model County were considered burdened. While the proportion of rent burdened households in City A was on par with the county, the proportion for City B was much higher at 61%. The Unincorporated Model County had a significantly lower proportion of rent burden compared to the county as a whole. However, CDP 1 had a much higher proportion of rent-burdened households (61%) than both the unincorporated area and the entire county.

Households are severely rent burdened when they pay more than 50% of their income towards rent. Table 14-14 shows that 24% of households in the Model County were severely rent burdened. Again, City A was on par with the rest of the county and City B had a significantly higher proportion with 41% of households considered severely rent burdened. The unincorporated area had a significantly lower proportion of severe rent burden with only 12% of households having been severely rent burdened. Despite its higher proportion of overall rent burden, CDP 1 had a proportion of severe rent burden on par with the unincorporated area: 15% of households paid more than 50% of their incomes toward housing.

¹¹ There were no data on severely burdened homeowners.

Analysis of Impediments to Fair Housing

This part of the report presents the analysis of impediments to fair housing in five sections, one for each of the questions asked in the analytical framework:

- Examination of overall residential segregation patterns in the Model County;
- discussion of patterns of over- and under-representation of racial/ethnic groups and very low-income families throughout the county;
- Implications of residential patterns;
- Examination of the role of income and whether it can explain patterns of over- and Under-representation, including the role of the private housing in relation to patterns of segregation; and
- Assessment of the role of public funding and actions/practices by government to deter or promote fair housing.

Residential Segregation

Do current housing patterns indicate residential segregation?

There are many dimensions to residential segregation that can be examined through the lenses of racial/ethnic or socioeconomic status. Consequently, various measures have been developed throughout the years to assess residential segregation and inequality. This section of the report examines one dimension and one measure of segregation: evenness in housing patterns through the dissimilarity index.

1. Evenness in Residential Patterns

One dimension of residential segregation is *evenness*. Evenness is commonly measured using a *dissimilarity index* or DI.¹² (Iceland et al. 2002:8). The DI determines what proportion of a minority group would need to move from a high concentration area to a low concentration area in order to achieve residential integration relative to the area's dominant group.¹³ DI scores range from zero to one (0 to 1) with "0" equaling absolute integration and "1" equaling absolute segregation. A DI may also be expressed as a percentage. For example, a DI of 0.30 would indicate that 30 percent of that minority group would need to move to achieve residential integration with the dominant group.

The DI values examined for the Model County indicate unevenness in residential housing patterns between racial/ethnic Minority households and Non-Hispanic White Households, an indication of residential segregation. The DI values were calculated for

¹²

¹³ While Non-Hispanic Whites are the minority racial/ethnic group in some areas, segregation studies typically use these households as the reference (e.g., Massey & Denton 1988; Iceland et al. 2002). Further, while cross-group comparisons between different racial/ethnic groups are possible, these are not explored given the limited scope and resources for this report.

the main racial/ethnic groups using 2010 Decennial Census household data at the block group level.¹⁴

As shown in Table 14-15, relative to Non-Hispanic Whites, Native Hawaiian and Other Pacific Islander households were the most segregated with a DI of 75%. Asians were the second most segregated with 37%, followed by Black or African American (30%), and American Indian and Alaska Native households (29%).

Table 14-15
Index of Dissimilarity for the Model County

	Total Minority	Non-Hispanic Minorities	Hispanic or Latino	Black or African American	Am. Indian & Alaska Native	Asian	Native Hawaiian & Other Pacific Islander
Model County	25%	25%	28%	30%	29%	37%	75%

Source: Block group using 2010 Census-SF1 data. See appendix for detailed methodology and formula.

By ethnicity, Hispanic or Latino households (in which the householder can be of any race) had the highest segregation from Non-Hispanic White households with a DI of 28%. As a whole, 25% of Minority households would have to move to achieve total residential integration with Non-Hispanic Whites. The same pattern is also evident for Non-Hispanic Minority households: 25% would need to move to achieve residential integration with Non-Hispanic White households.

Over- and Under-representation

If dissimilarity values indicate residential segregation, the second question is: Where are racial and ethnic groups over- and under-represented?

This section of the report examines under- and over-representation as a proxy for concentration of (1) racial/ethnic groups, and (2) VLI families. VLI also serves as a proxy for lower-income neighborhoods.

Representation by race/ethnicity was examined using 2010 decennial household data by census block group. The VLI representation was derived through a special tabulation made by the authors using data from the 2005-2009 5-year ACS family income data and the median income family eligibility thresholds that HUD uses to determine eligibility for some federal housing programs (See Technical Appendix for an important discussion on limitations of this approach). The VLI data is a very conservative approximation of very low-income households in the Model County.

There is little guidance from the Code of Federal Regulations (CFR) or HUD on how to measure over/under-representation of a group relative to another.¹⁵ Given the limited

¹⁴ DI values were tabulated at various geographical scales with both household and population data and various datasets. There were little differences in the observed patterns between the tabulations. These are presented in the Technical Appendix.

guidance available, using a 10-percent threshold is a common practice among as seen in various AIs and is also used in HUD programs. Following this practice, residential over and under-representation is measured in the Model County using a 10-percent differential from the county share for a given racial/ethnic category. For example, if Asians accounted for 20% of households in a county but represented 30% of households in a given block group, then that block group was classified as being over-represented. A similar approach is taken in examining the over- and under-representation of very low-income (VLI) households.

1. Racial/Ethnic Representation

Table 14-16 shows the proportion of households by race/ethnicity in block groups classified as over-, neither, or under-represented by that specific group. Of all minority racial/ethnic groups, the data indicates Hispanic/Latino and American Indian and Alaska Native households are more likely to reside in areas where they are over-represented. About 22% of these households resided in areas where they were over-represented.

Overall, the majority of minority households resided in areas where they were neither over- nor under-represented. However, compared to Non-Hispanic Whites, minorities are less likely to reside in areas where they are under-represented. About 27% of Non-Hispanic White households resided in areas where they were over-represented – the largest share for any ethnic/racial group alone.

Table 14-16
Over and Under-representation in the Model County

	Total Minority	Non-Hispanic White	Hispanic or Latino	Black or African American	Am. Indian & Alaska Native	Asian	Native Hawaiian Other Pacific Islander
Over-represented	35%	27%	22%	0%	22%	0%	0%
Neither	53%	59%	66%	100%	78%	100%	100%
Under-represented	11%	14%	12%	0%	0%	0%	0%

Source: 2010 Census-SF1 household data (tabulated at the block group level)

2. Very-Low Income Representation

The distribution of selected racial/ethnic households in areas over- and under-represented by very low-income families is shown in Table 14-17. The data show that Hispanic or Latino households in the Model County were the most likely to reside in areas over-represented by VLI or lower-income neighborhoods (24%). Compared to Non-Hispanic Whites, minorities as a whole were more likely to reside in areas over-represented by VLIs and less likely to reside in under-represented, more affluent areas.

¹⁵ Detailed information on the guidance available can be found in Technical Appendix of the report.

Table 14-17
 Very Low Income (VLI) Over- and Under-representation in Model County

	Percentage of Households in VLI Areas		
	Over	Neither	Under
Total Minority	19%	78%	3%
Asian	4%	96%	0%
Hispanic	24%	74%	2%
Non-Hispanic Whites	6%	86%	8%

Source: Tabulated by P.M. Ong, 2010 Census Public Law Households Data; 2005-2009 5-year ACS Family data & HUD MFI limits

Implications of Residential Patterns

What are the consequences and implications of current residential patterns to access of basic municipal services?

After determining the over- and under-represented area, this question examines the implications of residential patterns. It was answered by assessing where minorities are under- and over-represented relative to the location of: (1) elementary schools; (2) access to public health facilities; (3) access to public transit; (4) job-rich areas; and (5) safe drinking water. This access to services question is critical to determining the nature of barriers faced by protected classes in the county that are directly or indirectly the result of housing location.

1. Education

Aside from shelter, housing also enables access to social networks, resources, services, and particularly, schools. Inequalities in housing access can lead to inequalities in educational outcomes. Because educational attainment shapes job opportunities and income, it can also limit or expand housing choice. This process becomes cyclical: poor neighborhood and school quality often lead to lower educational attainment and lower paying jobs, in turn restricting residency to lower quality neighborhoods, and so on (Pfeiffer and Ong 2009a). Within this cycle, more affluent and white households often gain access to the highest quality neighborhoods and schools due to their historic advantages; lower income and minority households, however, often have access only to lower performing schools. Enabling lower-income minorities to access more affluent neighborhoods and higher quality schools is a strategy to accelerate their social mobility and break these cycles of inequality.¹⁶

This section provides an overview of the educational system in Model County. It examines the link between school and housing inequality by focusing on the educational performance of elementary schools located in over- or under-represented block groups. Performance is measured by the California Department of Education Academic Performance Index (API) scores. While there is no clear pattern regarding the influence

¹⁶ Myers, 2007

of under- and over-representation and the performance of elementary schools, the data does suggest that larger schools are more likely to have lower API scores. This may be due to the larger percentage of minority students or students classified as socioeconomically disadvantaged.

API scores range on scale of 1-10, with 1 being the lowest score and 10 the highest. The data are for the 2009-2010 academic year. One limitation of this approach is that APIs are based on small numbers of students and are less reliable. Given the over- and under-representation distribution previously presented, this section focuses on schools over- and under-represented by Hispanic or Latino individuals. Elementary schools are examined because they serve a smaller geographic area and provide insight into the surrounding neighborhood.

OVERVIEW OF EDUCATIONAL SYSTEM

The Model County’s educational system serves a relatively small population. There are a handful of school districts; however, some of these districts serve few schools and students while others serve a much larger number of schools and students. Just over 62% of the students in the County attend elementary schools. Almost 70% of elementary students participated in the free or reduced school lunch program.

The majority of students at the larger elementary schools were either of Hispanic or Latino or of Non-Hispanic White background. Two elementary schools were located in areas over-represented by Hispanic or Latino individuals while three schools were located in under-represented areas.

Table 14-18
Hispanic Representation Relative to Elementary Schools in Model County

	Hispanic or Latino Representation	# of students	API	Percentage SED	Dominant Racial/Ethnic Group in School
Elementary 1	Over-Rep.	500	1	87%	Hispanic or Latino (96%)
Elementary 2	Over-Rep.	150	9	34%	Non-Hispanic White (68%)
Elementary 3	Under-Rep.	150	8	40%	Non-Hispanic White (70%)
Elementary 4	Under-Rep.	50	2	9%	Non-Hispanic White (49%)
Elementary 5	Under-Rep.	650	2	65%	Non-Hispanic White (46%)

Representation by block group using 2010 Census population data.

BLOCK GROUPS OVER-REPRESENTED BY HISPANIC OR LATINO POPULATION

Elementary School 1: Elementary School 1 is one of the largest elementary schools in the county with almost 500 students. The school received an API score of 1—the lowest score of the county. This school had about 96% of students who were of Hispanic/Latino background, the largest proportion in the county. About 87% of students at this school were socioeconomically disadvantaged (SED), the largest proportion of SED students of any other elementary school. This elementary school is also located in CDP 1, the most impoverished neighborhood in the county.

Elementary School 2: This school had a 9, the highest API score in the county. This school had one of the lowest enrollment numbers of elementary schools in the county, with about 150 students. Although the school is located in an over-represented area of Hispanic or Latino populations, it had a relatively low number of Hispanic or Latino students (24%) while the majority of students were of Non-Hispanic White ethnicity (68%). About 34% of students were classified as SED. This school is located in City A, the primary residential area in the County.

BLOCK GROUP UNDER-REPRESENTED BY HISPANIC OR LATINO POPULATION

Elementary School 3: This school received an API score of 8, the second highest score in the Model County. With just over 150 students, the great majority of them were Non-Hispanic White (70%); Hispanic or Latino students accounted for the second largest share (26%). About 40% of the school was identified as SED. This school is also located in City A, the primary residential area in the County.

Elementary School 3: This school received one of the County's lowest API score of a 2. However, because of the small school size (less than 50 students) the API score is less reliable. There were two Hispanic or Latino students in the school. This school had the highest concentration of American Indian and Alaska Natives in the county (46%). Students of Non-Hispanic White ethnicity accounted for the largest share of the student population (49%). Only three students were SED; however, this number should be taken with caution as 87% of students were designated as SED in the next school year. The school is located adjacent to the only block group over-represented by American Indian and Alaska Native households in the unincorporated part of the county.

Elementary School 4: This school is the largest elementary school with about 650 students. The school received one of the lowest API scores in the county (2). Located in an under-represented area of Hispanic or Latinos, about 43% of students identified as Hispanic or Latino. The largest share of students was of White-Non Hispanic (46%). The majority of students also identified as SED (425 students, or 65% of the school). The school is located in City B.

2. Access to Public Health Facilities

Healthy neighborhoods are characterized by access to transportation, services, recreation, and among other factors, safety and the presence of supportive social networks.¹⁷ Therefore, housing location not only affects one's access to social mobility—enabling access to places such as employment centers and schools—but also one's health.

The following provides an overview of public health facilities in the Model County. In addition, it examines two geographic proximity indicators of health access in the Model County: (1) areas over-represented by Minority households within 5 miles of the Medical Center; and (2) the median distance to the Medical Center by racial/ethnic group. One

¹⁷ Pfeiffer and Ong 2009b.

limitation of this approach is that aside from geographical proximity, many other factors affect access, for example, health insurance and transportation. Relative to the Non-Hispanic White population, minorities as a whole lived further away from the Medical Center.

OVERVIEW OF PUBLIC HEALTH FACILITIES

There is only one public Medical Center that offers inpatient, outpatient, and rural health clinic services in the Model County. It is located in City B, the second largest city in the county. As a non-profit corporation, the Medical Center accepts Medicare, Medi-Cal, and other insurance company referrals. They offer the following outpatient services: breast cancer screening/mammograms, sleep center, urgent-care center, and a women's health center. They also provide various imaging services and ultrasounds. According to the American Hospital Association, there were 25 full time staff members (13 registered nurses and 12 licensed practical nurses). Although there were no physicians and dentists as part of staff, they may be hired or affiliated with the Medical Center in another capacity.

According to the Office of Statewide Health Planning and Development of California (OSHPD) database, the Medical Center had an average of 15 beds available, about 300 admissions, 39,000 total outpatient visits, and 13,000 referred visits between 2007-2008. The OSHPD also reported an average of about 6,000 emergency service visits. According to RAND Corporation's California health database, about 5,500 emergency medical visits were made in 2009. Additionally, the Medical Center had about 80 non-urgent visits, 850 urgent visits, 300 discharges for inpatient medical or surgical services, 5 emergency medical service patient treatment stations, and 205 outpatient surgical operations. However, there was only one operating room for the entire hospital (RAND California).

The Medical Center reported no live births, psychiatric services, operating rooms available 24 hours, or cardio-vascular surgeries in 2009 (RAND California). The facility is not affiliated with a medical school. According to OSHPD, the Medical Center had about \$3,500,000 total assets and \$1,200,000 total equity between 2007 and 2008. The Medical Center also secured a \$300,000 loan in 2011 to build a new hospital.

UNDER-REPRESENTED MINORITY AREAS WITHIN 5 MILES

There are 12 block groups either completely or partially within a 5-mile radius of the Model County Medical Center. Of the 12 block groups, 7 fall completely within the 5-mile buffer. Given the large geographical coverage of the block groups partially within the buffer, the following focuses on those block groups completely inside the 5-mile radius. Of the 7 block groups, 1 was over-represented by Minority households, 2 were under-represented and 4 fell in the 'neither' category (See Map 1). Table 14-19 shows racial/ethnic distribution of the households in these block groups compared to the county as a whole (the race/ethnicity proportions that would be expected). Compared to Non-Hispanic Whites, minorities were less likely to live near the Medical Center. This is

particularly true for Hispanic or Latino Households. It is difficult to interpret results for other minority ethnic/racial groups as they accounted for a very small share of households in the county.

Table 14-19
Racial/Ethnic Household Distribution in Model County

	Total Minority	Non-Hispanic White	Hispanic or Latino	Black or African American	Am. Indian Alaska Native	Asian	Native Hawaiians &
							Other Pacific Islander
HH in Buffer	29%	71%	21%	0.9%	2.2%	3.0%	0.11%
HH in County	32%	68%	27%	0.6%	2.1%	1.7%	0.06%

Tabulated at the block group using 2010 Census-SF1 household data.

Figure 14-20

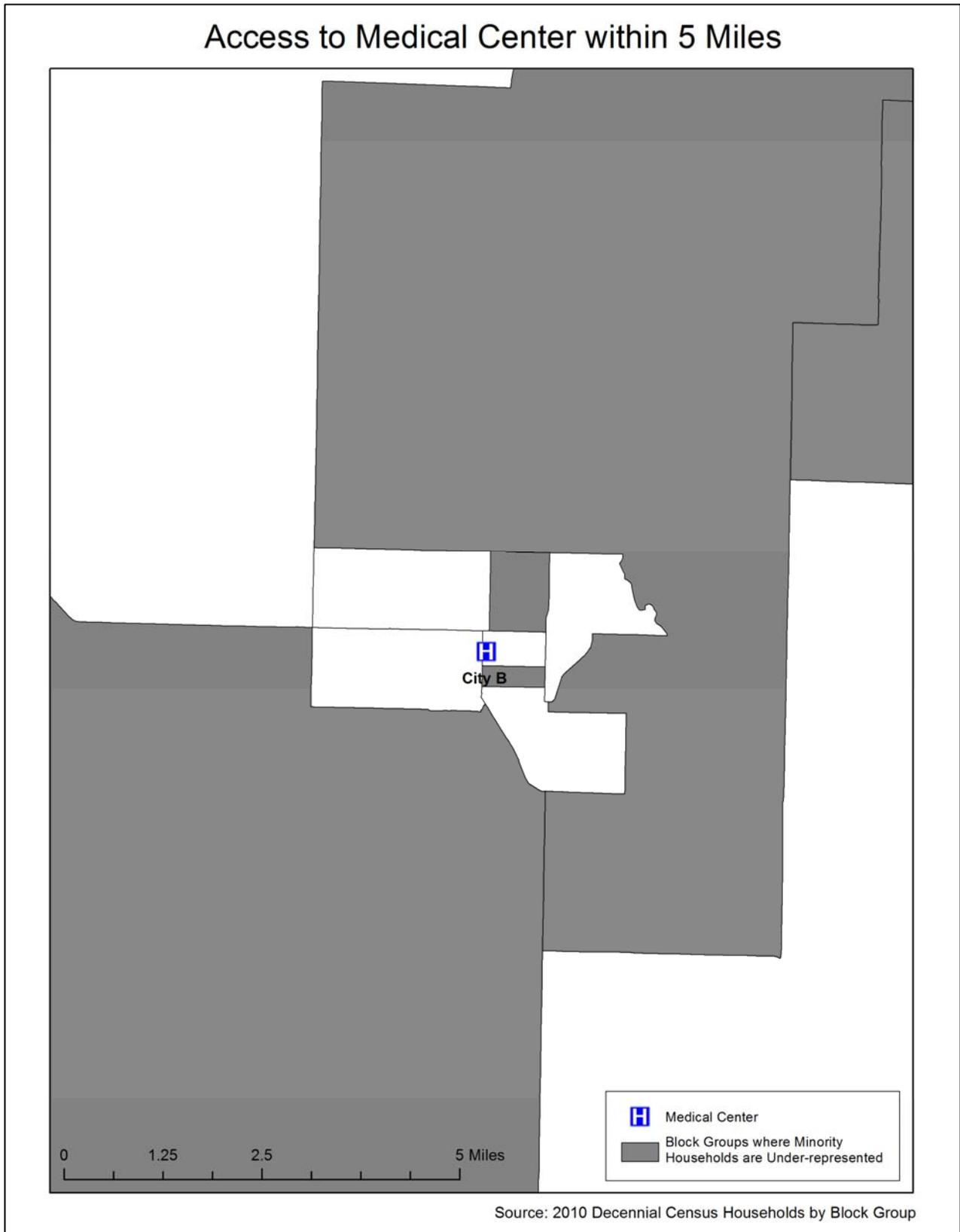
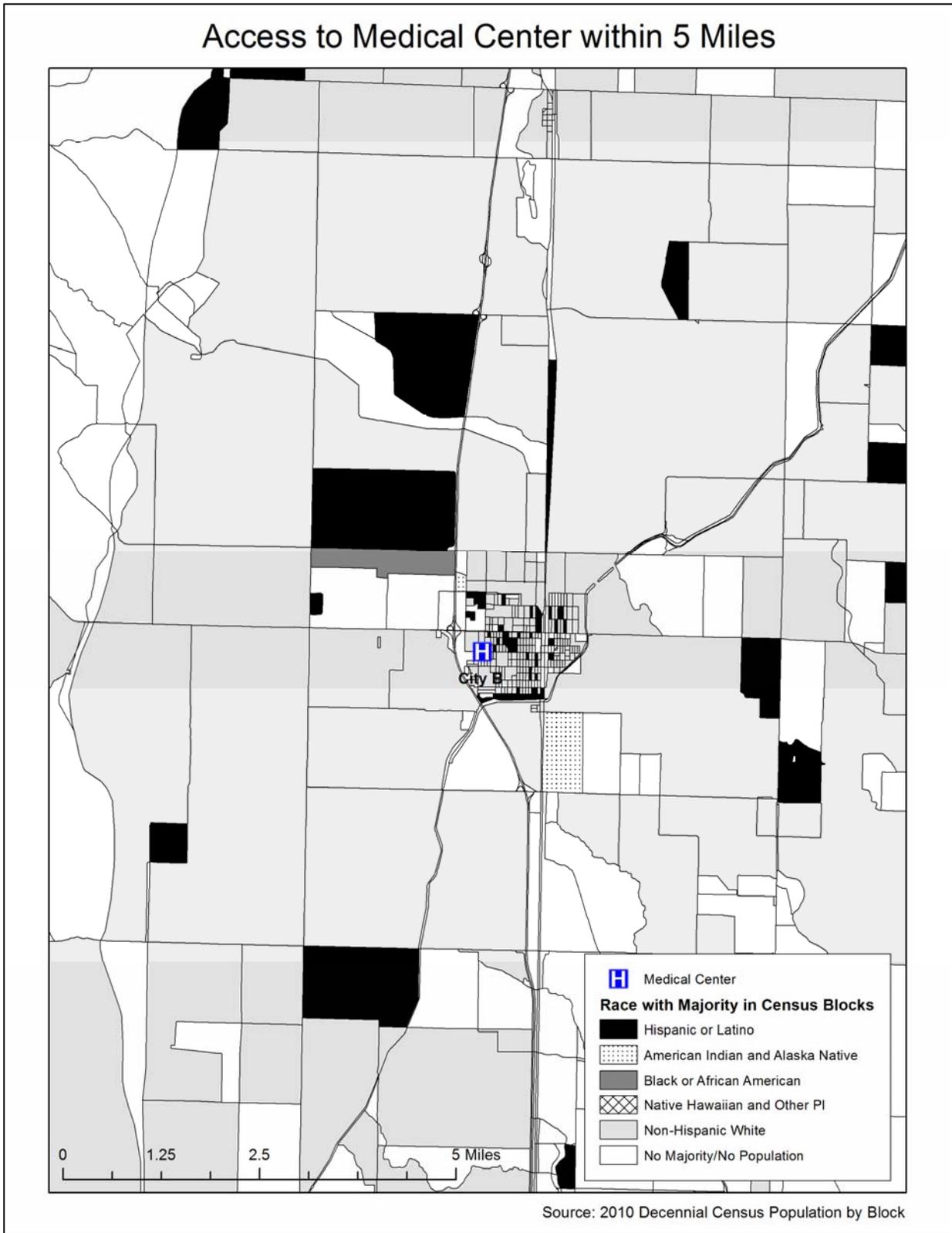


Figure 14-21



MEDIAN DISTANCE BY MAJORITY RACIAL/ETHNICITY

Figure 14-20 shows the location of the Medical Center as well as 2010 census blocks by the racial/ethnic group that accounted for 50% or more of the population in that block (the majority racial/ethnic group). Within a 5-mile radius of the Medical Center, most of the blocks had a majority of Non-Hispanic Whites. While not shown in the map, American Indians were located within the 5- to 10-mile radius from the Medical Center. A large portion of Hispanic/Latino majority areas were in the 15- to 20-mile radius area away from the Medical Center. Due to their small population numbers, Blacks or African Americans, Asian American, and Native Hawaiians and Pacific Islanders did not have any majority race blocks.

Table 14-21 displays the median distance from where different racial and ethnic groups live to the Medical Center. The median distance of all groups was about 15 miles away from the Medical Center. Hispanics and American Indians had the greatest median distance away from the hospital with 15.7 miles, followed closely by African Americans with 15.4 miles. Other racial/ethnic groups were below the median for all groups. Non-Hispanic Whites lived about 14.5 miles away, and Asians about 10.8 miles. Native Hawaiians and other Pacific Islanders had the shortest median distance with 1.6 miles.

There is little difference between minorities as whole and Non-Hispanic Whites. However, this is somewhat misleading as Native Hawaiians and other Pacific Islander account for less than one-percent of the population in the Model County but their clustering around the Medical Center reduces the distance for minorities as a whole. .

Table 14-22
Median Distance to Hospital by Race/Ethnicity in Model County

All Groups	Blacks or African Americans	American Indian & Alaska Native	Asian	Native Hawaiian & Other Pacific Islander	Hispanics or Latinos	Non-Hispanic Whites	Total Minorities
15.3	15.4	15.7	10.8	1.6	15.7	14.5	14.7

Distance from Model County Medical Center by Majority Race/Ethnicity Block 2010 decennial Census population data.

3. Access to Public Transit

According to the 2005-2009 5-year ACS, less than 1% of workers that commute to work use public transit. However, about 6% of households in the Model County do not have access to a car; of those almost 40% are elderly households. The elderly households without a vehicle accounted for about 9% of all elderly households. The following provides an overview of transit services in the Model County and examines the geographical proximity to a fixed bus stop as indicator of access to public transit in the Model County.

The analysis focuses on two indicators: (1) areas (census block groups) over-represented by Minority households within ¼ mile of a bus stop¹⁸; and (2) the median distance to the Medical Center by racial/ethnic group. The data show that there is a larger share of transit stops in areas over-represented by minorities. However, minorities were less likely to reside within walking distance of at least one transit stop.

OVERVIEW OF TRANSIT SERVICES

The transit system in the Model County serves almost 90,000 passengers (both paying and non-paying, such as children). An independent assessment and compliance review of transit services in the area found that the Model County transit committee has been very responsive in improving unmet transit needs, such as inter-county and inter-city services. Other areas assessed included access to health care facilities and enhancing student mobility, among others. To address some of the need to improve access to human services, two subsidized taxi services were created for the eligible populations of workers participating in Cal-Works and the elderly and disabled. Other volunteer-based programs that provide transit services to those in need of medical services, as well as to at-risk and disabled youth, include the Office of Education, and college students through a partnership with a nearby college.

The taxi for the elderly and disabled serves more than 20,000 riders per year. Both the number of rides and the average total cost of the taxi service have increased over the years. On average, the cost per passenger is about \$12.00 with more than \$10.00 of that trip being subsidized. The taxi program for workers serves about 500 passengers per year, with workers covering almost 100% of the costs through fares. The fare for the worker service has decreased over time as the number of users decreased. On average, the fixed-routes service more than 60,000 passengers a year. The total cost per passenger has decreased as the number of passengers has increased. The total cost per passenger is just under \$8.00 with the average subsidized at just under \$7.00.

A more recent assessment of transportation in the Model County identified transit-dependent populations as those who are seniors, people with disabilities, and lower income populations. The assessment points out that in this rural setting, many travelers have the same destinations but that the great distances between residents' points of origin and their destination can prove a barrier to coordinating transit services. Among stakeholders who participated in the assessment, the general consensus was that some fixed-route bus services and taxi services did not meet all transportation needs. Recommendations included improvements to scheduling, amenities at bus stops, and expansion of services to employment centers.

PROXIMITY TO OVER-REPRESENTED MINORITY AREAS

Twenty-one block groups fell either partially or completely within a quarter-mile radius of all bus stops. Table 14-23 shows whether stops fell in block groups that were over-or

¹⁸ Transportation planners typically use ¼ of a mile as the distance that people are willing to walk to a bus stop. However, there may other impediments to accessing a bus stop such as physical barriers (e.g. lack of sidewalks, curb cuts, bus shelters, etc.) that can only be identified by visiting each stop.

under-represented by minority households. Table 14-24 shows the ethnic composition of households residing in these blocks and the number of stops in them. Tables 14-23 and 14-24 show contrasting patterns. For example, Table 14-23 shows that a much larger share of bus stations were located in areas over-represented by minorities compared to those over-represented by Non-Hispanic Whites (31% compared to 12%). This would suggest that minorities were more likely to reside in transit-accessible areas. However, when looking at the ethnic/racial composition of the households in the block groups in relation to the number of stops within walking distance, minorities were less likely to reside within walking distance of at least one bus stop (See Table 14-24).

Table 14-23
Representation within ¼ mile of Bus Stops in Model County

	Total Minority	Hispanic or Latino	Non-Hispanic White
Over-represented	31%	12%	12%
Neither	57%	76%	57%
Under-represented	12%	12%	31%

Source: 2010 Decennial Census Household Data

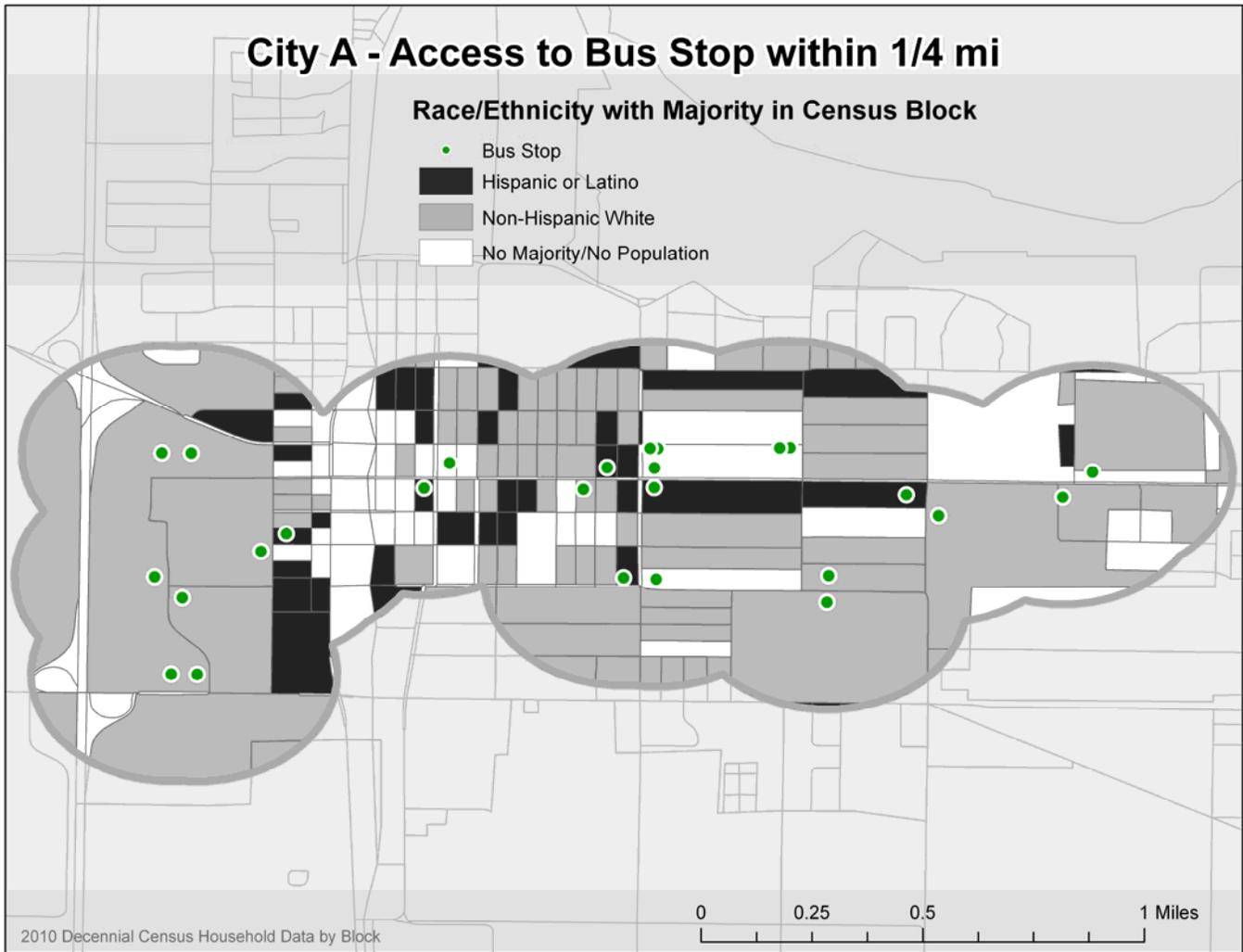
Table 14-24
Ethnic/Race Composition of Households within ¼ mile of a Bus Stop in Model County

	Blacks or African Americans	American Indian & Alaska Native	Asian	Native Hawaiians & Other Pacific Islanders	Hispanics or Latinos	Non-Hispanic Whites	Total Minorities
Near at least 1 stop	1%	2%	2%	0%	33%	62%	38%
0 stops	0%	3%	1%	0%	19%	76%	24%
1-3 stops	0%	1%	1%	0%	14%	26%	16%
4-5 stops	1%	2%	1%	0%	28%	50%	32%
7 stops	0%	0%	1%	0%	8%	16%	9%

Source: 2010 Decennial Census Household Data

Figures 14-25, 14-26 and 14-27 show detailed information for the jurisdictions in the Model County. These provide the location of bus stations in census block groups classified by the majority racial/ethnic group. With the exception of the stops in CDP 1 (which were 3 inbound and 3 outbound), predominantly minority areas were less likely to be in walking distance from a bus stop. This pattern is expected in CDP 1 because Latino or Hispanics (who account for the largest share of minorities) are disproportionately over-represented in that area of the County.

Figure 14-25



Other than Hispanics or Latinos and Non-Hispanic Whites, no other group accounted for the majority share of a census block in City A.

Figure 14-26

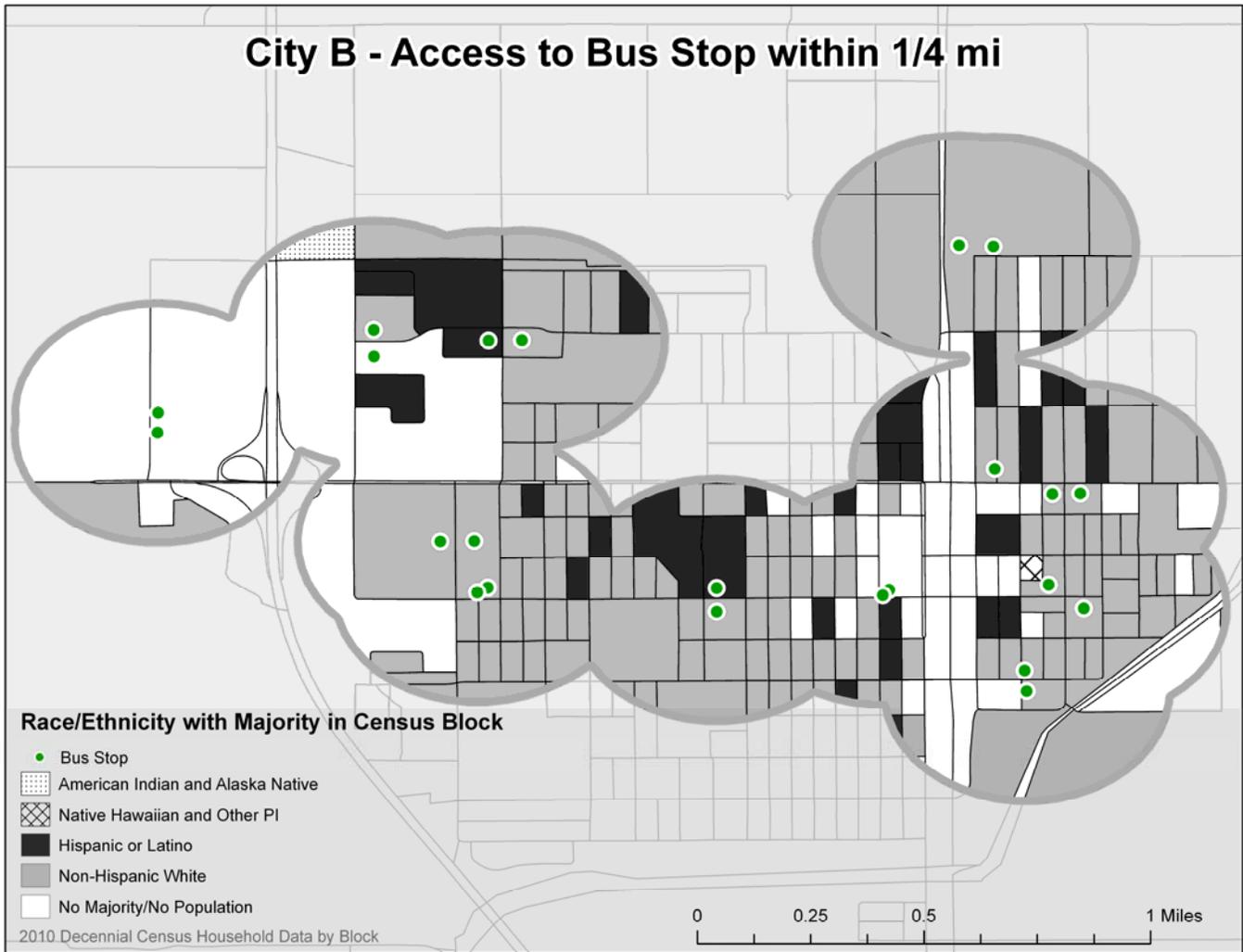
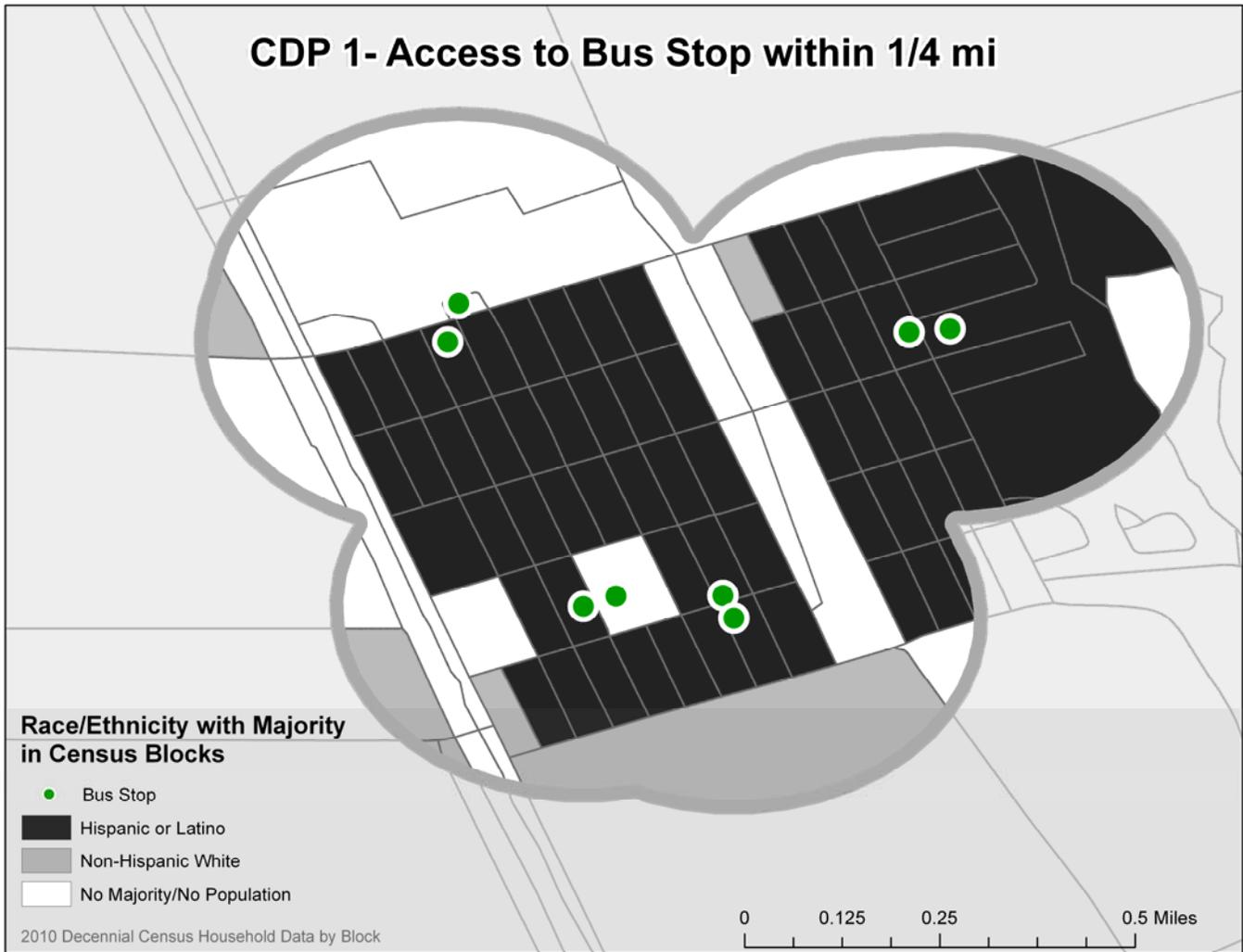


Figure 14-27



Other than Hispanics or Latinos and Non-Hispanic Whites, no other group accounted for the majority share of a census block in CDP 1

4. Employment

Employment status varies with the business cycle. During periods of economic recession, unemployment rises; however, higher unemployment may linger for some time after an economic recovery. While there is limited research on employment trends in rural communities, available literature suggests that employment in rural communities is further impacted by the restructuring of the labor market, such as declines in agricultural jobs, and the capacity of rural economies and people to respond to potential new income sources.⁴³ Research also suggests that the lack of stable employment opportunities, few opportunities for mobility and community investment, and little diversity in political and social institutions make women and minorities especially susceptible to economic insecurity in rural America.⁴⁴

The following section analyzes employment trends and patterns in the Model County. The purpose is to understand the spatial mismatch between jobs, place of residence, and access to transportation. Three practical indicators are used to assess employment trends as they relate to housing: (1) job trends in the Model County using data from the California Employment and Development Department; (2) a paired analysis of jobs to workers as an indicator of job-richness; and (3) commute patterns using data from the annual Longitudinal Employment and Household Dynamic (LEHD) dataset published by the U.S. Census Bureau.

JOB TRENDS

Figure 14-28 shows that since the 1990s, Model County has had a much higher unemployment rate⁴⁵ than the State (a six to ten percentage-point higher rate). The gap between the Model County and the State decreased by about half in the past decade. However, 2011 averages once again point to an increasing gap between the county and the State. Figure 14-29 shows the changes in job growth, benchmarked to 2007 (the peak of the recent economic recession). The data show that the Model County is more susceptible to the business cycle. For example, before the recession the Model County experienced greater job growth than the State as a whole but since the official end of the recession in 2009, the County has yet to experience an increase in job growth.

⁴³ Bryden, 2000

⁴⁴ Tickamyer and Duncan, 1990

⁴⁵ One limitation of the data is that it relies on the Current Population Survey (CPS) as a control to produce estimates of unemployment; however, the control is the state total and therefore changes in the unemployment rate for a small county/area are usually proportional to the changes of the state.

Figure 14-28
 Estimated Unemployment Rate, 1990-2011

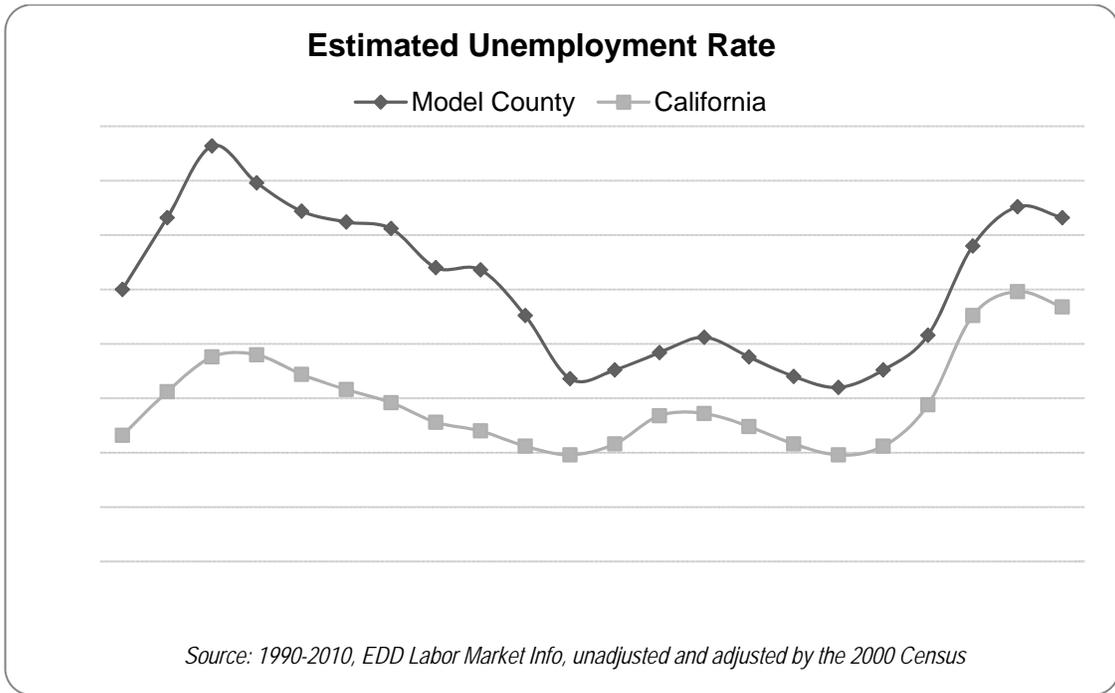
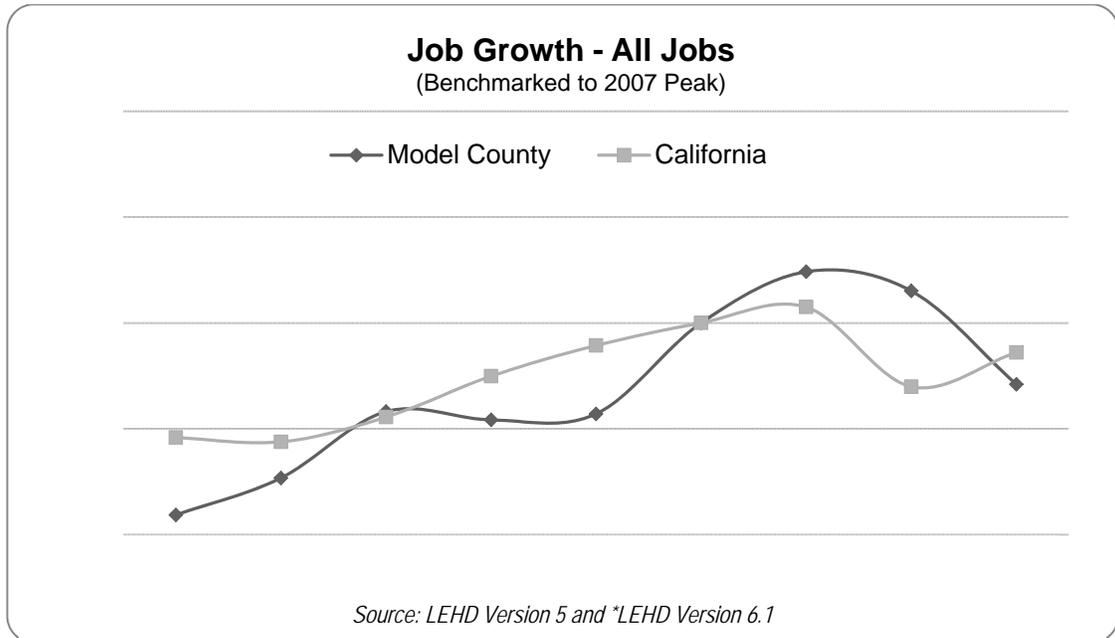


Figure 14-29
 Job Growth, 2002-2010



JOB RICHNESS

Using Census data from the 2009 Longitudinal Employer-Household Dynamics (LEHD) program,⁴⁶ this section examines job access by considering the ratio of jobs to workers. This ratio is a measure of “job-richness” or the relative number of employment opportunities per worker. Job richness is compared to the representation of racial and ethnic groups in order to assess how housing patterns may affect employment opportunities.

In urban areas, job-richness is usually defined as having more than 1.5 jobs per worker and job-poor areas are defined as having less than 0.5 jobs per worker (e.g., Ong, et al 2008). However, there is little research on job-richness in rural areas such as the Model County. In urban areas, census block groups tend to have smaller geographic coverage; whereas in rural areas, they may cover many square miles. With these limitations in mind, this section classified block groups into three general categories:

- (1) Block groups with less than 0.5 jobs per worker as job-poor;
- (2) Block groups with a ratio of 0.5 to 1.5 as the middle category; and
- (3) Block groups with more than 1.5 jobs per worker as job-rich.

With a jobs-to-worker ratio of 0.8, the Model County as a whole is not considered job-rich, indicating that a fair amount of workers that live in the Model County do not actually work there. About 11% of the block groups in the County are considered job-rich as they have jobs-to-worker ratios greater than 1.5 (See Table 14-30).

Table 14-30
2009 Job-Richness in Model County

	Range of values	Share of Block Groups
Job-Poor	<0.5	44%
Middle	0.5 to 1.4	44%
Job-Rich	>1.5	11%

Source: LEHD Version 5

Table 14-31 shows that about 50% of the block groups over-represented by minorities fell in the “middle” category and that job-rich areas had a greater proportion of minority households than Non-Hispanics Whites. However, because of the few block groups in the Model County it is difficult to interpret these results and whether minorities have access to these jobs.⁴⁷ The map in Figure 14-32 shows the relative spatial distribution of block groups over-represented by minorities and job richness.

⁴⁶ At the time the report was first written, the 2009 (or LEHD version 5) data was most recent dataset available. For this dataset, jobs are defined as both private and public sector primary jobs (See Technical Appendix).

⁴⁷ For instance, about 73% of jobs are held by White workers. However, this count includes Hispanics or Latinos therefore it is difficult to interpret these results. Race and ethnicity data are only available for 2009 onward. Jobs must produce at least one dollar of unemployment insurance (UI)-covered earnings during a given quarter to be included in this count; which exclude several important groups and therefore do not represent total employment. On the other hand because these types of jobs must be covered by UI benefits they could be considered as more desirable.

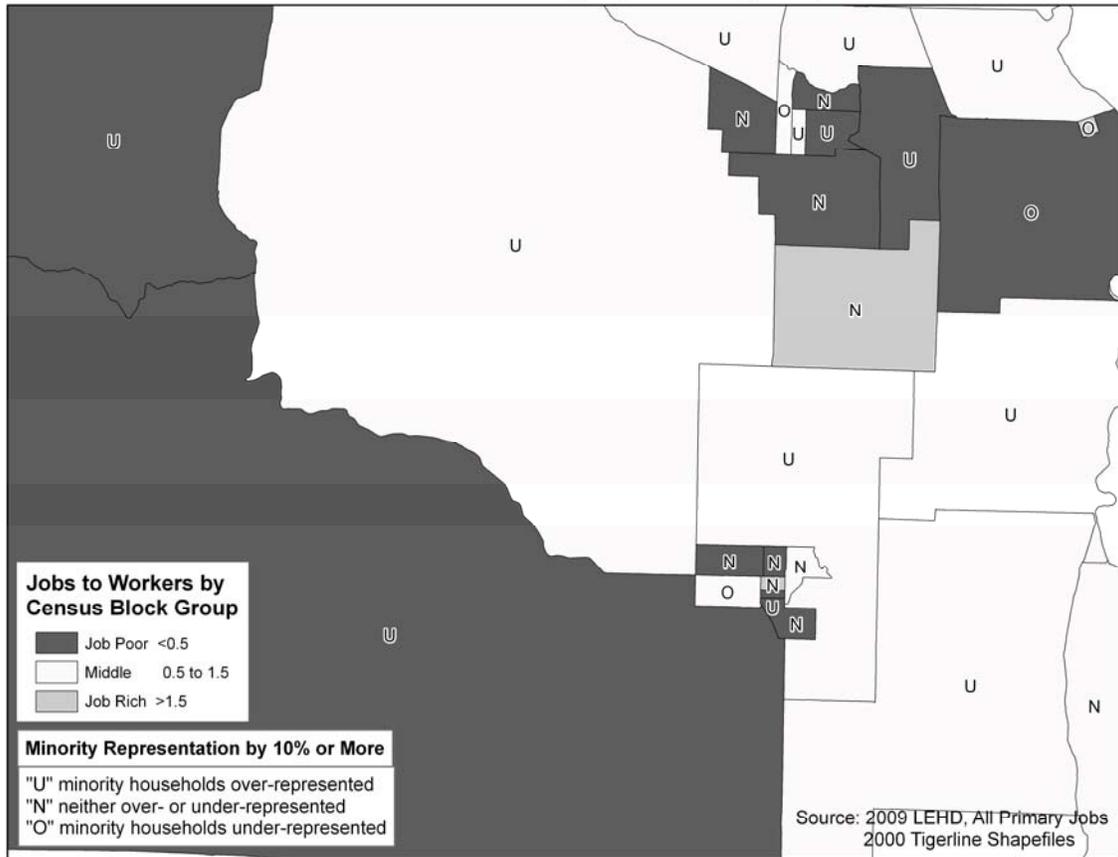
Table 14-31
Job-Richness and Representation in Model County

	Job-richness by Minority Representation			Household Distribution	
	Over	Neither	Under	Minority	Non-Hispanic White
Job-poor BGs	25%	60%	38%	39%	44%
Middle	50%	20%	62%	41%	49%
Job-rich BGs	25%	20%	0%	20%	7%

Source: 2009 LEHD version 5: 2005-2009 5yr ACS household data

Figure 14-32

Job Richness in Model County by Minority Representation



COMMUTE PATTERNS

Because the county as a whole is job-poor, it is important to look at commute patterns and transportation access to evaluate employment opportunities. As mentioned in the previous section, with nearly 11,000 workers, but only 8,300 jobs, the jobs-to-worker ratio in the Model County is only 0.8, indicating that the county is job-poor. While the majority of jobs in the county are taken by workers living there, a fair amount of jobs (43%) are filled by workers from outside the county. Likewise, the majority of workers in the Model County (57%) are commuting out of the county to their jobs (See Table 14-33).

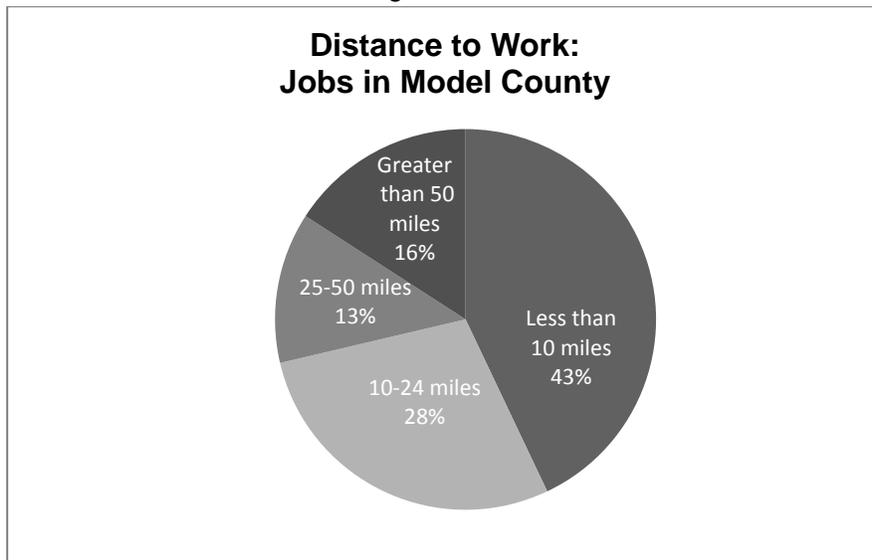
Table 14-33
2009 Commute Patterns in Model County

In-Commuters	3,500
Local Workers ⁴⁸	4,800
Out-Commuters	6,200
Total Workers in the County ⁴⁹	11,000

Source: LEHD Version 5

The inflow and outflow of workers at the county level highlights the importance of accessibility in capturing employment opportunities. The data also show that for the jobs in the county, two thirds of workers are coming from more than 10 miles away (Figure 14-34). Similarly, nearly three-fifths of the workers in the Model County are commuting more than 10 miles to their jobs, highlighting the importance of access to private or public transportation (See Figure 14-35).

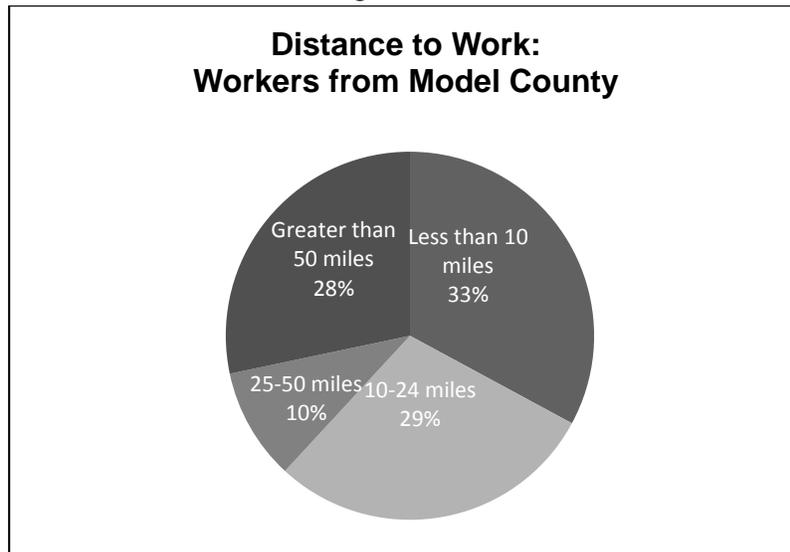
Figure 14-34.



⁴⁸ Workers living and working in Model County

⁴⁹ only one job per worker is counted, therefore the number of jobs and workers are the same

Figure 14-35



5. Access to Safe Drinking Water

Water plays a key role in the economic viability of rural areas that rely on agriculture. With a population increase of more than 30,000 in the Model County expected by 2020, concerns over the impact of urbanization on water use and delivery of ground and surface water have been raised in the Model County. Like many other agricultural areas in the State, additional concerns about the discharge of agricultural waste to surface and groundwater have been growing over the years.

In the Model County, various projects and studies have been completed or are underway to monitor water levels and quality. Most of the studies address issues of water protection, regional collaboration, funding, and education. This section of the report examines one indicator: the location of community water systems with enforceable drinking water standards relative to areas over- and under-represented by minorities and very low-income households.

Under the Safe Drinking Water Acts (SDWAs), the California Department of Public Health is obligated by the U.S. Environmental Protection Agency (EPA) to address a violation incurred by any Public Water System (PWSs) and any initial and subsequent enforcement actions to return a system's violation to compliance is required as well (PICME Guide 2007). The following outlines some of the limitations of the approach used to examine enforcement actions:

- For the purposes of this report, only "community water systems" (CWS) were considered. These systems serve at least 15 service connections used by year-round residents or regularly serve 25 year-round residents (Drinking Water Branch). The analysis excludes private system domestic wells.

- Various timeframes can be used to examine the data, for example, when a violation began, when an enforcement action was ordered, or when the violation was corrected. The data are for enforcement actions when violations began between June 1, 1993 and April 1, 2004 until June of 2011. For this report, the dataset was examined as a whole.
- There is a lag between when a violation first begins, when it is found by testing laboratories (which is the official begin date), when enforcement orders are placed, and when corrective actions are actually taken.
- An enforcement action may have multiple or recurring violations attached. For this report only unique enforcement actions were considered, regardless of how many violations were attached.
- There are other indicators that could have been used, such as the water quality testing results; however, these were not examined given the limited scope and resources for this report.
- It is difficult to determine the service area for a water system and little research has been done on this subject. For this report, the geocentroid for the community service was used.

Between 1993 and 2004, 30 unique enforcement actions were taken in the Model County by the California Department of Public Health with 22 unique violations associated with one or more of these actions. In general, 80% of all community water systems were in violation at least once during the timeframe. Half of the violations occurred in mobile home parks.

Table 14-36 shows the distribution of enforcement actions in over- and under-represented block groups for Minority, Hispanic or Latino, and Non-Hispanic White households. The data show no spatial distinction by ethnicity/race. Map 6 confirms this observation.⁵⁰ The largest share of water systems with a documented enforcement action (40%) were located in areas where Non-Hispanic White households were over-represented. About 33% of actions were located in areas over-represented by Minority and Hispanic or Latino households. While half of enforcement actions in the County were for systems serving mobile home parks, which are often associated with lower-income households,⁵¹ the spatial location of these actions show that none occurred in areas over-represented by very low-income families.

Table 14-36
Share of Water Enforcement Actions by Representation in Model County

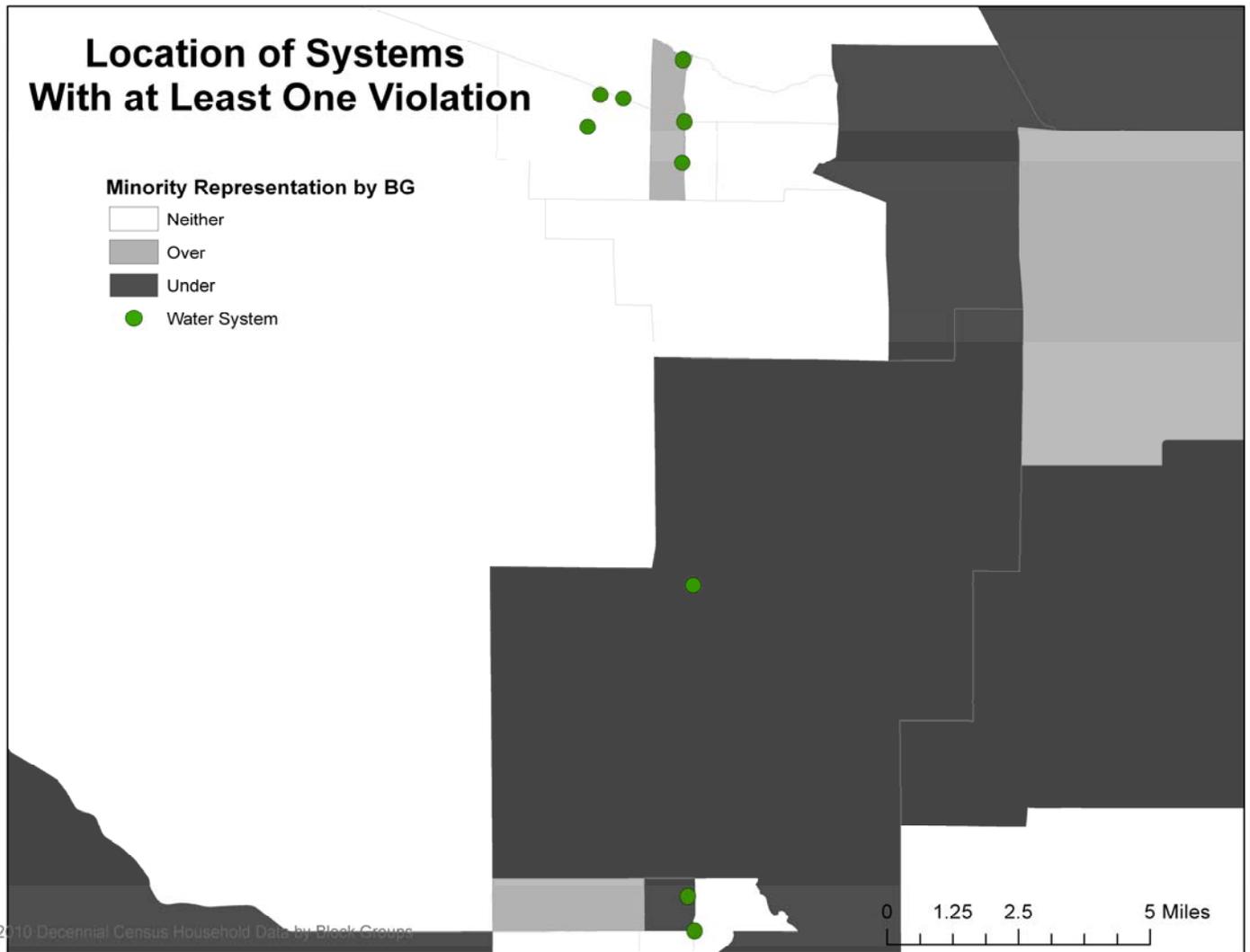
	Total Minority	Hispanic or Latino	Non-Hispanic White	VLI
Over	33%	33%	40%	0%
Neither	27%	27%	27%	80%
Under	40%	40%	30%	20%

Source: 2005-2009 5-year ACS

⁵⁰Due to confidentiality agreements, not all water systems are shown on the map as this would require providing a view of a larger spatial scale that would disclose the identity of the Model County.

⁵¹ For a discussion on the increasing ownership of manufactured housing by low-income households see MacTavish, K. et al (2006).

Figure 14-37



The Role of Income and the Private Housing Market

If observed patterns of uneven distribution cannot be explained by income, the question is: are these caused by direct or indirect discriminatory practices in the private real estate and financial market?

This question is assessed by examining various indicators in across three categories: (1) household and neighborhood income; (2) lending practices in the private housing and financial market; and (3) other indicators of discrimination.

The part on income asks whether over-/under-representation be explained by income distributions. Two approaches are used to examine questions regarding income: (1)

adjusting over- and under-represented areas for income; and (2) evaluating whether neighborhood income or rental housing patterns are limiting the mobility of residents. The role of the lending practices in the private housing and real-estate use Home Mortgage Disclosure Act (HMDA) data to evaluate the access that racial/ethnic groups have to the private housing market. It assesses three indicators of access: (1) whether or not these groups are applying for home loans at reasonable rates; (2) discrepancies in loan originations; and (3) discrepancies in denial rates for these groups. The analysis is done using parity indices comparing application, denial, and origination rates for each group to their overall proportion of total households in the Model County. The analysis ends with: (4) an examination of the spatial location of originated loans in order to illustrate the impact of mortgage lending on residential segregation.

Discriminatory practices in the private real-estate and financial market may also be a reflection of prejudices held by residents of an area (Farley 2011). While it is difficult to evaluate issues of prejudice, two indicators to assess them are; (1) the incidence fair housing complaints filed with the California Department of Fair Employment and Housing and with HUD; and (2) rates of reported hate crimes.

1. The Role of Income

The primary purpose of examining the income of households throughout the Model County is to determine if income, and not discriminatory practices, is contributing to the observed patterns of residential segregation. Two approaches are used to examine questions regarding income: (1) adjusting over- and under-represented areas for income; and (2) evaluating whether neighborhood income or rental housing patterns are limiting the mobility of residents.

Overall, the differences between over- and under-representation and income adjusted representation indicate similar results. Thus, the conclusion is that income is not the primary cause of residential segregation. However, the availability of affordable rental units in one of the incorporated cities may be limiting the mobility of residents to this area. This is an important observation since the unincorporated areas tend to have lower incomes and the cities tend to have better public services.

INCOME ADJUSTMENT OF OVER- AND UNDER-REPRESENTED AREAS

Household income data from the 2005-2009 5-year ACS was analyzed to determine if minority over- or under-representation could be caused by differences in income.⁵² The distribution of households by income categories was determined for all racial/ethnic groups at the county level. These distributions served as comparison points for the distributions by block group (See Technical Appendix for detailed methodology).

A comparison of Tables 14-38 and 14-39 show that for American Indians and Alaska Natives, over-representation did not change after adjusting for income. The percentage

⁵² At the time the report was initially commissioned, the 2005-2009 5-year ACS was the most recent income data available.

of households in neither over- nor under-represented areas did not change for Asians and Native Hawaiians and Other Pacific Islanders.

Table 14-38
Race/Ethnicity Household Representation in Model County

	Total Minority	Non-Hispanic White	Hispanic or Latino	Black or African American	Am. Indian & Alaska Native	Asian	Native Hawaiians & Other PIs
Over-represented	37%	45%	38%	0%	19%	0%	0%
Neither	43%	42%	54%	100%	81%	100%	100%
Under-represented	20%	14%	7%	0%	0%	0%	0%

Tabulated at the block group using 2005-2009 5-year ACS.
See Technical Appendix for detailed methodology and formula.

Table 14-39
Income-Adjusted Household Representation in Model County

	Total Minority	Non-Hispanic White	Hispanic or Latino	Black or African American	Am. Indian & Alaska Native	Asian	Native Hawaiians & Other Pacific Islanders
Over-represented	21%	28%	22%	0%	19%	0%	0%
Neither	68%	67%	75%	100%	81%	100%	100%
Under-represented	11%	5%	4%	0%	0%	0%	0%

Tabulated at the block group using 2005-2009 5-year ACS.
See Technical Appendix for detailed methodology and formula.

For Non-Hispanic Whites, Hispanic or Latinos, and minorities as a whole, both over- and under-representation decreased. However, compared to Non-Hispanic Whites, minorities still remained more likely to reside in areas where they are under-represented. Hispanic or Latino and American Indian and Alaska Native households were just as likely to reside in areas where they were over-represented.

NEIGHBORHOOD INCOME & RENT AFFORDABILITY

This subsection examines: (1) if there is a high proportion of low-income renters, which indicates a demand and need for affordable rental units; and (2) if renters have access to affordable housing, which may be used as indicators of mobility to areas with better services.

For the purposes of this analysis, low-income renter households are defined as those households that earn less than \$20,000 a year (in 2009 dollars), based on the fact that the bottom 20% of renter households earn less than \$20,000 in all of Model County. Low-income rental units are defined as those units for which gross rent paid is less than \$500 (in 2009 dollars) as the lowest quintile of renter households paid less than \$500 a month for rent in Model County.

Low-Income Renters & Supply of Low-Income Units

Table 14-40 shows that the proportion of low-income renter households in City A and City B are similar to the entire county at 22% and 23% respectively. While the unincorporated area as a whole had a lower proportion of low-income renter households (18%), CDP 1 had a higher proportion at 27%. These observations correlate with other observations showing that households in CDP 1 had lower median incomes, and may be in need of additional public services or programs that enable greater mobility to more affluent neighborhoods with better services.

The table also shows that in comparison to the rest of the county, City A had a higher proportion of low-income units with 25% while City B has a lower proportion of low-income units with 16%. Proportions of low-income units for the unincorporated area were very similar to that of the county with 21% of units being low-income for the entire area, and 22% for CDP 1 alone. City B has the largest the second largest share of low-income renters but the smallest share of affordable rental units

Table 14-40
Low-Income Renter Households in Model County

	Model County	Incorporated City A	Incorporated City B	Unincorporated Total	Unincorporated CDP 1
Low-Income Households	20%	22%	23%	18%	27%
Low-Income Rental Units	21%	25%	16%	21%	22%

Source: 2005-2009 5-year ACS

2. Lending Practices & the Private Housing Market

In this part, HDMA data are used to evaluate different dimensions of access to the private real-estate market: (1) whether a racial/ethnic group is “shopping” or trying to access loans, this is measured through loan applications; (2) whether a group received a proportional share of loans, measured through loan originations; (3) whether a group had high loan denial rates; and (4) and a spatial analysis of where certain racial/ethnic groups are purchasing homes. An overview of recent foreclosures in the Model County is provided as context for the analysis.

The data suggest that Black or African American households have limited access to the real estate housing market, Hispanic or Latino households have significantly higher rates of denials, and that Non-Hispanic White households were denied loans less often than any other group. The spatial analysis suggests that the market is not contributing to racial/ethnic segregation but it is also not opening up opportunities for Minority racial/ethnic groups to purchase homes in more affluent neighborhoods.

THE ROLE OF FORECLOSURES

The recent collapse of the real estate market and the ongoing economic instability are the result of an unprecedented rise in home foreclosures. In turn, the rise in home foreclosures can be attributed to three primary causes: rapid home value appreciation, increased homeowner housing burden, and an unprecedented surge in subprime lending. Elevated rates of foreclosure indicate a weak housing market, an increasing

high cost of homeownership, and possible predatory lending practices. The following provides an overview of foreclosures in the Model County.

Table 14-41 shows the 2010 foreclosure rate in the Model County and California using two different bases. The foreclosure rate with owner-occupied base is an indicator of the market as a whole as it includes properties without a mortgage (homes that have been paid off) and which are unlikely to be foreclosed. The rate with occupied units with a mortgage is an indicator of homes that could face foreclosure if a borrower falls behind on payments; hence, this rate is usually higher than the latter.⁵³

Table 14-41. Foreclosures in Model County

	Foreclosure Rate, 2010	
	Owner-Occupied Housing as Base	Owner-Occupied with mortgage as Base
Model County	1.6%	2.4%
City A	4.0%	4.3%
City B	3.2%	5.7%
Unincorporated	0.1%	0.2%
California	2.4%	3.1%

Source: RAND (includes both single family and condos/townhouses, which was zero for the latter) and 2010 Census demographic profile

Regardless of which rate is used, the Model County as a whole had a lower rate of foreclosure than California while the incorporated cities in the County experienced substantially higher rates. Using the rate with the owner-occupied base, City A had a higher foreclosure rate than City B (4% compared to 3.2%). However, these patterns reversed when changing the base. When using the owner-occupied units with a mortgage, the rate for City B not only surpassed that of City A, the increase was the largest relative to all the other geographies. This is an interesting observation given that City B has a higher median household income than City A. and a lower proportion of burdened homeowners (See page 16, *Burdened Renters*).

HOME MORTGAGE LENDING PATTERNS

For Model County, this report analyzes 2006-2009 Home Mortgage Disclosure Act (HMDA) data. HMDA data include housing-related loans and applications from banks, credit unions, saving associations, and some for-profit non-depository institutions. The mortgage loans must be insured, guaranteed, or supplemented by a federal agency or intended for sale to Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac). HMDA data is reported by households that are purchasing a home as an owner occupied unit for their principal residence.⁵⁴

Shopping for Loans

⁵³ A foreclosure is defined as the repossession of a house by the mortgage lender when a borrower falls behind on payments. The owner-occupied foreclosure rate is the ratio of total foreclosures to total homeowners in a given geography.

⁵⁴ The home purchase mortgage for owner-occupied principal residence excludes: (1) mortgages for home improvement and refinancing; and (2) second homes, vacation homes, rental properties, and multifamily dwelling.

To begin the mortgage process, individuals undergo a loan application process. Between 2006 and 2009, nearly 1,300 mortgage applications were processed for the Model County. A parity index is used to show if households for a given racial/ethnic group are applying for loans in proportion to their share of households in the area. If the parity index value is over 1.00, then these households are “shopping” in the area. A parity index below 1.00 may indicate impediments to fair housing because this group is not trying to access housing in the given area.

In the Model County, African American households had the lowest parity (0.27), and Asians had the highest (2.3). Hispanics or Latinos had a parity score of 1.23 while Non-Hispanic Whites scored 0.72. The data show that Asians and Hispanic or Latino households were applying more often than Non-Hispanic White (see Table 14-42).

Table 14-42
HMDA Parity Indices in Model County

	NHW Households	Asian Households	Black or African American Households	Hispanic Households
Loan Applications	0.72	2.3	0.27	1.23
Loan Denials	0.75	1.3	1.65	1.19
Originated Loans	0.81	1.74	0	1.15

Source: HMDA 2006-2009, 2005-2009 5-year ACS

Mortgage Originations

Roughly 750 mortgage loans were originated in Model County. The parity index for mortgage originations compares origination rates by race and ethnicity to the respective proportions of households. A score of less than 1.00 indicates that a group is not receiving loans at the same rate as their proportion of households in the County. This would suggest that they have less access to lending opportunities and thus the housing market as a whole. Asian households had the highest parity score with 1.74 while Black or African American households had the lowest score with 0.00. However, the small number of households for these groups may have skewed these parity results.

Loan Denials

Between 2006 and 2009, over 250 of the loan applications submitted in the Model County were denied. The parity index in this section compares the proportion of loan denials to the proportion of loan applications by race and ethnicity. A score greater than 1.00 suggests that a group is denied at higher rate than their application rate. Non-Hispanic Whites were the only group that had a score less than 1.00, indicating that they are denied loans at lower rates than they apply (see Table 14-42). Black or African American applicants had the highest score, although the data may be misleading due to the low number of applications from this group.

Racial/Ethnic and VLI Spatial Representation

The spatial analysis is based on: (1) where mortgages originated for a given racial/ethnic group; and (2) whether the loans originated in census tracts where households for that particular group were over- or under-represented by 10% or more from the county distribution. A similar approach was used to determine the likelihood of a group to purchase a home in lower-income neighborhoods (those census tracts over-represented by VLI families).

Tables 14-43 and 14-44 show the distribution of originated mortgage loans by racial/ethnic buyers. Except for Asian buyers, all other groups were just as likely to reside in areas where their group was over-, neither or under. However, when looking at the distribution by VLI representation, minorities were more likely to purchase homes in lower-income neighborhoods than Non-Hispanic Whites. Likewise, Non-Hispanic Whites were more likely to purchase homes in more affluent areas (under-represented by VLI families) than any other group.

**Table 14-43
Originated Loans by Racial/Ethnic Representation in Model County**

	Percentage of Originated Loans by Racial/Ethnic Representation		
	Over	Neither	Under
Total Minority	10%	88%	3%
Asian	0%	100%	0%
Hispanic or Latino	11%	86%	2%
Non-Hispanic Whites	11%	85%	3%

Source: 2006-2009 HMDA, 2005-2009 5-year ACS family data

**Table 14-44
Originated Loans by VLI Representation in Model County**

	Percentage of Originated Loans by VLI Representation		
	Over	Neither	Under
Total Minority	10%	88%	2%
Asian	8%	92%	0%
Hispanic or Latino	11%	86%	2%
Non-Hispanic Whites	3%	88%	9%

Source: Source: 2006-2009 HMDA, 2005-2009 5-year ACS

Because most originated loans go to housing units in neither over- nor under-represented areas, in terms of race or ethnicity as well as in very low-income representation, it does not seem that mortgage lending practices are contributing to residential segregation. However, the very low-income analysis does show that loan originations for minorities are more likely to occur in over-represented VLI areas than for Non-Hispanic Whites. This suggests potential discrepancies in the mortgage lending process.

3. Other Indicators of Discrimination in the Housing Market

Discriminatory practices in the private real-estate and financial market may also be a reflection of prejudices held by residents of an area (Farley 2011). While it is difficult to evaluate issues of prejudice, two indicators to assess them are: (1) the incidence of fair housing complaints; and (2) the hate crime rates.

FAIR HOUSING COMPLAINTS AND CLOSURES

Fair housing complaints can be used as an indicator to identify areas that may be experiencing housing discrimination. The following examines both the number of fair housing complaints filed with the Department of Fair Employment and Housing (DFEH) and the U.S. Department of Housing and Urban Development (HUD) as well as the procedures used to address housing complaints in the Model County.

Between fiscal year 2005/2006 and 2009/2010, two housing complaints were filed in the Model County with the resulting complaint rate less than half of California's rate: about 1 complaint per 5,000 households in the county compared to almost 3 per 5,000 household statewide. One complaint was filed on the basis of racial discrimination and the second on the basis of disability. Both of these were filed against respondents in City B.

While it is unknown where the alleged racial discrimination occurred, the discrimination on the basis of disability was in the unincorporated area of the county. This incident occurred in a census block group under-represented by minorities and Hispanics and over-represented by Non-Hispanic White households. The disability fair housing complaint was closed within a year through a settlement. The complaint based on race was dismissed with no merit being found; however, no timeframe for the closure was available in the dataset.

HATE CRIMES

Between 2000 and 2009, there were 5 hate offenses reported in the Model County. Table 14-45 shows the number of hate crimes per 1,000 residents in the Model County and the State. During the years these crimes occurred, the crime rate in the county was higher than the State's rate. Overall, the State had a higher rate of hate offenses.

Table 14-45
Hate Crimes per 1,000 Residents in Model County

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Model County											
Offenses	0	NA	0	0	0	0	0	3	2	0	5
Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.07	0.00	0.02
California											
Offenses	2,002	2,265	2,009	1,815	1,770	1,691	1,702	1,931	1,837	1,427	18,449
Rate	0.055	0.062	0.055	0.050	0.049	0.047	0.047	0.053	0.051	0.039	0.051

Sources: California Department of Justice, www.ag.ca.gov; U.S. Census Bureau, 2005-2009 5-year ACS population data

The Role of Public Funding and Government Practices

Is government funding contributing to segregation or integration? Do the actions/practices by government promote or deter fair housing?

The final question is regarding the role of public housing funds and government actions to promote fair housing. Three funding sources are examined to assess the role of government funding in promoting fair housing: State-CDBG, State HOME funds, and Housing Choice Vouchers. For each program, the following is provided: (1) an overview of funding; (2) household beneficiary characteristics; and (3) spatial analysis of the residential location of beneficiaries. The spatial analysis is used to examine whether these programs are opening opportunities for beneficiaries in more affluent areas or if they are being concentrated in areas over-represented by very low-income families.

Information regarding fair housing practices includes: (1) fair housing services and complaint process; (2) housing element compliance; and (3) a summary of fair housing activities as reported in a recent HCD survey of jurisdictions. Due to data accessibility issues, only a brief overview of zoning and land-use ordinances is provided at the end of the section.

1. The Role of Government Funding

The main purpose of this part of the report is to examine whether government funding is promoting access to recipient households in more affluent neighborhoods, which may provide better public services, or if beneficiaries are concentrated in areas over-represented by very low-income families. The three programs assessed are: 1) State-CDBG, 2) State-HOME funding, and 3) Section 8 Housing Choice Vouchers (HCVs).

STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

The following examines the State-CDBG program in the Model County. It provides an overview of: (1) funding applied for and received between 2005-2010 from the State-CDBG programs according HCD data; (2) beneficiary characteristics in the Model County as reported by the jurisdictions in the Model county in a recent CDBG survey; and (3) spatial analysis of CDBG beneficiaries relative to Very Low Income (VLI) representation.

CDBG Funding Applied For and Received

Over the 5 year period, all three State CDBG-eligible jurisdictions in Model County applied for and received CDBG funding.⁵⁵ Each of these jurisdictions only applied for and received funding for one year. Unincorporated Model County and City B each

⁵⁵ CDBG data for this sub-section was provided by the State of California Department of Housing and Community Development (HCD) while data on other subsections were self-reported by each individual jurisdiction in a survey submitted to State of California HCD. Therefore, there may be inconsistencies between this and other sub-sections of the report.

received funding in the 2005-2006 period for Infrastructure in Support of Housing programs. City A received funding in the 2008-2009 period mostly for Infrastructure in Support of Housing and homeownership programs. The total amount of CDBG funding received in Model County for the 5 year period was nearly \$3 million, most of which was received by City A and the least in City B with roughly \$600,000.

CDBG Survey of Beneficiary Characteristics

In May of 2011, HCD asked recipients of State CDBG funding within the time period of 2005-2010 to complete a spreadsheet indicating where CDBG activities were sited (including household address information) for housing activities. These housing activities include: homeowner rehabilitation, homeownership assistance, infrastructure in support of housing, property acquisition for housing, rental rehabilitation, and rental new construction. In addition, jurisdictions were asked if they received rental assistance along with the CDBG-funded activity, and which type (e.g. Section 8, Other, and None). Jurisdictions were also asked to report on characteristics of beneficiaries head of household race, ethnicity, disability, familial status, household size, and annual median income level. According to the survey responses, 24 households in the Model County received State CDBG funding during 2005-2010. A total of 20 households (80%) were located in the unincorporated areas⁵⁶ of the county and the remaining (20% or 4 households) were located in City B. The survey instrument can be found in the Technical Appendix.

Year of Initial Occupation

Jurisdictions were asked to provide information on the fiscal year of initial occupancy for each of its CDBG assisted households. Of the 20 CDBG assisted households in the unincorporated area, nine initially occupied the housing in 2007-2008, and five households initially occupied in 2008-2009. In 2009-2010, four households initially occupied housing, and two households did not report information on the fiscal year of initial occupancy. For City B, two of its CDBG assisted households initially occupied housing in 2006-2007, one initially occupied housing in 2005-2006, and one occupied housing in 2008-2009.

Activity and Funding Type

In the survey, jurisdictions were asked to provide information regarding the type of CDBG assisted housing activities. All CDBG assisted households in the unincorporated area (20 households) and in City B (4 households) received CDBG funding for Homeowner Rehabilitation.⁵⁷

Jurisdictions were also asked to provide information on the type of funding CDBG households received. The majority of the CDBG assisted households (80% or 16

⁵⁶ A total of 20 households were reported to be in unincorporated areas of Model County. However, after geocoding the households' location, two may be in City A and three may be in City B.

⁵⁷ The activities applied for funding in the period of 2005-2010 and the activities completed during that period are not necessarily the same, if activities were funded from contracts awarded prior to 2005.

households) in the unincorporated area received CDBG Standard Agreement Funds Only, and 20% (4 households) received CDBG Program Income (PI) Funds Only. For City B, two households received CDBG Standard Agreement Funds Only, and two received CDBG Program Income (PI) Funds Only.

Head of Household Race and Ethnicity

In the survey, jurisdictions provided information on the head of households' race⁵⁸ for each of the CDBG assisted households⁵⁹. In the unincorporated area, a little more than half of the total CDBG assisted households (55% or 11 households) reported their head of households' race as Non-Hispanic White. Seven (35%) households reported their head of household race as Other Multiracial. One CDBG assisted household reported their head of household race as Black or African American and White and one household reported their head of household race as American Indian and Alaskan Native and White. For City B, three CDBG assisted households reported their head of households' race as Hispanic White and one reported their head of household race as Non-Hispanic White.

Jurisdictions were also asked to provide information regarding the head of households' ethnicity. Most of the CDBG assisted households in the unincorporated area (65%) were Non-Hispanic and the remaining 35% reported Hispanic as their head of households' ethnicity. For City B, three households reported their head of household ethnicity as Hispanic and one household was reported as Non-Hispanic.

Head of Household with Disability

Jurisdictions indicated whether or not their head of household had a disability. For the unincorporated area, the majority (70% or 14 households) stated "Yes" and 5 households reported "No". One household did not indicate whether or not their head of household had a disability. In City B, three households reported "No" and one household reported "Yes" indicating that its head of household had a disability.

Familial Status

The jurisdictions that completed the CDBG surveys were asked to report the familial status of households in CDBG assisted households. The following options were given: Elderly⁶⁰, Related/Two Parent⁶¹, Related/Single Parent⁶², Single/Non-Elderly⁶³ and Other⁶⁴. In the unincorporated area, seven households reported as Elderly and seven

⁵⁸ Race and ethnicity categories are mutually exclusive. For example, Blacks or African Americans do not include Hispanics. Hispanics may be of any race.

⁵⁹ A comparison of race and ethnicity for the 165 jurisdictions was not provided in this section because American Community Survey (ACS) data is collected by different categories. In addition, the race and ethnicity breakdown for the 165 jurisdictions would need to identify who is income qualified for State CDBG and HOME.

⁶⁰ One or two person household with a person defined as elderly

⁶¹ A two-parent household with a dependent child or children

⁶² A one parent household with a dependent child or children

⁶³ One person household in which the person is not elderly

⁶⁴ Any household not included in the above four definitions including two or more unrelated individuals

CDBG assisted households reported as Single/Non-Elderly. The remaining six were Related/Two Parent households. For City B, two households were Related/Two Parent, one was an Elderly household, and one was a Single/Non-Elderly household.

Household Size

In addition to reporting the familial status of households, jurisdictions were also asked about household size (includes all people occupying a housing unit) in their CDBG assisted households. Half of the CDBG assisted households (10) in the unincorporated areas had a household size of 1 person and eight had a household size of 2 persons. There was one household with 3 persons and one household with 5 persons. In City B, two households had 2 persons, 1 household had 5 persons, and 1 household had 7 persons.

Area Median Income (AMI) Level

In the survey, jurisdictions were asked to provide information on the Area Median Income (AMI) level of CDBG assisted households. For the unincorporated area, 8 households (40%) had an income level between 30%-50% of the AMI. Thirty percent reported an income level between 0-30% of the AMI. Four households (20%) reported earning between 60%-80% of the AMI. Only two households (10%) had an income level between 50%-60% of the AMI. In City B, two CDBG assisted households (50%) had an income level between 30%-50% of the AMI. One household had an income level between 50%-60% of the AMI and one had an income level between 60%-80% of the AMI.

Rental Assistance

The CDBG survey asked jurisdictions whether or not households received any rental assistance. The following options were given for jurisdictions to choose from: Section 8, HOME Tenant Based Rental Assistance (TBRA), Other, None, or Vacant Unit. None of the CDBG assisted households in either the unincorporated area or City B reported receiving any rental assistance.

Spatial Analysis of CDBG Beneficiaries Relative to Race/Ethnic Representation

Overall, minorities are nearly 50% of the households that received CDBG assistance. Table 14-46 shows that the vast majority, 91%, of these beneficiaries resided in areas that were neither over- nor under-represented by minorities. The remaining households (9%) were in areas where minorities were over-represented.

Hispanics or Latinos were 82% of minority beneficiaries of CDBG funding in Model County, comprising of 41% of all beneficiary households. Consistent with the pattern for minority households, nearly 89% of Hispanic or Latino households were in areas neither over- nor under-represented by Hispanics or Latinos. The remaining households (11%) were in areas where Hispanics or Latinos were over-represented.

About half of CDBG beneficiary households in the Model County were Non-Hispanic White households. Similar to minority households, the majority of Non-Hispanic White households (83%) were in areas neither over- nor under-represented by their own group. The remaining 17% of households were in areas over-represented by Non-Hispanic Whites.

Table 14-46
CDBG Beneficiaries Relative to Race/Ethnic Representation in Model County

	CDBG Beneficiary Households		
	Over-represented	Neither	Under-represented
Minorities	9%	91%	0%
Hispanics or Latinos	11%	89%	0%
Non-Hispanic Whites	17%	83%	0%

Source: 2011 CDBG Survey, 2005-2009 5-year ACS

Because the majority of CDBG beneficiaries live in areas neither over- nor under-represented by their racial or ethnic group, the program does not seem to be contributing to segregation. However, because beneficiaries in these groups do not tend to reside in areas in which they are under-represented, the program also does not seem to be opening many opportunities for housing choices that would lead to integration.

Spatial Analysis of CDBG Beneficiaries Relative to VLI Representation

The following examines whether CDBG funding activities are opening up new opportunities for beneficiaries in more affluent areas or if funds are being concentrated in areas over-represented by very low-income areas. The data for this spatial analysis are from the survey to fair housing completed by the individual jurisdictions. The spatial analysis is based on where beneficiary families resided and whether they resided in census tracts considered disproportionately low-income. A census tract with a share of very low-income families that is 10% or greater than the county share is considered disproportionately or over-represented by very low-income families. Due to data limitations, the analysis cannot be reproduced for individual jurisdictions (See Technical Appendix).

While substantial proportions of beneficiaries were in neither over- nor under-represented tracts, Non-Hispanic Whites were more likely to reside in areas under-represented by very low-income families than minorities. Only 4% of CDBG beneficiaries in the county were in areas over-represented by very low-income families (See Table 14-47). Of those that resided in these areas, none were Non-Hispanic White families. About 11% of Hispanic beneficiaries resided in areas over-represented by minorities, which is a slightly higher proportion than minority beneficiaries as a whole (9%).

Table 14-47
CDBG Beneficiaries Relative to Very Low Income (VLI) Representation in Model County

VLI	All Beneficiaries	Minorities	Hispanics or Latinos	Non-Hispanic Whites
Over-represented Areas	4%	9%	11%	0%
Neither	91%	91%	89%	92%
Under-represented Areas	4%	0%	0%	8%

Source: 2011 HCD CDBG Survey, 2005-2009 5-year ACS

STATE HOME PROGRAM

The following examines the State-HOME program in the Model County. It provides an overview of: (1) funding applied for and received between 2005-2010 from the State-HOME programs according HCD data; (2) beneficiary characteristics in the Model County as reported in the HOME Integrated Disbursement and Information System (IDIS); and (3) a spatial analysis of HOME beneficiaries relative to Very Low Income (VLI) representation.

HOME Funding Applied For and Received

From 2005-2010, Unincorporated Model County and City A applied for HOME funding; only City A received any funding.⁶⁵ Each of the jurisdictions applied for funding for rental programs. City A applied in both the 2006-2007 and 2007-2008 application periods but only received funding in the latter period. Unincorporated Model County only applied for funding in the 2009-2010 period. These two jurisdictions applied for nearly \$8 million and City A received \$2 million.

HOME IDIS Beneficiary Characteristics

State HOME activities and beneficiary information between 2005 and 2010 are reported in the U.S. Department of Housing and Urban Development (HUD) Integrated Disbursement and Information System (IDIS) database. Therefore, jurisdictions did not have to complete a spreadsheet survey regarding the State HOME program. IDIS information includes: the locations of HOME funded households, year funded, activity type, head of household race and ethnicity, familial status, household size, Area Median Income (AMI) level of household, and rental assistance.

According to IDIS, 50 households in the Model County received HOME funding. Eighty percent of these households are located in City A and 14% are located in City B. Only 6% were located in CDP 1.⁶⁶

⁶⁵ HOME data for this sub-section was provided by HCD while data on other subsections were reported in HOME IDIS. Therefore, there may be inconsistencies between this section and other sub-sections of the report.

⁶⁶ The activities applied for funding in the period of 2005-2010 and the activities completed during that period are not necessarily the same, if activities were funded from contracts awarded prior to 2005.

Year of Initial Occupation

IDIS provided data regarding the fiscal year when HOME assisted households initially occupied the housing. More than half of the HOME assisted households (27 or 67%) in City A initially occupied housing in 2008-2009. Seven (18%) of the households initially occupied in 2009-2010 and 4 (10%) initially occupied in 2007-2008. Only two households (5%) occupied housing in 2006-2007. In City B, three of the seven HOME assisted households initially occupied housing in 2006-2007 and two initially occupied in 2008-2009. One household initially occupied housing in 2005-2006 and one occupied housing in 2007-2008. For the three HOME assisted household CDP 1, one initially occupied housing in 2007-2008, one in 2008-2009, and one in 2009-2010.

Activity Type

Jurisdictions reported the type of activity for HOME assisted households in IDIS. The following HOME activity types were reported: Rental New Construction, Homeowner Mortgage Assistance, Homeowner Rehabilitation, Rental Rehabilitation, Homeowner New Construction, and Homeowner Acquisition and Rehabilitation.

A little more than half of the HOME assisted households (54%) in City A received HOME funding for Rental Rehabilitation, followed by 23% for Homeowner Rehabilitation, 15% for Homeowner Mortgage Assistance and 8% household for Homeowner New Construction. All seven HOME assisted households in City B received HOME funding for Homeowner Rehabilitation. Similarly, all three of the HOME assisted households in CDP 1 received HOME funding for Homeowner Rehabilitation.

Head of Household Race and Ethnicity

In IDIS, jurisdictions reported the head of household's race and ethnicity⁶⁷ for each HOME assisted household⁶⁸. For City A, the majority of the households (80%) receiving HOME funding indicated their head of households' race as Non-Hispanic Whites, followed by Hispanic Whites (13%). Two households reported their head of households' race as Other Multiracial and one household indicated Asian. The majority of HOME assisted households (5) in City B indicated their head of households' race as Non-Hispanic Whites. One household indicated Hispanic White and one indicated American Indian and Alaskan Native. Of the three HOME assisted households in CDP 1, two indicated their head of household race as Hispanic White and one identified as Non-Hispanic White.

⁶⁷ Race and ethnicity categories are mutually exclusive. For example, Blacks or African Americans do not include Hispanics. Hispanics may be of any race.

⁶⁸ A comparison of race and ethnicity for the 165 jurisdictions was not provided in this section because American Community Survey (ACS) data is collected by different categories. In addition, the race and ethnicity breakdown for the 165 jurisdictions would need to identify who is income qualified for State CDBG and HOME.

In terms of head of households' ethnicity, an overwhelming majority (33 or 82%) of the HOME assisted households in City A were Non-Hispanic, and only 7 (18%) were Hispanics. For City B, six of the seven HOME assisted households indicated their head of households' ethnicity as Non-Hispanic and one was Hispanic. For the CDP 1 area, two households indicated their head of household race as Hispanic and one was Non-Hispanic.

Head of Household with Disability

HUD's IDIS database does not indicate information on whether or not the State HOME assisted households had a head of household with a disability.

Familial Status

Jurisdictions provided information on the familial status of HOME assisted households in IDIS. The following familial status options were reported: Related/Single Parent⁶⁹, Related/Two Parent⁷⁰, Single/Non-Elderly⁷¹, Elderly⁷², and Other.⁷³

Approximately 14 (35%) of the HOME assisted households in City A were Related/Single Parent households. Eleven households (28%) were Related/Two Parent households followed by 9 (23%) that were Elderly households. Four households (10%) indicated their familial status as Other and less than 2 (5%) were Single/Non-Elderly households. Three of the HOME assisted households in City B were Elderly households and two were Related/Two Parent households. There was one Related/Single Parent household and one Single/Non-Elderly household. For the CDP 1 area, two of its HOME assisted households were Related/Two Parent households and one was Elderly household.

Household Size

For each of the HOME assisted households, jurisdictions reported the household size (including all people occupying a housing unit). Nearly a third of HOME assisted households (13 or 32%) in City A had a household size of 2 persons, followed by 11 households (27%) that had a 1 person household size. Seven HOME assisted households (18%) in City A had household size with 3 persons and 5 households (13%) had 4 persons. Only 4 HOME assisted households (10%) in City A had a household size of 5 persons.

For City B, two HOME assisted households had a household size of 2 persons and two had a household size of 5 persons. There was one household with 1 person, one household with 3 persons, and one household with 4 persons. The CDP 1 area had one

⁶⁹ A one parent household with a dependent child or children

⁷⁰ A two-parent household with a dependent child or children

⁷¹ One person household in which the person is not elderly

⁷² One or two person household with a person defined as elderly

⁷³ Any household not included in the above four definitions including two or more unrelated individuals

HOME assisted household with a household size of 5 persons, one with 3 persons, and one with 2 persons.

Area Median Income (AMI) Level

In IDIS, jurisdictions reported information on the area median income level (AMI) for each HOME assisted household. Over a majority of the HOME assisted households (26 or 64%) in City A had an income level between 50%-60% of the AMI. Seven households (18%) had in income level between 60%-80% of the AMI and 6 (15%) had an income level between 30%-50% of the AMI. Only one (3%) HOME assisted household had an income level at 30% or below. For City B, the majority (86% or 6) of the HOME assisted households had an income level between 60%-80% of the AMI and one had an income level between 30%-50% of the AMI. All three of the HOME assisted households in the CDP 1 area had an income level between 30%-50% of the AMI.

Rental Assistance

Jurisdictions indicated whether or not any of the HOME assisted households received any type of rental assistance. The following options were provided: Section 8, HOME Tenant Based Rental Assistance (TBRA), Other, and None. More than half of the HOME assisted households (52% or 21) in City A indicated they did not receive any rental assistance and 19 (48%) received some other rental assistance other than the options provided above. All of the HOME assisted households in City B and the CDP 1 area reported they did not receive any rental assistance.⁷⁴

Spatial Analysis of HOME Beneficiaries Relative to Race/Ethnic Representation

For the State HOME program, minorities were nearly 24% of all households that received assistance. Table XX shows that the majority, over 83%, of these beneficiaries resided in areas neither over- nor under-represented by minorities. The remaining 17% of households were in areas where minorities were over-represented.

Hispanics or Latinos were 83% of minority beneficiaries of HOME funding in the Model County, comprising 20% of all beneficiary households. Consistent with the pattern for minority households, 80% of Hispanic or Latino households were in areas neither over- nor under-represented by Hispanics or Latinos. The remaining 20% of households were in areas where Hispanics or Latinos were over-represented.

A substantial proportion of HOME beneficiaries in the Model County (76%) were Non-Hispanic White households (See Table 14-48). The vast majority of Non-Hispanic White households (97%) were in areas neither over- nor under-represented by their own group. Unlike with minority households, the remaining 3% of Non-Hispanic White beneficiary households were in areas where they were under-represented.

⁷⁴ The activities completed in City B and CDP 1 were homeowner activities, which were not eligible for rental assistance.

Table 14-48
HOME Beneficiaries Relative to Race/Ethnic Representation in Model County

	HOME Beneficiary Households		
	Over-represented	Neither	Under-represented
Minorities	17%	83%	0%
Hispanics or Latinos	20%	80%	0%
Non-Hispanic Whites	0%	97%	3%

Source: HOME IDIS 2005-2010, 2005-2009 5-year ACS

Similar to the State CDBG program, the majority of HOME beneficiaries live in areas neither over- nor under-represented by their racial or ethnic group. Thus, the program does not seem to be contributing to segregation. However, because beneficiaries in these groups do not tend to reside in areas in which they are under-represented, the program also does not seem to be opening many opportunities for housing choices that would lead to integration.

Spatial Analysis of HOME Beneficiaries Relative to VLI Representation

The following examines whether HOME funding activities are opening up new opportunities for beneficiaries to reside in more affluent areas or if funds are being concentrated in areas over-represented by very low-income areas. The data are from HOME IDIS. The spatial analysis is based on where beneficiary families resided and whether they resided in census tracts considered disproportionately low-income. A census tract with a share of very low-income families that is 10% or greater than the county share is considered disproportionately or over-represented by very low-income families. Due to data limitations, the analysis cannot be reproduced for individual jurisdictions (See Technical Appendix).

More than three-quarters of HOME beneficiaries in the Model County were Non-Hispanic Whites (See Table 14-49). Of the minority beneficiaries, over 80% were Hispanic families. Six percent of HOME beneficiaries in the county were in areas over-represented by very low-income families. About 3% of the Non-Hispanic White beneficiaries resided in areas over-represented by very low-income families while a higher percentage, 17%, of minorities lived in these areas.

Table 14-49
HOME Beneficiaries Relative to Very Low Income (VLI) Representation in Model County

	All Beneficiaries	Minorities	Hispanics or Latinos	Non-Hispanic Whites
Over-represented Areas	6%	17%	20%	3%
Neither	94%	83%	80%	97%
Under-represented Areas	0%	0%	0%	0%

Source: HOME IDIS 2005-2010, 2005-2009 5-year ACS

Focusing on Hispanics in particular, 20% of these families resided in over-represented very low-income areas. No families funded through HOME lived in areas under-represented by very low-income families. Most families lived in areas neither over- nor under-represented by low-income families.

HOUSING CHOICE VOUCHERS

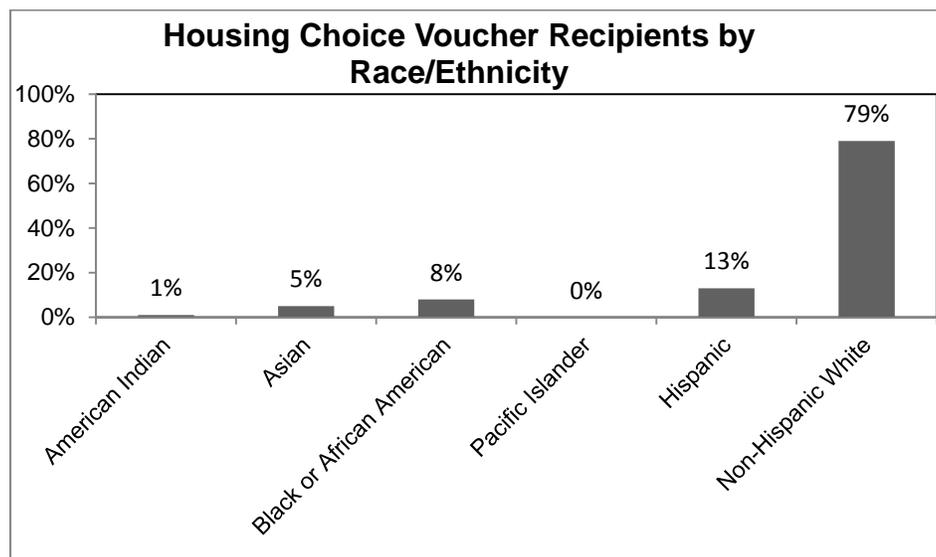
The following examines the Housing Choice Voucher (HCV) program in the Model County. It provides: (1) an overview beneficiary characteristics in the Model County as reported by HUD, (2) a spatial analysis of beneficiaries relative racial/ethnic representation, and (3) a spatial analysis of beneficiaries relative to Very Low Income (VLI) representation. The main purpose of this part of the report is to assess whether Housing Choice Vouchers are promoting racial/ethnic housing integration and offering voucher recipients the opportunity to reside in higher income areas.

Beneficiary Characteristics

Between 2007 and 2010, there were nearly 350 Section 8 Housing Choice Voucher recipients in the Model County. To give a basic breakdown of protected classes, more than half of the families had children. Roughly 40% of recipient families are headed by a person with a disability, and over half of recipient families have a disabled member. Eleven percent of voucher recipient families are headed by an elderly person.

Figure 14-50 shows that the majority of voucher recipient families in the Model County were Non-Hispanic Whites (80%). Hispanics or Latinos accounted for the next largest proportion of recipients with about 13%. Asians, Blacks or African Americans, American Indians and Pacific Islanders followed in terms of the proportion of recipients.

Figure 14-50
Housing Choice Voucher Beneficiary Families by Race/Ethnicity in Model County



Spatial Analysis of HCV Recipients Relative to Racial/Ethnic Representation

The following addresses the concentrations of Housing Choice Voucher recipients in areas under- and over-represented by racial and ethnic groups. This provides insight into whether or not Housing Choice Vouchers are promoting racial and ethnic housing integration by expanding opportunities for recipients to move into areas where they are under-represented. It also assesses whether the program contributes to segregation by limiting recipients' housing opportunities to areas in which they are over-represented. Due to data limitations, the analysis cannot be reproduced for eligible jurisdictions (See Technical Appendix).

Overall, minorities comprise about 20% of Housing Choice Voucher recipients. Table 14-51 shows that the majority of these recipients (about 60%) resided in areas neither over- nor under-represented by minorities. Only 15% of minorities resided in areas where they were over-represented. Compared to Non-Hispanic Whites, minority recipients were less likely to reside in areas over-represented by their group.

Hispanics or Latinos were the majority of minority recipients in the Model County (59%), and consisted of about 13% of all Housing Choice Voucher recipients. The vast majority (90%) of Hispanic or Latino families lived in areas that were neither over- nor under-represented by Hispanics or Latinos. The remaining 10% resided in areas where they were over-represented. As mentioned earlier, Non-Hispanic Whites accounted for the largest proportion of Housing Choice Voucher recipients. The majority of these recipient families lived in areas neither over- nor under- represented by Non-Hispanic Whites. These families were the least likely to live in areas that were overrepresented by Non-Hispanic Whites as only 9% of Non-Hispanic White recipients lived in these areas.

Because the majority of Housing Choice Voucher recipients live in areas neither over- nor under-represented by their racial or ethnic group, the program does not seem to be contributing to segregation. However, because recipients in these groups do not tend to reside in areas in which they are under-represented, the program also does not seem to be opening many opportunities for housing choices that would lead to integration. This is especially true for Hispanic or Latino recipients, none of which reside in areas under-represented by Hispanics or Latinos. Nonetheless, as shown below a higher percentage of minorities overall live in areas where they are under-represented, compared to Non-Hispanic Whites (15% versus 9%).

Table 14-51
Housing Choice Voucher (HCV) Recipients Relative to Racial/Ethnic Representation in Model County

HCV Recipient Families			
	Over-represented	Neither	Under-represented
Minorities	23%	62%	15%
Hispanics or Latinos	10%	90%	0%
Non-Hispanic Whites	26%	66%	9%

Source: HUD PHA 2007-2010, 2005-2009 5-year ACS

Spatial Analysis of HCV Recipients Relative to VLI Representation

The following addresses the concentrations of recipients in areas under- and over-represented by very low-income (VLI) families. In this analysis, the assumption is that the program should be providing opportunities for recipients to have access to more affluent areas (those under-represented by VLI families) as these areas are often associated with more public services.

Table 14-52 shows that the vast majority of Housing Choice Voucher recipients in the Model County (97%) live in areas neither over- nor under-represented by very low-income families. Similarly, about 94% of minority recipients also resided in these areas. However, compared to Non-Hispanic White recipients, minorities were more likely to reside in areas over-represented by very low-income families. This is particularly true for Hispanic or Latino recipients. The fact that across the board voucher recipients are generally unrepresented in more affluent neighborhoods suggests that the program does not open up opportunities for recipient families of any race or ethnicity to live in these areas. Note however, that the percentage of Non-Hispanic Whites in under-represented areas is also very low (1%).

Table 14-52
Housing Choice Voucher (HCV) Recipients Relative to Very Low Income (VLI) Representation in Model County

HCV Recipient Families			
	Over-represented	Neither	Under-represented
Minorities	6%	94%	0%
Hispanics or Latinos	10%	91%	0%
Non-Hispanic Whites	1%	98%	1%

Source: HUD PHA 2007-2010, 2005-2009 5-year ACS

2. The Role of Government Practices & Actions

This part of the report examines the role of government practices and actions in promoting fair housing. Three indicators are used to assess this question: (1) housing element compliance; (2) fair housing services and complaint process; and (3) an assessment of fair housing impediments and practices as reported in the HCD survey of

the jurisdictions. Finally, due to data accessibility issues, only a brief overview of zoning and land-use ordinances is provided.

HOUSING ELEMENT COMPLIANCE

All three State CDBG-eligible jurisdictions in the Model County were compliant with their Housing Elements for the most recent planning period. However, only City A was consistently compliant for the last three planning periods. City A was also the only jurisdiction to have received funding from the HCD State Bond Programs and through the Low-Income Tax Credit programs. City B was the only jurisdiction with an active redevelopment agency until its termination in 2012.

FAIR HOUSING SERVICES

This section provides an overview of the fair housing related services and programs in the Model County. Many of these fair housing organizations have one or two locations in Model County or are located in a neighboring city outside of the county. With minimal public transportation options, it may be difficult for clients seeking services to travel to these organizations. In addition, these organizations have a small number of staff. Staff may not be able to meet the needs of the clients, particularly, if the organization serves a large rural geographical area. There are a limited number of affordable housing units that are subsidized by the government or nonprofit organizations. Many of the senior housing services are privately owned and operated.

- *County Housing Assistance Programs*

A Model County government agency offers services to assist with children, older or disabled adults, employment and job searches, housing or energy assistance, and/or financial assistance. This agency had locations in City A and City B. The agencies' services and programs included: business services⁷⁵, child and adult services, employment services, housing and energy assistance, in-home supportive services, and public assistance and cash aid. Housing programs administered by the agency were: (1) Housing and Energy Services; (2) Homelessness Prevention and Rapid Re-Housing Program (HPRP); (3) Utility Assistance; (4) Housing Rehabilitation Program; (5) Weatherization Program; (6) Housing Choice Voucher Program (HCV) / Section 8 Program; and (7) First-Time Homebuyers Program.

The Model County government agency was the administrative umbrella for the partnership. The partnership had a social services division and a community action division. This counties' partnership had a volunteer board, AmeriCorps and VISTA (*Volunteers in Service to America*) staff.

Representatives of the volunteer board consisted of one-third elected officials, one-third representatives of economically disadvantaged residents, and one-third representatives of private enterprise. The organization offered the following types of

⁷⁵ Business services include employee recruitment, small business start-up information, a business reference library, on-the-job training and work experience, etc.

programs: home energy assistance program, first time homebuyers programs, emergency response mobile unit, youth employment, dislocated worker services, and microenterprise and economic development. In addition, the partnership collaborated with other agencies for homeless services, including emergency food and shelter.

- *Non-Profit Legal Aid*

A nearby State university had a student-run nonprofit providing free legal assistance. Students worked with four supervising attorneys to provide information on: student legal services/juvenile rights, the Consumer Protection Agency, public benefits and advocacy program, women's law project, county jail law project, disabled and the law, environmental advocates, family law project, housing law project, misdemeanors/tickets and traffic, penal law project, and workers' rights project. Regarding housing law, this organization provided free information regarding tenant landlord relations, habitability concerns, leases and rental agreements, payment disputes, discrimination, maintenance, security deposits, evictions, and mobile home law.

Another nonprofit legal organization provided litigant assistance with court procedures and legal documents. This organization assisted clients with their legal forms, referrals, and alternative dispute resolution and mediation services.

Legal Services of Northern California also has an office near the Model County. The non-profit organization provides legal assistance for landlord and tenant issues and welfare rights and legally represents low-income clients in 23 Northern California counties. It is unknown how many of these are clients are in the Model County.

- *Relevant Housing Resources*

Approximately six low income housing apartment complexes were located in the Model County and most accepted Section 8. The nearby State university created a partnership with the city in which it is located to provide credit and foreclosure counseling, budgeting education, credit repair, and workshops. This university-city partnership expanded to provide housing rehabilitation, to develop self-help and affordable multifamily housing, to manage properties, and to fund infrastructure projects in its multi-county service area.

- *Senior Services*

There were approximately four independent living, assisted living, and senior apartment complexes in the Model County. The Model County had a senior center, two nutrition programs, and a public guardian program.

FAIR HOUSING COMPLAINT PROCESS

In 2011, the research staff anonymously called a Model County government housing agency to ask about the fair housing complaint process. The following outlines the complaint process as documented by the research staff.

According to staff at Model County's housing agency, landlord and tenant complaints are referred to the court system. If someone had a fair housing complaint regarding county properties, they would fill out a complaint form or speak to the Director of the Model County agency. For complaints against private property owners, the agency often referred people to a State university student-run nonprofit for free legal assistance. The County is also part of a multi-county partnership between private, non-profit, and public agencies that has a point of contact to respond to questions regarding the fair housing complaint process.

Following the conversations with the County, research staff placed multiple anonymous phone calls to the State university student-run nonprofit and the counties' partnership point of contact. At least three telephone messages were left over the course of one month to these agencies before they responded back. This may be an indication that it is difficult to navigate through the fair housing complaint process.

SURVEY OF FAIR HOUSING IMPEDIMENTS AND PRACTICES

The following provides: (1) an overview of the fair housing survey and (2) a comparison of the survey responses from the three jurisdictions in Model County to the responses of all 165 jurisdictions as a whole. A detailed description of the survey methodology and responses can be found in the Technical Appendix.

Overview of Survey

On May 19, 2010, the State of California Department of Housing and Community Development (HCD) implemented a fair housing survey. There were 165 State Community Development (CDBG)-eligible jurisdictions for the CDBG and HOME Investment Partnerships Program. HCD requested that all 165 CDBG-eligible jurisdictions complete a survey which was accessible via the internet website, Survey Monkey. By August 1, 2011, 146 out of 165 jurisdictions (88% response rate) completed the State of California Fair Housing Survey. This survey is summarized in the following subsections: (1) awareness of funding eligibility; (2) affordable housing activities; (3) economic development activities; (4) fair housing impediments; (5) local impediments; (6) economic impediments; (7) enforcement practices; and (8) outreach practices. A summary of the survey, impediments and practices can be found in Figure 14-53 at the end of this section.

Model County Comparison with 165 Jurisdictions

The following compares the survey responses by the three Model County jurisdictions to all survey responses of the 165 jurisdictions. Please note that all 165 jurisdictions were

surveyed, however there was an 88% response rate (146 jurisdictions). In addition, the number of jurisdictions who responded varied for each question. For each survey question, the number of jurisdiction responses is footnoted.

Jurisdiction Type

The Model County includes two cities and one county. The county is responsible for unincorporated areas, which includes Census Designated Place 1 (CDP 1). Similarly, for all 165 survey respondents, the majority of jurisdictions were incorporated cities (77%) and the remaining were counties (23%).⁷⁶

Awareness of Funding Eligibility

All of the Model County jurisdictions were aware of their eligibility for State CDBG funding and most were aware of HOME funding eligibility. One jurisdiction was unaware of its eligibility for State HOME funding. Most of the 165 jurisdictions were also aware of CDBG eligibility, although fewer were aware of HOME eligibility. Jurisdictions in the Model County and the 165 jurisdictions were more likely to apply for CDBG funding than HOME funding.

1. The three jurisdictions in Model County were aware that they are currently eligible for State CDBG funds. One of the jurisdictions in Model County indicated that they were not aware if they were currently eligible for State HOME funds. Similarly, the 165 jurisdictions were more aware of CDBG eligibility (87%) than HOME eligibility (80%).⁷⁷
2. Jurisdictions were less likely to consider applying for HOME funding. All of the jurisdictions in Model County considered applying for State CDBG funds during the last five years (2005-2010). Similarly, most of the 165 jurisdictions considered applying for the CDBG (78%).⁷⁸ Two out of the three jurisdictions in Model County considered applying for State HOME funds during the last five years. During the past five years, most of the 165 jurisdictions considered applying for HOME program funding (60%).⁷⁹ Fewer jurisdictions apply for HOME funding than CDBG funding, since the HOME program is for housing development and rehabilitation which is considered more complicated and staff-intensive.
3. The top selected reasons which prevented jurisdictions in the Model County from applying for State CDBG funds were: Not Applicable (2 jurisdictions) and Other (1 jurisdictions). For all jurisdictions, the three of the most selected reasons which prevented jurisdictions from applying for State CDBG funds were: Not Applicable (43%), Not enough staff to prepare application (26%), and Not enough staff to manage program (25%).⁸⁰ Most likely, jurisdictions selected Not Applicable because

⁷⁶ A total of 144 jurisdictions responded to this question.

⁷⁷ A total of 144 jurisdictions responded to this CDBG question and 141 responded to this HOME question.

⁷⁸ A total of 135 jurisdictions responded to this CDBG question.

⁷⁹ A total of 134 responded to this HOME question.

⁸⁰ A total of 121 jurisdictions responded to this question of which more than one answer may be selected.

they had applied for funding. The Model County jurisdiction that selected “other” as the reason for not applying for CDBG stated that they were “oversubscribed.” For all jurisdictions, staffing is the primary reason for not applying for CDBG.

4. The most selected reasons which prevented jurisdictions from applying for State HOME funds were: Not Applicable (2), Program requirements confusing or difficult (1), and It is too difficult to use HOME funds with other funds (1). For the State HOME program, the most selected reasons which prevented the 165 jurisdictions from applying for funds were: (1) Not Applicable (36%), (2) Not enough staff to manage program (20%), and (3) Not enough staff to prepare application (18%) and Unfamiliar with program (18%).⁸¹ Most likely, jurisdictions selected Not Applicable because they had applied for funding. The responses by both the Model County and the rest of the jurisdictions indicate that jurisdictions find the HOME program confusing and difficult to manage. Some jurisdictions were unfamiliar with the program which may indicate a need for additional outreach and training regarding the HOME program.

Affordable Housing Programs

City A and City B indicated that they were currently funding a few affordable housing programs. The unincorporated areas of Model County were not funding any affordable housing activities. Model County and the overall jurisdictions are both currently funding similar affordable housing activities with the exception of mortgage assistance programs. Although no jurisdictions in Model County are funding mortgage assistance programs, two jurisdictions in the county indicated an interest in funding the program in the future.

The top activities currently funded in City A and City B were:

1. Homeowner rehabilitation programs (2)
2. Infrastructure improvement (2)
3. Rental new construction (1).

For the 165 jurisdictions as whole, the top three currently funded programs were:

1. Homeowner rehabilitation (79)
2. Mortgage assistance (62)
3. Infrastructure improvement (32)⁸²

⁸¹ A total of 126 jurisdictions responded to this question of which more than one answer may be selected.

⁸² A total of 135 jurisdictions responded to this question of which more than one answer may be selected.

Economic Development Activities

A smaller portion of all 165 jurisdictions funded economic development activities. For those who were funding economic development activities, most are funding both small business development and assistance. Regarding economic development activities, one jurisdiction in Model County was funding: small business development (1) and small business assistance (1). Amongst the jurisdictions, 34% (43) were currently funding small business development (e.g. microenterprise development)⁸³ and 38% (49) were currently funding small business assistance (assistance to existing businesses)⁸⁴.

Fair Housing Impediments

Out of the 16 fair housing impediments, no impediment was indicated as “**Very severe**” in Model County. It is unusual to have no impediments that are considered “Very severe” when there are also fair housing practices that have never been implemented. City A and City B selected inadequate access to employment opportunities (2) and inadequate transportation (1) as “Somewhat Severe.” These two fair housing impediments were also in the 165 jurisdictions’ top two most common “Very Severe” impediments.

For the 165 jurisdictions⁸⁵, impediments that were most commonly identified as “**Very severe**” included:

1. Inadequate access to employment opportunities (20),
2. Insufficient information and marketing about housing availability (2) and Inadequate access to transportation (2) and,
3. Language barriers for persons with limited English proficiency (1), Discrimination against Section 8 / Housing Choice Voucher Program participants (1), Lack of knowledge or understanding regarding fair housing (1), Inadequate access to technology (e.g. telephone, internet, etc.) (1), and Inadequate access to public and social services (1).

Local Impediments

According to Model County’s survey, no local impediments (out of the nine options) were indicated as “**Very severe.**” As stated above, it is unusual to have no impediments that are considered “Very severe” when there are also fair housing practices that have never been implemented. Both City A and City B selected NIMBYism (Not In My Backyard) / Neighborhood opposition to affordable housing (2) and Insufficient information and marketing about housing availability (2) as “Not Very Severe.” NIMBYism was the most common “Very Severe” impediment for the 165 jurisdictions⁸⁶.

⁸³ A total of 128 jurisdictions responded to this question.

⁸⁴ A total of 130 jurisdictions responded to this question.

⁸⁵ Jurisdictions who responded to each question varied and ranged from a total of 123-127 jurisdictions.

⁸⁶ Jurisdictions who responded to each question varied and ranged from a total of 123-127 jurisdictions.

Local impediments that were most commonly identified by the 165 jurisdictions as “**Very severe**” included:

1. NIMBYism (Not In My Backyard) / Neighborhood opposition to affordable housing (9), and
2. Current mechanisms for identifying discrimination are predominantly reactive rather than proactive (1), Inadequate representation of diverse interests (e.g. racial, ethnic, religious, and disabled segments on housing advisory boards, commissions, and committees) (1), Local land use controls and zoning prohibiting higher density, multifamily housing (1), Development standards, building codes, or permits inhibit the development of affordable housing (1), and Environmental contamination or health hazards (e.g. lead-based paint or mold) limits the availability of land or readily-usable existing housing stock (1).

Economic Impediments

The unincorporated areas of Model County indicated these 4 out of 8 economic impediments as “**Very severe**”: Inability to secure enough public subsidies to develop affordable housing (1), High costs of construction (1), High cost of land suitable for affordable housing development (1), and Shortage of mortgage financing available to low-income households (1). These impediments were also the most commonly indicated “Very severe” economic impediments identified by the 165 jurisdictions⁸⁷. Therefore, the unincorporated areas of Model County are experiencing the same economic impediments as the rest the 165 jurisdictions.

Economic impediments that were most commonly identified by the 165 jurisdictions as “**Very severe**” included:

1. Inability to secure enough public subsidies to develop affordable housing (28), and High costs of construction (28),
2. High cost of land suitable for affordable housing development (23), and
3. Shortage of mortgage financing available to low-income households (22).

Lack of funding and the high costs of development are the major economic impediments to fair housing.

Fair Housing Enforcement Practices

Only City A in Model County indicated one fair housing enforcement practice (out of 18 options) that was implemented **weekly**: Coordinating between enforcement agencies (e.g. building inspectors, law enforcement, legal department, etc.). This was also the most common enforcement practice for all other jurisdictions.

⁸⁷ Jurisdictions who responded to each question varied and ranged from a total of 111-118 jurisdictions.

Amongst the 165 jurisdictions⁸⁸, the top three most common enforcement practices implemented **weekly** were:

1. Coordinating between enforcement agencies (e.g. building inspectors, law enforcement, legal department, etc.) (28),
2. Assessing development standards, building codes, and permits (10), and
3. Assessing land use controls and zoning laws (8).

The fair housing enforcement practices **never** implemented by City A and City B are similar to those never implemented by all 165 jurisdictions.

Practices **never** implemented in the Model County:

1. Identifying cost-effective affordable housing construction companies and builders (2 jurisdictions responded)
2. Collecting and analyzing fair housing data, assessing development standards, building codes, and permits, adopting a formal process for persons with disabilities to request reasonable accommodation, developing housing for large households (e.g. various units sizes), increasing housing choice for Section 8/Housing Choice Voucher Program participants (e.g. quality, siting, participation, etc.), siting affordable housing near access to transportation, siting affordable housing near access to public and social services, siting affordable housing near access to employment opportunities, identifying affordable housing developers and assist to increase their capacity, assessing property insurance and tax policies. (Any one of the three jurisdictions in the county indicated these responses.)

The unincorporated areas of Model County were implementing enforcement practices regularly. However, the most common response by the incorporated areas was implementing “Annually” which is infrequent.

Top three enforcement practices **never** implemented by 165 jurisdictions:

1. Increasing housing choice for Section 8 / Housing Choice Voucher Program participants (e.g. quality, setting, participation, etc.) (59),
2. Assessing property insurance and tax policies (57), and
3. Developing housing for large households (e.g. various unit sizes) (49).

Outreach Practices

City A and City B did not select any outreach practices (out of 9 options) that they were implementing weekly. The unincorporated areas of Model County selected five outreach practices that they were implementing **weekly**:

1. Market available housing throughout the community via internet in multiple languages (1),

⁸⁸ Jurisdictions who responded to each question varied and ranged from a total of 99-113 jurisdictions.

2. Market available housing throughout the community at in-person meetings at convenient, accessible locations and times (1),
3. Partner with nonprofit organizations assisting protected groups (e.g. racial minorities, disabled, elderly, etc.) for outreach (1),
4. Education, training, and counseling for tenants and prospective homebuyers (1),
5. Education and training for the public/community at-large (1).

Two of these outreach practices were the same ones selected by the 165 jurisdictions⁸⁹ as their most common outreach practices.

The three most common outreach practices implemented **weekly** by the 165 jurisdictions were:

1. Education, training, and counseling for tenants and prospective homebuyers (10),
2. Market available housing throughout the community via internet in multiple languages (5), and
3. Market available housing throughout the community via ethnic newspapers (4) and Market available housing throughout the community at in-person meetings at convenient, accessible locations and times (4).

The outreach practices **never** implemented by City A and City B are similar to those never implemented by all jurisdictions: Outreach practices that were **never** implemented by City A and City B:

1. Market available housing throughout the community via ethnic newspapers (2 jurisdictions responded)
2. Market available housing throughout the community via internet in multiple languages (2 jurisdictions responded)
3. Partner with nonprofit organizations assisting protected groups (e.g. racial minorities, disabled, elderly,) for outreach; education, training, counseling for tenants and prospective homebuyers; fair housing education and training for landlords, real estate and mortgage industry professionals, and community at-large). (Any one of the three jurisdictions in the county indicated these responses.)

The unincorporated areas of Model County were implementing outreach practices regularly, either “Weekly” or “Annually.”

The 165 jurisdictions’ top three outreach practices that were **never** implemented included:

1. Market available housing throughout the community via ethnic newspapers (74), and Education and training for landlords (e.g. on fair housing marketing/advertising, tenant selection, reasonable accommodation, etc.) (74),
2. Market available housing throughout the community via internet in multiple languages (72)

⁸⁹ The total number of jurisdictions who responded varied by each question and ranged from 105-110 jurisdictions.

3. Education and technical training for real estate and mortgage industry professionals
(67)

Refer to the Technical Appendix to view all of the survey response options and responses selected by Model County.

Figure 14-53 Survey Responses Indicating Severe Impediments and Infrequent Practices⁹⁰

Survey Part 1

Survey Questions	All Survey Respondents	City A	City B	Unincorporated Areas of Model County
Jurisdiction Type				
City	77%	Yes	Yes	No
County	23%	No	No	Yes
Aware of Program Eligibility				
CDBG	87%	Yes	Yes	Yes
HOME	80%	Yes	Yes	No
Considered Applying for Program				
CDBG	78%	Yes	Yes	Yes
HOME	60%	Yes	No	Yes
Most Common Reason for Not Applying for CDBG				
1st most common reason	Not Applicable (43%)	Other	Not Applicable	Not Applicable
2nd most common reason	Not enough staff to manage the program (26%)			
3rd most common reason	Not enough staff to prepare the application (25%)			
Most Common Reason for Not Applying for HOME				
1st most common reason	Not Applicable (36%)	Not Applicable	Program requirements confusing or difficult	Not Applicable
2nd most common reason	Not enough staff to manage the program (20%)		Too difficult to use HOME funds with other funds	
3rd most common reason	Not enough staff to prepare application (18%) and Unfamiliar with Program (18%)			
Funding Affordable Housing Activities				
Mortgage assistance	Currently Funding (62 jurisdictions)			
Homeowner new construction	Currently Funding (9 jurisdictions)			
Homeowner rehabilitation programs	Currently Funding (79 jurisdictions)	Currently Funding	Currently Funding	
Rental new construction	Currently Funding (25 jurisdictions)	Currently Funding		
Rental rehabilitation	Currently Funding (24 jurisdictions)			
Infrastructure improvement	Currently Funding (32 jurisdictions)	Currently Funding	Currently Funding	
Funding Economic Development Activities				
Small Business Development	Currently Funding (43 jurisdictions)			Currently Funding
Small Business Assistance	Currently Funding (49 jurisdictions)			Currently Funding

Source: 2011 State of California Fair Housing Survey

⁹⁰ Top 1, 2, and 3 refer to the most common responses selected for Severe Impediments (which combines Very Severe and Somewhat Severe) and Infrequent Practices (which combines Never and Annually).

Impediments

Impediments	All Survey Respondents	City A	City B	Unincorporated Areas of Model County
Impediments (16 total)				
1. Discrimination against households due to racial or ethnic background		Not an Impediment	Not an Impediment	Not an Impediment
2. Discrimination against households due to national origin		Not an Impediment	Not an Impediment	Not an Impediment
3. Language barriers for persons with limited English proficiency	Top 3	Not an Impediment	Not an Impediment	Not an Impediment
4. Discrimination against households due to religion		Not an Impediment	Not an Impediment	Not an Impediment
5. Discrimination against households due to gender		Not an Impediment	Not an Impediment	Not an Impediment
6. Discrimination against households due to familial status		Not an Impediment	Not an Impediment	Not an Impediment
7. Discrimination against families with children		Not an Impediment	Not an Impediment	Not an Impediment
8. Discrimination against persons with disability		Not an Impediment	Not an Impediment	Not an Impediment
9. Discrimination against elderly persons		Not an Impediment	Not an Impediment	Not an Impediment
10. Discrimination of Section 8/Housing Choice Voucher Program participants		Not an Impediment	Not an Impediment	Not an Impediment
11. Lack of knowledge or understanding regarding fair housing		Not Very Severe	Not Very Severe	Not Very Severe
12. Insufficient information and marketing about housing availability		Not Very Severe	Not Very Severe	Not Very Severe
13. Inadequate access to technology (e.g. telephone, internet, etc.)		Not an Impediment	Not an Impediment	Not an Impediment
14. Inadequate access to transportation	Top 2	Somewhat Severe	Not Very Severe	Not Very Severe
15. Inadequate access to public and social services		Not Very Severe	Not an Impediment	Not an Impediment
16. Inadequate access to employment opportunities	Top 1	Somewhat Severe	Somewhat Severe	Not Very Severe
Local Impediments (9 total)				
1. The lack of comprehensive fair housing planning		Not an Impediment	Not an Impediment	Not an Impediment
2. Current mechanisms for identifying discrimination are predominately reactive rather than proactive	Top 3	Not an Impediment	Not an Impediment	Not Very Severe
3. Insufficient monitoring and oversight of fair housing activities		Not an Impediment	Not an Impediment	Not an Impediment
4. Inadequate enforcement of fair housing laws		Not an Impediment	Not an Impediment	Not an Impediment
5. Inadequate representation of diverse interests (e.g. racial, ethnic, religious and disabled segments) on housing advisory boards, commissions, and committees)	Top 3	Not an Impediment	Not an Impediment	Not an Impediment
6. NIMBYism (Not in My Backyard)/neighborhood opposition to affordable housing	Top 1	Not an Impediment	Not Very Severe	Not Very Severe
7. Local land use controls and zoning prohibiting higher density, multifamily housing		Not an Impediment	Not Very Severe	Not Very Severe
8. Development standards, building codes, or permits inhibit the development of affordable housing	Top 2	Not an Impediment	Not an Impediment	Not Very Severe
9. Environmental contamination or health hazards (e.g. lead-based paint or mold) limits the availability of land or readily-usable existing housing stock		Not an Impediment	Not an Impediment	Not Very Severe
Economic Impediments (8 total)				
1. Inability to secure enough public subsidies to develop affordable housing	Top 2	Left Blank	Not Very Severe	Very Severe
2. Activities causing housing displacement (e.g. revitalization of neighborhoods, property tax increases, demolition, etc.)		Left Blank	Not an Impediment	Somewhat Severe
3. Developers with capacity to develop affordable housing is needed		Left Blank	Somewhat Severe	Somewhat Severe
4. High costs of construction	Top 1	Left Blank	Not Very Severe	Very Severe
5. High cost of land suitable for affordable housing development		Left Blank	Not Very Severe	Very Severe
6. Unethical real estate processes (e.g. steering, blockbusting, etc.)		Left Blank	Not an Impediment	Not an Impediment
7. Shortage of mortgage financing available to low-income households	Top 3	Left Blank	Somewhat Severe	Very Severe
8. Unfair lending practices (e.g. excessive promotion of subprime mortgages or predatory lending)		Left Blank	Not an Impediment	Not an Impediment

Source: 2011 State of California Fair Housing Survey

Practices

Practices	All Survey Respondents	City A	City B	Unincorporated Areas of Model County
Enforcement Practices (18 total)				
1. Coordinating between local and regional housing agencies (e.g. housing authorities, local housing departments, and nonprofit organizations, etc.)		Quarterly	Annually	Monthly
2. Coordinating between enforcement agencies (e.g. building inspectors, law enforcement, legal department, etc.)		Weekly	Monthly	Monthly
3. Collecting and analyzing fair housing data		Left Blank	Never	Annually
4. Assessing land use controls and zoning laws		Biannually	Annually	Annually
5. Assessing development standards, building codes, and permits		Left Blank	Never	Annually
6. Adopting a formal process for persons with disabilities to request reasonable accommodation		Left Blank	Never	Biannually
7. Adopting Universal Design elements into the local building code		Left Blank	Annually	Annually
8. Identifying suitable land sites for affordable housing development		Left Blank	Annually	Annually
9. Developing housing for large households (e.g. various units sizes)		Left Blank	Never	Annually
10. Increasing housing choice for Section 8/Housing Choice Voucher Program participants (e.g. quality, siting, participation, etc.)		Left Blank	Never	Annually
11. Siting affordable housing near access to transportation	Top 3	Left Blank	Never	Annually
12. Siting affordable housing near access to public and social services	Top 2	Left Blank	Never	Annually
13. Siting affordable housing near access to employment opportunities		Left Blank	Never	Annually
14. Allocating local funds for affordable housing		Left Blank	Annually	Biannually
15. Applying for other sources of funding for affordable housing (e.g. state, federal, or private sector)	Top 3	Biannually	Annually	Biannually
16. Identifying affordable housing developers and assist to increase their capacity		Never	Left Blank	Annually
17. Identifying cost-effective affordable housing construction companies and builders		Never	Never	Quarterly
18. Assessing property insurance and tax policies	Top 1	Left Blank	Never	Annually
Outreach Practices (9 total)				
1. Market available housing throughout the community via ethnic newspapers	Top 3	Never	Never	Annually
2. Market available housing throughout the community via internet in multiple languages		Never	Never	Weekly
3. Market available housing throughout the community at in-person meetings at convenient, accessible locations and times		Left Blank	Annually	Weekly
4. Market available housing using techniques to assist the disabled (e.g. visually-impaired, hearing-impaired, physically disabled, etc.)		Left Blank	Annually	Annually
5. Partner with nonprofit organizations assisting protected groups (e.g. racial minorities, disabled, elderly, etc.) for outreach		Left Blank	Never	Weekly
6. Education, training, and counseling for tenants and prospective homebuyers		Left Blank	Never	Weekly
7. Education and training for landlords (e.g. on fair housing marketing/advertising, tenant selection, reasonable accommodation, etc.)	Top 2	Left Blank	Never	Annually
8. Education and technical training for real estate and mortgage industry professionals	Top 1	Left Blank	Never	Annually
9. Education and training for the public/community at-large		Left Blank	Never	Weekly

Source: 2011 State of California Fair Housing Survey

Conclusions and Next Steps

Key Indices of Potential Fair Housing Impediments

Based on some of the issues analyzed for the Model County, the following are indices that could be used to evaluate the presence of fair housing impediments in a jurisdiction. Such an evaluation would necessitate consideration of multiple indices and is not intended to imply that one indicator individually would be appropriate, or that a standard benchmark of acceptability exists for each indicator. Note also: not all of the items detailed below have been identified as potential impediments to furthering fair housing within the Model County jurisdictions, but have been included here to provide a comprehensive listing of factors for consideration and discussion.

1. When compared to the Statewide average, the locality has higher rates of minorities or other protected classes.
2. When compared to the Statewide average, the locality has a lower median income.
3. When compared to the Statewide average, the locality has a higher rate of families in poverty.
4. When compared to Non-Hispanic Whites, minorities are more likely to live in Census Tracts where they are over-represented by more than 10% compared to their representation in the County as a whole.
5. When compared to very-low income Non-Hispanic Whites, very-low income minorities are more likely to live in Census Tracts where they are over-represented by more than 10% compared to their representation in the County as a whole. When compared to Non-Hispanic Whites, minorities are more likely to live in Census Tracts where very-low income families are over-represented by 10% or more compared to their representation in the County as a whole.
6. Housing Choice Voucher recipients in the locality are more likely to be minorities, and more likely to live in areas of minority concentration.
7. When compared to other localities in the region, a locality has a lower rate of application and award for federal, state, or local affordable housing funds, either for rental or homeownership activities.

8. The locality has a disproportionately low rate of service to minorities with its CDBG, HOME, or Housing Choice Voucher funds compared to the estimated percentage of income-eligible minorities in the jurisdiction as a whole. Note: Census data income and race limitations currently make this difficult to evaluate on a jurisdictional level.
9. The locality has a disproportionately low rate of service to households with children with its CDBG or HOME funds compared to the estimated percentage of income-eligible households with children in the jurisdiction as a whole. Note: Census income and household data limitations currently may make this difficult to evaluate on a jurisdictional level.
10. When compared to Non-Hispanic Whites in the locality, minorities have less access to homeownership opportunities as measured by loan application, approval, and denial rates.
11. When compared to Non-Hispanic Whites in the locality, minority homeowners have a larger share of private lender subprime mortgages.
12. The locality has a residential rental vacancy rate of less than 5%
13. The locality has an uneven distribution of renters or homeowners (e.g. the majority of renters or homeowners reside in one area of the locality.)
14. The proportion of renters or homeowners in the locality paying more than 30% of their income for housing is higher than that of the county as a whole.
15. The percentage of low income renter households in the locality is proportionate to the percentage of low income rental units.
16. When compared to non-Hispanic Whites in the locality, minorities have significantly less access to job rich areas, public transit, public health facilities, and high performing elementary or high schools. (See Model County Analysis for examples of specific measures that may be used to evaluate of these factors.)
17. When compared to Non-Hispanic Whites in the locality, minorities are more likely to reside in areas where water quality tests show health code violations, or where there is no potable water.

18. Local government officials are not aware of problems of discrimination in the locality.
19. The locality has very few self-identified local impediments to fair housing.
20. The locality does not regularly implement fair housing education or enforcement practices.
21. The locality has a history of non-compliance with State Housing Element law over two or more statutory update cycles.
22. A source of clear direction and support in filing fair housing complaints is not available in the locality.
23. Housing discrimination complaint rates in the locality are greater than the statewide or regional average.
24. The rate of reported hate crime offenses in the locality is greater than the statewide or regional average.

Next Steps

Given the amount of time required to complete this Model County analysis, HCD is proposing in its recommendations to address identified impediments (see Executive Summary, Table Exec-2, Implementation items 10-2 and 10-3) to establish a working group to further study the model county analysis and develop ~~criteria to incorporate~~ relevant information and criteria into ongoing education and technical assistance to local governments and consideration of ~~criteria~~ in rating and ranking in federal programs and future AI updates as appropriate. HCD will use the analyses included in this Chapter as well as other factors not included herein due to resource or data constraints (i.e. zoning and land use) to develop a framework for discussion and next steps.

HCD sees the outcome of this working group primarily as the development of technical assistance and education materials or training to assist State CDBG-eligible jurisdictions in assessing potential impediments within their own jurisdictional boundaries or within their regions (as appropriate). HCD is not proposing to undertake similar analyses of this scope in the future, nor does the Department consider individual jurisdictional analysis appropriate for a State AI.