



**ANALYSIS OF IMPEDIMENTS
TO FAIR HOUSING CHOICE (AI)**

FINANCIAL & MANAGEMENT SERVICES DEPT.

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**CITY OF MORENO VALLEY
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE
AND
FAIR HOUSING ACTION PLAN**

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SECTION I INTRODUCTION



SECTION I: INTRODUCTION

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A. FORMAT OF THE AI REPORT

The U.S. Department of Housing and Urban Development (HUD) has not issued regulations defining the scope of analysis and the format to be used by grantees when they prepare their *Analysis of Impediments to Fair Housing Choice* (AI). In 1996, HUD published a *Fair Housing Planning Guide* which includes a "Suggested AI Format." For two reasons, the organization of Moreno Valley's AI report generally conforms to the format suggested by HUD. First, the 1996 *Fair Housing Planning Guide* remains the only official guidance provided by HUD to grantees on how to prepare and present an AI. Second, the U.S. Government Accountability Office relied on the suggested format in its review of 441 AIs. Table I-1 shows the AI format used by the GAO in its review of grantee AIs.

Table I-1
HUD Suggested AI Format

Suggested Element	Description
Introduction and executive summary of the analysis	Explains who conducted the AI and identifies the participants and methodology used, funding source, and summaries of impediments found and actions to address them.
Jurisdictional background data	Includes demographic, income, employment, housing profile, maps, and other relevant data.
Evaluation of jurisdiction's current fair housing legal status	Discusses fair housing complaints and compliance reviews that have resulted in a charge or finding of discrimination, fair housing discrimination suits filed by the Department of Justice or private plaintiffs, the reasons for any trends or patterns in complaints and enforcement, and other fair housing concerns.
Identification of impediments to fair housing choice	Identifies impediments to fair housing.
Conclusions and recommendations for overcoming impediments	Summarizes any impediments identified in the analysis and presents recommendations to overcome identified impediments.
Time frames for implementing actions to overcome impediments ¹	Sets out the time frame for completing each action or set of actions to serve as milestones toward achieving the actions.
Signature page	Includes the signature of a chief elected official, such as a mayor.

¹Please note that the GAO stated that while the suggested AI format does not include time frames for implementing recommendations to address identified impediments, time frames are discussed elsewhere in the *Fair Housing Planning Guide* as a component of fair housing planning.

Source: United States Government Accountability Office, *Housing and Community Grants: HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans*, September 2010, 48 pages

The Moreno Valley AI contains seven sections and one appendix:

Section I Introduction: The Introduction presents the AI report format; Moreno Valley's regional setting; purpose of the report; fair housing definition; and report preparation participants.

Section II 2018-2023 Fair Housing Action Plan: This Section describes the public participation and consultation efforts; progress on implementing the 2013-2018 AI; and describes the conclusions and recommendations resulting from the AI analysis. It identifies public and private sector impediments to fair housing choice and the actions which will be implemented during the FY 2018-2019 to FY 2022-2023 time period.

Section III Evaluation of Moreno Valley's Current Fair Housing Legal Status: Section III discusses fair housing complaints and compliance reviews and other information pertaining to Moreno Valley's fair housing legal status.

Section IV Description of Fair Housing Programs/Actions: This Section describes current programs and actions that promote fair housing. It also describes programs and actions supported by the City as well as those implemented by the private sector.

Section V Fair Housing Community Profile: Section V presents population, household and other demographic data concerning the characteristics of the fair housing protected groups such as disabled people and families with children.

Section VI Identification of Public Sector Impediments to Fair Housing Choice: This Section presents information on General Plan and Housing Element policies; public services; and the Planning and Zoning Code policies and practices that impact fair housing.

Section VII Identification of Private Sector Impediments to Fair Housing Choice: Section VII presents an analysis of practices prohibited by the Fair Housing Act and identifies which ones pose impediments to fair housing choice in Moreno Valley.

Appendix A: Lists the data sources consulted during the course of completing the AI.

B. MORENO VALLEY'S REGIONAL SETTING

1. Regional Location

Moreno Valley is characterized by a beautiful valley bounded by mountains and hills on three sides. The city limits are bounded on the north by the Box Springs Mountains. The gullied hills of the Badlands lie to the east. The mountains of the Lake Perris Recreation Area, the floodplain of Mystic Lake and the San Jacinto Wildlife Area and level terrain in the City of Perris are located to the south. Gently sloping terrain lies west of the city limits within March Air Reserve Base, the City of Riverside and the County of Riverside.

Moreno Valley is located approximately 52 miles east of downtown Los Angeles and 42 miles west of Palm Springs. The City is located near the eastern edge of the Los Angeles metropolitan area. Moreno Valley is situated along two major freeways. The Moreno Valley Freeway (State Route 60) connects directly to downtown Los Angeles and the regional freeway system. State Route 60 connects to Orange County via the Riverside Freeway (State Route 91). To the east, State Route 60 connects with Interstate 10, running to Palm Springs, Phoenix, and beyond.

Interstate 215 runs by the westerly city limits, and is an important north-south link from San Diego through western Riverside and San Bernardino counties and beyond.

The Pass, or more specifically the San Gorgonio Pass Area, provides a passage between Moreno Valley and the desert areas to the east located in Coachella Valley. The Pass is a distinctive geographical area between the Coachella, San Jacinto, and Moreno Valley's. The Pass derives its name from its location: the narrow gap between two of southern California's most spectacular mountain ranges - the San Bernardino and San Jacinto Mountains. These two ranges are accented by the distinctive San Gorgonio Mountain on the north, reaching to an elevation of 11,485 feet, and the southerly Mount San Jacinto, at a height of 10,831 feet.

2. Neighboring Land Uses

The Riverside County Waste Resources Management District owns and operates the Badlands Sanitary Landfill at the eastern end of Ironwood Avenue. Riverside County Parks and Open Space District maintains a natural open space area in the hills around the landfill.

The San Jacinto Wildlife Area is located southeast of the City. It was created by the State of California as mitigation for loss of wildlife habitat resulting from construction of the State Water Project. Additional habitat area continued to be added to encompass adjacent wetlands and to provide a corridor to the Badlands. It contains open grasslands and natural and man-made wetlands that attract and support migratory birds and resident wildlife. Bird watching is a popular activity in the area as it is a major stop on the Pacific flyway.

Part of the San Jacinto Wildlife Area is within the historic floodplain of the San Jacinto River and is subject to periodic flooding. The resulting floodwater, known as Mystic Lake, has been known to inundate the area for months or years at a time.

The Lake Perris Recreation Area, operated by the California Department of Parks and Recreation, is situated along the southern boundary of the City. Visitors to the park enjoy boating, fishing, picnicking and camping. Riverside County operates Box Springs Mountain Park along the northwest city boundary. It is a passive park suited to hiking and horseback riding.

March Air Reserve Base, located southwest of the city limits, was once an active duty aerial refueling and deployment base. With over 9,000 military and civilian employees, the base played a major role in the local economy. The base was realigned from active duty to reserve status on April 1, 1996, creating March Air Reserve Base. It is home to the 452nd Air Mobility Wing. In addition, the Base is used by the 4th Air Force, 163rd California Air National Guard and 120th Montana Air National Guard Fighter Wing.

Parts of the former active duty base not needed for the military mission were transferred to other agencies, including the March Joint Powers Authority (JPA). The March JPA was created in 1993 through a Joint Powers Agreement between the cities of Moreno Valley, Perris and Riverside and the County of Riverside. The March JPA has land use jurisdiction over military surplus property, including the March Inland Port. The March Inland Port is a joint-use military and civilian airport. The civilian aviation emphasis is on air cargo.

C. AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) CERTIFICATION

An Affirmatively Furthering Fair Housing (AFFH) certification is required of communities that administer the following U.S. Department of Housing and Urban Development (HUD) Community Planning and Development (CPD) programs:

- Community Development Block Grants (CDBG)
- Home Investments Partnership Program (HOME)
- Emergency Solutions Grants (ESG)
- Housing Opportunities for People with AIDS Program (HOPWA)

The AFFH certification states that the community receiving HUD funds:

“...will affirmatively further fair housing ... by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through the analysis, and maintaining records reflecting the analysis and actions in this regard.”

The City of Moreno Valley annually receives CDBG and HOME funds. The AFFH certification is one of several certifications that are included in the City’s Consolidated Plan and Annual Action Plans, which are submitted to HUD for approval prior to receipt of the CDBG and HOME funds.

HUD interprets the board objectives of the AFFH obligation to mean:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons.
- Provide opportunities for inclusive patterns of occupancy regardless of race, color, religion, sex, familial status, disability and national origin.
- Promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The first requirement of the AFFH certification is satisfied by the following:

- Conducting an analysis of impediments to fair housing choice. This is commonly called the *AI*.
- Identify appropriate actions to overcome the effects of identified impediments. This is accomplished through preparation of a *fair housing action plan*.

It is the responsibility of the City to “take” the actions identified in the fair housing action plan and to “maintain records on the actions taken”.

HUD’s Consolidated Plan Review Guidance (i.e., Checklist) explains that the following guidance should be used by HUD Community Planning and Development (CPD) representatives to determine if the Certification is *not* satisfactory:

- Disregard of regulatory requirements to conduct an analysis of impediments to fair housing choice, take appropriate actions to address identified impediments, or maintain adequate records on the steps taken to affirmatively further fair housing in the jurisdiction.

- Lack of action taken on outstanding findings regarding performance under affirmatively furthering fair housing certification requirements of the Consolidated Plan or the Community Development Block Grant Program.

More specifically, HUD has issued the following guidance:

HUD can require the submission of an AI in the event of a complaint or as part of routine monitoring. If, after reviewing all documents and data, HUD concludes that

- (1) the jurisdiction does not have an AI;
- (2) an AI was substantially incomplete;
- (3) no actions were taken to address identified impediments;
- (4) the actions taken to address identified impediments were plainly inappropriate; or
- (5) the jurisdiction has no records

the Department would notify the jurisdiction that it believes the certification to be inaccurate, or, in the case of certifications applicable to the CDBG program, the certification is not satisfactory to the Secretary.

Source: Memorandum from Nelson R. Bregon, General Deputy Assistant Secretary for Community Planning and Development to CPD Office Directors, FHEO HUB Directors, FHEO Program Center Directors and FHEO Equal Opportunity Specialists, September 2, 2004, page 2

HUD also has stated:

Rejection of the certification provides the basis for HUD to disapprove the jurisdiction's Consolidated Plan.

Source: U.S. Department of Housing and Urban Development, Office of Community Planning and Development, *Fair Housing for HOME Participants*, May 2005, page 1

The way HUD determines compliance with the AFFH Certification is through a review of the City's Consolidated Annual Performance and Evaluation Report (CAPER). In the CAPER, the City submits a narrative statement on actions taken to affirmatively further fair housing during the prior program year (July 1 to June 30).

HUD has issued the following guidance:

Once the jurisdiction completes the AI, it must report on its implementation by summarizing the impediments identified in the analysis and describing the actions taken to overcome the effects of the impediments identified through the analysis in its Consolidated Annual Performance and Evaluation Report (CAPER). Although AIs are not submitted or approved by HUD, each jurisdiction should maintain its AI and update the AI annually where necessary. Jurisdictions may also include actions the jurisdiction plans to take to overcome the effects of impediments to fair housing choice during the coming year in the Annual Plan that is submitted as part of the Consolidated Plan submission.

Source: Memorandum from Nelson R. Bregon, General Deputy Assistant Secretary for Community Planning and Development to CPD Office Directors, FHEO HUB Directors, FHEO Program Center Directors and FHEO Equal Opportunity Specialists, September 2, 2004, page 2

D. MEANING AND SCOPE OF FAIR HOUSING IMPEDIMENTS

What is an impediment? According to HUD, impediments are --

Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices. (Intent)

Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices because of race, color, religion, sex, disability, familial status, or national origin. (Effect)

A lack of affordable housing in and of itself, HUD has pointed out, is not an impediment to fair housing choice, unless it creates an impediment to housing choice *because* of membership in a protected class.

Impediments may exist due to one or more of the following:

- Saying or doing something openly discriminatory.
- Treating some people differently than others because of their protected class.
- A policy that on its face seems neutral, but has a disparate impact on members of a protected class.

There are two types of impediments - private and public impediments. The nature and scope of private sector impediments are essentially actions or practices that are prohibited by the following fair housing laws:

- 1968 Federal Fair Housing Act
- 1988 Federal Fair Housing Act
- 1974 Federal Equal Credit Opportunity Act
- 1959 State Unruh Civil Rights Act
- 1977 Housing Financial Discrimination Act
- 1980 State Fair Employment and Housing Act

These laws prohibit housing discrimination, discriminatory advertising, blockbusting, steering, denial of reasonable accommodations, redlining, and other unlawful discriminatory practices.

California's Fair Employment and Housing Act state it is unlawful:

To discriminate through *public* or private *land use practices, decisions, and authorizations* because of race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income, or ancestry. Discrimination includes, but is not limited to, restrictive covenants, *zoning laws, denials of use permits, and other actions authorized under the Planning and Zoning Law* (Title 7 (commencing with Section 65000)), that make housing opportunities unavailable. [Emphasis added]

Examples of public sector impediments include a definition of "family" inconsistent with fair housing laws, conditional use permit requirements for housing for the disabled, and the lack of a reasonable accommodation procedure.

E. PARTICIPANTS IN THE AI

The lead agency for preparation of the *AI* and *Fair Housing Action Plan* is the Financial & Management Services Department. Valuable input to the AI/FHAP was provided by:

- Planning Department
- Community Development Department
- Economic Development Department
- Fair Housing Council of Riverside County, Inc. (FHCRC)

The Fair Housing Council will have the primary responsibility for addressing many of the private sector impediments. The City will amend its agreement with the Fair Housing Council in order to describe the actions to be accomplished by the Council.

The Planning Department will address many of the public sector impediments. Some of these impediments were identified in the City's *2014-2021 Housing Element of the General Plan*.

SECTION II FAIR HOUSING ACTION PLAN



SECTION II: FAIR HOUSING ACTION PLAN

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A. INTRODUCTION

Section II presents the 2018-2023 Fair Housing Action Plan (FHAP). Prior to describing the recommended actions to ameliorate or eliminate impediments to fair housing choice, information is provided on the public participation and consultation initiatives and the progress made on implementing the 2013-2018 FHAP.

B. PUBLIC PARTICIPATION AND CONSULTATION INITIATIVES

HUD advises entitlement jurisdictions to develop the AI and FHAP through a process similar to the development of the Consolidated Plan. More specifically, HUD recommends that:

Before developing actions to eliminate the effects of any impediments identified through the AI (fair housing actions), the jurisdiction should:

- Ensure that diverse groups in the community are provided a real opportunity to take part in the development process
- Create the structure for the design and implementation of the actions

Source: U. S. Department of Housing and Urban Development, *Fair Housing Planning Guide - Volume 1*, March 1996, pages 2-21 and 2-22

Key elements of the process through which the recommended implementation actions were developed included a public participation and consultation initiatives. These initiatives contributed to the development of both the January 2018 *Draft Assessment of Fair Housing* (AFH) and the *Draft AI*.

1. Availability of HUD-Provided Maps and Data

On the Financial Management & Services Department webpage, the City posted a link to the HUD-provided data and maps and to the AFFH Tool.

In addition, the Draft AFH included the HUD Maps, HUD Tables and the descriptions of the Access to Opportunity Indices. Data and analysis included in the Draft AFH was incorporated, when appropriate, into the Draft AI.

2. AFH Public Hearings

a. August 15, 2017

The City Council held a public hearing on August 15, 2017 prior to the start of the 30-day public review period. The City Council was provided background information on the *Assessment of Fair Housing* and the community participation process. The public was provided an opportunity to ask questions or make comments regarding the nature and scope of the AFH.

b. September 19, 2017

The City Council will hold a second public hearing on September 19, 2017. At that meeting the City Council approved the AFH and authorizing its submittal to HUD.

3. Community Meetings

Two Community Meetings were held to discuss with the public fair housing issues and to share with the public the findings and recommendations of the *Draft Assessment of Fair Housing*. The HUD Maps and Data were made available to the public at the Community Meetings as well as the link to the maps and data and AFFH Tool. The Community Meetings were held on August 30, 2017 and September 12, 2017.

4. Other Planning Initiatives

The Draft AFH and Draft AI were prepared in light of other planning and public participation efforts undertaken in past few years. The planning initiatives included the *2013-2018 Consolidated Plan*, *2018-2023 Consolidated Plan*, *2014-2021 Housing Element* and the ADA Transition Plan. In addition, to spur economic growth the City is embarking on an update of the Economic Development Action Plan.

5. Use of Media Outlets

Public notices and other information on the Draft AFH and Draft AI were published in the Press Enterprise and the City's website.

6. Fair Housing Survey

A Fair Housing Survey was posted on the Financial Management & Services Department webpage. Among the questions included in the Survey were: whether the respondent has encountered housing discrimination; what type or form of discrimination; and knowledge of where to report housing discrimination. Almost 100 households responded to the Fair Housing Survey. Highlights of the results are listed below:

- Although most of the householders living in the City are owners, the vast majority (77%) of respondents were renters. However, renters are more frequently the victims of housing discrimination than owners.
- Almost 40% of the respondents were female householders with children. Nearly 25% of the respondents stated they were a male or female householder without children or another type of household.
- One of every three respondents stated that they or another household member had a disability. The types of disabilities included physical, mental and developmental.
- 10% of the respondents stated that had experienced housing discrimination while a resident of Moreno Valley. However, when asked specifically to indicate who discriminated against them, 20% listed someone. Thus, 10% to 20% of the respondents indicated they had experienced housing discrimination. The majority (53%) of these residents indicated that a landlord/property manager was the person who they believed discriminated against them.
- Just over a third (35%) believed that they were discriminated against because of their race. Almost 30% of the respondents stated that their children were the basis for the discrimination.

- Residents were asked to identify to what organization they would report that they were discriminated against. Two-thirds of the 41 persons who responded to this question correctly named the Fair Housing Council of Riverside County. Some of the respondents also name the U.S. Department of Housing and Urban Development (HUD).
- Respondents were asked to indicate their race: 37% listed “some other race,” 27% stated “White,” and 17% indicated “Black/African American.”
- 59% of the respondents stated they were of Hispanic, Latino or Spanish Origin.

7. Public Review and Availability of Copies

The public will be given a 30-day period to review the Draft AI. The 30-day comment period for the Draft AFH started on August 16, 2017 and ended on September 14, 2017.

Copies of the Draft AFH and Draft AI were made available at several locations for public review. These locations are: the Library, the Community Senior Center, City Hall, and the Conference and Recreation Center, along with the City’s public website. Documents remain at each of the designated locations for the entire required review and comment period. All final documents are available for public review at City Hall during normal business hours.

8. Input from Fair Housing Organizations

The FHCRC provided valuable input throughout the process of preparing the Draft AFH and Draft AI. The FHCRC prepared information on their accomplishments in ameliorating or eliminating private sector impediments described in the 2018-2023 AI; compiled housing discrimination statistics; edited narratives regarding fair housing enforcement, outreach and resources; and reviewed the Draft AFH and Draft AI.

9. List of Organizations Consulted During the Community Participation Process.

The list below identifies the organizations contacted during the course of preparing the Draft AFH and Draft AI. A brief description is given of the types of data, information and insights provided by the organizations.

Moreno Valley Unified School District: The District’s Strategic Plan was obtained and reviewed. A summary was included in the Draft AFH to supplement data obtained from the State Department of Education. In addition, the Attendance Boundary Maps were obtained and reviewed,

County of Riverside Housing Authority: Outreach efforts resulted in obtaining data on the number of Section 8 HCV holders by zip code; information on administrative policies such as residency preferences; Section 8 wait list; project based Section 8 projects in the pipeline; and maps identifying high opportunity neighborhoods.

Riverside University Health System - Public Health and Behavioral Health: The Mental Health Department provided information on Mental Health Services Act units in affordable housing developments. One of these developments is located in Moreno Valley. Needs assessment and service area planning data also was reviewed during the preparation of the fair housing documents.

County of Riverside Department of Public Social Services: DPSS provided information on the number of persons receiving safety net program services who live in a Moreno Valley by zip code.

Riverside County Office of Aging: The Office on Aging provided information on the *2016-2020 Area Plan* and an inventory of affordable housing developments located in Riverside County serving seniors and disabled persons.

Riverside County Continuum of Care (CofC): During the preparation of the Draft AFH and Draft AI, the CofC provided the City with the 2017 Homeless Count data.

Inland Regional Center: The Inland Regional Center stated that their adult clients need affordable housing because they have low incomes.

Southern California Association of Governments (SCAG): Information from SCAG was obtained on poverty, population projections, place of work, and job growth.

California Department of Development Disabilities: Statewide statistics were provided to the City including the living arrangements of children and adults with developmental disabilities.

California Department of Education: The Department was contacted to obtain data on enrollment levels by race and ethnicity as well as the State school rankings.

California Department of Fair Employment and Housing (DFEH): The DFEH transmitted to the City information on housing discrimination complaints filed with the state between 2010 and 2016. Information also was provided on the basis for the discrimination complaints and alleged acts.

California Department of Finance: The Department provided the City with population projections by race/ethnicity for Riverside County. Such projections are unavailable for the City, however.

California Department of Health: The Department's Health Facilities Consumer Information System was consulted for purposes of developing an inventory of Intermediate Care Facilities for Developmentally Disabled Persons and Congregate Living Health Facilities which are located in the City.

California Department of Social Services: Information was obtained from the Community Care Licensing Division on the number, capacity and location of Adult Residential Facilities and Residential Care Facilities for the Elderly which are located in the City.

California Environmental Protection Agency: In connection with the analysis of environmentally healthy neighborhoods, information was obtained on CalEnviroScreen 3.0. CalEnviroScreen is a screening methodology that can be used to help identify California communities that are disproportionately burdened by multiple sources of pollution.

California Tax Credit Allocation Committee: Information was obtained from TCAC on the Inland Empire Opportunity Mapping and on the Highest Resource and High Resource census tracts/neighborhoods.

State Independent Living Council (SILC): From SILC, needs assessment data was obtained on independent living services and needs by race and ethnicity.

C. FAIR HOUSING PROGRESS REPORT

Part C describes the progress made on implementing the actions recommended by the 2013-2018 AI. The recommended actions included both public and private sector impediments to fair housing choice.

1. Public Sector Impediments

- a. In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.

Section 9.02.320 of the Municipal Code - Reasonable Accommodations - contains the following definition:

“Disabled person” or “person with a disability” means an individual who has a physical or mental impairment that limits one or more of that person’s major life activities; anyone who is regarded as having such impairment; or anyone who has a record of having such impairment. Such impairment shall not include an individual’s current, illegal use of a controlled substance.

The City will request input from HUD-LA concerning whether the definition meets the letter and spirit of fair housing laws.

- b. The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.

According to the *2014-2021 Housing Element*:

Any existing single-family or multiple-family dwelling can be used as licensed transitional or supportive housing, without any city licensing or permits. In addition, boarding and rooming houses can be operated in the multiple-family residential zones, without a conditional use permit. Transitional and supportive housing will continue to be treated as residential uses pursuant to the requirements of SB2.

- c. The City will adopt a reasonable accommodation procedure.

Moreno Valley added reasonable accommodation procedures to Chapter 9.02 (Permits and Approvals) of the City’s Municipal Code in May 2013. It is the purpose of this section to provide reasonable accommodations in the City’s zoning and land use regulations, policies, and practices when needed to provide an individual with a disability an equal opportunity to use and enjoy a dwelling.

- d. The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013).

The *2013-2018 Consolidated Plan* discusses special needs in Section NA-10 Housing Needs Assessment and NA-45 Non-Homeless Special Needs Assessment. The Consolidated Plan also assigns a high priority level to special needs populations.

The *2014-2021 Housing Element* describes housing needs of special populations on pages 41-46. The special needs populations include: elderly, farmworkers, female householders, persons with disabilities, large families, and homeless persons. Housing goals, policies and action programs addressing the housing needs of special populations are described on pages 18-20.

- e. The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows:

Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3607(b)) and implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.

The *2018-2023 Fair Housing Action Plan* includes an action to add a senior housing definition to the Planning and Zoning Code.

2. Private Sector Impediments

- a. The City and Fair Housing Council of Riverside County, Inc. will continue to offer to its residents fair housing services.

Per its Agreement with the City, the FHCRC provided fair housing services to residents of Moreno Valley. During the past five years, the FHCRC processed an estimated 150 housing discrimination complaints.

- b. The City and Fair Housing Council of Riverside County, Inc. will arrange a meeting with IVAR's Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.

The FHCRC completed a Cultural Diversity Grant through the National Association of REALTORS (NAR) for the Inland Valleys Association of REALTORS (IVAR) members to attend the 2017 Housing Conference.

FHCRC also is a continuing credit training agency through the Bureau of Real Estate (BRE) effective January 2017.

- c. The Fair Housing Council - as part of its home buyer counseling services - will provide examples of how to detect "steering" during the home search process and how to detect "loan steering."

The FHCRC prepared a brochure on "What is Steering" (e.g., trying to assign a person to a certain floor or section of a building.) The brochure is available in English and Spanish.

The FHCRC also prepared a brochure on "Discrimination in Advertising" (e.g., advertising a preference for a certain group - Christians or seniors preferred.) The brochure is available in English and Spanish.

- d. The Fair Housing Council will offer information to renters attending workshops on how to detect steering behavior by resident property managers.

The FHCRC conducted several workshops in Moreno Valley on topics such as Fair Housing, Tenant and Landlord Issues, Steering, Fair Lending, and Predatory Lending/Scams.

- e. The City should prepare a Hate Crime Victims Resource Directory.

The City was unable to allocate the resources to prepare a Crime Victims Resource Directory. However based on hate crime statistics compiled for the past five years, such crimes are not an impediment to fair housing choice in Moreno Valley.

As described above, the City has been very successful in accomplishing the actions to ameliorate or eliminate public and private sector impediments to fair housing choice. Although certain amendments to the Zoning Code were not accomplished, they will be made in the future. It often is more effective to package a series of amendments such as those intended to implement the *A/* and incorporate them as part of a comprehensive Zoning Code update and revision.

D. SUMMARY OF THE ANALYSIS OF PUBLIC SECTOR IMPEDIMENTS AND FAIR HOUSING ACTION PLAN

The analysis of potential public sector impediments encompassed the following topics:

- General Plan Policies
- *Housing Element Fair Housing Program*
- State Housing Element Law and Health and Safety Code
- California Olmstead Plan
- Types of Housing Occupied by Disabled Persons
- Options for Persons with Disabilities to Access Affordable Housing and Supportive Services
- Fair Housing Services
- Transportation Services
- *Assessment of Fair Housing*
- *Planning and Zoning Policies and Practices*

The analysis concluded that steps can be taken to affirmatively furthering fair housing by: 1) updating the Housing Element Fair Housing Program and 2) preparing an Assessment of Fair Housing pursuant to State law (AB 686, September 30, 2018).

Furthermore, the analysis demonstrated that public sector impediments can be eliminated by updating certain definitions found in the Planning and Zoning Code. Additionally, actions could be taken to affirmatively furthering fair housing by addressing special housing needs in the Planning and Zoning Code.

1. Housing Element Fair Housing Program

State housing element law requires the City to promote through a program equal housing opportunity. The City's 2014-2021 Housing Element includes such a program and it was approved by the California Department of Housing and Community Development (HCD).

The program will be updated by October 2021 which coincides with the next mandated update of housing elements for jurisdictions located in the Southern California Association of Governments (SCAG) Region.

2. Assessment of Fair Housing

Governor Brown approved AB 686 on September 30, 2018. The housing law adds fair housing as one of the required programs that must be included in a housing element that is revised or approved after January 1, 2021. A housing element must now include an Assessment of Fair Housing that must include all the following components:

- A summary of fair housing issues;
- Assessment of the City's fair housing enforcement and outreach capacity;
- Identification of: integration and segregation patterns and trends; racially or ethnically concentrated areas of poverty; disparities in access to opportunity; disproportionate housing needs; and displacement;
- An assessment of factors that contribute to the preceding fair housing issues;
- Identification of fair housing priorities and goals;
- Description of actions to implement the priorities and goals.

The Assessment of Fair Housing will be prepared by October 2021 which coincides with the next mandated update of housing elements for jurisdictions located in the Southern California Association of Governments (SCAG) Region.

3. Planning and Zoning Code Definitions

Pursuant to HUD-LA guidance, the City completed a survey of the Planning and Zoning Code and associated planning policies and practices to identify potential impediments to fair housing choice. Based on this analysis it was determined that the City can take the actions to affirmatively further fair housing by amending, among other actions, certain definitions found in the Planning and Zoning Code.

The definitions will be amended during the process of preparing the Housing Element Update which is scheduled for adoption by October 2021.

a. Disability

The Planning and Zoning Code does not contain a definition of disability. A definition will be added to the Code.

The City obtained advice on the most appropriate "disability" definition from the HUD-LA office and the Fair Housing Council of Riverside County, Inc. (FHCRC). HUD-LA Staff advised the City that the disability definition should mirror the State fair housing laws because they provide broader protection than the federal Fair Housing Act (FHA). One example is that the FHA states "substantially limits" whereas state law references "limits." The City will amend the current definition of disability to add a reference to State fair housing laws when the Planning and Zoning Code is next amended to incorporate this definition and any other necessary updates.

b. Senior Housing

Under federal law housing discrimination against families with children is permitted only in housing in which all the residents are 62 years of age or older or where at least 80% of the occupied units have one person who is 55 years of age or older. Generally, California law states that a housing provider using the lower age limitation of 55 years must have at least 35 units to use the familial status discrimination exemption. Also, California law, with narrow exceptions, requires all residents to be "senior citizens" or "qualified permanent residents", pursuant to Civil Code §51.3.

The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows:

Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3607(b)) and implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.

c. Supportive and Transitional Housing

In 2007, SB 2 (Chapter 633, Statutes of 2007) revised housing element law requiring that transitional and supportive housing be permitted as a residential use, subject only to restrictions that apply to other residential dwellings of the same type in the same zone. SB 745, which took effect on January 1, 2014, generally amends Section 65582 of the Government Code to replace prior Health and Safety Code definitions of "supportive housing," "target population," and "transitional housing" with definitions now more specific to housing element law.

Previously, definitions for "supportive housing," target population," and "transitional housing" were found in subdivision (b) of Section 50675.14, subdivision (3)(a) of Section 50675.14 and subdivision (h) of Section 50675.2 of the Health and Safety Code, respectively. SB 745 deleted reference to these sections and creates new definitions in Government Code Section 65582. The intent for this change was to remove cross references in Government Code Section 65582 to the definitions of "supportive housing" and "transitional housing" that are used in the statutes governing the Multifamily Housing Program (MHP) and replace them with the current definitions that are used for the purposes of zoning applicable at the time SB 2 (Cedillo, Chapter 633, Statutes of 2007) passed.

The State-approved definitions are as follows:

"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

"Transitional housing" means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

d. Residential Care Facilities

Residential care facilities are an important housing resource for disabled persons. The Planning and Zoning Code definitions should reflect those contained in State law.

The Planning and Zoning Code defines residential care facility as a dwelling unit housing 10 or less persons. The City may modify the number of persons to “six or fewer” as the zoning regulations allow licensed group homes housing six or fewer persons by right in the zones permitting single family homes and those housing seven or more persons are conditionally permitted.

e. Special Needs Populations

HUD encourages cities to address special needs populations through provisions in their planning and zoning codes and policies contained in their planning documents.

The City addresses special needs populations in the Housing Element and Consolidated Plan. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs populations.

E. SUMMARY OF THE ANALYSIS OF PRIVATE SECTOR IMPEDIMENTS AND FAIR HOUSING ACTION PLAN

The analysis of potential private sector impediments involved the following issues:

- Housing Discrimination
- Brokerage Services
- Steering
- Appraisal Practices
- Mortgage Lending Practices
- Homeowners Insurance
- Blockbusting/Panic Selling
- Property Management Services
- Discriminatory Advertising
- Hate Crimes
- Population Diversity
- Location of Affordable Housing

Issues such as blockbusting/panic selling and hate crimes occur very infrequently in Moreno Valley and do not create an impediment to fair housing choice. Issues related to population diversity and the locations of affordable housing do not currently adversely impact fair housing choices. However, the analysis indicates that with the available data it is often difficult to demonstrate whether an impediment to fair housing choice is created by private sector actions. Nevertheless, the City and Fair Housing Council of Riverside County, Inc. can take steps to affirmatively further fair housing for these issues - such as mortgage lending practices - by informing the public through consumer education, workshops and seminars.

Assuming that CDBG funding is available, most of the recommended actions will be implemented continuously throughout the five year period by the FHCRC under an agreement with the City.

1. Housing Discrimination**a. Conclusions**

Based on past trends, the FHCRC probably will process 220 housing discrimination complaints between 2018 and 2023 of which about two-thirds will be filed by Black householders. White and Hispanic householders will each file about 15% of all complaints, respectively. Disability and race will be the basis for approximately 48% and 23% of the entire bases for filing a housing discrimination complaint.

Although housing discrimination is infrequently reported in Moreno Valley, it is an underreported event. Some residents could experience housing discrimination and 1) not know how to detect it; 2) not know where to report it; and 3) uncertain about whether they want to report it.

b. Action Plan Recommendations

The City and Fair Housing Council of Riverside County, Inc. will:

Continue to offer to its residents fair housing services which include the processing of housing discrimination complaints and landlord/tenant counseling services. Sometimes a landlord/tenant issue has as its basis a housing discrimination concern.

The Fair Housing Council will:

Continue to post on its website a page where residents can input their fair housing questions.

2. Brokerage Services**a. Conclusions**

Brokerage services as defined by the Federal Fair Housing Act pertain to the MLS and real estate organizations. Therefore, the City has no authority with respect to the MLS, Bylaws, and Code of Ethics.

However, fair housing and real estate practices are of interest because of the number of homes that will be sold and bought in Moreno Valley over the next five years.

b. Action Plan Recommendations

The City and Fair Housing Council of Riverside County, Inc. will:

Arrange a meeting with IVAR's Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.

The FHCRC will:

Offer to IVAR members a 3-hour Fair Housing course. Every four years, when renewing their license, all brokers and sales persons are required to complete a course on fair housing. Currently, most renewals are accomplished through online courses.

3. Steering

a. Conclusions

Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact renters when they seek an apartment. Corrective actions have been taken regarding loan steering so that abuse may not happen in the future as frequently as it occurred in the early to mid- 2000s. However, the steering of apartment seekers is likely to continue, although it is not possible to measure its frequency.

b. Action Plan Recommendations

The Fair Housing Council of Riverside County, Inc., will:

- Provide examples of how to detect “steering” during the home search process and how to detect “loan steering” as part of its first time home buyer counseling services
- Offer information to renters attending workshops on how to detect steering behavior

4. Appraisal Practices

a. Conclusions

Complaints regarding appraisal discriminatory practices are not routinely collected by local, State or Federal agencies. It may occur but would-be homebuyers are in the best position to detect potentially discriminatory practices.

b. Action Plan Recommendations

The following actions will be implemented:

- During its homebuyer counseling services, the FHCRC will inform first time homebuyers of the importance of obtaining an appraisal report after escrow has opened.
- The FHCRC will offer consumer education that will 1) inform borrowers of their right to request the appraisal report and 2) provide information on the contents of the report and how to detect possible discriminatory practices.

5. Mortgage Lending Practices

a. Conclusions

The 2017 Home Mortgage Disclosure Act (HMDA) data provide a snapshot of disparities in loan denial rates by race, ethnicity, income and census tract. Although the disparities do not support definitive conclusions regarding discrimination on the bases of race or ethnicity, they are a useful screen, as observed by the Federal Reserve Board, to identify disparities in loan approval rates by the race and ethnicity of applicants and in neighborhoods where differences in denial rates warrant further investigation.

The Mortgage Bankers Association has stated:

...lenders should not lose sight of the importance of analyzing denial disparities – the difference in the rates at which minority customers are declined, compared with White

customers. For example, a lender whose Black declination rate is 40% and whose White declination rate is 10% would have a denial disparity ratio of 4 to 1. And while there is no “safe harbor,” regulators have historically focused their investigative efforts on lenders whose denial disparity ratios have exceeded 2 to 1.

Source: Mortgage Bankers Association, MBA Handbook Series, *Handbook 2008-01: Fair Lending and Home Mortgage Disclosure Act Guide*, page 27.

The City’s goal is to improve the loan approval rates of all racial and ethnic populations that want to buy a home located in Moreno Valley. To improve even further the loan approval rates, borrowers can be helped to understand the loan approval process *before* they submit a loan application.

The number one known reason why borrowers are denied approval of a loan application is an excessive debt-to-income ratio. Many of these borrowers should not be making loan applications until after they have their debts under control. Loan denial rates can be reduced by providing all homebuyers, but especially first time homebuyers, with information of the loan application and approval process.

b. Action Plan Recommendations

To address potential impediments, the Fair Housing Council of Riverside County, Inc. will:

- Continue to offer first-time home buyer seminars to explain to borrowers the need to lower debt-to-income ratios to a level acceptable to lenders. Implementation of this recommended action should result in better prepared borrowers and cause an increase in loan approval rates of all loan applicants, regardless of race or ethnicity.
- Work with the lenders to determine why a few census tracts have high loan denial rates in order to gather information that could assist would be homebuyers to increase the probability of garnering loan approval for homes in neighborhoods of their choice.

In addition, AB 686 (approved by Governor Brown on September 30, 2018) requires all cities and counties to prepare an *Assessment of Fair Housing* (AFH) as part of its Housing Element Update which is due for adoption no later than October 2021. During the preparation of the AFH, the City will:

- Conduct a multi-year analysis of loan denial rates to determine with more preciseness the degree to which lending discrimination exists in Moreno Valley.

6. Homeowner’s Insurance

a. Conclusions

Evidence is unavailable on whether homebuyers in escrow who are seeking homeowner’s insurance are discriminated against because of their race, color, disability or other protected characteristics. However, without adequate knowledge would be homebuyers could pay more than they need to for appropriate insurance coverage.

b. Action Plan Recommendations

- The FHCRC will add “homeowners insurance” and “CLUE Reports” to its homebuyer counseling services.
- The FHCRC will provide educational services to home buyers/borrowers so they understand the impact of CLUE Reports and can compare homeowner’s premium rates.

7. Blockbusting/Panic Selling

There is no evidence that in Moreno Valley blockbusting/panic selling is an impediment to fair housing choice.

8. Property Management Practices**a. Conclusions**

Property management practices pertaining to occupancy limits; service and companion animals; and reasonable accommodations and modifications can pose impediments to fair housing choice.

b. Action Plan Recommendations

- The Fair Housing Council will update the list of the names and e-mail addresses of the resident apartment managers.
- The City and FHCRC will arrange an “informational session” between the fair housing counselors and resident managers to exchange insights on a variety of fair housing issues.
- The City and FHCRC will continue to inform resident managers by transmitting information to their e-mail and/or physical addresses.

9. Discriminatory Advertising**a. Conclusions**

Ads containing discriminatory words or phrases are infrequently published. However, ads with discriminatory words or phrases may be published in the future. Additionally, ads stating “no pets” may be published and have the effect of discouraging disabled persons from applying for the apartment housing advertised in print and on-line publications.

b. Action Plan Recommendations

The City and Fair Housing Council of Riverside County, Inc. transmitted a request to the Press-Enterprise to amend its fair housing notice with regard to the following:

- Fair housing notice be placed closer to the for rent ads
- Indicate the protected classes under the provisions of both the Federal and State laws
- Explain that service and companion animals are not pets
- Include the phone number of the Fair Housing Council of Riverside County, Inc.

The Press Enterprise did not respond to this request for revisions to the fair housing notice.

The FHCRC will annually review ads published in newspapers, on-line apartment search sites, and craigslist. When discriminatory words or phrases are found, the Council will notify the entities placing the ads of the need to remove those words and phrases.

10. Hate Crimes

a. Conclusions

Because hate crimes that impact householders occur very infrequently in Moreno Valley, they are not deemed to be an impediment to fair housing choice.

b. Action Plan Recommendations

The City staff will review the annual *Hate Crime in California* reports and monitor the data to determine if there is an upward trend in the number of events. If so, the staff will coordinate with the Police Department to determine the most appropriate actions.

11. Population Diversity: Segregation/Integration

a. Conclusions

Since 1990 the Dissimilarity Index trend line for the Region demonstrates an increase in the level of segregation from “low” to “moderate.”

Since 1990 the Dissimilarity Index trend line for the City shows an increase in the level of segregation but has remained in the Low Level category during the past 20 years. In fact, the current Dissimilarity Index scores can be considered “very low” because the upper limit of the “low” category is 39.99 and Moreno Valley scores range between 19 and 25.

b. Action Plan Recommendations

No actions are necessary as the City’s Dissimilarity Index is in the very low range.

12. Location of Affordable Housing

a. Conclusions

Affordable housing is located in nine census tracts/neighborhoods and, therefore, is not concentrated geographically. Thus, the residents of affordable housing share the same access to opportunity that the occupants of market rate housing do.

The locations where Section 8 voucher holders live shows some geographic concentration. That could be due to a high number of apartments with rents at or below the Section rent limits and landlords willing to rent to voucher holders. The exact reasons for geographic concentration are not known.

b. Action Plan Recommendations

The City will become familiar with the census tracts that are Highest Resource and High Resource which have been determined by California’s low income housing tax credit program.

The City also will become familiar with the census tracts that are located in Disadvantaged Communities as determined by the Affordable Housing Sustainable Communities (AHSC) affordable housing program.

The City will work with the Housing Authority of the County of Riverside to encourage voucher holders to select rental housing in the high opportunity neighborhoods, which have been identified by the Housing Authority.

SECTION III CURRENT FAIR HOUSING LEGAL STATUS



SECTION III: CURRENT FAIR HOUSING LEGAL STATUS

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Section III describes Moreno Valley's current fair housing legal status: fair housing complaints, Secretary-initiated complaints, compliance reviews, fair housing discrimination lawsuits filed by the federal Department of Justice, and emerging fair housing trends.

A. FAIR HOUSING COMPLAINTS

Housing discrimination complaints can be filed directly with HUD. In California the housing discrimination complaints are processed by HUD's San Francisco Office of Fair Housing and Equal Opportunity (FHEO). Moreno Valley's residents may also file complaints with the State Department of Fair Employment and Housing (DFEH), and local fair housing providers such as the Fair Housing Council of Riverside County, Inc. (FHCRC).

Complaint data offers some limited insights on how housing discrimination impedes access to high opportunity/high resource neighborhoods. Between FY 2012/2013 and FY 2016/2017, 219 Moreno Valley households filed housing discrimination complaints with the Fair Housing Council of Riverside County (FHCRC). Almost 60% of the complaints were filed by Black/African American families while 20% and 15% were filed by White and Hispanic families, respectively. Most of the complaints were based on disability (71%) and race/color (18%).

The FHCRC does not collect data on whether the person filing a complaint is an in-place tenant, apartment seeker, or home buyer. Because a high percentage of all complaints are based on disability, it seems that most complainants are in-place renters. The FHCRC also does not collect data on the acts that allegedly violate the federal and/or state fair housing laws.

During the 4 ½ year period from July 1, 2012 - December 31, 2016, 13 complaints were filed with the DFEH. Nine of the 13 complaints were dismissed due to insufficient evidence or there was no basis to proceed.

Many acts impede a would-be renter or homebuyer from accessing neighborhoods of their choice such as refusal to rent, refusal to show, and refusal to sell. According to the DFEH, these three acts combined comprised approximately 30% of the acts alleged in the housing discrimination complaints filed between 2001 and 2010. The DFEH has not published cumulative data from 2011 to 2017 on housing discrimination complaints.

HUD's *2017 Annual Fair Housing Report* reveals that the predominant alleged acts or issues include:

- Discriminatory terms, conditions, privileges, or services and facilities
- Failure to make reasonable accommodation
- Discriminatory refusal to rent

B. SECRETARY-INITIATED COMPLAINTS

According to HUD, it files a Secretary-initiated complaint when it has evidence that a discriminatory housing practice has occurred or is about to occur. HUD also may file a Secretary-initiated complaint when it has received an individual complaint, but believes there may be additional victims of the discriminatory act or wants to obtain broader relief in the public interest. None of the Secretary-initiated complaints have involved the City of Moreno Valley.

C. COMPLIANCE REVIEWS

HUD monitors HUD-funded recipients to determine their performance under the civil rights-related program requirements of HUD's Office of Community Planning and Development, Office of Public and Indian Housing, and Office of Housing.

HUD investigates discrimination complaints against recipients of HUD funds to determine whether the recipient violated civil rights laws or civil-rights related program requirements. At the conclusion of the investigation, HUD issues written findings of violations of civil rights laws or program requirements based on its investigation.

Table III-1 shows the numbers of complaints received in FY 2016 that alleged discrimination or noncompliance by recipients of HUD funds and the civil rights law that was allegedly violated.

Table III-1
Complaints against Recipients of HUD Funds, FY 2016

Legal Basis for Complaint	Number of Complaints Filed	Number of Investigations Closed
Section 504	352	462
Title VI	163	202
Title II of ADA	84	170
Section 109	17	49
Age Discrimination Act	0	3
Section 3	2	2
Total	618	888

Source: Office of Fair Housing and Equal Opportunity, *Annual Report to Congress FY 2016*, January 2017

- Section 504, Rehabilitation Act of 1974 prohibits discrimination against people with disabilities in programs that receive federal financial assistance.
- Title VI of the Civil Rights Act of 1964 protects people from discrimination based on race, color, or national origin in programs or activities that receive federal financial assistance.
- Title II extends the prohibition of discrimination established in Section 504 of the Rehabilitation Act of 1973, as amended, to all activities of State and local governments regardless of whether these entities receive federal financial assistance.
- Section 109 prohibits discrimination in programs and activities receiving assistance under Title I of the Housing and Community Development Act of 1974.
- The Age Discrimination Act of 1975 prohibits discrimination on the basis of age in programs and activities receiving federal financial assistance. The Act applies to all ages.
- The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of

government assistance for housing, and to businesses that provide economic opportunities to low- and very-low income persons.

HUD conducts compliance reviews to determine whether a recipient of HUD funds is in compliance with applicable civil rights laws and their implementing regulations. HUD may initiate a compliance review whenever a report, complaint, or any other information indicates a possible failure to comply with applicable civil rights laws and regulations. HUD initiates most compliance reviews based on risk analysis, issues raised during a limited monitoring review, or when a civil rights problem is detected through HUD programming.

Table III-2 shows the number of compliance reviews that HUD initiated in FY 2016 and the civil rights law under which they were conducted. The table also shows the number of reviews that were closed during FY 2016.

Table III-2
Compliance Reviews of Recipients of HUD Funds, FY 2016

Legal Basis for Complaint	Number of Compliance Reviews Initiated	Number of Compliance Reviews Closed
Section 504	2	16
Title VI	3	13
Title II of ADA	1	5
Section 109	0	8
Section 3	1	1
AFFH	1	0
Total	8	43

Source: Office of Fair Housing and Equal Opportunity, *Annual Report to Congress FY 2016*, January 2017

D. FAIR HOUSING DISCRIMINATION SUITS FILED BY THE DEPARTMENT OF JUSTICE OR PRIVATE PLAINTIFFS

The federal Department of Justice (DOJ) Housing and Civil Enforcement Section of the Civil Rights Division is responsible for the Departments' enforcement of the Fair Housing Act (FHA), along with the Equal Credit Opportunity Act, the Service Members Civil Relief Act (SCRA), the land use provisions of the Religious Land Use and Institutionalized Persons Act (RLUIPA) and Title II of the Civil Rights Act of 1964, which prohibits discrimination in public accommodations.

Under the FHA, the Department of Justice may bring lawsuits where there is reason to believe that a person or entity is engaged in a "pattern or practice" of discrimination or where a denial of rights to a group of persons raises an issue of general public importance. The Department of Justice also brings cases where a housing discrimination complaint has been investigated by the by HUD and HUD has issued a charge of discrimination, and one of the parties to the case has "elected" to go to federal court. In FHA cases, the DOJ can obtain injunctive relief, including affirmative requirements for training and policy changes, monetary damages and, in pattern or practice cases, civil penalties.

Several cases that have been filed or resolved recently exemplify DOJ's efforts to ensure the availability of the housing opportunities guaranteed by the Fair Housing Act. The complaints and

settlement documents for the cases discussed below, as well as other cases handled by the Housing Section, are found at www.justice.gov/crt/about/hce/caselist.php.

On November 28, 2017, the United States filed a complaint in *United States v. City of Springfield* (C.D. Ill.), alleging that the City violated the Fair Housing Act by imposing *a 600-foot spacing requirement on small group homes for persons with disabilities*, while not applying any spacing requirement to similarly situated housing for people without disabilities. The complaint further alleges that the City failed to provide a reasonable accommodation to a small group home that was located within 600 feet of another such home. [Emphasis added]

On June 29, 2017, the court entered a consent decree in *United States v. City of Jacksonville* (M.D. Fla.). The complaint, which was filed on December 20, 2016, alleged that the City violated the Fair Housing Act and Americans with Disabilities Act when it *refused to allow the development of a 12-unit apartment building to create “permanent supportive housing”* for “chronically homeless” veterans, in response to intense community pressure based on stereotypes about prospective residents with disabilities. Under the consent decree, the City has amended its zoning code, including removing restrictions that apply to housing for persons with disabilities and implementing a reasonable accommodation policy. [Emphasis added]

The City has also agreed to rescind the written interpretation that prevented Ability Housing from providing the housing at issue, designate a fair housing compliance officer, provide Fair Housing Act and Americans with Disabilities Act training for City employees, and pay a \$25,000 civil penalty to the government. In a separate settlement the City agreed to pay \$400,000 to Ability Housing, a non-profit affordable housing provider, and \$25,000 to Disability Rights Florida, an advocate for people with disabilities, and to establish a \$1.5 million grant to develop permanent supportive housing in the City for people with disabilities.

On June 26, 2017, the court entered a consent decree in *United States v. City of Jackson* (S.D. Miss.). The complaint, which was filed on September 30, 2016, alleged that *the city discriminated on the basis of disability in violation of the Fair Housing Act and Title II of the Americans with Disabilities Act* by requiring the operator of a group home to close the home and the residents to relocate. The consent decree requires the city to pay \$100,000 to the owner of Urban Rehab, Inc., \$35,000 to the department as a civil penalty, and \$50,000 to a settlement fund that will compensate other victims. The city also agreed to revise its zoning code to permit persons in recovery to reside in all residential zones and to ease other restrictions on group homes for people with disabilities. [Emphasis added]

On March 23, 2017, the court issued an order denying the defendant’s motion for summary judgment in *Southwest Key Programs, Inc. v. City of Escondido* (S.D. Cal.), finding that there were triable issues as to *whether the group home at issue constitutes a dwelling under the Fair Housing Act*. The United States had filed a statement of interest in this case on November 3, 2016, to address the question whether the protections of the Fair Housing Act extend to group homes for unaccompanied children in the care and custody of the United States Department of Health and Human Services. [Emphasis added]

The plaintiff in the case sought to operate such a home in the City of Escondido and alleges that the city discriminated on the basis of race and national origin when it denied the request for a conditional use permit to operate the group home. The defendant moved for summary judgment, arguing, among other things, that the FHA does not apply. The United States’ statement of interest urged the court to find that the proposed group home is a “dwelling” covered by the Fair Housing Act and is neither a jail nor a detention facility.

On July 28, 2015, the court approved a settlement agreement in *United States v. Housing Authority of the County of Los Angeles* (C.D. Cal.). The complaint, which was filed on July 20, 2015, alleged that the Housing Authority of the County of Los Angeles and the *Cities of Lancaster and Palmdale engaged in a pattern or practice of Fair Housing Act discrimination against African-American participants in the federal Section 8 Housing Choice Voucher Program* living in the Cities of Lancaster and Palmdale, CA. The settlement agreement provides for comprehensive reforms, a \$1.975 million victim fund and a \$25,000 civil penalty. [Emphasis added]

E. REASONS FOR ANY TRENDS OR PATTERNS

The National Fair Housing Alliance in its *2018 Fair Housing Trends Report* states

...we make note of some of the more recent and pending issues that the fair housing community will need to address, such as the fair housing ramifications of big data, providing housing for an aging population, advertisement of housing opportunities on digital platforms, and the need to include additional protections under the Fair Housing Act based on marital status, source of income, sexual orientation, gender identity, and gender expression.

Listed below are the pending and emerging fair housing issues:

- Improving Access to Credit for Persons and Neighborhoods of Color
- Expanding Protected Classes under the Fair Housing Act
- Gentrification and Fair Housing
- Big Data and Fair Housing
- Responsible Advertising in the Digital Advertising Space
- Accessibility, Affordability, and the Aging Population
- Addressing the Increase in Hate Crimes
- Incorporating Fair Housing into Disaster Recovery

National Fair Housing Alliance, *Making Every Neighborhood A Place of Opportunity: 2018 Fair Housing Trends Report*, April 2018, 99 pages

Over the past year, the California Department of Fair Employment and Housing has focused intensively on increasing the accessibility of services for all Californians, including people with disabilities and people with limited English proficiency. The centerpiece of this effort was the November 2017 launch of a new case filing and case management system, Cal Civil Rights System (CCRS). The cloud-based platform allows members of the public and their representatives to submit complaints online for all of the civil rights laws DFEH enforces. Individuals can schedule appointments, view the status of their cases, submit notes to staff, request right-to-sue notices for court filing, or submit Public Records Act requests, all online. CCRS was designed to be compatible with screen readers and other assistive technologies, is securely encrypted, and can be modified to respond to changes in the law, advances in technology, and the needs of the public. The system is also available in Spanish.

Other advances in accessibility in the past year include the completion of a project to ensure all forms and publications are compatible with commonly used assistive technologies; ensuring that all DFEH employees have access to on-demand telephonic interpretation services at the office and in the field; and issuing a suite of fair housing materials developed in consultation with community members in the six most commonly spoken languages in the state.

Source: California Department of Fair Employment and Housing, *2017 Annual Report*, August 2018, 36 pages

SECTION IV DESCRIPTION OF FAIR HOUSING PROGRAMS AND ACTIONS



SECTION IV: DESCRIPTION OF FAIR HOUSING PROGRAM AND ACTIONS

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SECTION IV DESCRIPTION OF FAIR HOUSING PROGRAMS AND ACTIONS

A. INTRODUCTION

Section IV describes fair housing services and programs implemented by the public and private sectors: City of Moreno Valley/Fair Housing Council of Riverside County, Inc.; California Department of Fair Employment and Housing (DFEH); California Bureau of Real Estate (Inland Valleys Association of REALTORS); California Apartment Association (CAA); and HUD.

B. FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY, INC. (FHCRC)

The FHCRC has its headquarters located in downtown Riverside. Satellite offices are located in Moreno Valley, Palm Springs, and Corona. The FHCRC provides a full range of services including:

- Anti-discrimination
- Landlord/tenant counseling
- First time homebuyer seminars
- Foreclosure prevention
- Loan modification
- Back-to-Work FHA
- Training

The FHCRC takes part in a variety of activities to fight housing discrimination, such as free educational workshops, outreach to the community, and the investigation of housing discrimination complaints. The capacity of the FHCRC enables it to provide fair housing information, outreach and enforcement to 24 cities and communities located in Riverside County plus the unincorporated area of the County.

FHCRC includes a total of 15 staff: two Housing Counselors, five Fair Housing Counselors, two Program Managers, Fair Housing Training Specialist, Program Administrator, an accountant, a controller, an Executive Director and an administrative staff member. FHCRC also has three interns.

The funding that supports the efforts of the FHCRC includes CDBG funds received from participating jurisdictions within its service area and grant funds such as HUD's Fair Housing Initiatives Program (FHIP) and Fair Housing Assistance Program (FHAP).

FHIP provides funds to eligible organizations through competitive grants under three initiatives that are designed to prevent or eliminate discriminatory housing practices and inform individuals of their rights and responsibilities under the Fair Housing Act. In FY 2016, the FHIP program awarded \$38 million in grants to 155 organizations to meet the objectives under one or more of the core program initiatives: enforcing the Fair Housing Act under the Private Enforcement Initiative, educating the public and industry stakeholders on fair housing under the Education and Outreach Initiative, and building organizational capacity under the Fair Housing Organizations Initiative.

HUD provides FHAP funding annually on a noncompetitive basis to state and local agencies that enforce fair housing laws that are substantially equivalent to the Fair Housing Act. FHAP agencies support a variety of fair housing administrative and enforcement activities, including complaint investigation, conciliation, administrative and/or judicial enforcement; training; implementation of data and information systems; and education and outreach.

SECTION IV DESCRIPTION OF FAIR HOUSING PROGRAMS AND ACTIONS

The FHCRC was awarded a FHIP grant of \$300,000 to undertake enforcement, education and outreach activities that Affirmatively Further Fair Housing. The activities are designed to minimize and eliminate impediments to fair housing choice. Specifically, FHCRC will conduct systemic investigations, provide technical assistance to municipalities regarding compliance with fair housing laws, and provide fair housing education to the population of Riverside County.

FHCRC's proposed activities include conducting fair housing tests on rentals, sales and design and construction; hosting the 2018 Annual Housing Conference during National Fair Housing Month; creating partnerships with local agencies and three partnerships with universities and colleges, conducting town hall meetings to connect the public with housing professionals and industry leaders and systemic investigations which will help remove barriers to fair housing.

HUD also awarded the FHCRC a Community Compass Technical Assistance and Capacity Building Grant. Through this grant, the FHCRC will provide technical assistance and capacity building to entitlement communities located in Riverside County. One purpose of this grant is to assist HUD customers to learn how to use the Fair Housing Cross Cutting Issues Tool Kit to increase their ability to deal with fair housing and non-discrimination.

C. CALIFORNIA DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING (DFEH)

DFEH is the largest state civil rights agency in the country with 220 full-time permanent staff operating out of five offices throughout California. The mission of the DFEH is to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking. To accomplish this mission, the Department receives, investigates, conciliates, mediates, and prosecutes complaints of alleged violations of the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, Ralph Civil Rights Act, the California Trafficking Victims Protection Act, and other laws. The DFEH receives approximately 23,000 complaints annually from members of the public who allege that they have been the victim of discrimination or hate violence.

Since 2013, the Department has housed the Fair Employment and Housing Council (FEH), a body that issues regulations to ensure that the FEHA is interpreted and implemented in a way that is fair and that protects the public to the full extent of the law.

The Department has adopted a *Strategic Plan* that was initially published in September 2016 and updated in July 2017. The *Strategic Plan* sets forth the goals and strategies that will guide the Department in working toward its vision over a period of three to five years. Among the Plan's goals are:

Goal 1: Increase access to information about rights and responsibilities.

Goal 2: Prevent and combat discrimination and hate violence through proactive and strategic efforts.

Goal 3: Provide excellent services to the individuals and entities who interact with us.

Goal 4: Ensure that our internal processes and systems effectively and efficiently meet our business needs.

Source: California Department of Fair Employment and Housing, *Strategic Plan*, July 2017, pages 5-7

SECTION IV DESCRIPTION OF FAIR HOUSING PROGRAMS AND ACTIONS

D. CALIFORNIA DEPARTMENT OF REAL ESTATE/INLAND VALLEYS ASSOCIATION OF REALTORS

The mission of the California Department of Real Estate (DRE) is to safeguard and promote the public interests in real estate matters through licensure, regulation, education and enforcement. As a condition of license renewal, the California Bureau of Real Estate requires sales persons and brokers to complete a 3-hour course on fair housing and ethics. These courses are periodically advertised by the Inland Valleys Association of REALTORS (IVAR).

Article 2.5; Section 10170 (Continuing Education Legislative Determination 10170) states:

The Legislature has determined that it is in the public interest of consumer protection and consumer service that all real estate licensees licensed under the provisions of this part comply with continuing education requirements adopted by the commissioner pursuant to this article as a prerequisite to the renewal of real estate licenses on and after January 1, 1981.

To renew a license 45-hours of course work are required including, as noted above, three hours of fair housing. The fair housing course includes topics such as:

- Fair housing laws
- Real Estate Commissioners regulations
- Department of Real Estate regulations
- Types of properties exempt from the Fair Housing Act
- Prohibited practices
- Complaint procedures
- Penalties for violating the Fair Housing Act
- That registered sex offenders are not members of a ‘protected class’

E. CALIFORNIA APARTMENT ASSOCIATION (CAA)/GREATER INLAND EMPIRE

The California Apartment Association is the nation’s largest statewide trade group representing owners, investors, developers, managers and suppliers of rental homes and apartment communities. The staff – based in Sacramento and with strategic hubs throughout California – includes experts in rental housing law, legal analysts, state and local lobbyists, member-service representatives and media-outreach specialists. For more than 75 years, CAA has served rental home and apartment owners and managers through work in public affairs, education and customer service.

It frequently holds seminars on fair housing issues. These seminars have the major purpose of helping owners avoid fair housing complaints. For instance, a seminar was held on September 12, 2018 on the topic of Fair Housing: Examples & Explanations from Attorneys. Among the questions discussed were:

- Just how many “assistive” animals can a resident have?
- How is hoarding a protected mental disability?
- Can my tenant move in her sister and five children? When can I say no?
- Can I set rules to protect the lawn from tenant’s children?
- My residents want to smoke marijuana in common areas. Do I have to allow this?
- Am I required to take Section 8?
- Can I deny tenancy to all felons?

SECTION IV DESCRIPTION OF FAIR HOUSING PROGRAMS AND ACTIONS

- Am I required to check immigration status of residents?

F. HUD REGION IX

HUD's Office of Fair Housing and Equal Opportunity (FHEO) enforces the federal Fair Housing Act and other civil rights laws that prohibit discrimination in the sale, rental, or financing of dwellings because of race, color, national origin, religion, sex, familial status (families with children under the age of 18) or handicap (disability). HUD's Region IX office, located in San Francisco, handles the investigation and processing of housing discrimination complaints and maintains a database of complaints made in the states of California, Arizona, Hawaii, and Nevada.

SECTION V FAIR HOUSING COMMUNITY PROFILE



SECTION V: FAIR HOUSING PROFILE

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A. INTRODUCTION

1. Demographic Trends

In terms of race/ethnicity, in both the Region and City the White, Non-Hispanic population has decreased as a percentage of the total population while the Hispanic population has increased. The Region includes all the cities and unincorporated communities located in Riverside County and San Bernardino County.

Since 1990 the population of Riverside County has become more diverse. According to the 2010 Census, 13 cities in Riverside County have become majority-minority cities: Banning, Beaumont, *Blythe*, *Cathedral City*, *Coachella*, Corona, *Desert Hot Springs*, *Indio*, *Moreno Valley*, *Perris*, Riverside, and *San Jacinto*. The cities noted in italics also were majority-Hispanic per the 2010 Census. Within the County unincorporated area, there were 35 majority-minority Census Division Places (CDPs) in 2010.

Also, since 1990 San Bernardino County has become more diverse. By 2010, 17 cities in San Bernardino County had become majority-minority cities: *Adelanto*, Barstow, *Chino*, Chino Hills, *Colton*, *Fontana*, Grand Terrace, Hesperia, Highland, Loma Linda, *Montclair*, *Ontario*, Rancho Cucamonga, *Rialto*, *San Bernardino*, Upland and Victorville. The cities noted in italics also were majority-Hispanic, according to the 2010 Census. Within the County unincorporated area, there were five majority-minority Census Division Places (CDPs) in 2010.

In Riverside County, the Hispanic population increased by almost 435,700 persons between 2000 and 2010. The Hispanic share of the total Riverside County population increased from 36.2% in 2000 to 45.5% in 2010. During the 2000-2010 decade the Asian population also increased in Riverside County in both absolute and relative terms. However, the White population decreased during the decade while Black and All Other populations remained the same in relative terms.

Trend data indicate that in both the Region and City the percentage of foreign-born persons and persons with Limited English Proficiency (LEP) has increased.

The male/female distributions in the Region and City have not changed since 1990.

Trends in the Region reveal that the age distribution has not changed significantly since 1990. Between 1990 and 2000, the percentage of families decreased in the Region and City by 2.6% and 8.7%, respectively.

2. Overview of Fair Housing Protected Classes

The term "protected class" refers to people who belong to a group whom the law protects against illegal housing discrimination. A protected class is named for the characteristic that these people share, such as race or religion.

Title VIII of the Civil Rights Act of 1968, which is referred to as the Fair Housing Act (FHA), prohibits discrimination in the sale, rental and financing of dwellings based on a persons':

- Race
- Color
- Religion

- Sex or
- National Origin

Title VIII was amended in 1988 (effective March 12, 1989) by the Fair Housing Amendments Act, which expands the protected classes to include:

- Handicap/Disability
- Familial status (presence of children under age of 18 and pregnant women)

The list below identifies all of the protected classes under California law:

- Age
- Race, color
- Ancestry, national origin
- Religion
- Disability, mental or physical
- Sex, gender
- Sexual orientation
- Gender identity, gender expression
- Genetic information
- Marital status
- Familial status
- Source of income
- Or other arbitrary factors

There are also three new protections under California fair housing laws: primary language, citizenship and immigration status.

The analysis of fair housing protected classes provides information on the following:

- A profile of the federal fair housing protected classes
- Information based on local knowledge and data that supplements HUD's data
- Data to provide insights on segregation/integration

Data on the size of protected classes is based primarily on population and whenever possible households.

Definitions of the fair housing protected classes are included in Attachment A.

B. RACE/COLOR

1. Race and Ethnic Categories

The Fair Housing Act does not define race. The racial categories included in the census form generally reflect a *social definition* of race recognized in this country, and are not an attempt to define race biologically, anthropologically or genetically. In addition, the U.S. Census Bureau recognizes that the race categories include both racial and national origin or socio-cultural groups. Census 2010 and the American Community Survey provide for six race categories:

- White Alone
- Black, African American or Negro Alone

- American Indian or Alaska Native Alone
- Asian Alone
- Native Hawaiian or Other Pacific Islander Alone
- Some Other Race Alone

Individuals who chose more than one of the six race categories are referred to as the *two or more races* population. All respondents who indicated more than one race can be collapsed into the *two or more races* category, which combined with the six *alone* categories, yields seven mutually exclusive and exhaustive categories. Thus, the six race *alone* categories and the *two or more races* category sum to the total population.

The 2000 and 2010 Census race and ethnic categories follow the Office of Management & Budget (OMB) Policy Directive No. 15 (May 12, 1977) and the 1997 revisions. The OMB's efforts are to standardize the racial and ethnic categories so that federal government agencies can monitor discrimination, as required by the Civil Rights Act of 1964, the Voting Rights Act of 1965, the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1974, and the Home Mortgage Disclosure Act of 1975.

Source: Victoria Hattam, "Ethnicity & the American Boundaries of Race: Rereading Directive 15," *Daedalus* - Journal of the American Academy of the Arts & Sciences, Winter 2005, pgs. 61-62

Ethnicity means being of Hispanic or Latino Origin or not being of such origin.

2. Definitions of Minority Populations

The populations comprising "minority" groups are defined in the same way by the OMB, Federal Department of Transportation (DOT), Federal Financial Institutions Examination Council (FFIEC), and Council on Environmental Quality (CEQ - environmental justice guidelines). The OMB and DOT both define the minority populations as Black, Hispanic (regardless of race), Asians (including Pacific Islanders) and American Indian and Alaskan Native. The FFIEC, for purposes of Home Mortgage Disclosure Act (HMDA) data collection, states that:

...the percentage minority population means, for a particular census tract, the percentage of persons of minority races and whites of Hispanic or Latino Origin, in relation to the census tract's total population.

The CEQ environmental justice guidelines define minority population as follows:

Minority individuals - Individuals who are members of the following population groups: Hispanic or Latino, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, multiracial minority (two or more races, at least one of which is a minority race).

The non-minority population is White, Non-Hispanic or Latino.

3. Population Growth in Riverside County

a. Population Trends and Change by Race and Ethnicity

The racial and ethnic composition of Riverside County's population has been experiencing dramatic change for the past few decades. It passed a major milestone in the 2010 when

Riverside County became a majority-minority county. Table V-1 shows in percentage terms the population trends of the White and minority populations from 1990 to 2017.

Table V-1
Riverside County: Population Trends - 1990 to 2017

Year	White	Hispanic	Black	Asian	Other
1990	57.1%	22.9%	13.2%	6.1%	0.7%
2000	51.0%	36.2%	6.0%	3.6%	3.2%
2010	39.7%	45.5%	6.0%	5.7%	3.1%
2015	36.6%	47.9%	6.0%	6.2%	3.3%
2017	35.1%	49.1%	6.1%	6.4%	3.3%

Note: All Other Races includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Some Other Race, and Two or More Races

Sources: 1990 Census, Population and Housing Characteristics for Census Tracts and Block Numbering Areas, CPH-3-215D, Table 8, Census 2000, Summary File 1 Table P004 - Hispanic or Latino, and Not Hispanic or Latino by Race

American FactFinder, Census 2010, Summary File 1, Table P9: Hispanic or Latino and Not Hispanic or Latino by Race

American Factfinder, 2015 American Community Survey 1-Year Estimates, B03002, Hispanic or Latino by Race

American Factfinder, 2017 American Community Survey 1-Year Estimates, B03002, Hispanic or Latino Origin by Race

Table construction by Castañeda & Associates

Table V-2 shows the population change between 1990 and 2017. During the 27 year period, Riverside County experienced a population increase of approximately 1,250,000 persons. Hispanics comprised 70% of the population increase. The Asian and White populations each accounted for approximately 10% and 8%, respectively, of the population gain.

Table V-2
Riverside County
Population Increase by Race and Ethnicity: 1990-2017

Race/Ethnicity	1990	2017	Population Increase	Percent Distribution
Hispanic	307,514	1,188,993	881,479	70.4%
Black	59,966	147,495	87,529	7.0%
Asian	32,500	155,732	123,232	9.8%
Other	16,293	79,562	63,269	5.0%
White	754,140	851,484	97,344	7.8%
Total	1,170,413	2,423,266	1,252,853	100.0%

Sources: 1990 Census, Population and Housing Characteristics for Census Tracts and Block Numbering Areas, CPH-3-215D, Table 8 and American Factfinder, 2017 American Community Survey 1-Year Estimates, B03002, Hispanic or Latino Origin by Race

Table construction by Castañeda & Associates

b. Population Projections and Change by Race and Ethnicity - 2018 to 2038

Table V-3 shows Riverside County's population projections by race and ethnicity from 2018 to 2038. During this 20-year period, the following population groups are projected to increase by more than 30%: Black, Asian, Native Hawaiian/Pacific Islander, Multi Race, and Hispanic.

Table V-4 shows that Riverside County is projected to experience a growth of 678,500 persons in the 20-year period between 2018 and 2038. The Hispanic population is projected to comprise nearly two-thirds (62.9%) of the total population growth. The White Non-Hispanic population is projected to comprise almost 17% percent of the total population growth.

Table V-3
Riverside County
Population Growth by Race/Ethnicity 2018-2038

Race/Ethnicity	2018	2038	Numerical Change	Percent Change
White (Non-Hispanic)	895,993	1,010,287	114,294	12.8%
Black (Non-Hispanic)	149,099	205,475	56,376	37.8%
AIAN (Non-Hispanic)	11,778	14,153	2,375	20.2%
Asian (Non-Hispanic)	145,692	198,148	52,456	36.0%
NHPI (Non-Hispanic)	6,690	9,021	2,331	34.8%
MR (Non-Hispanic)	55,630	79,257	23,627	42.5%
Hispanic (any race)	1,161,057	1,588,063	427,006	36.8%
Total	2,425,939	3,104,404	678,465	28.0%

Source: California Department of Finance, Demographic Research Unit, Total Estimated and Projected Population by Race/Ethnicity for California Counties: July 1, 2010 to July 1, 2060 in 1-Year Increments

Table V-4
Riverside County
Share of Population Growth by Race/Ethnicity 2018-2038

Race/Ethnicity	2018	2038	Numerical Change	Percent of Growth
White (Non-Hispanic)	895,993	1,010,287	114,294	16.8%
Black (Non-Hispanic)	149,099	205,475	56,376	8.3%
AIAN (Non-Hispanic)	11,778	14,153	2,375	0.4%
Asian (Non-Hispanic)	145,692	198,148	52,456	7.7%
NHPI (Non-Hispanic)	6,690	9,021	2,331	0.3%
MR (Non-Hispanic)	55,630	79,257	23,627	3.5%
Hispanic (any race)	1,161,057	1,588,063	427,006	62.9%
Total	2,425,939	3,104,404	678,465	100.0%

Source: California Department of Finance, Demographic Research Unit, Total Estimated and Projected Population by Race/Ethnicity for California Counties: July 1, 2010 to July 1, 2060 in 1-Year Increments

Given the relatively low White, Non-Hispanic population growth, there is a low probability that many neighborhoods in the Region that are presently majority-minority could change to majority-

White, Non-Hispanic neighborhoods by 2038. The constraint to integration created by a low White population growth has been discussed in the context of school desegregation:

Even if desegregation was a good idea, another argument goes; it is too late, since there are simply not enough whites to go around. Obviously it would have been much better if we had been serious about this issue during the civil rights era. If one thinks about making all the schools of Southern California majority white, it is obviously impossible at a time when the entire region has only one-fourth white students. More than a third of the students, however, are white and Asian, and many more are middle class. While all schools cannot become diverse by race, ethnicity and class, a great many could.

Source: UCLA Civil Rights Project, Gary Orfield, Genevieve Siegal-Hawley and John Kucsera, *Divided We Fail: Segregation and Inequality in the Southland's Schools*, March 18, 2011, page 4

4. Moreno Valley's Population by Race and Ethnicity

a. Population Growth Trends

Table V-5 shows Moreno Valley's population by race and ethnicity in 1990, 2000, 2010 and 2017. During this period, the Hispanic population grew from approximately 27,200 to almost 129,000 persons and now comprises just over 62% of the City's population. The Black or African American population more than doubled in size, increasing from approximately 15,700 to 32,900 persons. In contrast, the White population declined from approximately 67,800 to 27,600 persons.

Population projections by race and ethnicity are unavailable at the City level as they have not been prepared by the State Department of Finance (DOF), Southern California Association of Governments (SCAG) or the County of Riverside.

Table V-5
City of Moreno Valley
Total Population by Race and Ethnicity -1990 and 2017

Race/Ethnicity	1990	Percent	2000	Percent	2010	Percent	2017	Percent
White	67,815	57.1%	45,881	32.2%	36,573	18.9%	27,586	13.3%
Hispanic or Latino	27,165	22.9%	54,689	38.4%	105,169	54.4%	128,912	62.2%
Black or African American	15,656	13.2%	27,536	19.3%	33,195	17.2%	32,932	15.9%
Asian Alone	7,258	5.3%	8,214	5.8%	11,423	5.9%	12,510	6.0%
All Other	885	1.6%	6,061	4.3%	7,005	3.6%	5,271	2.6%
Total Population	118,779	100.0%	142,381	100.0%	193,365	100.0%	207,211	100.0%
Minority Population	50,964		96,500		156,792		179,625	
Percent Minority	42.9%		67.8%		81.1%		86.7%	

Source: 1990 Census, Population and Housing Characteristics for Census Tracts and Block Numbering Areas, CPH-3-215D, Table 8, Census 2000, Summary File 1 Table P004 - Hispanic or Latino, and Not Hispanic or Latino by Race, American FactFinder, Census 2010, Summary File 1, Table P9: Hispanic or Latino and Not Hispanic or Latino by Race American Factfinder, 2017 American Community Survey 1-Year Estimates, B03002, Hispanic or Latino by Race
Table construction by Castañeda & Associates

b. Race of Hispanic Or Latino and Not Hispanic or Latino Populations

Table V-6 shows the 2017 Hispanic or Latino and not Hispanic or Latino populations by race.

According to the 2017 American Community Survey, 114,120 persons identified themselves as being of Hispanic or Latino Origin. With respect to race -

- Almost 46% of the Hispanic population said that their race was White Alone
- 50.2% said they belonged to Some Other Race
- About 2% identified themselves as having Two or More Races

Thus, many Hispanic or Latino people do not identify with the White Race Category but rather consider themselves as belonging to Some Other Race. Indeed, 99.6% (57,256/57,472) of the Some Other Race population is Hispanic or Latino. Moreno Valley is not unusual in terms of the racial identification of the Hispanic or Latino population.

A research study of the 2000 Census found:

Almost 6 million Californians departed from the federal government's racial categories by selecting "some other race." Of these respondents, 99 percent were Latinos. In effect, this pattern of response converted the residual "some other race" category into a de facto Latino racial category. This conversion occurred not because of administrative need; indeed, the Hispanic ethnicity question satisfies all legal mandates. Nor did it take place because Latinos petitioned the government for change. Rather, it emerged spontaneously from a subset of Americans whose racial perceptions differed from those codified by the federal government. In the long run, this pattern of response may lead to changes in the federal government's racial and ethnic classification system.

Source: Sonya M. Tafoya, *Latinos and Racial Identification in California*, Public Policy Institute of California. Volume 4, Number 4, May 2003, May 2003, page 12

Table V-6
City of Moreno Valley
Race of Hispanic or Latino and Non-Hispanic or Latino Populations: 2016

Race	Hispanic or Latino	Percent Distribution	Not Hispanic or Latino	Percent Distribution	Total	Percent Distribution
White Alone	52,116	45.7%	35,115	39.9%	87,231	43.2%
Black or African American Alone	878	0.8%	35,543	40.4%	36,421	18.0%
Asian Alone	422	0.4%	11,425	13.0%	11,847	5.9%
American Indian or Alaska Native Alone	683	0.6%	492	0.6%	1,175	0.6%
Hawaiian or Other Pacific Islander Alone	91	--%	1,354	1.5%	1,445	0.7%
Some Other Race Alone	57,256	50.2%	216	0.2%	57,472	28.4%
Two or More Races	2,674	2.3%	3,796	4.3%	6,470	3.2%
Total	114,120	100.0%	87,941	99.9%*	202,061	100.0%

*Does not sum to 100% due to rounding

Source: Table B03002, Hispanic or Latino Origin by Race, 2012-2016 American Community Survey 5-Year Estimates
Table construction by Castañeda & Associates

c. Origins of the Hispanic or Latino Population

There were an estimated 105,169 Hispanic or Latino persons residing in Moreno Valley, according to the 2010 Census. Table V-7 shows that 85.6% of the Hispanic or Latino population is of Mexican origin.

Table V-7
City of Moreno Valley
Persons of Hispanic Origin – 2000 and 2010

Hispanic Origin	2000		2010	
	Number	Percent	Number	Percent
Mexican	46,485	79.5%	90,054	85.6%
Puerto Rican	1,177	2.2%	1,636	1.6%
Cuban	417	0.8%	606	0.6%
Other Spanish/Hispanic*	9,610	17.6%	12,873	12.2%
Total	54,689	100.0%	105,169	100.0%

*The Census 2010 category is "Other Hispanic or Latino"

Census 2000, Table DP-1, Profile of General Demographic Characteristics, Hispanic or Latino and Race

American Community Survey, Table DP05, ACS Demographic and Housing Estimates, 2017

American Community Survey 1-Year Estimates

Table construction by Castañeda & Associates

d. Population by Race and Ethnicity by Census Tract

In 2010, the City's population was 193,365 of which 81.1% belonged to a minority population group (i.e., everyone except White not Hispanic people).-Table V-8 shows the City's population by race and ethnicity by census tract. At the census tract level, the minority population ranges from a low of 53.3% (424.01) to a high of 91.1% (424.12).-The list below shows the number of census tracts that had minority population percentages below and above the citywide average:

- | | |
|-----------------------------------|------------------|
| ▪ Below citywide average of 81.1% | 15 census tracts |
| ▪ Above citywide average of 81.1% | 29 census tracts |

Many of the "above citywide average" neighborhoods also are home to populations with Mexico as a country of origin and populations with limited English speaking proficiency.

The City's Consolidated Plan must identify any areas within Moreno Valley ..."with concentrations of racial/ethnic minorities...stating how it defines...area of minority concentration. The locations and degree of these concentrations must be identified, either in a narrative or on one or more maps. [CFR 91.210] As previously explained, the non-minority population is White, Non-Hispanic or Latino. Minority individuals are Hispanic or Latino, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, multiracial minority (two or more races, at least one of which is a minority race).

To qualify as an area of minority concentration, a census tract's minority population percentage should exceed the citywide percentage of 81.1%. The Consolidated Plan regulations do not establish a criterion that defines "concentration" but instead allow cities to establish their own standard. The one standard that the regulations do explicitly establish pertains to "disproportionate housing needs" which is defined as 10% above the average for a specific housing need. Using this criterion, an area of minority population concentration is defined as a census tract having 91.1% or more of its population belonging to a minority racial or ethnic group. Table V-8 shows that Census Tract 425.05 is the one census tract that has a minority population percentage of at least

Exhibit V-1 delineates the census tract boundaries.

SECTION V

FAIR HOUSING COMMUNITY PROFILE

Table V-8
City of Moreno Valley
Race/Ethnicity by Census Tract (Rank Ordered by Percent Minority): 2010

Census Tract	White Alone	Hispanic or Latino	Black or African American Alone	American Indian and Alaska Native Alone	Asian alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race alone	Two or More Races	Total	Percent Minority
425.05	321	2,892	245	8	67	21	10	48	3,612	91.1%
425.15	352	2,691	587	21	90	5	5	52	3,803	90.7%
467.00	317	2,298	482	3	77	26	2	75	3,280	90.3%
425.12	313	2,258	437	8	64	41	1	78	3,200	90.2%
425.08	480	3,540	597	8	125	34	11	93	4,888	90.2%
425.16	438	2,809	632	18	137	41	15	87	4,177	89.5%
488.00	489	2,702	860	3	330	18	11	99	4,512	89.2%
425.19	190	1,087	322	6	53	6	1	41	1,706	88.9%
425.20	573	3,245	499	16	208	20	14	94	4,669	87.7%
483.00	831	3,288	1,701	16	595	17	5	196	6,649	87.5%
425.10	638	3,323	723	12	230	46	2	74	5,048	87.4%
425.21	637	3,176	737	15	195	52	11	99	4,922	87.1%
425.06	1,324	4,743	2,023	28	999	25	14	327	9,483	86.0%
489.02	837	3,954	806	12	174	48	15	111	5,957	85.9%
426.21	934	3,562	1,205	25	611	21	23	175	6,556	85.8%
425.11	472	2,129	524	5	97	9	5	67	3,308	85.7%
424.05	725	2,436	1,539	27	113	22	8	127	4,997	85.5%
425.14	466	1,913	521	6	158	4	2	95	3,165	85.3%
425.07	741	2,944	869	19	288	15	7	128	5,011	85.2%
511.00	960	2,908	1,632	19	409	50	21	189	6,188	84.5%
425.18	576	1,994	801	10	206	8	7	68	3,670	84.3%
425.17	520	2,053	465	2	144	23	20	51	3,278	84.1%
468.00	1,063	3,748	1,001	26	323	37	10	157	6,365	83.3%
424.04	344	1,176	367	2	71	6	2	70	2,038	83.1%
487.00	776	1,826	1,216	32	450	15	24	150	4,489	82.7%
425.13	595	2,144	346	3	141	69	7	74	3,379	82.4%

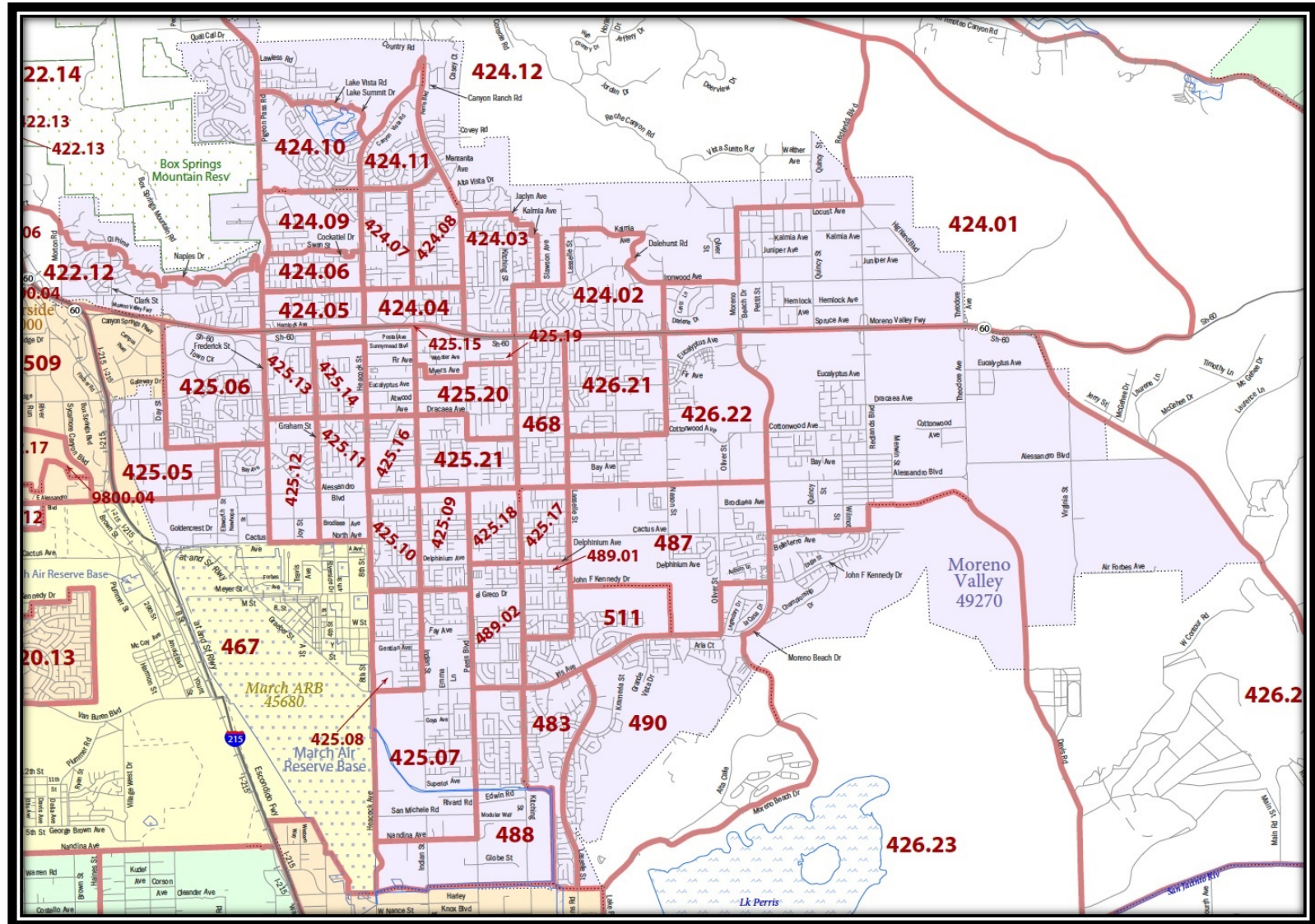
SECTION V**FAIR HOUSING COMMUNITY PROFILE**

Table V-8 continued
City of Moreno Valley
Race/Ethnicity by Census Tract (Rank Ordered by Percent Minority): 2010

Census Tract	White Alone	Hispanic or Latino	Black or African American Alone	American Indian and Alaska Native Alone	Asian alone	Native Hawaiian and Other Pacific Islander Alone	Some Other Race alone	Two or More Races	Total	Percent Minority
426.22	749	1,816	740	11	631	8	12	140	4,107	81.8%
490.00	1,523	3,420	1,999	15	978	58	16	236	8,245	81.5%
425.09	594	2,071	317	2	139	3	0	67	3,193	81.4%
489.01	748	2,274	553	14	103	17	3	93	3,805	80.3%
424.06	961	2,348	573	6	133	21	4	104	4,150	76.8%
424.09	794	1,725	577	7	103	14	5	74	3,299	75.9%
424.08	848	1,632	384	15	122	44	13	94	3,152	73.1%
422.12	1,811	3,088	1,097	22	468	24	11	206	6,727	73.1%
424.10	1,344	1,892	1,070	15	375	8	4	174	4,882	72.5%
424.02	1,322	2,522	547	20	222	11	14	122	4,780	72.3%
424.03	1,157	1,996	575	21	207	24	4	87	4,071	71.6%
424.07	1,022	1,653	353	28	104	9	2	91	3,262	68.7%
426.24	1,188	1,675	471	10	220	15	12	140	3,731	68.2%
426.23	1,197	1,100	835	8	383	22	13	124	3,682	67.5%
422.14	1,742	2,203	687	5	412	16	5	169	5,239	66.7%
424.11	889	932	489	10	122	10	5	83	2,540	65.0%
424.12	1,800	1,204	618	8	254	4	7	175	4,070	55.8%
424.01	972	779	173	6	92	3	5	50	2,080	53.3%
426.20	0	0	0	0	0	0	0	0	0	0.0%
438.22	0	0	0	0	0	0	0	0	0	0.0%
509.00	0	0	0	0	0	0	0	0	0	0.0%
Total	36,573	105,169	33,195	573	11,423	990	388	5,054	193,365	81.1%

Source: American FactFinder, Census 2010, Summary File 1, Table P9, Hispanic or Latino by Race
Table construction by Castañeda & Associates

Exhibit V-1
Census Tract Boundaries



To assist communities in identifying racially or ethnically-concentrated areas of poverty (R/ECAPs), HUD has developed a census tract-based definition of R/ECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold is straightforward: R/ECAPs must have a non-White population of 50% or more. Regarding the poverty threshold, a neighborhood can be an R/ECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. Census tracts with this extreme poverty rate that satisfy the racial/ethnic concentration threshold are deemed by HUD to be R/ECAPs.

According to the 2012-2016 ACS data, Census Tract 425.15 is the City's only R/ECAP. Census Tract 425.15 is bounded by the Moreno Valley Freeway, Heacock Street, Dracaea Avenue and Indian Street. It is a part of the Sunnymead Neighborhood. Exhibit V-2 shows the boundaries of this neighborhood.

An estimated 1,040 households live in Census Tract 425.15. The majority of the population living in the census tract is Hispanic. The sex of the householders is 527 male and 495 female. An estimated 325 households have 1 or more member with a disability. An estimated 582 of the 1,022 households have children under the 18 years of age.

The vast majority (82.5%) of the housing stock is renter-occupied. The median monthly gross rent is \$953. The median home value is \$193,800 and the median monthly owner cost is \$1,095.

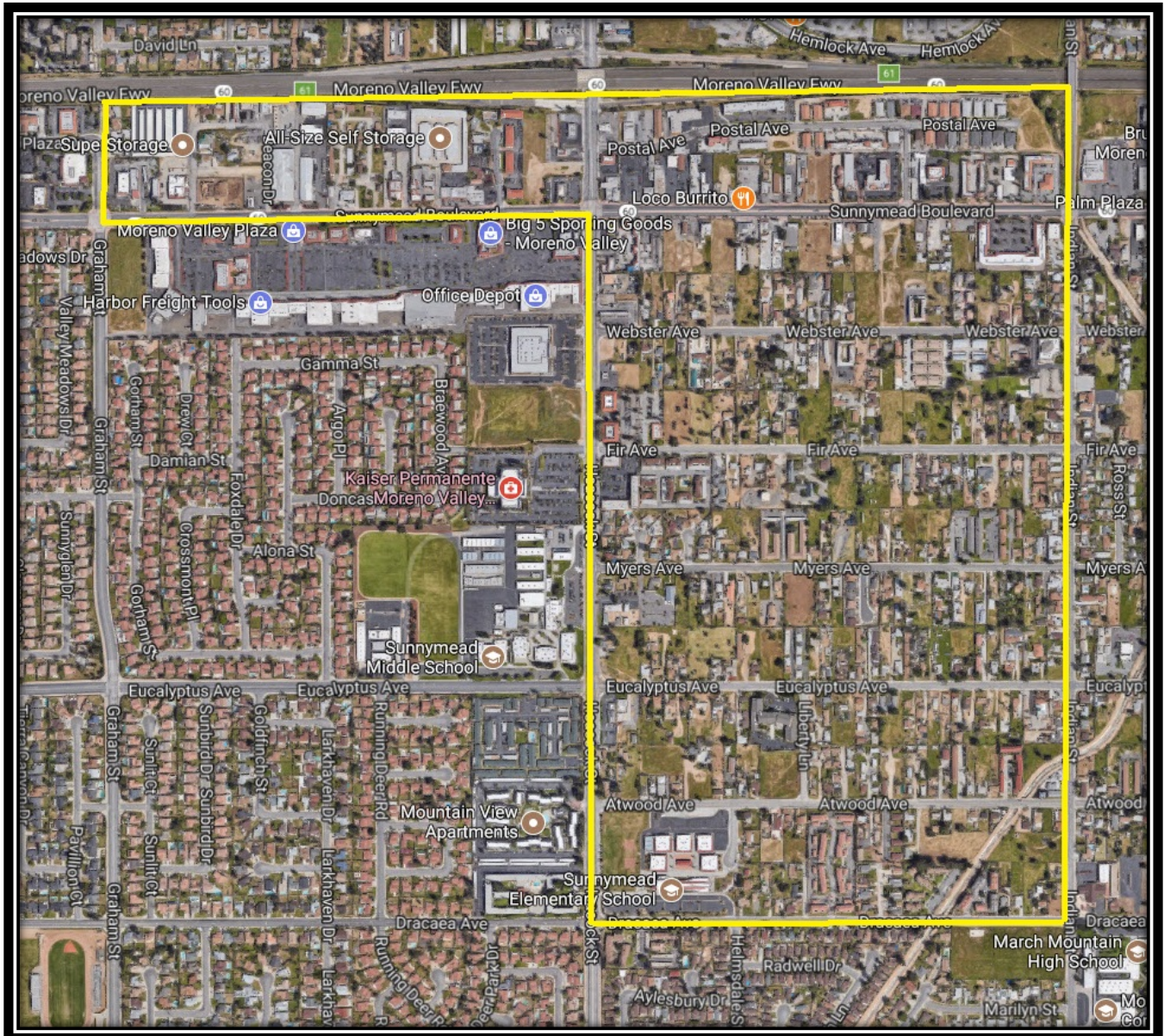
Three affordable housing developments are located within Census Tract 425.15: Eucalyptus Towers (69 units), Postal Avenue (8 units) and Walker Terrace (48 units).

The neighborhood is a block away from Sunnymead Park and Sunnymead Plaza. It is adjacent to Sunymead Middle School and Moreno Valley Plaza.

SECTION V

FAIR HOUSING COMMUNITY PROFILE

Exhibit V-2
Census Tract 425.15



C. RELIGION

1. Definitions

The United States Supreme Court has interpreted religion to mean a sincere and meaningful belief that occupies in the life of its possessor a place parallel to the place held by God in the lives of other persons. The religion or religious concept need not include belief in the existence of God or a supreme being to be within the scope of the First Amendment ("Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof"). People may adhere to a "religion" by sharing a particular system of faith and worship.

In California, religion includes "all aspects of religious belief, observance, and practice, including religious dress and grooming practices. "Religious dress practice" refers to the wearing or carrying of religious clothing, head or face coverings, jewelry, artifacts, and any other item that is part of the observance by an individual of his or her religious creed. "Religious grooming practice" includes all forms of head, facial, and body hair that are part of the observance by an individual of his or her religious creed.

2. Examples of Discriminatory Practices

According to the United States Department of Justice (DOJ), the prohibition on religious discrimination covers overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as places of worship.

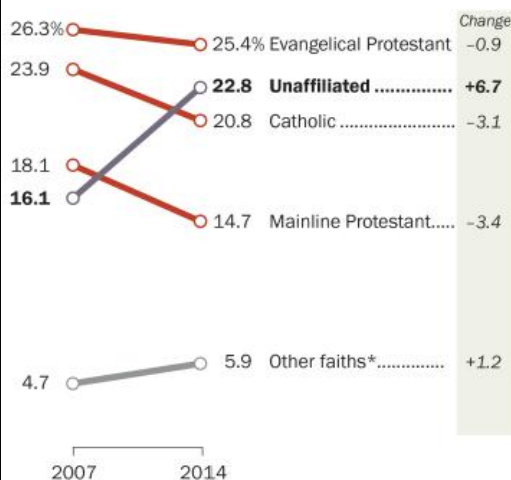
A law study noted:

...there is no question that there is a long history of religious discrimination in the private housing market. The most notable example was the prevalence of restrictive covenants in certain residential areas against Jewish people. Though prevalent, religious discrimination has not generated a large number of cases under the Fair Housing Act. However, such cases may arise in the future. The terrorist attacks of September 11, 2001, and the resulting "War on Terrorism" have focused attention on Arab-Americans and Muslims and could realistically result in increased housing discrimination against these persons because of their religion.

Source: Michael P. Seng, *The Fair Housing Act and Religious Freedom*, 11 Texas Journal on Civil Liberties & Civil Rights, Fall 2005, 36 pages

Changing U.S. Religious Landscape

Between 2007 and 2014, the Christian share of the population fell from 78.4% to 70.6%, driven mainly by declines among mainline Protestants and Catholics. The unaffiliated experienced the most growth, and the share of Americans who belong to non-Christian faiths also increased.



* Includes Jews, Muslims, Buddhists, Hindus, other world religions and other faiths. Those who did not answer the religious identity question, as well as groups whose share of the population did not change significantly, including the historically black Protestant tradition, Mormons and others, are not shown.

Source: 2014 Religious Landscape Study, conducted June 4-Sept. 30, 2014

PEW RESEARCH CENTER

A survey conducted in December 2015 found that 82% of Americans said religious liberty protections were important for Christians compared to 61% who said the same for Muslims.

Source: Los Angeles Times, *Poll on Religious Freedom Shows Bias Against Muslims*, December 31, 2015, page A-5

3. Riverside County's Religious Affiliations

The Christian share of the U.S. population is declining, while the number of U.S. adults who do not identify with any organized religion is growing, according to an extensive new survey by the Pew Research Center. While 73% of the population is religiously affiliated, almost 23% of Americans are religiously *unaffiliated* - describing themselves as atheist, agnostic or "nothing in particular."

The PEW study notes:

Even as their numbers decline, American Christians - like the U.S. population as a whole - are becoming more racially and ethnically diverse. Non-Hispanic whites now account for smaller shares of evangelical Protestants, mainline Protestants and Catholics than they did seven years earlier, while Hispanics have grown as a share of all three religious groups. Racial and ethnic minorities now make up 41% of Catholics (up from 35% in 2007), 24% of evangelical Protestants (up from 19%) and 14% of mainline Protestants (up from 9%).

Source: PEW Research Center, *America's Changing Religious Landscape*, May 12, 2015

Table V-9 shows the number and percentage of Riverside County adherents to a specific religion. The paragraph below explains the meaning of adherent:

The adherent figure is meant to be the most complete count of people affiliated with a congregation, and the most comparable count of people across all participating groups. Adherents may include all those with an affiliation to a congregation (children, members, and attendees who are not members). If a participating group does not provide the number of adherents, RCMS [*Religious Congregations & Membership Study*] 2010 may estimate the number of adherents through the use of a statistical procedure (this will only be done with the approval of the participating group). For groups that report the number of members but not adherents, the general formula for estimating adherents is: Compute what percentage the group's membership is of the county's adult population (14 and older), and then apply that percentage to the county's child population (13 and younger), and then take the resulting figure and add it to the group's membership figure.

Source: 2010 U.S. Religion Census: *Religious Congregations & Membership Study*

Table V-9
Riverside County
Number and Percentage of Congregational Adherents by Religious Tradition: 2010

Religious Tradition	Religion Adherents	Percentage Distribution
Catholic	602,765	27.5%
Evangelical Protestant	240,306	11.0%
Other	77,581	3.5%
Mainline Protestant	29,535	1.3%
Black Protestant	19,170	0.9%
Orthodox	3,674	0.2%
Unclaimed	1,216,637	55.6%
Total Riverside County Adherents	2,189,641	100.0%

Source: Association of Religion Data Archives, County Membership Report: Riverside County, California, Religious Traditions, 2010
Table construction by Castañeda & Associates

Table V-9 shows that “unclaimed” is the largest group. The unclaimed population includes people that are not adherents of any of the 236 groups included in the *2010 Religious Congregations & Membership Study*. This number should not be used as an indicator of irreligion or atheism, as it also includes adherents of groups not included in the data.

Congregational adherents include all full members, their children, and others who regularly attend services. Of all adherents, approximately 27.5% and 11.0% are affiliated with the Catholic Church and identify as Evangelical Protestant, respectively.

Assuming that Moreno Valley’s 2010 distribution of religious adherents was the same as Riverside County’s, the unclaimed population would number approximately 107,500 persons. Adherents to the Catholic Church and Evangelical Protestants would number 53,175 and 21,270 persons, respectively.

4. Definitions of Denominations

a. Catholic Denominations

Roman Catholicism is an ancient, liturgical, sacramental, and western form of Christianity. Roman Catholic doctrine emphasizes the Trinity and Jesus Christ’s incarnation. The Roman Catholic organizational structure is hierarchical with the Pope presiding over all Roman Catholics. The Roman Catholic Church is currently the largest religious body in the United States. This family also includes the Polish National Catholic Church.

The following Catholic denominations are included in the *2010 Religious Congregations & Membership Study*:

- Catholic Church
- Polish National Catholic Church
- United Catholic Church, Inc.

b. Evangelical Protestant Denominations

Evangelical Protestant denominations emphasize a personal relationship with Christ, the inspiration of the Bible, and the importance of sharing faith with non-believers. Evangelical Protestantism is usually seen as more theologically and socially conservative than Mainline Protestantism, although there is obviously variation between denominations, congregations, and individuals within the "Evangelical" category.

The *2010 Religious Congregations & Membership Study* includes 146 Evangelical Protestant denominations.

c. Mainline Protestant Denominations

Mainline Protestantism is a branch of Protestantism encompassing what are considered theologically liberal and moderate denominations, such as the Presbyterian Church (USA), the United Methodist Church, The Reformed Church in America, the Episcopal Church, the United Church of Christ, and the Evangelical Lutheran Church in America. While Mainline Protestantism is usually seen as more theologically and socially liberal than Evangelical Protestantism, there is obviously variation between denominations, congregations, and individuals within the "Mainline" category.

Twenty-three Mainline Protestant denominations are included in the *2010 Religious Congregations & Membership Study*.

d. Black Protestant Denominations

Historically, the Black Church has been composed of seven major denominations: the African Methodist Episcopal Church, the African Methodist Episcopal Zion Church, the Christian Methodist Episcopal Church, the Church of God in Christ, the National Baptist Convention of America, the National Baptist Convention, USA, Inc. and the Progressive National Baptist Convention, Inc.

While the religious-meaning system and social organization of these denominations are similar to those found in white evangelical denominations, African American Protestants emphasize different aspects of Christian doctrine, especially the importance of freedom and the quest for justice. Black Protestants tend to be liberal on economic attitudes and conservative on social issues.

Twelve Black Protestant denominations are included in *2010 Religious Congregations & Membership Study*.

e. Orthodox Denominations

Orthodox Christianity is an ancient, liturgical, sacramental, and eastern form of Christianity. Orthodox doctrine emphasizes the Trinity and Jesus Christ's incarnation. Many Orthodox jurisdictions have immigrant roots from Greek, Arab, and Slavic nations, although Americans from other ethnic groups also convert to these churches. This family includes both Chalcedonian and non-Chalcedonian Orthodox.

Twenty-three Orthodox groups are included in the *2010 Religious Congregations & Membership Study*.

f. Other Denominations

Denominations listed in the "other" category are simply those that do not fit into the Evangelical, Mainline, Black Protestants, Orthodox or Catholic categories.

Twenty-nine "other" denominations are included in the *2010 Religious Congregations & Membership Study*.

D. SEX OF HOUSEHOLDER

In the sale and rental of housing, fair housing laws protect several "classes" from discrimination. Federal and State fair housing laws prohibit discrimination based on a person's sex. The United States Department of Justice (DOJ) has stated:

The Fair Housing Act makes it unlawful to discriminate in housing on the basis of sex. In recent years, the Department's focus in this area has been to challenge *sexual harassment* in housing. Women, particularly those who are *poor*, and with limited housing options, often have little recourse but to tolerate the humiliation and degradation of sexual harassment or risk having their families and themselves removed from their homes.

In addition, *pricing discrimination* in mortgage lending may also adversely affect women, particularly minority women. This type of discrimination is unlawful under both the Fair Housing Act and the Equal Credit Opportunity Act. [Emphasis added]

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, pages 2 and 3

Table A-10 shows that of the City's approximately 48,900 householders in 2010, 48% are male and 52% are female. Male householders living in family households comprise the 39% of all householders. Women living in family households comprise almost 45% of all householders.

Table V-10
City of Moreno Valley
Sex of Householder by Family Type: 2017

Household Type	Male Householder	Percent Distribution	Female Householder	Percent Distribution	Total	Percent Distribution
In Family Households	19,062	39.0%	21,919	44.8%	40,981	83.8%
Non-Family Households						
Living Alone	3,118	6.4%	2,735	5.6%	5,853	12.0%
Not Living Alone	1,270	2.6%	804	1.6%	2,074	4.2%
Total	23,450	48.0%	25,458	52.0%	48,908	100.0%

Source: American Community Survey, Table B09019, Household Type Including Living Alone) by Relationship, 2017 1-Year Estimates

Note: percent refers to percent of all households 48,908

Table construction by Castaneda & Associates

E. NATIONAL ORIGIN

The federal Fair Housing Act and California's Fair Employment and Housing Act prohibit discrimination based upon national origin. According to the United States Department of Justice, such discrimination can be based either upon the country of an individual's birth or where his or her ancestors originated.

According to the 2017 ACS, the foreign born population consisted of an estimated 50,761 persons or 24.5% of the City's total population. Almost 80% of the foreign born population was born in Latin America. Asia was the birth place of 4.4% of the foreign born population.

F. DISABILITY**1. Background**

The federal Fair Housing Amendments Act of 1988 prohibits discriminatory housing practices based on handicap/disability status in all types of housing transactions. Among other prohibitions, the Act is intended to prohibit the application of special restrictive covenants and conditional or special use permits that have the effect of limiting the ability of such individuals to live in the residence of their choice. Fair housing laws, therefore, make it illegal to deny a housing opportunity on the basis of disabilities.

In addition, the law prohibits applying one standard to one class of individuals while applying a different standard to another class of individuals. For example, it would be illegal to ask a disabled individual applying for an apartment to provide a credit report if non-disabled applicants do not have to provide one.

Housing opportunities for disabled persons are impeded by practices in both the private and public sectors. For instance, "denied reasonable modification/accommodation" is often cited as an alleged act in housing discrimination complaints. Additionally, apartment rental ads often state "no pets allowed," even though disabled persons may have service or companion animals. In the public sector, housing opportunities can be impeded because a community has not adopted a reasonable accommodation procedure, or if adopted has not made the procedure widely known in the community.

The United States Department of Justice has indicated a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons. The Department has stated:

The Division's enforcement of the Fair Housing Act's protections for persons with disabilities has concentrated on two major areas. One is insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes. The second area is insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act's accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 4

2. Households with One or More Disabled Member

In Moreno Valley, almost one of every four households has a member with 1 or more disability. The City has approximately 13,500 households with a disabled person, according to the 2010 Census and data from the American Community Survey. Ninety-six percent of disabled people live in a housing unit - mobile home, apartment, condominium or single-family home - rather than in an assisted living facility or other types of housing designed to meet the needs of people with disabilities. Therefore, the vast majority of disabled persons live in integrated neighborhood settings. The elderly and frail elderly may need in home supportive services and eventually, as disabilities worsen, may need to relocate to one of the City's assisted living facilities.

G. FAMILIAL STATUS

The Fair Housing Amendments Act of 1988 prohibits discriminatory housing practices based on familial status. In most instances, according to the United States Department of Justice (DOJ), the Act prohibits a housing provider from refusing to rent or sell to families with children. However, housing may be designated as housing for older persons (55 years + of age). This type of housing, which meets the standards set forth in the Housing for Older Persons Act of 1995, may operate as "senior housing" and exclude families with children.

The Act protects families with children less than 18 years of age, pregnant women, or families in the process of securing custody of a child under 18 years of age. The DOJ has stated:

In addition to prohibiting the outright denial of housing to families with children, the Act also prevents housing providers from imposing any special requirements or conditions on tenants with children. For example, landlords may not locate families with children in any single portion of a complex, place an unreasonable restriction on the number of persons who may reside in a dwelling, or limit their access to recreational services provided to other tenants.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 3

The DOJ points out that would be renters can be denied access to housing because of prohibited discriminatory practices while in-place renters can face housing discrimination due to the practices of housing providers.

According to the 2017 American Community Survey, there are an estimated 20,802 *families with children*, which comprise about 42% of all households living in Moreno Valley. Listed below are the types of families with children:

▪ Husband-wife families	14,292	68.7%
▪ Male householder, no wife present	1,554	7.5%
▪ Female householder, no husband present	4,956	23.8%

Most families with children are husband-wife, two parent families. But almost 5,000 female householders have children less than 18 years of age which represents nearly one-fourth of all families with children.

Source: Table S1101, Households and Families, 2017 American Community Survey 1-Year Estimates

H. HOMEOWNERSHIP BY RACE AND ETHNICITY

Existing and would be home owners may experience housing discrimination during the process of buying a home. For instance, discriminatory behavior could be made by real estate agents, appraisers, lenders, and home insurance agents. Renters, on the other hand, could be denied access to housing while in-place tenants could be discriminated against by landlords. Most housing discrimination complaints are made by renters.

Table V-11 shows that the City has about 28,800 owner and 20,200 renter households. The following population groups have home ownership rates exceeding 50%: White, Asian, Native Hawaiian or Other Pacific Islander, and Some Other Race.

Table V-12 shows that almost 59% of Hispanic householders are home owners. In fact, the Hispanic homeownership percentage is the same as that for all householders living in Moreno Valley.

SECTION V**FAIR HOUSING COMMUNITY PROFILE**

Table V-11
City of Moreno Valley
Homeownership Rates by Race: 2017

Race/Ethnicity of Householder	Owners	Percent	Renters	Percent	Total Households	Percent*
White	12,251	71.0%	4,998	29.0%	17,249	100.0%
Black or African American	3,749	39.7%	5,686	60.3%	9,435	100.0%
American Indian/Alaska Native	300	49.8%	303	50.2%	603	100.0%
Asian	2,705	82.6%	569	17.4%	3,274	100.0%
Native Hawaiian or Other Pacific Islander	66	100.0%	0	0.0%	66	100.0%
Some Other Race	9,156	53.6%	7,932	46.4%	17,088	100.0%
Two or More Races	511	42.8%	682	57.2%	1,193	100.0%
Total	28,738	58.8%	20,170	41.2%	48,908	100.0%

Refers to % of all households

Source: American FactFinder, 2017 American Community Survey 1-Year Estimates, Table S2502 Demographic Characteristics for Occupied Housing Units

Table construction by Castañeda & Associates

Table V-12
City of Moreno Valley
Homeownership Rates by Ethnicity: 2017

Ethnicity	Owner Occupied	Percent	Renter Occupied	Percent	Total Households	Percent
Hispanic or Latino Origin	14,857	58.6%	10,496	41.4%	25,353	100.0%
White Alone, Not Hispanic or Latino	6,929	72.0%	2,697	28.0%	9,626	100.0%
Other Races, Not Hispanic or Latino	6,952	49.9%	6,977	40.1%	13,929	100.0%
Total	28,738	58.8%	20,170	41.2%	48,908	100.0%

Source: American FactFinder, 2017 American Community Survey 1-Year Estimates, Table S2502 Demographic Characteristics for Occupied Housing Units

Table construction by Castañeda & Associates

Attachment A
Fair Housing Protected Classes

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). These categories of persons are “protected classes” under the provisions of the Fair Housing Act.

Race: The Fair Housing Act does not define race. Data on race is required for many federal programs and the Census Bureau collects race data in accordance with guidelines provided by the U.S. Office of Management and Budget (OMB) and these data are based on self-identification. The racial categories included in the census form generally reflect a *social definition* of race recognized in this country, and are not an attempt to define race biologically, anthropologically or genetically. In addition, the Census Bureau recognizes that the categories of the race item include both racial and national origin or socio-cultural groups. Census 2010 and the American Community Survey provide for six race categories: White; Black, African American or Negro; American Indian or Alaska Native; Asian; Native Hawaiian or Other Pacific Islander; and Some Other Race.

Color: The Fair Housing Act does not define color. However, it must refer to the complexion of a person's skin color or pigmentation. The 2010 racial categories can be traced to Statistical Policy Directive No.15, promulgated by the OMB on May 12, 1977. “The four racial categories stipulated in the (1977) directive parallel the classic nineteenth-century color designations of black, white, red (American Indian or Alaska native), and yellow (Asian or Pacific Islander); there is no brown race in the American ethnoracial taxonomy.” [Victoria Hattam, “Ethnicity & the Boundaries of Race: Re-reading Directive 15,” *Daedalus*, Winter 2005, page 63]

Religion: According to the United States Department of Justice, this prohibition covers instances of overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as places of worship.

Sex: This basis refers to gender identity. California’s Fair Employment and Housing Act defines “sex” as including, but not limited to, pregnancy, childbirth, medical conditions related to pregnancy or childbirth and a person's gender, as defined in Section 422.56 of the Penal Code. Government Code Section 12926(p).

National Origin: This basis refers to the real or perceived country of an individual’s birth, ancestry, language and/or customs.

Familial Status: According to Section 802(k) of the Fair Housing Act, as amended, means one or more individuals (who have not attained the age of 18 years) being domiciled with--

- (1) a parent or another person having legal custody of such individual or individuals;
or
- (2) the designee of such parent or other person having such custody, with the written permission of such parent or other person.

The protections afforded against discrimination on the basis of familial status shall apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years.

Handicap (Disability): According to Section 802(h) of the Fair Housing Act, as amended, handicap/disability means -

- (1) a physical or mental impairment which substantially limits one or more of such person's major life activities,
- (2) a record of having such an impairment, or
- (3) being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

The two special rights extended to the disabled include: 1) the right to make reasonable modifications to a dwelling to enable them to live there comfortably, and 2) the responsibility of management to make reasonable accommodations in order to allow the disabled person to fully enjoy their tenancy. An accommodation, in most cases, involves modifying a policy, procedure, service or rule, such as allowing assistive animals when no pets are allowed, or assigned special parking spaces.

California's Fair Employment and Housing Act (FEHA) is the primary state law which prohibits discrimination in the sale, rental, lease negotiation, or financing of housing. The FEHA has five additional protected classes: sexual orientation, marital status, ancestry, source of income and age.

Sexual Orientation: The FEHA defines this basis as heterosexuality, homosexuality, and bisexuality. Government Code Section 12926(q)

Marital Status: The applicable state regulation defines marital status as "(a)n individual's state of marriage, non-marriage, divorce or dissolution, separation, widowhood, annulment, or other marital status."

Ancestry: According to the U.S. Census Bureau, "Ancestry refers to a person's ethnic origin, heritage, descent, or "roots," which may reflect their place of birth or that of previous generations of their family. Some ethnic identities, such as 'Egyptian' or 'Polish' can be traced to geographic areas outside the United States, while other ethnicities such as 'Pennsylvania German' or 'Cajun' evolved in the United States.

Source of Income: Source of income means lawful, verifiable income paid directly to tenant or paid to a representative of a tenant. A landlord is not considered a representative of a tenant. For purposes of the FEHA, it shall not constitute discrimination based on source of income to make a written or oral inquiry concerning the level or source of income.

Arbitrary: Arbitrary discrimination is prohibited. For instance, this means when management deliberately or arbitrarily discriminates against a person or group of persons based on personal characteristics. This might include, for example, persons with tattoos, numerous body piercings, unusual hair styles, overweight persons, etc.

SECTION VI PUBLIC SECTOR IMPEDIMENTS ANALYSIS



SECTION VI: PUBLIC SECTOR IMPEDIMENTS ANALYSIS

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A. INTRODUCTION

The United States Department of Justice has indicated that a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons. The Department has stated:

The Division's enforcement of the Fair Housing Act's protections for persons with disabilities has concentrated on two major areas. One is insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes. The second area is insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act's accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 4

California's Fair Employment and Housing Act states that it is unlawful:

To discriminate through *public or private land use practices, decisions, and authorizations* because of race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income, or ancestry. Discrimination includes, but is not limited to, restrictive covenants, *zoning laws, denials of use permits, and other actions authorized under the Planning and Zoning Law* (Title 7 (commencing with Section 65000)), that make housing opportunities unavailable. [Emphasis added]

Section VI analyzes the following topics in order to determine if actual or potential impediments exist:

- General Plan Policies
- Housing Element Fair Housing Program
- State Housing Element Law and Health and Safety Code
- California Olmstead Plan
- Types of Housing Occupied by Disabled Persons
- Options for Persons with Disabilities to Access Affordable Housing and Supportive Services
- Fair Housing Services
- Transportation Services
- Assessment of Fair Housing
- Planning and Zoning Policies and Practices

B. GENERAL PLAN POLICIES

The City's comprehensive vision for the future is the General Plan, which was adopted in 2006. Many of the General Plan goals and policies directly or indirectly relate to fair housing.

Policies that further fair housing include:

Allow for diversity in terms of neighborhood character, from rural to urban.

Promote the maintenance and redevelopment of blighted areas.

Allow for a range of housing opportunities, from apartments to executive homes.

Important public service policies and objectives include:

Promote social services that meet the special needs for childcare, the elderly, and the disabled.

Ensure that a full range of human service programs are available to meet the lifetime development needs of residents of all ages, including the special needs of seniors, families, children, disabled persons and youth groups.

Encourage demand-response public transportation facilities, such as the mini-bus or dial-a-ride systems in order to facilitate the transportation needs of the elderly and disabled.

Evaluate existing social programs under the City's purview, and determine if they adequately address the needs of the aged, the disabled, low-income families and persons in crisis situations.

Conduct a detailed capital improvement program using the revised population projections and proposed land use characteristics of the General Plan.

C. HOUSING ELEMENT FAIR HOUSING PROGRAM

The *2014-2021 Housing Element* includes a "program" to ensure equal housing opportunity for all persons. That program seeks to:

Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color.

The State Department of Housing and Community Development (HCD) offers the following guidance on the meaning ascribed to "promoting equal housing opportunity":

In the housing element, a local equal housing opportunity program must provide a means for the resolution of local housing discrimination complaints and should include a program to disseminate fair housing information and information about resources throughout the community. The local program must involve the dissemination of information on fair housing laws, and provide for referrals to appropriate investigative or enforcement agencies. Where appropriate, communities should distribute fair housing information in languages other than English. Sites for display of fair housing information include buses, community and senior centers, local social service offices, and other public locations including civic centers or county administrative offices.

Source: State Department of Housing and Community Development, *Building Blocks: A Comprehensive Housing Element Guide, Required Components of Housing Programs*

The *2014-2021 Housing Element* includes the following Fair Housing Program:

Goal #7: Equal housing opportunity for all residents of Moreno Valley, regardless of race, religion, sex, marital status, ancestry, national origin, color, or handicap.

Policy 7.1: Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale of housing.

Programs Actions

7.1: The City, in conjunction with the Riverside County Fair Housing Council, shall support efforts dedicated to working towards the elimination of the discrimination of housing by actively pursuing any complaints of housing discrimination within the City. Information detailing fair housing practices will be made available at City Hall and on the City's website. Additionally, the City will participate with the Riverside County Fair Housing Council to conduct workshops and seminars about landlord and tenant responsibilities and rights.

7.2: The housing needs of persons with developmental disabilities are typically not addressed by Title 24 Regulations, and requires in addition to basic affordability, slight modifications to existing units, and in some instances, a varying range of supportive housing facilities. To accommodate residents with developmental disabilities, the City will seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities.

Moreno Valley will also provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities. To further facilitate the development of units to accommodate persons with developmental disabilities, the City shall reach out to developers of supportive housing to encourage development of projects targeted for special needs groups. Finally, as housing is developed or identified, Moreno Valley will work with the Inland Regional Center to implement an outreach program informing families within the City of housing and services available for persons with developmental disabilities. Information will be made available on the City's website.

D. STATE HOUSING ELEMENT LAW AND HEALTH AND SAFETY CODE

According to the California Department of Housing and Community Development:

Many individuals with a disability live on a small, fixed income, limiting their ability to pay for housing. Individuals with mental, physical, and developmental disabilities need affordable, conveniently located housing that has been (or can be) specially adapted to address accessibility issues and include on- or offsite support services, including inpatient/outpatient day-treatment programs.

The City's land use and zoning policies and practices adhere to Housing Element Law as well as Health and Safety Code sections 1267.8, 1566.3, 1568.08 which require local governments to treat licensed group homes and residential care facilities with six or fewer residents no differently than other by-right single-family housing uses. "Six or fewer persons" does not include the operator, the operator's family, or persons employed as staff. Local agencies must allow these licensed, residential-care facilities in any area zoned for residential use, and may not require licensed, residential-care facilities for six residents or less to obtain conditional use permits or variances that are not required of other family dwellings.

In addition, the Municipal Code defines “family” as one or more individuals occupying a dwelling unit and living as a single household unit. This definition of family does not place limitations on the number of related and unrelated persons living together, and therefore does not constrain the provision of group housing.

Furthermore, the California Community Care Facilities Act requires the Department of Social Services to take “overconcentration” of residential care facilities into account when making its licensing decisions for such facilities. “Overconcentration” means like facilities should be separated by a distance of 300 feet or more. However, residential care facilities for the elderly are exempt from this requirement while adult residential facilities and intermediate care facilities are not. Congregate living health facilities must be separated by 1,000 feet.

E. CALIFORNIA OLMSTEAD PLAN

In the *Draft Assessment of Fair Housing* (AFH), the City assessed the integration of persons with disabilities living in institutions or other segregated settings. A significant component of this assessment was issues related to the Supreme Court’s decision in *Olmstead v. L.C.*, 527 U.S. 581 (1999). Individuals with disabilities have historically faced discrimination that limited their opportunity to live independently in the community with appropriate supports and required them to live in institutions or other segregated settings. In *Olmstead*, the Court held that the unjustified segregation of individuals with disabilities is a form of discrimination prohibited by Title II of the Americans with Disabilities Act (ADA).

Following this decision, there have been increased efforts across the country to assist individuals who are living in institutional settings or who are housed in other segregated settings to move to integrated, community-based settings. HUD programs, for example, serve as an important resource for affordable housing opportunities for individuals with disabilities, including individuals who are transitioning out of, or at serious risk of entering, institutions.

The Court decision required states to prepare Olmstead Plans. The *California Olmstead Plan Update* was prepared in November 2012. The update was organized into four categories:

- State Commitment
- Assessment and Transition
- Diversion
- Data and Research

The “Transition from Institutional Settings” sub-category describes services that facilitate transitions from institutional settings to the most integrated settings appropriate for their needs, based on informed consumer choice.

Two examples of transitions from institutional settings are described below:

- Independent Living Centers. The State Independent Living Plan identifies transition services as part of its 2010-2013 priorities. Approximately \$150,000 is allocated annually for independent living centers to provide necessary services to individuals they are assisting to transition to the community, limited to \$4,000 per individual. Individuals served do not need to be on Medi-Cal. These efforts funded by the Rehabilitation Act, Title VIIIB, have transitioned hundreds of people with disabilities back to community living.

- Mental Health Services Act Housing Program. The Department of Health Care Services and the California Housing Finance Administration jointly administered the Mental Health Services Act Housing Program. This program was funded by revenue from the state Mental Health Services Act (passed by California voters as Proposition 63 in 2004) for the development, acquisition, and rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially homeless individuals with mental illness and their families. Approximately \$400 million in Mental Health Services Act funding was set aside for this program.

In Moreno Valley, 15 affordable housing units were funded by this program.

In November 2018, voters approved Proposition 2 which provides \$2 billion in bond funding to house mentally homeless people.

F. TYPES OF HOUSING OCCUPIED BY DISABLED PERSONS

In Moreno Valley, almost one of every four households has a member with 1 or more disability. The City has approximately 13,500 households with a disabled person, according to the 2010 Census and data from the American Community Survey. Ninety-six percent of disabled people live in a housing unit - mobile home, apartment, condominium or single-family home - rather than in an assisted living facility or other types of housing designed to meet the needs of people with disabilities. Therefore, the vast majority of disabled persons live in integrated neighborhood settings. The elderly and frail elderly may need in home supportive services and eventually, as disabilities worsen, may need to relocate to one of the City's assisted living facilities.

Approximately 650 disabled persons live in a Residential Care Facility for the Elderly, Adult Residential Facility, Intermediate Care Facility or a Congregate Living Health Facility.

Some disabled persons live in a Residential Care Facility for the Elderly (RCFE). According to the California Department of Social Services, a RCFE is a residential home for seniors aged 60 and over who require or prefer assistance with care and supervision. They may also be known as assisted living facilities, retirement homes and board and care homes. In the City, there are 28 residential care facilities for the elderly located in single-family homes. Most of the homes have a maximum capacity of six disabled elderly persons.

In addition, some disabled persons live in an Adult Residential Facility (ARF). According to the California Department of Social Services, an ARF is a residential home for adults ages 18 through 59 with mental health care needs or who have physical or developmental disabilities and require or prefer assistance with care and supervision. There are 66 adult residential care facilities located in Moreno Valley. Each is located in a single family home and each has a capacity of six persons. Thus, the total bed capacity is 396. The 66 facilities are not concentrated because they are separated from one another by a minimum distance as set forth by State law.

Single family homes also provide housing and supportive care for developmentally disabled persons in Intermediate Care Facilities for the Developmentally Disabled/Habilitative and Intermediate Care Facilities for Developmentally Disabled/Nursing.

An intermediate care facility for the developmentally disabled habilitative is a health facility with a capacity of 4 to 15 beds which provides 24-hour personal care, habilitation, developmental, and supportive health services to 15 or fewer developmentally disabled persons with intermittent

recurring needs for nursing services, but have been certified by a physician and surgeon as not requiring the availability of continuous skilled nursing care. There are located within the City limits 12 such intermediate care facilities. The intermediate care facilities are located in single-family homes and each has a six bed capacity. Thus, a total 72 developmentally disabled persons could be housed in these intermediate care facilities. The 12 facilities are not concentrated because they are separated from one another by a minimum distance as set forth by State law.

An intermediate care facility for developmentally disabled/nursing is a health facility with a capacity of 4 to 15 beds that provides 24-hour personal care, developmental services, and nursing supervision for developmentally disabled persons who have intermittent recurring needs for skilled nursing care but have been certified by a physician and surgeon as not requiring continuous skilled nursing care. The facility serves medically fragile persons who have developmental disabilities or demonstrate significant developmental delay that may lead to a developmental disability if not treated. There are located within the City limits three such intermediate care facilities. The intermediate care facilities are located in single-family homes and each has a six bed capacity. Thus, a total 18 developmentally disabled persons could be housed in these intermediate care facilities. The three facilities are not concentrated because they are separated from one another by a minimum distance as set forth by State law.

In addition, two Congregate Living Health Facilities are located within Moreno Valley. The total bed capacity of the two facilities is 12. The primary need of the facility residents is the availability of skilled nursing care on a recurring, intermittent, extended, or continuous basis. This care is generally less intense than that provided in general acute hospitals but more intense than that provided in skilled nursing facilities.

G. OPTIONS FOR PERSONS WITH DISABILITIES TO ACCESS AFFORDABLE HOUSING AND SUPPORTIVE SERVICES.

The Section 8 Housing Choice Voucher Program is administered by the Housing Authority of the County of Riverside (HA). The HA has adopted an Administrative Plan for the Housing Choice Voucher Program, effective July 1, 2016. According to the Administrative Plan, the Housing Authority implements HUD and HA eligibility admission criteria. With regard to the selection of families from the Section 8 waiting list, disabled families are in the second level which involves a County of Riverside residency preference and working families with minors or elderly families or disabled families.

The HA assists families with disabilities in locating accessible units by:

- Providing a rental listing (which includes handicapped accessible units) of owners willing to rent to Housing Choice Voucher Program participants, and
- Providing a listing of service agencies that provide services to help the disabled, and
- Providing reasonable accommodation by extending the term of the voucher, if warranted.

Source: Housing Authority of the County of Riverside, *Administrative Plan for the Housing Choice Voucher Program*, effective July 1, 2016, page 40

Riverside County's In Home Supportive Services Program helps elders, dependent adults and minors to live safely in their own homes or other non-institutional settings. Services may include assistance with meal preparation and clean-up, food shopping, bathing, dressing, personal care,

house cleaning, assistance with medications and certain other paramedical assistance (with physician approval). Eligibility for IHSS includes:

- Elders, dependent adults and minors whose disability is expected to continue longer than 12 months.
- Elders, dependent adults and minors whose physician or a medical professional has determined that they are unable to remain safely in their own home without IHSS.

In addition, the City - through HOME funds - provides financial assistance to disabled homeowners. Among the major purposes of the Home Improvement Loan Program (3% deferred) is to “improve handicap accessibility.”

H. FAIR HOUSING SERVICES

The City annually contracts for the provision of fair housing services. Annually, the City allocates an average of \$40,000 for these fair housing services.

Under this contract, the Fair Housing Council of Riverside County, Inc. (FHCRC) provides a full range of fair housing services, including:

- Anti-discrimination services
- Landlord/tenant mediation and enforcement services
- Training and technical assistance
- Enforcement of housing rights,
- Foreclosure counseling and prevention
- First-time homebuyer counseling

The primary goal is to implement activities that affirmatively further fair housing.

I. TRANSPORTATION SERVICES

Public transit is an important service that should be available to all transit dependent populations, including areas of minority and low-income concentrations. For some that live in the areas of poverty concentration, public transit is a means of getting to work and, therefore, earn an income.

HUD data and maps indicate that 25 census tracts/neighborhoods have relatively high transportation costs. Ten of the 25 census reacts are located north of the Moreno Valley Freeway; seven are located south of the Freeway and west of Perris Boulevard; and eight are located south of the Freeway and east of Perris Boulevard. High transportation costs are probably due to the fact that almost four of every five workers drive alone to work and the cost of gasoline.

Most neighborhoods in the City have a low number of transit trips. The main reason for low numbers is that few workers in the City utilize public transit. In fact, only about 2% of workers use public transportation as a means of commuting to work, a percentage that is low than that of persons working at home (4.0%).

Table VI-1 contains the data on means of transportation to work for the years 1999, 2010 and 2017. The data shows that in 2017 almost 91% of all workers used an automobile to commute to work by driving alone or carpooling.

Table V-1
City of Moreno Valley: Transportation to Work – 1999, 2010 and 2017

Means of Transportation	Number of Workers 1999	Percent	Number of Workers 2010	Percent	Number of Workers 2017	Percent
Drove alone	40,866	74.2%	57,048	79.2%	68,721	78.9%
Carpool	10,424	18.9%	8,551	11.9%	11,208	12.9%
Public transportation	1,044	1.9%	1,171	1.6%	1,653	1.9%
Bicycle	138	0.3%	0	0.0%	57	--%
Walked	398	0.7%	1,503	2.1%	887	1.0%
Taxicab, Motorcycle or other	564	1.0%	2,604	3.6%	1,095	1.3%
Worked at Home	1,655	3.0%	1,118	1.6%	3,497	4.0%
Total	55,089	100.0%	71,995	100.0%	87,118	100.0%

Source: Census 2000, Summary File 3, Table P30, Means of Transportation to Work for Workers 16 Years and Over. American Community Survey (ACS), 2010 1-Year and 2017 1-Year Estimates, Table B08301 Means of Transportation to Work.

Table construction by Castañeda & Associates

According to the Riverside Transportation Commission (RTC):

The Southern California Association of Governments (SCAG) has identified trips per capita as a significant measure of the relationship between transit trips provided and population growth.

Riverside County as a whole and considering all public transportation modes of rail, fixed route, demand response and specialized transportation, the last Countywide Report calculates a trips per capita rate of 7.2.

Comparing available National Transit Database (NTD) information for 2014, Riverside County's trips per capita rate of 7.2 is well behind Los Angeles County's rate of 41.9, San Diego's MTS rate of 23.3 and Orange County's rate of 16.1. Riverside County is on par with San Bernardino County Omnitrans at 10.2 trips per capita....Riverside County does not presently have sufficient funding to double its trips per capita rate, as examined carefully in the *2016 Strategic Assessment*.

Riverside County has a low population per square mile of 378 compared to other transit systems operating in southern California and other places in the country.

Source: Riverside County Transportation Commission, *Riverside County Public Transportation - Annual Countywide Performance Report: Audit Year 2014/2015*, June 2016, pages 10 and 11

The Riverside Transit Agency (RTA), Metrolink, and a few other systems, such as the MoVan for seniors and the disabled, provide the majority of public transportation in Moreno Valley. The combination of these agencies provides transportation access within Moreno Valley, to surrounding communities within Riverside County, and regional transportation to Orange, Los Angeles and San Bernardino Counties.

Riverside Transit Agency. Currently nine RTA bus routes serve the City, one of which connects with the Metrolink Rail Line Station to provide a light rail connection to Orange and Los Angeles Counties.

RTA Dial-A-Ride (DAR) Program. RTA also offers a dial-a-ride service for senior and disabled (ADA certified) passengers. The service provides curb-to-curb transportation to and from communities within Riverside County. The ADA Intercity #2 Dial-a-Ride route serves the cities of Moreno Valley, Riverside and Norco. Trips are able to be reserved seven days a week; however, reservations must be made at least one day in advance. Transfers are available for other city transportation services. The fare is \$3.00 for seniors and disabled persons. Wait times vary as they pick up and drop off several different passengers per trip.

ADA Intercity. ADA Intercity connection services are available for ADA-certified passengers only. The ADA Intercity #1 service is available for ADA passengers traveling to and from Moreno Valley, Mead Valley, Perris, Riverside, Woodcrest, Grand Terrace, Highgrove and Loma Linda. Trips may involve various transfers between vans.

CDBG funding supports the Senior Van Transportation Program "Mo-Van" to transport senior citizens over the age of 60 years old and disabled adults to necessary destinations for medical, dental, optical, Senior Center and grocery stores. The Mo Van is a paratransit bus providing "Curb to Curb Service" for up to 12 passengers and 2 wheel chair tie downs. The Mo Van provides low cost intra-city (non-ADA) service and covers a 35 mile radius. The fare is \$1.00 for one way trips and \$2.50 for one way trips outside of the city limits but no-one is turned away due to their inability to donate. The "MoVan" is available to transport Monday through Friday from 8:00 am to 3:00 pm. Riders must make reservations 24 hours in advance.

J. ASSESSMENT OF FAIR HOUSING

Governor Brown approved AB 686 on September 30, 2018. The housing law adds fair housing as one of the required programs that must be included in a housing element that is revised or approved after January 1, 2021. A housing element must now include an Assessment of Fair Housing that must include all the following components:

- A summary of fair housing issues;
- Assessment of the City's fair housing enforcement and outreach capacity;
- Identification of: integration and segregation patterns and trends; racially or ethnically concentrated areas of poverty; disparities in access to opportunity; disproportionate housing needs; and displacement;
- An assessment of factors that contribute to the preceding fair housing issues;
- Identification of fair housing priorities and goals;
- Description of actions to implement the priorities and goals.

AB 1771 adds the objective to affirmatively further fair housing in the development of the regional housing needs allocation plan. The bill also defines that term (same as in the Federal final rule). It also mandates that SCAG, prior to development of a proposed methodology for the regional housing needs allocation plan, compile the Analysis of Impediments to Fair Housing Choice and Assessment of Fair Housing completed by a city or county within SCAG's jurisdiction. The information in the AIs and AFHs are to be used by SCAG during the development of the proposed allocation methodology. This new requirement affords the City the opportunity to include information in the AI that may contribute to SCAG allocating a "reasonable fair share" of new housing to the City of Moreno Valley.

HCD has not set a timetable to prepare guidelines that cities can rely on to develop the Assessment of Fair Housing. However, the City will use the *Draft Assessment of Fair Housing* completed in January 2018 as a starting point to meet the new state law requirements.

K. PLANNING AND ZONING POLICIES AND PRACTICES

Pursuant to HUD-LA guidance, the City completed a survey of the Planning and Zoning Code and associated planning policies and practices to identify potential impediments to fair housing choice. Based on this analysis it was determined that the City can take the actions to affirmatively further fair housing by amending, among other actions, certain definitions found in the Planning and Zoning Code and increasing awareness of the Reasonable Accommodation Procedure.

1. Definitions

Both HUD and HCD encourage cities to include in their zoning codes definitions which pertain to one or more fair housing protected group. The review of the City's Planning and Zoning Code revealed that four definitions should be added to the Code to affirmatively further fair housing.

a. Disability

The Planning and Zoning Code does not contain a definition of disability. A definition will be added to the Code.

The City obtained advice on the most appropriate "disability" definition from the HUD-LA office and the Fair Housing Council of Riverside County, Inc. (FHCRC). HUD-LA Staff advised the City that the disability definition should mirror the State fair housing laws because they provide broader protection than the federal FHA. One example is that the FHA states "substantially limits" whereas state law references "limits." The City will amend the current definition of disability to add a reference to State fair housing laws when the Planning and Zoning Code is next amended to incorporate this definition and any other necessary updates.

b. Senior Housing

Under federal law housing discrimination against families with children is permitted only in housing in which all the residents are 62 years of age or older or where at least 80% of the occupied units have one person who is 55 years of age or older. Generally, California law states that a housing provider using the lower age limitation of 55 years must have at least 35 units to use the familial status discrimination exemption. Also, California law, with narrow exceptions, requires all residents to be "senior citizens" or "qualified permanent residents", pursuant to Civil Code §51.3.

The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows:

Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3607(b)) and

implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.

c. Supportive and Transitional Housing

In 2007, SB 2 (Chapter 633, Statutes of 2007) revised housing element law requiring that transitional and supportive housing be permitted as a residential use, subject only to restrictions that apply to other residential dwellings of the same type in the same zone. SB 745, which took effect on January 1, 2014, generally amends Section 65582 of the Government Code to replace prior Health and Safety Code definitions of "supportive housing," "target population," and "transitional housing" with definitions now more specific to housing element law.

Previously, definitions for "supportive housing," "target population," and "transitional housing" were found in subdivision (b) of Section 50675.14, subdivision (3)(a) of Section 50675.14 and subdivision (h) of Section 50675.2 of the Health and Safety Code, respectively. SB 745 deletes reference to these sections and creates new definitions in Government Code Section 65582. The intent for this change is to remove cross references in Government Code Section 65582 to the definitions of "supportive housing" and "transitional housing" that are used in the statutes governing the Multifamily Housing Program (MHP) and replace them with the current definitions that are used for the purposes of zoning applicable at the time SB 2 (Cedillo, Chapter 633, Statutes of 2007) passed.

The State-approved definitions are as follows:

"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

"Transitional housing" means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

2. Residential Care Facilities

Residential care facilities are an important housing resource for disabled persons. The Planning and Zoning Code definitions should reflect those contained in State law.

The Planning and Zoning Code defines residential care facility as a dwelling unit housing 10 or less persons. The City may modify the number of persons to "six or fewer" as the zoning regulations allow licensed group homes housing six or fewer persons by right in the zones permitting single family homes and those housing seven or more persons are conditionally permitted.

3. Special Needs Populations

HUD encourages cities to address special needs populations through provisions in their planning and zoning codes and policies contained in their planning documents.

The City addresses special needs populations in the Housing Element and Consolidated Plan. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs populations.

SECTION VII PRIVATE SECTOR IMPEDIMENTS ANALYSIS



SECTION VII: PRIVATE SECTOR IMPEDIMENTS ANALYSIS

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A. INTRODUCTION

Section VII analyzes 12 potential private sector impediments to fair housing choice. Table VII-1 lists the pages which discuss prohibited practices and the actual or potential impediments to fair housing choice.

Table VII-1
City of Moreno Valley
Analysis of Impediments to Fair Housing Choice
Page References for Discussion of Private Sector Fair Housing Impediments

Fair Housing Impediment	Page References
▪ Housing Discrimination	VII-1 to VII-6
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The private sector impediments are identified as prohibited practices by the 1968 Federal Fair Housing Act, as amended, and the California Fair Employment and Housing Act. The format for presenting the information on each potential impediment includes:

- Background - an explanation of why a specific practice is prohibited and how it creates an impediment to fair housing choice.
- Analysis - a discussion of data, to the extent it is available, on the prohibited practice
- Conclusions and Recommendations - based on the available data, a brief explanation of whether an impediment to fair housing choice exists and, if appropriate, recommended actions that could be implemented by the Fair Housing Council of Riverside County, Inc. (FHCRC), the City's fair housing provider, during the five-year period from FY 2018-2019 through FY 2022-2023.

B. HOUSING DISCRIMINATION**1. Prohibited Housing Discriminatory Practices**

Sections 804 (a), (b), and (d) of the 1968 Fair Housing Act describe several prohibited housing discriminatory practices such as the following:

- (a) To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.

(b) To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin.

(d) To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

Sections 804(f) (1), (2) and (3) prohibit the following practices because of a handicap:

(1) To discriminate in the sale or rental, or to otherwise make unavailable or deny, a dwelling to any buyer or renter because of a handicap.

(2) To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection with such dwelling, because of a handicap.

(3)(A) A refusal to permit, at the expense of the handicapped person, reasonable modifications of existing premises occupied or to be occupied by such person if such modifications may be necessary to afford such person full enjoyment of the premises.

(3)(B) A refusal to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.

(3)(C) Failure to comply with accessible design and construction requirements

The California Fair Employment and Housing Act (FEHA) prohibits unlawful practices similar to those that are described in the Federal Fair Housing Act. For example, Article 2 - Housing Discrimination - Section 12955 of FEHA states the following are unlawful practices:

(a) For the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability of that person.

(b) For the owner of any housing accommodation to make or to cause to be made any written or oral inquiry concerning the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, or disability of any person seeking to purchase, rent or lease any housing accommodation.

(f) For any owner of housing accommodations to harass, evict, or otherwise discriminate against any person in the sale or rental of housing accommodations when the owner's dominant purpose is retaliation against a person who has opposed practices unlawful under this section, informed law enforcement agencies of practices believed unlawful under this section, has testified or assisted in any proceeding under this part, or has aided or encouraged a person to exercise or enjoy the rights secured by this part. Nothing herein is intended to cause or permit the delay of an unlawful detainer action.

(k) To otherwise make unavailable or deny a dwelling based on discrimination because of race, color, religion, sex, sexual orientation, familial status, source of income, disability, or national origin.

HUD, the California Department of Fair Employment and Housing (DFEH) and the Fair Housing Council of Riverside County, Inc. (FHCRC) process housing discrimination complaints. Housing discrimination probably is underreported and, therefore, the number of complaints may not accurately measure the extent of this private sector fair housing impediment.

Evidence on underreporting is supported by a HUD-sponsored study conducted by The Urban Institute. That research study concluded:

Another finding with implications for fair housing programs involves the fact that so few people who believed they had been discriminated against took any action, with most seeing little point in doing so.

Source: The Urban Institute, *How Much Do We Know: Public Awareness of the Nation's Fair Housing Laws*, prepared for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research, April 2002, pg. 7

2. Examples of Housing Discrimination

Table VII-2 shows examples of housing discrimination against the protected classes which are identified by the -

- 1968 Federal Fair Housing Act (FHA) - first five groups listed
- 1988 amendments to the and the - familial status and handicap/disability
- California Fair Employment and Housing Act - last six groups listed (underlined)

The examples shown are generally those committed by a landlord against a tenant, property owner or real estate agents. The list is not intended to be exhaustive as it does mention lender or appraiser discriminatory acts, for example.

3. Number and Type of Housing Discrimination Complaints

According to the Urban Institute:

There can be no question that access to housing remains unequal. Despite long-standing laws guarding against discrimination, members of disadvantaged groups have a harder time finding a high-quality place to live in a high-opportunity neighborhood. It's far less obvious, however, whether – or how much – these disparities result from discrimination, because disadvantaged groups often differ systematically in employment, income, assets, and debts.

Thus, because of the factors cited by the Urban Institute, paired-testing research is used to provide a better understanding of how housing discrimination impedes the access of fair housing protected groups to high opportunity/high resource neighborhoods.

Table VII-2
Examples of Housing Discrimination

RACE – Different rules, fees, or treatment; targeting a particular race for evictions, increasing rent, giving warning notices, making racial slurs and comments due to a person's race.

COLOR – Differential treatment due to skin color. People of the same race discriminating against each other because lightness or darkness of skin tones.

RELIGION – Requiring applicants or tenants to be of a certain religion or excluding tenants based on religion. Not allowing religious decorations on doors where other decorations are allowed.

SEX – Different treatment because one is female or male. Property owner showing a preference not to deal with persons of a particular gender; ignoring requests, treating genders differently; or sexual harassment.

NATIONAL ORIGIN - Different treatment or denying housing based on where a person was born, emigrated from, or the language a person speaks. Landlord renting only to Spanish, English, or Swahili speakers.

FAMILIAL STATUS – Landlord targeting families with persons under the age of 18. Different rules for children such as curfew, pool rules; requiring children to live downstairs, prohibiting playing outside, limiting number of children, but not number of persons. Discrimination related to pregnancy.

HANDICAP/DISABILITY - Different treatment due to a physical, mental, or medical disability. Ignoring requests for accommodations or modifications based on disability. Not allowing or charging 'pet' deposits for service animals.

SEXUAL ORIENTATION – Refusal of housing to a tenant who is biologically female but exhibits masculine mannerisms. Refusal to lease to a gay man based on the belief that he has HIV/AIDS.

MARITAL STATUS – Different treatment because a person is single or living with a partner but not legally married. Discouraging overnight guests, invading privacy, or harassment by intimidating behavior.

ANCESTRY – Refusal to rent, lease, or sell based on ancestry ties, characteristics, or hereditary traits.

SOURCE OF INCOME – Housing provider refusing to accept child support, unemployment income, or SSI.

AGE – Different treatment toward persons of certain age groups, advertising, e.g. "Ideal for a young professional or an elderly person".

ARBITRARY – Differential treatment due to affiliations, physical appearances such as clothing, tattoos, piercings.

Complaint data offers some limited insights on how housing discrimination impedes access to high opportunity/high resource neighborhoods. Between FY 2012/2013 and FY 2016/2017, 219 Moreno Valley households filed housing discrimination complaints with the FHCRC. Almost 60% of the complaints were filed by Black/African American families while 20% and 15% were filed by White and Hispanic families, respectively. Most of the complaints were based on disability (71%) and race/color (18%).

The FHCRC does not collect data on whether the person filing a complaint is an in-place tenant, apartment seeker, or home buyer. Because a high percentage of all complaints are based on disability, it seems that most complainants are in-place renters. The FHCRC also does not collect data on the acts that allegedly violate the federal and/or state fair housing laws.

During the 4½ year period from July 1, 2012 - December 31, 2016, 13 complaints were filed with the DFEH. Nine of the 13 complaints were dismissed due to insufficient evidence or there was no basis to proceed.

Many acts impede a would-be renter or homebuyer from accessing neighborhoods of their choice such as refusal to rent, refusal to show, and refusal to sell. According to the DFEH, these three acts combined comprised approximately 30% of the acts alleged in the housing discrimination complaints filed between 2001 and 2010.

HUD's *2017 Annual Fair Housing Report* reveals that the predominant alleged acts or issues include:

- Discriminatory terms, conditions, privileges, or services and facilities
- Failure to make reasonable accommodation
- Discriminatory refusal to rent

The City is aware of one study that provides a method to estimate the number of households living in Moreno Valley who may have experienced housing discrimination when they were seeking to rent an apartment or buy a home - that is, at the time when they were seeking housing in the neighborhood of their choice. Although housing discrimination may occur at other times as well, in HUD's 2006 study the discrimination question put to respondents explicitly asked about whether discrimination had been experienced, "when you were trying to buy or rent a house or apartment."

The 2006 HUD study found that about 8% of the public had experiences when trying to buy a house or rent an apartment that might plausibly have been protected by the Fair Housing Act. According to this study, about 70% of persons who thought they were victims of discrimination were looking to rent at the time, while 26% were looking to purchase a home. Two percent of respondents said something other than rent or buy, and 2% did not answer the question.

Assuming that the study's 8% figure approximates the experiences of Moreno Valley's renters and buyers, then an estimated 4,000 households would have experienced housing discrimination when they were trying to buy a house or rent an apartment in the City. This is not an annual figure but rather the number of householders currently living in Moreno Valley who experienced housing discrimination when they were seeking to rent an apartment or buy a home. Of the 4,000 households, about 2,800 probably were seeking to rent an apartment and 1,200 were probably seeking to buy a home.

Housing discrimination adversely impacts fair housing protected classes in numerous ways. It can prevent people of color, for instance, from accessing housing in low poverty and high opportunity neighborhoods. It can also cause female households, for example, to pay more on home loan interest rates.

4. Disproportionate Housing Needs

An indicator of disproportionate housing need is the race/ethnicity of persons on the Section 8 waiting list. According to the County of Riverside Housing Authority, approximately 29,700 families or 49% of all families on the waiting list are Black or African American. Landlord refusal to rent to Section 8 voucher holders disproportionately impacts Black/African American families. Thus, these families may be unable to move to better neighborhoods and also experience housing cost burdens because of the lack of rental assistance.

Even if landlords are willing to rent to Section 8 voucher holders, the monthly rents in high resource neighborhoods often exceed the fair market rent limits. The Housing Authority has not developed a program to permit higher rent limits in high resource neighborhoods. The FHCRC and the City plan to review the County of Riverside *Draft Analysis of Impediments to Fair Housing* to determine if the topic of Section 8 “rent zones” is discussed and recommended. The term “rent zones” is used to describe different Section 8 rent limits that could be applied in different areas of the County.

5. Conclusions and Action Plan Recommendations

a. Conclusions

Based on past trends, the FHCRC probably will process 220 housing discrimination complaints between 2018 and 2023 of which about two-thirds will be filed by Black householders. White and Hispanic householders will each file about 15% of all complaints, respectively. Disability and race will be the basis for approximately 48% and 23% of the entire bases for filing a housing discrimination complaint.

Although housing discrimination is infrequently reported in Moreno Valley, it is an underreported event. Some residents could experience housing discrimination and 1) not know how to detect it; 2) not know where to report it; and 3) uncertain about whether they want to report it.

b. Action Plan Recommendations

The City and Fair Housing Council of Riverside County, Inc. will:

Continue to offer to its residents fair housing services which include the processing of housing discrimination complaints and landlord/tenant counseling services. Sometimes a landlord/tenant issue has as its basis a housing discrimination concern.

The Fair Housing Council will:

Continue to post on its website a page where residents can input their fair housing questions.

C. BROKERAGE SERVICES

1. Prohibited Housing Discriminatory Practices

Section 3606 of the Federal Fair Housing Act prohibits discrimination in the provision of brokerage services:

After December 31, 1968, it shall be unlawful to deny any person access to or *membership* or participation in any *multiple-listing service*, *real estate brokers' organization* or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against him in the terms or conditions of such *access*, *membership*, or *participation*, on account of race, color, religion, sex, handicap, familial status, or national origin. [Emphasis added]

2. Real Estate Brokerage Services Industry

a. Size of the State's Real Estate Brokerage Industry

As of 2018, there were 419,279 licensees in the state, and of that total, 132,817 (32%) held brokers licenses and 286,462 (68%) held salesperson licenses. Also, in 2018, there are projected to be 205,600 members of the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.), slightly less than half (48%) of the total licensee population. The discrepancy between the number of licensees and the number of REALTORS® is attributed to a variety of factors: no longer being active in the business, real estate attorneys, appraisers, home inspectors, mortgage loan officers etc. It is estimated that the vast majority of the licensees who are active in the business are also members of organized real estate.

b. Demographic Profile of the C.A.R. Membership

According to C.A.R. data, the statistically “average” REALTOR® is a Baby Boomer at 56.8 years old and 60% female, has 17.6 years of experience, average production of five transactions, and works full-time approximately 36 hours per week. And, like the country, the real estate brokerage industry is undergoing a significant demographic shift as Boomer agents continue to work but eye retirement soon. At 57 years, California REALTORS® are 22 years older than the state's median age of 35 years. Twenty percent of the members said that they did not expect to still be in the business in 2021 with retirement by far the most frequently cited reason for leaving. So over the next few years, the old guard will be scaling back, and a new generation of agents and brokers will be taking the lead. One plus, according to C.A.R., is that real estate continues to be an attractive career for newcomers—in 2018 C.A.R. welcomed 25,600 new members.

According to a membership profile, the race and ethnicity of California REALTORS is as follows:

▪ White	77%
▪ Asian/Pacific Islander	11%
▪ Hispanic/Latino	9%
▪ Black/African American	3%
▪ Other	3%
▪ American Indian/Eskimo/Aleut	1%

An overlap between the White and Hispanic/Latino groups results in the total exceeding 100%.

Source: California Association of REALTORS, *2013 Member Profile - California Report*

There are no comparable figures on the race and ethnicity of Riverside County REALTORS.

c. Rules and Regulations and Multiple Listing Service

Real estate brokers or salespersons whose business is located in Moreno Valley may belong to one of several Board or Realtors, but most likely belong to the Inland Valley Association of REALTORS (IVAR). Like all associations, IVAR has a Multiple Listing Service (MLS). On January 1, 2013, the Board of Directors adopted *Rules and Regulations of the Multiple Listing Service*. The Rules and Regulations define the MLS as follows:

A Multiple Listing Service is a means by which authorized MLS Broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other Broker participants; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses and other valuations of real property for bonafide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients, customers, and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale or lease.

Section 14 of the Rules and Regulations states that the Association or MLS Board of Directors may take disciplinary action and impose sanctions against any MLS participant and subscriber because of a violation of any MLS rule, violation of a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or for any violation of the National Association of REALTORS (N.A.R.) Code of Ethics while a member of any Association of REALTORS®.

d. Code of Ethics

Article 10 of the IVAR code of ethics requires that its members shall not deny equal professional services to any person for reasons of *race, color, religion, sex, handicap, familial status, national origin, or sexual orientation*. Members also shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin or sexual orientation. Further, members shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, or sexual orientation.

There are nine categories of IVAR membership for REALTOR and/or MLS membership. The online membership application consists of 24 entries and/or questions none of which inquire about the race, color, religion, sex, handicap, familial status, or national origin of the applicant.

Question #22 asks if the applicant can certify that no court records exist that shows the applicant has violated civil rights laws with the last three years. If the applicant cannot so certify, then additional information is requested from the applicant.

3. Conclusions and Action Plan Recommendations**a. Conclusions**

Brokerage services as defined by the Federal Fair Housing Act pertain to the MLS and real estate organizations. Therefore, the City has no authority with respect to the MLS, Bylaws, and Code of Ethics. However, fair housing and real estate practices are of interest because of the number of homes that will be sold and bought in Moreno Valley over the next five years.

b. Action Plan Recommendations

Therefore, the City and Fair Housing Council of Riverside County, Inc. will:

Arrange a meeting with IVAR's Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.

The FHCRC will:

Offer to IVAR members a 3-hour Fair Housing course. Every four years, when renewing their license, all brokers and sales persons are required to complete a course on fair housing. Currently, most renewals are accomplished through online courses.

D. STEERING**1. Prohibited Housing Discriminatory Practices**

Steering is prohibited by Sections 804(a) and 804(f)(1) of the Federal Fair Housing Act:

...it shall be unlawful--

(a) To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or *otherwise make unavailable or deny*, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.

(f) (1) To discriminate in the sale or rental, or to *otherwise make unavailable or deny*, a dwelling to any buyer or renter because of a handicap of (A) that buyer or renter, (B) a person residing in that dwelling after it is sold, rented, or made available; or (C) any person associated with that person.

Examples of steering include:

- The practice of directing prospects to or away from a particular neighborhood based on their race, color, religion, sex, national origin, disability or familial status
- Allowing families with kids to rent only in certain buildings of an apartment complex
- Steering borrowers to loans having more costly terms than they are qualified for

HUD's *2017 Annual Fair Housing Report* found that 1% of the complaints were based on the issue of steering. There is no comparable data compiled by the State DFEH and the Fair Housing Council.

2. Neighborhood Steering

This fair housing impediment was not as prevalent in southern California as it was in the eastern cities. An historical perspective of steering is described below:

Racial steering refers to the practice (illegal since 1968) engaged in by some property owners, brokers, and managers of steering white home and apartment seekers into white areas, while steering equally creditworthy black prospects into black and racially changing areas. Antisteering, sometimes called benign steering by critics, refers to efforts by municipalities and housing groups to combat illegal steering by lawsuits and managed integration programs.

Two developments in the late 1960s set the stage for antisteering efforts. In January 1966, Martin Luther King, Jr., chose Chicago for a national campaign against housing bias. After a summer of riots, arson, and marches, Mayor Richard J. Daley agreed to convene the Conference on Religion and Race. The resulting summit agreement led to the formation of the Leadership Council to act as a housing bias watchdog agency. In Washington, five years of civil rights legislation culminated in the Fair Housing Act of 1968, which made it unlawful to deny to sell or rent a dwelling solely on account of race, and declared neighborhood integration a national goal.

Source: Encyclopedia of Chicago, *Steering*, 2007

This type of steering may have been experienced by Moreno Valley's homebuyers and apartment seekers during the past few decades. It may have happened particularly during the City's periods of rapid growth and development. It also may occur now as homebuyers buy homes in the Moreno Valley's neighborhoods and as there is turnover in the apartment rental market. The steering of home buyers, however, probably happens infrequently because the internet enables home buyers to be more active in the search process. According to the California Association of REALTORS:

In 2011, home buyers saw a median of 12 homes during their home search, which was down from previous years. The reason for the drop may well be because buyers and their agents are utilizing the internet to weed out the fray and thus increasing efficiency and time for all parties in the home buying process.

Source: Sara Sutachan, Senior Research Analyst, California Association of REALTORS, "The Importance Real Estate Agents in Finding a Home," June 18, 2011

According to the California Association of REALTORS *2015 Home Buyer Survey*:

Virtually all home buyers use the internet in the home buying process and seven out of 10 access the internet on their phones. Buyers use their smartphones to look for comparable house prices, search for properties, take photos and create videos of homes and amenities, research communities and real estate agents.

While the majority of buyers (61 percent) found their home through an agent, the percentage who found their home online more than doubled from 16 percent in 2012 to a record high 37 percent in 2013. Furthermore, they are taking their time investigating homes and neighborhoods before contacting an agent, spending a little over seven months on this compared to about 1.5 months last year.

SECTION VII

PRIVATE SECTOR IMPEDIMENTS ANALYSIS

Given Moreno Valley's household and neighborhood demographic profiles it is unavoidable to buy and rent in neighborhoods that are not predominantly minority. As Table VII-3 shows between 2000 and 2010, the percentage of minority households increased from 59.8% to 73.5%, largely because there were 2,078 fewer White Alone households at the end compared to the beginning of the decade. By contrast, the number of Black, Asian and Hispanic households increased. Black households increased by nearly 30% and Asian households by more than 50%. In addition, Hispanic households nearly doubled increasing from about 12,000 to nearly 22,700 during the decade.

Table VII-3
City of Moreno Valley
Number of Households by Race and Ethnicity: 2000 and 2010

Race/Ethnicity	2000 Number of Households	Percent	2010 Number of Households	Percent	Change 2000-2010	Percent Change 2000-2010
White Alone	15,750	40.2%	13,672	26.5%	-2,078	-13.2%
Black Alone	8,105	20.7%	10,520	20.4%	2,415	29.8%
American Indian or Alaska Native Alone	175	0.4%	188	0.4%	13	7.4%
Asian Alone	2,047	5.2%	3,173	6.2%	1,126	55.0%
Native Hawaiian or Other Pacific Islander Alone	152	0.4%	220	0.4%	68	44.7%
Some Other Race Alone	73	0.2%	106	0.2%	33	45.2%
Two or More Races	994	2.5%	1,053	2.0%	59	5.9%
Hispanic or Latino	11,929	30.4%	22,660	43.9%	10,731	90.0%
Total	39,225	100.0%	51,592	100.0%	12,367	31.5%

Census 2000, Table H007, Hispanic or Latino Householder by Race of Householder, Summary File 1 (SF 1) American Fact Finder

Census 2010 Summary File 1, Table HCT1: Tenure by Hispanic or Latino Origin of Householder by Race of Householder

Table construction by Castañeda & Associates

It is unknown to what degree, if any, the increase in the number of minority households was due to steering. As Moreno Valley's Hispanic population formed households, they may have preferred to rent or buy in Moreno Valley because of neighborhood ties to family, friends, schools and churches. There was a considerable increase of Asian households. However, there are no predominant Asian neighborhoods.

All of the City's neighborhoods (census tracts) have a majority minority population ranging from a low of 53.3% to a high of 91.1%. Because most neighborhoods are predominantly minority, it is not possible to make estimates of the degree to which steering (when a salesperson, through his or her actions, words or behaviors, encourages or directs clients toward particular neighborhoods based upon the client's race or color) currently occurs.

Ultimately, the change in the household race and ethnic composition could be due to the community's housing affordability.

3. Steering of Apartment Seekers

According to HUD some landlords, brokers, and other housing professionals practice a subtle form of discrimination known as steering. This term refers to when someone tries to limit a renter's housing choices by guiding or encouraging the person to look elsewhere, based on a fair housing protected characteristic. This type of steering mostly affects apartment seekers as opposed in-place tenants.

During any one-year there is turnover in the rental housing market as apartments are vacated and then are occupied by an apartment seeker. It is when this vacancy-turnover process occurs that apartment seekers could experience steering. Statistics are unavailable on apartment turnover, although the 2017 American Community Survey (ACS) provides a snapshot of the number of vacant housing units available for rent - of the 3,222 vacant housing units an estimated 1,250 are for rent.

4. Conclusions and Action Plan Recommendations

a. Conclusions

Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact renters when they seek an apartment. Corrective actions have been taken regarding loan steering so that abuse may not happen in the future as frequently as it occurred in the early to mid- 2000s. However, the steering of apartment seekers is likely to continue, although it is not possible to measure its frequency.

b. Action Plan Recommendations

The Fair Housing Council of Riverside County, Inc., will:

- Provide examples of how to detect “steering” during the home search process and how to detect “loan steering” as part of its first time home buyer counseling services
- Offer information to renters attending workshops on how to detect steering behavior by resident property managers.

E. APPRAISAL PRACTICES

1. Prohibited Housing Discriminatory Practices

The federal Fair Housing Act makes it unlawful to discriminate against a protected class in appraising property. An appraisal is a written assessment of market value and is used by mortgage underwriters to determine whether there is sufficient collateral to lend money to a homebuyer. Appraisals, therefore, are obtained by lenders to provide the market value of a home to be financed by a loan. The appraisal and loan-to-value ratio determine the maximum loan that a lender will offer the borrower/buyer.

Unlawful discriminatory appraisal practices, for example, may include:

- Taking into account the race and ethnic make-up of a neighborhood
- Taking into the account the race and ethnicity of the seller and buyer

Appraisals are needed by lenders to provide the market value of a home to be financed by a loan. They are necessary because combined with the loan-to-value ratio the appraisal determines the maximum loan that a lender will offer the buyer. Appraisal practices have been revised in many ways due to the fraud that occurred during the frenzy of the housing market between 2000 and 2007.

2. Analysis of Appraisal Practices

According to Home Mortgage Disclosure Act (HMDA) data approximately 2,000 homes in Moreno Valley were purchased in 2017 through FHA and conventional financing. Therefore, these homebuyers had an opportunity to review an appraisal. C.A.R.'s most recent analysis of California homebuyers indicates that 77% of them ordered an appraisal. Presumably, "all-cash" buyers represent the majority of those homebuyers who did not order an appraisal.

The Uniform Residential Appraisal Report is a six page form used by appraisers to determine a valuation of a home. The report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). The report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project. The report is divided into several sections, one of which describes the neighborhood. The first line in that section, in bold letters, states

"Note: Race and racial composition of the neighborhood are not appraisal factors".

At the end the report, there is an "appraiser's certification" which includes 25 certifications. Certification #17 reads:

I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

After the collapse of the housing market, it was often considered that over-inflated appraisals were one of the contributing factors. The U.S. Government Accounting Office, *Residential Appraisals: Opportunities to Enhance Oversight of an Evolving Industry*, Report to Congressional Committees, July 2011, stated that recent policy changes may affect consumer costs for appraisals, while other policy changes have enhanced disclosures to consumers. Consumer costs for appraisals vary by geographic location, appraisal type, and complexity. However, the impact of recent policy changes on these costs is uncertain. These policy changes would affect all borrowers.

The report further stated that laws that apply to appraisals for residential mortgages include consumer protection statutes, such as the Truth in Lending Act (TILA), which addresses disclosure requirements for consumer credit transactions and regulates certain lending practices; the Equal Credit Opportunity Act (ECOA), which addresses non-discrimination in lending; and the Real Estate Settlement Procedures Act of 1974 (RESPA), which requires transparency in mortgage closing documents.

The Appraisal Foundation, *2012-2013 Edition of the Uniform Standards of Professional Appraisal Practice* (USPAP) report sets forth the technical and ethical guidelines used by appraisers. According to its Ethics sections:

An appraiser must not use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.

Standard Rule 6-3 deals with neighborhood trends when appraising a property and encourages appraisers to avoid stereotyped or biased assumptions relating to race, age, color, gender, or national origin or an assumption that race, ethnic, or religious homogeneity is necessary to maximize value in a neighborhood.

Advisory Opinion #16 (Fair Housing Laws and Appraisal Report Content) of the USPAP concerns Fair Housing Laws and Appraisal Report Content and states:

Fair housing law(s) preclude the use of certain specific information or supported conclusions related to protected group(s) in some assignments. Accordingly, an appraiser should be knowledgeable about the laws that affect the subject property of an assignment. Laws and regulations on fair lending and fair housing (such as the Fair Housing Act; the Equal Credit Opportunity Act (ECOA), and the laws and regulations of applicable federal, state, and local jurisdictions) continue to evolve. Further, appraisers must continue to provide appraisals that do not illegally discriminate or contribute to illegal discrimination. The conduct section of the ETHICS RULE states in part, An appraiser must not use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an **unsupported** conclusion that homogeneity of such characteristics is necessary to maximize value (Bold added for emphasis).

(Nor) one cannot infer by logical extension that using supported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, age... is appropriate or acceptable..

In some cases, even supported conclusions in assignments relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or group homogeneity cannot be used because they are precluded by applicable law.

Under both federal law (the Equal Credit Opportunity Act, 15 U.S.C. § 1691(e), and its implementing regulations--see 12 C.F.R. § 202.14 in particular) and California law (Business & Professions Code § 11423), a lender is generally obligated to inform a credit applicant of the right to receive a copy of the appraisal used in connection with the application, and to honor the applicant's written request for a copy of the appraisal report.

The California Association of REALTORS (CAR) explains that one of the reasons a buyer should obtain an appraisal is "To make sure the lender has not engaged in any discriminatory practices."

Consequently, a homebuyer/borrower is entitled to a copy of the appraisal. But a homebuyer and borrower during the purchase process has a bewildering array of documents to review and sign. Additionally, given an appraisal to review, they may not have the knowledge to review an appraisal report to determine if, for example, race or ethnicity were considered in making the appraisal.

3. Conclusions and Action Plan Recommendations

a. Conclusions

Complaints regarding appraisal discriminatory practices are not routinely collected by local, State or Federal agencies. It may occur but would-be homebuyers are in the best position to detect potentially discriminatory practices.

b. Action Plan Recommendations

- During its homebuyer counseling services, the FHCRC will inform first time homebuyers of the importance of obtaining an appraisal report after escrow has opened.
- The FHCRC will offer consumer education that will 1) inform borrowers of their right to request the appraisal report and 2) provide information on the contents of the report and how to detect possible discriminatory practices.

F. LENDING PRACTICES

1. Prohibited Housing Discriminatory Practices

a. Federal Fair Housing Act

In cases involving discrimination in mortgage loans or home improvement loans, the United States Department of Justice may file suit under both the Fair Housing Act and the Equal Credit Opportunity Act.

Section 805 of the Fair Housing Act (42 U.S.C. 3605) states that it is -

...unlawful for any person or other entity whose business includes ... the making or purchasing of loans or providing other financial assistance for purchasing, constructing, improving, repairing, or maintaining a dwelling... to discriminate against any person...because of race, color, religion, sex, handicap, familial status, or national origin.

b. Equal Credit Opportunity Act

The Equal Credit Opportunity Act (ECOA) 15 U.S.C. 1691 *et seq.* prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age, because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act.

To supplement federal legislation, state laws have been enacted to forbid the discriminatory practice known as “redlining,” a practice that results in blanket refusals by some lenders to make loans in whole neighborhoods or geographic areas. Redlining is illegal in California pursuant to

the Housing Financial Discrimination Act of 1977 (Holden Act). (Health & Safety Code Section 35800-35833) The Holden Act prohibits the consideration of race, color, religion, sex, marital status, national origin, or ancestry in lending for the purchase, construction, improvement, or rehabilitation of housing. Further, lenders cannot deny loan applications because of the ethnic composition, conditions, characteristics, or expected trends in the neighborhood or geographic area surrounding the property.

c. Holden Act

The Holden Act places restrictions on redlining by making it illegal for lenders to consider the racial, ethnic, religious, or national origin composition of a neighborhood or geographic area surrounding a housing accommodation.

To ensure that prospective borrowers are aware of their rights under this law, lenders must notify all applicants of the provisions of the Holden Act at the time of the loan application. The notice must include the address where complaints may be filed and where information may be obtained. The notice must be in at least 10-point type and also must be posted in a conspicuous location in the lender's place of business. A notice would state the following:

IT IS ILLEGAL TO DISCRIMINATE IN THE PROVISION OF OR IN THE AVAILABILITY OF FINANCIAL ASSISTANCE BECAUSE OF THE CONSIDERATION OF:

1. TRENDS, CHARACTERISTICS OR CONDITIONS IN THE NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION UNLESS THE FINANCIAL INSTITUTION CAN DEMONSTRATE IN THE PARTICULAR CASE THAT SUCH CONSIDERATION IS REQUIRED TO AVOID UNSAFE AND UNSOUND BUSINESS; OR
2. RACE, COLOR, RELIGION, SEX, MARITAL STATUS, NATIONAL ORIGIN OR ANCESTRY

IT IS ILLEGAL TO CONSIDER THE RACIAL, ETHNIC, RELIGIOUS, OR NATIONAL ORIGIN COMPOSITION OF A NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION OR WHETHER OR NOT SUCH COMPOSITION IS UNDERGOING CHANGE, OR IS EXPECTED TO UNDERGO CHANGE, IN APPRAISING A HOUSING ACCOMMODATION OR IN DETERMINING WHETHER OR NOT, OR UNDER WHAT TERMS AND CONDITIONS, TO PROVIDE FINANCIAL ASSISTANCE.

THESE PROVISIONS GOVERN FINANCIAL ASSISTANCE FOR THE PURPOSE OF THE PURCHASE, CONSTRUCTION, REHABILITATION, OR REFINANCING OF ONE-TO-FOUR-UNIT RESIDENCE.

2. FHCRC Lending Audit

Equal access to credit so that borrowers can purchase a home is a fundamental goal of fair housing. Section 805 of the 1968 Federal Fair Housing Act, as amended, and the Equal Credit Opportunity Act of 1976 prohibit the denial of access to credit because of a loan applicant's race, color, religion, sex, handicap, familial status, or national origin.

In 2013, FHCRC completed a comprehensive lending audit based on the following protected classes: race, disability, familial status and national origin. For the six lending audits, there were

12 instances of differential treatment, which occurred primarily on the bases of race and national origin. The major issue in the lending audit is the practice of the agent providing more information to the control auditor regarding the loan process than was provided to the protected auditor.

3. 2017 Conventional and FHA/VA Loan Volumes

Home Mortgage Disclosure Act (HMDA) data was obtained from the government website for the Consumer Financial Protection Bureau (CFPB) and can be found at the following link: <https://www.consumerfinance.gov/data-research/hmda/explore>. The data includes information about *each* loan application and HMDA requires lenders to report on the action taken on each loan application, as follows:

- Loan Originated
- Application Approved, Not Accepted
- Application Denied
- Application Withdrawn
- Filed Closed for Incompleteness

The 2017 HMDA data reported by the CFPB had 2,386 loan applications. That's all conventional, FHA-insured, VA-guaranteed and FSA/RHS-guaranteed loan applications that made it through the entire underwriting process:

▪ Conventional Loans	910	38.1%
▪ FHA-Insured	1,240	52.0%
▪ VA-Guaranteed	236	9.9%
▪ Total	2,386	100.0%

Note: No FSA/RHS-guaranteed loan application completed underwriting in 2017.

The final disposition of the loan applications is as follows:

▪ Originated	1,987	83.2%
▪ Application Approved, Not Accepted	135	5.7%
▪ Denied	264	11.1%
▪ Total	2,386	100.0%

The above totals exclude the applications made in census tracts with boundaries that were mostly outside of Moreno Valley.

4. Loan Denial Rates by Race/Ethnicity/Type of Financing and Income

The race, ethnicity and income of the applicant also are noted by the lender reporting data to HMDA.

Although the loan denial rates do not support definitive conclusions regarding discrimination on the bases of race or ethnicity, they are a useful screen to identify disparities in loan approval rates by the race and ethnicity of applicants and geographic markets where differences in denial rates warrant further investigation.

SECTION VII

PRIVATE SECTOR IMPEDIMENTS ANALYSIS

As noted above, about 11% of all loan applications were denied. Table VII-4 shows the denial rates by race/ethnicity, selected income groups, and loan type.

- Within the \$25,000-\$49,999 income group, all White, Black, Asian and Hispanic applicants for conventional loans had relatively similar denial rates. However, the Other/NA category experienced a very high denial rate of 60%. In contrast, no Black loan applicants were denied FHA/VA loans.
- Within the \$50,000-\$74,999 income group, the White loan applicants experienced a conventional loan denial rate much lower than the other race and ethnic groups. For Black borrowers, the conventional loan denial rate was markedly higher than for the Hispanic and Asian borrowers. Among the FHA/VA loan applicants, Asian borrowers had a substantially higher denial rate.
- Within the \$75,000-\$99,999 income group, none of the Asian conventional loan applicants were denied; Hispanics experienced the highest loan denial rate. Among the FHA/VA loan applicants, the Other/NA category borrowers had the highest loan denial rate while Asian loan applicants experienced the lowest denial.

Table VII-4
City of Moreno Valley
Comparison of Denial Rates by Race/Ethnicity, Type of Loan and Income Level-2017

Race/Ethnicity	\$25,000-\$49,999		\$50,000-\$74,999		\$75,000-\$99,999	
	Conventional	FHA/VA	Conventional	FHA/VA	Conventional	FHA/VA
White Alone	20.0%	4.8%	2.4%	8.0%	9.6%	6.3%
Hispanic or Latino	20.5%	10.6%	8.1%	7.2%	15.1%	7.4%
Asian	18.2%	33.0%	5.6%	13.0%	0.0%	5.9%
Black	20.0%	0.0%	11.5%	6.3%	10.7%	9.1%
Other/NA	60.0%	20.0%	10.7%	13.0%	22.2%	16.0%
Total	22.8%	10.3%	8.2%	8.2%	12.7%	7.8%

Source: 2017 Consumer Financial Protection Bureau Website HMDA data
Table construction by Castañeda & Associates

5. Characteristics of Borrowers with Approved Loan Applications

There were 2,122 approved loans in 2017:

▪ Conventional Loans	778	36.7%
▪ FHA-Insured Loans	1,130	53.2%
▪ VA-Guaranteed Loans	214	10.1%
Total	2,122	100.0%

The race and ethnicity of the borrowers is known for 1,981 of the 2,122 approved loans. Table VII-5 shows the race/ethnicity of 2,122 homebuyers who had their loans approved compared to household percentages based on the 2010 Census. Hispanic, Asian and White householders represent a higher percentage of the 2017 homebuyers than they comprise of all households residing in Moreno Valley in 2010. Black homebuyers comprise 17.2% of all households compared to 12.4% of the homebuyers.

Table VII-5
City of Moreno Valley
Race and Ethnicity of 2017 Homebuyers Compared to 2010 Census

Race/Ethnicity	Number	2017 Percent	2010 Percent
White	382	19.3%	18.9%
Black	246	12.4%	17.2%
Asian	126	6.4%	5.9%
Other	20	1.0%	3.6%
Hispanic	1,207	60.9%	54.4%
Total	1,981	100.0%	100.0%

Source: 2017 Consumer Financial Protection Bureau Website HMDA data
Table construction by Castañeda & Associates

There could be many reasons why Hispanics comprise a high percentage of homebuyers. For example, they could be renters moving to homeownership and because they have ties to neighborhoods, families, friends and churches choose to buy in Moreno Valley. Additionally, housing in Moreno Valley could be more affordable to them because 1) home prices are below the FHA/VA loan limits, 2) the low down payment requirements and 3) the prevailing low interest rates.

The reasons why Blacks represent fewer of the 2017 homebuyers than the city-wide percentage are probably complicated. But they may include economic factors impeding mobility such as underemployment and income constraints or they prefer to buy in other communities.

6. Types of Home Loan Financing by Race and Ethnicity

Unlike the housing boom years, approved borrowers rely heavily on FHA/VA financing compared to conventional financing. Indeed, nearly two thirds of all approved loans in 2017 were FHA insured loans or VA guaranteed loans. Table VII-6 shows that less than half of Asian homebuyers relied on FHA/VA financing. In contrast, about 67% of Hispanic borrowers and 70% of the Black borrowers had their approved loans FHA/VA financed.

Table VII-6
City of Moreno Valley
FHA/VA and Conventional Financing by Race and Ethnicity: 2017

Race/Ethnicity	FHA/VA	Conventional	Total	Percent FHA
White	221	161	382	57.9%
Black	172	74	246	69.9%
Asian	51	75	126	40.5%
Other	15	5	20	75.0%
Hispanic	807	400	1,207	66.9%
Total	1,266	715	1,981	63.9%

Source: 2017 Consumer Financial Protection Bureau Website HMDA data
Note: Table includes approved loans for which race and ethnicity are known. Therefore, 133 approved loans are excluded from the table total because race and ethnicity are unknown.
Table construction by Castañeda & Associates

7. Loan Denial Rates by Census Tract

Table VII-7 shows the denial rates by four categories of tract income developed by the Federal Financial Institutions Examination Council (FFIEC):

- *If the Median Family Income % is < 50% then the Income Level is **Low**.*
- *If the Median Family Income % is $\geq 50\%$ and $< 80\%$ then the Income Level is **Moderate**.*
- *If the Median Family Income % is $\geq 80\%$ and $< 120\%$ then the Income Level is **Middle**.*
- *If the Median Family Income % is $\geq 120\%$ then the Income Level is **Upper**.*
- *If the Median Family Income % is 0% then the Income Level is Not Known.*

Census tracts with “Low” tract income levels did not necessarily have the highest denial rates. Although one Census Tract (425.15) had the highest denial rate of one in four loan applications denied, there were only twelve applications. On the other hand, five of the nine “upper” income tracts had higher denial rates higher than the city-wide denial rate of 11.1%

Table VII-8 shows denial rates according to a census tract’s minority population. Tract Minority % - This is the percentage of the tract’s total population minus white alone population according to the 2015 ACS. It is calculated by dividing the Minority Population by the Tract Population. These figures were prepared by the FFIEC.

As noted above, the five census tracts with the highest loan denial rates ranged between 18.2% and 25.0%. Although the Census Tract with the highest denial rate (25.0%) also had the highest minority percentage population (96.7%), it would be difficult to definitive conclusions because only 12 applications were made to buy a home in this tract. Of the other four tracts with high minority percentages, one tract (424.12) had a significantly *lower* denial rate versus the city-wide denial rate. The remaining three tracts were close to the city-wide denial rate of 11.1%.

Table VII-7
City of Moreno Valley
Loan Denial Rates by Rank Order of Census Tract Income Level-2017

Census Tract	Total Application	Number Approved	Number Denied	Percent Denied	Tract Income Level
424.05	5	5	0	0.0%	Low
425.05	16	15	1	6.3%	Low
425.15	12	9	3	25.0%	Low
422.12	77	74	3	3.9%	Middle
424.01	25	23	2	8.0%	Middle
424.02	73	64	9	12.3%	Middle
424.06	63	54	9	14.3%	Middle
424.07	47	41	6	12.8%	Middle
424.08	52	47	5	9.6%	Middle
424.09	43	39	4	9.3%	Middle
425.06	58	49	9	15.5%	Middle
425.07	63	55	8	12.7%	Middle
425.13	31	30	1	3.2%	Middle
425.17	33	32	1	3.0%	Middle
425.18	26	23	3	11.5%	Middle
426.21	142	130	12	8.5%	Middle
426.22	54	49	5	9.3%	Middle
468.00	58	52	6	10.3%	Middle
483.00	116	106	10	8.6%	Middle
488.00	66	58	8	12.1%	Middle
489.01	36	33	3	8.3%	Middle
511.00	120	111	9	7.5%	Middle
424.04	18	16	2	11.1%	Moderate
425.08	66	58	8	12.1%	Moderate
425.09	34	32	2	5.9%	Moderate
425.10	53	50	3	5.7%	Moderate
425.11	26	23	3	11.5%	Moderate
425.12	31	29	2	6.5%	Moderate
425.14	21	19	2	9.5%	Moderate
425.16	38	33	5	13.2%	Moderate
425.19	11	9	2	18.2%	Moderate
425.20	35	30	5	14.3%	Moderate
425.21	29	27	2	6.9%	Moderate
489.02	63	50	13	20.6%	Moderate
422.14	125	111	14	11.2%	Upper
424.03	72	62	10	13.9%	Upper
424.10	105	89	16	15.2%	Upper
424.11	53	48	5	9.4%	Upper
424.12	84	67	17	20.2%	Upper
426.23	59	53	6	10.2%	Upper
426.24	56	51	5	8.9%	Upper
487.00	80	63	17	21.3%	Upper
490.00	111	103	8	7.2%	Upper
Total	2,386	2,122	264	11.1%	

Source: 2017 Consumer Financial Protection Bureau Website HMDA data. Tract Income Level based on 2011-2015 American Community Survey (ACS) 5-Year Estimates as published by The Federal Financial Institutions Examination Council (FFIEC).

SECTION VII**PRIVATE SECTOR IMPEDIMENTS ANALYSIS**

Table VII-8
City of Moreno Valley
Loan Denial Rates by Census Tract, Percent Minority
Population (Rank Ordered)-2017

Census Tract	Total Application	Number Approved	Number Denied	Percent Denied	Percent Minority
425.15	12	9	3	25.0%	96.1%
425.11	26	23	3	11.5%	95.1%
425.12	31	29	2	6.5%	94.4%
425.16	38	33	5	13.2%	93.4%
425.08	66	58	8	12.1%	92.7%
425.05	16	15	1	6.3%	91.9%
425.20	35	30	5	14.3%	88.0%
511.00	120	111	9	7.5%	87.8%
426.21	142	130	12	8.5%	87.4%
425.10	53	50	3	5.7%	87.0%
488.00	66	58	8	12.1%	86.9%
425.06	58	49	9	15.5%	86.8%
489.02	63	50	13	20.6%	86.4%
468.00	58	52	6	10.3%	86.0%
424.04	18	16	2	11.1%	85.9%
425.19	11	9	2	18.2%	85.9%
483.00	116	106	10	8.6%	85.8%
425.07	63	55	8	12.7%	84.5%
425.13	31	30	1	3.2%	84.2%
425.14	21	19	2	9.5%	83.7%
425.18	26	23	3	11.5%	83.4%
424.05	5	5	0	0.0%	82.6%
425.21	29	27	2	6.9%	82.4%
490.00	111	103	8	7.2%	81.8%
426.22	54	49	5	9.3%	81.1%
425.09	34	32	2	5.9%	81.0%
424.08	52	47	5	9.6%	79.7%
424.06	63	54	9	14.3%	79.1%
425.17	33	32	1	3.0%	78.8%
424.09	43	39	4	9.3%	78.5%
424.10	105	89	16	15.2%	78.5%
487.00	80	63	17	21.3%	77.9%
424.03	72	62	10	13.9%	77.2%
424.11	53	48	5	9.4%	74.3%
489.01	36	33	3	8.3%	74.2%
426.24	56	51	5	8.9%	73.6%
424.02	73	64	9	12.3%	72.6%
422.12	77	74	3	3.9%	71.3%
426.23	59	53	6	10.2%	69.9%
422.14	125	111	14	11.2%	68.7%
424.07	47	41	6	12.8%	68.4%
424.01	25	23	2	8.0%	57.0%
424.12	84	67	17	20.2%	53.1%
Total	2,386	2,122	264	11.1%	

Source: 2017 Consumer Financial Protection Bureau Website HMDA data. Percent Minority based on 2011-2015 American Community Survey (ACS) 5-Year Estimates as published by The Federal Financial Institutions Examination Council (FFIEC).

8. Reasons for Loan Denials

Loans can be denied for a number of reasons. HMDA requires lenders to list one or more reasons for a loan denial. Most loans are denied for “other” reasons. Table VII-9 shows that in 2017, almost 20% of the conventional loan applications were denied because of “debt-to-income ratio” and 12% due to “credit history.” During the same year, about 18% of FHA/VA loan applications were denied because of “debt-to-income ratio” and 15% due to “credit history.”

According to the 2017 HMDA Reporting Guide, the reasons are defined as follows:

Debt-to-income ratio: income insufficient for amount of credit requested and excessive obligations in relation to income.

Credit history: insufficient number of credit references provided; unacceptable types of credit references provided; no credit file; limited credit experience; poor credit experience with lender; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; and bankruptcy.

Collateral: value or type of collateral insufficient.

Other: length of residency; temporary residence; and other reasons.

Table VII-9
City of Moreno Valley
Reasons for FHAVA and Conventional Loan Denials: 2017

Reasons for Loan Denials	FHAVA Loan Applications		Conventional Loan Applications		All Loan Applications	
	Number of Denials ¹	Percent	Number of Denials ¹	Percent	Number of Denials ¹	Percent
Debt-to- Income Ratio	24	18.2%	26	19.7%	50	18.9%
Employment History	3	2.3%	0	0.0%	3	1.1%
Credit History	20	15.2%	16	12.1%	36	13.6%
Collateral	7	5.3%	6	4.5%	13	4.9%
Insufficient Cash ²	3	2.3%	3	2.3%	6	2.3%
Unverifiable Information	9	6.8%	14	10.6%	23	8.7%
Credit Application Incomplete	9	6.8%	8	6.1%	17	6.4%
Mortgage Insurance Denied	0	0.0%	0	0.0%	0	0.0%
Other ³	57	43.2%	59	44.7%	116	43.9%
Total	132	50.0%	132	50.0%	264	100.0%

¹ A loan can be denied for multiple reasons. However, most loans are denied for one reason alone.

² Downpayment, closing costs

³ Includes denials where the HMDA data did not provide a reason

Source: 2017 Consumer Financial Protection Bureau Website HMDA data.

9. Conclusions and Action Plan Recommendations

a. Conclusions

The 2017 HMDA data provide a snapshot of disparities in loan denial rates by race, ethnicity, income and census tract. Although the disparities do not support definitive conclusions regarding discrimination on the bases of race or ethnicity, they are a useful screen, as observed by the Federal Reserve Board, to identify disparities in loan approval rates by the race and ethnicity of applicants and in neighborhoods where differences in denial rates warrant further investigation.

The Mortgage Bankers Association has stated:

...lenders should not lose sight of the importance of analyzing denial disparities – the difference in the rates at which minority customers are declined, compared with White customers. For example, a lender whose Black declination rate is 40% and whose White declination rate is 10% would have a denial disparity ratio of 4 to 1. And while there is no “safe harbor,” regulators have historically focused their investigative efforts on lenders whose denial disparity ratios have exceeded 2 to 1.

Source: Mortgage Bankers Association, MBA Handbook Series, *Handbook 2008-01: Fair Lending and Home Mortgage Disclosure Act Guide*, page 27.

b. Action Plan Recommendations

The City's goal is to improve the loan approval rates of all racial and ethnic populations that want to buy a home located in Moreno Valley. To improve even further the loan approval rates, borrowers can be helped to understand the loan approval process *before* they submit a loan application.

The number one known reason why borrowers are denied approval of a loan application is an excessive debt-to-income ratio. Many of these borrowers should not be making loan applications until after they have their debts under control. Loan denial rates can be reduced by providing all homebuyers, but especially first time homebuyers, with information of the loan application and approval process.

To address potential impediments, the Fair Housing Council of Riverside County, Inc. will:

- Continue to offer first-time home buyer seminars to explain to borrowers the need to lower debt-to-income ratios to a level acceptable to lenders. Implementation of this recommended action should result in better prepared borrowers and cause an increase in loan approval rates of all loan applicants, regardless of race or ethnicity.
- Work with the lenders to determine why a few census tracts have high loan denial rates in order to gather information that could assist would be homebuyers to increase the probability of garnering loan approval for homes in neighborhoods of their choice.

In addition, AB 686 (approved by Governor Brown on September 30, 2018) requires all cities and counties to prepare an *Assessment of Fair Housing* (AFH) as part of its Housing Element Update which is due for adoption no later than October 2021. During the preparation of the AFH, the City will:

- Conduct a multi-year analysis of loan denial rates to determine with more preciseness the degree to which lending discrimination exists in Moreno Valley.

G. HOMEOWNER'S INSURANCE**1. Prohibited Housing Discriminatory Practices**

Studies have demonstrated that the federal Fair Housing Act (FHA) should be interpreted to include homeowner's insurance. One recent study explained:

The language of the FHA should be interpreted to include homeowners insurance. Although insurance is not explicitly mentioned in the Act, the broad language of both § 3604 and § 3605 logically covers insurance.

Under § 3604(a), it is unlawful to do anything that makes a dwelling "unavailable." Because insurance is required in order to qualify for a mortgage, and since most people need a mortgage in order to buy a home, discrimination in underwriting decisions or in insurance pricing can make a dwelling unavailable, in contravention of § 3604.

Although it could be argued that "otherwise make unavailable or deny" should only apply to activities similar to the refusal to sell or rent a home, not to all activities that make housing unavailable, this reading is inconsistent with other § 3604 jurisprudence. The

Supreme Court has found that the FHA should be read broadly. Courts have readily applied § 3604 to a number of activities beyond the actual sale or rental transaction, such as zoning, the construction of low-income housing, and the provision of Section 8 housing vouchers.

Most courts have agreed that insurance, like zoning, is covered by § 3604.

Source: Dana L. Kaersvang, "The Fair Housing Act and Disparate Impact in Homeowner's Insurance," Michigan Law Review, Vol. 104:1993, August 2006, page 1998

Insurance companies, for the most part, do not agree that the Fair Housing Act can be interpreted to apply to insurance because of the McCarran-Ferguson Act:

The McCarran-Ferguson Act provides that federal law does not preempt state insurance law unless the federal law 'specifically relates to insurance.' Federal law not specifically relating to insurance should not be interpreted to 'invalidate, impair, or supercede' state insurance law. Some argue that, under the McCarran-Ferguson, the FHA cannot be applied to insurance because it does not explicitly mention insurance and would preempt States' determinations of appropriate insurance discrimination regulations.

Source: Dana L. Kaersvang, "The Fair Housing Act and Disparate Impact in Homeowner's Insurance," Michigan Law Review, Vol. 104:1993, August 2006, page 2005

HUD's final rule on the *Implementation of the Fair Housing Act's Discriminatory Effects Standard* stated that a -

'discriminatory effect' occurs where a facially neutral housing practice actually or predictably results in a discriminatory effect on a group of persons (that is, disparate impact), or on the community as a whole (perpetuation of segregation).

Examples of a housing policy or practice that may have a disparate impact on a class of persons delineated by characteristics protected by the Act include ... the provision and pricing of homeowner's insurance....

2. Availability and Cost of Homeowners Insurance

a. Market Insurance Premiums

C.A.R. points out, however -

Given the increased difficulty of obtaining affordable homeowners' insurance in recent years, buyers should obtain quotes as early as possible in the home buying process. In the process of obtaining insurance, the insurance agent or underwriter will most likely be checking the insurance database, as a matter of course, without charge. Buyers should seek insurance quotes during the inspection period so that there will be clear understanding of the cost of the insurance early in the transaction, and so that buyers will have an opportunity to evaluate this fact during the inspection period.

The effect of not being able to obtain homeowners insurance will be felt mostly by minority buyers as they comprise the vast majority of the people who purchase a home in Moreno Valley. It is important to expand the topics covered by homebuyer counseling to include the importance of obtaining from sellers the CLUE reports on the claims history of the home they are interested in purchasing. Without this information, there is the potential that minority home buyers may be unable to obtain insurance not because of their claims history but that of the home they want to purchase.

The Californian Department of Insurance Homeowner's Insurance Comparison Tool was analyzed to determine the cost and availability of homeowner's insurance in the private market. The tool was used for a Moreno Valley home aged 16-25 years with \$300,000 worth of coverage. The tool revealed the availability of 47 insurance companies with premiums (\$1,000 deductible) ranging from to a low of \$671 to a high of \$2,393. Therefore, a householder buying a home in Moreno Valley has numerous choices but is well-advised to shop for the best premium by using the Comparison Tool or obtaining quotes from three or more companies.

b. California FAIR Plan

If homeowners insurance becomes unavailable, California provides for insurance as a last resort. The California Fair Access to Insurance Requirements ("FAIR") Plan was created by state legislation in July 1968 following the 1960's brush fires and riots. It is an insurance pool established to assure the availability of basic property insurance to people who own insurable property in California and who, beyond their control, have been unable to obtain insurance in the voluntary insurance market.

The FAIR Plan is a private association based in Los Angeles comprised of all insurers licensed to write property insurance in California. All insurers conducting property business in California must be a member of the Association. FAIR Plan profits and losses are shared by its members in direct proportion to their market share of property insurance written in California. There is no public funding, or taxpayers' monies involved. The FAIR Plan is not a state agency.

As noted above, The FAIR Plan issues insurance as a last resort, and should be used only after a diligent effort to obtain coverage in the voluntary market has been made. The FAIR Plan offers limited coverage at higher premiums than available in the voluntary insurance market. The perils insured against include fire, lighting and internal explosion but do not include, for instance, overflow of water or theft and the dwelling replacement cost is optional.

c. Underserved Communities

The California Department of Insurance (DOI), Statistical Analysis Division annually prepares a *Commissioner's Report on Underserved Communities*. The Community Service Statement, under California Code of Regulations (CCR) Section 2646.6, has the purpose of addressing the issue of availability and affordability of insurance in "underserved" communities and of promoting anti-discrimination so that all have equal access to insurance coverage in California.

Communities that are considered "underserved" are with no or little insurance protection, according to the Department of Insurance. Absence of or inadequate insurance protection can be detrimental to people's lives. To ensure that all individuals and families, as well as businesses or organizations get the insurance protection they need against the adverse financial consequences of losses, is one of the goals of California Department of Insurance.

The Community Service Statement regulations require the DOI to collect and analyze data from home, personal auto, commercial multiple peril and commercial fire insurers in California, for all zip codes and report on those that are considered as “underserved”. The DOI identified 145 “underserved” zip codes in California. None of Moreno Valley’s zip codes are identified as “underserved.” The two “underserved” communities located in Riverside County are Coachella (Zip Code 9236) and Mecca (92254).

3. Conclusions and Action Plan Recommendations

a. Conclusions

Evidence is unavailable on whether homebuyers in escrow who are seeking homeowner’s insurance are discriminated against because of their race, color, disability or other protected characteristics. However, without adequate knowledge would be homebuyers could pay more than they need to for appropriate insurance coverage.

b. Action Plan Recommendations

- The FHCRC will add “homeowners insurance” and “CLUE Reports” to its homebuyer counseling services.
- The FHCRC will provide educational services to home buyers/borrowers so they understand the impact of CLUE Reports and can compare homeowner’s premium rates.

H. BLOCKBUSTING/PANIC SELLING

1. Prohibited Housing Discriminatory Practices

a. Historical Background

This fair housing impediment was not as prevalent in southern California as it was in the eastern cities. The historical perspective of blockbusting/panic selling is described below:

“Blockbusting” refers to the efforts of real estate agents and real-estate speculators to trigger the turnover of white-owned property and homes to African Americans. Often characterized as “panic peddling,” such practices frequently accompanied the expansion of black areas of residence and the entry of African Americans into neighborhoods previously denied to them. In evidence as early as 1900, blockbusting techniques included the repeated—often incessant—urging of white homeowners in areas adjacent to or near black communities to sell before it became “too late” and their property values diminished. Agents frequently hired African American subagents and other individuals to walk or drive through changing areas soliciting business and otherwise behaving in such a manner as to provoke and exaggerate white fears. Purchasing homes cheaply from nervous white occupants, the panic peddler sold dearly to African Americans who faced painfully limited choices and inflated prices in a discriminatory housing market. Often providing financing and stringent terms to a captive audience, the blockbuster could realize substantial profits.

Source: Encyclopedia of Chicago, *Blockbusting*, 2007

b. Federal Fair Housing Act

The Civil Rights Act (Fair Housing Act) of 1968 declared it an illegal practice “for profit, to induce or attempt to induce” sales and rentals “by representations regarding the entry or prospective entry into the neighborhood of [a] person or persons of a particular race, color, religion, etc.” (Section 804 [e]).

The 1968 Act, which declared discrimination in residential sales, rentals, or loans illegal, specifically outlawed blockbusting and indirectly barred other discriminatory real estate practices, including steering and redlining. Rigid adherence to residential segregation designed to maintain a racially separated (dual) housing market paradoxically enabled blockbusting to flourish under certain circumstances. Typically, blockbusters preyed upon the racial prejudices and fears of white residents in segregated neighborhoods by selling or renting to African Americans - or even by spreading rumors of black settlement - to panic property owners unwilling to accept residential integration.

c. California Law

Under California law, blockbusting and panic selling occur when a real estate licensee claims that an impending change in the demographic composition of a neighborhood will cause property values to fall, crime to increase or schools to decline in quality. Section 10177(l)(1) of the Business and Professions Code states that the Real Estate Commissioner may revoke or suspend the license of a real estate licensee if he/she has done the following:

Solicited or induced the sale, lease, or listing for sale or lease of residential property on the ground, wholly or in part, of loss of value, increase in crime, or decline of the quality of the schools due to the present or prospective entry into the neighborhood of a person or persons having a characteristic listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those characteristics are defined in Sections 12926 and 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

Government Code Section 12955 states it shall be unlawful:

(a) For the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability of that person.

(d) For any person subject to the provisions of Section 51 of the Civil Code, as that Section applies to housing accommodations, to discriminate against any person on the basis of sex, sexual orientation, color, race, religion, ancestry, national origin, familial status, marital status, disability, source of income, or on any other basis prohibited by that section.

2. Blockbusting in Moreno Valley

HUD and Fair Housing Assistance Program (FHAP) agencies record annually discriminatory practices in categories called “issues.” Blockbusting is identified as an issue by only 0.1% of complainants.

Data on housing discrimination complaints based on claims of blockbusting and/or panic selling are not routinely collected by HUD, DFEH, Fair Housing Council or the City. The California Department of Real Estate website was researched to obtain data on violations of Business and Professions Code 10177(l)(1). The DRE reported that violations cannot be filtered by this code. In the past, the DRE has indicated that there has been “no disciplinary action against a real estate licensee because of violation of 10177(l)(1).”

3. Conclusions

There is no evidence that in Moreno Valley blockbusting/panic selling is an impediment to fair housing choice.

I. PROPERTY MANAGEMENT

Property management policies and practices are of keen importance to Moreno Valley residents. The vast majority of the approximately 20,200 renter households reside in apartment communities. For the prior AI, the City conducted a survey of resident managers of market rate and rent-restricted apartments. The purpose of the survey was to find out if policies and practices adhere to fair housing laws. The results of that survey are probably representative of current policies and practices.

1. Analysis of Fair Housing Practices

a. Occupancy Limits

Occupancy limits refer to the number of persons who can occupy an apartment unit. Often, strict occupancy limits have the intent of excluding families with children from renting an apartment. HUD has indicated that Congress did not intend to provide for a national occupancy standard. HUD explains that:

The Department believes that in appropriate circumstances, owners and managers may develop and implement reasonable occupancy requirements based on factors such as the number and size of sleeping areas or bedrooms and the overall size of the dwelling unit. In this regard, it must be noted that, in connection with a complaint alleging discrimination on the basis of familial status, the Department will carefully examine any such nongovernmental restriction to determine whether it operates unreasonably to limit or exclude families with children.

Further, HUD believed that the occupancy standard it had set for HUD assisted housing (generally two persons per bedroom) would not be an appropriate basis for guiding private housing providers because -

These guidelines are designed to apply to the types and sizes of dwellings in HUD programs and they may not be reasonable for dwellings with more available space and other dwelling configurations than those found in HUD-assisted housing.

Source: 54 FR 3232 - Implementation of the Fair Housing Amendments Act of 1988, Subpart A, Section 110.10 Exemptions, January 23, 1989,

The general rule-of-thumb for an occupancy limit is two persons per room plus one additional person. For example, the occupancy limit would be three persons in a one-bedroom unit and five persons on a two bedroom unit.

When asked if they had an occupancy limit, 14 of the 14 market rate resident managers responded to this question - 13 said yes and one said no. When asked to give examples, none were inconsistent with the 2 + 1 standard.

Six of the eight affordable housing resident managers responded to the question - all six said yes. When asked to give examples, none of the six examples were inconsistent with the 2 + 1 standard. Thus, resident managers are very well informed regarding occupancy limits. One for rent ad posted on craigslist in early November 2018 stated:

5 people including kids per 2 bedroom apartment to prevent overcrowding per CA guidelines.

b. Service and Companion Animals

Under Federal and State fair housing laws, individuals with disabilities may ask their housing provider to make reasonable accommodations in the "no pets" policy to allow for their use of a service and/or companion animal. The housing provider may ask the disabled applicant/tenant to provide verification of the need for the animal from a qualified professional. Once that need is verified, the housing provider must generally allow the accommodation.

One of the three regulations issued by HUD applies to all housing. The second and third sets of regulations implement legislation designed to recognize the importance of animals in the lives of the elderly, disabled and persons living in subsidized housing. 24 CFR 100.204(b)(1) provides an example that applies to all housing providers and concerns a guide dog:

A blind applicant for rental housing wants to live in a dwelling unit with a seeing-eye dog. The building has a *no pets policy*. It is a violation of Section 100.204 for the owner or manager of the apartment complex to refuse to permit the applicant to live in the apartment with a seeing-eye dog because, without the seeing-eye dog, the blind person will not have an equal opportunity to use and enjoy a dwelling.

The principle is broader than just guide dogs and applies to all service dogs.

Another example is given below:

A housing provider has a "no pets" policy. A tenant who is deaf requests that the provider allow him to keep a dog in his unit as a reasonable accommodation. The tenant explains that the dog is an assistance animal that will alert him to several sounds, including knocks at the door, sounding of the smoke detector, the telephone ringing, and cars coming into the driveway. The housing provider must make an exception to its "no pets" policy to accommodate this tenant.

Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Accommodations Under the Fair Housing Act*, May 17, 2004, pages 6-7

When asked about allowing service animals, 12 of 14 of the market rate resident managers said yes, one said no, and one said “not pet friendly.” Among the affordable housing resident managers, four said yes, one said yes with exceptions and three did not respond.

When asked about companion animals, the market rate resident managers’ responses were:

- 9 said yes
- 2 said yes with doctor’s prescription
- 1 said yes with certificate
- 1 said no
- 1 said not pet friendly

The responses of the affordable housing managers were:

- 4 said yes
- 1 said yes with exceptions
- 3 did not respond

c. Housing Unit Modifications

According to HUD:

A reasonable modification is a structural change made to existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises..

Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Modifications Under the Fair Housing Act*, March 5, 2008, page 3

When asked about allowing disabled tenants to make modifications to their unit, the market rate resident managers’ responses were:

- 12 said yes in one way or another (but most do not seem to have a “written policy”)
- 1 doesn’t know
- 1 didn’t answer

The affordable housing managers’ answers were:

- 2 said yes
- 1 said yes, reasonable accommodations, to be made by apt. owner
- 1 said yes, depending what type
- 1 said no
- 3 did not respond

d. Knowledge of Fair Housing Laws

Market rate and rent restricted resident managers were asked about their knowledge of fair housing laws. The market rate resident managers stated:

- 9 said very familiar
- 5 said somewhat familiar

The affordable housing resident managers' responded:

- 4 said very familiar
- 2 said somewhat familiar
- 2 did not respond to the survey

2. Conclusions and Action Plan Recommendations

a. Conclusions

Property management practices pertaining to occupancy limits; service and companion animals; and reasonable accommodations and modifications can pose impediments to fair housing choice.

b. Action Plan Recommendations

- The Fair Housing Council will update the list of the names and e-mail addresses of the resident apartment managers.
- The City and FHCRC will arrange an “informational session” between the fair housing counselors and resident managers to exchange insights on a variety of fair housing issues.
- The City and FHCRC will continue to inform resident managers by transmitting information to their e-mail and/or physical addresses.

J. DISCRIMINATORY ADVERTISING

1. Prohibited Housing Discriminatory Practices

Section 804 (c) of the 1968 Fair Housing Act prohibits discriminatory advertising; it is unlawful:

To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

Section 12955(c) of the California Fair Employment and Housing Act contains similar language prohibiting discriminatory advertising. That Section, however, also includes the State's additionally protected classes of sexual orientation, marital status, ancestry, and source of income.

Under California law, a real estate licensee may not run any kind of advertisement concerning the sale, rental or financing of real property that indicates any preference, limitation or discrimination because of race, color, sex, religion, ancestry, physical handicap, marital status or national origin (10 Cal. Code Regs. § 2780).

The National Association of REALTORS (NAR) Code of Ethics Standard of Practice 10-3 states:

Realtors® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. (Adopted 1/94, Renumbered 1/05 and 1/06, Amended 1/14)

These rules apply to every and any type of advertising that real estate licensees decide to use, including, but not limited to, flyers, postcards, newspapers, magazines, "For Sale" signs, billboards, business cards, e-mails, faxes, radio, television.

The process for documenting discriminatory advertising involved the following:

- A comparison of the words and phrases used published ads to the discriminatory examples provided by:
 - ✓ California Association of Realtors (C.A.R.), *Advertising*, December 12, 2012 (revised)
 - ✓ California Newspaper Publishers Association, *Fair Housing Advertising Training Manual*, Fourth Edition, January 2001. 33 pages
 - ✓ HUD (24 CFR 109.20, 24 CFR 109.25, Roberta Achtenberg, Advertisements Under 804(c) of the Fair Housing Act - January 9, 1995)
 - ✓ Southern California Multiple Listing Service, *Fair Housing and MLS*, September 29, 2000, 11 pages
- Denoting those words or phrases that could indicate a preference, limitation, or discrimination

The most basic rule for avoiding discriminatory words and phrases is:

Limit the advertisement to a physical description of the property - describe the place, not the people.

Source: Southern California Multiple Listing Service, *Fair Housing and MLS*, September 29, 2000, page 3

2. Analysis of Discriminatory Advertising

a. Analysis of Newspaper and Online Advertising

During the October 2018 period no apartment for rent ads for properties located in Moreno Valley were published in the Los Angeles Times during the Monday-Friday week. On the weekend, an ad was published for the new Augusta community which is being developed by William Lyon Homes. No discriminatory words or phrases were used in this ad.

In the Press Enterprise, a few ads were published. During the Monday-Friday week the same ad was published for the same apartment community. The ad stated the monthly rent for the two bedroom sizes, the amount of the security deposit, and community features such as a pool, and close proximity to the Mall. The ad, however, did state "Military/Vet Special" and to call for details. Stating this preference is problematic.

During the weekend, a few ads are published for existing homes for sale and new residential developments. No discriminatory words or phrases were used in the ads reviewed.

The City's review of printed ads demonstrates that newspapers are used infrequently to advertise apartments for rent. Print ads are used more frequently for homes for sale.

b. Analysis of Craigslist Rental Ads

The volume of postings on Craigslist vastly exceeds the print ads. None of the ads posted in October 2018 included discriminatory words or phrases. The ads stated the number of bedrooms, baths, monthly rents, security deposit, and so forth. Because they were published on craigslist, the ads included more information than those few published in newspapers. For example, elaborate descriptions were often posted regarding the individual apartments as well as community features.

Most of the apartments for rent stated they were pet-friendly; however, for dogs weight and breed restrictions applied. Several apartment ads stated that that they did not accept Section 8 vouchers.

Craigslist states that all ads must adhere to fair housing law (Section 3604(c) of the Federal Fair Housing Act). Craigslist makes the advertiser aware that "Stating a discriminatory preference in a housing post is illegal." At the top of each ad links to file complaints and to fair housing information are provided.

c. Analysis of Facebook Ads

Ads on Facebook were not reviewed. However, HUD has announced a formal complaint against Facebook for violating the Fair Housing Act by allowing landlords and home sellers to use its advertising platform to engage in housing discrimination. HUD claims Facebook enables advertisers to control which users receive housing-related ads based upon the recipient's race, color, religion, sex, familial status, national origin, disability, and/or zip code. Facebook then invites advertisers to express unlawful preferences by offering discriminatory options, allowing them to effectively limit housing options for these protected classes under the guise of 'targeted advertising.'

"The Fair Housing Act prohibits housing discrimination including those who might limit or deny housing options with a click of a mouse," said Anna María Farías, HUD's Assistant Secretary for Fair Housing and Equal Opportunity. "When Facebook uses the vast amount of personal data it collects to help advertisers to discriminate, it's the same as slamming the door in someone's face."

HUD's Secretary-initiated complaint follows the Department's investigation into Facebook's advertising platform which includes targeting tools that enable advertisers to filter prospective tenants or homebuyers based on these protected classes. For example, HUD's complaint alleges Facebook's platform violates the Fair Housing Act by enabling advertisers to, among other things:

- Display housing ads either only to men or women;
- Not show ads to Facebook users interested in an "assistance dog," "mobility scooter," "accessibility" or "deaf culture";

- Not show ads to users whom Facebook categorizes as interested in “child care” or “parenting,” or show ads only to users with children above a specified age;
- To display/not display ads to users whom Facebook categorizes as interested in a particular place of worship, religion or tenet, such as the “Christian Church,” “Sikhism,” “Hinduism,” or the “Bible.”
- Not show ads to users whom Facebook categorizes as interested in “Latin America,” “Canada,” “Southeast Asia,” “China,” “Honduras,” or “Somalia.”
- Draw a red line around zip codes and then not display ads to Facebook users who live in specific zip codes.

Additionally, Facebook promotes its advertising targeting platform for housing purposes with “success stories” for finding “the perfect homeowners,” “reaching home buyers,” “attracting renters” and “personalizing property ads.”

A Secretary-Initiated Complaint will result in a formal fact-finding investigation. The party against whom the complaint is filed will be provided notice and an opportunity to respond. If HUD’s investigation results in a determination that reasonable cause exists that there has been a violation of the Fair Housing Act, a charge of discrimination may be filed. Throughout the process, HUD will seek conciliation and voluntary resolution. Charges may be resolved through settlement, through referral to the Department of Justice, or through an administrative determination

3. Conclusions and Action Plan Recommendations

a. Conclusions

Ads containing discriminatory words or phrases are infrequently published. However, ads with discriminatory words or phrases may be published in the future. Additionally, ads stating “no pets” may be published and have the effect of discouraging disabled persons from applying for the apartment housing advertised in print and on-line publications.

b. Action Plan Recommendations

The City and Fair Housing Council of Riverside County, Inc. transmitted a request to the Press-Enterprise to amend its fair housing notice with regard to the following:

- Fair housing notice be placed closer to the for rent ads
- Indicate the protected classes under the provisions of both the Federal and State laws
- Explain that service and companion animals are not pets
- Include the phone number of the Fair Housing Council of Riverside County, Inc.

The Press Enterprise did not respond to this request for revisions to the fair housing notice.

The FHCRC will annually review ads published in newspapers, on-line apartment search sites, and craigslist. When discriminatory words or phrases are found, the Council will notify the entities placing the ads of the need to remove those words and phrases.

K HATE CRIMES

1. Prohibited Discriminatory Housing Practices

According to HUD, the AI should analyze *housing* related hate crimes; that is; when an event takes place at a residence, home or driveway. When hate crimes occur at a home, the victims can feel unwelcome and threatened. The victims may feel that they have no choice other than to move from the dwelling and neighborhood of their choice.

Hate crime means -

“a criminal act committed, in whole or in part, because of one or more of the following actual or perceived characteristics of the victim: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, (6) sexual orientation, (7) association with a person or group with one or more of these actual or perceived characteristics.” [Source: California Penal Code section 422.55]

According to the California Department of Justice (DOJ), *hate crimes are not separate distinct crimes but rather traditional offenses motivated by the offender's bias*. A bias is -

A preformed negative opinion or attitude toward a group of persons based on their race, ethnicity, national origin, religion, gender, sexual orientation and/or physical/mental disability.

Police and Sheriff Department's report hate crime events to the DOJ which are -

An occurrence when a hate crime is involved.

In the DOJ report, the information about the event is a crime report or source document that meets the criteria for a hate crime. There may be one or more suspects involved, one or more victims targeted, and one or more offenses involved for each event.

A hate crime victim -

May be an individual, a business or financial institution, a religious organization, government, or other. For example, if a church or synagogue is vandalized and/or desecrated, the victim would be a religious organization.

2. Hate Crime Data

Annually, the California Attorney General publishes a report on hate crimes, including data on the number of events by jurisdiction. The number of hate crime events that happened in Moreno Valley in recent years is as follows:

▪ 2017	3
▪ 2016	0
▪ 2015	1
▪ 2014	4
▪ 2013	1

A total of nine hate crime events occurred in the past five years. The *Hate Crime in California* reports do not provide estimates of the number of events that occur at a residence by jurisdiction. Statewide, the locations of about 30% of the hate crime events occur at a residence/home/driveway. This percentage would mean that in Moreno Valley three hate crime events happened at a resident/home/driveway.

3. Conclusions and Action Plan Recommendations

a. Conclusions

Because hate crimes that impact householders occur very infrequently in Moreno Valley, they are not deemed to be an impediment to fair housing choice.

b. Action Plan Recommendations

The City staff will review the annual *Hate Crime in California* reports and monitor the data to determine if there is an upward trend in the number of events. If so, the staff will coordinate with the Police Department to determine the most appropriate actions.

L. POPULATION DIVERSITY - SEGREGATION/INTEGRATION

1. Meaning of Diversity - Segregation/Integration

The dissimilarity index, according to HUD's *Assessment of Fair Housing Tool for Local Governments*, measures the degree to which two groups are evenly distributed across a geographic area and is a commonly used tool for assessing residential segregation between two groups. The University of Michigan explains the dissimilarity index as follows:

The most commonly used measure of neighborhood segregation is the *index of dissimilarity*. This is a measure of the evenness with which two groups are distributed across the component geographic areas that make up a larger area. For purposes of census taking, metropolises are divided into census tracts that contain, on average, about 4,000 residents. We could consider a metropolitan area such as Los Angeles and determine the evenness with which Whites and Blacks are distributed across census tracts.

One extreme possibility would be an American Apartheid situation in which all Blacks lived in exclusively Black census tracts while all Whites lived in all-White census tracts. Of course this does not occur but this would be the maximum residential segregation of Blacks from Whites. If there were such an apartheid situation, the *index of dissimilarity* would take on its peak value of 100. Another extreme example would be a situation in which Blacks and Whites were randomly assigned to their census tracts of residence. This never happens but, if it did, the *index of dissimilarity* would equal 0 meaning that Blacks and Whites were evenly distributed across census tracts.

In metropolitan Los Angeles in 2000, the *index of dissimilarity* comparing the distribution of Blacks and Whites across census tracts was 69 indicating a moderately high degree of residential segregation. This value reports that either 69 percent of the White or 69 percent of the Black population would have to move from one census tract to another to produce a completely even distribution of the two races across census tracts; that is, an *index of dissimilarity* of 0.

University of Michigan, Population Studies Center, *Residential Segregation: What It Is and How We Measure It*, page 1

2. Dissimilarity Index for the Region and City

The HUD-provided dissimilarity index provides values ranging from 0 to 100, where higher numbers indicate a higher degree of segregation among the two groups measured. Generally, dissimilarity index values between 0 and 39.99 generally indicate low segregation, values between 40 and 54.99 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation, as follows:

	Value	Level of Segregation
Dissimilarity Index Value (0-100)	0-39.99	Low Segregation
	40-54.99	Moderate Segregation
	55-100	High Segregation

HUD data shows that the Riverside County/San Bernardino County Region currently experiences a Moderate Level of Segregation among all four groups: Non-White/White, Black/White, Hispanic/White and Asian or Pacific Islander/White, as follows:

- Non-White/White 41.29
- Black/White 47.66
- Hispanic/White 43.96
- Asian or Pacific Islander/White 43.07

HUD's Dissimilarity Index for the City of Moreno Valley shows a Low Segregation Level for each racial/ethnic group:

- Non-White/White 19.03
- Black/White 21.92
- Hispanic/White 20.61
- Asian or Pacific Islander/White 25.31

3. Conclusions and Recommendations

a. Conclusions

Since 1990 the Dissimilarity Index trend line for the Region demonstrates an increase in the level of segregation from "low" to "moderate."

Since 1990 the Dissimilarity Index trend line for the City shows an increase in the level of segregation but has remained in the Low Level category during the past 20 years. In fact, the current Dissimilarity Index scores can be considered "very low" because the upper limit of the "low" category is 39.99 and Moreno Valley scores range between 19 and 25.

b. Action Plan Recommendations

No actions are necessary as the City's Dissimilarity Index is in the very low range.

M. LOCATION OF AFFORDABLE HOUSING**1. Location of Affordable Housing**

The geographic location of Moreno Valley's publicly supported housing is discussed in the following paragraphs.

The City has 11 tax credit support projects - 10 large family developments and one senior housing development. None are located within an R/ECAP (50%+ minority population and 40%+ poverty rate).

In addition, the City has two senior housing developments supported by HUD Sections 201 and 811 programs: Eucalyptus Towers (69 units) and Telacu Villa (74 units). Eucalyptus Towers is located in an R/ECAP (CT 425.15).

The affordable housing inventory also includes 61 housing units located in nine small developments. These nine developments contain 50 2-bedroom units and 11 3-bedroom units. An 8-unit affordable housing development is located in an R/ECAP (CT 425.15).

Two developments address the needs of disabled persons: 24 units in the Ability First development and 15 units in the Rancho Dorado development located at the southeast corner of Perris Boulevard and John F. Kennedy Drive. These two developments are not located in an R/ECAP.

HUD has conditionally approved the Housing Authority of Riverside County's conversion of its 469 public housing units to Project Based Vouchers under the Rental Assistance Demonstration Program (RAD). None of the public housing units are located in Moreno Valley.

Publicly supported housing (not including the HCV Program) is located in nine census tracts. Table VII-10 reports on the demographic characteristics of these nine census tracts.

Table VII-10
City of Moreno Valley
Demographics of the Census Tracts
In Which Affordable Housing is Located

Census Tract	Percent White, Non-Hispanic	Percent Hispanic	Percent Black, Non-Hispanic	Percent Asian, Non-Hispanic	Percent All Other, Non-Hispanic	Total Population
424.04	16.9%	57.7%	18.0%	3.5%	3.9%	2,038
425.06	14.0%	50.0%	21.3%	10.5%	4.2%	9,483
425.07	14.8%	58.8%	17.3%	5.7%	3.4%	5,011
425.15	9.3%	70.8%	15.4%	2.4%	2.2%	3,803
425.16	10.5%	67.2%	15.1%	3.3%	3.9%	4,177
425.20	12.3%	69.5%	10.7%	4.5%	3.1%	4,669
425.21	12.9%	64.5%	15.0%	4.0%	3.6%	4,922
467.00	9.7%	70.1%	14.7%	2.3%	3.2%	3,280
489.02	14.1%	66.4%	13.5%	2.9%	3.1%	5,957

Source: American FactFinder, Census 2010, Summary File 1, Table P9, Hispanic or Latino by Race
Table construction by Castañeda & Associates

2. Section 8 Rental Housing (Vouchers)

There are 1,139 Moreno Valley families receiving rental assistance from the Section 8 Housing Choice Voucher Program. The Housing Authority of Riverside County provided the City with the zip code (not census tract) location in which the assisted families are living. Table VII-11 shows that approximately one-half of all voucher holders reside in Zip Code 92553. Approximately 73,700 people live in Zip Code 92553 which represents 38% of Moreno Valley's total population. Voucher holders could be attracted to this zip code because of the availability of rental units and landlords willing to participate in the Section 8 program as well as other factors.

Exhibit VII-1 shows the boundaries of the zip code areas. The boundaries of Zip Code 92553 include Moreno Valley Freeway on the north; Cactus Avenue/John F. Kennedy Drive on the south; Day Street/Old 215/Frontage Road on the west; and Lasselle on east.

Table VII-12
City of Moreno Valley
Location of Section 8 Housing Choice Vouchers by Zip Code

Zip Code	Number of Section 8 Vouchers	Percent
92551	198	17.4%
92553	571	50.1%
92555	72	6.3%
92557	298	26.2%
Total	1,139	100.0%

Source: Housing Authority of the County of
Riverside, July 10, 2017
Table construction by Castañeda & Associates

3. Conclusions and Recommendations

a. Conclusions

Affordable housing is located in nine census tracts/neighborhoods and, therefore, is not concentrated geographically. Thus, the residents of affordable housing share the same access to opportunity that the occupants of market rate housing do.

The locations where Section 8 voucher holders live shows some geographic concentration. That could be due to a high number of apartments with rents at or below the Section rent limits and landlords willing to rent to voucher holders. The exact reasons for geographic concentration are not known.

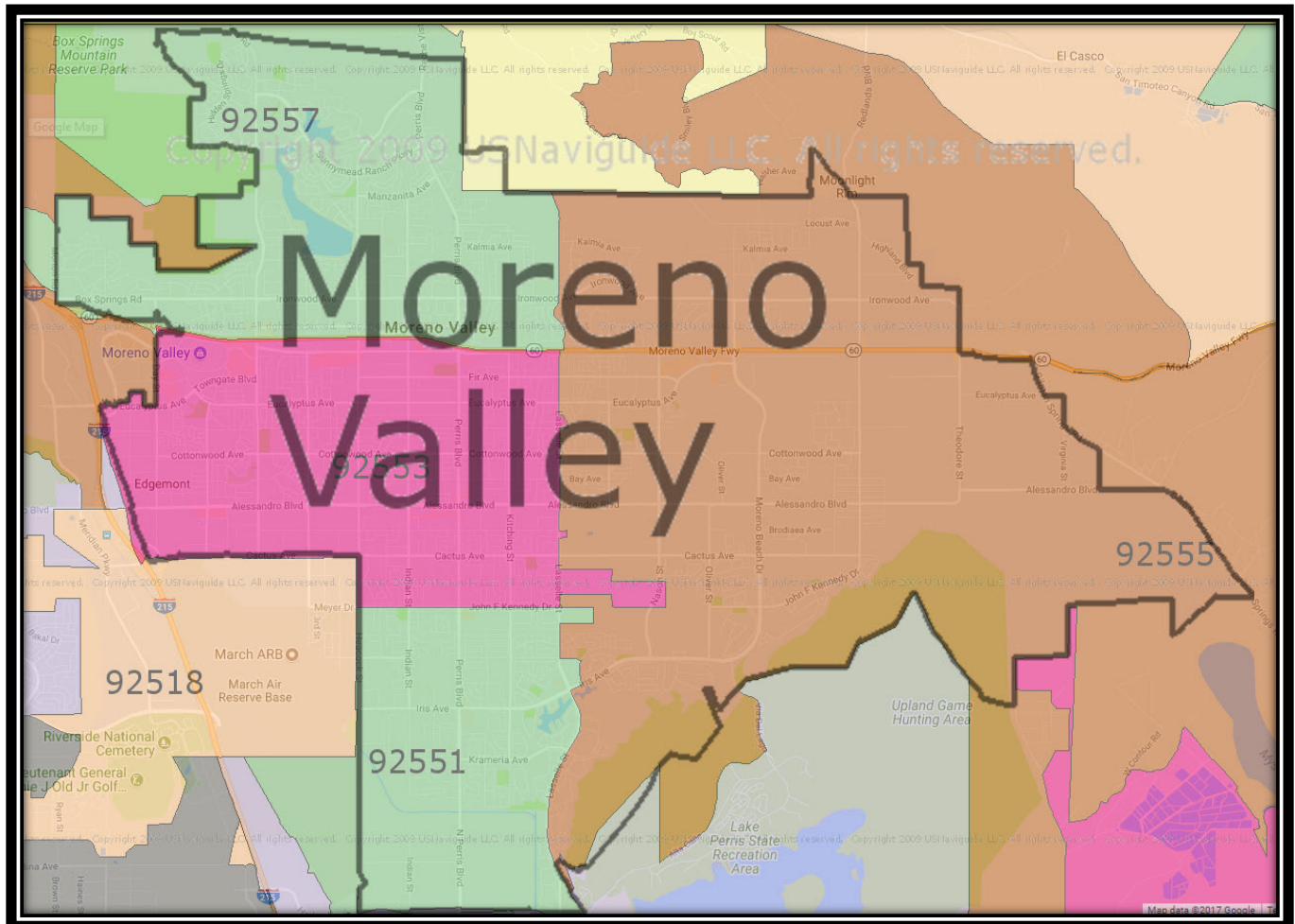
b. Action Plan Recommendations

The City will become familiar with the census tracts that are Highest Resource and High Resource which have been determined by California's low income housing tax credit program.

The City also will become familiar with the census tracts that are located in Disadvantaged Communities as determined by the Affordable Housing Sustainable Communities (AHSC) affordable housing program.

The City will work with the Housing Authority of the County of Riverside to encourage voucher holders to select rental housing in the high opportunity neighborhoods, which have been identified by the Housing Authority.

Exhibit VII-1
City of Moreno Valley
Zip Code Boundary Map



APPENDIX A DATA SOURCES



APPENDIX A DATA SOURCES

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