



CITY OF HEMET

Analysis of Impediments To Fair Housing Choice Finance Department

**City Council Approved
May 12, 2020**



CITY OF HEMET

Draft

Analysis of Impediments To Fair Housing Choice

Finance Department

May 12, 2020

City of Hemet
Analysis of Impediments to Fair Housing Choice
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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." Because this *Guide* is the only official guidance provided by HUD to grantees on how to prepare and organize an AI, Hemet's AI conforms to the format suggested by HUD.

Section I Introduction: The Introduction presents the AI report format; Hemet's regional setting, purpose of the report, fair housing definition, lead agency, funding, and progress made toward implementing the 2015-2020 AI.

Section II Fair Housing Action Plan: Section II describes the conclusions and recommendations resulting from the AI analysis. It identifies impediments to fair housing choice and the actions that will be taken to remove or ameliorate impediments during the FY 2020/2021 to FY 2024/2025 time period. Actions to affirmatively further fair housing also are described in the *Fair Housing Action Plan*.

Section III Fair Housing Legal Status: This Section discusses fair housing complaints and compliance reviews and other information pertaining to Hemet's fair housing legal status.

Section IV: City Background Data: HUD advises grantees to include in the AI "jurisdictional background data" on demographics, income, employment, housing and other relevant data. This information is presented in Section IV.

Section V Fair Housing Protected Groups: This Section includes detailed demographic data on the fair housing protected groups – race/color; sex; national origin; familial status; and handicap/disability.

Section VI Private Sector Impediments Analysis: Section VI presents an analysis of practices prohibited by the Federal Fair Housing Act (FFHA) and the California's Fair Employment and Housing Act (FEHA). It also identifies the practices that create impediments to fair housing choice. Section VI describes impediments such as housing discrimination and discriminatory lending practices.

Section VII Public Sector Impediments Analysis: This Section presents information on the planning and zoning policies, practices and regulations that impact fair housing.

Section VIII Private/Public Sector Impediments Analysis: Section VIII describes potential and actual impediments that overlap the private and public sectors such as the location of affordable multifamily rental housing and gentrification.

B. HEMET'S REGIONAL SETTING

Hemet is located in western Riverside County, approximately 35 miles southeast of Riverside. State Route (SR) 74 traverses the City in an east-west direction along Florida Avenue, and connects with Interstate 215 (I-215) to the west. SR 79 connects the City with San Jacinto to the north, and Temecula and Interstate 15 (I-15) to the south.

Hemet is bordered by the City of San Jacinto on the north, but is otherwise surrounded by unincorporated areas of Riverside County. The Hemet-Ryan Airport is located in the City. A former Burlington Northern & Santa Fe (BNSF) railroad line travels through the City. Exhibit I-1 illustrates the regional location of the City of Hemet.

For General Plan purposes, Hemet has a planning area includes approximately 28.3 square miles within the City's corporate limits, an additional 34.2 square miles in Hemet's Sphere of Influence (SOI), and approximately 32.4 square miles located beyond the SOI. Exhibit I-2 identifies the planning area.

The City of Hemet incorporated in 1910 and recently celebrated its centennial anniversary as one of Riverside County's oldest communities. Initially an agricultural community, Hemet underwent dramatic changes in the early 1960s as the City became a major destination for senior living as a result of the City's mild climate and picturesque location. During an approximate 20 year period of time, over 10,000 homes were built (primarily mobile homes) in senior oriented communities. As a result, in the 1990 census, the average age in Hemet was over 60. The late 1990s and the first decade of this century saw another dramatic shift in the City's demographics as more families moved to the City. Hemet's population swelled from just over 52,000 in 1990 to over 78,000 in 2010. And the average age dropped from over 60 years to just over 39 years of age. In 2020, Hemet's population is almost 85,000.

C. PURPOSE OF THE REPORT

The City of Hemet annually receives funds from the Federal Community Development Block Grant (CDBG) program. An Affirmatively Furthering Fair Housing (AFFH) certification is required of cities and counties that receive funds from the CDBG program. The AFFH certification states that the grantee 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.

HUD interprets the broad objectives of the requirement to affirmatively further fair housing choice to mean that recipients must:

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

Source: U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Memorandum on *Compliance-Based Evaluations of a Recipient's Certifications that it has Affirmatively Furthered Fair Housing*, March 5, 2013, page 4

Exhibit I-1

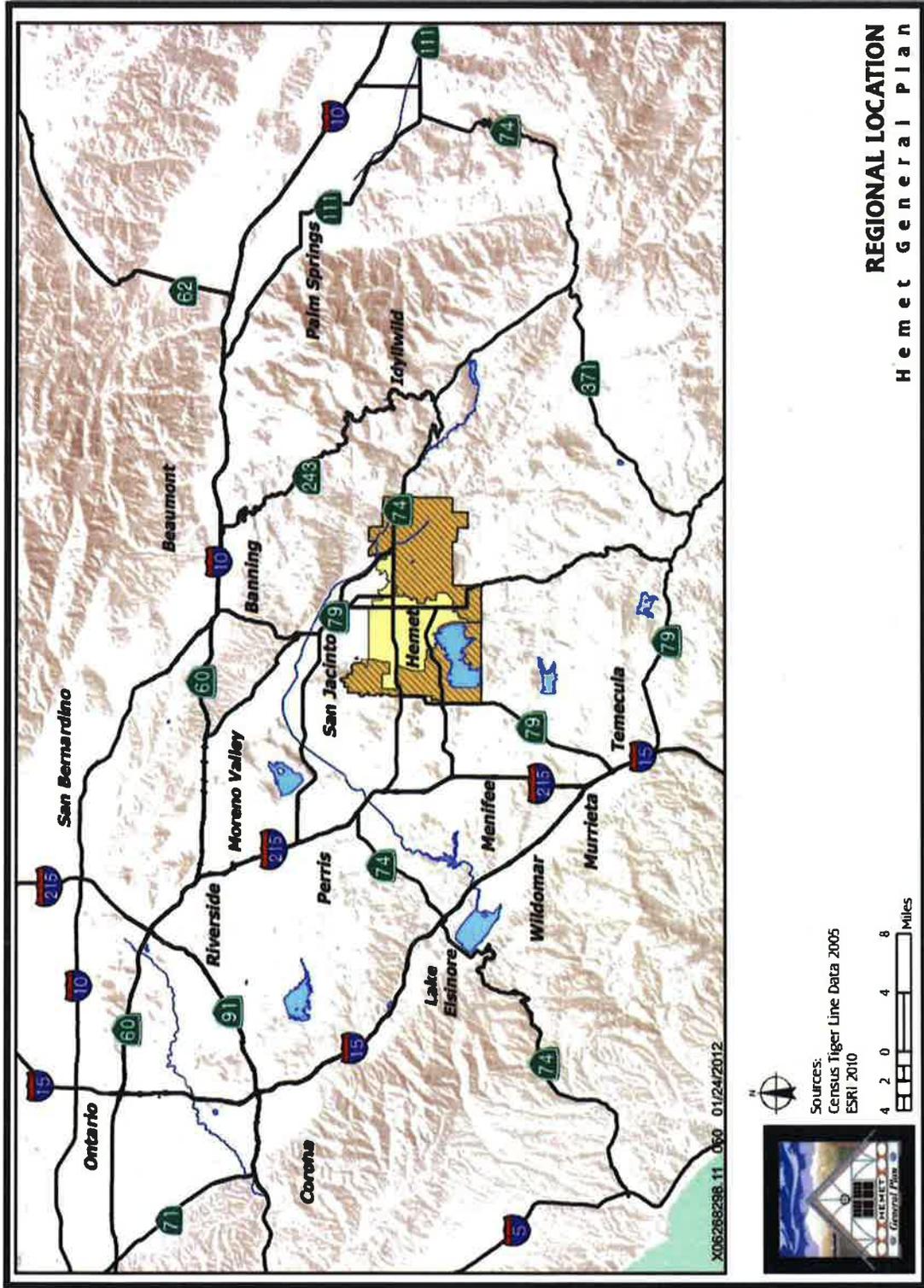
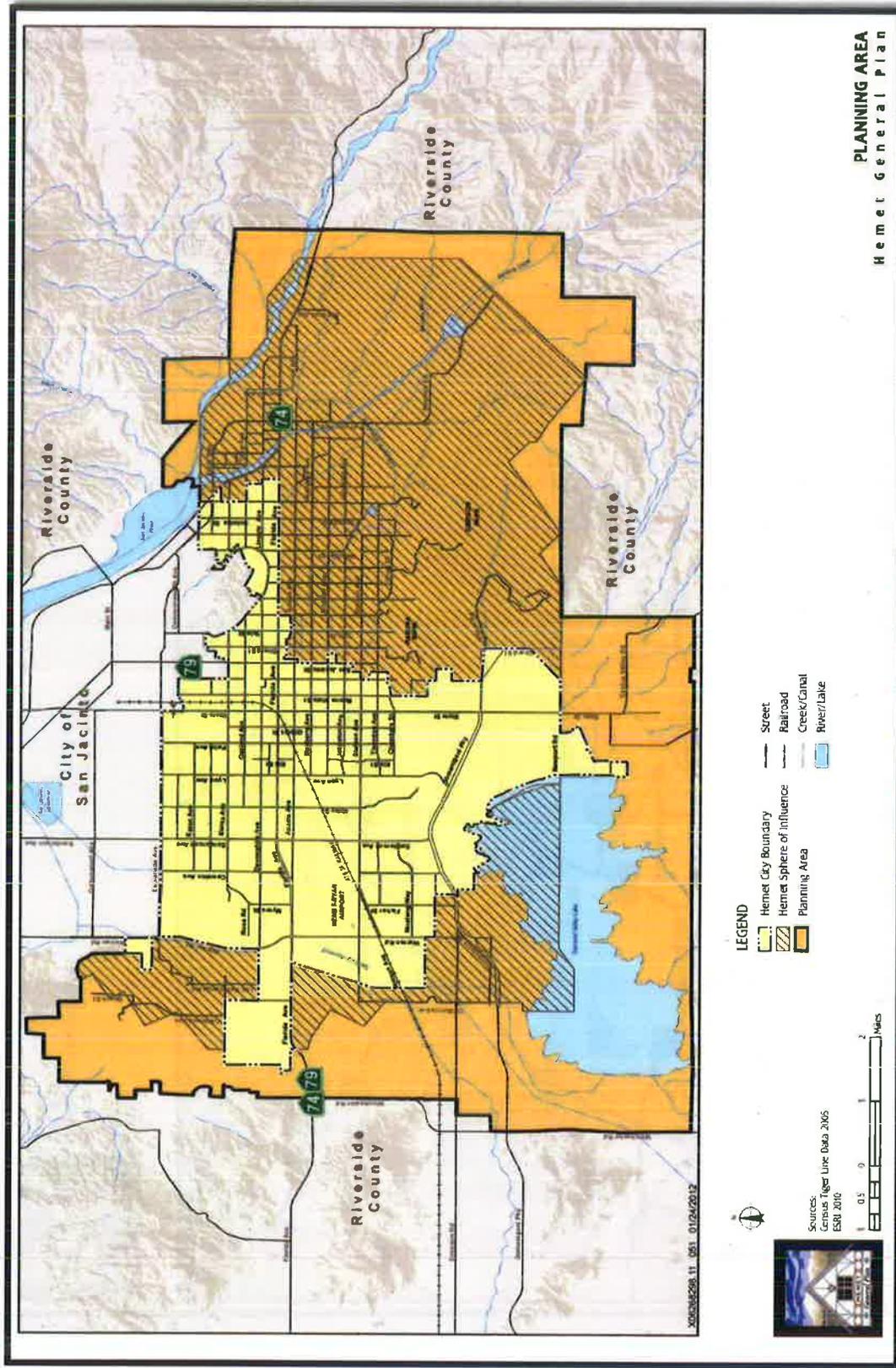


Exhibit I-2



Therefore, the fundamental purpose of the AI is to maintain the City of Hemet's compliance with the AFFH certification. In so doing, the City will promote fair housing and remove or mitigate the private and sector impediments that have been identified through the analysis.

The time period of the AI is from FY 2020/2021 through FY 2024/2025, a time period that aligns with Hemet's five-year Consolidated Plan.

D. DEFINING FAIR HOUSING CHOICE

HUD defines fair housing as:

...a condition in which individuals of *similar income levels* in the same housing market have a like range of choices available to them regardless of race, color, national origin, religion, sex, handicap, or familial status.

HUD draws an important distinction between household income, affordability and fair housing. Economic factors that impact housing choice are not fair housing issues per se. Only when the relationship between household incomes combined with other factors - such as household type or race and ethnicity - create misconceptions and biases do they become a fair housing issue.

Tenant/landlord disputes are also not typically fair housing issues, generally resulting from inadequate understanding by the parties on their rights and responsibilities. Such disputes only become fair housing issues when they are based on factors protected by fair housing laws and result in differential treatment.

Impediments to fair housing choice, according to HUD, 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)

E. LEAD AGENCY AND FUNDING FOR THE AI

The lead agency for preparation of the *AI and Fair Housing Action Plan* is the City of Hemet Finance Department.

Valuable input to the AI was provided by the following:

- Residents who responded to the Analysis of Impediments to Fair Housing Choice Survey
- Planning Department
- Fair Housing Council of Riverside County, Inc. (FHCRC)
- Housing Authority of the County of Riverside
- California Tax Credit Allocation Committee (CTCAC)
- California Department of Housing and Community Development (HCD)

- U.S. Department of Housing and Urban Development – Fair Housing and Equal Opportunity (FHEO), San Francisco Regional Office

CDBG funds were expended to complete the AI. CDBG funds paid for consultant assistance on the AI's preparation and for staff time expended on the project. In addition, the FHCRC contributed to the AI by compiling housing discrimination data, testing, and reviewing the AI recommended actions. The City uses CDBG funds to support the fair housing and landlord/tenant counseling services of the FHCRC.

F. PROGRESS REPORT ON THE 2015-2019 AI FAIR HOUSING ACTION PLAN

The City adopted a *Fair Housing Action Plan* for the period from FY 2015/2016 to FY 2019/2020. The Plan included actions to be implemented by the City and FHCRC. Table II-1 describes the progress made on implementing the recommended actions. Some actions were not implemented and are carried forward to the FY 2020/2021 to FY 2024/2025 period.

Table I-1
City of Hemet
Progress Report
2015-2020 Analysis of Impediments to Fair Housing Choice

<i>PUBLIC SECTOR IMPEDIMENTS</i>	GOALS	ACTIONS	RESPONSIBLE ENTITIES	IMPLEMENTATION PROGRESS
Lack of community awareness of the City's Reasonable Accommodation Procedure (RAP)	Ensure that the RAP is well known within the community	<ul style="list-style-type: none"> • Include the application for a RAP in the Application and Forms webpage • Prepare a brochure that describes the RAP 	Community Development Department Fair Housing Council of Riverside County	Not accomplished. Action will be carried forward to 2020-2025 AI.
<i>PRIVATE SECTOR IMPEDIMENTS</i>	GOALS	ACTIONS	RESPONSIBLE ENTITIES	IMPLEMENTATION PROGRESS
Discrimination against protected groups in the sales and rental housing markets	Increase the number of housing discrimination cases processed by City's fair housing provider	<ul style="list-style-type: none"> • City will continue to offer residents fair housing services • Efforts will be made to increase awareness of fair housing services • Develop and expand education program for housing providers, community organizations and general public 	Management Analyst Fair Housing Council of Riverside County (FHCRC)	Accomplished. City annual retains the services of the FHCRC.

Table I-1 continued
City of Hemet
Progress Report
2015-2020 Analysis of Impediments to Fair Housing Choice

PRIVATE SECTOR IMPEDIMENTS	GOALS	ACTIONS	RESPONSIBLE ENTITIES	IMPLEMENTATION PROGRESS
Steering of home buyers, in-place renters and apartment seekers is an impediment to fair housing choice	Increase community awareness of private sector steering practices	<ul style="list-style-type: none"> • Provide information to homebuyers on how to detect steering in the home search and loan application processes • Provide information to renters on how to detect steering by property managers • Add steering to the Fair Housing Council of Riverside County's data on alleged housing discriminatory acts 	Management Analyst Fair Housing Council of Riverside County	Accomplishments noted below: Steering is described at the Workshops conducted by the FHCRC. The FHCRC plans to add "steering" to the categories of alleged acts.
Difficulty in obtaining affordable homeowner's insurance is an impediment to fair housing choice	Increase homebuyer awareness of how to obtain affordable home owner's insurance	<ul style="list-style-type: none"> • Add "homeowner's insurance" and "CLUE Reports" to homebuyer counseling services provided by the Fair Housing Council of Riverside County 	Management Analyst Fair Housing Council of Riverside County	Accomplished. Homeowner's insurance is described by the FHCRC at the First Time Homebuyer Workshops.

**Table I-1 continued
City of Hemet
Progress Report
2015-2020 Analysis of Impediments to Fair Housing Choice**

PRIVATE SECTOR IMPEDIMENTS	GOALS	ACTIONS	RESPONSIBLE ENTITIES	IMPLEMENTATION PROGRESS
Section 8 assisted households residing in high poverty neighborhoods is inconsistent with HUD's goals	Increase the number of Section 8 households residing outside of high poverty neighborhoods	<ul style="list-style-type: none"> • Transmit the Section 8 location study to the Housing Authority of Riverside County • Identify apartments located in low poverty neighborhoods • Transmit the list of apartments to the Housing Authority of Riverside County • Encourage landlords in low poverty areas to participate in the Section 8 program 	Management Analyst Community Development Department Management Analyst Housing Authority of the County of Riverside Fair Housing Council of Riverside County	Actions have been partially achieved. Accomplishments noted below: Apartments located in low poverty neighborhoods have been identified. City has requested data from the Housing Authority on the number of Section 8 Voucher Holders by census tract. Housing Authority has published a Housing Opportunity Map and Small Market Area Rents
Hate crimes committed at residences are an impediment to fair housing choice	Provide written resource material to hate crime victims	<ul style="list-style-type: none"> • Prepare a Hate Crime Victims Resource Directory • Transmit the Directory to the Police Dept. 	Management Analyst	Action was not accomplished. Because there has been a significant decrease in the number of hate crimes, it is not necessary to prepare a directory.
Lack of accurate information on accessible housing units is an impediment to fair housing choice for households with one or more disabled member	Provide information on apartment units with accessible features Increase community awareness of the availability of accessible units	<ul style="list-style-type: none"> • Prepare an inventory of apartment units with accessible features • Encourage apartment managers to advertise the availability of accessible units 	Management Analyst Fair Housing Council of Riverside County Department of Building and Safety Apartment managers	Action was not accomplished. The feasibility of preparing the inventory will be evaluated in FY 2020/2021,

**Table I-1 continued
City of Hemet
Progress Report
2015-2020 Analysis of Impediments to Fair Housing Choice**

PRIVATE SECTOR IMPEDIMENTS	GOALS	ACTIONS	RESPONSIBLE ENTITIES	IMPLEMENTATION PROGRESS
Property management practices inconsistent with federal and State fair housing laws	Increase property management awareness of fair housing requirements	<ul style="list-style-type: none"> Disseminate fair housing information to on-site apartment managers Continue to involve the Fair Housing Council of Riverside County in the Crime-Free Rental Housing Program Provide renters with information on the value of long-term leases instead of month-to-month tenancies 	<p>Management Analyst</p> <p>Fair Housing Council of Riverside County</p>	Accomplished. The FHCRC has provided information at Workshops and on its website.
Discriminatory advertising is an impediment to fair housing choice	Reduce the publication of discriminatory words and phrases	<ul style="list-style-type: none"> Semi-annually review ads published in newspapers, on-line apartment search sites and craigslist to identify discriminatory words and phrases that are being published 	<p>Management Analyst</p> <p>Fair Housing Council of Riverside County</p>	Accomplished during preparation of the 2020-2025 AI. The use of discriminatory words and phrases in print and online ads is rare. It is not necessary to review ads on a semi-annual basis.

SECTION II
FAIR HOUSING ACTION PLAN



**Section II
Fair Housing Action Plan
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Table II-3 City of Hemet Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Affirmatively Further Fair Housing(AFFH).....II-9

A. INTRODUCTION

HUD's *Fair Housing Planning Guide* states:

Jurisdictions should summarize conclusions reached based on the AI, and describe in detail recommendations for resolution of the problems identified. This discussion is the link between the AI part of FHP [Fair Housing Planning] and the actions underway and proposed to promote fair housing choice.

Furthermore, the Affirmatively Furthering Fair Housing (AFFH) certification signed by the City obligates the City to:

Take appropriate actions to overcome the effects of any impediments identified through the AI.

Therefore, the *Fair Housing Action Plan* (FHAP) describes the actions to overcome the impediments identified through completion of the *Analysis of Impediments to Fair Housing Choice (AI)*. Additionally, the FHAP describes actions that can affirmatively further fair housing even though an impediment was not found to exist.

B. PUBLIC CONSULTATION AND PUBLIC PARTICIPATION PROGRAM

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 consultation and participation program.

The City conducted a Fair Housing Survey as a means of soliciting public input. Seventy-seven residents responded to the Survey, which is an increase of 40% above the number of residents that responded to the AI's prior survey which was completed in November 2015. Key findings are noted below:

- 80% of the respondents were homeowners and 20% were renters
- 78% of the respondents lived in single-family homes
- 22% of the respondents lived in a mobile home, apartment, or duplex, tri-plex, 4-plex
- 33% of the households were married householders without children
- 26% were married householders with children
- 20% of the respondents lived alone
- 24% of the respondents stated they have a disability (20% less than in November 2015)

- 12% of the respondents stated they had or thought they had experienced housing discrimination
- The basis for housing discrimination included: familial status (4); race (2); source of income (2); disability (1); and other (2). One respondent gave multiple bases for having experienced housing discrimination.
- The vast majority (70%) of respondents who cited housing discrimination stated the person responsible was their landlord.
- Respondents revealed knowledge regarding agencies to which they should report housing discrimination. Of the 39 residents who responded to the question, 19 stated the Fair Housing Council of Riverside County, Inc.; 17 stated HUD; and nine named the State Department of Fair Employment and Housing. The respondents revealed a greater knowledge of fair housing agencies compared to the November 2015 survey respondents.

During the development of the *AI* and *Fair Housing Action Plan* the City consulted with the Fair Housing Council of Riverside County, Inc., HUD-LA, and HUD-San Francisco, California Tax Credit Allocation Committee, California Department of Fair Employment and Housing, California Department of Housing and Community Development and the County of Riverside Housing Authority.

C. FAIR HOUSING ACTION PLAN

Potential and actual impediments to fair housing choice are described in detail in the following Sections:

- Section VI – Private Sector Impediments Analysis
- Section VII – Public Sector Impediments Analysis
- Section VIII - Private/Public Sector Impediments Analysis

Based on a detailed analysis and HUD guidelines, each of the above Sections presents conclusions regarding whether an impediment exists and, if so, recommends actions to remove or mitigate the identified impediments to fair housing choice. In some instances, even though an impediment was not found to exist, the City or Fair Housing Council of Riverside County, Inc. are able to undertake actions to affirmatively further fair housing (AFFH). Actions to AFFH mean actions which contribute to eliminating housing discrimination and segregation; foster inclusive neighborhoods; provide housing for disabled persons, a protected class; and otherwise create positive impacts and change by promoting fair housing.

Table II-1 provides a brief summary of the conclusions reached and recommended actions regarding the following *private sector* impediments:

- Population Diversity
- Housing Discrimination
- Steering
- Lending Practices
- Property Management Practices

Table II-2 provides a brief summary of the conclusions reached and recommended actions regarding the following *public sector* impediments:

- Disability Definition
- Group Homes
- Transitional and Supportive Housing
- Reasonable Accommodation Procedure

Table II-3 provides a brief summary of the conclusions made and the actions that can be taken by the City or FHCRC to *affirmatively further fair housing* in the private sector:

- Brokerage Services
- Appraisal Practices
- Lending Practices
- Homeowners Insurance

**Table II-1
City of Hemet
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate Private Sector Fair Housing Impediments**

<i>Private Sector</i>	
Population Diversity	Actions to Remove/Mitigate Impediments
<p>Although the City as whole has a low segregation level, there is one racially/ethnically concentrated area of poverty. This area is census tract 434.03. Actions to ameliorate this impediment involve improvements to the neighborhood, creating incentives for market rate housing development, and enhancing the economic mobility of residents.</p>	<p>In FY 2021-2022, the City will take the following actions:</p> <p>Action 1: Reduce Neighborhood Poverty Levels</p> <ul style="list-style-type: none"> ▪ Implement the Consolidated Plan Anti-Poverty Strategy. <p>Action 2: Develop Market Rate Housing</p> <ul style="list-style-type: none"> ▪ Encourage the development of market rate housing in this neighborhood if there are vacant housing sites appropriate for such development.
Housing Discrimination	Actions to Remove/Mitigate Impediments
<p>Housing discrimination, particularly on the basis of disability, race, and familial status, is an impediment to fair housing choice.</p> <p>Based on past trends, it is estimated that 25 housing discrimination complaints may be filed by Hemet residents with HUD during the five year period between FY 2020-2021 and FY 2024-2025. During the same period, it is estimated that 300 housing discrimination complaints may be filed with the FHCRC.</p>	<p>The City will take the following actions to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Continue to Provide Fair Housing Services</p> <ul style="list-style-type: none"> ▪ During the five-year period from FY 2020-2021 through FY 2024-2025, the City will have the FHCRC provide fair housing services which will include the processing of housing discrimination complaints and landlord/tenant counseling services. Often a landlord/tenant issue has as its basis a housing discrimination concern. <p>Action 2: Increase Fair Housing Services to Include Periodic Testing</p> <ul style="list-style-type: none"> ▪ The City has collaborated with the FHCRC to conduct testing in FY 2019/2020 and will do so during the 2020-2025 period. Testing involves having individuals belonging to a protected group seek rental or sales housing to determine if discriminatory behavior occurs on the part of the lender, Realtor, or apartment manager. <p>Action 3: Increase Fair Housing Awareness and Education through the City's website.</p> <ul style="list-style-type: none"> ▪ The City, on its website, will increase efforts in educating residents on potential sources of discrimination and avenues to address fair housing by providing links to relevant information. The information should be provided in the English and Spanish languages.

Table II-1 continued
 City of Hemet
 Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
 Actions to Remove/Mitigate *Private Sector* Fair Housing Impediments

<i>Private Sector Continued</i>	
<p>Steering</p> <p>Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact in-place renters and rental apartment seekers. Corrective actions have been taken by the federal and state governments 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.</p> <p>Although incidents of steering cannot be precisely quantified, there is evidence that it exists. Steering, therefore, creates an impediment to fair housing choice.</p>	<p>Actions to Remove/Mitigate Impediments</p> <p>Action 1: Provide Information on Steering at First Time Homebuyer (FTHB) Workshops</p> <ul style="list-style-type: none"> ▪ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHCRC in their FTHB Workshops will provide 1) examples of how to detect “steering” when using the internet to conduct a home search process; 2) examples of how to detect loan steering; and 3) examples of steering that could be experienced by in-place tenants and apartment seekers.
<p>Lending Practices</p> <p>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 Hemet. Excessive debt to income ratios impede fair housing choice because borrowers cannot qualify to buy a home in a neighborhood they like. Many of these borrowers should not apply for a loan until after they have their debts under control.</p>	<p>Actions to Remove/Mitigate Impediments</p> <p>The following action will be implemented to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Provide Information on Reasons for Loan Denials</p> <ul style="list-style-type: none"> ▪ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHCRC will provide at FTHB Workshops information on debt-to-income ratios that are 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.

Table II-1 continued
City of Hemet
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate Private Sector Fair Housing Impediments

<i>Private Sector Continued</i>	
Property Management Practices	Actions to Remove/Mitigate Impediments
<p>The results of the apartment survey reveal a high degree of compliance with fair housing laws. Many of the apartment managers however do not have written policies that would better ensure that all renters, particularly those belonging to protected classes, are treated the same and fairly.</p>	<p>The City will take the following action to remove this impediment to fair housing choice:</p> <ul style="list-style-type: none"> ▪ Action 1: In FY 2021/2022 Prepare Written Policies <p>The City will have the FHCRC prepare a model set of written policies and procedures regarding reasonable physical modifications, reasonable accommodations, service animals, and companion animals. Implementation of this action will contribute to the achievement of uniform policies and procedures throughout the Hemet apartment market area. The City will request the FHCRC to seek funding from other cities so that all jurisdictions within the FHCRC service area can financially contribute to the written policies that will benefit all cities.</p>

**Table II-2
City of Hemet
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Public Sector* Fair Housing Impediments**

<i>Public Sector</i>	
Disability Definition	Actions to Remove/Mitigate Impediments
<p>The California Legislature has determined that the definitions of “physical disability” and “mental disability” under the law of this state require a “limitation” upon a major life activity, but do not require, as does the federal Americans with Disabilities Act of 1990, a “substantial limitation.”</p> <p>The Zoning Ordinance disability definition meets the intent of federal and state fair housing laws in almost all respects. However, to eliminate what can be termed an administrative rather than actual impediment to fair housing choice, the definition should adhere to State law and eliminate the term “substantially limits” from the definition.</p>	<p>The City will take the following action: Action 1: Delete the Reference to “Substantially Limits” in the Disability Definition</p> <ul style="list-style-type: none"> ▪ The disability definition will be amended to delete reference to “substantially limits.” The amendment also will include a reference to how the State law, which provides broader protections than the federal law, defines disability.
<i>Public Sector Continued</i>	
Transitional and Supportive Housing	Actions to Remove/Mitigate Impediments
<p>State law establishes how local zoning ordinances must provide for the transitional and supportive housing. The Hemet Zoning Ordinance requirements pertaining to transitional housing and supportive housing for the most part meet the intent of state law. However, to eliminate what may be termed an administrative, rather than actual, impediment to fair housing choice the City will take the actions described in the next column.</p>	<p>Action 1: Amend the Transitional and Supportive Housing Zoning Requirements</p> <ul style="list-style-type: none"> ▪ Add the affirmative statement that transitional and supportive housing “may be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.” (Zoning Ordinance Section 90-262, Definitions) ▪ Add transitional housing as a permitted use in the R-R and R-1 Zones. (Zoning Ordinance Section 90-383, Permitted Uses) ▪ Incorporate in the Zoning Ordinance the by right use requirements of AB 2162

Table II-2 continued
City of Hemet
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Public Sector* Fair Housing Impediments

<i>Public Sector Continued</i>	
Reasonable Accommodation Procedure	Actions to Remove/Mitigate Impediments
An impediment to fair housing choice is created because the community is unaware of the reasonable accommodation procedure and no brochure or application is available to request an accommodation.	<p>The following action will be implemented to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Prepare a Brochure or Flyer to Promote the Reasonable Accommodation Procedure and Prepare an Application</p> <p>The Community Development Department will include an application for a Reasonable Accommodation in the CDD Applications and Forms page. Also, it will prepare a brochure or flyer describing the Reasonable Accommodation Procedure such as the "Service Animals at Your Place of Business - Commonly Asked Questions" brochure and the "City of Hemet ADA Public Notice."</p>

Table II-3
City of Hemet
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Affirmatively Further Fair Housing(AFFH)

<i>Private Sector</i>	
Brokerage Services	Actions to Affirmatively Further Fair Housing
It is determined that the provision of brokerage services is not an impediment to fair housing choice. Although no impediment exists, the City can encourage the FHCRC to affirmatively further fair housing.	To affirmatively further fair housing the following action will be taken: Action 1: Encourage the Fair Housing Council of Riverside County, Inc. to provide “live” rather than “online” fair housing training to salespersons and brokers who are renewing their licenses.
Appraisal Practices	Actions to Affirmatively Further Fair Housing
Complaints regarding discriminatory appraisal practices are not routinely collected by local, state or federal agencies. Data are unavailable to demonstrate if discriminatory appraisal practices have adversely impacted some of the real estate transactions in Hemet.	Although no impediment was found to exist, the City will take following action to affirmatively further fair housing: Action 1: Provide Information on the Appraisal Process at First Time Homebuyer Workshops <ul style="list-style-type: none"> ▪ In FY 2020-2021 to FY 2024-2025, the FHCRC will describe the appraisal process and the contents of an appraisal report at the FTHB Workshops.
Lending Practices	Actions to Affirmatively Further Fair Housing
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 Hemet. Some first time home buyers are not well informed on how to search for a home.	To affirmatively further fair housing the following action will be taken: Action 1: Provide Information on the Neighborhood Search Process <ul style="list-style-type: none"> ▪ In FY 2020-2021 to FY 2024-2025, the FHCRC will describe how to use the internet in the neighborhood-home search process and how to identify the neighborhood types at the FTHB Workshops.
Home Owner’s Insurance	Actions to Affirmatively Further Fair Housing
The available data demonstrates that the availability of homeowners and renter’s insurance is not impediment to fair housing choice in Hemet. Although no impediment exists, the City can encourage the FHCRC to affirmatively further fair housing.	To affirmatively further fair housing the following action will be taken: Action 1: Provide Information on Homeowner’s and Renter’s Insurance <ul style="list-style-type: none"> ▪ In FY 2020-2021 to FY 2024-2025, the FHCRC will include a discussion of homeowner’s and renter’s insurance in their FTHB Workshops.

SECTION III
FAIR HOUSING LEGAL STATUS



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Fair Housing Legal Status
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A. INTRODUCTION

HUD's 1996 *Fair Housing Planning Guide* advises grantees to include information in the AI about:

- The number and types of complaints that have been filed alleging housing discrimination
- Complaints in which the Secretary of HUD has issued a charge of discrimination
- Suits that have been filed by the Department of Justice or private plaintiffs
- The reasons for any trends or patterns
- Discussion of other fair housing concerns

The City of Hemet had a compliance review in 2012 and executed a Voluntary Compliance Agreement (VCA) with HUD in 2015. The VCA was for a period of three years and ended in 2018.

B. 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). Hemet residents may also file complaints with the State Department of Fair Employment and Housing (DFEH), and the Fair Housing Council of Riverside County, Inc. (FHCRC).

Thirty Hemet residents filed fair housing discrimination complaints with HUD between January 2010 and January 2019. Table III-1 shows that the most frequent basis for the complaints were disability, race, and retaliation. Section IV provides definitions of these and other protected classes.

In the past four fiscal years – FY 2015/16 to FY 2018/2019 - 277 bases were listed in the housing discrimination complaints filed with the Fair Housing Council of Riverside County, Inc. Disability accounted for 70% of the basis in the complaints. Race accounted for 9% of the basis in the complaints. However, the FHCRC investigates some complaints and sometimes finds no evidence to sustain the allegations.

C. SECRETARY-INITIATED COMPLAINTS

According to HUD, a Secretary-initiated complaint is filed 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. For instance, in October 2019 HUD Secretary Ben Carson filed a formal complaint alleging that the City of Hesperia and the San Bernardino County Sheriff's Department violated the Fair Housing Act, discriminating against blacks and Hispanic residents.

As stated above, the City of Hemet had a compliance review in 2012 and executed a Voluntary Compliance Agreement (VCA) with HUD in 2015. None of the Secretary-initiated complaints have involved local property owners, apartment managers and other private or public entities.

Table III-1
City of Hemet
Housing Discrimination Complaints by Protected Class
January 2010 to January 2019
(Filed with U.S. Department of Housing and Urban Development)

Protected Class	Number of Cases	Percentage Distribution
Disability	13	26%
Race	12	24%
Retaliation	10	20%
Familial Status	5	10%
National Origin	5	10%
Sex	4	8%
Color	1	2%
Total	50	100.0%

Source: U.S. Department of Housing and Urban Development, San Francisco Office Fair Housing and Equal Opportunity

Table III-2
City of Hemet
Housing Discrimination Bases by Protected Class
FY 2015/2106 to FY 2018/2019
(Filed with the Fair Housing Council of Riverside County, Inc.)

Protected Class	Number of Bases	Percentage Distribution
Disability	194	70%
Race/Color	28	10%
National Origin	14	5%
Source of Income	14	5%
Familial Status	10	4%
Other	17	6%
Total	277	100.0%

Source: Fair Housing Council of Riverside County, Inc., Special Tabulations, FY 2015/2016 to FY 2018/2019

D. COMPLAINTS FILED AGAINST RECIPIENTS OF HUD FUNDS

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-3 shows the numbers of complaints received in FY 2016 and FY 2017 that alleged discrimination or noncompliance by a recipient of HUD funds and the civil rights law that was allegedly violated. None of the filed complaints involved the City of Hemet, which receives CDBG funds.

**Table III-3
Complaints Against Recipients of HUD Funds, FY 2016 and FY 2017**

Legal Basis for Complaint	Number of Complaints Filed		Number of Investigations Closed	
	2016	2017	2016	2017
Section 504	352	370	462	384
Title VI	163	155	202	181
Title II of ADA	84	118	170	110
Section 109	17	20	49	27
Age Discrimination Act	0	1	3	2
Section 3	2	2	2	3
AFFH	0	1	0	0
Total	618	667	888	707

Source: Office of Fair Housing and Equal Opportunity, *Annual Report to Congress FY 2016*, January 2017 and *Annual Report to Congress FY 2017*, January 2018

The legal bases for the complaints are defined below:

- 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 of ADA 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.

E. COMPLIANCE REVIEWS OF RECIPIENTS OF HUD FUNDS

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-4 shows the number of compliance reviews that HUD initiated in FY 2016 and FY 2017 and the civil rights law under which they were conducted. In 2016 and 2017, HUD initiated 51 compliance reviews and closed 71 compliance reviews, respectively.

HUD has not conducted a fair housing related compliance review of the City's use of HUD funds. HUD, however, did comment on the City's *2015-2020 Analysis of Impediments to Fair Housing Choice*. Revisions were made to the Draft AI pursuant to HUD's comments and the AI was accepted by HUD.

**Table III-4
Compliance Reviews of Recipients of HUD Funds, FY 2016 and FY 2017**

Legal Basis for Complaint	Number of Compliance Reviews Initiated		Number of Compliance Reviews Closed	
	2016	2017	2016	2017
Section 504	2	5	16	19
Title VI	3	9	13	24
Title II of ADA	1	3	5	4
Section 109	0	1	8	3
Section 3	1	1	1	1
AFFH	1	1	0	0
Total	8	20	43	51

Source: Office of Fair Housing and Equal Opportunity, *Annual Report to Congress FY 2016*, January 2017 and *Annual Report to Congress FY 2017*, January 2018

F. FAIR HOUSING DISCRIMINATION SUITS FILED BY THE FEDERAL DEPARTMENT OF JUSTICE OR PRIVATE PLAINTIFFS AND THE CALIFORNIA DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

The Housing and Civil Enforcement Section of the Civil Rights Division of the Federal Department of Justice (DOJ) is responsible for 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 Fair Housing Act, the DOJ may bring lawsuits where it has 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 DOJ also brings cases where a housing discrimination complaint has been investigated 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 Fair Housing Act 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.

The State Department of Fair Employment and Housing (DFEH) enforces California's fair housing laws. The Department may bring law suits concerning the discriminatory practices of private and public persons and entities.

Descriptions of several cases are included in the following three pages. They illustrate the range of fair housing issues including discriminatory land use policies and practices, government housing policies and practices, and the discriminatory behavior of private owners, lenders, and local governments. None of the cases involve the City or local private entities.

1. Discrimination Against African American Participants in the Section 8 Housing Choice Voucher Program - 2015

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. The settlement agreement provides for comprehensive reforms, a \$1.975 million victim fund and a \$25,000 civil penalty.

2. California Department of Fair Employment and Housing v. Riverside Mobile Home Park Owners - 2017

Residents of a Riverside mobile home park experienced discrimination and harassment by a manager of the park. A property manager harassed children at the park by taking pictures of them and by calling them, "Mexican -----." The manager also issued a rule to the tenants stating that children would only be allowed to play in their own yards and not in the common areas of the park. The mobile home park owners agreed to pay \$125,000 to the Fair Housing Council of Riverside County, Inc. (FHCRC) and to five Hispanic tenants who filed the complaint. The settlement also

required the mobile home park owner to attend fair housing training, revise all housing rules that discriminate against Hispanic tenants and residents with children, and to post DFEH's housing discrimination rights notices in Spanish and English.

3. Discrimination Against a Group Home on the Basis of Race and National Origin -2017

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 Department of Justice 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. 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 Fair Housing Act 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.

4. California Department of Fair Employment and Housing v. AirBnB -2017

In April 2017, AirBnB entered into a settlement agreement with the DFEH to resolve a Department-initiated complaint alleging that AirBnB engaged in acts of housing discrimination and failed to prevent discrimination against Black guests in violation of California civil rights laws. AirBnB is an online community marketplace that connects people looking to rent their homes with people who are looking for accommodations. Under its terms, the AirBnB hosts and the guests in California are required to accept a recently implemented nondiscrimination policy as a condition for participating in AirBnB. The Department will conduct fair housing testing of AirBnB hosts in the state, and AirBnB California employees will receive fair housing and discrimination training. AirBnB has designated a unit to investigate all discrimination complaints, and this unit will submit periodic reports to the Department. AirBnB has also agreed to develop a progressive system of counseling, warning, and discipline for hosts and guests when unlawful discrimination occurs.

5. Discrimination Against Hispanic Homeowners Based on their National Origin -2019

The federal DOJ, through a series of settlements, resolved allegations that several California-based mortgage loan modification service providers engaged in national origin discrimination when they targeted Hispanic homeowners for predatory mortgage loan modification services and interfered with those individuals' ability to keep their homes.

The Settlement Agreements resolved a lawsuit that the Department filed in the U.S. District Court for the Northern District of California. Among other relief, the agreements established a restitution fund of more than \$148,000 to reimburse the discrimination victims for fees collected by defendants as part of the predatory scheme. The lawsuit arose from complaints filed with the HUD by two of the defendants' former clients, Eberardo Perez and Roberto Hernandez, who intervened in the lawsuit along with their attorney, Housing & Economic Rights Advocates (HERA), and members of Hernandez's family.

6. Group Home 600 Foot Spacing Requirement –2017

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.

7. Discrimination Against Permanent Supportive Housing – 2017

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. 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.

8. Forced Closure of a Group Home –2017

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 force 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.

G. REASONS FOR ANY TRENDS OR PATTERNS

Recent trends at the national, state and local levels are listed below:

- Extending fair housing protections to, for example, the LGBTQ community and Native Americans and to people who live in HUD-assisted and FHA-insured housing.
- Protecting people with limited English speaking (LEP) proficiency under the category of national origin.
- Identifying gentrification and displacement as a fair housing issue because of its adverse impacts on low income people and people of color.

- Adding that Section 8 rental assistance is a verifiable source of income under the provisions of California's Fair Employment and Housing Act.
- Continuing a trend in Hemet of an increasing share of housing discrimination complaints being made on the basis of disability.

Emerging trends and issues cited by the National Fair Housing Alliance include:

- 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

In 2017 and 2018, the Department of Fair Employment and Housing (DFEH) 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 the 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.

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

**SECTION IV
CITY BACKGROUND DATA**



**Section IV
City Background Data
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A. INTRODUCTION

HUD's 1996 *Fair Housing Planning Guide* advises grantees to include in the AI "jurisdictional background data": demographics, income, employment, housing profile and other relevant data. The existing conditions with respect to demographics, income, economic development and housing provide the context within which the fair housing protected classes can improve their well-being and attain housing within their means and in neighborhoods of their choice.

B. POPULATION AND HOUSEHOLD CHARACTERISTICS

Table IV-1 provides data on population and household characteristics in 2010 and 2019. During the almost nine-year time span, the population grew by almost 6,100 persons and the number of households (occupied housing units) increased by almost 500. The vacancy rate remained steady at about 15%.

C. EXISTING HOUSING STOCK

Table IV-2 shows approximately 36,000 housing units comprise the housing stock. Single-family detached and attached homes account for approximately 53% of the housing stock. Multi-family housing in structures containing 10 or more dwellings comprises approximately 10% of the housing stock. Mobile homes comprise more than one-fourth of Hemet's housing stock.

A diverse housing stock that is not exclusively single family homes fosters fair housing. Since the April 2010 Census, almost 15% of the new housing has consisted of multi-family buildings of five or more units.

Refer to Table IV-3 for the data on housing units added between 2010 and 2019.

D. HOMEOWNERSHIP

Homeownership is a key indicator of community and personal well-being because owning a home is often a household's major asset and home equity often contributes to a large share of wealth. Table IV-4 shows the 2000, 2010 and 2018 homeownership rates for the City of Hemet, Riverside County, California and the Nation. In all three periods, Hemet had a higher home ownership rate than the State and but somewhat lower the Nation and Riverside County. During the 2000-2018 period, the percentage of owner-occupied housing declined by about 4%.

Table IV- 1
City of Hemet
Population and Household Characteristics: 2010 and 2019

Population	April 1, 2010	January 1, 2019	Increase
Group Quarters Population	614	614	0
Household Population	78,043	84,140	6,097
Total Population	78,657	84,754	6,097
Total Housing Units	35,305	36,022	717
Occupied Housing Units	30,092	30,585	493
Vacant Housing Units	5,213	5,437	224
Vacancy Rate	14.8%	15.1%	0.3
Persons per Household	2.59	2.75	0.16

Source: April 1, 2010 Census and State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

Table IV-2
City of Hemet
Housing Stock by Type of Unit: January 1, 2019

Type of Unit	Number of Units	Percent
1 unit, detached	17,539	48.8%
1 unit, attached	1,549	4.3%
2 to 4 units	2,226	6.2%
5-9 units	1,132	3.1%
10-19 units	1,350	3.7%
20-49 units	570	1.6%
50 or more units	1,818	5.0%
Mobile homes, RV, Van, Etc.	9,838	27.3%
Total	36,022	100.0%

Source: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

2018 American Community Survey 1-Year Estimates, Table B25024, Units in Structure

The 2018 American Community Survey data on units in structure were used to calculate the number of units in structures containing 5 or more units

Table IV-3
City of Hemet
Housing Stock Increase by Type of Unit
April, 1, 2010 to January 1, 2019

Type of Unit	2010	2019	Change	Percent
1 unit, detached	16,940	17,539	599	83.5%
1 unit, attached	1,549	1,549	0	0.0%
2 to 4 units	2,226	2,226	0	0.0%
5+ units	4,765	4,870	105	14.6%
Mobile homes, RV, Van, Etc.	9,825	9,838	13	1.8%
Total	35,305	36,022	717	100.0%

Source: April 1, 2010 Census and State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

Table IV-4
Comparison of Homeownership Rates by Year:
2000, 2010 and 2018

Area	2000	2010	2018
Hemet	64.6%	61.7%	60.5%
Riverside County	68.9%	67.4%	68.2%
California	56.9%	55.9%	54.8%
Nation	66.2%	65.1%	63.9%

Source: 2000 Census of Population and Housing, Summary File 3, Housing Tenure
 April 1, 2010 Census, Table DP-1 Profile of Population and Housing Characteristics: Housing Tenure
 2018 American Community Survey 1-Year Estimates, Table B25003, Tenure

E. HOUSEHOLD INCOME

Fair housing choice, according to HUD, means the ability of persons of *similar income levels* regardless of race, color, religion, sex, national origin, familial status and disability to have available to them the same housing choices. This means, for instance, those households of different races but with similar income levels should have available to them the same housing choices. Another example is that female householders, male householders and married couples with similar income levels should have available to them the same housing choices. A housing market that treats female and male householders with incomes of \$60,000 *differently* would not be providing fair housing choice.

Household income has a positive impact on enabling people to find the housing of their choice. As incomes become higher, a fuller range of housing choice with respect to type, cost and neighborhood location become available to them.

Table IV-5 shows the number and percentages of households in five income groups by tenure. Approximately 61% of Hemet's 29,435 households have lower incomes, which makes them eligible to participate in the City's CDBG funded programs. Extremely low income renters comprise 12.8% of all the City's households (3,780/29,435). The largest income group (about 5,000) is above moderate income owners.

Table IV-5
City of Hemet
Household Income by Tenure: 2012-2016

Household Income	Owner	Percent	Renter	Percent	Total	Percent
Extremely Low	2,090	12.7%	3,780	29.0%	5,870	19.9%
Very Low	2,570	15.7%	2,605	20.0%	5,175	17.6%
Low	3,935	24.0%	3,050	23.4%	6,985	23.7%
Moderate ¹	2,020	12.3%	1,415	10.9%	3,435	11.7%
Above Moderate ²	5,805	35.4%	2,165	16.6%	7,970	27.1%
Total	16,420	100.0%	13,015	100.0%	29,435	100.0%

Extremely Low: Less than or = 30% HAMFI

Very Low: >30% to less than or = 50% HAMFI

Low: >50% to less than or = 80% HAMFI

Moderate: >80% to less than or = 100% HAMFI

Above Moderate: >100% HAMFI

HAMFI refers to HUD Area Median Family Income

Sources: Comprehensive Housing Affordability Strategy ("CHAS") Data, based on the 2012-2016 American Community Survey and Census 2010

The data on household income and tenure are based on the five-year period from 2012 to 2016. The mid-point of this period is 2014. Table IV-6 shows HUD's 2014 annual income limits, adjusted by household size, for extremely low-, very low- and low-income households.

Table IV-6 indicates that almost 3,800 extremely low income renters live in Hemet. A 4-person extremely low income family would have an annual income of approximately \$24,000 or less. This annual family income is essentially the poverty threshold for a family of four persons that includes two children.

**Table IV-6
Riverside County
HUD FY 2014 Income Limits**

Number of Persons	Extremely Low	Very Low	Low
1	\$12,750	\$21,250	\$34,000
2	\$15,730	\$24,300	\$38,850
3	\$19,790	\$27,350	\$43,700
4	\$23,850	\$30,350	\$48,550
5	\$27,910	\$32,800	\$52,450
6	\$31,970	\$35,250	\$56,350
7	\$36,030	\$37,650	\$60,250
8	\$40,090	\$40,100	\$64,100

Source: U.S. Department of Housing and Urban Development, FY 2014 Income Limits

Note: Riverside County is part of the Riverside-San Bernardino-Ontario, CA MSA, so all information presented here applies to all of the Riverside-San Bernardino-Ontario, CA MSA. The Riverside-San Bernardino-Ontario, CA MSA contains the following areas: Riverside County, CA; and San Bernardino County, CA.

The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low (30%) income limits may equal the very low (50%) income limits.

F. POVERTY

Poor people are unable to secure housing in neighborhoods that offer opportunities such as superior schools and proximity to good parks and other amenities. Poverty measures the lack of income.

In accordance with the Consolidated Plan Final Rule, the City's FY 2020/2021-FY2024/2025 Consolidated Plan describes an anti-poverty strategy.

Measuring poverty is a two-step process:

- Establishing a poverty threshold which is the amount of money needed to achieve a minimum level of material well-being.
- Estimating families' cash and non-cash resources and comparing them to the poverty threshold to determine whether a family is below it and, therefore, defined as "poor".

Examples of official 2019 poverty thresholds are:

- | | |
|---|----------|
| ▪ 1 person less than 65 years of age | \$13,300 |
| ▪ 2 people, householder less than 65 years of age | \$17,120 |
| ▪ 3 people, 1 child less than 18 years of age | \$20,578 |
| ▪ 4 people, 2 children less than 18 years of age | \$25,926 |

Poverty rates vary by the type of household and the presence of children. The lowest poverty rates are experienced by married couple families without children (10.2%). Female householders without children experience the highest poverty rate (46.3%). Refer to Table IV-7.

Table IV-7
City of Hemet
Poverty Status by Familial Status and Presence of Children: 2018

Family Type	Percent Below Poverty Level
Married Couple Families	11.8%
With related children under 18 years	14.0%
With no related children under 18 years	10.2%
Male Householder, No Wife Present	21.4%
With related children under 18 years	13.8%
With no related children under 18 years	32.1%
Female Householder, No Husband Present	34.6%
With related children under 18 years	22.8%
With no related children under 18 years	46.3%

Source: 2014-2018 American Community Survey 5-Year Estimates, Table B17023, Poverty Status in the Past 12 Months of Families by Household Type by Number of Own Children Under 18 Years

Table IV-8 reports on additional poverty statistics based on the official and California Poverty Measure (CPM) for the Hemet/East Hemet sub-region of Riverside County. The CPM accounts for how the social safety net – specifically, Cal Fresh, CalWORKS, the Earned Income Tax Credit (EITC) and other means-tested programs - moderates poverty. The CPM poverty rate is higher than the official poverty rate. Without the benefits of federal safety net programs the poverty rate would be significantly higher than the official poverty rate (+10.3%).

**Table IV-8
Hemet City & East Hemet Poverty Indicators: 2015-2017**

Poverty Indicator		
California Poverty Measure (CPM) poverty	Rate	19.3%
	Rate margin of error (% pt)	3.3%
	Number	32,300
	Number margin of error	5,500
Official poverty	Rate	16.3%
	Rate margin of error (% pt)	2.8%
CPM poverty threshold, family of 4 that rents	(\$)	\$29,411
Increase in poverty without safety net	Increase (% pt)	8.8%
	Margin of error (% pt)	2.8%
Increase in poverty without CalFresh	Increase (% pt)	1.6%
	Margin of error (% pt)	1.2%
Increase in poverty without CalWORKs	Increase (% pt)	0.9%
	Margin of error (% pt)	1.0%
Increase in poverty without federal and state EITCs	Increase (% pt)	1.9%
	Margin of error (% pt)	1.4%

Source: Public Policy Institute of California and Stanford Center on Poverty and Inequality, *Poverty Across California, 2015-2017*

Safety net programs are meant to be a safety net to protect low-income families from poverty and hardship and catch them if they fall on hard times.

CalFresh is California's name for the Supplemental Nutrition Assistance Program (SNAP), the largest federally supported nutrition assistance program. CalFresh provides a monthly benefit that participating low-income families can use to buy groceries.

CalWORKs is the California Work Opportunity and Responsibility to Kids program, a federal cash assistance program for low-income families with dependent children (the federal name for the program is Temporary Assistance for Needy Families or TANF). The program provides a monthly benefit to eligible applicants to help parents move their families toward self-sufficiency.

The Earned Income Tax Credit is a federal tax credit available to families with dependent children who file a tax return. A small credit is available to low-income workers with no dependents. All family members must file with a social security number to be eligible for this credit. The credit is fully refundable, meaning that tax filers with no net tax liability receive the full amount for which they are eligible. The State of California has a similar program.

Attachment A describes three distinct poverty measures.

G. LABOR FORCE AND EMPLOYMENT CHARACTERISTICS

Having a job and earning income is a prerequisite to enabling families to find housing of their choice; that is, within their means and that is located in neighborhoods they and their children like. Housing choice for all racial and ethnic groups is diminished when unemployment rates are high because they depress household income and increase the number of poverty income families.

Key labor force and employment terms are defined below:

Labor Force – All people classified in the civilian labor force plus members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard).

Labor Force Participation Rate – The labor force participation rate represents the proportion of the population that is in the labor force. For example, if there are 100 people in the population 16 years and over, and 64 of them are in the labor force, then the labor force participation rate for the population 16 years and over is 64%.

Not in Labor Force – All people 16 years old and over who are not classified as members of the labor force. This category consists mainly of students, homemakers, retired workers, seasonal workers interviewed in an off season who were not looking for work, institutionalized people, and people doing only incidental unpaid family work (less than 15 hours during the reference week).

Unemployment Rate – The unemployment rate represents the number of unemployed people as a percentage of the civilian labor force. For example, if the civilian labor force equals 100 people and 7 people are unemployed, then the unemployment rate is 7%.

Hemet's civilian labor force is approximately 32,300 persons 16 years of age or older, resulting in a labor force participation rate of less than 50%. The number of unemployed workers is estimated at 3,060, resulting in an unemployment rate of 9.5%. Refer to Table IV-9.

Table IV-10 provides data on the industrial composition of the City's approximately 22,150 jobs.

The industry sectors with the largest number of jobs are education (9,570) followed by retail (3,610), and leisure (2,304).

The industry sector definitions are based on the North American Industry Classification System (NAICS). The Southern California Association of Governments (SCAG) has summarized the detailed NAICS definitions into several major areas. Attachment B provides brief descriptions of the major industries.

**Table IV-9
City of Hemet
Labor Force and Employment Characteristics: 2018**

Population 16 years and over	67,095
In Civilian Labor Force*	32,307
% in Civilian Labor Force	48.2%
Not in Civilian Labor Force	34,788
% Not in Civilian Labor Force	51.8%
In Civilian Labor Force, Unemployed	3,060
Civilian Unemployment Rate	9.5%

*Does not include persons in the Armed Forces

Source: 2018 American Community Survey, 1-Year Estimates, Table B23025, Employment Status of the Population 16 Years and Over

**Table IV-10
City of Hemet
Jobs by Sector: 2017**

Job Sector	Number	Percent
Education	9,570	43.2%
Retail	3,610	16.3%
Leisure	2,304	10.4%
Public	1,152	5.2%
Construction	997	4.5%
Transportation	820	3.7%
Manufacturing	775	3.5%
Other	753	3.4%
Finance	731	3.3%
Professional	709	3.2%
Wholesale	377	1.7%
Information	200	0.9%
Agriculture	155	0.7%
Total	22,153	100.0%

Note: The above are an estimate of the number of jobs located within the City limits per a communication from SCAG staff. Source: Southern California Association of Governments, City of Hemet Local Profile Report, May 2019, pages 24 and 27

H. PRINCIPAL EMPLOYERS

Table IV-11 lists the principal employers located in Hemet. The Hemet Unified School District is by far the largest employer. Several of the other large employers provide health services.

**Table IV-11
City of Hemet
Principal Employees: 2018**

Employer	Employees
Hemet Unified School District	3,642
Physicians For Healthy Hospitals	1,042
Horizon Solar*	650
County of Riverside	509
Gosch Ford, etc.	447
Walmart Supercenter	400
TE Connectivity*	380
City of Hemet	300
Manorcare Health Services*	285
Forest River, Inc.	284
Stater Bros	242
Village Healthcare Retirement	230

Note: *Number of employees is an estimate from prior years

Source: City of Hemet, California *Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018*, Principal Employers, 2018, page 203

I. COMMUTING PATTERNS

Approximately 18% percent of the City's workforce both live and work in Hemet. Table IV-12 reveals that the City's residents have numerous work destinations. Approximately 16% of the workers commute to jobs located in Riverside, Temecula or San Jacinto.

Long commutes can cause unusually high transportation costs and reduce the amount of income that can be allocated to housing costs. According to SCAG data, between 2000 and 2018, the average one-way travel time to work increased by three minutes to 34 minutes. In 2018, almost 50% of Hemet commuters spent more than 30 minutes to travel to work.

**Table IV-12
Top Places Where Residents Commute to Work: 2016**

Place	Number of Commuters	Percent
Hemet	4,297	18.2%
Riverside	1,438	6.1%
Temecula	1,337	5.7%
San Jacinto	1,150	4.9%
Los Angeles	1,072	4.6%
San Bernardino	718	3.0%
Moreno Valley	644	2.7%
Perris	619	2.6%
Murrieta	583	2.5%
San Diego County	506	2.1%
All Other Destinations*	11,191	47.5%
Total	29,686	100.0%

Southern California Association of Governments, *Profile of the City of Hemet*, May 2019, page 21

J. EDUCATIONAL ATTAINMENT

Higher incomes enable households to more effectively acquire housing of their choice and within their means. And householders with higher levels of educational achievement, on average, have higher earnings. One of the ways to improve economic well-being is through educational attainment: better educated and skilled residents earn higher wages.

Table IV-13 indicates the educational attainment of the population 25 years of age and older. About 10% of the population has a Bachelor's, Graduate or Professional Degree. Almost 20% of the population is not a high school graduate.

Table IV-14 demonstrates that median earnings increase as a higher level of educational attainment is achieved. The median earnings of a person with a Bachelor's degree are \$35,000 higher than of a person who did not graduate from high school.

According to SCAG, the average salaries for jobs located in Hemet increased from \$28,892 in 2003 to \$36,979 in 2017, a 28% change.

Table IV-13
City of Hemet
Educational Attainment for the Population 25 Years and Over: 2018

Educational Attainment	Number	Percent
8 th Grade or Less	4,304	7.6%
9 th -11 th Grades	5,149	9.1%
12 th Grade, No Diploma	1,758	3.1%
High School Graduate	19,204	33.8%
Some College	15,171	26.7%
Associate's Degree	5,487	9.7%
Bachelor's Degree	3,904	6.9%
Master's Degree	1,483	2.6%
Doctorate Degree	181	0.3%
Professional Degree	166	0.3%

Source: 2018 American Community Survey 1-Year Estimates, Table B15002, Sex by Educational Attainment for the Population 25 Years and Over

Table IV-14
City of Hemet
Median Earnings by Educational Attainment: 2018

Less than High School Graduate	\$35,686
High School Graduate	\$30,057
Some College or Associate's Degree	\$26,413
Bachelor's Degree	\$37,647
Graduate or Professional Degree	\$70,884

Source: 2018 American Community Survey 1-Year Estimates, Table B20004, Median Earnings in the Past 12 Months (in 2018 Inflation-Adjusted Dollars) by Sex by Educational Attainment for the Population 25 Years and Over

ATTACHMENT A HOW IS POVERTY MEASURED?

Measuring poverty is typically a two-step process. First, researchers create a poverty threshold—a representation of the amount of resources necessary to achieve a minimum level of material well-being. Second, they estimate families' resources and compare them to the poverty threshold to determine whether a family is below it (and therefore defined as "poor"). Poverty then refers to persons who are income poor and, perhaps, have no income at all. It also refers to a measure of economic need.

The three poverty measures are:

- Official Poverty Measure (OPM)
- Supplemental Poverty Measure (SPM)
- California Poverty Measure (CPM)

1. OFFICIAL POVERTY MEASURE (OPM)

When the original poverty definition was developed in 1964 by the Social Security Administration (SSA), it focused on family food consumption. The U.S. Department of Agriculture (USDA) used its data about the nutritional needs of children and adults to construct food plans for families. Within each food plan, dollar amounts varied according to the total number of people in the family and the family's composition, that is, the number of children within each family. The cheapest of these plans, the Economy Food Plan, was designed to address the dietary needs of families on an austere budget.

Since the USDA's 1965 Food Consumption Survey showed that families of three or more people across all income levels spent roughly one-third of their income on food, the SSA multiplied the cost of the Economy Food Plan by three to obtain dollar figures for total family income. These dollar figures, with some adjustments, later became the official poverty thresholds. Since the Economy Food Plan budgets varied by family size and composition, so too did the poverty thresholds. For two-person families, the thresholds were adjusted by slightly higher factors because those households had higher fixed costs. Thresholds for unrelated individuals were calculated as a fixed proportion of the corresponding thresholds for two-person families.

The poverty thresholds are revised annually to allow for changes in the cost of living as reflected in the Consumer Price Index for All Urban Consumers (CPI-U). **The poverty thresholds are the same for all parts of the country;** they are not adjusted for regional, state, or local variations in the cost of living.

Poverty status is determined for all people except institutionalized people, people in military group quarters, people in college dormitories, and unrelated individuals under 15 years old. These groups are excluded from the numerator and denominator when calculating poverty rates.

2. SUPPLEMENTAL POVERTY MEASURE (SPM)

The U.S. Census Bureau has conducted research on a Supplemental Poverty Measure (SPM). The official poverty measure, as defined by the Office of Management and Budget (OMB) Statistical Directive No. 14, will not be replaced by the SPM. The reason is that the official measure is

identified in legislation regarding program eligibility and funding distribution. The SPM is designed to provide information on aggregate levels of economic need at a national level or within large subpopulations or areas.

The SPM compares costs to family resources, as follows:

FCSU – a dollar amount spent on food, clothing, shelter and utilities plus a small amount to allow for other needs such as household supplies, personal care, and non-work-related transportation.

Family resources – the sum of cash income plus any federal government noncash benefits that families can use to meet their FCSU needs minus taxes (plus tax credits), work expenses, child care expenses, and medical out-of-pocket (MOOP) expenses. Examples of federal government noncash benefits include Supplemental Nutritional Assistance (SNAP), National School Lunch Program, Supplementary Nutrition Program for Women, Infants and Children (WIC), housing subsidies, and Lower Income Home Energy Assistance Program (LIHEAP).

The Supplemental Poverty Measure is calculated as the 33rd percentile of expenditures on food, clothing, shelter, and utilities (FCSU) of consumer units with two children multiplied by 1.2.

3. THE CALIFORNIA POVERTY MEASURE (CPM)

A joint project of the Public Policy Institute of California and the Stanford University Center on Poverty and Income, the California Poverty Measure (CPM) is part of a national effort to measure poverty in a more comprehensive way. According to its authors –

The CPM illuminates the important role of the social safety net – specifically, Cal Fresh, CalWORKS, the Earned Income Tax Credit (EITC) and other means-tested programs - in moderating poverty.

The CPM measures poverty as follows:

A family is considered to be poor if its resources fall short of the poverty threshold. The CPM combines a family's annual cash income (including earnings and government-provided cash benefits like CalWORKs), its tax obligation—a net income boost to low-income families that qualify for tax credits—and in-kind benefits like CalFresh. (The official poverty calculus includes only the first category of resources, cash income.) It then subtracts major nondiscretionary expenses. Finally, the CPM compares these resources to a family-specific poverty threshold—the monetary resources needed to maintain a basic standard of living. Unlike official poverty thresholds, CPM thresholds are pegged to recent nationwide spending levels on food, shelter, clothing, and utilities and are further adjusted to account for differences in housing costs across counties and to differentiate among those who are renting, paying a mortgage, or living in a paid-off home.

In summary, the Public Policy Institute of California explains:

The CPM accounts for the fact that, for most Californians, high living costs—particularly housing costs—offset the resources they have available to make ends meet. We also factor in expenses that eat into resources and drive up poverty, particularly medical expenses

borne by older adults. Work expenses such as commuting costs and childcare also play a role in raising the poverty rate under the CPM.

At the same time, we find that government programs play a substantial role in alleviating poverty. In the absence of cash-based, in-kind, and tax-based safety net programs, our estimate of child poverty would be 39.0 percent, 13.9 percentage points higher than the actual estimate of 25.1 percent. For working-age and older adults, the combined role of these programs was smaller, but still considerable.

Sources: Public Policy Institute of California, *The California Poverty Measure: A New Look at the Social Safety Net*, October 2013, 26 pages

In 2017, the statewide poverty rates by race and ethnicity are listed below:

▪ White, Non-Hispanic	12.5%
▪ Asian/Pacific Islanders	16.4%
▪ Black, Non-Hispanic	17.6%
▪ Other	18.5%
▪ Hispanic	23.6%

Though poverty among Latinos is down from 30.9% in 2011, Latinos remain disproportionately poor (making up 52.2% of poor Californians but 39.4% of all Californians). More education continues to be associated with strikingly lower poverty rates: 7.8% of adults age 25–64 with a college degree were in poverty, compared with 31.8% of those without a high school diploma.

Source: Public Policy Institute of California, *Poverty in California*, July 2019, 3 pages

**ATTACHMENT B
INDUSTRY DEFINITIONS**

The data sources for estimating jurisdiction employment and wage information include the 2010 U.S. Census Bureau Local Employment Dynamics Survey, and information from the California Employment Development Department, InfoGroup, and SCAG for years 2007-2017. In many instances, employment totals from individual businesses were geocoded and aggregated to the jurisdictional level.

Employment information by industry type is defined by the North American Industry Classification System (NAICS). Although the NAICS provides a great level of detail on industry definitions for all types of businesses in North America, for the purposes of this report, this list of industries has been summarized into the following major areas: agriculture, construction, manufacturing, wholesale, retail, information, finance/insurance/real estate, professional/management, education/health, leisure/hospitality, public administration, other services, and non-classified industries. A brief description of each major industry area is provided below:

- **Agriculture:** Includes crop production, animal production and aquaculture, forestry and logging, fishing, hunting, and trapping, and support activities for agriculture and forestry.
- **Construction:** Includes activities involving the construction of buildings, heavy and civil engineering construction, and specialty trade contractors.
- **Manufacturing:** Includes the processing of raw material into products for trade, such as food manufacturing, apparel manufacturing, wood product manufacturing, petroleum and coal products manufacturing, chemical manufacturing, plastics and rubber products manufacturing, nonmetallic mineral product manufacturing and primary metal manufacturing.
- **Wholesale:** Includes activities conducting the trade of raw materials and durable goods.
- **Retail:** Includes activities engaged in the sale of durable goods directly to consumers.
- **Information:** Includes activities that specialize in the distribution of content through a means of sources, including newspaper, internet, periodicals, books, software, motion pictures, sound recording, radio and television broadcasting, cable or subscription programming, telecommunications, data processing/hosting, and other information media.
- **Finance/Insurance/Real Estate:** Includes businesses associated with banking, consumer lending, credit intermediation, securities brokerage, commodities exchanges, health/life/medical/title/ property/casualty insurance agencies and brokerages, and real estate rental/leasing/sales.
- **Professional/Management:** Includes activities that specialize in professional/scientific/technical services, management of companies and enterprises, and administrative and support services. Establishment types may include law offices, accounting services, architectural/engineering firms, specialized design services, computer systems design and related services, management consulting firms, scientific research and development services, advertising firms, office administrative services, and facilities support services.

- **Education/Health:** Organizations include elementary and secondary schools, junior colleges, universities, professional schools, technical and trade schools, medical offices, dental offices, outpatient care centers, medical and diagnostic laboratories, hospitals, nursing and residential care facilities, social assistance services, emergency relief services, vocational rehabilitation services, and child day care services.
- **Leisure/Hospitality:** Includes activities involved in the performing arts, spectator sports, museums, amusement/recreation, travel accommodations, and food and drink services.
- **Public Administration:** Includes public sector organizations, such as legislative bodies, public finance institutions, executive and legislative offices, courts, police protection, parole offices, fire protection, correctional institutions, administration of governmental programs, space research and technology, and national security.
- **Other Services:** Includes, for example, automotive repair and maintenance, personal and household goods repair and maintenance, personal laundry services, dry-cleaning and laundry services, religious services, social advocacy organizations, professional organizations, and private households.
- **Non-Classified:** All other work activities that are not included in the North American Industry Classification System.

SECTION V
FAIR HOUSING PROTECTED GROUPS



Section V
Fair Housing Protected Groups
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A. INTRODUCTION

1. Introduction

A “protected class” is a group of people with a common characteristic who are legally protected from housing discrimination on the basis of that characteristic. Protected classes are created by both federal and state law. The protected classes under federal law include:

- Race
- Color
- Religion
- Sex
- National Origin
- Familial Status
- Handicap/Disability

The Fair Housing Act prohibits both intentional discrimination and policies and practices that discriminate against the seven protected classes/groups. According to HUD’s Office of General Counsel (OGC), people with limited English proficiency (LEP) are not a protected class under the Fair Housing Act. However, the OGC explains that there is a close link between LEP and certain racial and national origin groups. Therefore, HUD advises that an analysis of people with LEP be included in the AI.

2. Definitions of Fair Housing Protected Classes

Definitions and examples of the protected classes are provided below:

Race: refers to family, tribe or group of people coming from the same common ancestors.

Example: Discrimination against African-Americans by a Caucasian apartment manager.

Color: refers to the color of an individual’s skin.

Example: Discrimination against a dark-skinned African-American by a light-skinned African-American.

Religion: refers to all aspects of religious belief, observance, and practice.

Example: Discriminating against non-Catholics (Muslim, Buddhist, etc.) because of their religion.

Sex: Includes gender (male or female), gender identity, and gender expression. Also includes, but is not limited to, pregnancy, childbirth, or conditions related to pregnancy or childbirth.

Example: A property manager refusing to rent an apartment to a female householder.

National Origin: refers to the country in which a person was born, or from which the person’s ancestors came.

Example: Discrimination against a Puerto Rican individual by a Mexican property owner.

Familial Status: Refers to a situation where there are one or more persons under age 18 who reside with a parent, legal guardian, etc. This also applies in the case of pregnancy or for people who are in the process of gaining legal custody of a person under age 18.

Example: Forcing families with children to live on the first floor, or not renting to individuals with young children.

Handicap/Disability: refers to physical, mental and developmental disabilities.

Example: Not allowing a disabled individual to have a service animal in a renter's apartment.

Attachment A provides additional definitions of the fair housing protected classes/groups.

In addition to the seven classes protected under federal law, California law enumerates seven additional groups: age, marital status, ancestry, source of income, sexual orientation, genetic information, and other arbitrary factors. Because the AI is a federal document, the analysis focuses on the protected classes listed in the federal Fair Housing Act:

Section V contains the following data:

- The numbers of people who are member of each protected class.
- The percentage of fair housing inquiries, allegations and discrimination complaints made by residents who are members each protected class.
- The socio-economic characteristics of each protected class such as the number and percentage of households with incomes below the poverty level and owner/renter status.
- Statistics that establish benchmarks to track trends such as whether the protected classes have increased their ownership rates or reduced poverty levels

Data are unavailable on the religious affiliation of Hemet's population.

B. RACE/COLOR

1. Population Characteristics by Race and Ethnicity

a. Race and Ethnic Categories

The Fair Housing Act does not define race. The racial categories included on the 2010 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 categories. Thus, the six race *alone* categories and the *two or more races* category sum to the total population.

The race and ethnic categories follow the Office of Management and 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.

Attachment B defines the race categories.

b. 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 provide the following definition:

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.

c. Hemet's Population by Race and Ethnicity

According to the HUD, race/color was the basis for 26% of the housing discrimination complaints filed by Hemet residents between January 2010 and January 2019.

According to the Fair Housing Council of Riverside County, Inc. (FHCRC), race/color was the basis for 10% of the housing discrimination complaints filed by Hemet residents between 2015 and 2019.

Table V-1 shows the population growth by race and ethnicity between 2010 and 2018. During this period, the groups showing population gains include Hispanics, Asians, and Black/African Americans.

Table V-1
City of Hemet
Population Growth by Race and Ethnicity: 2010 to 2018

Race/Ethnicity	2010	2018	Increase/ Decrease
Hispanic or Latino	28,150	38,357	10,207
Not Hispanic or Latino			
White Alone	40,723	37,012	-3,711
Black or African American Alone	4,711	4,921	210
American Indian and Alaska Native Alone	549	347	-202
Asian Alone	2,197	2,935	738
Native Hawaiian and Other Pacific Islander Alone	239	0	-239
Some Other Race Alone	91	0	-91
Two or More Races	1,997	1,719	-278
Total	78,657	85,291	6,634

Source: Census 2010 Summary File 1, Table P9 Hispanic or Latino, and Not Hispanic or Latino Origin by Race. 2018 American Community Survey 1-Year Estimates, Table B03002

d. Race of Hispanic or Latino and Not Hispanic or Latino Populations

Table V-2 shows that in 2017, 38,357 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- 74.3% of the Hispanic population said that their race was White Alone
- 20.4%% said they belonged to Some Other Race
- 3% identified themselves as having Two or More Races

Thus, many Hemet residents departed from the U.S. Census Bureau racial categories and selected “some other race.”

Table V-2
City of Hemet
Race of Hispanic or Latino and Not Hispanic or Latino Populations: 2018

Race	Hispanic or Latino	Percent	Not Hispanic or Latino	Percent	Total	Percent
White Alone	28,486	74.3%	37,012	78.9%	65,498	76.8%
Black or African American Alone	126	0.3%	4,921	10.5%	5,047	5.9%
Asian Alone	33	0.1%	2,935	6.3%	2,968	3.5%
American Indian or Alaska Native Alone	619	1.6%	347	0.7%	966	1.1%
Hawaiian or Other Pacific Islander Alone	97	0.3%	0	0.0%	97	0.1%
Some Other Race Alone	7,834	20.4%	0	0.0%	7,834	9.2%
Two or More Races	1,162	3.0%	1,719	3.7%	2,881	3.4%
Total	38,357	100.0%	46,934	100.0%	85,291	100.0%
Percent Hispanic and Not Hispanic	45.0%		55.0%			

Source: 2018 American Community Survey 1-Year Estimates, Table B03002: Hispanic or Latino Origin by Race

2. Poverty and Tenure Characteristics by Race and Ethnicity

a. Median Household Income and Poverty Income by Race and Ethnicity

Median household income varies considerably by race and ethnicity. Asian householders enjoy the highest median household income. All other groups, as Table V-3 shows, have median household significantly lower than that of the Asian householders.

Table V-4 shows that there is limited data on poverty rates differ by race and ethnicity. The poverty rate of the Hispanic population is somewhat lower than that of the White, Not Hispanic population.

Any household with such low incomes – regardless of race or ethnicity – would be unable to afford market rate housing. Householders with poverty level incomes cannot attain housing within their means or of their choice.

b. Tenure by Race and Ethnicity

Existing and would be homeowners 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 in-place renters.

The majority of most population groups are homeowners. The two groups with less than a 50% homeownership rate are Black/African Americans and the two or more races population. Refer to Table V-5.

There is a high correlation between the number and percentage of renter households and the need for fair housing services. The overwhelming majority of the housing discrimination complaints reported to HUD and the FHCRC are filed by renter householders.

Table V-3
City of Hemet
Median Household Income in the Past 12 Months
(in 2018 Inflation-Adjusted Dollars)

Population Group	Median Income
Asian Alone	\$90,059
Hispanic	\$49,470
Some Other Race Alone	\$42,287
White Alone	\$39,823
White, Not Hispanic	\$37,258
2 or More Races	\$31,647
Black	\$27,701
Native Hawaiian	---

Source: American Community Survey 5-Year Estimates, Table S1903

Table V-4
City of Hemet
Poverty Status by Race and Ethnicity: 2018

Race/Ethnicity	Population for Whom Poverty Status is Determined	Number Below Poverty Level	Percent Below Poverty Level¹
One Race			
White	65,035	9,701	14.9%
Black or African American	N	N	N
American Indian and Alaskan Native	N	N	N
Asian	N	N	N
Native Hawaiian or Other Pacific Islander	N	N	N
Some Other Race	7,512	561	7.5%
Two or More Races	N	N	N
Total	N	N	N
Hispanic or Latino of any race	37,911	4,943	13.0%
White Alone, Not Hispanic	36,670	5,814	15.9%

Source: 2018 American Community Survey 1-Year Estimates, Table S1701 Poverty Status in the Past 12 Months

Table V-5
City of Hemet
Homeownership Rates by Race and Ethnicity: 2018

Race/Ethnicity	Owners	Renters
White	63.7%	36.3%
Black or African American	37.0%	63.0%
American Indian/Alaska Native	NA	NA
Asian	64.5%	35.5%
Native Hawaiian or Other Pacific Islander	NA	NA
Some Other Race	74.5%	25.5%
Two or More Races	24.2%	75.8%
Hispanic or Latino of any race	56.6%	43.4%
White Alone, Not Hispanic	68.1%	31.9%
Total	62.3%	37.7%

Sources: 2018 American Community Survey 1-Year Estimates, Table B25003A-I Tenure by Race/Ethnicity

C. SEX (OF HOUSEHOLDER)

1. Population Characteristics

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

According to the HUD, sex was the basis of 8% of housing discrimination complaints filed by Hemet residents between January 2010 and January 2019. The FHCRC reported that sex was the basis of 1% of the housing discrimination complaints filed in the past four fiscal years.

Table V-6 presents data on the number of householders by type. Female and male householders account for one-fifth (20.2%) of all householders. Householders living alone account for almost one-third of all householders (30.3%).

Table V-6
City of Hemet
Number of Households by Type: 2018

Household Type	Number	Percent
Married Couples	12,729	44.6%
Female Householders	3,955	13.9%
Male Householders	1,806	6.3%
Householder Living Alone	8,636	30.3%
Householder Living w/Others	1,418	5.0%
Total	28,544	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table S2501 Occupancy Characteristics or B25011

2. Tenure by Household Type and Sex of Householder

Table V-7 provides information on the owner-renter status of different types of households. Married couple families are the largest household type (12,729) and they are predominantly homeowners. The second largest household type (8,636) is persons living alone and two-thirds are homeowners.

Table V-7
City of Hemet
Tenure by Household Type: 2018

Household Type	Owner	Percent	Renter	Percent	Total
Married-Couple Family	8,044	63.2%	4,685	36.8%	12,729
Male Householder, No Wife Present	1,167	64.6%	639	35.4%	1,806
Female Householder, No Husband Present	1,840	46.5%	2,115	53.5%	3,955
Householder Living Alone	5,711	66.1%	2,925	33.9%	8,636
Householder Living With Others	497	35.0%	921	65.0%	1,418
Total	17,259	60.5%	11,285	39.5%	28,544

Source: 2018 American Community Survey 1-Year Estimates, Table B25011: Tenure by Household Type (Including Living Alone) and Age of Householder

3. Socio/economic Characteristics of Female Householders

Poor women, as noted above by the DOJ, are often the victims of sexual harassment. Just over 1,400 female householders have recently received food stamps. And 70% of the female householders who received food stamp benefits have children. Refer to Table V-8 below.

Table V-8
City of Hemet
Female Householders by Presence of Children and SNAP Benefits: 2018

Status	Children	No Children	Total	Percent
Received Food Stamps	991	430	1,421	35.9%
Did Not Receive Food Stamps	888	1,646	2,534	64.1%
Total	1,879	2,076	3,955	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B22002, Receipt of Food Stamps/SNAP in the Past 12 Months by Presence of Children under 18 Years by Household Type for Households

D. NATIONAL ORIGIN/ANCESTRY

The Fair Housing Act and California 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 HUD, national origin was the basis of 10% of the housing discrimination complaints filed by Hemet residents between January 2010 and January 2019. National origin was the basis of 5% of the complaints filed with the FHCRC in the past four fiscal years.

According to HUD:

National origin discrimination is different treatment in housing because of a person's **ancestry, ethnicity, birthplace, culture, or language**, and it is illegal. This means people cannot be denied housing opportunities because they or their family are from another country, because they have a name or accent associated with a national origin group, because they participate in certain customs associated with a national origin group, or because they are married to or associate with people of a certain national origin. Examples of potential national origin discrimination include: refusing to rent to persons whose primary language is other than English; offering different rent rates based on ethnicity; steering prospective buyers or renters to or away from certain neighborhoods because of their ancestry; and failing to provide the same level of service or housing amenities because a tenant was born in another country.

1. Ancestry

Ancestry, according to the ACS, 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. The intent of the ACS ancestry question is not to measure the degree of attachment the respondent had to a particular ethnicity, but simply to establish that the respondent had a connection to and self-identified with a particular ethnic group. For example, a response of "Irish" might reflect total involvement in an Irish community or only a memory of ancestors several generations removed from the individual.

According to the ACS ancestry identifies the ethnic origins of the population, and that federal agencies regard this information as essential for fulfilling many important needs. Ancestry is required to enforce provisions under the Civil Rights Act, which prohibits discrimination based upon race, sex, religion, and national origin. More generally, these data are needed to measure the social and economic characteristics of ethnic groups and to tailor services to accommodate cultural differences. The Department of Labor draws samples for surveys that provide employment statistics and other related information for ethnic groups using ancestry data.

2. Foreign Born Population by Region of Birth

The foreign-born population includes anyone who is not a U.S. citizen or a U.S. national at birth, including respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen. Table V-9 indicates that Hemet's foreign born population consists of almost 13,000 persons. Of this total number -

- 72.1% were born in Latin America
- Almost 19% were born in Asia

Table V-9
City of Hemet
Foreign Born Population by Region of Birth: 2014-2018

Region	Number	Percent
Europe	735	5.7%
Asia	2,423	18.8%
Africa	77	0.6%
Oceania	13	0.1%
Latin America	9,292	72.1%
North America	348	2.7%
Total	12,888	100.0%

Source: 2014-2018 American Community Survey
5-Year Estimates, Table S0502, Selected
Characteristics of the Foreign Born Population by
Period of Entry into the United States

3. Ethnicity or Origins of the Population

a. Origins of the Hispanic or Latino Population

Almost 36,400 Hispanic or Latino persons reside in Hemet. Table V-10 shows that Mexico is the origin of almost 90% of Hispanic persons. Between 2010 and 2017, there was a small percentage increase in Hispanics identifying Mexico as their place of origin.

Table V-10
City of Hemet
Persons of Hispanic Origin: 2010 and 2014-2018

Hispanic Origin	2010		2018	
	Number	Percent	Number	Percent
Mexican	24,271	86.2%	32,670	89.8%
Puerto Rican	627	2.2%	711	2.0%
Cuban	203	0.7%	87	0.2%
Other Spanish/Hispanic	3,049	10.8%	2,912	8.0%
Total	28,150	100.0%	36,380	100.0%

Source: 2010 Census Summary File 1, QT-P3 Race and Hispanic or Latino Origin
 2014-2018 American Community Survey 5-Year Estimates, Table DP05: ACS
 Demographic and Housing Estimates

b. Other Population Groups

Because of their low population totals, the American Community Survey did not publish detailed origin data for the Asian, Native Hawaiian/Pacific Islander and American Indian/Alaska Native populations.

E. FAMILIAL STATUS

1. Population Characteristics

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, 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 Department of Justice 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

According to the HUD, familial status was the basis of 10% of the housing discrimination complaints filed by Hemet residents between January 2010 and January 2019. FHCRC data indicate that

familial status was the basis for 4% of the housing discrimination complaints filed by Hemet residents in the past four fiscal years.

The 2018 ACS data shows that 27.5% of the City's 28,544 households have children. Most children (5,713/7,840) lived in married couple families. However, more than 1,600 female householders have children. Refer to Table V-11 below.

Table V-11
City of Hemet
Households with Children: 2018

Household Type	Number	With Children	Percent With Children
Married Couples	12,729	5,713	44.9%
Female Householders, No Husband Present	3,955	1,628	41.2%
Male Householders, No Wife Present	1,806	499	27.6%
Non-Family Householders	10,054	0	0.0%
Total	28,544	7,840	27.5%

2018 American Community Survey 1-Year Estimates, Table B25115: Tenure by Household Type and Presences and Age of Own Children

A nonfamily household is a householder *living alone* or with *nonrelatives* only. Unmarried couple households, whether opposite-sex or same-sex, with no relatives of the householder present are tabulated in nonfamily households.

2. Poverty and Tenure by Familial Status

a. Poverty Income by Familial Status and Presence of Children

Poverty by family type offers another indicator of the well-being of families. Married couple families with and without children have comparatively low poverty rates. Female householders with children experience the high poverty rates. Refer to Table V-12.

b. Tenure by Familial Status

The need for fair housing services is directly correlated to size of the fair housing protected groups against whom housing discrimination is practiced. In-place renters are the group that makes the majority of housing discrimination complaints. Table V-13 indicates that 38.5% (4,354/11,285) of renter households have children. On the other hand, the vast majority of owner households do not have children.

Table V-12
City of Hemet
Poverty Status by Familial Status and Presence of Children: 2018

Family Type	Percent Below Poverty Level
Married Couple Families	11.8%
With related children under 18 years	14.0%
With no related children under 18 years	10.2%
Male Householder, No Wife Present	21.4%
With related children under 18 years	32.1%
With no related children under 18 years	13.8%
Female Householder, No Husband Present	34.6%
With related children under 18 years	46.3%
With no related children under 18 years	22.8%

Source: 2014-2018 American Community Survey 5-Year Estimates, Table B17023, Poverty Status in the Past 12 Months of Families by Household Type by Number of Own Children Under 18 Years

Table V-13
City of Hemet
Tenure by Presence of Children: 2018

Presence of Children	Owner	Percent	Renter	Percent	Total	Percent
With Own Children Under 18 Years	3,486	44.5%	4,354	55.5%	7,840	27.5%
No Own Children Under 18 Years	7,565	71.0%	3,085	29.0%	10,650	37.3%
Nonfamily Households	6,208	61.7%	3,846	38.3%	10,054	35.2%
Total	17,259	60.5%	11,285	39.5%	28,544	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B25115: Tenure by Household Type and Presences and Age of Own Children.

F. HANDICAP/DISABILITY

1. Background

The 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

According to the HUD, disability was the basis for 26% of all housing discrimination complaints filed by Hemet residents between January 2010 and January 2019. The FHCRC data indicate that disability was the basis for 70% of the housing discrimination complaints filed in the past four fiscal years.

2. Estimates of People with Disabilities

Of the civilian noninstitutionalized population, an estimated 19% people have a disability. Approximately 38% of the senior population 65 years old or older has a disability. Table V-14 presents the disability prevalence rates by age group.

Table V-15 shows that two of every five households have a member with a disability. Many elderly and frail elderly persons live alone in one person households. That is, these households comprise a large share of all households, but not of the total population.

Table V-14
City of Hemet
Disability Status of Civilian Non-institutionalized
Population by Age Group: 2018

Age Group	Disabled Population	Total Population	Percent Disabled
< 5 years	38	1,968	1.9%
5-17 years	1003	9,491	10.6%
18-34 years	734	8,144	9.0%
35-64 years	2,332	11,341	20.6%
65-74 years	1,894	5,745	33.0%
75 years+	1,586	3,324	47.7%
Total	7,587	40,013	19.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B18101, Sex by Age by Disability Status

Table V-15
City of Hemet
Disabled Householders: 2018

Household Disability Status	Number	Percent
Households with one or more persons with a disability	11,641	40.8%
Households with no persons with a disability	16,903	59.2%
Total	28,544	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table S22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Households

G. LIMITED ENGLISH PROFICIENCY(LEP)

LEP refers to a person's limited ability to read, write, speak, or understand English. Individuals who are LEP are not a protected class under the federal Fair Housing Act. Nonetheless, the Act prohibits housing providers from using LEP selectively based on a protected class or as a pretext for discrimination because of a protected class. The Act also prohibits housing providers from using LEP in a way that causes an unjustified discriminatory effect.

The American Community Survey defines a "limited English speaking household" as one in which **no** member 14 years old and over (1) speaks only English at home or (2) speaks a language other than English at home and speaks English "Very well." This question identifies households that may need English-language assistance.

There are almost 1,200 limited English speaking households residing in Hemet. Ninety-one percent are Spanish speaking and almost 9% speak Asian and Pacific Island languages. Limited English speaking households comprise 4% of all households living in the City. Refer to Table V-16.

Table V-16
City of Hemet
Limited English Speaking Households: 2018

Households Speaking	Limited English-Speaking Households	Percent of all Limited English-Speaking Households¹
Spanish	1,057	91.0%
Other Indo-European Languages	0	0.0%
Asian and Pacific Island Languages	104	9.0%
Other Languages	0	0.0%
Total	1,161	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table S1602, Limited English Speaking Households

**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.

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.

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 ethnorracial 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.

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)).

**ATTACHMENT B
2010 CENSUS DEFINITIONS OF RACE**

The data on race were derived from answers to the question on race that was asked of all people. The U.S. 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 questionnaire generally reflect a social definition of race recognized in this country and not an attempt to define race biologically, anthropologically, or genetically. In addition, it is recognized that the categories of the race item include racial and national origin or sociocultural groups. People may choose to report more than one race to indicate their racial mixture, such as "American Indian" *and* "White." People who identify their origin as Hispanic, Latino, or Spanish may be of any race.

The racial classifications used by the Census Bureau adhere to the October 30, 1997, *Federal Register* notice entitled, "Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity" issued by OMB. These standards govern the categories used to collect and present federal data on race and ethnicity. OMB requires five minimum categories (White, Black or African American, American Indian or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander) for race. The race categories are described below with a sixth category, "Some Other Race," added with OMB approval. In addition to the five race groups, OMB also states that respondents should be offered the option of selecting one or more races.

If an individual did not provide a race response, the race or races of the householder or other household members were allocated using specific rules of precedence of household relationship. For example, if race was missing for a natural-born child in the household, then either the race or races of the householder, another natural-born child, or spouse of the householder were allocated.

If race was not reported for anyone in the household, then their race was assigned based on their prior Census record (either from Census 2000 or the American Community Survey), if available. If not, then the race or races of a householder in a previously processed household were allocated.

Definitions from OMB guide the Census Bureau in classifying written responses to the race question:

White. A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as "White" or report entries such as Irish, German, Italian, Lebanese, Arab, Moroccan, or Caucasian.

Black or African American. A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as "Black, African Am., or Negro" or report entries such as African American, Kenyan, Nigerian, or Haitian.

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment. This category includes people who indicate their race as "American Indian or Alaska Native" or report entries such as Navajo, Blackfeet, Inupiat, Yup'ik, or Central American Indian groups or South American Indian groups.

Respondents who identified themselves as “American Indian or Alaska Native” were asked to report their enrolled or principal tribe. Therefore, tribal data in tabulations reflect the written entries reported on the questionnaires. Some of the entries (for example, Metlakatla Indian Community and Umatilla) represent reservations or a confederation of tribes on a reservation.

The information on tribe is based on self-identification and therefore does not reflect any designation of federally or state-recognized tribe. The information for the 2010 Census was derived from the American Indian and Alaska Native Tribal Classification List for Census 2000 and updated from 2002 to 2009 based on the annual *Federal Register* notice entitled “Indian Entities Recognized and Eligible to Receive Services From the United States Bureau of Indian Affairs,” Department of the Interior, Bureau of Indian Affairs, issued by OMB, and through consultation with American Indian and Alaska Native communities and leaders.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes people who indicate their race as “Asian Indian,” “Chinese,” “Filipino,” “Korean,” “Japanese,” “Vietnamese,” and “Other Asian” or provide other detailed Asian responses.

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicate their race as “Native Hawaiian,” “Guamanian or Chamorro,” “Samoan,” and “Other Pacific Islander” or provide other detailed Pacific Islander responses.

Some Other Race. Includes all other responses not included in the “White,” “Black or African American,” “American Indian or Alaska Native,” “Asian,” and “Native Hawaiian or Other Pacific Islander” race categories described above. Respondents reporting entries such as multiracial, mixed, interracial, or a Hispanic, Latino, or Spanish group (for example, Mexican, Puerto Rican, Cuban, or Spanish) in response to the race question are included in this category.

Two or More Races. People may choose to provide two or more races either by checking two or more race response check boxes, by providing multiple responses, or by some combination of check boxes and other responses. The race response categories shown on the questionnaire are collapsed into the five minimum race groups identified by OMB and the Census Bureau’s “Some Other Race” category. For data product purposes, “Two or More Races” refers to combinations of two or more of the following race categories:

1. White
2. Black or African American
3. American Indian or Alaska Native
4. Asian
5. Native Hawaiian or Other Pacific Islander
6. Some Other Race

There are 57 possible combinations involving the race categories shown above. Thus, according to this approach, a response of “White” and “Asian” was tallied as Two or More Races, while a response of “Japanese” and “Chinese” was not because “Japanese” and “Chinese” are both Asian responses.

ATTACHMENT C
2010 CENSUS DEFINITIONS OF HISPANIC OR LATINO ORIGIN

The data on the Hispanic or Latino population were derived from answers to a question that was asked of all people. The terms "Hispanic," "Latino," and "Spanish" are used interchangeably. Some respondents identify with all three terms, while others may identify with only one of these three specific terms. People who identify with the terms "Hispanic," "Latino," or "Spanish" are those who classify themselves in one of the specific Hispanic, Latino, or Spanish categories listed on the questionnaire ("Mexican," "Puerto Rican," or "Cuban") as well as those who indicate that they are "another Hispanic, Latino, or Spanish origin." People who do not identify with one of the specific origins listed on the questionnaire but indicate that they are "another Hispanic, Latino, or Spanish origin" are those whose origins are from Spain, the Spanish-speaking countries of Central or South America, or the Dominican Republic. Up to two write-in responses to the "another Hispanic, Latino, or Spanish origin" category are coded.

Origin can be viewed as the heritage, nationality group, lineage, or country of birth of the person or the person's parents or ancestors before their arrival in the United States. People who identify their origin as Hispanic, Latino, or Spanish may be of any race.

Some tabulations are shown by the origin of the householder. In all cases where the origin of households, families, or occupied housing units is classified as Hispanic, Latino, or Spanish, the origin of the householder is used. If an individual did not provide a Hispanic origin response, their origin was allocated using specific rules of precedence of household relationship. For example, if origin was missing for a natural-born child in the household, then either the origin of the householder, another natural-born child, or spouse of the householder was allocated.

If Hispanic origin was not reported for anyone in the household and origin could not be obtained from a response to the race question, then their origin was assigned based on their prior census record (either from Census 2000 or the American Community Survey), if available. If not, then the Hispanic origin of a householder in a previously processed household with the same race was allocated. As in Census 2000, surnames (Spanish and non-Spanish) were used to assist in allocating an origin or race.

Comparability. There are four changes to the Hispanic origin question for the 2010 Census. First, the wording of the question differs from that in 2000. In 2000, the question asked if the person was "Spanish/Hispanic/Latino." In 2010, the question asks if the person is "of Hispanic, Latino, or Spanish origin." Second, in 2000, the question provided an instruction, "Mark the 'No' box if **not** Spanish/Hispanic/ Latino." The 2010 Census question provided no specific instruction for non-Hispanics. Third, in 2010, the "Yes, another Hispanic, Latino, or Spanish origin" category provided examples of six Hispanic origin groups (Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on) and instructed respondents to "print origin." In 2000, no Hispanic origin examples were given. Finally, the fourth change was the addition of a new instruction in the 2010 Census that was not used in Census 2000. The instruction is stated as follows: "NOTE: Please answer BOTH Question 8 about Hispanic origin and Question 9 about race. For this census, Hispanic origins are not races."

There were two changes to the Hispanic origin question for Census 2000. First, the sequence of the race and Hispanic origin questions for Census 2000 differed from that in 1990; in 1990, the race question preceded the Hispanic origin question. Testing prior to Census 2000 indicated that

response to the Hispanic origin question could be improved by placing it before the race question without affecting the response to the race question. Second, there was an instruction preceding the Hispanic origin question indicating that respondents should answer both the Hispanic origin and the race questions. This instruction was added to give emphasis to the distinct concepts of the Hispanic origin and race questions, and emphasized the need for both pieces of information.

Furthermore, there was a change in the processing of the Hispanic origin and race responses. In the 1990 census, respondents provided Hispanic origin responses in the race question and race responses in the Hispanic origin question. In 1990, the Hispanic origin question and the race question had separate edits; therefore, although information may have been present on the questionnaire, it was not fully utilized due to the discrete nature of the edits. However, for Census 2000, there was a joint race and Hispanic origin edit that utilized Hispanic origin and race information, regardless of the location.

Source: 2010 Census Redistricting Data (Public Law 94-171) *Summary File: Technical Documentation, Appendix B – Definitions of Subject Characteristics*, January 2011

SECTION VI
PRIVATE SECTOR IMPEDIMENTS ANALYSIS



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A. INTRODUCTION

Section VI presents the analysis of 11 potential or actual private sector impediments to fair housing choice. Private sector impediments are discriminatory practices prohibited by the 1968 federal Fair Housing Act, as amended, and the California Fair Employment and Housing Act. Table VI-1 lists the pages which discuss each impediment.

Table VI-1
City of Hemet
Analysis of Impediments to Fair Housing Choice
Page References for Discussion of Private Sector Fair Housing Impediments

Fair Housing Impediment	Page References
▪ Population Diversity	VI-1 to VI-7
▪ Housing Discrimination	VI-7 to VI-10
▪ Brokerage Services	VI-10 to VI-14
▪ Steering	VI-14 to VI-15
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The format for presenting information on each potential or actual 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 determine if the prohibited discriminatory practices create an impediment to fair housing choice.
- Conclusions and Recommendations –a brief explanation of whether an impediment to fair housing choice exists and recommended actions that will be implemented by the City and Fair Housing Council of Riverside County, Inc., the City's fair housing provider.

B. POPULATION DIVERSITY

1. Background

HUD's 1996 *Fair Housing Planning Guide* states:

In the AI, the jurisdiction should describe the degree of segregation by race and ethnicity.

The metrics for measuring population diversity, meaning the level of racial integration and segregation, include:

- Index of Dissimilarity
- Racially/ethnically concentrated areas of poverty (R/ECAPs)
- Areas of minority population concentration

2. Analysis

a. Index of Dissimilarity

The U.S. Census Bureau explains that an index of dissimilarity measures the percentage of a group's population that would have to change residence for each neighborhood to have the same percentage of that group as the metropolitan area overall. The index ranges from 0.0 (complete integration) to 1.0 (complete segregation).

HUD's *Assessment of Fair Housing Tool for Local Governments* states that the Index of Dissimilarity 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.

HUD defines three segregation levels:

	Value	Level of Segregation
Dissimilarity Index Value (0-100)	0-39.99	Low Segregation
	40-54.99	Moderate Segregation
	55-100	High Segregation

Brown University's Diversity and Disparities database has calculated an Index of Dissimilarity for cities throughout the United States. According to Brown University, a value of 60 (or above) is considered very high. It means that 60% (or more) of the members of one group would need to move to a different census tract in order for the two groups to be equally distributed. Values of 40 or 50 are usually considered a moderate level of segregation, and values of 30 or below are considered to be fairly low.

Using 2010 Census data, Brown University calculated the City of Hemet's Index of Dissimilarity and the index reveals a Low Segregation Level for all racial/ethnic group pairings as follows:

- White-Black/Black-White 18.1
- White-Hispanic/Hispanic-White 19.3
- White-Asian/Asian-White 20.3
- Black-Hispanic/Hispanic-Black 15.5
- Black-Asian/Asian-Black 24.3
- Hispanic-Asian/Asian-Hispanic 27.8

The link to Brown University's Diversity and Disparities database is <https://s4.ad.brown.edu/projects/diversity/>

b. Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

To assist communities in identifying racially or ethnically concentrated areas of poverty, HUD developed a census tract-based definition of R/ECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test:

- A nonwhite population of 50% or more
- A poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan area, whichever threshold is lower

Table VI-2 shows that census tract 434.03 has a poverty rate of 48% or more. Sixty-eight percent of the population living in this census tract identify with a minority population group. Therefore, census tract 434.03 meets HUD's threshold criteria of a racially/ethnically concentrated area of poverty.

The boundaries of census tract 434.03 are: north - Mayberry Avenue; South Gilbert Street; Johnston Avenue; South Buena Vista Street; Whitter Avenue; and South San Jacinto Street. Exhibit VI-1 shows the boundaries of the census tract.

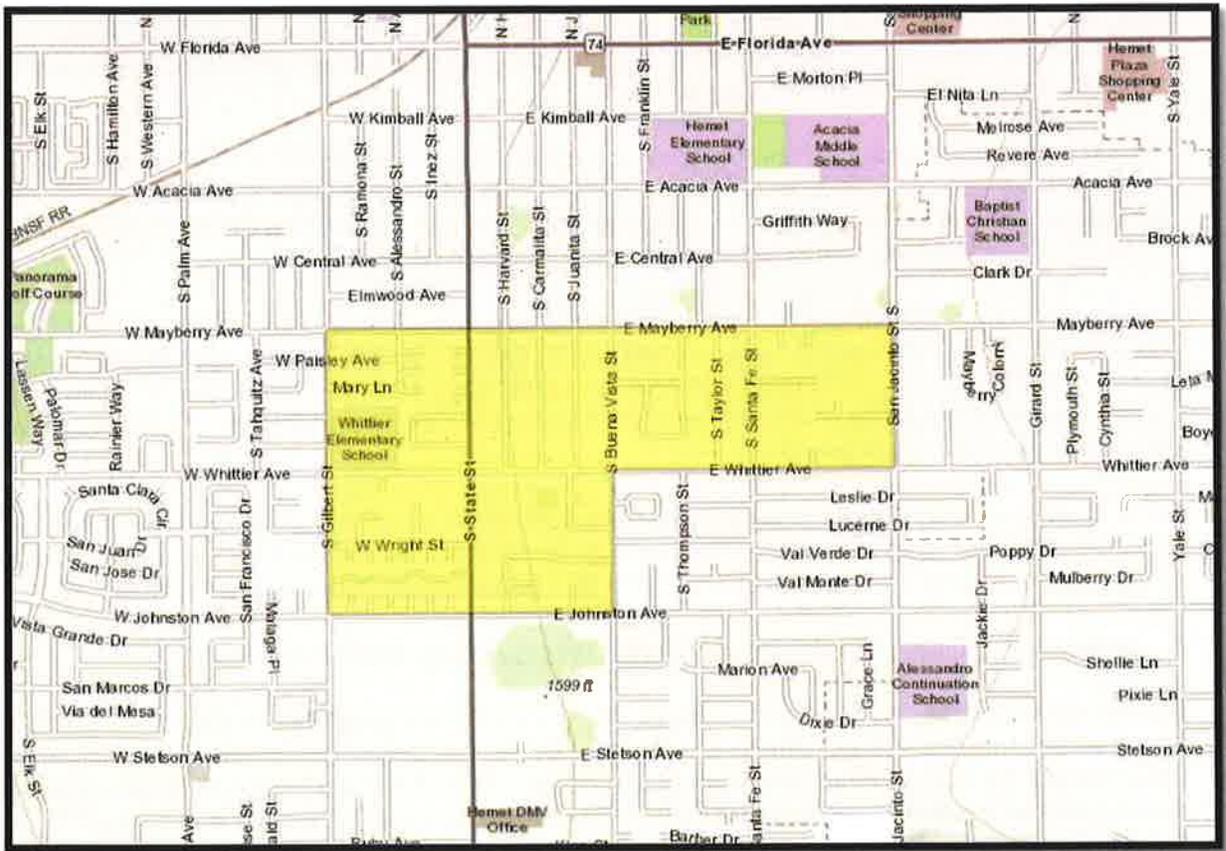
Table VI-2
City of Hemet
Poverty Rates by Census Tract

Census Tract	Population for Whom Poverty Status is Determined	Number Below Poverty Level	Percent Below Poverty Level
427.45	5,405	743	13.7%
433.06	4,814	428	8.9%
433.07	6,261	1,534	24.5%
433.09	2,693	819	30.4%
433.12	4,228	843	19.9%
433.16	3,630	351	9.7%
433.17	8,819	1,442	16.4%
434.01	6,657	2,198	33.0%
434.03	2,703	1,304	48.2%
434.04	2,748	650	23.7%
434.05	4,179	1,195	28.6%
435.03	3,936	661	16.8%
435.04	8,362	1,210	14.5%
435.05	3,046	713	23.4%
435.06	6,252	1,143	18.3%
435.07	7,160	1,761	24.6%
Total	80,893	16,995	21.0%

Note: This data is for the entire census tract regardless of city boundaries

Source: American Community Survey (ACS) 2014-2018 5-Year Estimates, Table: S1701 Poverty Status in the Past 12 Months

Exhibit VI-1
Census Tract 434.03



c. Areas of Minority Population Concentration

HUD rules require the City's Consolidated Plan to describe any area of minority concentration and state how the jurisdiction defines the term "area of minority concentration." Neither the Consolidated Plan rules nor the 1996 *Fair Housing Planning Guide* offers guidance on how the City should define an area of minority concentration.

The 2020-2025 Consolidated Plan describes the guidance provided by HUD on what constitutes a "concentration". The standard selected by the Consolidated Plan is when a neighborhood's total percentage of *minority persons* is at least 20 percentage points higher than the total percentage of all minorities for the Metropolitan Statistical Area (MSA) as a whole.

Hemet is located in the San Bernardino-Hemet MSA. Data were unavailable for the entire MSA and was available for each County. San Bernardino and Hemet County's minority population percentage were 72.2% (1,567,340/2,171,603) and 65.5% (1,606,391/2,450,758), respectively. Therefore, a neighborhood/census tract with a minority concentration is one with 85.5% to 92.2% identifying with a minority population group.

Table VI-3 shows the minority population percentages for the entire city (58%) and for each census tract, which ranges from a low of 35.5% to a high of 73.8%. Thus, Hemet does not have an area of minority concentration – that is, a census tract with a minority population greater than 85.5%.

d. Impact of Population and Household Growth Trends on Population Diversity

Population projections by race and ethnicity for the City are unavailable as they have not been prepared by the State Department of Finance (DOF), the Southern California Association of Governments (SCAG) or other governmental agencies. SCAG's Connect SoCal Program prepared population and household projections to 2045. The projections suggest a modest growth of 23,600 households and 42,500 people between 2016 and 2045.

**Table VI-3
City of Hemet
Minority Population by Census Tract: 2014-2018**

Census Tract	Total Pop.	White Alone, Not 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	Hispanic or Latino	Total Minority Pop.	Percent Minority
427.45	5,405	2,891	193	0	234	0	0	78	2,009	2,514	46.5%
433.06	4,814	2,020	210	78	166	0	28	87	2,225	2,794	58.0%
433.07	6,471	2,571	1,017	0	375	72	3	40	2,393	3,900	60.3%
433.09	2,798	1,003	256	47	57	119	0	105	1,211	1,795	64.2%
433.12	4,256	1,281	97	0	96	0	0	43	2,739	2,975	69.9%
433.16	3,816	2,462	329	0	349	4	0	217	455	1,354	35.5%
433.17	8,830	3,248	946	257	308	19	0	283	3,769	5,582	63.2%
434.01	6,793	2,255	316	61	54	0	0	20	4,087	4,538	66.8%
434.03	2,708	867	227	0	37	0	0	44	1,533	1,841	68.0%
434.04	2,748	1,460	149	79	0	0	0	41	1,019	1,288	46.9%
434.05	4,179	1,663	343	0	0	0	0	100	2,073	2,516	60.2%
435.03	3,986	1,916	129	0	139	17	0	24	1,761	2,070	51.9%
435.04	8,362	3,953	490	0	489	19	15	331	3,065	4,409	52.7%
435.05	3,074	1,861	137	29	79	0	0	93	875	1,213	39.5%
435.06	6,260	2,996	246	0	150	0	0	199	2,669	3,264	52.1%
435.07	7,202	1,887	716	29	241	0	0	83	4,246	5,315	73.8%
Total	81,702	34,334	5,801	580	2,774	250	46	1,788	36,129	47,368	58.0%

Source: United States Census Bureau, 2014-2018 American Community Survey (ACS) 5-Year Estimates, Table B03002 Hispanic or Latino Origin

Note: The data is only available for the entire Census Tract regardless of city boundaries. Therefore, some data may be beyond Hemet city limits

3. Conclusions and Recommendations

Although the City as whole has a low segregation level, there is one racially/ethnically concentrated area of poverty. This area is census tract 434.03. Actions to ameliorate this impediment involve improvements to the neighborhood, creating incentives for market rate housing development, and enhancing the economic mobility of residents.

In FY 2021-2022, the City will take the following actions:

Action 1: Reduce Neighborhood Poverty Levels

- Implement the Consolidated Plan Anti-Poverty Strategy.

Action 2: Develop Market Rate Housing

- Encourage the development of market rate housing in this neighborhood if there are vacant housing sites appropriate for such development.

C. HOUSING DISCRIMINATION

1. Background - Prohibited Housing Discriminatory Practices

Sections 804 (a), (b), and (d) of the 1968 Fair Housing Act, as amended, describes 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. [Emphasis added]
- (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. [Emphasis added]
- (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. [Emphasis added]

The California Fair Employment and Housing Act (FEHA) prohibits unlawful practices similar to those that are described in the 1968 Federal Fair Housing Act, as amended. The State law expands the description of prohibited practices to "harassment," and to "harass, evict, or otherwise discriminate" for the purpose of "retaliation" against a protected class. Moreover, the State law expands the protected classes to include, among others, sexual orientation, marital status, ancestry, age, and source of income.

2. Analysis - Housing Discrimination Complaints

Housing discrimination complaints can be filed directly with the State Department of Fair Employment and Housing (DFEH), the U.S. Department of Housing and Urban Development (HUD) and the Fair Housing Council of Riverside County, Inc. (FHCRC).

The DFEH statutory mandate is to protect the people of California from employment, housing and public accommodations discrimination, and hate violence and human trafficking, pursuant to the

California Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act.

With regard to housing, the FEHA prohibits discrimination and harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The DFEH did not have data specific to the City of Hemet. Table VI-4 shows the bases of housing discrimination complaints filed with the DEFH in the four year period between 2015 and 2018. Disability, race/color and familial status account for 54% of the bases for the filed complaints. During the 2015-2018 period, Hemet County residents filed 4.3% of the housing discrimination complaints. The reason for this low percentage maybe that Hemet County residents may choose to file complaints with the FHCRC rather than the State Department.

Table VI-4
Housing Discrimination Complaints Filed With The
State Department of Fair Employment and Housing: 2015-2018

Basis	Number of Bases	Percentage Distribution
Disability	3,091	30%
Race	1,196	12%
Familial Status	848	8%
Sex-Gender	528	5%
National Origin	505	5%
Color	417	4%
Religion	190	2%
Source of Income	427	4%
All Other	3,039	30%
Total	10,241	100%

Note: The number of bases is the sum of the four years. The total number of bases exceeds the total number of complaints filed because a complaint may have more than one basis. There were during the four years 5,288 complaints filed and 10,241 bases.

Source: California Department of Fair Employment and Housing, Annual Reports, 2015, 2016, 2017 and 2018

Thirty Hemet residents filed fair housing discrimination complaints with HUD between January 2010 and January 2019. The 30 complaints involved 50 bases because a complaint may include more than one basis. Table VI-5 shows that the most frequent bases for the complaints were disability, race, and retaliation. Section IV provides definitions of these and other protected classes.

Table VI-5
City of Hemet
Housing Discrimination Complaints by Protected Class
January 2010 to January 2019
(Filed with U.S. Department of Housing and Urban Development)

Protected Class	Number of Cases	Percentage Distribution
Disability	13	26%
Race	12	24%
Retaliation	10	20%
Familial Status	5	10%
National Origin	5	10%
Sex	4	8%
Color	1	2%
Total	50	100.0%

Source: U.S. Department of Housing and Urban Development, San Francisco Office Fair Housing and Equal Opportunity

In the past four fiscal years – FY 2015/16 to FY 2018/2019 - 277 housing discrimination complaints were filed by Hemet residents with the FHCRC. Disability was the basis for 70% of the complaints. Race and color were the bases for 10% of the complaints. However, the FHCRC investigates some complaints and sometimes finds no evidence to sustain the allegations. Refer to Table VI-6.

HUD also has advised cities that the number of complaints filed at HUD does not necessarily reflect the actual occurrences of discrimination within a city. Studies have indicated that a very small fraction of people who believe they've been a victim of housing discrimination actually contact HUD to file a complaint, according to Chloé Coe, Equal Opportunity Specialist, Fair Housing and Equal Opportunity (FHEO) – San Francisco.

Because of this fact, neither the number of complaints nor the number of proven complaints is an accurate indicator of the incidence of discrimination in the Hemet housing market.

Table VI-6
City of Hemet
Housing Discrimination Bases by Protected Class
FY 2015/2106 to FY 2018/2019
(Filed with the Fair Housing Council of Riverside County, Inc.)

Protected Class	Number of Bases	Percentage Distribution
Disability	194	70%
Race/Color	28	10%
National Origin	14	5%
Source of Income	14	5%
Familial Status	10	4%
Other	17	6%
Total	277	100.0%

Source: Fair Housing Council of Riverside County, Inc.,
Special Tabulations, FY 2015/2016 to FY 2018/2019

3. Conclusions and Recommendations

Housing discrimination, particularly on the basis of disability, race, and familial status, is an impediment to fair housing choice. Based on past trends, it is estimated that 25 housing discrimination complaints may be filed by Hemet residents with HUD during the five year period between FY 2020-2021 and FY 2024-2025. During the same period, it is estimated that 300 housing discrimination complaints may be filed with the FHCRC.

Housing discrimination is an impediment to fair housing choice. The City will take the following actions to remove or mitigate this impediment to fair housing choice:

Action 1: Continue to Provide Fair Housing Services

- During the five-year period from FY 2020-2021 through FY 2024-2025, the City will have the FHCRC provide fair housing services which will include the processing of housing discrimination complaints and landlord/tenant counseling services. Often a landlord/tenant issue has as its basis a housing discrimination concern.

Action 2: Increase Fair Housing Services to Include Periodic Testing

- The City has collaborated with the FHCRC to conduct testing and will do so during the 2020-2025 period.

Action 3: Increase Fair Housing Awareness and Education through the City's website.

- The City, on its website, will increase efforts in educating residents on potential sources of discrimination and avenues to address fair housing by providing links to relevant information. The information should be provided in the English and Spanish languages.

D. BROKERAGE SERVICES

1. Background – Denial of Access to Real Estate Organizations

Section 3606 of the 1968 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. Analysis

a. Southwest Hemet County Association of REALTORS (SRCAR)

Real estate professionals whose business is located in the City of Hemet most likely belong to the Southwest Riverside County Association of REALTORS (SRCAR). One of offices of the SRCAR is located at 2355 East Florida Avenue, CA 92544.

The President Elect is Jenna Garza. Connie Lynch is the Chief Executive Officer.

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/American Indian/Eskimo/Aleut	4%

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

An overlap between the White and Hispanic/Latino groups results in the total exceeding 100%. There are no comparable figures on the race and ethnicity of the real estate professionals who belong to SRCAR. Because of the demographic make-up of the City, it is assumed that more than 9% of the local real estate professionals identify with the Hispanic/Latino ethnicity group.

Approximately 1,100 Hemet residents are employed in the “finance and insurance and real estate and rental and leasing” industry. Estimates of the number of Hemet residents employed in the “real estate” sub-sector are unavailable. However, in Riverside County 35% of the industry total are employed in the “real estate” sub-sector. That percentage applied to Hemet’s industry total yields an order of magnitude estimate of almost 400 residents being employed in the “real estate” sub-sector.

Source: 2012-2017 American Community Survey 5-Year Estimates, Table S2405, Industry by Occupation for the Civilian Employed Population 16 Years and Over

According to the North American Industry Classification System, the Real Estate and Rental and Leasing sector comprise establishments that are primarily engaged in renting, leasing, or otherwise

allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks. Industries in the Real Estate subsector group establishments primarily engaged in renting or leasing real estate to others; managing real estate for others; selling, buying, or renting real estate for others; and providing other real estate related services, such as appraisal services.

Source: Office of Management and Budget, *North American Industry Classification System*, 2017, page 449

The application for membership in the SRCAR does not request information on the race or ethnicity of the applicant.

b. Code of Ethics

The Code of Ethics is a meaningful deterrent to discriminatory practices because hefty fines can be imposed. The Code of Ethics involves duties to clients and customers and to the public including, but not limited, to the following:

- Realtors® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. Realtors® 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, sexual orientation, or gender identity. *(Amended 1/14)*
- Realtors®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

The list below gives examples of standards of practice:

Standard of Practice 3-11: Realtors® may not refuse to cooperate on the basis of a broker's race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted 1/20)*

Standard of Practice 10-1: When involved in the sale or lease of a residence, Realtors® shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, Realtors® may provide other demographic information. *(Adopted 1/94, Amended 1/06)*

Standard of Practice 10-3: 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)*

The maximum fine for an ethics violation is \$15,000, but it's up to each association's hearing panel to decide what an appropriate sanction is for each case. In general, if the violation is considered to be relatively minor, such as an advertising mistake that did not cause significant harm and was

mainly due to a lack of knowledge of the Code, a fine of \$500 or less may be imposed. But if the violation is very serious, such as an escrow account problem that caused substantial harm and was knowingly committed, then a fine at the top end of the \$15,000 maximum may be imposed.

c. Fair Housing Training

The California law requires real estate brokers and salespersons renewing their licenses to complete both an Ethics course and a Fair Housing course, which happens every four years. According to the State Department of Real Estate (DRE), the fair housing course should provide real estate licensees with:

- Knowledge of Federal and State fair housing laws relating to the sale and rental of real estate;
- Knowledge of selected Federal and State civil rights and antidiscrimination laws relating to real property transactions and business establishments;
- The ability to avoid practices that could be considered discriminatory in commercial and residential transactions and facilities;
- An understanding of the voluntary affirmative marketing agreement (VAMA) and its application in the real estate industry;
- The desire to commit to affirmative compliance with the fair housing laws.

The DRE Enforcement Sections receives and processes complaints that are investigate and referred to the Legal Section for disciplinary action. Disciplinary actions may include restrictions (loss of some privileges); suspension; monetary fine; and revocation (complete loss to practice).

d. Discriminatory Brokerage Practice Complaints

Neither the FHCRC nor HUD-San Francisco compiles data on discriminatory brokerage services. The HUD headquarters in Washington, D.C. and Fair Housing Assistance Program (FHAP) agencies record discriminatory practices in categories known as "issues." If a single complaint alleges multiple issues, it is counted under each issue alleged. In the five fiscal years between 2013 and 2017, 41,674 issues were counted of which 209 or 0.5% involved discriminatory brokerage practices. HUD has not published data for FY 2018 and FY 2019.

3. Conclusions and Recommendations

Brokerage services as defined by the 1968 Federal Fair Housing Act pertain to having equal access to membership and participation in an Association of REALTORS and the MLS. The SRCAR membership application does not inquire about the characteristics of the applicant other than license status and experience. Consequently, the SRCAR does not prevent membership by individuals who belong to one or more of the protected classes.

The potential of discriminatory brokerage practices against clients and the public is mitigated by enforcement of the Code of Ethics and fair housing training. The local associations of REALTORS and State Department of Real Estate are responsible for imposing disciplinary actions on sales persons and brokers who violate fair housing laws.

It is determined that the provision of brokerage services is not an impediment to fair housing choice. Although no impediment exists, the following is an action to affirmatively further fair housing:

Action 1: Encourage the Fair Housing Council of Riverside County, Inc. to provide “live” rather than “online” fair housing training to salespersons and brokers who are renewing their licenses.

E. STEERING

1. Background - Prohibited Steering Practices

HUD’s 1996 Fair Housing Planning Guide states that a private sector impediment is “steering.”

Examples of prohibited steering practices include:

- A REALTOR deliberately guiding potential purchasers toward or away from certain neighborhoods because of membership in a protected class.
- A lender who deliberately guides loan applicants toward or away from certain types of loans because of membership in a protected class.
- Limiting 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 to in-place tenants.

2. Analysis of Steering

As previously noted, HUD annually counts discriminatory practices in categories known as “issues”. In the five fiscal years between 2013 and 2017, 41,674 issues were counted of which 368 or 0.9% involved steering. HUD has not published data for Fiscal Years 2018 and 2019.

The steering of home buyers probably happens less frequently than in the past because the internet enables home buyers to be more active in the search process and less reliant on REALTORS. According to the California Association of REALTORS *2015 Home Buyers Survey* buyers on average spend 15 weeks investigating homes and neighborhoods before contacting an agent. Although 55% of buyers found a home through an agent, 18% found it using a website, 11% a for sale sign, and 8.5% at an open house. Zillow and Realtor.com are the considered by buyers as the most useful websites when they search for a home. In addition, the vast majority of buyers used mobile devices to research homes and neighborhoods and to take photos of homes/amenities/neighborhoods.

The use of the internet and mobile devices does potentially create risks in the home buying process. Several state Attorney Generals have concluded that –

...the growing role of data analytics and online platforms in the housing sale and rental markets means that risks are greater that segments of society will be steered away from or denied housing in a way that is immune to examination of intent yet results in even more segregated housing patterns.

Source: Comments from Attorney General’s Regarding the Reconsideration of HUD’s Implementation of the Fair Housing Act’s Disparate Impact Standard (Docket No. FR-6111-A-01), page 9

3. Conclusions and Recommendations

Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact in-place renters and rental apartment seekers. Corrective actions have been taken by the federal and state governments 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.

Although incidents of steering cannot be precisely quantified, there is evidence that it exists. Steering, therefore, creates an impediment to fair housing choice.

The City will take the following actions to remove or mitigate this impediment to fair housing choice:

Action 1: Provide Information on Steering at First Time Homebuyer Workshops

- During the five-year period from FY 2020-2021 through FY 2024-2025, the FHCRC in their FTHB Workshops will provide 1) examples of how to detect “steering” when using the internet to conduct a home search process; 2) examples of how to detect loan steering; and 3) examples of steering that could be experienced by in-place tenants and apartment seekers.

F. APPRAISAL PRACTICES

1. Background – Prohibited Appraisal Practices

The 1968 Federal Fair Housing Act, as amended, 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. 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/or buyer

2. Analysis of Appraisal Practices

Homebuyers requiring a loan to buy a home are given the opportunity to review an appraisal report. In 2018, 868 home loans were approved which is an indicator of the number of homebuyers who were given the opportunity to review an appraisal report.

The Uniform Residential Appraisal Report is a six page form used by appraisers to determine the value of a home. In bold letters, the form states:

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

At the end of the report, there are “appraiser’s certifications” which include certification #17:

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.

Contained in the Standards section is Standard Rule 6-3 which 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. [Emphasis added]

In a May 2012 valuation advisory report on *Residential Appraising in a Declining Market*, The Appraisal Foundation/Appraisal Practices made no mention of protected classes or homogeneity as factors to consider in an appraisal.

Under both federal law (the Equal Credit Opportunity Act of 1976 and its implementing regulations) and California law (Business & Professions Code Section 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 an 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 Recommendations

Complaints regarding discriminatory appraisal practices are not routinely collected by local, state or federal agencies. Data are unavailable to demonstrate if discriminatory appraisal practices have adversely impacted some of the real estate transactions in Hemet.

Although no impediment was found to exist, the City will take following action to affirmatively further fair housing:

Action 1: Provide Information on the Appraisal Process at First Time Homebuyer Workshops

- In FY 2020-2021 to FY 2024-2025, the FHCRC will describe the appraisal process and the contents of an appraisal report the FTHB Workshops.

G. LENDING PRACTICES

1. Background

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.

According to the Consumer Financial Protection Bureau:

The Home Mortgage Disclosure Act (HMDA) is a data collection, reporting, and disclosure statute that was enacted in 1975. HMDA data are used to assist in determining whether financial institutions are serving the housing needs of their local communities; facilitate public entities' distribution of funds to local communities to attract private investment; and help identify possible discriminatory lending patterns. Institutions covered by HMDA are required to annually collect and report specified information about each mortgage application acted upon and mortgage purchased during the prior calendar year. The data include the disposition of each application for mortgage credit; the type, purpose, and characteristics of each home mortgage application or purchased loan; the census-tract designations of the properties; loan pricing information; demographic and other information about loan applicants, including their race, ethnicity, sex, and income; and information about loan sales.

Source: Consumer Financial Protection Bureau, *Data Point: 2018 Mortgage Market Activity and Trends: A First Look at the 2018 HMDA Data*, page 1

For calendar year 2018, 5,666 institutions in the country reported HMDA data, down 3.9% from the 5,897 which reported in 2017. The 2019 HMDA data will be published in September 2020.

2. Analysis of 2018 Home Mortgage Disclosure Act Data

The HMDA data are available only at the census tract level. The calendar year 2018 HMDA data are reported by lenders according to the 2010 census tract boundaries.

For purpose of the analysis, data for the City of Hemet is in fact the sum of all census tracts located entirely with the City limits plus those where the vast majority (70%+) of the housing units are within its boundaries. In addition, the analysis is limited to only owner occupied dwellings with one to four units as well as manufactured dwellings.

According to HMDA data, lending institutions can take up to eight actions on a loan application. The actions are coded in to the Loan Application Registration System (LARS) as follows:

1. Loan Originated
2. Application Approved but not accepted (by applicant)
3. Application Denied by financial institution
4. Application Withdrawn by applicant
5. File Closed for incompleteness
6. Loan Purchased by the institution
7. Preapproval Denied by financial institution
8. Preapproval Approved but not accepted (by applicant)

In order to determine a "denial rate" for loan applications, only the first three actions are considered. The reason for limiting to the first three actions is because those actions represent applications that were completely processed and either were approved or denied.

a. 2018 FHA/VA and Conventional Loan Volumes and Loan Dispositions

The 2018 HMDA LARS data reported a total of 979 FHA/VA and conventional loan applications to purchase homes located in Hemet:

▪ FHA/VA Loans	626	63.9%
▪ Conventional Loans	<u>353</u>	<u>36.1%</u>
Total	979	100.0%

A conventional loan is secured by investors, but neither insured by the FHA nor guaranteed by VA. Both fixed rate and adjustable rate loans are available with conventional financing.

The final disposition of the 979 loan applications was as follows:

▪ Approved	868	88.7%
▪ Denied	<u>111</u>	<u>11.3%</u>
Total	979	100.0%

Approved loans include loans originated and loan applications approved by the lender but not accepted by the borrower.

b. Loan Denial Rates by Type of Financing

Table VI-7 also shows the FHA/VA and conventional loan denial rates. In 2018, the 626 FHA/VA loan applications comprised almost 64% of all 979 loan applications. Of the 626 applications, 12.5% were denied. By comparison, in 2014 the FHA/VA borrowers experienced a denial rate of 14%,

In 2018, the 353 conventional loan applications comprised approximately 36% of all 979 loan applications. Of the 353 applications, 11.3% were denied. By comparison, in 2014 the conventional loan applicants had a denial rate of 12.8%.

c. Loan Denial Rates by Household Income and Type of Financing

Table VI-8 shows the denial rates by six income categories and type of financing. Household income can be a key determinant in whether a borrower has a loan application approved. Higher incomes, however, do not always correlate with low denial rates and vice versa.

Among the FHA/VA borrowers, the borrowers with annual incomes of less than \$40,000 experience the highest denial rates. Loan applicants with yearly incomes of more than \$60,000 enjoyed lowest loan denial rate.

In contrast, among conventional loan applicants, borrowers across all income groups except \$100,000 or more had denial rates lower than FHA/VA borrowers. Although the less than \$40,000 had the highest denial rate, there is not a strong correlation between household income and loan denial rates.

Overall, one in eight FHA/VA and one in 11 conventional loan applications were denied, respectively. Moreover, the 2018 loan denial rates are lower than those of 2014.

Table VI-7
City of Hemet
FHA/VA and Conventional
Loan Applications and Denial Rates: 2018

Type of Application	Number/Percent
FHA/VA/FSA	
Total Applications	626
Number Denied	78
Percent Denied	12.5%
Conventional Loans	
Total Applications	353
Number Denied	33
Percent Denied	9.3%
All Loans	
Total Applications	979
Number Denied	111
Percent Denied	11.3%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

Table VI-8
City of Hemet
FHA/VA and Conventional Loan Denial Rates
by Household Income: 2018

Loan Type and Income	Number of Applications	Number Denied	Percent Denied
FHA/VA/FSA Loans			
<\$40,000	73	20	27.4%
\$40,000-\$59,999	186	23	12.4%
\$60,000-\$79,999	199	17	8.5%
\$80,000-\$99,999	98	10	10.2%
\$100,000+	70	8	11.4%
Income Not Available	0	0	0.0%
Total	626	78	12.5%
Conventional Loans			
<\$40,000	56	11	19.6%
\$40,000-\$59,999	122	6	4.9%
\$60,000-\$79,999	86	6	7.0%
\$80,000-\$99,999	48	4	8.3%
\$100,000+	40	6	15.0%
Income Not Available	1	0	0.0%
Total	353	33	9.3%
All Loans			
<\$40,000	129	31	24.0%
\$40,000-\$59,999	308	29	9.4%
\$60,000-\$79,999	285	23	8.1%
\$80,000-\$99,999	146	14	9.6%
\$100,000+	110	14	12.7%
Income Not Available	1	0	0.0%
Total	979	111	11.3%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

d. Loan Denial Rates by Race and Ethnicity

Table VI-9 reports on loan denial rates by race and ethnicity. White, Non-Hispanic (260) and Hispanic (461) borrowers comprised 74% of all borrowers. Among the borrowers for whom race is known, there were 89 Black and 34 Asian loan applicants, respectively.

The one large disparity in loan denial rates by race and ethnicity is between White, Non-Hispanic and Black borrowers. The Black loan denial rate is more than two times higher than experienced by White Non, Hispanic borrowers.

It is possible that the number of Black and Asian loan applicants is too few to draw meaningful conclusions from the one-year HMDA snapshot.

Table VI-9
City of Hemet
FHA/VA and Conventional Loan Denial Rates
By Race and Ethnicity: 2018

Race/Ethnicity	Number of Applications	Number Denied	Percent Denied
FHA/VA/FSA Loans			
Hispanic	304	37	12.2%
White, Non-Hispanic	154	15	9.7%
Black	68	14	20.6%
Asian	17	2	11.8%
All Other ¹	83	10	12.0%
Total	626	78	12.5%
Conventional Loans			
Hispanic	157	16	10.2%
White, Non-Hispanic	106	8	7.5%
Black	21	3	14.3%
Asian	17	3	17.6%
All Other ¹	52	3	5.8%
Total	353	33	9.3%
All Loans			
Hispanic	461	53	11.5%
White, Non-Hispanic	260	23	8.8%
Black	89	17	19.1%
Asian	34	5	14.7%
All Other ¹	135	13	9.6%
Total	979	111	11.3%

¹Includes all other races and applications where race and/or ethnicity were not available

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

The Mortgage Bankers Association has stated that disparity ratios exceeding 2 to 1 are an indicator of possible discriminatory lending practices. The disparity ratios exceeding 2:1 are listed below:

- FHA/VA: Black @ 20.6% White, Non-Hispanic @ 9.7% = a ratio of 2.12
- Conventional: Asian @ 17.6%/White, Non-Hispanic @ 7.5% = a ratio of 2.35
- Total: Black @ 19.1%/White, Non-Hispanic @ 8.8% = a ratio of 2.17

▪ Loan Denial Rates by Census Tract

High loan denial rates in a census tract could be an indicator of redlining, which is the practice of marking a red line on a map to delineate the area where lenders will not make a loan. However, the high or low numbers of applications in any given census tract can lead to volatility in the percentage of loans approved or denied.

Table VI-10 shows loan application activity for 15 census tracts. Fifty-four percent of the FHA/VA loan applications were made to purchase a home located in five of the 15 census tracts:

	<u>Number of Loan Applications</u>	<u>Loan Denial Rates</u>
▪ 433.17	88	6.8%
▪ 435.04	73	15.1%
▪ 435.06	61	6.6%
▪ 433.06	59	13.6%
▪ 435.07	59	20.3%

One-fifth of the borrowers who wanted to buy a home in census tract 435.07 had their loan applications denied. The lenders could have denied the loan applications for reasons unrelated to the population living in the neighborhood as well as the neighborhood's physical characteristics. There are no data available to explain why the borrower's applying for loans to buy homes in census tract 435.07 had high denial rates.

Thirty-eight percent of the conventional loan applications were made in three census tracts:

	<u>Number of Loan Applications</u>	<u>Loan Denial Rates</u>
▪ 433.17	144 loan applications	9.7%
▪ 435.04	114 loan applications	14.0%
▪ 435.06	111 loan applications	5.4%

None of the three census tracts listed above had an unusually high loan denial rate compared to the citywide average of 11.3%.

A very high percentage (62.5%) of loan applications to buy homes in census tract 434.05 was denied. However, only a total of eight borrowers applied for a loan to buy a home in this census tract. Because this tract had such a low loan volume of loan applications, it is not possible to draw meaningful conclusions given that the HMDA data covers only one year.

Table VI-10
City of Hemet
FHA/VA and Conventional Loan Denial Rates by Census Tract: 2018

Census Tract	FHA/VA Loans			Conventional Loans			All Loans		
	Total Apps.	Number Denied	Percent Denied	Total Apps.	Number Denied	Percent Denied	Total Apps.	Number Denied	Percent Denied
433.06	59	8	13.6%	35	5	14.3%	94	13	13.8%
433.07	28	3	10.7%	18	1	5.6%	46	4	8.7%
433.09	18	3	16.7%	8	1	12.5%	26	4	15.4%
433.12	35	1	2.9%	17	1	5.9%	52	2	3.8%
433.16	44	7	15.9%	24	1	4.2%	68	8	11.8%
433.17	88	6	6.8%	56	8	14.3%	144	14	9.7%
434.01	31	2	6.5%	16	2	12.5%	47	4	8.5%
434.03	37	6	16.2%	14	3	21.4%	51	9	17.6%
434.04	33	4	12.1%	21	1	4.8%	54	5	9.3%
434.05	6	4	66.7%	2	1	50.0%	8	5	62.5%
435.03	17	1	5.9%	4	0	0.0%	21	1	4.8%
435.04	73	11	15.1%	41	5	12.2%	114	16	14.0%
435.05	37	6	16.2%	27	1	3.7%	64	7	10.9%
435.06	61	4	6.6%	50	2	4.0%	111	6	5.4%
435.07	59	12	20.3%	20	1	5.0%	79	13	16.5%
Total	626	78	12.5%	353	33	9.3%	979	111	11.3%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

c. Reasons for Denial of Loan Applications

HMDA requires lenders to list one or more reasons for a loan denial. In 2018, 78 FHA/VA and 33 conventional loan applications were denied, respectively. Table VI-11 shows that one-third of the loans were denied because of excessive debt-to-income ratios. Credit history and collateral were other major reasons that lenders cited for denying loan applications. The reasons are denied below:

- 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; foreclosure; bankruptcy; number of recent inquiries on credit bureau; and other similar reasons."
- Collateral - "value or type of collateral not sufficient."

Table VI-11
City of Hemet
Reasons for Loan Denials: 2018

Reason for Denial	FHA/VA/FSA Loans		Conventional Loans		All Loans	
	Number	Percent	Number	Percent	Number	Percent
Other	9	11.5%	2	6.1%	11	9.9%
Debt-to-income ratio	26	33.3%	11	33.3%	37	33.3%
Credit History	12	15.4%	7	21.2%	19	17.1%
Collateral	12	15.4%	5	15.2%	17	15.3%
Insufficient Cash	5	6.4%	0	0.0%	5	4.5%
Credit App. Incomplete	6	7.7%	5	15.2%	11	9.9%
Unverifiable Information	7	9.0%	2	6.1%	9	8.1%
Employment History	1	1.3%	1	3.0%	2	1.8%
Mortgage Insurance Denied	0	0.0%	0	0.0%	0	0.0%
Total	78	100.0%	33	100.0%	111	100.0%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser.

Additional insights on reasons for loan denial are provided by CoreLogic:

Although up to a total of four reasons are reportable according to the new HMDA rule, the majority of the applications (76.7%) cited just one reason, and it was rare for lenders to report more than two reasons (4.1%). The number one reason reported by lenders for turning down applications was due to applicants' potential indebtedness burden as measured by the debt-to-income ratio (Figure 2). Higher debt-to-income ratio (DTI) was responsible for more than 36.8% of denied home-purchase applications, 34.3% of denied non-cash-out refinance, and 31.9% of denied cash-out refinance.

Credit history was the second most frequently reported reason - responsible for 33.9% of denied purchase applications, 27.5% of denied of cash-out refi, 37.1% of denied cash-out refi, and as much as 46.7% of denied home improvement applications. More than 70% of home-improvement loan applications were second liens, which might explain lenders' caution in home improvement loan underwriting.

The third most frequently reported reason was related to the collateral securing the loans. Collateral was more frequently cited for denials of home improvement loans (24.7%) and non-cash-out refinance (19.1%). In home-purchase applications, collateral was responsible for just 13.3% of denials. Additionally, about 9% of purchase applications were denied due to insufficient cash for down payment or closing cost.

Core Logic, 2018 HMDA Data: High Debt-to-Income Ratio Was the Top Reason for Mortgage Denials, September 26, 2019

3. Conclusions and 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 Hemet. Excessive debt to income ratios impede fair housing choice because borrowers cannot qualify to buy a home in a neighborhood they like. Many of these borrowers should not apply for a loan until after they have their debts under control.

The following action will be implemented to remove or mitigate this impediment to fair housing choice:

Action 1: Provide Information on Reasons for Loan Denials

- During the five-year period from FY 2020-2021 through FY 2024-2025, the FHCRC will provide at first-time home buyer workshops information on debt-to-income ratios that are 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.

In addition, to affirmatively further fair housing the following action will be taken:

Action 1: Provide Information on the Neighborhood Search Process

- In FY 2020-2021 to FY 2024-2025, the FHCRC will describe how to use the internet in the neighborhood-home search process and how to identify the neighborhood types at the First Time Homebuyer workshops.

H. HOMEOWNER'S INSURANCE

1. Background - Discriminatory Homeowner's Insurance Practices

On February 15, 2013, HUD issued a final rule regarding *Implementation of the Fair Housing Act's Discriminatory Effects Standard*. Under the final rule, 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).

An example of a housing policy or practice that may have a disparate impact on a protected class is the provision and pricing of homeowner's insurance. The final rule states:

HUD has long interpreted the Fair Housing Act to prohibit discriminatory practices in connection with homeowners insurance.

HUD referred interested parties to:

24 CFR 100.70 (d)(4) [March 15, 1989]{defining "other prohibited sale and rental conduct" to include refusing to provide ...property or hazard insurance for dwellings or providing such ... insurance" differently because of a protected class.

Source: Federal Register, Vol. 78, No. 32/Friday 15, 2013, page 11475

2. Analysis of Homeowners and Renters Insurance

According to the California Association of REALTORS:

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 Community Service Statement under Title 10 of the California Code of Regulations (CCR) Section 2646.6, has the purpose of addressing the issue of availability of insurance in "underserved" communities and of promoting anti-discrimination so that all have equal access to insurance in California. The California Department of Insurance (DOI) collects and analyzes data from home, personal auto, commercial multiple peril and commercial fire insurers in California for all ZIP codes, and reports on those that are considered as "underserved".

Although the DOI periodically identifies underserved communities, the information is not helpful in regard to homeowners insurance. Besides poverty and minority population, the key factor in the identification of underserved communities is a disproportionate number of uninsured motorists. The Hemet zip codes are not underserved. In western Riverside County there are no underserved zip codes. The two underserved zip codes are located in Coachella Valley - 92236 (Coachella) and 92254 (Mecca).

Renters insurance, also called an HO-4 in the insurance industry, is similar to a homeowners insurance policy. It provides two primary protections: the renters own belongings in case of fire, theft or damage, and liability coverage for damage caused by the tenant's own negligence or accident. The coverage is purchased by the renter and renter is the person insured. Renters insurance is relatively inexpensive, according to the 2019 California Renters Insurance Guide.

Source: Apartment Management Magazine, Eric D. Jarvis, Esq, *Renter's Insurance, Loss of Rents Insurance & Tenant Default Insurance*, December 2019, page CS-36

As previously noted, HUD annually counts discriminatory practices in categories known as "issues." In the five fiscal years between 2013 and 2017, 41,674 issues were counted of which 15 involved refusing to provide insurance. HUD has not published data for Fiscal Years 2018 and 2019.

3. Conclusions and Recommendations

The available data demonstrates that the availability of homeowners and renter's insurance is impediment to fair housing choice in Hemet.

The City, however, will take the following action to affirmatively further fair housing:

Action 1: Provide Information on Homeowner's and Renter's Insurance

- In FY 2020-2021 to FY 2024-2025, the FHCRC will include a discussion of homeowner's and renter's insurance in their First Time Homebuyer Workshops.

I. BLOCKBUSTING/PANIC SELLING**1. Background - Inducing Sales by Misrepresentations**

The Federal Fair Housing Act of 1968, as amended, 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 10177(l)(1) of the California 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 protected by fair housing laws (e.g., race, color, national origin, etc.).

2. Analysis of Blockbusting/Panic Selling

Data on housing discrimination complaints based on the alleged acts of blockbusting and/or panic selling are not routinely collected by the State DFEH or the FHCRC.

As previously noted, HUD annually counts discriminatory practices in categories known as "issues. In the five fiscal years between 2013 and 2017, 41,674 issues were counted of which 15 involved blockbusting. HUD has not published data for Fiscal years 2018 and 2019.

The California Department of Real Estate has not taken disciplinary enforcement actions in recent years against a broker or sales person because of a violation of the Business and Professions Code prohibition regarding blockbusting/panic selling.

3. Conclusions and Recommendations

There is no evidence that blockbusting/panic selling has occurred in Hemet. Consequently, no impediment to fair housing choice was found to exist because of blockbusting/panic selling.

J. PROPERTY MANAGEMENT PRACTICES**1. Background****a. On-Site Property Management Requirements**

The FHA covers most — but not all — housing. Some exemptions to coverage under the FHA include: (a) owner-occupied buildings with no more than four units (which is commonly known as the Mrs. Murphy exemption); (b) single family housing sold or rented without the use of a broker if the private individual owner does not own more than three such single family homes at one time; or (c) housing operated by organizations and private clubs that limit occupancy to members.

(Republican Senator George D. Aiken of Vermont coined the term "Mrs. Murphy" when he reportedly suggested that Congress "integrate the Waldorf and other large hotels, but permit the 'Mrs. Murphy's,' who run small rooming houses all over the country, to rent their rooms to those they choose.")

Under California law, the owners of apartment buildings with 16 or more housing units must provide for *on-site* property management. More specifically, California Civil Code Title 25, Section 42 requires a manager, janitor, housekeeper, or other responsible person to live on the premises and have charge of every apartment complex that has 16 or more apartment units on the property if the property owner does not live on the premises. Apartment properties between four and 15 units must have a notice placed in conspicuous place stating the property owner's name and address or the name and address of the agent in charge of the apartment house if the owner does not reside upon the premises. The Civil Code does not require apartment managers to reside on properties that have four or fewer units.

State law requires a manager or his/her designee to reside in mobile home parks with 50 or more spaces, but does not require them to be on the premises 24 hours a day. (Health and Safety Code §18603) It also requires a person to be available by phone, pager, answering machine or answering service, and to reasonably respond in a timely manner to emergencies concerning the operation and maintenance of the park. The agency responsible for enforcement of park health and safety requirements is either local government or HCD.

In summary:

- The mobile home park manager does not have to be on the premises 24 hours a day.
- Parks with fewer than 50 spaces do not require a manager to live on the premises.
- The park manager does have to be available by phone or other communication device to respond to health and safety emergencies affecting the park.

b. Rental Housing Stock and Renter Householders

Property management policies and practices are of keen importance to Hemet residents. Table VI-12 contains data on the renter occupied housing units by structure size. Approximately 15% of the rental housing stock is located in structures having 16 or more housing units. However, it is possible that structures with fewer units – 4-plexes for example – are located on the same premises and, therefore, could have 16 or more apartments in the complex. It is noteworthy that 43% of the rental housing stock is comprised of single-family homes and would not have on-site property management.

Table V-12 also shows that there are 1,181 renter occupied mobile homes. On-site property management is available to these households because 39 of Hemet's 49 mobile home parks have 50 or more spaces.

Table VI-13 shows the age groups of renter households. About one-half of all renters are either younger than 35 years of age or 65 years of age and older.

Table VI-12
City of Hemet
Renter Occupied Housing Units by Units in Structure

Units in Structure	Number of Units	Percent
1, Detached	4,803	42.6%
1, Attached	718	6.4%
2	353	3.1%
3 or 4	1420	12.6%
5 to 9	654	5.8%
10-19	704	6.2%
20-49	394	3.5%
50+	1,058	9.4%
Mobile Homes	1,181	10.5%
Boat, RV, Van	0	0.0%
Total	11,285	100.0%

Note: units in structures of 16 units or more include 40% of units located in structures with 10-19 units plus those in structures with 20-49 units and 50+ units; estimate is 1,733 renter-occupied housing units.

Source: American Community Survey 2018 1-Year Estimates Table B25032 Tenure by Units in Structure

Table VI-13
City of Hemet
Renter Occupied Units by Age of Householder

Age of Householder	Number	Percent
Under 35 Years	2,650	23.5%
35 to 44 Years	2,111	18.7%
45 to 54 Years	1,778	15.8%
55 to 64 Years	1,724	15.3%
65 to 74 Years	1,675	14.8%
75 to 84 Years	540	4.8%
85 Years and Over	807	7.2%
Total	11,285	100.0%

Source: American Community Survey 2018 1-Year Estimates Table S2502 Demographic Characteristics for Occupied Housing Units

2. Analysis of Property Management Practices

a. Market Rate Rental Housing Developments

Between October and December 2014, telephone surveys were completed of eight market-rate family and two senior market-rate apartment complexes, consisting of 1,917 apartment units (1,424 family and 493 senior). The apartment survey included questions pertaining to each complex such as:

- Numbers of units
- Year built
- Monthly rents
- Vacancies
- Lease terms

The apartment survey also included questions concerning property management policies that impact fair housing such as:

- Occupancy limits
- Allowing reasonable physical modifications and reasonable accommodations
- Allowing service and/or companion animals
- Written policies pertaining to the above topics
- Extent of knowledge of fair housing laws

1. Occupancy Limits

Nine of the ten apartment complexes adhere to the “2+1 persons per bedroom” standard. That is, a policy consistent with the DFEH’s former intake guideline. One apartment community has a “2+1” occupancy limits, stating “2 or 3” for its two bedroom units but stated “2 max” for its one bedroom units.”

The occupancy limits practices of the surveyed apartment communities are consistent with fair housing laws. Implementing a standard less than 2+1 is not necessarily inconsistent with fair housing law and must be evaluated on a case-by-case basis.

2. Reasonable Physical 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. Reasonable modifications can include structural changes to interiors and exteriors of dwellings and to common and public use areas. A request for a reasonable modification may be made at any time during the tenancy. The Act makes it unlawful for a housing provider or homeowners’ association to refuse to allow a reasonable modification to the premises when such a modification may be necessary to afford persons with disabilities *full enjoyment* of the premises. [Emphasis added]

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

Nine of the 10 apartment managers stated they permitted physical modifications. One apartment manager stated "with corporate approval". The practices are consistent with fair housing laws.

3. Reasonable Accommodations

HUD and the DOJ describe a reasonable accommodation for purposes of the Act as follows:

A "reasonable accommodation" is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies, practices, and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. The Act makes it unlawful to refuse to make reasonable accommodations to rules, policies, practices, or services when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling.

Nine of the 10 apartment managers said reasonable accommodations are permitted. One apartment manager stated "with corporate approval". Thus, the practices comply with fair housing laws.

4. Service and/or 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. Under the law, such animals are not considered pets. 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.

Eight of 10 apartment managers responded that they permit both service and companion animals. One manager stated the tenant must submit a request and then it is forwarded to "corporate" for review and a decision. One apartment manager stated that service and companion animals are not permitted in a tenant's apartment.

5. Written Policies and Procedures

Written policies and procedures for responding to disabled resident requests are important. The Fair Housing Institute (FHI) recommends that all apartment communities should have written policies and procedures to adequately respond to disabled resident's requests. The FHI explains:

...all housing providers should have a written fair housing policy that describes the equal housing opportunity goals of management.

The survey results are noted below:

- Four of the 10 apartment managers said they have written policies regarding physical modifications, reasonable accommodations, service animals and companion animals.
- One manager stated “yes” to physical modifications and reasonable accommodations but not specifically for service or companion animals.
- Five apartment managers stated they did not have written policies for physical modifications, reasonable accommodations, service animals and companion animals.

Efforts are needed to increase the number of apartment complexes that have written policies that are consistent with fair housing laws.

6. Knowledge of Fair Housing Laws

Six of the 10 apartment managers responded that they are “very familiar” with fair housing laws. and two stated they were “somewhat familiar.” And two apartment manager indicated that they are “not familiar” or “not very familiar” with fair housing laws.

7. Month-to-Month Compared to Leasing Terms

The Fair Housing Council of Riverside County, Inc. describes this impediment as follows:

...one potential impediment to Fair Housing is that, in a lucrative housing market, some housing providers tend to offer shorter lease terms like month-to-month leases. This allows the housing provider to eliminate a waiting period to increase rents as opposed to long term leases, which may require a housing provider to wait until the end of the lease term. Housing providers sometimes use an increase in rent as a way to push out tenants that they deem undesirable. The issue with this practice is that the housing provider will sometimes base the decision of whether to increase rent or not on a tenant’s protected class. This is plainly discriminatory and functions as an impediment to Fair Housing.

In addition, month-to-month tenancies create other impediments to Fair Housing. For example, a month-to-month tenancy does not require a reason for termination and may be terminated with a proper 30 or 60-day notice. This often results in a tenant receiving differential treatment for some reason, often based on protected class.

Another impediment to Fair Housing that is tied to leases is that the enforcement of the rules in the lease or rental agreement may not be uniform for all tenants. Housing providers may choose strict enforcement of the rules for certain tenants based on discriminatory factors, such as familial status, race or disability, as well as arbitrary factors such as tattoos or body piercing.

Source: Fair Housing Council of Riverside County, Inc., *Riverside County: 2013 Rental, Sales and Lending Audit Analysis*, page 20

The survey results indicate that nine of the 10 apartment managers offered lease terms of at least six months. One apartment manager indicated that only month-to-month rental terms were offered.

Table VI-14 on the following page summarizes the market-rate apartment survey findings.

SECTION VI

PRIVATE SECTOR IMPEDIMENTS ANALYSIS

Table VII-14
City of Hemet
Summary of Market-Rate Apartment Complex Survey: February 2020

Property	"2+1" Occupancy Standard	Reasonable Modifications	Reasonable Accommodations	Service/Companion Animal Policies	Written Policies ¹	Knowledge of Fair Housing Laws	Leasing Terms Available
Amberwood Villa Apartments	Yes	Yes	Yes	No/No	No to All four	Not Very familiar	11 Month
Devonshire Apartments	Yes	Yes	Yes	Yes/Yes	Yes to All four	Very Familiar	13-Month Month-to- Month
Palm Court Apartments	Yes	Yes	Yes	Yes/Yes	All four	Somewhat familiar	6 Month to 1 Year
Quail Ridge	Yes	Yes with corporate approvals	Yes, Corporate	Yes/Yes	All four	Very familiar	6 Month 1 Year
Shadow Canyon Apartments	Yes	Yes	Yes	Yes/Yes	No to All four	Very familiar	6 Month to 1 Year
Hillside Park (Zen Senior Living) Apartments	2 for 1 bd. 2 or 3 for 2 bd	Yes	Yes	Yes/Yes	Two, not specifically for service or companion animals	Somewhat familiar	Month-to- Month (+\$50) 1 Year
Oak Terrace	Yes	Yes	Yes	Yes/Yes	Yes to All four	Not Familiar	6-Month
Park Columbia Apartments	Yes	Yes	Yes	Yes/Yes	No to All four	Very familiar	6-month then Month-to- Month

Table VII-14 continued
 City of Hemet
 Summary of Market-Rate Apartment Complex Survey: October - February 2020

Property	"2+1" Occupancy Standard	Reasonable Modifications	Reasonable Accommodations	Service/Companion Animal Policies	Written Policies ¹	Knowledge of Fair Housing Laws	Leasing Terms Available
Vista Garden Apartments	Yes	Yes	Yes	Yes/Yes Submit request and it goes to corporate	No for All Four	Very familiar	9 Month
Kirby Terrace	Yes	Yes	Yes	Yes/Yes	No for All Four	Very familiar	6 month

¹Includes: modification (physical changes to the unit), reasonable accommodations, service animals and Companion animals

b. Affordable Rental Housing Developments

Telephone surveys were completed of three family and two senior market-rate apartment complexes, consisting of 429 apartment units (291 family and 138 senior).

1. Occupancy Limits

One of the three family apartment complexes adheres to the "2+1 persons per bedroom" standard. That is a policy consistent with the DFEH's former intake guideline.

One apartment manager stated 3 to 4 persons for a one-bedroom unit; 6 persons for a two-bedroom unit; and 8 persons for a three-bedroom unit.

One apartment manager stated "4 max" for two-bedroom units and "6 max" for three-bedroom units.

Both senior complexes only have one-bedroom units and both stated two persons per unit.

The practices are generally consistent with fair housing laws.

2. Reasonable Physical Modifications

All apartment managers responded to the question and stated they permitted physical modifications.

3. Reasonable Accommodations

All five apartment managers responded to the question and stated they permitted reasonable accommodations.

4. Service and/or Companion Animals

All five complexes permit service animals. One apartment manager stated "no" to companion animals.

5. Written Policies

All five apartment managers stated that the apartment management has written policies regarding physical modifications, reasonable accommodations, service animals and companion animals.

6. Knowledge of Fair Housing Laws

Four of the five apartment managers stated they are "very familiar" with fair housing laws. One apartment manager responded "somewhat familiar."

7. Month-to-Month Compared to Leasing Terms

All three family complexes stated that their lease terms started with a one-year lease then converted to month-to-month. Both senior complexes stated that they started with one-year lease terms and required annual recertification.

Table VI-15 on the following page summarizes the market-rate apartment survey findings.

SECTION VI

PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table VII-15
City of Hemet
Summary of Affordable Apartment Complex Survey: October - February 2020**

Property	"2+1" Occupancy Standard	Reasonable Modifications	Reasonable Accommodations	Service/Companion Animal Policies	Written Policies	Knowledge of Fair Housing Laws	Leasing Terms Available
Family Complexes							
Hemet Estates	3-4 persons for 1 bedroom depending on the size of child, 6 person max 2 bedroom, 8 person max 3 bedroom	Yes	Yes	Yes, service animal only/No	Yes	Somewhat Familiar	1-Year then Month to Month
Village Meadows Townhomes	4 persons for 2 bdrm. 6 persons for 3 bdrm.	Yes	Yes	Yes/Yes	Yes	Very Familiar	1-Year then Month to Month
Hemet Vistas	Yes	Yes	Yes	Yes/Yes	Yes	Very Familiar	1-Year then Month to Month
Senior Complexes							
Oasis Senior	2 persons for 1 bedroom	Yes	Yes	Yes/Yes	Yes	Very Familiar	1-Year annual recertification
Sahara Senior Villas	2 persons for 1 bedroom	Yes	Yes	Yes/Yes	Yes	Very Familiar	1-Year annual recertification

3. Conclusions and Recommendations

The results of the apartment survey reveal a high degree of compliance with fair housing laws. Many of the apartment manager however do not have written policies, policies that would better ensure that all renters, particularly those belong to protected classes, are treated the same and fairly. The City will take the following action to remove this impediment to fair housing choice:

Action 1: In FY 2021/2022 Prepare Written Policies

The City will have the FHCRC prepare a model set of written policies and procedures regarding reasonable physical modifications, reasonable accommodations, service animals, and companion animals. Implementation of this action will contribute to the achievement of uniform policies and procedures throughout the Hemet apartment market. The City will request the FHCRC to seek funding from other cities so that all jurisdictions within the FHCRC service area can financially contribute to the written policies.

K. DISCRIMNATORY ADVERTISING

1. Background – Prohibitions Against Preferences and Limitations

Section 804(c) of the 1968 Federal Fair Housing Act, as amended, 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.

According to the National Fair Housing Alliance:

When the FHAct was written in 1968, we could not have anticipated how technology would change and impact advertising practices. Today, a lot of advertising happens with the click of a finger. Whether through rental websites, social media, or new phone applications, it is important to note that Section 804(c) of the FHAct ... includes advertising on web-based platforms. If you are advertising online, understand that including or excluding certain audiences or neighborhoods in the settings of your advertisements could be discriminatory. [FHAct means the federal Fair Housing Act]

According to HUD:

Just as the Department has found newspapers in violation of the Fair Housing Act, the Department also has concluded that it is illegal for Web sites to publish discriminatory advertisements.

Guidance on specific words and phrases that are or could be interpreted as discriminatory was obtained from the following:

- Bryan Green, Deputy Assistant Secretary for Enforcement, ED, *Fair Housing Act Application to Internet Advertising*, September 20, 2006 [memorandum to FHEO Regional Directors]
- National Fair Housing Alliance, *Responsible Advertising: Understanding the Impact of the Fair Housing Act on Advertising*, no date
- State Department of Fair Employment and Housing, Guidance Memorandum
- California Newspaper Publishers Association, *Fair Housing Advertising Manual*, Fourth Edition, Copyright, 2009
- California Regional Multiple Listing Service (CRMLS), *Advertising Guidelines*, June 24, 2019

These sources provide guidance on the specific words and phrases that are or could be considered discriminatory with respect the following:

- Race/Color/National Origin/Ancestry
- Sex
- Disability
- Familial/Marital Status
- Religion
- Source of Income
- Sexual Orientation
- Senior Housing

2. Analysis of Newspaper/Print Advertisements

Newspaper and print advertising is not used as often as it was in the past. According to the California Newspaper Publishers Association (CNPA), apartment owners have lower cost option to print advertising such as Craigslist and apartments.com. The February 2020 apartment survey found that four of the 12 apartment complexes surveyed advertise in neither print publications nor web sites. Eight of the apartment complexes advertise as follows: Craigslist (5); apartments.com (3); newspaper (2); apartmentguide.com (1); and Go Section 8 (1). All 12 eight apartment complexes advertise in the English language.

Twenty-five days of print ads published in the Riverside Press Enterprise in the months of February and March 2020 were reviewed to determine if discriminatory words or phrases were used in the advertisements. None of the print ads advertised an apartment for rent which is located in Hemet. The majority of the ads advertised one apartment complex located in Riverside and one located in Moreno Valley. None of the ads contained discriminatory words or phrases as they mentioned monthly rents, bedrooms, move in specials, free credit check and the like. The phrase "Se Habla Espanol" was used in the Riverside ad. On a few days, an ad was published for a home for rent in Moreno Valley. The ad mentioned "city views, near schools, shopping, dining". On March 15th an ad was published for Geel Place Apartments, which is special needs housing located in Riverside.

On several days, an ad was published for a mobile home for sale in a 55+ community. The ad mentioned the age of the home, number of rooms and bedrooms, and price. No discriminatory words or phrases were used in the advertisement.

The weekend editions of the Press Enterprise contained several ads for homes for sale that are located in Hemet. The "open house" ads included information on street address, number of bedrooms and bath rooms, price, and Multiple Listing Service (MLS) number. Discriminatory words and phrases were not published in these ads.

On weekends ads were published which featured color photos, address, price, location (Solera Diamond Valley Community, 4 Seasons at Hemet). The ads mentioned that the developments were age restricted (55+) but included no discriminatory words or phrases.

The failure by brokers and sales persons to comply with advertising guidelines can result in an MLS violations, ethics violation and monetary fine.

Ads on apartments.com also were reviewed and included apartment complexes such as Mayberry Colony Apartments, Mountain View Townhomes, Riverdale Apartments, Shadow Canyon, Vista Gardens, Palm Court Apartments, and The Devonshire. The ads included basic information on the number of bedrooms and bathrooms, square footage, monthly rent and other information on unique features, pet policy, parking, lease length, year built, number of stories and units, security and the like. However, the ads did not include discriminatory words or phrases.

A review was completed of 600 or more listings on craigslist. Although none of the listings included apartments located in Hemet, two did involve mobile home units for rent.

3. Conclusions and Recommendations

The newspaper print and internet ads reviewed included only neutral terms and phrases. No discriminatory terms or phrases were found in the ads. Therefore, no impediment to fair housing choice exists as a result of the use of discriminatory words and phrases in print and website advertising.

L. HATE CRIMES

1. Background – Hate Crimes at a Residential Location

According to HUD, the AI should analyze *housing* related hate crimes; that is; where an event takes place at a residence, home or driveway. When hate crimes occur at a home, the victims can feel unwelcomed and threatened. The victims may feel that they have no recourse other than to move from the home 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.

2. Analysis of Hate Crime Data

Between 2013 and 2019, the Hemet Police Department (HPD) had one Hate Crime, which occurred on February 10, 2018. The location of incident was a restaurant and the bias motivation was anti-Hispanic. There were no hate crime events that happened in a home or at a driveway of a residence.

3. Conclusions and Recommendations

The hate crime event data reveal no impediment to fair housing choice. The 2015-2020 AI recommended that the City should prepare a Hate Crime Victims Resource Directory. However, because there have been no hate crime events have occurred at residences, it is not necessary to prepare a directory. The Police Department will inform the Finance Department when hate crime events occur and, if needed, actions to mitigate impediments to fair housing choice will be described in an Annual Action Plan.

SECTION VII
PUBLIC SECTOR IMPEDIMENTS ANALYSIS



**Section VII
Public Sector Impediments Analysis
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A. INTRODUCTION

HUD's *Fair Housing Planning Guide* suggests that the analysis of potential public sector impediments include a discussion of the following:

- Zoning and Site Selection (discussed in Part C below)
- Neighborhood Revitalization Policies
- Municipal and Other Services
- Employment-Housing-Transportation Linkage
- Housing Authority Tenant Selection Criteria
- Sale of Subsidized Housing and Possible Displacement
- Property Tax Policies
- Planning and Zoning Board
- Building Codes (discussed in Part C below)

In addition, HUD-LA requested that the City include an analysis of the following:

- Housing Improvement and Rehabilitation Programs

B. REVIEW OF POTENTIAL PUBLIC SECTOR IMPEDIMENTS**1. Neighborhood Revitalization****a. Background**

HUD's *Fair Housing Planning Guide* suggests (page 2-31) that an AI include an analysis of "Neighborhood Revitalization."

b. Related Goals, Policies and Program

A major goal of the City, according to the *2014-2021 Housing Element* is to –

Preserve existing neighborhoods and rehabilitate the existing housing stock.

The policies of the Housing Element include:

- Encourage the maintenance and repair of existing housing to prevent deterioration within the City.
- Strive to abate substandard housing conditions.

Additionally, the *2014-2021 Housing Element* includes the following program:

The City will continue comprehensive neighborhood improvement and preservation efforts that combine community policing, social and supportive services, infrastructure and other public improvements, and code enforcement activities in targeting neighborhoods with high concentrations of substandard property conditions, crime, and other problems.

c. Conclusions

The City has adopted a goal, policies and a program to promote the revitalization of existing neighborhoods.

With regard to neighborhood preservation, no impediment to fair housing choice is created by the City's efforts to achieve neighborhood improvement, preservation and revitalization.

2. Municipal and Other Services

a. Background

HUD's *Fair Housing Planning Guide* suggests (page 2-31) that an AI include an analysis of "Municipal and Other Services."

b. Policies Promoting Adequate Municipal Services for All Neighborhoods

One of the most fundamental functions of government is providing its residents with functioning infrastructure. The City of Hemet provides some of this infrastructure directly, while other components are provided by other public agencies, special districts, private companies, or a combination of sources.

Hemet's General Plan includes a *Community Services and Infrastructure Element* which addresses the support systems and resources that provide both the utility infrastructure and the public services that are available within the City. Although this element is an optional element under California planning law, it is included in the General Plan to demonstrate the importance the City places on providing adequate services to its residents, businesses, and visitors. The *Community Services and Infrastructure Element* also demonstrates compliance with Measure C, a ballot measure adopted by Hemet residents in 1988 that established minimum service standards for circulation, drainage, water storage and distribution, park and recreation facilities, police and fire services, and sanitary sewer services.

The General Plan also contains policies promoting adequate municipal services for all neighborhoods:

- **Infrastructure Availability:** Encourage future development to occur in areas where infrastructure for water, sewer, and storm water can most efficiently be provided.
- **Infrastructure Adequacy:** Ensure that new development and redevelopment provides infrastructure for water, sewer, and storm water that adequately serves the proposed uses and that has been coordinated with affected infrastructure providers.
- **Provider Notification:** Provide development information to local water districts, Riverside County Flood Control and Water Conservation District, and energy utilities to assist in their planning.

Pursuant to State law, the City also has identified sites to accommodate the housing needs of all economic segments. The City has determined that all properties identified within the site inventory are available and feasible for development. All of the properties are located within suburban or urban areas of the City that are presently served by utilities/water/sewer facilities and future capacity is available through will-serve letters, water supply analyses and communications with utility companies.

The City also has created an Infrastructure Commission. The Commission shall from time to time review, comment upon and make recommendations to the City Council and, as may be appropriate, to the Planning Commission, Public Works Department, Engineering Department and Community Development Department regarding the following topics:

- Review and make recommendations to City Council in the development of municipal facility master plans
- Review annually City Capital Improvements
- Review the status of planned and active public works projects
- Review as necessary issues related to vehicular and pedestrian traffic safety
- Review as necessary, the goals and implementation measures of the Circulation Element of the General Plan
- Serve as the City of Hemet's Tree Board

c. Conclusion

With regard to municipal services, no impediment to fair housing choice is created by the City's efforts to provide and maintain adequate municipal services in all neighborhoods.

3. Employment-Housing-Transportation Linkage

a. Background

HUD's *Fair Housing Planning Guide* suggests (page 2-31) that an AI include an analysis of the employment-housing-transportation linkage. The City recognizes the importance of this issue as, according to the American Community Survey, 82% of the City's workers have a job located *outside* the City limits.

b. Existing and Future Conditions

Hemet is currently served by an older highway system developed for an agricultural community. Newer and faster systems have been developed to the west and north of the City but as of 2020, there is a deficit of regional transportation facilities directly serving the City and integrating Hemet with the greater Riverside County area. This connection to regional transportation systems, both vehicular and rail, is critical to Hemet's economic future and its ability to provide an expanded employment base for its work force. Both City officials and regional agencies have recognized this issue and have focused on bringing regional transportation facilities to Hemet, which will include:

Realigned State Route 79: The Riverside County Transportation Commission (RCTC), in cooperation with Caltrans, proposes to realign State Route 79 between Domenigoni Parkway and Gilman Springs Road in the San Jacinto-Hemet area. SR 79 will provide critical north/south connectivity to Interstate 10 (I-10) to the north and the Murrieta, Temecula and French Valley areas to the south.

Alternative 1br was selected as the Preferred Alternative and the Record of Decision was signed on December 16, 2016 by Caltrans.

The Environmental Document for the project was approved in December 2016. The project is in the expenditure plan for Measure A, the voter-approved half-cent sales tax measure for transportation improvements in Riverside County. Measure A will fund a portion of the

project. However, the expenditure plan assumed 50% of all project expenses would be paid for with federal and state transportation funding sources. These sources are currently funded far below historical levels; therefore, until additional funding is available, RCTC cannot proceed with right-of-way acquisition or construction of the project.

Mid-County Parkway: The Mid-County Parkway is a proposed 16-mile transportation corridor designed to relieve east-west traffic congestion between the San Jacinto and Perris areas and help address transportation needs through 2040. The construction of the MCP will serve to off-load some of the existing congestion on Florida Avenue (Hwy 74), which is the primary east-west corridor in Hemet.

Major transportation routes in southwestern Riverside County are experiencing significant traffic congestion. Traffic volumes near the proposed Mid-County Parkway are projected to double in some segments and triple in other segments.

A new east-west transportation link is essential to reduce traffic congestion and enhance the quality of life for the population living in the area. The Mid-County Parkway will connect to State Route 79, Interstate 215, and multimodal bus and rail facilities that support Metrolink's 91/Perris Valley Line.

In August 2015, the Federal Highway Administration approved the Record of Decision for the Mid County Parkway. In July 2017, RCTC prevailed in court against a CEQA challenge to the project. RCTC awarded a design contract for the I-215 Placentia Avenue Interchange in November 2016, the first of several design packages for the project. RCTC also has purchased more than 177 acres of land to mitigate project impacts to sensitive plants and wildlife.

Future Metrolink Stations: Currently, the RCTC owns the right-of-way along the railroad spur coming into Hemet from Perris and Riverside for a future Metrolink route. The City's General Plan shows two Metrolink stations, one for the future West Hemet Business Park/Mixed Use area and one in downtown Hemet. The City has recognized the critical role Metrolink plays for the region and has incorporated numerous goals and policies throughout the General Plan encouraging development of the stations and development of transit oriented design near the future stations. The City will need to aggressively pursue funding for these facilities in conjunction with RCTC, recognizing that funding resources will become increasingly competitive in the future.

Completion of Regional Roads to and through Hemet: Two major east-west roads run to and through Hemet (Domenigoni Parkway and Florida Avenue). Major north-south streets include Warren Road, Sanderson Avenue, State Street, and San Jacinto Street. These roads are only partially completed and/or require additional rights-of-way. This General Plan anticipates completion of the major roads to and through Hemet and recognizes that interagency coordination with Riverside County and the City of San Jacinto will be critical to ensure timely completion of the regional road network.

c. Conclusion

As the City is working diligently to improve transportation linkages to housing and jobs, no impediment to fair housing choice exists.

4. Housing Authority Tenant Selection Criteria

a. Background

HUD's *Fair Housing Planning Guide*, Volume 1 (March 1996) suggests that an AI examine a housing authority's tenant selection criteria or procedures for selecting tenants.

b. Tenant Selection Criteria

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, 2019. According to the Administrative Plan, the Housing Authority implements HUD and HA eligibility admission criteria.

The Housing Authority also implements preferences for drawing names from the Section 8 Waiting List. These preferences include qualified veterans, residency, age (75+), disabilities, foster care youth, homelessness and risk of homelessness as well as preference populations.

c. Conclusions

The HA is not under the administrative control of the City of Hemet. As the tenant selection criteria meet HUD's regulations, the City believes that the criteria pose no impediment to fair housing choice.

5. Sale of Subsidized Housing and Possible Displacement

a. Background

HUD's *Fair Housing Planning Guide* (page 2-31) suggests that an AI include an analysis of the "Sale of subsidized housing and possible displacement." California law requires the City's Housing Element to:

- Estimate the existing stock of affordable housing that is at risk of conversion to market rate housing and
- If housing is at risk of conversion within the next 10 years to adopt policies to encourage its preservation as affordable housing

b. Inventory of Assisted Housing at Risk of Conversion to Market Rate Housing

Existing housing that receives governmental assistance represents one of the largest supplies of affordable housing in Hemet and other communities. Because of the importance of these assisted units in maintaining affordable housing, each Housing Element must include an analysis of existing multi-family rental units at risk of conversion to market-rate housing through the next 10 years. This risk of conversion might be due to termination of subsidy contract, mortgage prepayment or expiring use restrictions.

Assisted units include projects which received funding under federal, State or local programs, including HUD, State and local bond programs, density bonuses, and local redevelopment or direct assistance programs. Table VI 1 provides an inventory of publicly assisted multi-family rental

housing in Hemet. All of the apartment developments are at low risk of converting to market rate housing. Low risk means that affordability expires in 10 or more years.

**Table VII-1
City of Hemet
Publicly Assisted Multi-Family Rental Housing: 2020**

Property Name	Address	Number of Assisted Units	Expiration Date	Financing	Risk
Ability First	1360 Acacia	18	2044	HUD 811	Low
Hemet Estates	1101 E. Menlo Ave.	79	2060	LIHTC/HUD	Low
Oasis Senior	465 N. Palm	65	2035	HUD 202	Low
Sahara Senior	1015 N. Oakland Ave	75	2046	HUD 202	Low
Village Meadows	700 Arbor Pkwy.	67	2065	LIHTC/HUD	Low
Hemet Vistas 1 & 2R	225 West Fruitvale Avenue	143	2070	LIHTC	Low
Mobley Lane Apartments	575 Mobley Lane	40	2069	LIHTC	Low

Source: Southern California Association of Governments, Final Methodology Data Appendix, updated February 14, 2020, Affordable Housing Units at Risk –Riverside County, inventory and at risk analysis prepared by the California Housing Partnership, June 2019

Although no affordable housing is anticipated to be lost from the inventory, the *2014-2021 Housing Element* includes the following policy:

Preserve the affordability of existing assisted housing units through rehabilitation and/or acquisition and management by entities dedicated to maintaining the affordability of these units.

Hemet's Housing Element also includes a program to monitor and coordinate with the owners and management of affordable housing developments to ensure preservation of the rental housing units as affordable housing for low income households.

The City also has established a Mobile Home Rent Review Commission. The creation of the Commission was deemed "necessary to protect owners and occupiers from unreasonable rent increases" while recognizing park owners need a "fair return" on their investments.

The Commission consists of five members appointed by the City Council to three year terms. The Commission comprises a mobile home park owner, one mobile home park renter and three "at large" residents who do not live in mobile home rental parks.

c. Conclusions

As noted above, no impediment to fair housing choice exists because the City has no affordable housing at risk of conversion to market rate housing. Additionally, the City has taken actions to preserve the affordability of mobile homes.

6. Property Tax Assessments

a. Background

HUD's *Fair Housing Planning Guide*, Volume 1 (March 1996) indicates that a potential public sector impediment is "real estate property tax assessment." Entitlement jurisdictions should analyze property tax policies in the AI. Apparently, this analysis is suggested because of the potential for differential assessments that may adversely impact one or more of the protected classes. In California, however, property tax policies are established by State laws and localities wishing to enact additional taxes must seek the approval of the electorate.

b. Real Estate Property Tax Assessment Regulations

State law mandates that all property is subject to taxation unless otherwise exempted. Property taxes are based on a property's assessed value. Property tax bills show land and improvement values. *Improvements* include all assessable buildings and structures on the land. *It does not necessarily mean recently "improved" property.* In general, properties that are owned and used by educational, charitable, religious or government organizations may be exempt from certain property taxes.

Under Proposition 13 (Prop 13), real property is reappraised only when a change-in-ownership occurs or new construction takes place. Generally, a change-in-ownership is a sale or transfer of property, while new construction is any improvement to property that is not considered normal maintenance. Except in certain instances, real property assessments cannot be increased by more than 2% annually.

Beginning with the 1978-1979 fiscal year, Prop 13 limits the amount of property taxes that can be collected from an owner of locally assessed real property to 1% of the property's full cash value, plus bonds approved by the voters, service fees, improvement bonds, and special assessments. The 1% limit applies to all types of taxable real property.

Prop 13 rolled back the current assessed values of real property to the values shown on the 1975-1976 assessment roll. The adjusted values could then be increased by no more than 2% per year as long as *the same taxpayer* continued to own the property. For property that is sold or newly constructed after March 1, 1975, the assessed value would be set at the appraised (or market) value at the time of sale or construction. As a result, two identical properties with the same market value could have different assessed values for tax purposes, if one of them has been sold since March 1, 1975.

Long-time property owners benefit from lower assessments, while newer property owners are adversely impacted by assessments that can be dramatically higher than those of a similar property held for many years. Historically, the market value of real property has increased at a substantially greater rate than the assessed value.

According to the Riverside County Assessor the City of Hemet has a 2019/2020 assessed value of \$6,346,535,966, which is an increase of 4.32% from the prior year.

c. Conclusion

City practices do not affect real estate property tax assessments.

7. Planning and Zoning Board

a. Background

HUD's *Fair Housing Planning Guide* suggests (page 4-6) that an AI include an analysis of -

Policies and practices affecting the representation of all racial, ethnic, religious, and disabled segments of the community on planning and zoning boards and commissions.

b. Hemet Planning Commission

The Hemet Planning Commission was created in accordance with the provisions of the State Planning Act. Among the duties of the Planning Commission are administration of the General Plan and Zoning Ordinance. It meets on the first and third Tuesday of each month.

The Planning Commission consists of five members appointed by the City Council to serve terms of two years:

- Vince Overmyer, Chairman
- James Ollerton, Vice Chairman
- John Wuerth, Commissioner
- Lori VanArsdale, Commissioner
- Tiffany Leaverton, Commissioner

c. Conclusion

No impediment to fair housing choice exists because the City has not established policies and practices limiting representation on the Planning Commission according to race, ethnicity, religion, and/or disability.

8. Housing Improvement and Rehabilitation Programs

a. Background

HUD-LA's review of the 2015-2020 Draft AI resulted in a suggestion to include in the AI a discussion of the City's housing rehabilitation programs.

b. City Programs

The City provides up to a \$10,000 grant to extremely low and very low senior and disabled homeowners to make health safety code repairs and correct code violations. Eligible repairs include, but are not limited, to re-roofing, electrical, plumbing, heating and a/c systems, and smoke and carbon monoxide detectors. CDBG funds also may be expended on accessibility improvements such as ramps and grab bars for residents. The program assists an annual average of 20 to 25 senior and/or disabled homeowners.

c. Conclusions

No impediments to fair housing choice are created by the City's housing improvement and rehabilitation programs. Programs assist fair housing protected groups such as the elderly (age) and disabled.

C. ANALYSIS OF LAND USE AND ZONING REGULATIONS, PRACTICES AND PROCEDURES

1. Introduction

HUD's *Fair Housing Planning Guide* explains that among the information needed to conduct an AI is data on:

- Public policies, practices, and procedures involving housing and housing-related activities
- Zoning and land use policies

The United States Department of Justice (DOJ) has indicated that a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons, including

- 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.
- 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 against protected classes through *public* or private *land use practices, decisions, and authorizations*.
- 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*
[Emphasis added]

2. Survey of Planning and Zoning Policies and Practices

The HUD-LA Field Office has approved using a Survey to identify public sector fair housing impediments. It is referred to as a *Survey of Planning Policies and Practices, Zoning Regulations and Building Code Standards That May Pose an Impediment to Fair Housing Choice*. The analysis focuses on the questions most relevant to the City which include the following:

- Family Definition

- Disability Definition
- Definition of Boarding or Rooming House or Hotel
- Group Homes
- Transitional and Supportive Housing
- Reasonable Accommodation Procedure
- Occupancy Standards

a. Family Definition

Survey Question: Does the Zoning Ordinance definition of “family” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?

1. Background

Many zoning ordinances define “family” as 1) “ An individual, or two (2) or more persons related by blood, marriage or legal adoption living together as a single housekeeping unit in a dwelling unit and 2) a group not to exceed five (5) persons, excluding servants, living together as a single housekeeping unit in a dwelling unit.”

This definition establishes no occupancy limit if the persons residing in a dwelling are related. But if the persons occupying a dwelling are unrelated, then the zoning regulations impose a maximum occupancy limit of five persons.

Under the foregoing definition, a group home for six disabled persons that functions like a family would be excluded from occupying a single family dwelling in an R-1 zone because they are unrelated by blood, marriage or adoption.

To comply with fair housing laws, a definition of “family” must emphasize the functioning of the members as a cohesive household:

- A definition should not distinguish between related and unrelated persons.
- A definition should not impose numerical limitations on the number of persons that may constitute a family.

Source: Kim Savage, Mental Health Advocacy Services, Inc., *Fair Housing Law Issues in Land Use and Zoning – Definition of Family and Occupancy Standards*, September 1998, pages 1-5

2. Zoning Ordinance Definition

According to the Zoning Ordinance -

Family means a group of individuals, not necessarily related by blood or marriage, or adoption, or guardianship living together in a dwelling unit as a single housekeeping unit.

According to the Zoning Ordinance -

Single housekeeping unit means an interactive group of persons jointly residing in a single dwelling unit exercising joint responsibility for and use of the dwelling's common areas, jointly sharing household expenses, jointly sharing household activities and responsibilities such as meals, chores, and household maintenance. A boarding house shall

not be considered a single housekeeping unit. If a dwelling is leased or rented under a single written or oral lease or rental agreement, the makeup of the group of persons occupying the unit must be determined by the residents of the dwelling, not the landlord or property manager, to be a single housekeeping unit.

3. Conclusions

The Zoning Ordinance family definition neither restricts the members to related persons nor sets forth a maximum number of persons who can comprise a family. The definition mentions a group of individuals living together as a single housekeeping unit and the Zoning Ordinance defines a single housekeeping unit. Therefore, no impediment to fair housing is created by the Zoning Ordinance definitions.

b. **Disability Definition**

Survey Question: Does the Zoning Ordinance or any policy document define “disability”, if at all; at least as broadly as the Fair Housing Act?

1. Background

The Fair Housing Act prohibits discrimination on the basis of handicap. “Handicap” has the same legal meaning as the term “disability.” Federal laws define a person with a disability as:

Any person who has a physical or mental impairment that *substantially limits* one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. [Emphasis added]

The term “physical or mental impairments” may include conditions such as blindness, hearing impairment, mobility impairment, HIV infections, AIDS, AIDS Related Complex, mental retardation, chronic alcoholism, drug addiction, chronic fatigue, learning disability, head injury, and mental illness.

The term “major life activities” may include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.

2. Zoning Ordinance Definitions

According to the Zoning Ordinance -

Disabled or individual with a disability means an individual with a qualifying disability under federal and state fair housing laws. Generally, any person with any mental or physical impairment, disorder or condition, which *substantially limits* one or more major life activities, including physical, mental and social activities and working. Disabled or individual with a disability does not include impairments, disorders or conditions resulting from the current, illegal use of or addiction to a controlled substance, sexual behavior disorders, compulsive gambling, kleptomania, or pyromania. {Emphasis added}

In Government Code 12926.1(c) -

...the Legislature has determined that the definitions of “physical disability” and “mental disability” under the law of this state require a “*limitation*” upon a major life activity, but do not require, as does the federal Americans with Disabilities Act of 1990, a “*substantial limitation*.” This distinction is intended to result in broader coverage under the law of this state than under that federal act. Under the law of this state, whether a condition limits a major life activity shall be determined without respect to any mitigating measures, unless the mitigating measure itself limits a major life activity, regardless of federal law under the Americans with Disabilities Act of 1990.

3. Conclusions and Recommendations

The Zoning Ordinance disability definition meets the intent of federal and state fair housing laws in almost all respects. However, to eliminate what can be termed an administrative rather than actual impediment to fair housing choice, the City will take the following action:

Action 1: Delete the Reference to “Substantially Limits” in the Disability Definition (Zoning Ordinance Section 90-4, Definitions)

As mentioned above, the California Legislature has determined that the definitions of “physical disability” and “mental disability” under the law of this state require a “*limitation*” upon a major life activity, but do not require, as does the federal Americans with Disabilities Act of 1990, a “*substantial limitation*.”

The disability definition will be amended to delete reference to “*substantially limits*.” The amendment also will include a reference to how the State law, which provides broader protections than the federal law, defines disability.

c. Definition of Boarding or Rooming House or Hotel

Survey Question: Does the Zoning Ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as “boarding or rooming house” or “hotel”?

1. Background

State law requires that licensed residential care facilities not be defined within the meaning of boarding house, rooming house, institution or home for the care of minors, the aged, or the mentally infirm, foster care home, guest home, rest home, sanitarium, mental hygiene home, or other similar term which implies that a residential facility is *a business run for profit*. [Emphasis added]

2. Zoning Ordinance Definition

According to the Zoning Ordinance:

Boarding house and *lodging house* shall mean a residence or dwelling, other than a hotel, wherein a room or rooms, with or without individual or group cooking facilities, are rented, leased or subleased under two or more separate written or oral rental agreements, leases or subleases, whether or not the owner, agent or rental manager resides within the

dwelling unit. A boarding house or lodging house is subject to the provisions of article X, division 1 (boarding houses and group homes) in this chapter.

3. Conclusions

Licensed residential care facilities are not included with the meaning of a boarding house. Therefore, the City's definition complies with the federal and the state fair housing laws.

d. Group Homes

Survey Question: Group Homes - Does the Zoning Ordinance allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled?

1. Background

The joint statement by DOJ and HUD describes this issue as follows:

A local government may generally restrict the ability of groups of unrelated persons to live together as long as the restrictions are imposed on all such groups. Thus, in the case where a family is defined to include up to six unrelated people, an ordinance would not, on its face, violate the Act if a group home of seven unrelated people *with* disabilities was not allowed to locate in single-family zoned neighborhood, because a group of seven unrelated people *without* disabilities would also not be allowed. However, ... because persons with disabilities are also entitled to request reasonable accommodations in rules and policies, the group home for seven persons with disabilities would have to be given the opportunity to seek an exception or waiver. If the criteria for reasonable accommodation are met, the permit would have to be given in that instance, but the ordinance would not be invalid in all circumstances. [Emphasis added]

Source: U.S. Department of Justice and U.S. Department of Housing and Urban Development, Group Homes, Local Land Use and the Fair Housing Act, Questions and Answers on the Fair Housing Act and Zoning, updated August 6, 2015

Under California law -

Licensed group homes serving six or fewer residents must be treated like single-family homes or single dwelling units for zoning purposes. In other words, a licensed group home serving six or fewer residents ***must be a permitted use in all residential zones in which a single-family home is permitted***, with the same parking requirements, setbacks, design standards, and the like. No conditional use permit, variance, or special permit can be required for these small group homes unless the same permit is required for single-family homes, nor can parking standards be higher, nor can special design standards be imposed. The statutes specifically state that these facilities cannot be considered to be boarding houses or rest homes or regulated as such. Staff members and operators of the facility may reside in the home *in addition* to those served. [Emphasis added]

This rule appears to apply to virtually all licensed group homes. Included are facilities for persons with disabilities and other facilities (Welfare & Inst. Code 5116), residential health care facilities (Health & Safety Code 1267.8, 1267.9, & 1267.16), residential care facilities for the elderly (Health & Safety Code 1568.083 - 1568.0831, 1569.82 - 1569.87), community care facilities (Health & Safety Code 1518, 1520.5, 1566 - 1566.8, 1567.1, pediatric day

health facilities (Health & Safety Code 1267.9; 1760 – 1761.8), and facilities for alcohol and drug treatment (Health & Safety Code 11834.23).

Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pages 2 and 3, presented at the Third Annual Fair Housing and Public Accommodations Symposium, Golden State University, April 22, 2011

State law -- as the summary below explains -- allows cities to require a conditional use permit for residential care facilities for seven or more persons.

Because California law only protects facilities serving six or fewer residents, many cities and counties restrict the location of facilities housing seven or more clients. They may do this by requiring use permits, adopting special parking and other standards for these homes, or prohibiting these large facilities outright in certain zoning districts. While this practice may raise fair housing issues, no published California decision prohibits the practice, and analyses of recent State legislation appear to assume that localities can restrict facilities with seven or more clients. Some cases in other federal circuits have found that requiring a conditional use permit for large group homes violates the federal Fair Housing Act. However, the federal Ninth Circuit, whose decisions are binding in California, found that *requiring a conditional use permit for a building atypical in size and bulk for a single-family residence* does not violate the Fair Housing Act. [Emphasis added]

Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pages 3, presented at the Third Annual Fair Housing and Public Accommodations Symposium, Golden State University, April 22, 2011

2, Zoning Ordinance Regulations

a. Definitions

Two Zoning Ordinance definitions are quoted below:

Small licensed residential care facility means a group home in which six or fewer individuals with a disability or children reside that provides onsite care, treatment or other services to its residents and that is required to be and is licensed by the State of California. *Small licensed residential care facilities are exempt from the provisions of this division and shall be treated for purposes of applying the requirements of chapter 90 as a residential use of property occupied by a single housekeeping unit.* Small licensed residential care facilities include without limitation the following, provided the number of residents does not exceed six: Intermediate care facilities for the developmentally disabled (Health and Safety Code § 1267.8(c)); congregate living health facilities (Health and Safety Code §§ 1267.8(c), 1267.16(a)); residential community care facilities, including foster family homes, small family homes, social rehabilitation facilities, community treatment facilities, alcohol and drug treatment facilities, and transitional shelter care facilities (Health and Safety Code §§ 1502, 1566.3); residential care facilities for persons with chronic life-threatening illnesses (Health and Safety Code § 1568.0831); residential care facilities for the elderly (Health and Safety Code § 1569.85); pediatric day health and respite care facilities (Health and Safety Code § 1761.4). [Emphasis added] (Zoning Ordinance Section 90-262, Definitions)

Assisted living facility means a facility for ***more than six individuals*** offering assistance with basic activities of daily living such as bathing, grooming, and dressing. Assisted living facilities may offer medication assistance and/or reminders, but differ from a skilled nursing facility in that they do not offer complex medical services. The term "assisted living facility" shall include long-term care facility, rest home, memory support facility, or residential care facility for the elderly. (Zoning Ordinance Section 90-4, Definitions)

b. Use Restrictions

"Small licensed residential care facilities" are a permitted use in the R-R, R-1, R-2 and R-3 Zones.

"Assisted living facilities," which by definition house seven or more persons, are conditionally permitted in the R-2, R-3 and R-4 Zones.

According to the State Community Care Licensing Division's database, 20 Adult Residential Facilities are located in Hemet. They have a combined capacity of 89 beds. The facilities are actually single family homes housing two to six adults, most of who are developmentally disabled.

An adult residential facility is a residential home for adults 18 through 59 with mental health care needs or who have physical or developmental disabilities and require or prefer assistance with care and supervision.

The Licensing Division's database indicates that 32 Residential Care Facilities for the Elderly are located in Hemet. Twenty-two of the facilities are actually single family homes housing six or fewer elderly clients. The other facilities are larger assisted living and memory care units such as Citrus Court, Citrus Gardens, Desert Hills, and Yorkshire Village.

A residential care facility for the elderly means a housing arrangement voluntarily chosen by persons 60 years of age or over based on their needs,

3. Conclusions and Recommendations

The Zoning Ordinance definition of "small licensed residential care facility" is consistent with fair housing law.

Small licensed residential care facilities are permitted in all zones that permit single family homes.

Conditionally permitting "assisted living facilities" in the R-2 and R-3 Zones is consistent with fair housing laws.

No impediment to fair housing choice is created by the Zoning Ordinance definitions and use restrictions.

e. Transitional and Supportive Housing

Survey Question: Transitional and Supportive Housing -Does the Zoning Ordinance or other planning policy document address housing for “special needs” populations?

1. Background

Special needs populations means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or developmental disabilities, and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

To the extent that zoning and other planning policy documents fail to provide for, or impose barriers to, these types of housing an impediment to fair housing choice exists.

2. Zoning Ordinance Regulations**a. Planning and Zoning Requirements**

Government Code Section 65583(c)(3) states:

Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. Supportive housing, as defined in Section 65650, shall be a use by right in all zones where multifamily and mixed uses are permitted, as provided in Article 11 (commencing with Section 65650).

HCD has stated that local zoning must set forth provisions that –

...transitional housing and supportive housing are permitted as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Government Code Section 65583(a)(5)). In other words, transitional housing and supportive housing are permitted in all zones allowing residential uses and are *not subject to any restrictions (e.g. occupancy limit) not imposed on similar dwellings (e.g. single-family homes, apartments) in the same zone in which the transitional housing and supportive housing is located.* For example, transitional housing located in an apartment building in a multifamily zone is permitted in the same manner as an apartment building in the same zone and supportive housing located in a single-family home in a single-family zone is permitted in the same manner as a single-family home in the same zone.

Source: State Department of Housing and Community Development, Memorandum, *Senate Bill 2 – Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing*, May 7, 2008 Updated April 10, 2013, page 14

b. Definitions

SB 2 – legislation which took effect on January 1, 2008 – establishes planning and zoning requirements for transitional and supportive housing. 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 of these terms were found in the Health and Safety Code. AB 1403, which took effect on January 1, 2016, added a definition of "supportive services."

Section 90-262 of the Zoning Ordinance defines supportive housing as follows:

Supportive housing is defined by California Government Code § 65582 and 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.

The definition is consistent with the Government Code Section 65582(g) definition.

Section 90-262 of the Zoning Ordinance defines transitional housing as follows:

Transitional housing is defined by California Government Code § 65582 and means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating 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.

The definition is consistent with the Government Code Section 65582(j) definition.

The Public Counsel has advised the following:

...to comply with state law, jurisdictions should specifically adopt the SB 2 definitions of transitional and supportive housing into their Zoning Ordinances. They should also include an affirmative statement following each definition that such use "may be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone."

Public Counsel Community Development Project, *Local Zoning Best Practices for Shelter and Transitional and Supportive Housing – An SB 2 (2007) Primer*, October 2017, pages 13 and 14 [Public Counsel is a not-for-profit law firm]

Although the Zoning Ordinance contains definitions which are consistent with state law, the affirmative statement recommended by the Public Counsel is not included in the two definitions.

c. Permitted Uses

The Public Counsel also recommends that -

...jurisdictions should explicitly include supportive and transitional housing as permitted uses in all residential zones, subject only to the development standards applicable to residential uses of the same type in the same zone. To avoid any internal conflicts with the Zoning Ordinance, the jurisdiction should also update any applicable tables of permitted uses to mark supportive and transitional housing as permitted uses.

According to the Zoning Ordinance, supportive housing pursuant to Government Code 65582 is a permitted use in the A-1, A-2-5, A-2-10, R-R, R-1, R-2, R-3 and R-4 Zones. Single-family homes are permitted in the Agriculture Zones.

Transitional housing pursuant to Government Code Section 65582 is a permitted use in the R-2, R-3 and R-4 Zones. However, transitional housing is not listed as a permitted use in the R-R and R-1 Zones.

The Public Counsel also advises cities that if residential development is permitted in mixed-use zones, the jurisdiction should make explicit that transitional and supportive housing are permitted in those zones, and that such uses will be processed and treated equally to applications for other permitted residential development.

Additionally, Government Code Section 65651(a) states:

Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses....

However, to be judged a use by right, the supportive housing development must satisfy affordability and other requirements. Attachment A describes the Government Code supportive housing requirements.

The General Plan includes a MU – Mixed Use designation that provides for a mix of residential and compatible office and retail/service uses integrated as a cohesive development, or such uses developed side-by-side in a manner that encourages interaction between uses. Further the General Plan designates six areas for Mixed Use development five of which incorporate residential uses.

Additionally, “mixed use, an integrated mix of residential and office/commercial uses on a single site” is conditionally permitted in the O-P, Office Professional Zone; C-1 Neighborhood Commercial Zone; and C-2 General Commercial Zone.

d. Use Restrictions

The Public Counsel has offered the following insights:

Jurisdictions must still ensure that in practice, supportive and transitional housing developments are not subject to greater restrictions when compared to other residential uses of the same type in the same zone during the approvals process. For example, if a provider uses an existing duplex for transitional or supportive housing, then that project is subject only to development standards applied to any other duplex in that zone, and would not need separate approval for a change in use. Likewise, if a developer chooses to build transitional or supportive housing apartments, then standards for multi-family apartment buildings in that zone will apply. And while transitional and supportive housing are typically multi-family housing, they can also be single family residences.

The Zoning Ordinance *does not* impose additional use restrictions on the development of supportive and transitional housing. For example, use restrictions such as minimum and maximum housing unit sizes; occupancy limits; and separation requirements.

3. Conclusions and Recommendations

The Zoning Ordinance requirements pertaining to transitional housing and supportive housing for the most part meet the intent of state law. However, to eliminate what may be termed an administrative, rather than actual, impediment to fair housing choice the City will take the following action:

Action 1: Amend the Transitional and Supportive Housing Zoning Requirements

- Add the affirmative statement that transitional and supportive housing “may be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.” (Zoning Ordinance Section 90-262, Definitions)
- Add transitional housing as a permitted use in the R-R and R-1 Zones. (Zoning Ordinance Section 90-383, Permitted Uses)
- Incorporate in the Zoning Ordinance the by right use requirements of AB 2162

f. Reasonable Accommodation Procedure

Survey Question: Does the City have, either by ordinance or policy, a process by which persons with disabilities can request reasonable accommodations (modifications or exceptions) to adopted ordinances and to rules, policies, practices, or services, necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling?

1. Background

A joint statement by DOJ and HUD explains this issue as follows:

As a general rule, the Fair Housing Act makes it unlawful to refuse to make ‘reasonable accommodations’ (modifications or exceptions) to rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling.

Where a local Zoning Ordinance specifies procedures for seeking a departure from the general rule, courts have decided, and the DOJ and HUD agree, that these procedures must ordinarily be followed. If no procedure is specified, persons with disabilities may, nevertheless, request a reasonable accommodation in some other way, and a local government is obligated to grant it if it meets the criteria discussed above. A local government’s failure to respond to a request for reasonable accommodation or an inordinate delay in responding could also violate the Act.

Local governments are encouraged to provide mechanisms for requesting reasonable accommodations that operate promptly and efficiently, without imposing significant costs or delays. The local government should also make efforts to insure that the availability of such mechanisms is well known within the community.

Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, pages 3 and 4.

The HCD requires cities and counties to describe their reasonable accommodation procedure in draft and final housing elements. Jurisdictions without an adopted procedure must include a program to prepare and adopt a policy or ordinance. According to HCD a reasonable accommodation procedure must “...ensure information is available for people who wish to request a reasonable accommodation with respect to zoning, permit processing, or building laws.” [Emphasis added]

2. Zoning Ordinance Regulations

Disabled persons or their representatives as well as developers may apply for exceptions to zoning and land use policies through a reasonable accommodation procedure. The Zoning Ordinance establishes two levels of reasonable accommodation:

Major reasonable accommodation means a request to allow a use in a zone where it is otherwise not permitted or a request for a modification or exception to the substantive land use, zoning and development standards and regulations.

Minor reasonable accommodation means a modification or exception to the procedural requirements contained in this chapter, including, but not limited to, fee adjustments or deferrals, modification of application filing requirements, and modification of appeal filing requirements.

The Zoning Ordinance provides for different levels of review and approval, as follows:

The planning commission is designated to approve, conditionally approve, or deny all applications for a major reasonable accommodation, except that the *director* is hereby vested with authority to *review and approve major reasonable accommodation* applications that solely request a modification of *development standards* for uses requiring a small group home permit or an administrative use permit.

The director, or his or her designee, is designated to approve, conditionally approve, or deny all applications for a minor reasonable accommodation, provided that the director may decide to allow the planning commission to determine whether to approve, conditionally approve, or deny an application for a minor reasonable accommodation if the director finds that the minor reasonable accommodation involves significant controversy or extraordinary circumstances.

Thus, the Community Development Director is authorized to take action on reasonable accommodation requests without a public hearing when they involve a major reasonable accommodation requesting a modification of development standards and all applications for a minor reasonable accommodation.

3. Conclusions and Recommendations

The Reasonable Accommodation Procedure requires a public hearing only when the applicant is requesting a Major Reasonable Accommodation that involves a modification other than development standards. The City’s Reasonable Accommodation Procedure has met with the approval of the HUD-LA office and does not pose an impediment to fair housing choice.

Both HUD and HCD recommend that local jurisdictions make the community aware of the reasonable accommodation procedure. Moreover, HCD in their reviews of draft housing recommends that local jurisdictions promote the procedure.

An impediment to fair housing choice is created because the community is unaware of the reasonable accommodation and no brochure or application is available to request an accommodation.

Action 1: Prepare a Brochure or Flyer to Promote the Reasonable Accommodation Procedure and Prepare an Application

The Community Development Department will include an application for a Reasonable Accommodation in the CDD Applications and Forms page. Also, it will prepare a brochure or flyer describing the Reasonable Accommodation Procedure such as the "Service Animals at Your Place of Business – Commonly Asked Questions" brochure and the "City of Hemet ADA Public Notice."

g. Occupancy Standards

Survey Question: Does the Zoning Ordinance or Building Code establish occupancy standards or maximum occupancy limits that are more restrictive than state law, which incorporates the Uniform Housing Code (UHC)?

1. Background

Occupancy standards sometimes can impede housing choice for families with children or for disabled persons. For example, some jurisdiction's zoning regulations have attempted to limit occupancy to five related persons occupying a single family home, or to strictly establish an occupancy standard of no more than two persons per bedroom. Such regulations can limit housing availability for some families with children, or prevent the development of housing for disabled persons.

The Federal Fair Housing Act (FFHA) also provides that nothing in the Act "limits the applicability of any reasonable local, State or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling." [Section 807(b)(1)]

2. Building Code Regulations

According to an analysis of occupancy standards:

The Legislature, by adopting this Uniform Housing Code standard, intends to preempt local occupancy standards generally. Municipalities may deviate from the uniform occupancy standard only if, pursuant to specific state provisions, they make express findings that a deviation is reasonably necessary due to "climatic, geological or topographical conditions." Local governments should adopt the foregoing Uniform Housing Code standard for compliance with fair housing laws and to address health and safety concerns in the community.

Source: Mental Health Advocacy Services, Inc., *Fair Housing Issues in Land Use and Zoning: Definitions of Family and Occupancy Standards*, September 1998, page 7

California's occupancy standard for residential dwellings is an example of a permissible neutral standard:

Room dimensions (b) Floor Area: Dwelling units and congregate residences shall have at least one room which shall have not less than 120 square feet of floor area. Other habitable rooms, except kitchens, shall have an area of not less than 70 square feet. Where more than two persons occupy a room used for sleeping purposes, the required floor area shall be increased at the rate of 50 square feet for each occupant in excess of two.

Section 17958.1 of the Health and Safety Code also establishes an occupancy standard for efficiency dwelling units:

(a) Notwithstanding Sections 17922, 17958, and 17958.5, a city, county, or city and county may, by ordinance, permit efficiency units for occupancy by no more than *two persons* which have a minimum floor area of 150 square feet and which may also have partial kitchen or bathroom facilities, as specified by the ordinance. In all other respects, these efficiency units shall conform to minimum standards for those occupancies otherwise made applicable pursuant to this part.

3. Conclusion

There is no impediment to fair housing choice because the City adheres to the Uniform Housing Code and Building Code occupancy standards. Attachment B describes the state law regarding occupancy standards that Hemet has adopted.

D. RESIDENTIAL LAND USE

1. Background

According to HUD:

Zoning and land use laws affect housing choice by determining where housing is built, what type of housing is built, who can live in that housing, and the cost and accessibility of the housing.

For example, limits on multi-unit developments, HUD explains, may include outright bans on multi-unit developments or indirect limits such as height limits and minimum parking requirements.

2. Analysis

The relative amounts of single- and multi-family zoned land is a fair housing concern because communities that are predominantly or exclusively single-family limit the range of available housing choices, and, as a consequence, may adversely impact fair housing protected groups such as racial minorities and disabled people.

The General Plan provides for three multi-family residential land use categories. Table VII-2 shows that almost 10% of the residential acreage is devoted to multi-family residential land uses

**Table VII-2
City of Hemet
Residential Land Use**

Land Use Category	Density	DUs./Ac.	Acres	Percent
Rural Residential	RR	0-2.0	521	6.2%
Rural Residential	RR	2.5	72	0.8%
Hillside Residential	HR	0-0.5	106	1.3%
Hillside Residential	HR - 10	1/10	88	1.0%
Low Density Residential	LDR	2.1-5.0	5,995	71.2%
Low Medium Density Residential	LMDR	5.1-8.0	842	10.0%
Medium Density Residential	MDR	8.1-18.0	415	4.9%
High Density Residential	HDR	18.1-30	351	4.2%
Very High Density Residential	VHDR	30.1-45	35	0.4%
Total			8,425	100.0%

Source: City of Hemet General Plan 2030, Land Use, page 2-25

The High and Very High Residential Land Use designations are described below:

The HDR – High Density Residential – designation provides for attached multiple family units. HDR areas are typically located near commercial nodes, school sites, parks and other activity centers. Typical housing types include townhomes at the low end of the density range and stacked units at the high end of the density range.

The VHDR – Very High Residential – designation provides for multiple family units with surface parking, although podium designs or parking structures may be constructed as a means of providing a greater amount of open space than would otherwise be possible. VHDR areas are typically located along major streets and near major activity centers or transit districts.

Since the General Plan was adopted in 2012, the City has increased the opportunities for a diverse range of housing unit types by the adoption of Specific Plans and promoting mixed use development. Table VII-3 shows that the General Plan designates six mixed use areas.

**Table VII-3
Hemet Mixed Use Areas**

Area	Number	Percent Residential
Florida Avenue	1	10-15% of land area
West Hemet	2	20% of land area
Hemet Gateway	3	15% of land area
Warren Avenue	4	30% of land area
Diamond Valley Lake	5	0%
Downtown	6	35% of land area

Source: City of Hemet General Plan

Additionally, between 2012 and 2019, the City approved applications for the development of 3,784 housing units of which 1,049 or 28% were multi-family housing units.

3. Analysis

The City has allocated a significant proportion of land to multi-family residential land uses. Therefore, no impediment to fair housing choice is created by the General Plan designations and allocation of land for residential land use.

ATTACHMENT A
SUPPORTIVE HOUSING GOVERNMENT CODE REQUIREMENTS

GOVERNMENT CODE - GOV**TITLE 7. PLANNING AND LAND USE [65000 - 66499.58]**

(Heading of Title 7 amended by Stats. 1974, Ch. 1536.)

DIVISION 1. PLANNING AND ZONING [65000 - 66210]

(Heading of Division 1 added by Stats. 1974, Ch. 1536.)

CHAPTER 3. Local Planning [65100 - 65763]

(Chapter 3 repealed and added by Stats. 1965, Ch. 1880.)

ARTICLE 11. Supportive Housing [65650 - 65656]

(Article 11 added by Stats. 2018, Ch. 753, Sec. 3.)

65650.

For purposes of this article, the following definitions shall apply:

- (a) "Supportive housing" shall have the same meaning as defined in Section 50675.14 of the Health and Safety Code.
- (b) "Supportive services" shall have the same meaning as defined in Section 65582.
- (c) "Target population" shall have the same meaning as defined in Section 50675.14 of the Health and Safety Code.
- (d) "Use by right" shall have the same meaning as defined in subdivision (i) of Section 65583.2.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65651.

(a) Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies all of the following requirements:

- (1) Units within the development are subject to a recorded affordability restriction for 55 years.
- (2) One hundred percent of the units, excluding managers' units, within the development are dedicated to lower income households and are receiving public funding to ensure affordability of the housing to lower income Californians. For purposes of this paragraph, "lower income households" has the same meaning as defined in Section 50079.5 of the Health and Safety Code.
- (3) At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers' units, in the development shall be restricted to residents in supportive housing.
- (4) The developer provides the planning agency with the information required by Section 65652.
- (5) Nonresidential floor area shall be used for onsite supportive services in the following amounts:

(A) For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services.

(B) For a development with more than 20 units, at least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

(6) The developer replaces any dwelling units on the site of the supportive housing development in the manner provided in paragraph (3) of subdivision (c) of Section 65915.

(7) Units within the development, excluding managers' units, include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.

(b) The local government may require a supportive housing development subject to this article to comply with objective, written development standards and policies; provided, however, that the development shall only be subject to the objective standards and policies that apply to other multifamily development within the same zone.

(c) Notwithstanding any other provision of this section to the contrary, the local government shall, at the request of the project owner, reduce the number of residents required to live in supportive housing if the project-based rental assistance or operating subsidy for a supportive housing project is terminated through no fault of the project owner, but only if all of the following conditions have been met:

(1) The owner demonstrates that it has made good faith efforts to find other sources of financial support.

(2) Any change in the number of supportive service units is restricted to the minimum necessary to maintain project's financial feasibility.

(3) Any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon the vacancy of any supportive housing units.

(d) If the proposed housing development is located within a city with a population of fewer than 200,000 or the unincorporated area of a county with a population of fewer than 200,000, and the city or the unincorporated area of the county has a population of persons experiencing homelessness of 1,500 or fewer, according to the most recently published homeless point-in-time-count, the development, in addition to the requirements of subdivision (a), shall consist of 50 units or fewer to be a use by right pursuant to this article. A city or county described in this subdivision may develop a policy to approve as a use by right proposed housing developments with a limit higher than 50 units.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65652.

A developer of supportive housing subject to this article shall provide the planning agency with a plan for providing supportive services, with documentation demonstrating that supportive services will be provided onsite to residents in the project, as required by Section 65651, and describing those services, which shall include all of the following:

(a) The name of the proposed entity or entities that will provide supportive services.

(b) The proposed funding source or sources for the provided onsite supportive services.

(c) Proposed staffing levels.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65653.

(a) The local government shall approve a supportive housing development that complies with the applicable requirements of this article.

(b) The local government shall notify the developer whether the application is complete within 30 days of receipt of an application to develop supportive housing in accordance with this article. The local government shall complete its review of the application within 60 days after the application is complete for a project with 50 or fewer units, or within 120 days after the application is complete for a project with more than 50 units.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65654.

If the supportive housing development is located within one-half mile of a public transit stop, the local government shall not impose any minimum parking requirements for the units occupied by supportive housing residents.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65655.

This article shall not be construed to do either of the following:

(a) Preclude or limit the ability of a developer to seek a density bonus from the local government pursuant to Section 65915.

(b) Expand or contract the authority of a local government to adopt or amend an ordinance, charter, general plan, specific plan, resolution, or other land use policy or regulation that promotes the development of supportive housing.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65656.

The Legislature finds and declares that the provision of adequate supportive housing to help alleviate the severe shortage of housing opportunities for people experiencing homelessness in this state and of necessary services to the target population described in Section 50675.14 of the Health and Safety Code is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this article applies to all cities, including charter cities.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

ATTACHMENT B
MAXIMUM OCCUPANCY OF DWELLING UNITS FOR SLEEPING PURPOSES
BY: CITY OF HEMET BUILDING OFFICIAL

This information bulletin provides a guideline to help determine the maximum number of people that may legally sleep within a dwelling unit or an efficiency dwelling (or efficiency living) unit.

Definitions

Dwelling unit means a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation, as defined by the Building Code.

Efficiency dwelling unit or ***efficiency living unit*** means a dwelling unit containing only one habitable room, as defined by Health and Safety Code Section 17958.1 and Section 1208.4 of the California Building Code.

Dwelling Unit

Required Minimum Floor Areas of Rooms. The Uniform Housing Code (section 503.2) requires that a dwelling unit have at least one room which is not less than 120 square feet in area. Other habitable rooms, except kitchens, are required to have a floor area of not less than 70 square feet.

Minimum Floor Areas for Sleeping Purposes. The Uniform Housing Code (section 503.2) further states that where more than two persons occupy a room used for sleeping purposes, the required floor area shall be increased at the rate of 50 square feet for each occupant in excess of two. It should be noted there is nothing in the Housing Code that prevents people from sleeping in the living or dining rooms, as long as these rooms have an openable window or door meeting all the provisions of the California Building Code for emergency egress.

Example Calculations. Using the above information, the following example calculations will indicate the maximum number of persons that may sleep in a dwelling unit of various sizes. All dwelling units require a kitchen and at least one bathroom.

A one-bedroom apartment with a combination living/dining room area:

- Where the bedroom is at least 120 square feet in area (70 plus 50 square feet), three people could sleep there.
- Where the living/dining area is at least 170 square (120 plus 50 square feet) three persons could sleep there.

Thus, a total of 6 people can legally sleep in a one-bedroom apartment with the above minimum room sizes.

A two-bedroom apartment with a combination living/dining room area:

- Where the bedrooms are at least 120 square feet three people could sleep in each bedroom (70 square feet for two people plus 50 square feet for the third person).

- Where the living/dining area is at least 170 square feet three people could sleep there. (120 square feet for two people plus 50 square feet for the third person).

Thus, a total of 9 people can legally sleep in a two-bedroom apartment with the above minimum room sizes.

A three-bedroom house, with a separate living room and a separate dining room:

- Where the bedrooms are at least 120 square feet three people could sleep in each bedroom. (70 square feet for two people plus 50 square feet for the third person). This would sleep 9 persons.
- Where the living room is at least 170 square feet three persons could sleep there (120 square feet for two people plus 50 square feet for the third person).
- Where the dining room is at least 170 square feet (120 square feet for two people plus 50 square feet for the third person) three persons could sleep there.

Thus, a total of 15 people can legally sleep in a three-bedroom house with above minimum room sizes.

Efficiency Dwelling Unit

Required Minimum Floor Areas of Rooms. An exception to Uniform Housing Code section 503.2 provides a specific allowance for the use of an efficiency dwelling unit. It requires the efficiency dwelling unit have a living room which is not less than 220 square feet in area.

Minimum Floor Areas for Sleeping Purposes. The exception further states that where more than two persons occupy the living room for sleeping purposes, the required floor area shall be increased at the rate of 100 square feet for each occupant in excess of two. The living room must have an openable window or door meeting all the provisions of the California Building Code for emergency egress.

Using the above information, the following table indicates the maximum number of persons that may sleep in an efficiency dwelling unit of various sizes. All efficiency dwelling units require a kitchen and at least one bathroom.

Living Room Area	Maximum Occupancy
220 s.f. or more, but less than 320 s.f.	2
320 s.f. or more, but less than 420 s.f.	3
420 s.f. or more, but less than 520 s.f.	4
520 s.f. or more, but less than 620 s.f.	5
Etc.	Etc.

SECTION VIII
PRIVATE/PUBLIC SECTOR IMPEDIMENTS ANALYSIS



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Analysis of Private/Public Sector Impediments
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A. INTRODUCTION

HUD's *Fair Housing Planning Guide* suggests an AI format that includes an assessment of impediments that overlap the public and private sectors. Many fair housing issues are not exclusively within the domain of either the private or public sectors. Section VIII provides an analysis of the following fair housing issues:

- Location of affordable multifamily rental housing developments
- Gentrification
- Demographics of publicly supported housing
- Fair housing enforcement

B. LOCATION OF AFFORDABLE FAMILY RENTAL HOUSING DEVELOPMENTS

1. Background

The *Fair Housing Planning Guide* states that an objective of the AI is to –

Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and national origin.

A major objective of the Housing and Community Development Act of 1974 was –

...the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods....

According to HUD, the location of affordable housing is a potential fair housing issue because it can perpetuate residential segregation. New affordable housing developments, according to HUD, should be located outside of neighborhoods with concentrations of low-income, poverty and minority populations.

2. Location Analysis

Table VIII-1 lists the census tract location of each affordable housing development. The census tract low/mod income and minority population percentages also are listed for in Table VIII-1.

Hemet's citywide low/mod income percentage is 65%. All but one of the affordable developments is located in census tracts with a low/mod income percentage greater than the citywide average percentage.

Hemet's citywide minority percentage is 58%. Five of the seven affordable housing developments are located in census tracts with a minority percentage more than the citywide average percentage.

Table VIII-1
City of Hemet
Location of Affordable Housing Projects by
Census Tract and Location Characteristics

Project Name	Address	Affordable Units	Census Tract	% Low/Mod Income	% Minority
Ability First	1360 E. Acacia	18	434.05	80.9%	60.2%
Hemet Estates	1101 E. Menlo Ave.	79	435.08	N/A	N/A
Oasis Senior	465 N. Palm	65	434.05	80.9%	60.2%
Sahara Senior	1015 N. Oakland Ave	75	434.01	84.4%	66.8%
Village Meadows	700 Arbor Parkway	67	433.06	48.4%	58.0%
Hemet Vistas 1 & 2	225 W. Fruitvale Ave	143	435.07	83.7%	73.8%
Mobley Lane Apartments	575 Mobley Lane	40	435.07	83.7%	73.8%
City Average				65.0%	58.0%

N/A: only a small portion of the City is located in Census Tract 435.08

Source: City of Hemet 2013-2021 Housing Element and Table V-6

Table VIII-2 lists the driving distance between each affordable housing development. With one exception, the affordable housing developments are not located in close proximity to one another. The Oasis and Sahara senior housing developments are located .2 of mile from each other. The physical locations indicate a dispersal of affordable housing developments within the Hemet community.

Table VIII-2
City of Hemet
Driving Distance Between Each Affordable Housing Development

Project Name	Ability First	Hemet Estates	Oasis Senior	Sahara Senior	Village Meadows	Hemet Vista Apartments	Hemet Vistas II	Mobley Lane Apartments
Ability First	X	1.1	2.2	2.0	2.6	2.1	2.1	1.4
Hemet Estates	1.1	X	1.5	1.4	3.4	1.0	1.0	0.7
Oasis Senior	2.2	1.5	X	0.2	1.9	1.2	1.2	0.9
Sahara Senior	2.0	1.4	0.2	X	2.0	1.0	1.0	1.0
Village Meadows	2.6	3.4	1.0	2.0	X	3.0	3.0	2.9
Hemet Vistas I & 2R	2.1	1.0	1.2	1.0	3.0	X	X	0.7
Mobley Lane Apts	1.4	0.7	0.9	1.0	2.9	0.7	.07	X

Note: Distances are in miles as driven by an automobile not "as the crow flies".

Source: Addresses of each affordable development and Google Maps

3. Conclusions and Recommendations

The majority of affordable housing developments are located 1) in census tracts with a low/mod income population higher than the citywide average and 2) in census tracts with a minority population higher than the citywide average. This location pattern is inconsistent with HUD's goal

to locate affordable housing in neighborhoods with low percentages of low/moderate income and minority populations.

To guide the locations of future affordable housing developments, the City – in the *2014-2021 Housing Element* – has established site selection policies. In summary:

- The City has identified 21 sites, which are dispersed throughout the City, which can accommodate the lower income housing need.
- The City promotes the inclusion of a percentage of affordable units in market-rate developments.
- The City encourages the use of density bonus to integrate affordable units in market-rate developments.

The City's criteria for the location of affordable housing are described in more detail in Section VI – Public Sector Impediments Analysis.

Implementation of the site selection criteria will prevent an impediment to fair housing choice by providing numerous sites for affordable housing and the integration of affordable units in market-rate developments.

C. GENTRIFICATION

1. Background - Gentrification Defined

Gentrification is a process involving an increase in housing rents and prices in existing neighborhoods that causes the displacement of the poor due to the housing market pressures. When no new housing is involved, gentrification takes place through succession as vacant rentals or homes are rented or bought by middle or higher income folks. Over time, as this process continues the middle and higher income households outbid the lower income households and, as a consequence, the neighborhood gentrifies.

With respect to the fair housing consequences of gentrification, the National Fair Housing Alliance has offered the following thoughts:

Gentrification is the process of redevelopment that is spurred by the influx of more affluent, mostly White individuals into previously deprived, under-resourced, low-income communities of color. Redevelopment through gentrification typically entails change in neighborhood character and culture and an increase in the cost of living that prices out original residents. Gentrification is fundamentally an economic process, yet the neighborhood transition that typically ensues is deeply racial, cultural, and sometimes ethnic, affecting Blacks, Latinos, and Asian Americans. With variations, gentrification operates as a powerful development pattern in housing markets in cities across the country.

The fair housing implications of gentrification associated with residential integration are complicated. Despite temporary increases in racial and ethnic integration as White residents move into previously non-White neighborhoods at the onset of gentrification, the resulting dislocation that occurs to the pre-existing residents as the process unfolds and market values increase further marginalizes communities of color through residential

displacement. In the context of the persistent affordable housing crisis plaguing many cities across the country, displaced low-income residents are relegated to low-opportunity areas, generally fortifying entrenched racial and ethnic residential segregation. In this way, gentrification pressures ultimately reinforce patterns of segregation.

Although HUD has currently suspended local governments' obligation to submit Assessment of Fair Housing plans until October 2020 or thereafter, jurisdictions may still look to HUD guidance for information on how to comply with the mandate that HUD funds are used to affirmatively furthering fair housing. In August 2016, HUD released the Fair Housing Assessment Tool for Local Governments, which provides guidance to jurisdictions that receive HUD community development funds on factors associated with residential segregation they should consider when conducting their fair housing planning processes, and it specifically advises jurisdictions to consider "displacement due to economic pressures." As such, in order for local jurisdictions to credibly certify to HUD that they are affirmatively furthering fair housing, they should consider the fair housing implications of gentrification.

The Fair Housing Assessment Tool for Local Governments planning guide states the following about the displacement of residents due to economic pressures:

"The term 'displacement' refers here to a resident's undesired departure from a place where an individual has been living. 'Economic pressures' may include, but are not limited to, rising rents, rising property taxes related to home prices, rehabilitation of existing structures, demolition of subsidized housing, loss of affordability restrictions, and public and private investments in neighborhoods. Such pressures can lead to loss of existing affordable housing in areas experiencing rapid economic growth and a resulting loss of access to opportunity assets for lower income families that previously lived there. Where displacement disproportionately affects persons with certain protected characteristics, the displacement of residents due to economic pressures may exacerbate patterns of residential segregation."

National Fair Housing Alliance, *Making Every Neighborhood a Place of Opportunity: 2018 Fair Housing Trends Report*, 2018, pages 74 and 75

2. Analysis

Recent research efforts have focused on the identification of potential gentrification issues based on three indicators:

- Increases in a census tract's median household income
- Increases in a census tract's median home value
- Increases in a census percent of residents with a bachelor's degree

Table VII-3 provides data on the three indicators and Table VIII-4 shows data on changes in the median household income at the census tract level.

**Table VIII-3
City of Hemet
Indicators of Possible Gentrification**

Census Tract	Median Household Income	Median Home Value	Percent W/ Bachelor's Degree
	Percent Change	Percent Change	Percent Change
427.45	-8.5%	15.0%	25.2%
433.06	19.2%	40.7%	50.8%
433.07	19.8%	-4.6%	32.7%
433.09	16.4%	21.8%	88.5%
433.12	-2.2%	16.4%	46.8%
433.16	-2.2%	7.4%	-9.2%
433.17	-7.2%	46.6%	-14.6%
434.01	59.3%	17.3%	-24.4%
434.03	-6.3%	24.3%	182.4%
434.04	-3.3%	19.0%	-51.3%
434.05	4.6%	-19.5%	-32.6%
435.03	-1.7%	-58.1%	-33.3%
435.04	10.0%	16.7%	38.1%
435.05	30.7%	21.6%	104.9%
435.06	-15.5%	26.8%	-32.4%
435.07	11.9%	9.0%	-20.5%

Source: American Community Survey (ACS) 2013-2017 and 2008-2012 5-Year Estimates, Tables: S1901 Income in the Past 12 Months; B25077 Median Value (Dollars); and S1501 Educational Attainment.

Table VIII-4
City of Hemet
Median Household Income by Census Tract
2008-2012 and 2014-2018

Census Tract	2008-2012	2013-2017	Change	Percent Change
427.45	\$56,792	\$51,949	-\$4,843	-8.5%
433.06	\$42,582	\$50,750	\$8,168	19.2%
433.07	\$27,832	\$33,337	\$5,505	19.8%
433.09	\$30,000	\$34,926	\$4,926	16.4%
433.12	\$45,288	\$44,273	-\$1,015	-2.2%
433.16	\$36,816	\$36,010	-\$806	-2.2%
433.17	\$64,160	\$59,526	-\$4,634	-7.2%
434.01	\$21,362	\$34,022	\$12,660	59.3%
434.03	\$29,931	\$28,036	-\$1,895	-6.3%
434.04	\$25,048	\$24,211	-\$837	-3.3%
434.05	\$20,559	\$21,502	\$943	4.6%
435.03	\$26,775	\$26,327	-\$448	-1.7%
435.04	\$51,250	\$56,392	\$5,142	10.0%
435.05	\$24,177	\$31,594	\$7,417	30.7%
435.06	\$54,172	\$45,755	-\$8,417	-15.5%
435.07	\$28,785	\$32,200	\$3,415	11.9%

Source: American Community Survey (ACS) 2014-2018 and 2008-2012 5-Year Estimates, Table: S1901 Income in the Past 12 Months

Table VIII-3 shows in **bold** three census tracts that have increases in the three indicators.

The income changes could be the result that, as rental turnover happened and existing homes were sold, the new occupants compared to the prior occupants had higher incomes. Another possible cause is that the residents did not move but rather experienced income gains. Another possibility is that the occupants of new homes had higher incomes than the households already living in the neighborhood,

Approximately 500 households have been added to the City's population during the past decade or an average to 50 households per year. It is doubtful that this minimal household growth would have cause the displacement of lower income households and gentrification.

3. Conclusions and Recommendations

Gentrification causing the displacement of poor people and resulting in neighborhood change does not appearing to be occurring in Hemet. Therefore, the AI does not include recommendations to address gentrification.

D. DEMOGRAPHICS OF PUBLICLY SUPPORTED HOUSING**1. Background**

HUD is interested in the demographics of the occupants of publicly supported housing compared to the demographics of the jurisdiction and neighborhood in which such housing is located. For example, a comparison will inform a city of whether developments are occupied by largely the same race/ethnicity as in the neighborhood.

2. Analysis

Table VIII-5 compares the race of the occupants of Low Income Housing Tax Credit (LIHTC) developments to the citywide characteristics. The Black/African population resides in LIHTC affordable housing in a greater proportion than they represent of the City's population. In contrast, a lower percentage of the white population live in these developments compared to the citywide percentage.

**Table VIII-5
Race of the Occupants of Low Income Housing Tax Credit Housing Developments: 2017**

Race	Number	Developments Percentage	City Percentage
Multi-Race	55	6.5%	3.4%
American Indian/Alaskan Native	6	0.7%	1.1%
Black/African American	228	27.1%	5.9%
Other	265	31.6%	12.8%
White	286	34.1%	76.8%
Total	840	100.0%	100.0%

Note: 244 no responses to the race question

Source: California Tax Credit Allocation Committee, Spectrum Report – Race/Ethnicity Data for 2018 for the City of Hemet

Table VIII-6 shows that a slightly higher percentage of Hispanics occupy the affordable housing developments than they represent of the entire City's population. However, the balance of Hispanic to Non-Hispanic occupants overall corresponds closely to the Citywide percentages.

3. Conclusions and Recommendations

The demographics of individual developments have evolved since the projects were built and may change in the future when turnover occurs. Vacant units probably occur infrequently, however. With respect to the occupancy of all LIHTC developments, the Black population occupies this affordable housing in a proportion greater than they represent of the City's population.

However, no recommendations are offered because the race question had 244 no responses and the ethnicity question had 238 no responses. With so many no responses, definitive conclusions cannot be made.

**Table VIII-6
Ethnicity of the Occupants of Low Income
Housing Tax Credit Housing Developments: 2017**

Ethnicity	Number	Developments Percentage	City Percentage
Hispanic	438	51.6%	45.0%
Not Hispanic	411	48.4%	55.0%
Total	849	100.0%	100.0%

Note: 238 no responses to the ethnicity question

Source: California Tax Credit Allocation Committee, Spectrum Report – Race/Ethnicity Data for 2018 for the City of Hemet

E. FAIR HOUSING ENFORCEMENT

1. Background

HUD's *Fair Housing Planning Guide* includes a suggested AI outline that identifies fair housing enforcement as a potential impediment to fair housing choice. HUD's *AFFH Guidebook* states the following regarding the lack of private fair housing outreach and enforcement:

The term "local private fair housing outreach and enforcement" refers to outreach and enforcement actions by private individuals and organizations, including such actions as fair housing education, conducting testing, bring lawsuits, arranging and implementing settlement agreements. A lack of private enforcement is often the result of a lack of resources or a lack of awareness about rights under fair housing and civil rights laws, which can lead to underreporting of discrimination, failure to take advantage of remedies under the law, and the continuation of discriminatory practices. Activities to raise awareness may include technical training for housing industry representatives and organizations, education and outreach activities geared to the general public, advocacy campaigns, fair housing testing and enforcement.

Source: U.S. Department of Housing and Urban Development, *AFFH Guidebook*, December 13, 2015, page 212

2. Analysis

The enforcement of fair housing laws is accomplished by HUD, the California Department of Fair Employment and Housing (DFEH) and the Fair Housing Council of Riverside County, Inc. (FHCRC).

The DFEH is responsible for enforcing state fair housing laws that make it illegal to discriminate. The DFEH may file signed complaints with HUD if the matter falls within the jurisdiction of that agency. As a substantially equivalent agency, DFEH's findings are usually accepted by HUD.

Locally, 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, and 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.

The FHCRC was awarded a FHIP grant of \$300,000 to undertake various 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 conducts systemic investigations, provides 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 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.

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

Additionally, 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 working to become a credit training agency through the Bureau of Real Estate.

3. Conclusion

No impediment to fair housing exists because of the lack of an organization to enforce fair housing laws. The FHCRC provides a full range of fair housing services and is the City of Hemet's fair housing provider.

SIGNATURE PAGE

CITY OF HEMET
ANALYSIS OF IMPEDIMENT TO FAIR HOUSING CHOICE

I, Christopher Lopez, hereby certify that the City of Hemet *Analysis of Impediment to Fair Housing Choice and Fair Housing Action Plan* represents the City of Hemet's conclusions about impediments to fair housing choice, as well as the actions necessary to address any identified impediments.



Signature

City Manager

Title

May 12, 2020

Date

