

CITY OF SOUTH GATE

Draft

Analysis of Impediments To Fair Housing Choice (AI)

Community Development Department

July 14, 2020

SECTION I INTRODUCTION



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, South Gate’s AI conforms to the format suggested by HUD.

- ❖ **Section I Introduction:** The Introduction presents the AI report format; South Gate’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 South Gate’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. SOUTH GATE’S REGIONAL SETTING

South Gate is located approximately ten miles to the southeast of downtown Los Angeles and 13.5 miles north of the Port of Long Beach. The City is bounded by the cities of Huntington Park, Cudahy, and Bell Gardens on the north; unincorporated county areas to the west; Lynwood and Paramount on the south; and Downey to the east.

The City and hosts a diverse mix of residential, commercial, industrial, and public buildings and land uses. The I-105 freeway is to its south, the I-110 freeway is approximately three miles from its western border, and the City is bisected by the I-710 freeway and several freight railroad lines.

The South Gate is 7.5 square miles. The City had a population of almost 97,000 residents as of January 2019. The population density is almost 13,000 persons per square mile.

Major physiographic features in the area include the Los Angeles River, which extends in a north-south orientation through the eastern portion of the City, and the Puente Hills, located approximately 9.5 miles to the northeast.

Exhibit I-1 shows South Gate's regional location. Exhibit I-2 shows the boundaries of the City limits.

C. PURPOSE OF THE REPORT

The City of South Gate annually receives funds from the Federal Community Development Block Grant (CDBG) program and HOME Investments Partnership (HOME) program. In FY 2020/2021, the City expects to receive CDBG and HOME funds in the amounts of \$1,487,150 and \$664,918, respectively.

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
Regional Setting

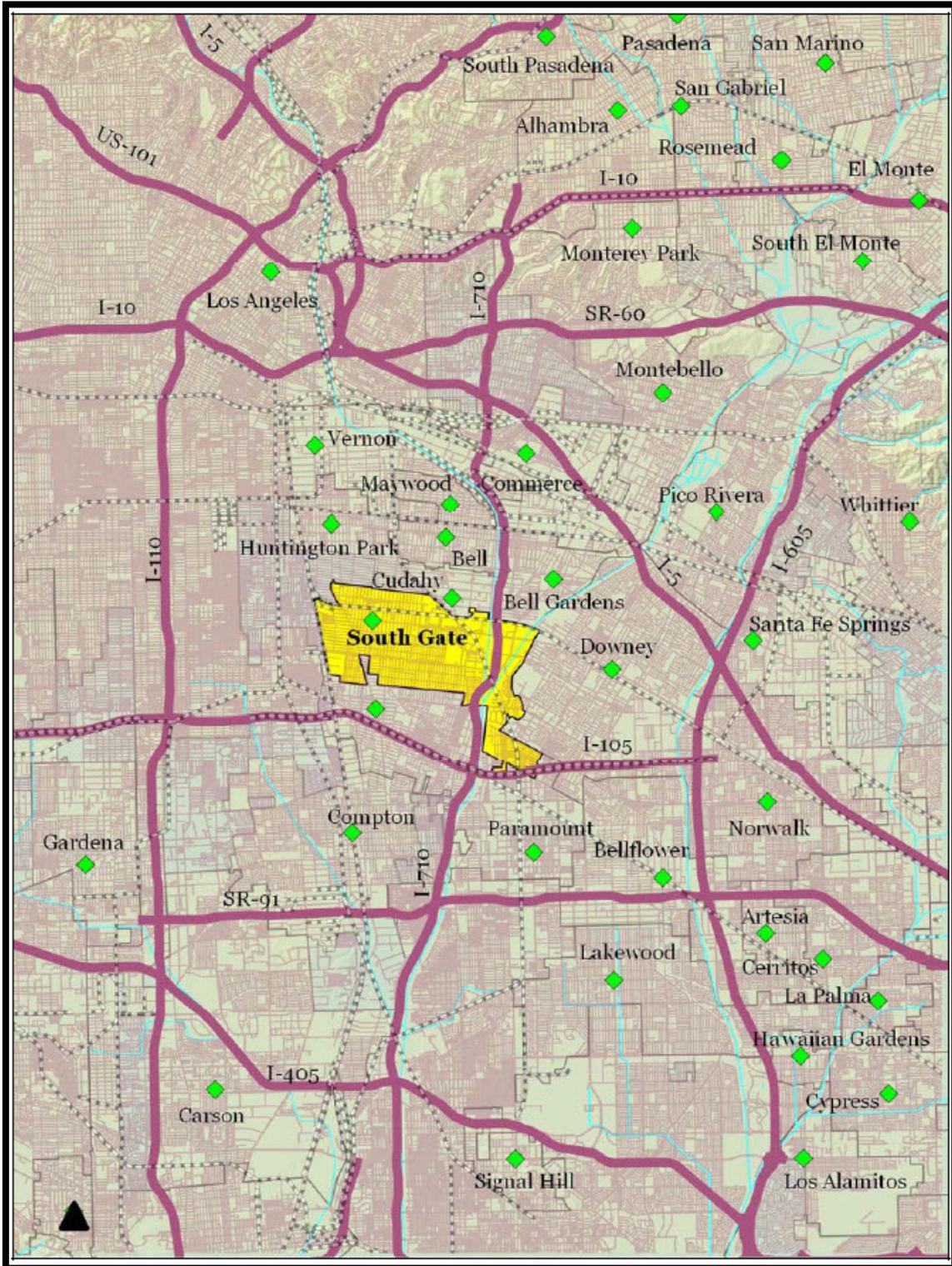
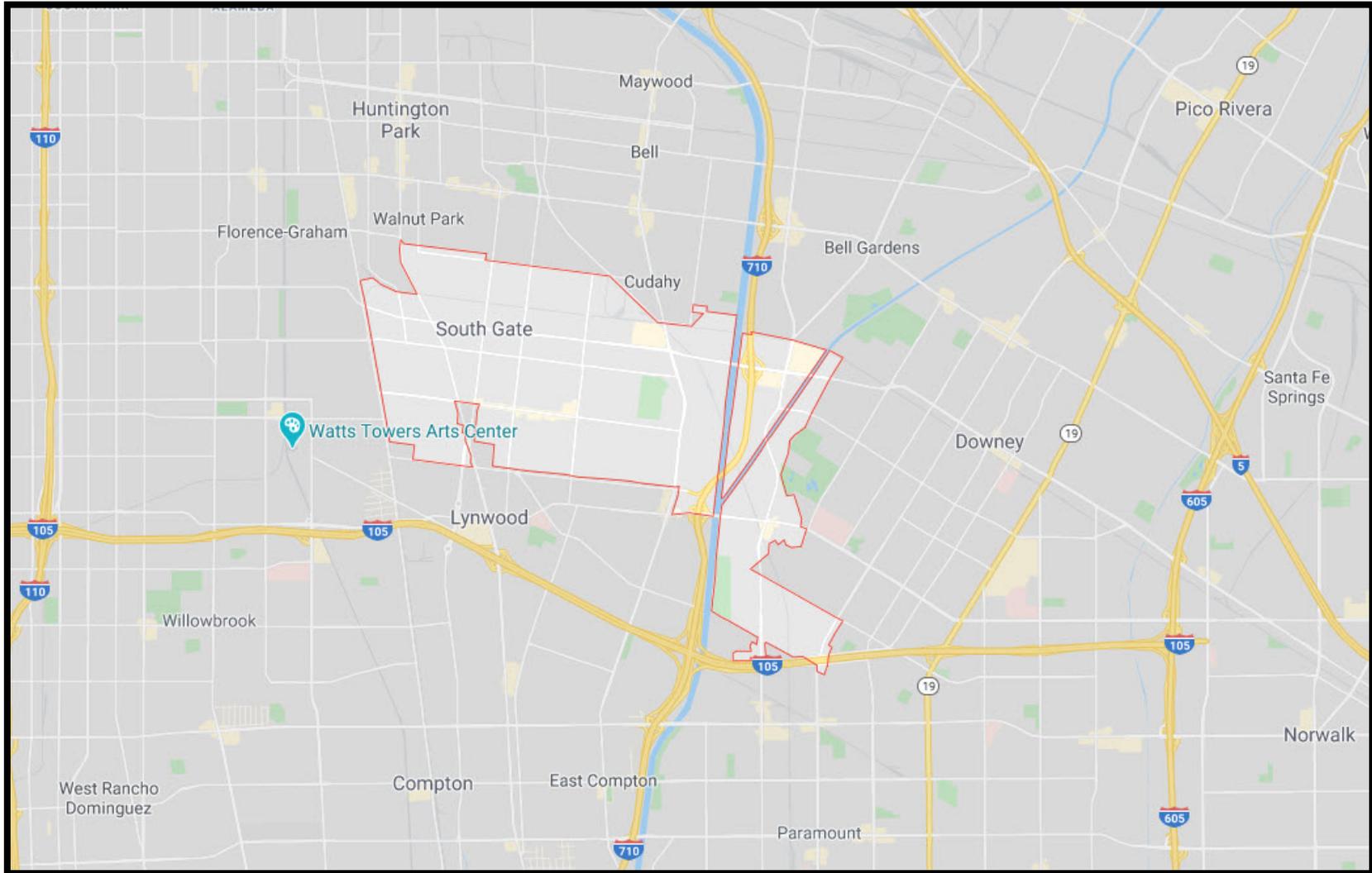


Exhibit I-2
City Limits



Therefore, the fundamental purpose of the AI is to maintain the City'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 South Gate'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 Community Development Department.

Valuable input to the AI was provided by the following:

- ❖ Residents who responded to the Analysis of Impediments to Fair Housing Choice Survey
- ❖ Fair Housing Foundation
- ❖ Los Angeles County Office on Aging
- ❖ California Tax Credit Allocation Committee (CTCAC)
- ❖ California Department of Fair Employment and Housing (DFEH)
- ❖ California Department of Housing and Community Development (HCD)
- ❖ National Fair Housing Alliance (NFHA)

- ❖ U.S. Department of Housing and Urban Development, Los Angeles Field Office
- ❖ 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 FHF contributed to the AI by providing housing discrimination data, case summaries, activities accomplished with the City, and reviewing the AI recommended actions. The City uses CDBG funds to support the fair housing and landlord/tenant counseling services of the FHF.

F. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE SURVEY

An "Analysis of Impediments to Fair Housing Choice Survey" was a component of community outreach. There were 217 responses to the Survey of which 177 were residents and 25 were persons who worked in the City. Eighty percent of the residents have lived in South Gate for 10 years or longer. A summary of the responses is given below:

- ❖ 88% of the respondents believe that "housing for the disabled" is either "important" or "extremely important."
- ❖ 91% of the respondents think that "ADA accessibility improvements to public roads/facilities" is either "important" or "extremely important."
- ❖ 21% of the persons answering the Survey think that they or someone they know has encountered housing discrimination.
- ❖ 67% of the people who have encountered housing discrimination would take action by reporting the incident to the authorities or contact the person responsible for the discriminatory act.
- ❖ 32% of the respondents indicated that they believe housing discrimination occurs in South Gate.
- ❖ The most frequent types of housing discrimination include race, ethnicity, and disability (49%); source of income (51%); children (37%); and criminal history, record (34%). Source of income likely refers to discrimination against Section 8 voucher holders. "Children" probably refers to the familial status protected class.
- ❖ 41% of the people responding to the survey stated they are aware of a tenant's right to request a reasonable accommodation. Examples of the requests that had been made included improving the accessibility of a unit; assistance animal; parking space related; and live-in aide.
- ❖ 16% of the respondents believe there is a need for housing units with accessible kitchens and bathrooms.
- ❖ When asked about their housing options, almost 50% stated they "Cannot afford the rent or mortgage in a preferred neighborhood."
- ❖ Another 8% stated they were "Not shown housing in the neighborhoods we wanted to move to."

Overall, the Survey results demonstrate that residents are of their right to fair housing. There also is a keen understanding that persons with disabilities are a protected class and that meeting their housing needs is important. Still, some people who have experienced housing discrimination do not report the incident. Information could be posted on the City's website informing residents that they should report incidents of housing discrimination.

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

The City Council adopted an AI and Fair Housing Plan on October 13, 2015. The AI and Fair Housing Plan covers the period from FY 2015/2016 to FY 2019/2020. The Plan (pages 38 and 39) includes actions to be implemented by the City and Fair Housing Foundation. Table I-1 describes the progress made on implementing the recommended actions.

In addition to the impediments and objectives listed in Table I-1, the City adopted and has implemented the following actions to further fair housing.

- ❖ Continue to work with housing providers to build housing in areas near jobs, commercial amenities, public facilities and public transit.
- ❖ Continue to work with housing providers to avoid concentrating affordable housing in any one area of the City.
- ❖ Continue to implement revitalization plans in older, lower income neighborhoods.
- ❖ Continue to proactively address affordable housing at risk of losing rent restrictions by engaging local HUD field office, property owners, and local housing providers.
- ❖ Continue to work with the Rancho Southeast Association of Realtors to educate their members about their responsibilities and rights under Fair Housing Law.
- ❖ Continue CDBG funding for Legal Services of FHF to implement the City's Fair Housing Program to educate tenants, landlords and the general public.
- ❖ Continue to promote the education of the general public on the issue of fair housing.
- ❖ Work with FHF to update information related to fair housing for the community.
- ❖ Continue to gather data for the ongoing process of updating this document and monitoring the fair housing situation in South Gate.

**Table I-1
City of South Gate
Progress Report
FY 2015/2016-FY 2019/2020 Fair Housing Action Plan**

Impediments	Implementation Progress
<p>Impediment 1: High concentration of low-income households, substandard housing and inadequate public infrastructure and improvements throughout the City.</p> <p>Objective 1: Hold public workshops on fair housing, the American with Disabilities Act, and tenant rights. Provide information and resources to tenants so they can advocate for their housing rights.</p>	<p>Accomplished. The Fair Housing Foundation scheduled Tenant's Rights Workshops on April 14, 2018, July 24, 2018, September 3, 2018 and August 13, 2018. .</p>
<p>Impediment 2: Concentrations of substandard housing and inadequate public infrastructure.</p> <p>Objective 2: Continue to support use of the Housing Rehabilitation Program in eligible and target improvements in these areas over the next five years.</p>	<p>Accomplished. Housing units were improved by the HOME-funded Home Improvement Program.</p>
<p>Impediment 3: Unequal access to mortgage lending for persons of Hispanic origin.</p> <p>Objective 3: Work with the Fair Housing Foundation of Long Beach (FHF), the Rancho Southeast Association of Realtors, and Hispanic minority groups to provide fair housing education for borrowers and lenders through workshops and written materials.</p>	<p>During the Rental Counseling Workshops, the Fair Housing Foundation discusses savings goals to overcome renting barriers.</p>
<p>Impediment 4: Lack of oversight to discourage discriminatory leasing practices.</p> <p>Objective 4: Work with the FHF to continue test of leasing practices to determine fair housing compliance. In addition, continue to allocate CDBG Public Service funds to FHF to represent low income tenants in fair housing violation cases.</p>	<p>Testing was not accomplished. CDBG funds were allocated to the FHF to support their with low income tenants.</p>

SECTION II
FAIR HOUSING ACTION PLAN



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 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 by the completion of the *Analysis of Impediments to Fair Housing Choice* (AI).

B. FAIR HOUSING ACTION PLAN

Potential and actual impediments to fair housing choice are described in -

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

Based on HUD guidelines and a detailed analysis, 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 Foundation will 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:

- ❖ Definition of Disability
- ❖ Transitional and Supportive Housing
- ❖ Reasonable Accommodation Procedure

Table II-3 provides a brief summary of the conclusions reached and recommended actions regarding the following *private/public sector* impediment:

- ❖ Location of Affordable Rental Housing Developments

Table II-4 provides a brief summary of the conclusions made and the actions that can be taken by the City or Fair Housing Foundation to affirmatively further fair housing in the following areas:

- ❖ Appraisal Practices
- ❖ Definition of Single Housekeeping Unit

**Table II-1
City of South Gate
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>Areas of minority population concentration and high poverty rates create an impediment to fair housing because the neighborhoods lack access to opportunity; for example, educational and employment opportunities. Three census tracts have poverty rates higher than 25%.</p>	<p>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 following actions:</p> <p>Action 1: Evaluate Place-Based Strategies</p> <ul style="list-style-type: none"> ❖ Evaluate place-based strategies that could be effectively implemented in the neighborhoods with minority population concentrations, high poverty rates, and low resources. This action could be implemented concurrently with the preparation of the <i>2021-2029 Housing Element and Assessment of Fair Housing</i>. <p>Action 2: Reduce Neighborhood Poverty Levels</p> <ul style="list-style-type: none"> ❖ Implement the Consolidated Plan Anti-Poverty Strategy. <p>Action 3: Develop Market Rate Housing</p> <ul style="list-style-type: none"> ❖ Encourage the development of market rate housing in neighborhoods with minority population concentrations, high poverty rates, and low resources.

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

<i>Private Sector</i>	
Housing Discrimination	Actions to Remove/Mitigate Impediments
<p>Housing discrimination is an impediment to fair housing choice. Based on past trends, it is estimated that 12 housing discrimination complaints may be filed by South Gate residents with HUD during the five year period between FY 2020-2021 and FY 2024-2025. During the same period, it is estimated that 50-60 housing discrimination complaints may be filed with the Fair Housing Foundation (FHF). Under contract with the City, FHF provides residents fair housing services.</p>	<p>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:</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 FHF 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. ❖ Annually, the FHF will report on the number, bases, alleged acts, and resolutions of the housing discrimination complaints. <p>Action 2: 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 on its website, by providing links to relevant information. Issues such as foreclosures, loan modifications, and short sales should be included, and the information should be provided in the English and Spanish languages.

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

<i>Private Sector</i>	
Steering	Actions to Remove/Mitigate Impediments
<p>Although incidents of steering cannot be precisely quantified, there is evidence that it exists. For example, eight percent of the respondents to the fair housing survey stated that they were “Not shown housing in the neighborhoods we wanted to move to.”</p> <p>Steering creates an impediment to fair housing choice.</p> <p>Examples of steering are described on pages VI-13.</p>	<p>The City will take the following actions to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Provide Information on Steering at Consumer Fair Housing Workshops</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Consumer Fair Housing 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>Action 2: Provide Information on Steering at Landlord Workshops</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Landlord Workshops will provide information on steering.

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

<i>Private Sector</i>	
Lending Practices	Actions to Remove/Mitigate Impediments
<p>The City's goal is to improve the loan approval rates of all racial and ethnic borrowers that want to buy a home in South Gate. 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>The City will take the following action to remove or ameliorate 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 period from FY 2020/2021 to FY 2024/2025, the Fair Housing Foundation will provide information on debt-to-income ratios that are acceptable to lenders. Implementation of this recommendation should result in better prepared borrowers and cause an increase in loan approval rates of all loan applicants, regardless of race and ethnicity. The COVID-19 pandemic may prevent the FHF to conduct in-person workshops in FY 2020/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website and conduct Zoom meetings. <p>Action 2: Continue to Collect and Analyze HMDA Data</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2021-2025 continue to collect HMDA data on loan approvals and denials by race and ethnicity, income, and census tract location. Solid conclusions on trends and impediments can be made when multi-year data are analyzed. The multi-year analysis can be described in the CAPERs.

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

<i>Private Sector</i>	
Property Management Practices	Actions to Remove/Mitigate Impediments
<p>Property management practices concerning service and companion animals, reasonable accommodations, and reasonable modifications impede fair housing choice.</p>	<p>The City will take the following action to remove or ameliorate this impediment to fair housing choice:</p> <p>Action 1: Provide Information on Prohibited Property Management Practices at Landlord Workshops</p> <ul style="list-style-type: none"> ❖ In the period from FY 2020/2021 to FY 2024/2025, the Fair Housing Foundation will continue to hold Landlord Workshops and include discussions on the prohibited discriminatory practices pertaining to service and companion animals, reasonable accommodations, and reasonable modifications. <p>The COVID-19 pandemic may prevent the FHF to conduct in-person workshops in FY 2020/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City’s website and conduct Zoom meetings.</p>

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

<i>Public Sector</i>	
Definition of Disability	Actions to Remove/Mitigate Impediments
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>The City will revise the definition of disability as follows:</p> <p>Action 1: Revise Definition of Disability</p> <ul style="list-style-type: none"> ❖ The Zoning Code disability definition will be amended to delete reference to “substantially limits” and also include a reference to how the State law, which provides broader protections than the federal law, defines disability.
Transitional & Supportive Housing	Actions to Remove/Mitigate Impediments
The Zoning Code 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 described in the following column.	<p>To be consistent with State law and best practices, the City will take the following action:</p> <p>Action 1: Amend the Transitional and Supportive Zoning Requirements</p> <ul style="list-style-type: none"> ❖ Add transitional housing as a permitted use in the CC and UN Zones. ❖ Incorporate in the Zoning Ordinance the by right use requirements of AB 2162
<i>Public Sector</i>	
Reasonable Accommodation Procedure	Actions to Remove/Mitigate Impediments
<p>The Reasonable Accommodation Procedure should be consistent with the guidance provided by the federal Departments of Justice and Housing and Urban Development, the State Department of Housing and Community Development, and best practices.</p> <p>One requirement of a Reasonable Accommodation Procedure is to protect the privacy of the disabled person by not holding public hearings regarding a request for reasonable accommodation.</p> <p>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.</p>	<p>The City will take the following actions to eliminate the potential for creating an impediment to fair housing choice:</p> <p>Action 1: Revise Zoning Code</p> <ul style="list-style-type: none"> ❖ Consider revising Section 11.35.040 so that that a request for a reasonable accommodation request is processed and considered <i>separately</i> from any land use discretionary permits. <p>Action 2: Increase Community Awareness</p> <ul style="list-style-type: none"> ❖ Prepare a Brochure or Flyer to Promote the Reasonable Accommodation Procedure and Prepare an Application that will be Posted on the Community Development Department’s webpage.

**Table II-3
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private/Public Sector* Fair Housing Impediments**

<i>Private/Public Sector</i>	
Location of Affordable Rental Housing Developments	Actions to Remove/Mitigate Impediments
<p>The City is required to update its Housing Element by October 2021 to cover the period from October 2021 to October 2029. An important component of the updated Housing Element Update is the identification of sites that can accommodate the housing needs of lower income families, including sites for multifamily rental housing developments.</p> <p>The very high lower income housing need (3,100 + housing units) allocated by SCAG to the City means it will be necessary to accommodate the housing need on already built land in existing neighborhoods. The identified sites could accommodate the needs of large families, seniors and special needs populations. Improvements to existing neighborhoods are needed to increase the potential of large family rental developments receiving low income housing tax credits and to reduce overcrowded conditions.</p>	<p>The City will take the following actions to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Pursue Placed-Based Improvement Strategies in Existing Neighborhoods</p> <p>During the next five years - FY 2020/2021 to FY 2024/2025 - the City will continue to implement the Community Design Element goals, objectives, and policies including, but not limited, to:</p> <ul style="list-style-type: none"> ❖ Supporting the formation of neighborhood associations and organizations to create specific neighborhood improvement strategies and sponsor neighborhood social and safety events. ❖ Ongoing conservation, maintenance, and upgrading of existing neighborhoods. ❖ The South Gate College, Gateway, Imperial and Firestone Industrial Districts will continue to be planned to contain a mix of uses with a significant amount of new multi-family residential development. ❖ New high density residential that includes a variety of housing types and affordability levels will be encouraged along the majority of the City's Corridors

Table II-4
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Affirmatively Further Fair Housing – Private Sector

Private and Public Sectors	
Appraisal Practices	Actions to AFFH
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 real estate transactions.	<p>Although no impediment was found to exist, the City will take following action to affirmatively further fair housing:</p> <p>Action 1: Provide Information on the Appraisal Process at Consumer Fair Housing Workshops</p> <ul style="list-style-type: none"> ❖ In FY 2020-2021 to FY 2024-2025, the FHF will describe the appraisal process and the contents of an appraisal report at their Consumer Fair Housing Workshops. ❖ The COVID-19 pandemic may prevent the FHF to conduct in-person workshops in FY 2020/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City’s website and conduct Zoom meetings.
Single Housekeeping Definition	Actions to AFFH
<p>The fact that the Zoning Code does not define “family” does not create an impediment to fair housing choice.</p> <p>To affirmatively further fair housing, the City will take the action described in the following column.</p>	<p>Although no impediment was found to exist, the City will take following action to affirmatively further fair housing:</p> <p>Action 1: Evaluate the Merits of Including in the Zoning Code a Definition of “Single Housekeeping Unit.”</p> <p>An example of a single housekeeping unit is given below: <i>Single housekeeping unit</i> 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.</p>

SECTION III
FAIR HOUSING LEGAL STATUS



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

B. FAIR HOUSING 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 Foundation (FHF).

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 South Gate. Table III-1 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, Los Angeles County residents filed 28% of the housing discrimination complaints.

The housing discrimination complaints filed by South Gate residents directly with HUD are processed by HUD's San Francisco Office of Fair Housing and Equal Opportunity (FHEO). HUD's San Francisco regional office compiled the number of housing discrimination complaints filed by South Gate residents between August 2010 and August 2019. During this nine-year period, 12 complaints were filed involving 17 bases (protected classes): Seven of the 12 residents believed they were discriminated against because of their children (familial status). Four residents thought they were discriminated against because of their national origin. Refer to Table III-2

Following HUD investigations, the Department made a "no cause" finding for seven of the 12 complaints. A settlement and conciliation was found successful in three of the 12 cases. In one case HUD was unable to locate the complainant and one remains in progress.

During the past four fiscal years, 48 housing inquiries/allegations were filed with the Fair Housing Foundation. The most frequent bases for the inquiries/allegations included: physical and mental disabilities. Refer to Table III-3

Table III-1
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

Table III-2
City of South Gate
Housing Discrimination Complaints by Protected Class
August 2010 to August 2019
(Filed with U.S. Department of Housing and Urban Development)

Protected Class	Number of Bases	Percentage Distribution
Familial Status	7	42%
National Origin	4	24%
Disability	2	12%
Sex	2	12%
Retaliation	1	5%
Race	1	5%
Total	17	100%

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

Table III-3
City of South Gate
Fair Housing Inquiries/Allegations by Protected Class
FY 2015/2106 to FY 2018/2019
(Filed with the Fair Housing Foundation)

Protected Class	Number of Cases	Percentage Distribution
Age	1	2.1%
Familial Status	10	20.8%
Gender	3	6.3%
Marital Status	3	6.3%
Mental Disability	8	16.7%
National Origin	2	4.2%
Physical Disability	16	33.3%
Race	4	8.3%
Sexual Orientation	1	2.1%
Total	48	100.0%

Source: Fair Housing Foundation, Annual Reports, FY 2015/2016 to FY 2018/2019

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.

In 2018, there were eight Secretary-initiated complaints open or pending, down from 11 in 2017, 16 in 2016, and 33 in 2015. In five of these cases, disability was the protected basis of discrimination. It appears there was only one new case in 2018 and the others were carried over from prior years.

Source: National Fair Housing Alliance, *Defending Against Unprecedented Attacks on Fair Housing: 2019 Fair Housing Trends Report*, page 20

None of the Secretary-initiated complaints have involved the City of South Gate or local property owners, apartment managers and other private or public entities.

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-4 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 South Gate, which receives CDBG and HOME funds.

HUD has not yet published the data for FY 2018 and 2019.

Table III-4
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-5 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 yet published the data for FY 2018 and 2019.

HUD has not conducted a fair housing related compliance review of the City's use of HUD funds.

Table III-5
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 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 four 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. The case highlights involving the State DFEH are listed first (#1- #5) and those are followed by the DOJ cases (#6 - #11). The last two pages of Section III are HUD press releases involving recent (February 2020) settlements with apartment owners and property managers in Upland and San Diego.

Although none of the cases involve the City of South Gate or local private entities, they are concrete examples of the nature of private and public sector impediments to fair housing choice.

1. Sexual Harassment by Marin County Landlord - 2018

A woman filed complaints for housing discrimination and violations of the Unruh Civil Rights Act, alleging that the owner of a residential house in which she rented a downstairs room sexually harassed her over the course of a year and a half, including by kissing her, grabbing her buttocks, and exposing himself to her. The complainant alleged the owner became increasingly hostile after she rejected his advances. No longer feeling safe in her home, the complainant filed a police report and sought a restraining order against the landlord, which the court granted. Immediately following service of the restraining order, the homeowner served the complainant with a 30-day eviction notice. The parties engaged in voluntary pre-investigation mediation in the DFEH's Dispute Resolution Division, resulting in a settlement in which the landlord agreed to pay the complainant \$75,000. In addition to the monetary settlement, the homeowners were required to undergo fair housing training that addresses sexual harassment prevention and retaliation.

2. National Origin Discrimination in Housing in San Rafael - 2018

A family alleged that a property management company discriminated against them on the basis of national origin when the company demanded a U.S.-based form of identification such as a U.S. driver's license, passport, or employment authorization card to process a rental application. DFEH has issued guidance that California housing providers may not require U.S.-issued identification from prospective tenants and must accept foreign-issued identification such as Consular ID cards and passports. Routine credit and background checks may be conducted with a name and previous address. The parties engaged in voluntary pre-investigation mediation in the DFEH's Dispute Resolution Division, resulting in a settlement in which the

property owner agreed to pay \$18,000, change the language of a notice given to rental applicants, attend fair housing trainings, post fair housing posters, and send residents fair housing brochures in English and Spanish.

3. 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.

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. California Department of Fair Employment and Housing v. John Yo Wong - 2016

Irene Reynoso, a 66-year-old woman, had lived in the same apartment in San Francisco for decades. She had been seriously injured as a young woman and her condition had deteriorated over time, requiring her to ask her landlord to accept rent checks signed by her sister, to allow another sister (her caregiver) to stay with her, and to provide her with a key to a more accessible entrance to the garbage room. Despite numerous attempts by Ms. Reynoso, her sisters, and the nonprofit Housing Equality Law Project (HELP) to obtain these reasonable accommodations, the landlord refused all requests and served Ms. Reynoso with multiple eviction notices. After Ms. Reynoso brought her case to DFEH, the Department investigated her claims, found merit and filed a lawsuit against the landlord. In November 2016, Ms. Reynoso's landlord agreed to pay \$575,000 to Ms. Reynoso, her sisters, and HELP to resolve the discrimination allegations and various landlord-tenant claims. The settlement also requires the landlord to attend fair housing training, develop a reasonable accommodations policy, and post informational DFEH posters at all of his rental properties.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

G. REASONS FOR ANY TRENDS OR PATTERNS

According to the National Fair Housing Alliance (NFHA) 2019 Trends Report, disability is the basis for the majority of complaints filed with FHOs, HUD, and FHAP agencies. Between 2017 and 2018, the number of disability complaints in the nation increased by 1,238. This has been the trend for the past several years. According to the NFHA, discrimination on the basis of disability is the easiest to detect as it usually involves denial of a request for a reasonable accommodation or modification or because it involves a multi-family property that is not accessible in obvious ways that violate the requirements of the Fair Housing Act. There were 17,575 nationwide complaints of discrimination based on disability, representing 56% of all cases.

The 2019 Trends Report also concludes that fair housing must be applied to technology with housing-related functions. With the increasing use of digital platforms and algorithms in housing-related transactions, the technology community and housing industries using technology must take steps to eliminate from their models the tainted data and biased outcomes based on a history of discrimination. The industry must:

- ❖ Educate lenders, insurers, housing providers, data scientists, systems modelers, and others in the field about fair housing issues and the effective use of fair housing/fair lending testing;

- ❖ Develop mechanisms for the culling of high-quality non-traditional data, such as rental housing payment information to be used in AI and ML systems;
- ❖ Clarify industry standards to support safe and fair ML and AI development, validation, and monitoring;
- ❖ Increase ethics training for AI professionals to promote the use of effective, high-quality, less-biased data and systems;
- ❖ Update regulatory guidance to ensure the development of AI systems that produce less-discriminatory effects;
- ❖ Eliminate and/or mitigate bias in decisioning, marketing, etc. by adopting responsible AI standards and systems; and
- ❖ Dramatically increase diversity in tech, insurance and financial services industries.

Source: National Fair Housing Alliance, *Defending Against the Unprecedented Attacks on Fair Housing: 2019 Fair Housing Trends Report*, 58 pages

Additional 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 of an increasing share of housing discrimination complaints being made on the basis of disability.

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 State DFEH focused intensively on increasing the accessibility of services for all Californians, including people with disabilities and people with limited English proficiency. In November 2017, DFEH launched new case filing and case management system, Cal Civil Rights System (CCRS), which allows members of the public and their representatives to submit complaints online for all of the civil rights laws DFEH enforces. In 2018, the DFEH launched a Spanish-language version of the CCRS. The Department also Issued a suite of fair housing materials in the six most commonly spoken languages in the state.

Source: California Department of Fair Employment and Housing, *2017 Annual Report*, August 2018, 36 pages and *2018 Annual Report*, 35 pages

**HUD REACHES SETTLEMENT WITH SAN DIEGO HOUSING PROVIDERS,
RESOLVING CLAIMS OF DISABILITY DISCRIMINATION – FEBRUARY 24, 2020**

WASHINGTON - The U.S. Department of Housing and Urban Development today announced it has reached a Conciliation/Voluntary Compliance Agreement with Wakeland Atmosphere, L.P., and FPI Management, Inc., the owner and management company for a HUD-subsidized apartment complex in San Diego, California, to settle allegations that they violated the Fair Housing Act when they refused to allow a tenant with disabilities to have a designated parking space. [Read the agreement.](#)

The Fair Housing Act prohibits housing providers from denying or limiting housing to persons with disabilities. In addition, Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability by recipients of federal financial assistance. Under both statutes, it is illegal to deny reasonable accommodation requests that may be necessary to allow persons with disabilities the opportunity to use and enjoy their home, such as the granting of reserved parking spaces to persons with mobility disabilities.

“Reasonable accommodations make a world of difference to persons who find the most routine things, like walking from a parking lot to their home, challenging,” said Anna Maria Farias, HUD Assistant Secretary for Fair Housing and Equal Opportunity. “Hopefully, today’s settlement will send a loud and clear message to housing providers that HUD is committed to ensuring that they meet their obligations under the nation’s fair housing laws.”

The case came to HUD’s attention when a woman with physical disabilities filed a complaint alleging that FPI Management refused to accommodate her by granting a request for a designated parking space. As a result, the woman alleged she was forced to navigate a steep incline each time she exited her building’s parking garage after parking in one of the regular spaces. FPI Management and Wakeland Atmosphere deny discriminating against the tenant but agreed to settle her complaint.

Under the terms of the agreement, FPI Management, Inc., and Wakeland Atmosphere, L.P., agree to pay the resident \$12,500 and ensure that property managers at the resident’s apartment complex attend fair housing training.

People who believe they have experienced discrimination may file a complaint by contacting HUD’s Office of Fair Housing and Equal Opportunity at (800) 669-9777 (voice) or (800) 927-9275 (TTY). Housing discrimination complaints may also be filed by going to hud.gov/fair housing, or by downloading HUD’s free housing discrimination mobile application, which can be accessed through Apple and Android devices.

**HUD ANNOUNCES SETTLEMENT WITH CALIFORNIA LANDLORDS
RESOLVING CLAIM OF HOUSING DISCRIMINATION – FEBRUARY 20, 2020**

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) today announced the approval of a Conciliation Agreement between Inland Fair Housing and Mediation Board and a group of Upland, CA, property owners and managers resolving allegations that they discriminated against families with children by refusing to rent to them and by imposing different occupancy terms and conditions to families with children. [Read the agreement.](#)

The Fair Housing Act makes it unlawful to deny or limit housing because a family has children under the age of 18, and to make statements or establish rules and policies that discriminate against families with children. Housing may exclude children only if it meets the Fair Housing Act's exemption for housing for older persons.

“Families looking for safe, decent housing shouldn’t be penalized because they have children,” said Anna María Farías, HUD Assistant Secretary for Fair Housing and Equal Opportunity. “Today’s agreement reaffirms HUD’s commitment to ensuring that housing providers meet their obligation to treat all applicants the same.”

The case came to HUD’s attention when Inland Fair Housing and Mediation Board (IFHMB), a HUD Fair Housing Initiatives Program agency, filed a complaint based on results from their fair housing tests. IFHMB alleged the tests showed the property owners and two property managers refused to rent to families with children and/or offered them different lease terms and conditions. The owners and managers also allegedly implemented an unreasonably restrictive two-person-per-bedroom occupancy policy at two rental properties. The owners and managers deny they discriminated against families with children but agreed to resolve the matter through the Conciliation Agreement.

Under the terms of the agreement, the owners and property managers will pay IFHMB \$10,000, abolish any two-person-per-bedroom policy, remove language regarding the two-person-per-bedroom policy from advertising and marketing materials, and have property managers and staff that interact with applicants and tenants attend fair housing training.

Persons who believe they have experienced housing discrimination may file a complaint by contacting HUD’s Office of Fair Housing and Equal Opportunity at (800) 669-9777 (Voice) or (800) 927-9275 (TTY). Housing discrimination complaints may also be filed by going to www.hud.gov/fairhousing.

**SECTION IV
CITY BACKGROUND DATA**



A. INTRODUCTION

HUD's 1996 *Fair Housing Planning Guide* advises grantees to include in the AI "jurisdictional background data" such as:

- ❖ Demographics
- ❖ Income
- ❖ Employment (for example, the location of jobs center in relation to planned housing; accessible transportation)
- ❖ Housing Profile (for example, housing types and affordability)

The existing demographic, income, employment and housing conditions 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. For instance, educational attainment influences wage and salary earnings which then impact the cost of housing that is affordable to South Gate's families.

B. POPULATION AND HOUSEHOLD CHARACTERISTICS

Table IV-1 shows the population and household characteristics in 2010 and 2019. During the almost nine-year time span, the population grew by almost 2,400 persons and the number of households (occupied housing units) increased by 239.

The numerical household increase of 239 seems out of sync with a population increase of nearly 2,400 persons. The population increase was primarily the consequence of an average household size increase from 4.05 to 4.11. Although the .06 household size increase seems small when it is applied to the 2010 number of households – 23,278 – it yields a population increase of 1,397 persons. The 4.11 average household size applied to the household increase of 239 yields a population increase of 984. The sum of these two figures is 2,381.

C. EXISTING HOUSING STOCK

Table IV-2 shows approximately 24,500 housing units comprise the housing stock. Single-family detached and attached homes account for just over 70% of the housing stock. Multi-family housing in structures containing 10 or more dwellings comprises almost 7% of the housing stock.

Multi-family housing (5+ units) constitutes the highest share (63.5%) of the dwellings added to the housing stock between 2010 and 2019. The increase in multifamily housing has enhanced housing diversity and furthers fair housing by providing a fuller range of housing choices. A diverse housing stock that is not exclusively single family homes fosters fair housing. 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 South Gate, Los Angeles County, California and the nation. In all three periods, South Gate had a lower home ownership rate than the County, the State and the nation. During the 2000-2018 period, the percentage of owner-occupied housing decreased from 46.9% to 43.3%.

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

Population	April 1, 2010	January 1, 2019	Increase
Group Quarters Population	88	88	0
Household Population	94,308	96,689	2,381
Total Population	94,396	96,777	2,381
Total Housing Units	24,160	24,511	351
Occupied Housing Units	23,278	23,517	239
Vacant Housing Units	882	994	112
Vacancy Rate	3.7%	4.1%	0.4
Persons per Household	4.05	4.11	0.06

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 South Gate
Housing Stock by Type of Unit: January 1, 2019

Type of Unit	Number of Units	Percent
1 unit, detached	15,332	62.6%
1 unit, attached	1,935	7.9%
2 to 4 units	3,224	13.2%
5-9 units	2,069	8.4%
10-19 units	501	2.0%
20-49 units	232	0.9%
50 or more units	926	3.8%
Mobile homes, RV, Van, Etc.	292	1.2%
Total	24,511	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 South Gate
Housing Stock Increase by Type of Unit
April, 1, 2010 to January 1, 2019

Type of Unit	2010	2019	Change	Percent
1 unit, detached	15,285	15,332	47	13.4%
1 unit, attached	1,865	1,935	70	19.9%
2 to 4 units	3,214	3,224	10	2.8%
5+ units	3,505	3,728	223	63.5%
Mobile homes, RV, Van, Etc.	291	292	1	0.3%
Total	24,160	24,511	351	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
South Gate	46.9%	45.8%	43.3%
Los Angeles County	47.9%	47.7%	45.3%
California	56.9%	55.9%	54.8%
Nation	66.2%	65.1%	63.9%

Source: 2000 Census of Population and Housing, Summary File 3, Table H007 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

South Gate should have a homeownership rate greater than 43% because single family detached and attached homes comprise 70% of its housing stock. But, as Table IV-5 reveals, 37% of all single family detached and attached homes are *renter-occupied*.

Table IV-5
City of South Gate
Owner/Renter Occupancy of Single Family Homes: 2019

Housing Type	Owner	Percent	Renter	Percent	Total
Single Family Detached	10,395	67.8%	4,937	32.2%	15,332
Single Family Attached	476	24.6%	1,459	75.4%	1,935
Total	10,871	63.0%	6,396	37.0%	17,267

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

E. HOUSEHOLD INCOME

Fair housing choice, according to HUD, means the ability of households 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 annual 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-6 shows the number and percentages of households in five income groups by tenure. Approximately 70% of South Gate's 23,465 households have lower incomes, which makes them eligible to participate in the City's CDBG- and HOME-funded programs. *Extremely low income renters* comprise 19% of all the City's households (4,440/23,465).

The household income by tenure data in Table IV-6 is based on the 2012-2016 five-year American Community Survey estimate. Table IV-7 shows HUD's 2014 income limits, adjusted by household size. The extremely low income limit for a 4-person household was \$24,450. This annual household income level is below the poverty level for a two parent family with two children.

Table IV-6
City of South Gate
Household Income by Tenure: 2012-2016

Household Income	Owner	Percent	Renter	Percent	Total	Percent
Extremely Low	1,125	10.7%	4,440	34.2%	5,565	23.7%
Very Low	1,615	15.4%	3,750	28.9%	5,365	22.9%
Low	2,800	26.7%	2,750	21.2%	5,550	23.7%
Moderate ¹	1,565	14.9%	1,050	8.1%	2,615	11.1%
Above Moderate ²	3,385	32.3%	985	7.6%	4,370	18.6%
Total	10,490	100.0%	12,975	100.0%	23,465	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

Table IV--7
HUD FY 2014 Income Limits

Number of Persons	Extremely Low	Very Low	Low
1	\$17,150	\$28,550	\$45,650
2	\$19,600	\$32,600	\$52,200
3	\$22,050	\$36,700	\$58,700
4	\$24,450	\$40,750	\$65,200
5	\$27,910	\$44,050	\$70,450
6	\$31,970	\$47,300	\$75,650
7	\$36,030	\$50,550	\$80,850
8	\$40,090	\$53,800	\$86,100

Note: 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.

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

F. POVERTY

Poor people are unable to enjoy access to 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

Table IV-8 shows families by type with annual incomes below the poverty level. The lowest poverty rates are experienced by married couple families and male householders without children. Female householders with children experience the highest poverty rate of almost 30%.

Table IV-9 reports on additional poverty statistics based on the official and California Poverty Measure (CPM) for the South Gate and Lynwood Cities Sub-Region. (Data are unavailable for South Gate alone.) 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.

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. Without the safety net programs, the City's poverty rate would increase by 14.1%

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 and service 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.

Table IV-8
City of South Gate
Poverty Status by Familial Status and Presence of Children-2018

Family Type	Percent Below Poverty Level
Married Couple Families	10.4%
With related children under 18 years	13.9%
With no related children under 18 years	6.6%
Male Householder, No Wife Present	14.2%
With related children under 18 years	19.9%
With no related children under 18 years	8.4%
Female Householder, No Husband Present	25.5%
With related children under 18 years	29.6%
With no related children under 18 years	20.0%

Source: 2018 American Community Survey 1-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-9
South Gate and Lynwood Cities Sub-Region Poverty Indicators: 2015-2017

Poverty Indicator		East
CPM poverty	Rate	29.5%
	Rate margin of error (% pt)	4.6%
	Number	50,900
	Number margin of error	7,900
Official poverty	Rate	20.0%
	Rate margin of error (% pt)	3.5%
CPM poverty threshold, family of 4 that rents	(\$)	\$32,038
Increase in poverty without safety net	Increase (% pt)	14.1%
	Margin of error (% pt)	2.9%
Increase in poverty without CalFresh	Increase (% pt)	4.0%
	Margin of error (% pt)	1.7%
Increase in poverty without CalWORKs	Increase (% pt)	2.9%
	Margin of error (% pt)	1.5%
Increase in poverty without federal and state EITCs	Increase (% pt)	4.3%
	Margin of error (% pt)	1.9%

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

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%.

South Gate's civilian labor force is approximately 47,000 persons 16 years of age or older, resulting in a labor force participation rate of 67.4%. The number of unemployed persons is almost 4,500, resulting in an unemployment rate of 9.5%. Refer to Table IV-10.

Table IV-10
City of South Gate
Labor Force and Employment Characteristics: 2018

	2018
Population 16 years and over	69,775
In Civilian Labor Force*	47,040
% in Civilian Labor Force	67.4%
Not in Civilian Labor Force	22,735
% Not in Civilian Labor Force	32.6%
In Civilian Labor Force, Unemployed	4,462
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-11 provides data on the industrial composition of the City's approximately 22,400 jobs.

The industry sectors with the largest number of jobs include education, retail trade and manufacturing. The industry sectors with the largest job gains over the past decade include education and retail trade.

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.

According to the South Gate Chamber of Commerce, the top 10 employers include:

- ❖ Koo's Manufacturing
- ❖ HUDD Transportation Services
- ❖ B. Hunt Transport, Inc.
- ❖ Tesoro
- ❖ AltaMed
- ❖ Primestor
- ❖ Rockview
- ❖ World Oil
- ❖ IRS Demo
- ❖ Edison International

**Table IV-11
City of South Gate
Jobs by Sector: 2007 and 2017**

Job Sector	2007		2017		Net Change
	Number	Percent	Number	Percent	
Agriculture	103	0.5%	0	0.0%	-103
Public	616	3.0%	628	2.8%	12
Wholesale	1,047	5.1%	965	4.3%	-82
Manufacturing	3,880	18.9%	3,545	15.8%	-335
Transportation	1,006	4.9%	942	4.2%	-64
Information	246	1.2%	359	1.6%	113
Other ¹	924	4.5%	898	4.0%	-26
Leisure	1,766	8.6%	1,975	8.8%	209
Retail	3,552	17.3%	4,420	19.7%	869
Construction	760	3.7%	651	2.9%	-109
Education	4,558	22.2%	6,036	26.9%	1,478
Finance	944	4.6%	763	3.4%	-181
Professional ²	1,129	5.5%	1,257	5.6%	127
Total	20,530	100.0%	22,439	100.0%	1,909

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 South Gate Local Profile Report, May 2019, pages 24 and 27

H. COMMUTING PATTERNS

Almost 7% percent of the City's workforce both live and work in South Gate. Table IV-12 reveals that the City's residents have numerous work destinations. Approximately one of every four workers commutes to jobs located in Los Angeles.

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 remained about the same at 32 minutes. In 2018, 53% of South Gate commuters spent more than 30 minutes to travel to work. In fact, 15% of all workers had one-way commutes of 60 minutes or longer.

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

Place	Number of Commuters	Percent
Los Angeles	8,064	25.8%
South Gate	2,067	6.6%
Long Beach	1,167	3.7%
Vernon	1,126	3.6%
Commerce	798	2.6%
Santa Fe Springs	794	2.5%
Downey	750	2.4%
Carson	675	2.2%
Torrance	576	1.8%
Lynwood	495	1.6%
All Other Destinations*	14,770	47.2%
Total	31,282	100.0%

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

I. JOBS ACCESSIBILITY

HUD's *Fair Housing Planning Guide* suggest that an AI include an analysis of -

- ❖ The locations of job centers in the jurisdiction and in nearby jurisdictions which now offer or will offer jobs
- ❖ The geographic relationship of such centers to the current and planned locations of housing for lower-income households (employment opportunity/housing linkage impacts heavily on fair housing choice for lower-income persons)

SCAG's *Regional Housing Needs Assessment Allocation Methodology* has developed data that provides insights on jobs accessibility and the relationship between jobs and housing. Job accessibility is based on the share of the region's jobs accessible by a 30 minute commute by car in 2045. Importantly, the RHNA methodology's job access factor is *not* based on the number of jobs within a jurisdiction. Rather, it is a measure based on of how many jobs can be *accessed* from that jurisdiction within a 30-minute commute, which includes jobs in other jurisdictions. Since over 80% of SCAG region workers live and work in different jurisdictions, genuinely improving the relationship between jobs and housing necessitates an approach based on job access rather than the number of jobs in a jurisdiction.

Thus, the job accessibility measure is expressed as the *percentage of the region's employment* which can be reasonably accessed from each location or jurisdiction within in the southern California region. According to this measure, 18.2% of the jobs in the SCAG Region are accessible to South Gate's neighborhoods. In contrast, the inland city of Corona has 8.3% of the region's jobs accessible to its neighborhoods. The cities of Ventura and Brawley have 2.7% and 1.2% of the region's jobs accessible to their neighborhoods.

J. TRANSIT ACCESSIBILITY

HUD's *Fair Housing Planning Guide* suggest that an AI include an analysis of -

- ❖ The need for accessible public transportation, including train or bus service, and subsidized low- or no-cost van pools to link job centers with lower-income housing locations (transportation services are essential where employment opportunities are not near lower-income housing supplies).

SCAG's *Regional Housing Needs Assessment Allocation Methodology* has developed data that provides insights on transit accessibility. SCAG has developed a measure called High Quality Transit Areas (HQTAs) which are areas within a half-mile of transit stations and corridors with at least a 15 minute headway during peak hours for bus service. HQTAs are based on state statutory definitions of high quality transit corridors (HQTCs) and major transit stops.

According to this measure, 85% of South Gate's population will be living within a 2045 HQTA. Exhibit IV-1 shows the boundaries of the geographic areas that are located within the High Quality Transit Areas.

K. 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. Approximately 44% 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 almost \$26,000 higher than of a person who did not graduate from high school.

Exhibit IV-1
High Quality Transit Area

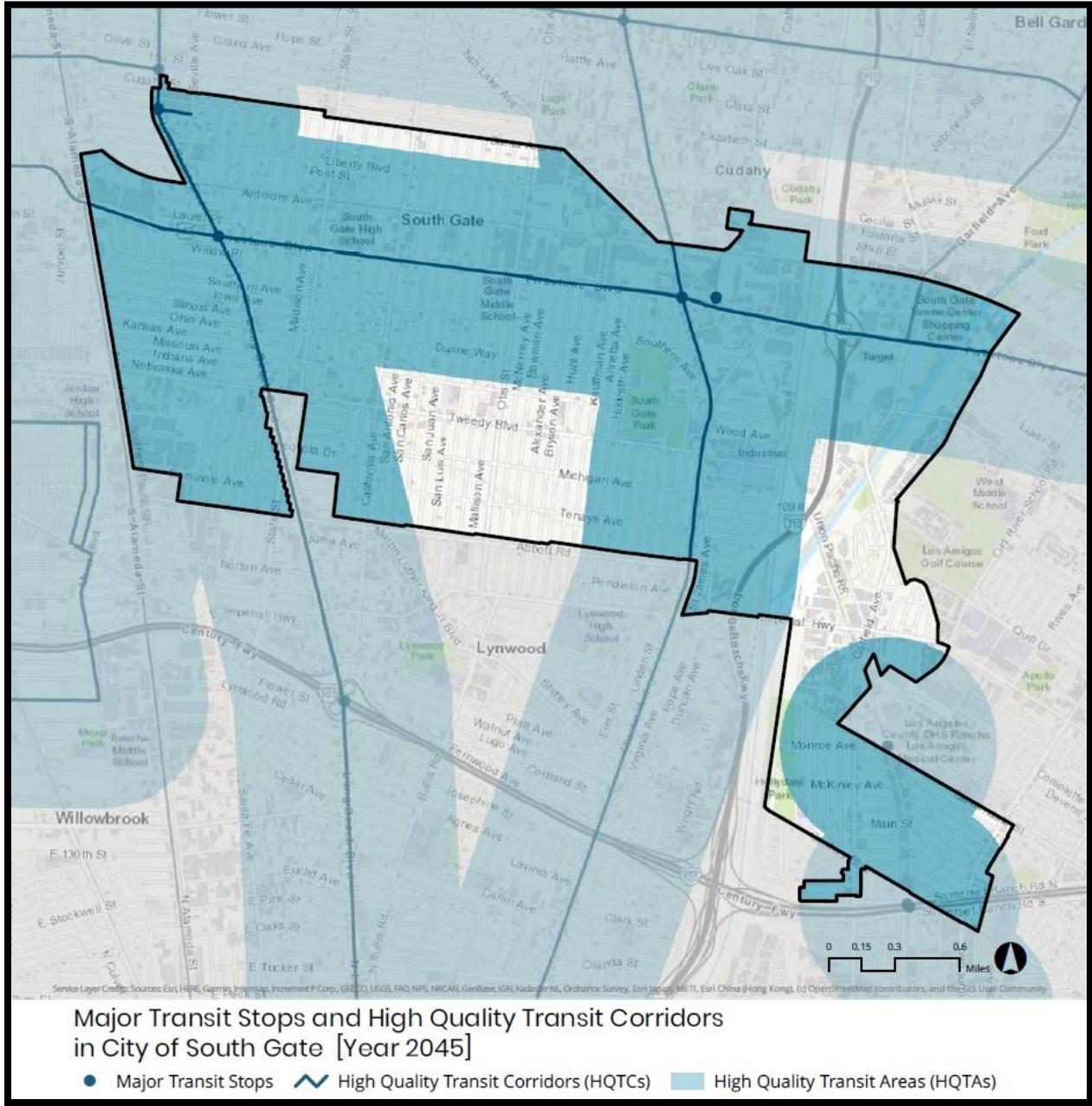


Table IV-13
City of South Gate
Educational Attainment for the Population 25 Years and Over: 2018

Educational Attainment	Number	Percent
8 th Grade or Less	15,379	27.1%
9 th -11 th Grades	6,049	10.7%
12 th Grade, No Diploma	3,281	5.8%
High School Graduate	14,267	25.1%
Some College	9,745	17.2%
Associate's Degree	2,180	3.8%
Bachelor's Degree	3,958	7.0%
Master's Degree	1,613	2.8%
Doctorate Degree	0	0.0%
Professional Degree	257	0.5%
Total	56,729	100.0%

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 South Gate
Median Earnings by Educational Attainment: 2018

Educational Attainment	Median Earnings
Less than High School Graduate	\$35,492
High School Graduate	\$31,975
Some College or Associate's Degree	\$35,104
Bachelor's Degree	\$32,064
Graduate or Professional Degree	\$61,342

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



A. INTRODUCTION

1. Introduction

A “protected class” is a group of people with a common characteristic who are legally protected

According to HUD:

- ❖ *Protected Characteristics* are race, color, religion, sex, familial status, national origin, having a disability, and having a type of disability. (24 C.F.R. § 5.152)
- ❖ *Protected Class* means a group of persons who have the same protected characteristic; e.g., a group of persons who are of the same race are a protected class. Similarly, a person who has a mobility disability is a member of the protected class of persons with disabilities and a member of the protected class of persons with mobility disabilities. (24 C.F.R. § 5.152)

The Fair Housing Foundation (FHF), which has offices in Long Beach and Anaheim, provides fair housing and landlord/tenant counseling services to South Gate’s residents and apartment managers. According to the FHF, Federal and State laws prohibit discrimination in the sale, rental, leasing, negotiation, advertising, and financing of housing based on the following:

Federal

- ❖ Race
- ❖ Color
- ❖ National Origin
- ❖ Disability: Mental and Physical
- ❖ Religion
- ❖ Sex
- ❖ Familial Status

California

- ❖ Marital Status
- ❖ Ancestry
- ❖ Source of Income
- ❖ Sexual Orientation
- ❖ Age
- ❖ Arbitrary: Physical Characteristics
- ❖ Gender Identity, Gender Expression
- ❖ Citizenship
- ❖ Primary Language
- ❖ Immigration Status

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 and Discrimination Examples

a. 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.

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

b. 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 ethn racial taxonomy." [Victoria Hattam, "Ethnicity & the Boundaries of Race: Re-reading Directive 15," *Daedalus*, Winter 2005, page 63]

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

c. National Origin

"National origin" means the geographic area in which a person was born or from which his or her ancestors came.¹⁵ The geographic area need not be a country for it to be considered someone's "national origin," but rather can be a region within a country, or a region that spans multiple countries. In general, national origin discrimination can occur even if a defendant does not know, or is mistaken about, precisely from where the plaintiff originates.

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

d. Disabled/Disability

The term "disability" means, with respect to an individual:

- ❖ A physical or mental impairment that substantially limits one or more major life activities of such individual;
- ❖ A record of such an impairment; or
- ❖ Being regarded as having such impairment.

Disability 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)).

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

e. Religion

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

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

f. Sex

The protected group includes gender (male or female), gender identity, and gender expression. 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)

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

g. Familial Status

Familial Status means one or more individuals (who have not attained the age of 18 years) being domiciled with--

- ❖ A parent or another person having legal custody of such individual or individuals; or
- ❖ 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. (42 U.S.C. 3602(k))

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

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 South Gate's population.

B. RACE/COLOR**1. Population Characteristics by Race and Ethnicity****a. Race and Ethnic Categories**

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.

b. Definitions of Non-Minority and Minority Populations

The *non-minority* population is White, Non-Hispanic or Latino. All other population groups comprise the minority population. The minority population is defined in the same way by the Office of Management and Budget (OMB), Federal Department of Transportation (DOT), Federal Financial Institutions Examination Council (FFIEC), and Council on Environmental Quality (CEQ - environmental justice guidelines).

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.

Refer to the next page for definitions of race and Hispanic or Latino origin.

Census Definitions of Race

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.

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: White, Black or African American, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and 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.

Census Definitions of Hispanic or Latino Origin

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.

c. South Gate's Population by Race and Ethnicity

In the four-year period from 2015 to 2018, 16% of the bases of housing discrimination complaints filed with the DFEH were race and color. According to HUD, race was the basis for 5% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, race was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

Table V-1 shows the population growth by race and ethnicity between 2010 and 2018. During this period, the groups experiencing population gains include Hispanic or Latino; Black or African American; Asian; and Native Hawaiian/Pacific Islander.

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

Race/Ethnicity	2010	2018	Increase/ Decrease
Hispanic or Latino	89,442	90,380	938
Not Hispanic or Latino			
White Alone	3,233	2,954	-279
Black or African American Alone	585	620	35
American Indian and Alaska Native Alone	110	72	-38
Asian Alone	647	703	56
Native Hawaiian and Other Pacific Islander Alone	69	178	109
Some Other Race Alone	147	32	-115
Two or More Races	163	164	1
Total	94,396	95,103	707

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 2018, 90,380 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- ❖ About 60% of the Hispanic population said that their race was White Alone
- ❖ Almost 37% said they belonged to Some Other Race
- ❖ 2% identified themselves as having Two or More Races

The majority of South Gate's population is White because three of every five Hispanics identify with the White Alone race category,

Table V-2
City of South Gate
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	54,576	60.4%	2,954	62.5%	57,530	60.5%
Black or African American Alone	186	0.2%	620	13.1%	806	0.8%
Asian Alone	8	0.0%	703	14.9%	711	0.7%
American Indian or Alaska Native Alone	525	0.6%	72	1.5%	597	0.6%
Hawaiian or Other Pacific Islander Alone	7	0.0%	178	3.8%	185	0.2%
Some Other Race Alone	33,276	36.8%	32	0.7%	33,308	35.1%
Two or More Races	1,802	2.0%	164	3.5%	1,966	2.1%
Total	90,380	100.0%	4,723	100.0%	95,103	100.0%
Percent Hispanic and Not Hispanic	95.0%		5.0%			

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

2. Median Household Income, Poverty and Tenure Characteristics by Race and Ethnicity

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

The median household income of the different population groups vary significantly. The Black or African American households have the lowest median household income at approximately \$29,500. In contrast, the Asian households have the highest median household income at \$81,250. The Hispanic households are in the middle of these two groups with a median household income of approximately \$50,400. Refer to Table V-3.

Table V-4 shows that three groups have poverty rates exceeding 25%: Native Hawaiian or Other Pacific Islander; American Indian and Alaska Native; and Black or African American. Although poverty rates differ, any household with such low incomes – regardless of race or ethnicity – would be unable to afford market rate housing. Household 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.

Almost 60% of the South Gate's households are renter households. In fact, only two groups have a homeownership rate of more than 50%: White Alone, Not Hispanic and Native Hawaiian or Other Pacific Islander householders. 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 alleged housing discriminatory acts reported to HUD and the Fair Housing Foundation are filed by renter householders.

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

Population Group	Median Income
Asian Alone	\$81,250
Hispanic	\$50,418
SORA ¹	\$50,712
White Alone	\$49,633
White, Not Hispanic	\$48,281
2 or More Races	\$51,635
Black/African American	\$29,536
Native Hawaiian	\$43,264

¹ Some Other Race Alone

Source: 2014-2018 American Community Survey 5-Year Estimates, Table S1903 Median Income in the Past 12 Months (in 2018 Inflation-Adjusted Dollars)

Table V-4
City of South Gate
Poverty Status by Race and Ethnicity: 2014-2018

Race/Ethnicity	Population for Whom Poverty Status is Determined	Number Below Poverty Level	Percent Below Poverty Level¹
One Race			
White	57,388	10,302	18.0%
Black or African American	789	217	27.5%
American Indian and Alaskan Native	597	165	27.6%
Asian	697	31	4.4%
Native Hawaiian or Other Pacific Islander	185	65	35.1%
Some Other Race	33,283	6,771	20.3%
Two or More Races	1,937	258	13.3%
Total	94,876	17,809	18.8%
Hispanic or Latino of any race	90,209	17,064	18.9%
White Alone, Not Hispanic	2,925	397	13.6%

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

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

Race/Ethnicity	Owners	Renters
White	42.4%	57.6%
Black or African American	26.2%	73.8%
American Indian/Alaska Native	30.9%	69.1%
Asian	50.0%	50.0%
Native Hawaiian or Other Pacific Islander	89.5%	10.5%
Some Other Race	42.3%	57.7%
Two or More Races	37.4%	62.6%
Hispanic or Latino of any race	41.0%	59.0%
White Alone, Not Hispanic	67.0%	33.0%
Total	42.3%	57.7%

Sources: 2014-2018 American Community Survey 5-Year Estimates, Table B25003A-I Tenure by Race/Ethnicity

C. SEX OF HOUSEHOLDER

1. Population Characteristics

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

In the four-year period from 2015 to 2018, 5% of the bases of housing discrimination complaints filed with the DFEH were sex-gender. According to HUD, sex was the basis for 12% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, sex was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

Table V-6 presents data on the number of householders by type. Female and male householders account for almost one-third (30.1%) of all householders. Householders living alone account for one-eighth of all householders (12.2%).

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

Household Type	Number	Percent
Married Couples	13,114	55.4%
Female Householders	4,174	17.6%
Male Householders	2,963	12.5%
Householder Living Alone	2,881	12.2%
Householder Living w/Others	559	2.4%
Total	23,691	100.0%

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

2. Tenure by Household Type and Sex of Householder

Table V-7 provides information on the owner-renter status of different household types. Married couple families are the largest household type and the only group that is predominantly homeowners. The second largest household type is female householders which has a homeownership rate of almost 35%.

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

Household Type	Owner	Percent	Renter	Percent	Total
Married-Couple Family	6,756	51.5%	6,358	48.5%	13,114
Male Householder, No Wife Present	1,027	34.7%	1,936	65.3%	2,963
Female Householder, No Husband Present	1,446	34.6%	2,728	65.4%	4,174
Householder Living Alone	861	29.9%	2,020	70.1%	2,881
Householder Living With Others	178	31.8%	381	68.2%	559
Total	10,268	43.3%	13,423	56.7%	23,691

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. Almost 30% of female householders with children have incomes below the poverty level.

Almost 1,200 female householders have recently received food stamps. And 82% of the female householders who received food stamp benefits have children. Refer to Table V-8 on the next page.

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

Status	Children	No Children	Total	Percent
Received Food Stamps	961	211	1,172	28.1%
Did Not Receive Food Stamps	1,932	1,070	3,002	71.9%
Total	2,893	1,281	4,174	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.

In the four-year period from 2015 to 2018, 5% of the bases of housing discrimination complaints filed with the DFEH were national origin. According to HUD, national origin was the basis for 24% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, national origin was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

1. 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 South Gate's foreign born population consists of approximately 41,000 persons. Of this total number almost 98% were born in Latin America

2. Ethnicity or Origins of the Population

a. Origins of the Hispanic or Latino Population

Almost 91,000 Hispanic or Latino persons reside in South Gate. Table V-10 shows that Mexico is the origin of almost 86% of all Hispanic persons. Between 2010 and 2018, there was a percentage increase in Hispanics identifying Mexico as their place of origin.

b. Other Population Groups

Because of their low population totals, the American Community Survey did not publish detailed origin data for the other population groups.

**Table V-9
City of South Gate
Foreign Born Population by Region of Birth: 2014-2018**

Region	Number	Percent
Europe	206	0.5%
Asia	535	1.3%
Africa	123	0.3%
Oceania	41	0.1%
Latin America	40,240	97.8%
North America	0	0.0%
Total	41,145	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

**Table V-10
City of South Gate
Persons of Hispanic Origin: 2010 and 2014-2018**

Hispanic Origin	2010		2018	
	Number	Percent	Number	Percent
Mexican	73,677	82.4%	77,824	85.6%
Puerto Rican	464	0.5%	0	0.0%
Cuban	754	0.8%	317	0.3%
Other Spanish/Hispanic*	14,547	16.3%	12,795	14.1%
Total	89,442	100.0%	90,936	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

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

In the four-year period from 2015 to 2018, 8% of the bases of housing discrimination complaints filed with the DFEH were familial status. According to HUD, familial status was the basis for 42% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, familial status was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

The 2018 ACS data shows that the City had almost 23,700 households: Forty-five percent of all households have children. In fact, 57% of the female householders have children. Refer to Table V-11.

Non-family households do not have children. A non-family 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 highest poverty rate of 29.6%. Refer to Table V-12.

**Table V-11
City of South Gate
Households with Children: 2018**

Household Type	Number	With Children	Percent With Children
Married Couples	13,114	6,797	51.8%
Female Householders, No Husband Present	4,174	2,381	57.0%
Male Householders, No Wife Present	2,963	1,491	50.3%
Non-Family Householders	3,440	0	0.0%
Total	23,691	10,669	45.0%

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

**Table V-12
City of South Gate
Poverty Status by Familial Status and Presence of Children-2018**

Family Type	Percent Below Poverty Level
Married Couple Families	10.4%
With related children under 18 years	13.9%
With no related children under 18 years	6.6%
Male Householder, No Wife Present	14.2%
With related children under 18 years	19.9%
With no related children under 18 years	8.4%
Female Householder, No Husband Present	25.5%
With related children under 18 years	29.6%
With no related children under 18 years	20.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B17023, Poverty Status in the Past 12 Months of Families by Household Type by Number of Own Children Under 18 Years

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 more than 13,000 renter households reside in South Gate.

These data demonstrate a need for the City to continue to support the provision of fair housing services to its residents.

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

Presence of Children	Owner	Percent	Renter	Percent	Total	Percent
With Own Children Under 18 Years	3,735	34.9%	6,964	65.1%	10,699	45.2%
No Own Children Under 18 Years	5,494	57.5%	4,058	42.5%	9,552	40.3%
Nonfamily Households	1,039	30.2%	2,401	69.8%	3,440	14.5%
Total	10,268	43.3%	13,423	56.7%	23,691	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 Act prohibits discriminatory housing practices based on handicap/disability. 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

In the four-year period from 2015 to 2018, 30% of the bases of housing discrimination complaints filed with the DFEH were disability. According to HUD, disability was the basis for 12% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, disability was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

2. Estimates of People with Disabilities

Of the civilian noninstitutionalized population, an estimated 8.2% or approximately 7,700 people have a disability. Nearly one-half of the senior population 75 years old or older has a disability. Table V-14 presents the disability prevalence rates by age group.

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

Age Group	Disabled Population	Total Population	Percent Disabled
< 5 years	48	7,144	0.7%
5-17 years	787	20,079	3.9%
18-34 years	1120	24,934	4.5%
35-64 years	2983	33,317	9.0%
65-74 years	1332	5,797	23.0%
75 years+	1429	3,103	46.1%
Total	7,699	94,374	8.2%

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

Table V-15 shows that one in four households have a member with a disability, a proportion much higher than for the non-institutionalized population. The reason for the difference in rates may be that 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-15
City of South Gate
Disabled Householders: 2018

Household Disability Status	Number	Percent
Households with one or more persons with a disability	5,505	23.2%
Households with no persons with a disability	18,186	76.8%
Total	23,691	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B22010, 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 approximately 5,500 limited English speaking households residing in South Gate. Almost all of these households - 97% - are Spanish speaking. Limited English speaking households comprise nearly one-fourth of all households living in the City. Refer to Table V-16.

Table V-16
City of South Gate
Limited English Speaking Households: 2014-2018

Households Speaking	Limited English-Speaking Households	Percent of all Limited English-Speaking Households¹
Spanish	5,384	97.0%
Other Indo-European Languages	87	1.6%
Asian and Pacific Island Languages	82	1.5%
Other Languages	0	0.0%
Total	5,553	100.0%

Source: 2014-2018 American Community Survey 5-Year Estimates, Table S1602, Limited English Speaking Households

SECTION VI
PRIVATE SECTOR IMPEDIMENTS ANALYSIS



A. INTRODUCTION

Section VI presents the analysis of nine 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 present information on each impediment.

Table VI-1
City of South Gate
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-8
❖ Housing Discrimination	VI-9 to VI-11
❖ Brokerage Services	VI-12 to VI-13
❖ Steering	VI-13 to VI-15
❖ Appraisal Practices	VI-15 to VI-16
❖ Lending Practices	VI-16 to VI-24
❖ Property Management Practices	VI-24 to VI-31
❖ Discriminatory Advertising	VI-31 to VI-33
❖ Hate Crimes	VI-33 to VI-34

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 of recommended actions that will be implemented by the City and Fair Housing Foundation, 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

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.

The values of the Dissimilarity Index range from 0 to 100. An index value of 0 indicates that a city is completely integrated when measuring for example the distributions of Whites and Blacks, while an index value of 100 indicates the city is completely segregated. The value of the Dissimilarity Index is based on the proportion of the two groups within each census tract relative to the distribution of the two groups in the city. It is not based on the proportion of the two groups within the city. Table VI-1 provides an example that helps to explain the DI.

**Table VI-1
Dissimilarity Index Example**

Census Tract	City A		City B		City C	
	White	Black	White	Black	White	Black
100	3,900	100	0	200	0	200
101	3,900	100	0	200	3,900	100
102	3,900	100	7,800	0	3,900	100
103	3,900	100	7,800	0	7,800	0
Total	15,600	400	15,600	400	15,600	400
Dissimilarity Index	0		100		50	

In each of these hypothetical cities, there are 15,600 Whites (97.5%) and 400 Blacks (2.5%). Because of the small proportion (2.5%) of Blacks, these cities could be labelled as “segregated.” However, the Dissimilarity Index for these cities ranges from 0 to 100.

The difference in the values of the Dissimilarity Index is based on the distribution of the White and Black populations within each of the census tracts. In City A with a Dissimilarity Index of 0, the proportion of Whites and Blacks in each census tract is the same. In City B with a Dissimilarity Index of 100, all the Whites are in two census tracts and all the Blacks are in two census tracts. In City C with a Dissimilarity Index of 50, there is one census tract that is exclusively Black, one census tract that is exclusively White, and two tracts where the proportion of Blacks to White is the same and is relative to the City's proportion of the 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. Using 2010 Census data, Brown University calculated the City of South Gate's Index of Dissimilarity and the index reveals a Low Segregation Level for all racial/ethnic group pairings as follows:

❖ White-Black/Black-White	25.6
❖ White-Hispanic/Hispanic-White	29.8
❖ White-Asian/Asian-White	14.0
❖ Black-Hispanic/Hispanic-Black	29.1
❖ Black-Asian/Asian-Black	29.8
❖ Hispanic-Asian/Asian-Hispanic	38.4

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 none of South Gate's census tract has a poverty rate of 40% or more. Therefore, the City has no racially/ethnically concentrated areas of poverty.

**Table VI-2
City of South Gate
Poverty Rates by Census Tract**

Census Tract	Population for Whom Poverty Status is Determined	Number Below poverty Level	Percent Below Poverty
5355.01	3,814	1,000	26.2%
5355.02	5,243	1,154	22.0%
5355.03	2,151	402	18.7%
5356.03	3,756	968	25.8%
5356.04	4,334	910	21.0%
5356.05	4,715	1,070	22.7%
5356.06	2,165	313	14.5%
5356.07	4,949	1,115	22.5%
5357.01	5,620	572	10.2%
5357.02	4,984	1,281	25.7%
5358.02	6,231	1,029	16.5%
5358.03	4,570	746	16.3%
5358.04	5,633	1,382	24.5%
5359.01	5,688	1,156	20.3%
5359.02	7,233	572	7.9%
5360.00	3,684	593	16.1%
5361.02	3,281	377	11.5%
5361.03	5,447	964	17.7%
5361.04	4,072	900	22.1%
5362.00	7,306	1,305	17.9%
Total	94,876	17,809	18.8%

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.

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.

The City is located within Los Angeles-Long Beach –Santa Ana CA Metro Area. The minority population percentage of the Metro Area is 68.5% (8,802,783/12,849,383). Thus, an area of minority concentration is a census tract having 88.5% of the population identifying with a minority group. All census tracts have a minority population higher than 88.5%. Refer to Table VI-3.

d. Impact of Population 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. However, DOF has prepared population projections by race and ethnicity for the entire Los Angeles County area.

The patterns of demographic change in Los Angeles County are likely to have a much greater impact on the City of South Gate than the Los Angeles-Long Beach-Anaheim region. Table VI-4 presents population projections by race and ethnicity for Los Angeles County from 2020 to 2030. Over this 10-year period, the Los Angeles County population is projected to add approximately 123,000 people, which is a slight increase of 1.2%. The largest growth, both numerically and percentage wise, will be the Asian population. It will grow by over 206,000 representing a 12.5% increase. Hispanics will increase by nearly 149,000 and will remain the single largest racial/ethnic group in Los Angeles County.

Although the growth of the population representing Two or More Races will experience a numerical increase of approximately 26,000, the percentage increase will be the second highest at 12.3%, nearly matching the rate of projected for Asians. Both the White population and the Black or African American population are expected to decline. The White population is projected to decline by nearly 239,000, a 9.1% decrease, while the Black or African American population is projected to decline by 21,306 or 2.6%. Overall, these data indicate that the minority population of Los Angeles County will grow and will represent a larger portion of the population. Minorities make up approximately 74.3% of Los Angeles County's population currently and will represent nearly 77% of the population in 2030.

(The minority population percentage Los Angeles County is higher than the region's because the region also includes Orange County.)

Table VI-3
City of South Gate
Minority population by Census Tract

Census Tract	White alone	Hispanic or Latino (of any race)	Black or African American alone	American Indian and Alaska Native alone	Asian alone	Native Hawaiian and Other Pacific Islander alone	Some other race alone	Two or more races	Total	Percent Minority
5355.01	54	3,876	5	0	4	5	0	5	3,949	98.6%
5355.02	118	5,012	45	0	27	0	0	0	5,202	97.7%
5355.03	26	2,339	0	12	0	0	0	16	2,393	98.9%
5356.03	13	3,511	62	0	7	0	0	0	3,593	99.6%
5356.04	26	4,326	0	0	0	0	0	0	4,352	99.4%
5356.05	25	4,589	0	0	40	0	0	0	4,654	99.5%
5356.06	62	2,006	14	0	0	6	0	18	2,106	97.1%
5356.07	50	4,994	31	0	0	0	0	0	5,075	99.0%
5357.01	50	5,593	0	0	99	0	0	7	5,749	99.1%
5357.02	286	4,448	0	0	0	0	0	29	4,763	94.0%
5358.02	347	6,172	0	0	0	13	0	25	6,557	94.7%
5358.03	40	4,405	0	0	9	0	22	0	4,476	99.1%
5358.04	139	5,458	34	0	0	0	0	0	5,631	97.5%
5359.01	51	5,673	10	0	0	0	0	0	5,734	99.1%
5359.02	309	6,684	0	0	40	0	0	21	7,054	95.6%
5360	49	3,724	13	24	12	0	0	0	3,822	98.7%
5361.02	730	2,641	17	0	14	9	0	8	3,419	78.6%
5361.03	117	5,434	7	0	18	0	0	34	5,610	97.9%
5361.04	79	3,818	131	0	18	53	3	20	4,122	98.1%
5362.00	462	6,181	206	0	267	43	0	0	7,159	93.5%
Total	3,033	90,884	575	36	555	129	25	183	95,420	96.8%
Percent	3.2%	95.2%	0.6%	0.0%	0.6%	0.1%	0.0%	0.2%	100.0%	

Source: 2013-2017 American Community Survey, Table DP05 ACS Demographic and Housing Estimates

Table VI-4
Los Angeles County Population Growth: 2020-2030

Race/Ethnicity	2020	2025	2030	Net Gain 2020-2030	Percent Change
Hispanic or Latino	4,877,565	4,933,953	5,026,691	149,126	3.06%
Not Hispanic or Latino					
White Alone	2,637,825	2,526,327	2,398,864	-238,961	-9.1%
Black or African American Alone	833,261	822,422	811,955	-21,306	-2.6%
American Indian and Alaska Native Alone	29,994	30,862	31,723	1,729	5.8%
Asian Alone	1,646,804	1,755,669	1,853,082	206,278	12.5%
Native Hawaiian and Pacific Islander Alone	23,806	23,890	24,131	325	1.4%
Two or More Races	208,302	221,344	234,000	25,698	12.3%
Total	10,257,557	10,314,467	10,380,446	122,889	1.2%

Source: Demographic Research Unit, California Department of Finance, January 2020

Since there are no city level population projections by race and ethnicity available, one can only speculate that these same patterns of growth will occur in South Gate. With the decrease in the White population in Los Angeles County and the increase of Hispanics and Asians in particular, it is likely that the population of South Gate will have fewer Whites, and more Hispanics and Asians. The effects of the slight decrease in the Black or African American population could result in fewer Blacks or African Americans by 2030 or possibly little change within the City. Thus, with the declining size of the White population and the increase size of the Asian and Hispanic populations, there is a low and more likely a zero probability that neighborhoods could change to majority White neighborhoods by 2030.

e. Components of Population Change

Population change is the product of four components: Births, Deaths, In-Migration and Out-Migration (Net Migration). Over the next ten years, most of Los Angeles County' total population growth will come from natural increase (238,693), which is Births (991,841) less deaths (753,148). With higher fertility rates and a larger population base, most of the births will be Hispanic. Based on patterns from the previous decade, Asians will represent the largest share of the in-migrants, as large numbers of Blacks, Hispanics and Whites will migrate out of Los Angeles County, mostly to the counties to the east. Deaths over the next 10 years will be dominated by Whites. Within this demographic environment, South Gate's minority population will likely grow relative to the White population.

Refer to Table VI-5 on the next page for details concerning the components of change.

**Table VI-5
Los Angeles County Population Growth 2020-2030
Components of Change**

Population 2020	10,257,557
Births 2020-2029	991,841
Deaths 2020-2029	753,148
Net Migration 2020-2029	-115,804
Population 2030	10,380,446

Source: Demographic Research Unit, California Department of Finance, January 2020

3. Conclusions and Recommendations

Although the City as whole has a low segregation level, all neighborhoods have minority population concentrations. The population growth dynamics of Los Angeles County are unlikely to change the population characteristics of South Gate. However, new residential development on the scale of the City's regional housing needs assessment could attract a more diverse population.

Areas of minority population concentration and high poverty rates create an impediment to fair housing because the neighborhoods lack access to opportunity; for example, educational and employment opportunities.

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: Evaluate Place-Based Strategies

- ❖ Evaluate place-based strategies that could be effectively implemented in the neighborhoods with minority population concentrations, high poverty rates, and low resources. This action could be implemented concurrently with the preparation of the *2021-2029 Housing Element* and the *Assessment of Fair Housing*.

Action 2: Reduce Neighborhood Poverty Levels

- ❖ Implement the Consolidated Plan Anti-Poverty Strategy.

Action 3: Develop Market Rate Housing

- ❖ Encourage the development of market rate housing in neighborhoods with minority population concentrations, high poverty rates, and low resources.

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 HUD. In California the housing discrimination complaints are processed by HUD’s San Francisco Office of Fair Housing and Equal Opportunity (FHEO). South Gate residents may also file complaints with the State Department of Fair Employment and Housing (DFEH), and the Fair Housing Foundation (FHF).

Twelve City residents filed fair housing discrimination complaints with HUD between calendar year 2010 through 2019. Table VI-6 shows the basis of the complaints and the alleged acts. Familial status, national origin, and disability were the most frequent basis for a complaint. There are a myriad of issues or alleged acts triggering the housing discrimination complaints. For example: discriminatory refusal to rent; discriminatory advertising; failure to make reasonable accommodation; and discriminatory terms, conditions, privileges, or services and facilities.

Table VI-7 shows that in the past four fiscal years 48 fair housing inquiries or allegations have been filed with the Fair Housing Foundation. Fifty percent of the complaints were made on the basis of a physical or mental disability. However, the Fair Housing Foundation investigates some cases and often finds no evidence to sustain the allegations.

Table VI-6
City of South Gate:
Housing Discrimination Complaints: Bases and Alleged Acts: 2010-2019

Familial Status	Discrimination in terms/conditions/privileges relating to rental
Familial Status	Discriminatory advertising, statements and notices; Discrimination in terms/conditions/privileges relating to rental
Familial Status	Discriminatory refusal to rent; Discriminatory terms, conditions, privileges, or services and facilities
Disability	Failure to make reasonable accommodation
Disability	Failure to make reasonable accommodation
National Origin	Discriminatory financing (includes real estate transactions); Discriminatory terms, conditions, privileges, or services and facilities; Otherwise deny or make housing unavailable; Discriminatory acts under Section 818 (coercion, Etc.)
Sex	Discriminatory advertising, statements and notices; Discriminatory acts under Section 818 (coercion, Etc.)
National Origin, Familial Status	Other discriminatory acts
National Origin, Familial Status	Other discriminatory acts
National Origin, Familial Status	Other discriminatory acts
Race, Familial Status	Discriminatory refusal to rent; Discriminatory terms, conditions, privileges, or services and facilities
Sex, Retaliation	Discriminatory refusal to rent and negotiate for rental; Discriminatory acts under Section 818 (coercion, Etc.)

Source: U. S. Department of Housing and Urban Development, San Francisco Regional Office

Table VI-7
City of South Gate
Fair Housing Inquiries/Allegations by Protected Class
FY 2015/2106 to FY 2018/2019
(Filed with the Fair Housing Foundation)

Protected Class	Number of Cases	Percentage Distribution
Age	1	2.1%
Familial Status	10	20.8%
Gender	3	6.3%
Marital Status	3	6.3%
Mental Disability	8	16.7%
National Origin	2	4.2%
Physical Disability	16	33.3%
Race	4	8.3%
Sexual Orientation	1	2.1%
Total	48	100.0%

Source: Fair Housing Foundation, Annual Reports, FY 2015/2016 to FY 2018/2019

3. Conclusions and Recommendations

Housing discrimination is an impediment to fair housing choice. Based on past trends, it is estimated that 12 housing discrimination complaints may be filed by South Gate residents with HUD during the five year period between FY 2020-2021 and FY 2024-2025. During the same period, it is estimated that 50-60 housing discrimination complaints may be filed with the FHF.

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 FHF 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. Annually, the FHF will report on the number, bases, alleged acts, and resolutions of the housing discrimination complaints.

Action 2: 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. Issues such as foreclosures, loan modifications, and short sales may be included, and 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. Rancho Southeast Association of REALTORS (RSAOR)

Real estate professionals whose business is located in the City of South Gate most likely belong to the Rancho Southeast Association of REALTORS (RSAOR). The headquarters of RSAOR is located at 10900 E. 183rd Street, Suite 120, Cerritos, CA 9070.

The President Elect is Joanne Brown of JB Real Estate and Investment, Inc. Ms. Brown is Black/African American. Sandra Lopez is the Interim Association Executive.

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 RSAOR. 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.

The Rancho Southeast Association of REALTORS Bylaws state that among the qualifications for membership is to “Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years....”

RSAOR’s 4-page application for membership does not inquire about the race or ethnicity of the applicant.

The California law requires brokers and real estate agents to complete a fair housing course at the time of license renewal, which happens every four years.

Neither the FHF 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.

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 SEAOR membership application does not inquire about the characteristics of the applicant other than license status and experience. Consequently, the RSAOR does not prevent membership by individuals who belong to one or more of the protected classes. It is concluded that the provision of brokerage services is not an impediment to fair housing choice.

Approximately 648 South Gate residents are employed in the “real estate and rental and leasing” industry, according to the 2018 American Community Survey.

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

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.

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 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 Consumer Fair Housing Workshops

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Consumer Fair Housing 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.

Action 2: Provide Information on Steering at Landlord Workshops

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Landlord Workshops will provide information on steering.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

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, 235 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]

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 South Gate.

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 Consumer Fair Housing Workshops

- ❖ In FY 2020-2021 to FY 2024-2025, the FHF will describe the appraisal process and the contents of an appraisal report at their Consumer Fair Housing Workshops.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/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, the data was limited to the following:

- ❖ Owner occupied dwellings of 1 to 4 units
- ❖ Site-built homes (no manufactured dwellings) and
- ❖ “First” loans (no loans in subordinate position)

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 data reported a total of 280 FHA/VA and conventional loan applications to purchase homes located in South Gate:

❖ FHA/VA Loans	149	53.2%
❖ Conventional Loans	131	46.8%
Total	280	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 280 loan applications was as follows:

❖ Approved	245	87.5%
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❖ Denied	<u>35</u>	<u>12.5%</u>
Total	280	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-8 shows the FHA/VA and conventional loan denial rates. In 2018, the 149 FHA/VA loan applications comprised 53.2% of all 280 loan applications. Of the 149 applications, 11.4% were denied.

In 2018, the 131 conventional loan applications comprised 46.8% of all 280 loan applications. Of the 131 applications, 13.7% were denied.

Table VI-8
City of South Gate
FHA/VA and Conventional
Loan Applications and Denial Rates: 2018

Type of Application	2018
FHA/VA/FSA	
Total Applications	149
Number Denied	17
Percent Denied	11.4%
Conventional Loans	
Total Applications	131
Number Denied	18
Percent Denied	13.7%
All Loans	
Total Applications	280
Number Denied	35
Percent Denied	12.5%

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

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

Table VI-9 shows the denial rates by five income categories for FHA/VA and conventional loans. 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.

Few applications (8.6%) of the total 280 loan applications were made by applicants with annual incomes below \$60,000.

City-wide, the denial rate for all applications was 12.5%. However, the denial rate for FHA/VA applicants with incomes between \$60,000 and \$79,999 was 20.0% versus 14.3% for

conventional loan applicants. FHA/VA applicants with annual incomes over \$100,000 had denial rates below the city-wide average at 10.9%, while conventional loan applicants were actually higher than the city-wide average at nearly 15.9%.

Altogether, 108 of the 280 borrowers (38.5%) had incomes of \$100,000 or more.

Table VI-9
City of South Gate
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	2	1	50.0%
\$40,000-\$59,999	4	0	0.0%
\$60,000-\$79,999	25	5	20.0%
\$80,000-\$99,999	54	4	7.4%
\$100,000+	64	7	10.9%
Income Not Available	0	0	0.0%
Total	149	17	11.4%
Conventional Loans			
<\$40,000	8	0	0.0%
\$40,000-\$59,999	10	4	40.0%
\$60,000-\$79,999	35	5	14.3%
\$80,000-\$99,999	33	2	6.1%
\$100,000+	44	7	15.9%
Income Not Available	1	0	0.0%
Total	131	18	13.7%
All Loans			
<\$40,000	10	1	10.0%
\$40,000-\$59,999	14	4	28.6%
\$60,000-\$79,999	60	10	16.7%
\$80,000-\$99,999	87	6	6.9%
\$100,000+	108	14	13.0%
Income Not Available	1	0	0.0%
Total	280	35	12.5%

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

d. Loan Denial Rates by Race and Ethnicity

The overwhelming majority (81.4%) of all loan applications were made by Hispanic or Latino applicants. With so few applicants in the other racial categories, drawing meaningful conclusions from a comparison of denial rates is problematic.

The loan denial rates for Hispanic borrowers were lower than the overall citywide denial rates:

- ❖ FHA/VA overall denial rate: 11.4%

Table VI-10 shows loan application activity for 20 census tracts. More than one half of all FHA/VA loan applications were made to purchase a home located in just five of the 20 census tracts:

❖ 5362.00	19 loan applications/15.8% denied
❖ 5359.01	15 loan applications/13.3% denied
❖ 5361.02	14 loan applications/14.3% denied
❖ 5361.03	14 loan applications/21.4% denied
❖ 5359.02	13 loan applications/7.7% denied

All but one of the five census tracts had denial rates higher than the city-wide average for FHA/VA loans.

Fifty-four percent of the conventional loan applications were made in five census tracts:

❖ 5361.02	19 loan applications/10.5% denied
❖ 5362.00	18 loan applications/16.7% denied
❖ 5359.02	12 loan applications/16.7% denied
❖ 5358.02	11 loan applications/0.0% denied
❖ 5361.03	11 loan applications/9.1% denied

Citywide, the overall denial rate for conventional loans was 13.7%. Two out of the five Census tracts had denial rates higher than the citywide average.

Since the majority of the city's tracts did not have a large loan volume it is not possible to draw meaningful conclusions from a HMDA data for one year.

f. Reasons for Denial of Loan Applications

HMDA requires lenders to list one or more reasons for a loan denial. In 2018, there were a total of 35 loan applications denied; 17 FHA/VA and 18 conventional loan applications, respectively. Table VI-11 provides data on the reasons for loan denials.

One-half of the loan applications were denied because of too high a "debt-to-income ratio" and "credit history." Those reasons are described 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; unacceptable types of credit references; no credit files; and other similar reasons."

Table VI-10
City of South Gate
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
5355.01	1	0	0.0%	1	0	0.0%	2	0	0.0%
5355.02	7	0	0.0%	1	0	0.0%	8	0	0.0%
5355.03	5	1	20.0%	2	0	0.0%	7	1	14.3%
5356.03	3	1	33.3%	0	0	0.0%	3	1	33.3%
5356.04	9	1	11.1%	10	0	0.0%	19	1	5.3%
5356.05	4	0	0.0%	3	1	33.3%	7	1	14.3%
5356.06	1	0	0.0%	0	0	0.0%	1	0	0.0%
5356.07	8	0	0.0%	8	2	25.0%	16	2	12.5%
5357.01	8	1	12.5%	4	3	75.0%	12	4	33.3%
5357.02	7	1	14.3%	9	1	11.1%	16	2	12.5%
5358.02	7	0	0.0%	11	0	0.0%	18	0	0.0%
5358.03	2	0	0.0%	3	2	66.7%	5	2	40.0%
5358.04	4	1	25.0%	4	0	0.0%	8	1	12.5%
5359.01	15	2	13.3%	6	0	0.0%	21	2	9.5%
5359.02	13	1	7.7%	12	2	16.7%	25	3	12.0%
5360.00	3	0	0.0%	2	0	0.0%	5	0	0.0%
5361.02	14	2	14.3%	19	2	10.5%	33	4	12.1%
5361.03	14	3	21.4%	11	1	9.1%	25	4	16.0%
5361.04	5	0	0.0%	7	1	14.3%	12	1	8.3%
5362.00	19	3	15.8%	18	3	16.7%	37	6	16.2%
Total	149	17	11.4%	131	18	13.7%	280	35	12.5%

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

**Table VI-11
City of South Gate
Reasons for Loan Denials: 2018**

Reason for Denial	FHA/VA/FSA Loans		Conventional Loans		All Loans	
	Number	Percent	Number	Percent	Number	Percent
Debt-to-income ratio	6	35.3%	4	22.2%	10	28.6%
Credit History	3	17.6%	6	33.3%	9	25.7%
Credit App. Incomplete	3	17.6%	2	11.1%	5	14.3%
Unverifiable Information	2	11.8%	2	11.1%	4	11.4%
Other	1	5.9%	2	11.1%	3	8.6%
Collateral	2	11.8%	1	5.6%	3	8.6%
Employment History	0	0.0%	1	5.6%	1	2.9%
Insufficient Cash	0	0.0%	0	0.0%	0	0.0%
Mortgage Insurance Denied	0	0.0%	0	0.0%	0	0.0%
Total	17	100.0%	18	100.0%	35	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 South Gate. 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 FHF will provide at 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.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

Action 2: Continue to Collect and Analyze HMDA

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025 continue to collect HMDA data on loan approvals and denials by race and ethnicity, income, and census tract location. Solid conclusions on trends and impediments can be made when multi-year data are analyzed. The multi-year analysis can be described in the CAPERs.

H. PROPERTY MANAGEMENT PRACTICES

1. Background

a. On-Site Property Management Requirements

The federal Fair Housing Act covers most — but not all — housing. Some exemptions to coverage under the Act 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 a 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 South Gate residents. Table VI-12 contains data on the renter occupied housing units by structure size. Approximately 9% 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 almost 31% of the rental housing stock is comprised of single-family detached homes and would not have on-site property management.

(Interpolation was used to estimate the number of units in structures of 16 to 19 units. 40% of units the located in structures of 10-19 units was used to estimate those in structures of 16 to 19 units [.40 X 566 = 226]).

The Thunderbird Villa Mobile Home Park is located in South Gate. It has 239 mobile home spaces and, therefore, it is required to have on-site property management.

Table VI-13 shows that South Gate renters are predominantly younger. Nearly one in four renters (23.8%) is under the age of 35. Approximately 13% of all renters are over the age of 65 or older.

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

Units in Structure	Number of Units	Percent
1, Detached	4,269	30.9%
1, Attached	1263	9.1%
2	1199	8.7%
3 or 4	3300	23.9%
5 to 9	2,135	15.4%
10-19	566	4.1%
20-49	390	2.8%
50+	632	4.6%
Mobile Homes	76	0.5%
Boat, RV, Van	0	0.0%
Total	13,830	100.0%

Source: American Community Survey 2014-2018 5-Year Estimates Table B25032 Tenure by Units in Structure

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

Age of Householder	Number	Percent
Under 35 Years	3,286	23.8%
35 to 44 Years	3,501	25.3%
45 to 54 Years	3,313	24.0%
55 to 64 Years	1,933	14.0%
65 to 74 Years	1,154	8.3%
75 to 84 Years	531	3.8%
85 Years and Over	112	0.8%
Total	13,830	100.0%

Source: American Community Survey 2014-2018 5-Year Estimates Table S2502 Demographic Characteristics for Occupied Housing Units

2. Analysis - Fair Housing Laws and Rental Housing

The owners and managers of apartment buildings must comply with a variety of fair housing laws such as:

- ❖ Service and companion animals
- ❖ Reasonable accommodations
- ❖ Reasonable physical modifications
- ❖ Equal Opportunity Logo, Fair Housing Notice, Equal Opportunity in Housing Statement
- ❖ Other property management fair housing laws

For rent advertising on seven sites was reviewed: Rent.com; Apartments.com; Trulia, craigslist; ApartmentGuide.com, HotPads.com, and ApartmentFinder.com.

a. Service and Companion Animals

Persons with a disability are one of the classes protected from discrimination in housing. Apartments must allow, under certain conditions, “service animals” and “companion animals”. A service animal is one trained to do work or perform tasks for the benefit of a person with a disability. A service animal can be of varying species, breed or size. It might wear specialized equipment such as a backpack, harness, special collar or leash, but this is not a legal requirement. Companion animals, also referred to as assistive or therapeutic animals, can assist individuals with disabilities in their daily living and as with service animals, help disabled persons overcome the limitations of their disabilities and the barriers in their environment. They are typically for individuals with mental disabilities and can assist the person with depression, anxiety or provide emotional support.

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 companion/service animal. The housing provider may ask the disabled applicant/tenant to provide verification of the need for the animal from a qualified professional. Once that need is verified, the housing provider must generally allow the accommodation.

The online ads of the 15 apartment complexes were reviewed to discern pet policies. The results are:

- ❖ The ads of 4 complexes stated pets are allowed (cats and dogs).
- ❖ The ads of 7 complexes stated pets are not allowed.
- ❖ The ads of 4 complexes did not state whether pets are allowed.

It is assumed that the apartment complexes allowing pets allow service and companion animals, as well.

Some disabled persons are unaware of their fair housing rights and, as a consequence, may not consider as available to them apartments with ads that state “no pets.”

b. Reasonable Accommodations

HUD and the DOJ state:

The [Fair Housing] 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.

To show that a requested accommodation may be necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

Example 1: A housing provider has a policy of providing unassigned parking spaces to residents. A resident with mobility impairment, who is substantially limited in the ability to walk, requests an assigned accessible parking space close to the entrance to her unit as a reasonable accommodation. There are available parking spaces near the entrance to her unit that are accessible, but those spaces are available to all residents on a first come, first served basis. The provider must make an exception to its policy of not providing assigned parking spaces to accommodate this resident.

Example 2: A housing provider has a policy of requiring tenants to come to the rental office in person to pay their rent. A tenant has a mental disability that makes her afraid to leave her unit. Because of her disability, she requests that she be permitted to have a friend mail her rent payment to the rental office as a reasonable accommodation. The provider must make an exception to its payment policy to accommodate this tenant.

Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Accommodations Under the Fair Housing Act*, May 17, 2004, page 6

Data on the failure to permit a reasonable accommodation are maintained neither by the State DFEH nor FHF. HUD headquarters in Washington, DC does publish data on this issue or alleged act. These data show that over the past five years an average 3,000 complaints are made annually because of a "failure to permit a reasonable accommodation."

Housing discrimination complaints filed with the HUD-San Francisco office identify the issue or alleged discriminatory act. Two South Gate complainants described the "failure to make a reasonable accommodation" as among the fair housing issues.

The majority of housing discrimination complaints filed with the FHF had disability as a basis. It is possible that some of those complaints were made because of failure to allow a reasonable accommodation.

f. 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

HUD data show that during the past five years an annual average of 190 complaints is made throughout the country because of a “failure to permit a reasonable modification.”

None of the housing discrimination complaints filed with the HUD-San Francisco office identified failure to permit a reasonable modification as an alleged discriminatory act.

g. Lease Terms.

Nine of the 15 complexes did not advertise their lease terms, which may imply that they rent only on a monthly basis.

Four complexes stated a 12-month lease term.

One complex stated a 6-12 month lease term.

And one complex stated a 6-month lease term.

d. Equal Opportunity Logo, Fair Housing Notice, Equal Opportunity in Housing Statement

Another property management practice of interest is if the on-site search sites advertise support for fair housing.

Trulia

At the bottom of each ad, Trulia makes available a link to a Fair Housing Guide. The link is to a *Landlord Guide to Fair Housing Laws*. The Guide is comprehensive and describes what landlords should know about their fair housing obligations to tenants.

At the bottom of each ad, the following statement is made: “Zillow Group is committed to ensuring digital accessibility for individuals with disabilities.”

Digital accessibility is the ability of a website, mobile application or electronic document to be easily navigated and understood by a wide range of users, including those users who have visual, auditory, motor or cognitive disabilities.

Craigslist

Craigslist publishes a Fair Housing Notice. The notice states:

It is illegal to discriminate in the sale, rental or leasing of housing because of a person's race, color, creed, national origin, sexual orientation, marital status, familial status, or religion. In New York City and in other municipalities in the state, it is also illegal to discriminate against people based on their **source of income**, including receipt of Section 8 or other public benefits. [Emphasis added]

For apartment seekers wanting to live in South Gate the reference to New York City would be confusing and not helpful

ApartmentGuide.com

ApartmentGuide.com publishes the equal housing opportunity logo. Additionally, it references “Accessibility: Rent Path Web Contact Accessibility Guidelines, WCAG 2.0.” This refers to the fact that RentPath is 1) committed to ensuring accessibility of its website to people with disabilities and 2) taking steps to ensure their sites will adhere to level AA of the Web Content Accessibility Guidelines (WCAG 2.0).

HotPads.com

HotPads publishes the fair housing equal housing opportunity logo.

It also makes the statement that the “Zillow Group is committed to ensuring digital accessibility for individuals with disabilities.”

HotPads also provides a link to the *Landlord Guide to Fair Housing Laws*.

ApartmentFinder.com

ApartmentFinder.com publishes the fair housing equal housing opportunity logo.

Apartments.com

The search tool at the bottom of each ad publishes an equal opportunity in housing statement. In part, the statement reads:

Complaints alleging discrimination in housing may be filed with the nearest office of the United States Department of Housing and Urban Development (HUD), or by calling HUD’s toll free number, [1-800-669-9777](tel:1-800-669-9777) (voice), or [1-800-543-8294](tel:1-800-543-8294) (TDD). You can contact HUD on the internet at <http://www.hud.gov/>.

If you believe that you have been the victim of discrimination, you can also contact your state’s Attorney General or a local legal aid organization.

Rent.com

The search tool publishes the equal housing opportunity logo.

The accessibility link informs the apartment seeker that RentPath “...is constantly working towards improving the accessibility of its website to ensure it provides equal access to all of our users. Therefore, if you have feedback or concerns related to the accessibility of any content on this website, or have ideas or comments that would help us improve the accessibility and usability of our website, please contact us at accessibilityfeedback@rentpath.com. If you have encountered a specific problem with the site, please include the web address or URL where you experienced difficulty and describe the specific problem(s) you have encountered.”

3. Conclusions and Recommendations

Property management practices concerning service and companion animals, reasonable accommodations, and reasonable modifications impede fair housing choice.

The City will take the following action to remove or mitigate this impediment:

Action 1: Provide Information on Prohibited Property Management Practices at Landlord Workshops

- ❖ In the period from FY 2020/2021 to FY 2024/2025, the Fair Housing Foundation will continue to hold Landlord Workshops and include discussions on the prohibited discriminatory practices pertaining to service and companion animals, reasonable accommodations, and reasonable modifications.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

I. DISCRIMINATORY 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 such as, but not limited, to sexual orientation, marital status, ancestry, and source of income.

Guidance on the words and phrases that are or could be interpreted as discriminatory is available from several sources including, but not limited, to:

- ❖ Roberta Achtenberg, Assistant Secretary for Fair Housing and Equal Opportunity, HUD, "Guidance Regarding Advertisements under Section 804 (c) of the Fair Housing Act," January 9, 1995
- ❖ California Newspaper Publishers Association, Fair Housing Advertising Manual, Fourth Edition, Copyright, 2009

2. Analysis of Newspaper Print and Online 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 alternatives to print advertising such as Craigslist.

The past decade has been rough for print publishers around the world. As the rise of smartphones accelerated the trend towards online consumption of news and other forms of journalism at the expense of newspapers and magazines, advertisers gradually moved their budgets online as well, forcing many print publications out of existence.

a. Discriminatory Words and Phrases

Apartment advertising on seven sites was reviewed: Rent.com; Apartments.com; Trulia, craigslist; ApartmentGuide.com, HotPads.com, and ApartmentFinder.com.

All of the ads described physical features such as the number of bedrooms and baths, square footage, lease period, whether pets were allowed, and the apartment name and address. The ads did not contain words or phrases that violated the fair housing act.

One ad for a senior housing complex stated:

- ❖ “Section 8 Vouchers Welcome”
- ❖ “Allows reasonable accommodation for live-in aide”

b. Advertising on Facebook

HUD has sued Facebook, alleging that Facebook violated the Fair Housing Act by encouraging, enabling, and causing housing discrimination through the company’s advertising platform.

In a separate case, Housing Rights Initiative (HRI) and a class of potential renters filed a lawsuit against seven property management firms, alleging age discrimination in advertising in the Washington, D.C. metro area. This is the first fair housing complaint against rental housing owners and operators, challenging their advertising practices on Facebook. The law suit claims the advertising platform allows the property management firms to choose their target audiences by selecting from pre-populated lists of user interests and demographics. This feature prevents advertisements from reaching audiences (e.g., elderly renters) outside of those parameters.

Facebook’s pre-populated lists allows advertisers to exclude audiences from their target list on the basis of interest categories that are proxies for federally protected classes (race, color, religion, national origin, sex, familial status, and disability) such as: “Interest in Disabled Parking Permit,” interest in Telemundo,” “English as a second language,” “parents with teenagers,” “soccer moms, or “moms with preschool kinds.”

Source: Apartment Management Magazine, “Numerous Leading Housing Companies Charged with Discriminating Against Older Americans in Advertising Apartments on Facebook,” January 2020, page 6

c. Housing Discrimination Complaints

HUD reported that two complaints filed by South Gate residents who alleged “discriminatory advertising” in their complaints

d. Flagging Discriminatory Housing Posts

Craigslist provides the following information to its posters:

“When making any post on craigslist, you must comply with Section 3604(c) of the Fair Housing Act. This law generally prohibits stating, in any notice or ad for the sale or rental of dwelling, a discriminatory preference based on any protected categories.

“If you encounter a housing posting on craigslist that you believe violates Fair Housing laws, please flag the posting as “prohibited.” In addition to penalties that may be applied by regulatory agencies, attempts to post discriminatory ads maybe blocked and/or subjected to other remedial measures.”

Among the craigslist FAQs are “Recognizing a discriminatory posting” and “What should I do if I find a discriminatory posting?”

3. Conclusions and Recommendations

Apartment complexes rarely published newspaper print ads of vacant units for rent.

The review of online advertising revealed that no ads violated fair housing laws.

Thus, the online advertising practices have not created an impediment to fair housing choice. Although no City-initiated actions are recommended, the City should track the court cases involving Facebook.

J. 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]

2. Analysis of Hate Crime Data

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.

When a hate crime occurs it is referred to as an event. In the California Attorney General's report, the information about the event is a crime report or source document that meets the criteria for a hate crime. There may be one or more suspects involved, one or more victims targeted, and one or more offenses involved for each event.

Table VI-14 shows that in the nine-year period between 2010 and 2018 13 hate crime events occurred in South Gate. Based on the statewide percentage it is estimated that three or four of the 13 hate crime events may have occurred at a residence, home or driveway.

**Table VI-14
City of South Gate
Hate Crimes 2010-2018**

Year	Number of South Gate Hate Crime Events	Statewide % at Residence
2010	1	28.9%
2011	2	29.0%
2012	1	25.4%
2013	2	25.7%
2014	1	25.5%
2015	2	25.9%
2016	2	23.8%
2017	1	22.8%
2018	1	20.6%
Total	13	27.3%

Source: California Office of the Attorney General Reports Hate Crime in California 2010-2018, Table 3 Hate Crimes: Events, Offenses, Victims, and Suspects by Location and Table 6 Hate Crimes: Events, Offenses, Victims, and Suspects by County and Jurisdiction

3. Conclusions and Recommendations

The number of hate crimes occurring at residences is few. Therefore, an impediment to fair housing choice does not exist at this time.

In FY 2020-2021 to FT 2024-2025, the City staff will review the California Department of Justice annual hate crime reports to ascertain if an action must be taken because of an increase in hate crime events. If an action is needed, it will be included in the Consolidated Plan Annual Action Plan.

The City staff also will become familiar with the resources offered by the Center for the Study of Hate and Extremism at California State University, San Bernardino. The Center is a nonpartisan research and policy center that examines the ways that bigotry, advocacy of extreme methods, or terrorism, both domestically and internationally deny civil or human rights to people on the basis of race, ethnicity, religion, gender, sexual orientation, disability or other relevant status characteristics. The Center seeks to aid scholars, community activists, government officials, law

enforcement, the media and others with objective information to aid them in their examination and implementation of law, education and policy.

SECTION VII
PUBLIC SECTOR IMPEDIMENTS ANALYSIS



A. INTRODUCTION

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

- ❖ Residential Land Use Policies
- ❖ Zoning Regulations and Practices
- ❖ Building Code Regulations
- ❖ Sale of Subsidized Housing and Possible Displacement
- ❖ Property Tax Policies

B. RESIDENTIAL LAND USE POLICIES

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 2035 was adopted in December 2009. Overall, the Land Use Plan offers tremendous flexibility in building types and uses:

Single-Family Homes: Single-family homes are defined as “a single, detached dwelling unit designed for habitation by a single household on an individual lot.” They are permitted in the Neighborhood Low (NL) and Neighborhood Medium (NM) areas of the City. The majority of the City is designated NL and a small percentage of areas are designated as NM.

Multi-Family Homes: The Zoning Code defines multi-family dwelling units as a building, parcel, or site with three or more dwelling units (attached or detached). They are permitted in the NM area and most of the City’s urban mixed use, commercial and industrial zones. Multi-family residential is restricted to upper floor use in the CC and MS zones and requires a conditional use permit in the RC zone.

Mixed Use Development: Mixed use developments are permitted in all of the City's urban mixed use, commercial and industrial zones. However, mixed use projects in the RC zone require a conditional use permit.

Mobile Homes: The City permits manufactured housing placed on a permanent foundation in all its residential zones. Such housing is subject to the same development standards and design review as stick-built housing. Mobile home parks are permitted in the City's MH zone. Overall, only one percent of the City's housing stock is comprised of factory-built homes.

Table VII-1 demonstrates that land use policies promote multi-family housing at a variety of residential densities. An analysis included in the 2013-2021 Housing Element projects that 3,299 multifamily housing units can be developed at densities of 21, 41 and 50 housing units per acre.

**Table VII-1
City of South Gate
Projected Housing Units by Density Category**

Density Range	Potential Density	Vacant Acres	Underutilized Acres	Total Housing Units
21-40	21	8.6	42.3	1,048
41-75	41	0.8	16.6	704
41-100	50	0.2	31.1	1,547
Total		9.6	90.0	3,299

Source: City of South Gate, *2013-2021 Housing Element*, January 2014, page 80

3. Conclusions and Recommendations

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.

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

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

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 Code Definition

The Zoning Code does not define “family.” The *2013-2021 Housing Element* argues that for zoning purposes a family definition is unnecessary:

Courts have ruled that defining a family serves no legitimate or useful objective or purpose recognized under the zoning and land planning power of the jurisdiction and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discriminating between biologically related and unrelated persons. Furthermore, a zoning provision cannot regulate or enforce the number of persons constituting a family.

According to legal research:

The purposes of zoning law, as it turns out, can be fully realized without defining family at all. Instead, the legal meaning of family should be adjudicated in the family law realm, not in zoning law.

Source: Kate Redburn, *Zoned Out: How Zoning Law Undermines Family Law's Functional Turn*, *The Yale Law Journal*, 2019, page 2459

The same legal research promotes the idea of defining “single housekeeping unit”:

By regulating on the basis of a “single housekeeping unit” within health and safety density limits, zoning ordinances can advance their historic and statutory purposes without defining family at all. page 2462

One example of a single housing unit definition is given below:

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 and Recommendations

The fact that the Zoning Code does not define “family” does not create an impediment to fair housing choice.

To affirmatively further fair housing, the City will take the following action:

Action 1: Evaluate the merits of including in the Zoning Code a definition of “single housekeeping unit.”

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 Code Definition

The “definitions” section of the Zoning Code does not include a “disability” definition.

Chapter 11.35 Reasonable Accommodation does include a “disability” definition:

A person with a disability is a person who has a physical or mental impairment that limits or substantially limits one or more major life activities, anyone who is regarded as having such an impairment, or anyone who has a record of such impairment.

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 Code 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

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 Code Definition

The Zoning Code does not define “boarding house or rooming house.”

3. Conclusions and Recommendations

The fact that the Zoning Code does not define “boarding or rooming house” does not create an impediment to fair housing choice.

d. Group Homes

Survey Question: Group Homes - Does the Zoning Code 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 Code Regulations

The Zoning Code includes the following definitions of residential care facilities:

“Residential care facility” (land use) means an integrated facility that provides accommodations for varying levels of care to residents, depending on need. The use contains the following components: independent living units; residential care facilities; and continuing care, Alzheimer, and related facilities. This use may include supportive medical and nonmedical services directly affiliated with the treatment of on-site patients. Residential care facilities are categorized by the following programmatic elements:

1. “Residential care facility, general” means any state-licensed facility, place, or structure that is maintained and operated to provide nonmedical residential care, day treatment, or foster agency services for *six or fewer adults*, children, or adults and children as defined in Article 1 of Chapter 3 of the California Health and Safety Code, Section [1500](#) et seq. This use includes the administration of limited medical assistance (e.g., dispensing of prescribed medications).
2. “Residential care facility, large” means any state-licensed facility, place, or structure that is maintained and operated to provide nonmedical residential care, day treatment, or foster agency services for *seven or more adults*, children, or adults and children as defined in Article 1 of Chapter 3 of the California Health and Safety Code, Section [1500](#) et seq. This use includes the administration of limited medical assistance (e.g., dispensing of prescribed medications). This

definition excludes hospitals and those facilities that qualify as small residential care homes.

Residential care facilities for six or fewer persons are a permitted use in the following zones:

- ❖ Neighborhood Low (NL)
- ❖ Neighborhood Medium (NM)
- ❖ Transit Village (TV)
- ❖ Corridor 1 (CDR 1)
- ❖ Corridor 2 (CDR 2)
- ❖ Industrial Flex (IF)
- ❖ Urban Neighborhood (UN)

According to the State Community Care Licensing Division's database, five Adult Residential Facilities are located in South Gate. They have a combined capacity of 19 beds. The facilities are actually single family homes housing two to six adults, most of who are developmentally disabled.

**Table VII-2
South Gate Adult Residential Facilities: 2018**

Name	Address	Capacity
Aacres CA LLC Glenwood	2418 Glenwood Place	4
Aacres CA LLC	11343 Pennsylvania Avenue	4
Ambiria Homes II	8141 Victoria Avenue	3
Casa Barbara	3453 Liberty Boulevard	4
Choice R US, Inc.	10008 Dorothy Avenue	4

Source: California Community Care Licensing, Adult Residential Facilities, City of South Gate, March 2020

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

The Licensing Division's database indicates that zero Residential Care Facilities for the Elderly are located in South Gate. 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 Code group home regulations do not pose an impediment to fair housing choice.

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."

The South Gate Zoning Code defines "supportive housing" as follows:

"Supportive housing" (land use) means housing with no limit on length of stay that is occupied by the target population and that is linked to on-site or off-site services that assist the 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, in accordance with Section [65582](#) et seq. of the Government Code, and as amended. Housing meeting this definition shall be permitted, conditionally permitted, or not permitted, as per the regulation of other residential dwellings of the same type in the same zone. All standards and regulations of this title governing the regulation of other residential dwellings of the same type, and in the same zone, shall apply.

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

The Zoning Code defines "transitional housing" as follows:

"Transitional housing" (land use) 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 assistance, in accordance with Section [65582](#) et seq. of the California Government Code, and as amended. Housing meeting this definition shall be permitted, conditionally permitted, or not permitted, as per the regulation of other residential dwellings of the same type in the same zone. All standards and regulations of this title governing the regulation of other residential dwellings of the same type, and in the same zone, shall apply.

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." [Emphasis added]

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]

The definitions of supportive and transitional housing include the affirmative statement recommended by the Public Counsel.

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.

Table 11.21-5 of the Zoning Code lists supportive and transitional housing as permitted uses in the following Residential Zones:

- ❖ Neighborhood Low (NL)
- ❖ Neighborhood Medium (NM)
- ❖ Mobile Home (MH)

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.

Table 11.21-3 of the Zoning Code lists supportive and transitional housing as permitted uses in the following Urban Mixed Use Zones:

- ❖ Transit Village (TV)
- ❖ Corridor 1 (CDR 1)
- ❖ Corridor 2 (CDR 2)
- ❖ Industrial Flex (IF)

Transitional and supportive housing is a permitted use in all zones that permit residential land uses and are conditionally permitted in the Regional Commercial (RC) Zone, Civic Center (CC) Zone and Urban Neighborhood (UN) Zone.

The Regional Commercial (RC) zone is intended to provide for retail and service-oriented uses in a setting that is suitable for large, regional-serving commercial development and to attract patrons from South Gate and the greater region (**Figure 11.24-1**). This zone is intended to foster a supportive climate for retail and service commercial uses. The RC zone is intended to implement, and is consistent with, the single-use retail place type designation of the general plan.

The Civic Center (CC) zone is intended to solidify the area along California Avenue at the intersection of Firestone Boulevard as the major focal point and civic heart for the South Gate community. This zone promotes civic and institutional uses as the primary attraction, blended with community-oriented retail, business services, lodging, and housing.

The Urban Neighborhood (UN) zone is intended for areas adjacent to or surrounding major community corridors to provide retail and service uses in a more automotive-oriented setting and to provide buildings that transition to adjacent established neighborhoods. The UN zone promotes the blending of housing, retail and services, office, and civic uses.

The CC and UN Zones each permit Live/Work Units, Mixed-Use and Multifamily Residential land uses. However, supportive and transitional housing are conditionally permitted uses in these two zones. Since the zones permit residential uses, they also should permit supportive and transitional housing subject to the development standards of each zone.

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.

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 Code 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 transitional housing as a permitted use in the CC and UN Zones.
- ❖ 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

Key reasonable accommodation requirements include:

- ❖ Local governments are required to provide in their zoning regulations for a reasonable accommodation procedure
- ❖ A reasonable accommodation procedure must operate promptly and efficiently and not impose significant costs
- ❖ Information submitted by a disabled person or their representative must be kept confidential
- ❖ A reasonable accommodation procedure must meet the tests of being deemed “reasonable”
- ❖ Local governments must make efforts to insure that the reasonable accommodation procedure is well known in the community
- ❖ Local governments must ensure information is available for people who wish to request a reasonable accommodation with respect to zoning, permit processing, or building laws

a. Requirement to Provide a Reasonable Accommodation Procedure

According to the United States Departments of Justice (DOJ) and Housing and Urban Development (HUD):

...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.

Source: 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 California Department of Housing and Community Development (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.

Disability Rights California states:

Title II of the ADA, Section 504, and the federal Fair Housing Act, as well as state laws such as California's Fair Employment and Housing Act, require local governments to make reasonable accommodations for people with disabilities in the land use and zoning areas when necessary to allow them to access housing.

Source: Disability Rights California, *Creating a Reasonable Accommodation Ordinance That Protects People with Disabilities*, August 10, 2015, page 2

b. Timeline and Costs for Processing a Reasonable Accommodation Procedure

According to the DOJ and HUD, a local government's failure to respond to a request for reasonable accommodation or an inordinate delay in responding could also violate the federal Fair Housing Act.

A fundamental reason for adopting a reasonable accommodation procedure is to avoid the time (e.g., public hearings) and costs required of the conditional use permit and variance procedures. The Mental Health Advisory Services, Inc. has offered the following explanations:

The first reason that existing entitlement procedures should be rejected is that both the conditional use permit and variance processes involve a public notice and hearing which often creates a forum for neighborhood opposition that may unduly influence decision makers. And, a number of courts have held that a fair housing reasonable accommodation is not provided by requiring a developer or provider of housing for people with disabilities to submit to a conditional use permit or variance process. Going through such a process has a discriminatory effect because it requires a public notice and hearing that can stigmatize prospective residents with disabilities. The courts have also recognized that the variance process is lengthy, costly and burdensome.

Mental Health Advocacy Services, Inc., *Fair Housing Reasonable Accommodation: A Guide to Assist Developers and Providers of Housing for People with Disabilities in California*, February 2017, 17 pages

According to Disability Rights California, charging a fee for a reasonable accommodation request is unlawful under Title II of the ADA, Section 504 of the Rehabilitation Act of 1973, as well as the California Unruh Civil Rights Act,

c. Confidentiality of Information

Although public disclosure is a common provision in most land use and zoning ordinances, Disability Rights California argues that "... information from people regarding their disabilities must be kept confidential. This means that the city cannot give notice to neighbors or others, cannot review or consider the requests in public hearings or forums, and must keep all disability information confidential."

The City of Oakland agreed with Disability Rights California and revised its ordinance to eliminate potential confidentiality violations. HCD considers Oakland's Reasonable Accommodation Procedure a model and has posted it on the Department's website.

The City of Oakland, for example, revised the draft procedure so that requests were handled in a confidential manner on a separate, but coordinated track with other related land use approvals. The adopted procedure states:

Whenever reasonable accommodation is requested for a proposal also requiring one or more discretionary land use permits, including but not limited to a design review, conditional use permit, planned unit development permit, or variance, to the extent feasible the application for reasonable accommodation shall be submitted with the application for said permit(s). **The reasonable accommodation request shall be processed and considered separately from any land use permits** requested for the same proposal as specified in 17.131.040(2). [Emphasis added]

d. "Reasonable Tests"

Under the Fair Housing Act, an accommodation is deemed "reasonable" so long as it does not impose "undue financial and administrative burdens" on the municipality or require a "fundamental alteration in the nature of the zoning scheme."

Source: Office of the Attorney General, *Letter to California Jurisdictions re: Adoption of a Reasonable Accommodation Procedure*, May 5, 2001

In regard to "reasonable tests," the Mental Health Advocacy Services offers the following insights:

In a fair housing reasonable accommodation procedure, once an applicant establishes that the accommodation is necessary to overcome barriers related to disability, the request should be granted unless a jurisdiction can demonstrate that the accommodation will impose an undue financial or administrative burden on the jurisdiction or that the accommodation will result in a fundamental alteration of the local zoning code. These two factors require that the city or county demonstrate that the requested accommodation is "unreasonable."

Mental Health Advocacy Services, Inc., *Fair Housing Reasonable Accommodation: A Guide to Assist Developers and Providers of Housing for People with Disabilities in California*, February 2017, 17 pages

e. Insuring that the Reasonable Accommodation Procedure is Well Known in the Community

According to DOJ and HUD, the local governments should also make efforts to insure that the availability of the reasonable accommodation procedure is well known within the community.

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.”

2. Zoning Code Regulations

a. Requirement to Provide a Reasonable Accommodation Procedure

Chapter 11.35 of the Zoning Code describes the Reasonable Accommodation Procedure. According to the Zoning Code:

The purpose of this chapter is to provide a procedure to request reasonable accommodation for persons with disabilities seeking equal access to housing under the federal Fair Housing Act and the California Fair Employment and Housing Act (“the Acts”) in the application of zoning laws and other land use regulations, policies, and procedures.

A request for reasonable accommodation may include a modification or exception to the rules, standards, and/or practices for the siting, development, and/or use of housing or housing-related facilities that would eliminate or modify regulatory barriers to provide a person with a disability equal opportunity to housing of his/her choice.

The request for reasonable accommodation may be made by any person with a disability, his/her representative, or any entity when the application of a zoning law or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities.

b. Timeline and Costs for Processing a Reasonable Accommodation Procedure

If no approval is sought other than the request for a reasonable accommodation, a decision is made within 30 days. Within the 30-day period, a written determination is made to grant, grant with modifications, or deny the request for a reasonable accommodation.

The City does not charge an application or processing fee for a request for a reasonable accommodation.

c. Confidentiality of Information

A request for a reasonable accommodation can be submitted on an application form or in the form of a letter transmitted to the Community Development Department. A request must contain the following information:

- ❖ The applicant’s name, address, and telephone number.
- ❖ Address of the property for which the request is being made.
- ❖ The current actual use of the property.

A request for reasonable accommodation that is submitted for concurrent review with a discretionary land use application is reviewed by the authority reviewing the discretionary land use application. The written determination on whether to grant or deny the request for reasonable accommodation is made in compliance with the ***applicable review procedure*** for the discretionary review

This means that both the request for reasonable accommodation and the discretionary land use application can be reviewed at a public hearing by the Planning Commission. This, in turn, means that the information pertaining to the disabled person can become information available to the public (e.g., staff reports, public hearing testimony, and meeting minutes).

The City of Oakland example cited earlier separates the requests for reasonable accommodation from the discretionary land use application process. Therefore, potential confidentiality violations are avoided.

d. *“Reasonable Tests”*

Section 11.35.050 of the reasonable accommodation procedure describes the findings that must be made to grant or deny a request. Among the findings are the two reasonable tests which were previously described as being mentioned by the California Attorney General in his letter to cities and counties.

e. *Insuring that the Reasonable Accommodation Procedure is Well Known in the Community*

The DOJ, HUD and HCD all encourage jurisdictions to make the reasonable accommodation procedure well known in the community. A brochure describing the reasonable accommodation procedure is not available to the public. The application is not posted on the Community Development Department’s webpage regarding Land Use and Development Application Procedures.

3. Conclusions and Recommendations

As described above, one requirement of the Reasonable Accommodation Procedure should be revised to eliminate the potential for creating an impediment to fair housing choice. The City will take the following action:

Action 1: Consider revising Section 11.35.040 so that that a request for a reasonable accommodation request is processed and considered *separately* from any land use discretionary permits.

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. The City will take the following action:

Action 2: Prepare a Brochure or Flyer to Promote the Reasonable Accommodation Procedure and Prepare an Application that will be Posted on the Community Development Department’s webpage

D. BUILDING CODES

1. Background

The 1996 *Fair Housing Planning Guide* suggest an analysis of local building, occupancy codes and health and safety codes that may affect the availability of housing for minorities, families with children and persons with disabilities. (page 4-6) The HUD-Los Angeles Field Office *Survey of Planning Policies and Practices, Zoning Regulations and Building Code*

Standards That May Pose an Impediment to Fair Housing Choice asks the following 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)?

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. Analysis

The City uses the most recent editions of the following Codes: California Administrative Code, California Residential Code, California Energy Code, California Green Building Standards Code, California Referenced Standards Code, Uniform Solar Energy Code, California Historical Building Code, and California Existing Building Code. No local amendments that would impede housing development have been adopted.

The City enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Compliance with provisions of the Code of Regulations and California Building Standards Code is reviewed and enforced by the Division of Building and Safety as a part of the building permit submittal.

The *2013-2021 Housing Element* includes the following policy:

The City should promote the use of universal design principles to provide housing that is adaptable to residents of varied abilities. Goal H4: Improved Housing for Underserved Populations, Policy p.1

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. Conclusions and Recommendations

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 South Gate has adopted.

E. SALE OF SUBSIDIZED HOUSING AND POSSIBLE DISPLACEMENT

1. 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

2. 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 South Gate 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-3 provides an inventory of publicly assisted multi-family rental housing in South Gate. One of the apartment developments is at very high risk of converting to market rate housing.

Very High Risk means affordability expires in less than one year.

Low Risk means that affordability expires in 10 or more years.

**Table VII-3
City of South Gate
Publicly Assisted Multi-Family Rental Housing: 2020**

Property Name	Address	Number of Assisted Units	Expiration Date	Financing	Risk
Pennsylvania Square	3170 Southern Avenue	75	2019	HUD PBRA	Very High
Hollydale Senior Apartments	12222 Garfield Avenue	100	2064	LIHTC	Low
Calden Court Apartments	8901 Calden Avenue	214	2069	LIHTC	Low
Path Villas	5610 Imperial Highway	59	2072	LIHTC	Low

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

3. Conclusions and Recommendations

Recommendations are not proposed because the adopted *2013-2021 Housing Element* includes policies and programs to preserve at-risk affordable housing developments.

F. PROPERTY TAX ASSESSMENTS

1. 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.

2. 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 Los Angeles County Office of the Assessor the City of South Gate has a 2019 assessed value of \$6,231,299,363, which is an increase of 5.6% from the prior year. The City has 10,664 single family residential parcels and 3,478 residential income parcels.

Source: Los Angeles Office of the Assessor, *2019 Annual Report*, December 12, 2019, page 32

3. Conclusion

City practices do not affect real estate property tax assessments.

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

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 at 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.

- ❖ 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



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....

2. Analysis

a. Access to Opportunity

Fair housing planning encourages an analysis of disparities in access to opportunity. HUD used a two-stage process for developing the data needed to analyze disparities in access to opportunity. The first stage involved quantifying the degree to which a neighborhood (i.e., census tract) offers features commonly viewed as important opportunity indicators. In the second stage, HUD compared these rankings across people in particular racial and economic subgroups to characterize disparities in access to opportunities. To focus the analysis, HUD developed methods to quantify a selected number of the important opportunity indicators in every neighborhood. These dimensions were selected because existing research suggests they have a bearing on a range of individual outcomes. HUD selected five dimensions upon which to focus: poverty, education, employment, transportation, and health.

HUD understands that these opportunity indicators do not capture all that is encompassed in an individual's or a family's access to opportunity. In quantifying opportunity indicators, HUD is quantifying features of neighborhoods for the purpose of assessing whether significant disparities exist in the access or exposure of particular groups to these quality of life factors. While these important dimensions are identified by research as important to quality of life, the measures are not without limitations. HUD constrained the scope of the data to those that are closely linked to neighborhood geographies and could be measured consistently at small area levels across the country. For example, HUD's measure of school performance only reflects

elementary school proficiency. It does not capture academic achievement for higher grades of schooling, which is important to a community's well-being, but may not be as geographically tied to individual neighborhoods as elementary schools.

HUD developed seven indices to help inform communities about segregation and disparities in access to opportunity in their jurisdiction and region:

- ❖ Low Poverty Index
- ❖ School Proficiency Index
- ❖ Jobs Proximity Index
- ❖ Labor Market Engagement Index
- ❖ Low Transportation Cost Index
- ❖ Transit Trips Index
- ❖ Environmental Health Index

Source: U.S. Department of Housing and Urban Development, *Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation*, March 5, 2019, pages 15-21

HUD developed data on the preceding seven indicators of access to opportunity for each racial and ethnic group living in South Gate and the Los Angeles-Long Beach-Anaheim Region. The data reveals that population groups living in South Gate and the Region enjoy about the same access to opportunity with regard to transit, low transportation costs, and jobs proximity. The City's population groups, however, experience less access to opportunity than the region's population with respect to low exposure to poverty, school proficiency, labor market engagement, and environmentally healthy neighborhoods.

Source: U.S. Department of Housing and Urban Development, *AFFH Data and Mapping Tool (AFFH-T)*, September 2017, Table 12-Opportunity Indicators by Race/Ethnicity

b. Housing Opportunity Mapping Tool

The California Department of Housing and Community Development (HCD) and Tax Credit Allocation Committee (TCAC) have developed a tool to identify census tracts/neighborhoods with different levels of resources that can meet the needs of families with children. The purpose of the tool is to incentivize the development of *large-family, new construction developments* with 9% Low Income Housing Tax Credits (LIHTCs) in high resource neighborhoods. The Task Force acknowledged that LIHTC projects historically have been located in low resource and segregated neighborhoods. In fact, TCAC re-evaluated the distribution of new construction of family rental housing developments from 2000 to 2016 and found that in Los Angeles County 53% of all units were constructed in neighborhoods with a high degree of segregation and poverty.

The tool uses several indicators and a filter for high-poverty, racially segregated areas. Each indicator and the filter are measured for each census tract located in the State. Table VIII-1 lists the indicator categories and measures that are used to calculate the opportunity score of each census tract located in California.

**Table VIII-1
California Fair Housing Task Force
Opportunity Mapping Indicators and Measures**

Indicator Categories	Measure
Poverty	Percent of the population with incomes above 200% of the federal poverty level
Adult Education	Percent of adults with a bachelor's degree or above
Employment	Percent of adults age 20-64 who are employed in the civilian labor force or in the armed forces
Job Proximity	Number of jobs filled by workers with less than a BA that fall within a given radius (determined by the typical commute distance of low wage workers in each region) of each census tract population weighted centroid
Median Home Value	Value of owner-occupied units
CalEnviroScreen	CalEnviroScreen 3.0 Pollution Indicators (12 indicators)
Math Proficiency	Percentage of 4 th graders who meet or exceed math proficiency
Reading Proficiency	Percentage of 4 th graders who meet or exceed literacy standards
High School Graduation Rates	Percentage of high school cohort that graduate on time
Student Poverty Rate	Percent of students not receiving free or reduced-price lunch
Poverty	Tracts with at least 30% of the population falling under the federal poverty line
Racial Segregation	Tracts with a racial Location Quotient of higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the county ¹

¹The LQ is a small-area measure of relative segregation calculated at the residential census tract level. It is a representation of how much more segregated a person's neighborhood (census tract) is relative to the larger overall metropolitan area (or county). For the filter, tracts that have a LQ higher than 1.25 for Blacks, Hispanics, Asians, or all people of color are flagged as being racially segregated in comparison to the county.

Source: California Fair Housing Task Force, *Methodology for the Draft 2020 TCAC/HCD Opportunity Mapping*, Updated December 2019, pages 7 - 9

To allow TCAC and HCD to incentivize equitable development patterns in each region to the same degree, the TCAC/HCD Opportunity Map Tool allocates the 20% of tracts or rural block groups in each region or rural county, respectively, with the highest relative index scores to the "Highest Resource" designation and the next 20% to the "High Resource" designation. Each region thus ends up with 40% of its total tracts as Highest or High Resource (or 40% of block groups in rural counties). The remaining non-filtered tracts or rural block groups are then evenly divided into "Low Resource" and "Moderate Resource" categories.

Los Angeles County is divided into two sub-regions: the City of Los Angeles and the balance of the County.

SECTION VIII**ANALYSIS OF PRIVATE/PUBLIC SECTOR IMPEDIMENTS**

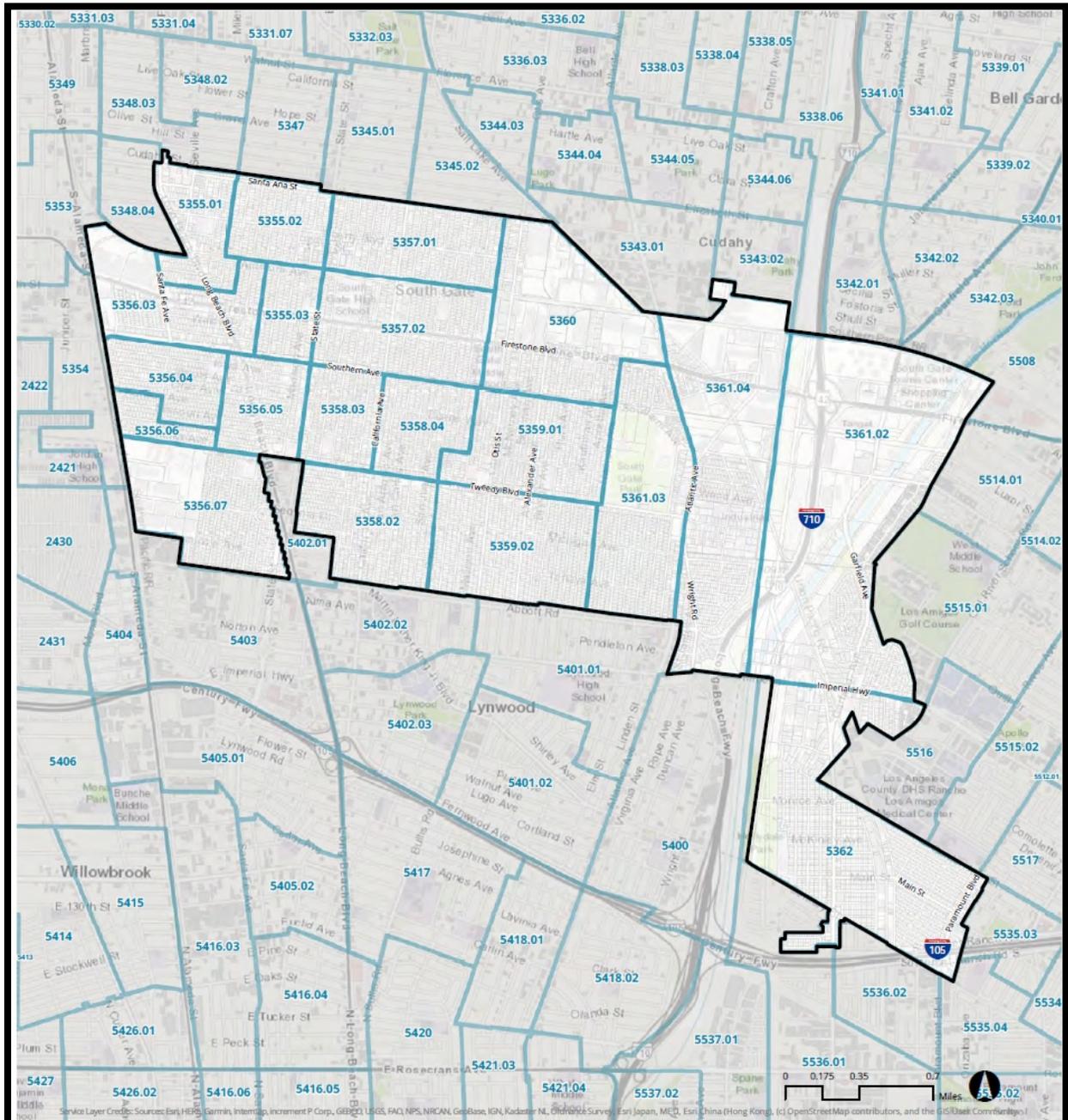
Table VIII-2 shows the neighborhood resource category in which the City's affordable housing developments are located as well as the percentage of the population with low incomes. Calden Court Apartment is a family development while the other developments provide senior and special needs housing. Exhibit VIII-1 shows the boundaries of the census tracts located within South Gate.

**Table VIII-2
City of South Gate
Publicly Assisted Multi-Family Rental Housing: 2020**

Property Name	Address	Number of Assisted Units	Census Tract	Census Tract Resource Category	Percent Low Income
Pennsylvania Square	3170 Southern Avenue	75	5356.05	Moderate	86.7%
Hollydale Senior Apartments	12222 Garfield Avenue	100	5362.00	Low	77.3%
Calden Court Apartments	8901 Calden Avenue	214	5356.03	Low	68.5%
Path Villas	5610 Imperial Highway	59	5362.00	Low	55.8%

Source: California Tax Credit Allocation Committee, 1987 to Present; Southern California Association of Governments, *Final Allocation Methodology Data Appendix*, updated February 14, 2020; TCAC/HCD Opportunity Area Maps, 2020 Statewide Summary Table, Los Angeles County; U.S. Department of Housing and Urban Development, FY 2019 Local Moderate Income Summary Data (LMISD), Local Governments by State, based on 2011-2015 American Community Survey

Exhibit VIII-1
South Gate Census Tract Map



Census Tracts in City of South Gate

- City Boundary
- 2010 Census Tracts

Data Source: US Census, TIGER/Line® Shapefiles, 2010 | Map Created: 9/16/2019

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and contents of this map, please refer to the SCAG Data/Map Book or contact RTPLocalInput@scag.ca.gov.

c. SCAG's Regional Housing Needs Allocation Plan

The Southern California Association of Governments (SCAG) is required to develop a methodology for distributing the existing and projected housing need to each jurisdiction in the six county Region, which includes the counties of Ventura, Los Angeles, Orange, Riverside, San Bernardino and Imperial. According to HCD, the Region's total housing need is 1,341,827 housing units for the period from June 30, 2021 to October 15, 2029. (Source: HCD letter to SCAG, *Final Regional Housing Needs Assessment*, October 15, 2019)

Pursuant to the State Housing Element law, SCAG has adopted a methodology to allocate the regional housing need to each jurisdiction located within the six-county region. Table VIII-3 shows that the application of the adopted methodology results in South Gate having an allocation of 8,263 housing units. The allocation is not final and is subject to an appeals process. The allocation numbers will be finalized for the entire region in February 2021.

Table VIII-3
City of South Gate
Share of Regional Housing Needs
October 2021 – October, 2029

Income Group	Number	Percent
Very Low	2,130	25.8%
Low	991	12.0%
Moderate	1,171	14.2%
Above Moderate	3,971	48.0%
Total:	8,263	100.0%

Source: Southern California Association of Governments, *Final RHNA Estimate Tool*, March 5, 2020

3. Conclusions and Recommendations

The City is required to update its Housing Element by October 2021 to cover the period from October 2021 to October 2029. An important component of the updated Housing Element Update is the identification of sites that can accommodate the housing needs of lower income families, including sites for multifamily rental housing developments.

The very high lower income housing need (3,100 + housing units) allocated by SCAG to the City means it will be necessary to accommodate the housing need on already built land in existing neighborhoods. The identified sites could accommodate the needs of large families, seniors and special needs populations. Improvements to existing neighborhoods are needed to increase the potential of large family rental developments receiving low income housing tax credits and to reduce overcrowded conditions.

Action 1: Pursue place-based improvement strategies in existing neighborhoods

During the next five years - FY 2020/2021 to FY 2024/2025 - the City will continue to implement the Community Design Element goals, objectives, and policies including, but not limited, to:

- ❖ Supporting the formation of neighborhood associations and organizations to create specific neighborhood improvement strategies and sponsor neighborhood social and safety events.
- ❖ Ongoing conservation, maintenance, and upgrading of existing neighborhoods.
- ❖ The South Gate College, Gateway, Imperial and Firestone Industrial Districts will continue to be planned to contain a mix of uses with a significant amount of new multi-family residential development.
- ❖ New high density residential that includes a variety of housing types and affordability levels will be encouraged along the majority of the City's Corridors.

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. HUD suggests that jurisdictions should consider these factors when they are conducting their fair housing planning, 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

a. Change in Low/Moderate Income Neighborhoods

For purposes of this analysis, a low/moderate income neighborhood is defined as a block group with 51% or more of its population with low/moderate incomes. Table VIII-4 lists the seven census tract block groups where the percent low/moderate income was 51% in 2006-2010 but less than 51% in 2011-2015.

Between 2010 and 2019, 351 housing units have been constructed or 35 per year. Two-thirds of the new housing units have been constructed in structures of five or more housing units. Calden Court Apartments is an affordable rental housing development that was constructed in 2015. It is 5-stories high and contains 216 housing units. Path Villas is a 60-unit affordable special needs housing development developed in Spring 2020.

The income changes could be because the new occupants have higher incomes than the prior occupants who could have been either renters or owners. Another possible cause is that the residents did not move but rather experienced income gains that elevated them above the low/moderate income threshold.

The income gains for some block groups are very large. The margins of error in the American Survey Data could be large which then raises questions about the utility of the data.

Table VIII-4
City of South Gate
Census Tract Block Groups Where Percent Low/Mod Was 51%+ in 2006
And Where Percent Low/Mod Was Below 51% in 2015

Census Tract	Block Group	2006-2010 Percent Low/Mod	2011-2015 Percent Low/Mod
536104	4	100.0%	43.8%
535607	1	75.4%	44.0%
535901	3	66.3%	50.6%
536103	2	63.2%	44.6%
535902	3	58.5%	35.0%
536200	2	53.3%	50.0%
535901	2	51.5%	37.1%

3. Conclusions and Recommendations

If in fact income gains are as large as depicted in Table VIII-4, the reasons are not entirely clear or obvious. Consequently, it cannot be stated that gentrification is occurring in some of the City's neighborhoods/block groups.

D. DEMOGRAPHICS OF PUBLICLY SUPPORTED HOUSING

1. Background

HUD is interested in how the demographics of the occupants of publicly supported housing by program type compare to the demographics of the jurisdiction. HUD guidance on this subject includes:

...the demographics of publicly supported housing by program category ... seeks to identify whether certain programs are serving a higher or lower percentage of households of one particular population group when compared to the other program categories and the population as a whole. This includes an analysis of whether there is segregation or integration, and seeks to identify whether certain categories of publicly supported housing experience segregation or integration.

2. Analysis

Table VIII-5 provides data on race and ethnicity of the households who occupy Section 8 rental housing. A lower percentage of Hispanic and White households occupy Section 8 housing than they represent of South Gate's total population. In contrast, a higher percentage of Black householders occupy Section 8 housing than they represent of the City's total population. This means that Section 8 housing contributes to an increase in racial integration within the community.

Table VIII-6 compares the race of the occupants of two Low Income Housing Tax Credit (LIHTC) developments to the citywide characteristics. Only the White population group occupies affordable housing to a lesser percentage than they represent of the entire population. All the remaining groups occupy the affordable housing at the same or higher percentage than they

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represent of the total population. This means that based on the available data the affordable multifamily developments contribute to an increase in racial integration within the community.

Definitive conclusions, however, concerning the racial occupancy of the two affordable multifamily housing developments is not possible because there 601 no responses to the race question.

Table VIII-7 shows that a lower percentage of Hispanics occupy the affordable housing developments than they represent of the City's entire population. However, there were 604 no responses to the ethnicity questions. Hispanics occupy 58.5% of the housing units in the Hollydale development.

**Table VIII-5
City of South Gate
Section 8 Assisted Households by Race and Ethnicity**

Race/Ethnicity	Project Based Section 8	Housing Choice Vouchers	Total Households	Section 8 Percent	City Percent
White	2	15	17	3.4%	5.2%
Black	0	30	30	6.1%	0.8%
Hispanic	70	377	447	90.3%	92.6%
Asian/Pacific Islander	0	1	1	0.2%	1.1%
Total	72	423	495	100.0%	99.7%

Source: U.S. Department of Housing and Urban Development, Table 6: Publicly Supported Households by Race/Ethnicity

**Table VIII-6
City of South Gate
Race of the Occupants of Low Income Housing Tax Credit Housing Developments: 2018**

Race	Number	Developments Percentage	City Percentage
Multi-Race	26	6.1%	2.1%
American Indian/Alaskan Native	9	2.1%	0.6%
Black/African American	82	19.4%	0.8%
Other	148	35.0%	35.1%
White	149	35.0%	60.5%
Asian	7	1.7%	0.7%
Pacific Islander	2	0.5%	0.2%
Total	423	99.8%	100.0%

Note: Does not total to 100% due to rounding

Note: 601 no responses

Source: California Tax Credit Allocation Committee, Spectrum Report – Race/Ethnicity Data for 2018 for the City of South Gate

**Table VIII-7
Ethnicity of the Occupants of Low Income
Housing Tax Credit Housing Developments: 2018**

Ethnicity	Number	Developments Percentage	City Percentage
Hispanic	268	63.8%	95.0%
Not Hispanic	152	36.2%	5.0%
Total	420	100.0%	100.0%

Note: 604 no responses

Source: California Tax Credit Allocation Committee, Spectrum Report
– Race/Ethnicity Data for 2018 for the City of South Gate

3. Conclusions and Recommendations

The AI makes no recommendations regarding the occupancy of affordable housing because the large number of no responses prevents an accurate representation of the occupancy. One of the objectives of the HOME Program and other federal housing programs is to promote fair housing by ensuring outreach to all potential eligible households, especially those least likely to apply for housing assistance. The City will continue to promote in HOME funded developments affirmative marketing which consists of actions to provide information and otherwise attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status or disability.

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 Foundation.

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.

The Fair Housing Act contemplates that, across the country, state and local governments will enact and enforce their own statutes and ordinances that are substantially equivalent to the Fair Housing Act. HUD provides funding annually on a noncompetitive basis to state and local agencies that administer fair housing laws that provide remedies that are substantially equivalent to those provided by the federal Fair Housing Act.

A state or local agency may be certified as substantially equivalent after it applies for certification and HUD determines that the agency administers a law that provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. Typically, once certified, HUD will refer complaints of housing discrimination that it receives to the state or local agency for investigation.

Locally, The Fair Housing Foundation contracts and provides fair housing services directly to South Gate and 23 other cities.

FHF maintains one office in Long Beach at 3605 Long Beach Blvd., Suite 302, Long Beach, CA 90807, and a second office in Anaheim at 2300 E. Katella Ave., Suite 405, Anaheim, CA 92806. Both offices are open for business Monday through Friday, 8:00am to 5:00pm.

FHF's Board of Directors is responsible for overseeing the organization. The Board, through quarterly meetings and interaction with the Executive Director, remains informed of the day-to-day operation of FHF, which ensures their capacity for maintaining program and fiscal integrity.

FHF staff consists of the Executive Director, a Program Manager, a Fair Housing Specialist, an Outreach Coordinator, a Case Analyst, a Project Specialist, and a Senior Housing Counselor. Services are provided in English and Spanish.

FHF's success is due, in part, to maintaining staff's expertise of laws, regulations and court decisions by utilizing all appropriate resources available. Staff training and continued education are invaluable assets to the FHF, as well as the further development of existing staff's knowledge, expertise and interest in fair housing issues. FHF staff members are encouraged to network with other fair housing agencies as well, thus maximizing the assortment of resources outside of FHF's service area.

3. Conclusions and Recommendations

No impediment to fair housing exists because of the lack of an organization to enforce fair housing.