

APPROVALS	
BUDGET OFFICER	<i>[Signature]</i>
CITY ATTORNEY	<i>[Signature]</i>
CITY MANAGER	<i>[Signature]</i>

Report to City Council

TO: Mayor and City Council

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: April 23, 2013

TITLE: PUBLIC HEARING FOR THE CDBG AND HOME PROGRAMS TO ADOPT THE CONSOLIDATED PLAN FOR FISCAL YEARS 2013-2018. THE ANNUAL ACTION PLAN FOR FISCAL YEAR 2013-2014 AND THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE AND FAIR HOUSING ACTION PLAN

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing for the Community Development Block Grant (CDBG) and HOME programs to allow the public an opportunity to comment on, 1) the proposed FY 2013-2018 Consolidated Plan, 2) the FY 2013-2014 Annual Action Plan, and 3) the Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan.
2. Adopt, 1) the FY 2013-2018 Consolidated Plan, 2) the FY 2013-2014 Annual Action Plan, and 3) the Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan.

BACKGROUND

Consolidated Plan and Annual Action Plan

The U.S. Department of Housing and Urban Development (HUD) requires that grantee cities, such as Moreno Valley, prepare both a Consolidated Plan and an Annual Action Plan as a condition to receiving Federal funding under the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). The Consolidated Plan is a planning document that covers a five year period between July 1, 2013 and June 30, 2018, and establishes the City's strategies for addressing low and moderate income needs of the community, as defined by HUD regulations.

The Annual Action Plan is prepared prior to the start of each fiscal year within a Consolidated Plan period. The attached Annual Action Plan details the specific activities and projects the City of Moreno Valley will undertake in FY 2013-2014 using CDBG and HOME funds.

Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan

Prior to the start of each Consolidated Plan period, HUD requires that grantees prepare an Analysis of Impediments (AI) to Fair Housing Choice Report as part of the Community Development Block Grant (CDBG) program. The AI is a review of impediments or barriers that affect the public's right of fair housing choice and it serves as a basis for fair housing planning. It provides detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates to assist in building public support for fair housing efforts. The City's current AI was last updated in 2008. Data contained in this report is a synthesis of the most recent US Census Data, information collected by the Fair Housing Council of Riverside County (FHCRC) and a series of community meetings conducted in October of 2012. In addition, the City in partnership with the FHCRC published an online survey to solicit additional community input regarding fair housing issues.

DISCUSSION

Consolidated Plan

Attachment 1 to this report is the proposed Consolidated Plan for Fiscal Years 2013-2018. The Consolidated Plan provides the City with a Five-Year Strategic Plan for addressing housing, homelessness, special needs and community and economic development activities in the City. The Consolidated Plan document provides four functions including, 1) the development of a planning document that encourages citizen participation, 2) a consolidated application to HUD, 3) a strategy to be followed in carrying out HUD programs, and 4) an Action Plan that provides a basis for assessing performance. The Consolidated Plan matches the community needs with identified implementation strategies and available resources to address those needs.

Annual Action Plan

Attachment 2 to this report is the proposed Annual Action Plan for FY 2013-2014. The Action Plan details the specific projects and allocated funding for the upcoming program year. In March of 2013, HUD notified the City that it should anticipate a 10% reduction in funding as a result of the federal sequester. Sequestration is a term used to describe the practice of using mandatory spending cuts in the federal budget if the cost of running the government exceeds either an arbitrary amount or the gross revenue it brings in during the fiscal year. For budget estimation purposes, City staff utilized the FY 2012-2013 allocation of \$1,858,467 as the basis to begin the 10% reduction. Therefore, staff estimates the new CDBG funding allocation to be \$1,672,620. Of this, 15% or \$250,893 of the total CDBG allocation can be made available for social services. In addition, \$902,576 in previous year project surplus is available for reallocation. Surplus funding is created when a project is either completed under the originally estimated

budget or when a project is canceled and funds are reprogrammed and returned to the grant credit line. This provides for a total anticipated CDBG budget for the next fiscal year of \$2,575,196.

The FY 2013-2014 HOME allocation is anticipated to be \$422,077. Historically the City has utilized the HOME Program to fund HOME program administration (capped at 10% or \$42,207 of the total HOME allocation), City-sponsored housing rehabilitation programs, first time homebuyer down payment assistance, and the HUD-mandated 15% set-aside (\$63,312) for Community Housing Development Organizations (CHDO) that must be used to increase the supply of affordable housing for low-income families.

On March 26, 2013 a Public Hearing was conducted to discuss staff's recommendations for CDBG and HOME projects for FY 2013-2014. The City Council approved staff recommendations as submitted.

The following tables detail the proposed budget for the CDBG and HOME programs for FY 2013-2014. These budgets are included in the Annual Action Plan and will be approved once the documents are adopted.

ANTICIPATED FY 2013-14 CDBG BUDGET

PROGRAM ADMINISTRATION (20% CAP - \$334,524)	
CDBG Program Administration	\$314,524
Fair Housing Services	\$20,000
PUBLIC SERVICES (15% CAP - \$250,893)	
Community Assistance Program (CAP) Food Program	\$33,062
Friends of the Moreno Valley Senior Center (MoVan) Transportation	\$31,062
Fair Housing Council of Riv County - Landlord Tenant Mediation Program	\$17,892
PW Enhancement Center - Emergency Services Outreach	\$17,062
Lutheran Social Services (MARB) Homeless Shelter	\$16,912
Path of Life Transitional Family Shelter (MARB)	\$16,912
Catholic Charities - Case Worker	\$16,062
CASA for Riverside County Foster Youth Program	\$11,062
Assistance League/Operation School Bell - Clothes/School Supplies	\$11,062
Fair Housing Council of Riv County - Foreclosure Mitigation Counseling Program	\$10,000
Operation Safehouse Shelter for Youth	\$9,062
Alternatives to Domestic Violence Emergency Shelter & Services	\$8,562
Riverside Area Rape Crisis Center - Child Abuse Prevention Program	\$8,562
Salvation Army -Food Program	\$8,562
ARC of Riverside - Disabled Adult Day Care Facility	\$6,062
US VETS Transportation Assistance Program	\$6,062
Smooth Transition Literacy/Job Readiness/Life Skills Trng.	\$6,062

Lighthouse Treatment Center for Vets	\$6,062
211' Telephone Referral Service	\$6,062
MV PD Christmas Program	\$4,753
PUBLIC FACILITIES AND IMPROVEMENTS	
Sunnymead Blvd. Stormdrain between Indian & SR-60 Perris Blvd. off-ramp	\$800,000
Edgemont Improvement Program - Exterior Rehab.	\$300,000
REHABILITATION	
Habitat for Humanity	\$10,000
CODE ENFORCEMENT	
Code & Neighborhood Enforcement Program (CDBG Target Areas)	\$284,767
Code Enforcement - Foreclosure 'Strike Team'	\$98,042
ECONOMIC DEVELOPMENT	
Business Incubator (formerly New Business Incentive Program)	\$273,754
Recruitment Assistance (based at the ERC)	\$173,216
Small Business Development Center	\$50,000
TOTAL CDBG FUNDING ALLOCATIONS	\$2,575,196

ANTICIPATED FY 2013-14 HOME BUDGET

PROGRAM ADMINISTRATION (10% CAP - \$42,207)	
HOME Program Administration	\$42,207
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (15% MINIMUM)	
Community Housing Development Organization (CHDO)	\$63,312
HOUSING PROGRAMS	
New Affordable Housing Project(s)	\$796,558
TOTAL HOME FUNDING ALLOCATIONS	\$902,077

Changes to CDBG Eligible Target Areas

HUD requires cities to establish CDBG Target Areas so that they may concentrate their programs in areas determined to contain residents of which at least 51% earn low-to-moderate incomes. Since the last Consolidated Plan cycle, several census tract block groups have been added to the City's eligible CDBG target area. The new map of Moreno Valley's CDBG Target Areas is included as part of the Consolidated Plan.

Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan

Attachment 3 is the proposed Analysis of Impediments (AI) to Fair Housing Choice and Fair Housing Action Plan. Because the recommendations of this report are included in both the Action Plan and Consolidated Plan, all documents were noticed together and were made available for concurrent public review from March 22, 2013 through April 21, 2013. The report details the current conditions existing in the City using data from the Census Bureau and other sources. The report also provides actions that the City will undertake in order to alleviate fair housing discrimination and other impediments to fair housing choice. These actions will continue over the course of the five-year period of the Consolidated Plan.

The following summarizes the fair housing impediments identified and the recommended actions that the City should undertake during the five years of the Consolidated Plan. The recommended private sector actions apply to ways in which the City can encourage outside entities to further fair housing while the public sector actions refer to actions that the City can directly implement to further fair housing.

1. Public Sector Actions

Action 1.1 In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.

Action 1.2 The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.

Action 1.3 The City will adopt a reasonable accommodation procedure.

Action 1.4 The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013), the City must address the needs of the developmentally disabled population. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.

Action 1.5 The City will amend the Planning and Zoning Code by adding a senior housing definition.

2. Private Sector Actions

Action 2.1 The City and Fair Housing Council of Riverside County, Inc. will continue to offer fair housing services to Moreno Valley residents.

Action 2.2 The City and Fair Housing Council of Riverside County, Inc. will arrange a meeting with the Inland Valley Association of Realtors' (IVAR) Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.

Action 2.3 The Fair Housing Council - as part of its home buyer counseling services – will provide examples of how to detect “steering” during the home search process and how to detect “loan steering.”

Action 2.4 The Fair Housing Council will add “how to read an appraisal report” to its homebuyer counseling services.

Action 2.5 The City and Fair Housing Council will annually monitor the Home Mortgage Disclosure Act (HMDA) data to establish long-term trends in loan denial rates.

Action 2.6 The City and Fair Housing Council will maintain an inventory of Federal Housing Administration (FHA) and low down payment financed homes.

Action 2.7 The City and Fair Housing Council will monitor on a regular schedule the notices of default by address made available by the County Recorder’s Office or through a subscription service.

Action 2.8 The City and Fair Housing Council will match the notices of default by address to the addresses of the low down payment financed homes.

Action 2.9 The Fair Housing Council will contact the borrowers in default and inform them of default and foreclosure counseling services available to homeowners at risk of losing their homes.

Citizen Participation

Citizen participation for the development of the Consolidated Plan, the Annual Action Plan, and the Analysis of Impediments to Fair Housing (AI) was accomplished through a series of meetings, public notices and announcements. City staff conducted meetings with area residents, non-profit organizations and surrounding jurisdictions to solicit input on community needs. Two public meetings were conducted to determine community needs. In addition, several focused meetings with local agencies, surrounding jurisdictions and City committees were also conducted. Information and notification of these meetings was distributed through correspondence, flyers and public notices. The information compiled from the meetings was used in determining the needs in the community and the development of strategies.

In addition, three public hearings were conducted to solicit input from the general public. The first public hearing took place on December 11, 2012 and residents were given the opportunity to provide comments regarding priority needs in the community. A second public hearing was held on March 26, 2013 to discuss the proposed projects to be funded with CDBG and HOME for the upcoming fiscal year. A final public hearing to be conducted on April 23, 2013 will allow the public an opportunity to comment on the proposed Consolidated Plan, Annual Action Plan, and AI before adoption by the City Council. All adopted documents must be submitted to HUD by May 9, 2013.

ALTERNATIVES

Alternative 1 – The City Council may adopt the Consolidated Plan for Fiscal Years 2013-2018, the Annual Action Plan for Fiscal Year 2013-2014 and the Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan. **Staff recommends this alternative as being the most compliant with HUD’s requirements.**

Alternative 2 – City Council may choose not to adopt the Consolidated Plan for Fiscal Years 2013-2018, the Annual Action Plan for Fiscal Year 2013-2014, or the Analysis of Impediments to Fair Housing Choice Report. **Staff does not recommend this alternative because it would result in not meeting HUD’s established deadline for submission of these documents.**

FISCAL IMPACT

In FY 2013-2014 there is an estimated total of \$1,672,620 in new CDBG funding to allocate to projects and an estimated \$422,077 in new HOME funds available to allocate to new projects. Together, these funds will provide funding for affordable housing projects and a variety of community improvements, economic development, rehabilitation and public services.

The Analysis of Impediments to Fair Housing Choice Report is required by the U.S. Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs. Grant funding could be impacted if the City does not have an updated report.

CITY COUNCIL GOALS

1. REVENUE DIVERSIFICATION & PRESERVATION

By utilizing CDBG, HOME and ADDI funds, the City will enhance its ability to create a stable revenue base and fiscal policies that will support essential City improvement services.

2. PUBLIC SAFETY

Many of the proposed CDBG and HOME projects and programs will directly or indirectly help to provide a secure environment for people and property in the community.

3. PUBLIC FACILITIES & CAPITAL PROJECTS

The majority of CDBG dollars will be used to construct needed public facilities, roadway improvements and other infrastructure improvements.

4. POSITIVE ENVIRONMENT

A positive environment for the development of Moreno Valley's future will be created through a variety of community-based CDBG and HOME programs and projects.

5. COMMUNITY IMAGE, NEIGHBORHOOD PRIDE & CLEANLINESS

CDBG and HOME programs such as: Code Enforcement, Neighborhood Policing, Public Infrastructure Improvements and Housing Rehabilitation will help to preserve, rehabilitate and improve existing neighborhoods.

NOTIFICATION

Notice of this meeting was published in the local edition of the Press-Enterprise newspaper on March 9, 2013.

ATTACHMENTS

ATTACHMENT 1
ATTACHMENT 2
ATTACHMENT 3

Consolidated Plan for Fiscal Years 2013-2018
 Annual Action Plan for Fiscal Year 2013-2014
 Analysis of Impediments to Fair Housing
 Choice Report and Fair Housing Action Plan

Prepared By:
 Dante Hall
 Business Support & Neighborhood Programs
 Administrator

Department Head Approval:
 Barry Foster
 Community & Economic Development Director

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:



CITY OF MORENO VALLEY

Consolidated Plan

2013 - 2018

Plan Effective: July 1, 2013 – June 30, 2018

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ES-05 Executive Summary

1. Introduction

The Consolidated Plan is a five-year community development plan covering the period July 1, 2013 to June 30, 2018. The plan outlines the community's needs, the strategies for addressing those needs, citizen participation and a one-year action plan (which will be updated annually).

As a recipient of both Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME), funds the City is required to prepare a Consolidated Plan. The plan must be submitted to the U.S. Department of Housing and Urban Development (HUD).

The Consolidated Plan serves four functions. These functions include the development of a planning document that encourages citizen participation, a consolidated application to HUD, a strategy to be followed in carrying out HUD programs, and an action plan that provides a basis for assessing performance.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The overall goals of the CDBG and HOME Programs, as included in the Consolidated Plan, are to develop viable urban communities by providing (1) decent housing, (2) a suitable living environment and (3) expanded economic opportunities principally for low and moderate-income persons.

(1). Decent housing includes assisting homeless persons, retention of the affordable housing stock, increasing the availability of permanent housing in standard condition and affordable cost to low-income and moderate-income persons.

(2). A suitable living environment includes improving the safety and livability of neighborhoods, increasing access to quality public and private facilities and services, and the revitalization of deteriorating or deteriorated neighborhoods.

(3). Expanded economic opportunities include job creation and retention, as well as establishment, stabilization and expansion of small businesses.

The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

3. Evaluation of past performance

The City of Moreno Valley exceeded all of its goals established under the 2008-2013 Consolidated Plan. At the time this document was being prepared, the City was mid-way through the final year (2013) of the previous Consolidated Plan, and therefore information regarding the first four years of the plan are being referred to herein.

At the end of Year 4 of the Plan the City was successful in accomplishing the following:

1. Homeless Strategy - Assisted 2,350 homeless or at risk homeless individuals with housing and public services.
2. Special Needs Strategy - Assisted 17,948 special needs persons, including the elderly and disabled, with housing and public services.
3. Housing Strategy - Rehabilitated or constructed 192 housing units. In addition, utilizing NSP1 funding the City rehabilitated 45 single family homes, and 27 affordable rental units. The City also provided 30 households with the opportunity to become first time home buyers. Proactive code enforcement in the CDBG target areas was provided to 7,898 households. Finally, 3,569 households were provided with fair housing services.
4. Community and Economic Development Strategy - The City was successful in creating/retaining 163 jobs for local small business and providing job training to 93 low and moderate income individuals. Infrastructure improvements were made to 610 parcels within the CDBG target area. 177,498 Low and moderate income residents received public services.

4. Summary of citizen participation process and consultation process

During the Consolidated Plan process, the City took an aggressive approach to ensure and encourage citizen participation. HUD regulations require that cities consult with public and private community-based non-profit organizations to obtain input on the housing and non-housing needs of low- and moderate-income and homeless members of the community. Those with special needs are included as well. To meet this requirement, the City prepared a Citizen Participation Plan which outlines the process for encouraging citizen participation in the development of the Consolidated Plan.

Citizen participation was accomplished through a series of meetings, public notices and announcements. City staff conducted meetings with area residents, non-profit organizations and surrounding jurisdictions to solicit input on community needs. Public meetings to determine needs were held in two of the CDBG Target Areas. One meeting took place at the Moreno Valley City Council Chamber and the other at the Moreno Valley Conference and Recreation Center. In addition, several focused meetings with local agencies, surrounding jurisdictions and City committees were also conducted.

Information and notification of these meetings was distributed through correspondence, flyers and public notices published in the Riverside Press Enterprise. The information compiled from the meetings was used in determining the needs in the community and the development of strategies. Citizen comments are included as an attachment to this document.

Three public hearings were conducted to solicit input from the public. The first public hearing took place on December 11, 2012 and residents were given the opportunity to provide comments regarding priority needs in the community. A second public hearing was held on March 26, 2013 to discuss the proposed Consolidated Plan goals and objectives and the proposed projects for the upcoming fiscal year. After receiving input from the community, the proposed Consolidated Plan was available for a 30-day public examination and comment period from March 22, 2013 through April 22, 2013. The Plan was available at four locations (Library, City Corporate Yard, City Hall and Senior Center) within the City. A final public hearing was conducted on May 23, 2013 after the close of the public review period. The final public hearing allowed the public an opportunity to comment on the proposed Consolidated Plan before adoption by the City Council.

5. Summary of public comments

The following is a summary of the types of needs identified by citizens during public meetings:

- Affordable rental housing
- Programs for at risk youth
- Increased need for telephone social service referral program
- Housing for homeless veterans
- Utility assistance
- Drug and gang intervention services
- Infrastructure improvements
- Financial counseling
- Improvements to the Edgemont neighborhood
- Homeless shelters and emergency motel vouchers
- Services for mentally ill homeless individuals

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments were taken into consideration when developing the Consolidated Plan.

The Process

PR-05 Lead & Responsible Agencies

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	MORENO VALLEY	Community & Economic Development Department

Table 1 – Responsible Agencies

Narrative

The City of Moreno Valley Community and Economic Development Department’s, Business Support and Neighborhood Programs Division is responsible for the development of the Consolidated Plan. The Consolidated Plan was prepared with the cooperation of local non-profit agencies, social service organizations, and interested members of the public.

Consolidated Plan Public Contact Information

The primary contact for matters regarding this plan is: Dante G. Hall, Business Support & Neighborhood Programs Administrator, 951-413-3450

PR-10 Consultation

1. Introduction

The City coordinated efforts and consulted with several public agencies to prepare the Consolidated Plan. The Riverside County Public Housing Authority provided information regarding public and assisted housing in Moreno Valley; the Riverside County Department of Public Social Services works closely with the City to assist homeless persons through the Continuum of Care (CoC). The Riverside County Department of Mental Health also provided information on the coordination of efforts to assist mentally ill homeless persons.

Summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

Community and Economic Development Department staff work closely with outside agencies in both the public and private sectors. Through working with nonprofit agencies and other public institutions, the City hopes to achieve all the goals set forth in the Consolidated Plan.

The City enjoys a cooperative relationship with surrounding jurisdictions and agencies, as well as nonprofit organizations. The City meets on a regular basis with the Riverside County Department of Public Social Services as part of the Continuum of Care process. The City utilizes a variety of nonprofit organizations to address community needs, such as homelessness, special needs, fair housing and food distribution services. In addition, the City also works with state and federal agencies through several grant programs to facilitate services and programs, which meet housing and safety needs in the community.

As a result of cooperation with surrounding jurisdictions, the City has been able to address a wide variety of community needs including housing rehabilitation, housing programs, public services, and public safety. To facilitate the coordination and cooperation, the City will continue to work with these entities through meetings, correspondence, and joint endeavors.

The City has been and will continue to be supportive of direct applications for funds from housing providers as well as local Community Housing and Development Organizations (CHDO's) and other entities. In addition, the City will continue to support funding applications for local nonprofit service providers.

There are a limited number of businesses to assist with housing development. However, the City hopes to work with resources available through affordable housing financial institutions. These private businesses will be included in the annual plans as applicable. Also, the City will work with businesses that provide loans to high risk small businesses for the purpose of creating and/or retaining low income jobs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The City participates in the Riverside County Continuum of Care (CoC). The CoC consists of local government agencies as well as non-profit agencies that work together to address homeless issues in the region. Funding is provided to local public and non-profit agencies to provide homeless services and shelter. Monthly and quarterly meetings provide an opportunity for networking and working towards the common goal. Moreno Valley staff are part of the Continuum of Care working group charged with developing and implementing the County's 10 Year Plan to End Homelessness. In addition, the City continues to locally organize the Riverside County Homeless count. Participating in these counts provides staff with a firsthand knowledge of homeless needs through direct interaction with potential recipients of homeless services. Data from the homeless count is utilized to determine homeless service needs and levels in the City.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City staff serves as a representative on the Board of Governance for the Continuum of Care (CoC). The Board provides governance and strategic oversight to the CoC, monitors the established goals of the 10 Year Plan to End Homelessness, and serves as the planning body for the County's submission of the Riverside County Consolidated Application for HUD funds such as ESG. City staff has historically participated in rating grantee applications for ESG funding and have been instrumental in helping making determinations for the allocation of funds. The CoC developed an HMIS working group to develop policies and procedures for the administration of the HMIS in the region. The working group has been instrumental in gaining compliance from HMIS users throughout the region. In 2012, City staff attended the regional HMIS conference hosted by the CoC and Riverside County Department of Social Services.

2. Agencies, groups, organizations and others who participated in the process and consultations

Agency/Group/ Organization	Agency/Group/ Organization Type	What section of the Plan was addressed by Consultation?	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?
PW Enhancement Center	Services-homeless Services-Education Services-Employment Neighborhood Organization	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Economic Development	The organization participated in Community Needs Meetings as well as individual one-on-one meetings with City administration regarding local needs.
RIVERSIDE COUNTY HOUSING AUTHORITY	PHA Other government - County	Housing Need Assessment Public Housing Needs Non-Homeless Special Needs HOPWA Strategy	Throughout the year, the City reviews proposed development sites, the comprehensive plan of the PHA, and any proposed demolition or disposition of public housing developments. In reviewing PHA comprehensive plan the City is able to determine regional housing needs as established by the PHA. It is anticipated this continued

Agency/Group/ Organization	Agency/Group/ Organization Type	What section of the Plan was addressed by Consultation?	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?
		Anti-poverty Strategy	relationship with the PHA will allow the City to identify needs and gaps in services in order to improve service delivery.
Habitat for Humanity Riverside	Housing	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy	The City had several meetings with the organization to discuss the coordination of local housing programs for low/moderate income and special needs populations (elderly and disabled). The meetings have been helpful in identify potential future programs to be implemented during the Consolidated Plan period.
Fair Housing Council of Riverside County, Inc.,	Service-Fair Housing Neighborhood Organization	Housing Need Assessment	Several meetings were conducted with the Fair Housing Council of Riverside County (FHCRC) to assist the City in the development of the Housing Strategy as well as the Analysis of Impediments to Fair Housing report contained in the Con Plan. The City and FHCRC held meetings with apartment managers and residents on fair housing laws, rights and responsibilities during the Con Plan development process. FHCRC was also instrumental in helping the City to develop a fair housing survey which was posted online for the public to complete.
COACHELLA VALLEY HOUSING COALITION	Housing	Housing Need Assessment Homelessness Strategy	Coachella Valley Housing Coalition participated in the City's community needs meetings and provided valuable feedback on regional housing needs. The City has previously partnered with the

Agency/Group/ Organization	Agency/Group/ Organization Type	What section of the Plan was addressed by Consultation?	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?
		Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Anti-poverty Strategy	organization to create housing opportunities within the city and is open to discussing future affordable housing opportunities that arise.
FAMILY SERVICE ASSOCIATION OF WESTERN RIVERSIDE COUNTY (FSA)	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness	The City has had a long term relationship with Family Service Association (FSA) and meets with the organization periodically to discuss community needs. FSA staff attended one of the community needs meetings hosted by the City and provided valuable feedback. It is anticipated that the City will continue to collaborate with FSA on meeting the needs of Moreno Valley residents.

Agency/Group/ Organization	Agency/Group/ Organization Type	What section of the Plan was addressed by Consultation?	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?
	Services-Employment Neighborhood Organization	Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Anti-poverty Strategy	
COMMUNITY INVESTMENT CORPORATION	Services - Economic Development Community Development Financial Institution	Economic Development	Staff from Community Investment Corporation participated in the City's community needs meeting.
LIGHTHOUSE TREATMENT CENTERS, INC.	Housing Services-homeless	Housing Need Assessment Homelessness Strategy Homelessness Needs - Veterans Anti-poverty Strategy	City staff met with the organization to discuss their housing program for disabled veterans located in the City of Moreno Valley. Staff from Lighthouse Treatment Center also attend community needs meetings and provided valuable input regarding the needs of veterans in our community. The City will continue to support the activities of the organization in the future.

Table 2 – Agencies, groups, organizations who participated

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Riverside County Department of Social Services	The CoC plan and the City's Consolidated Plan are very consistent in their goals for the region and are in agreement that regional coordination is required.

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

The City coordinated efforts and consulted with several public agencies to prepare the Consolidated Plan. The Riverside County Public Housing Authority provided information regarding public and assisted housing in Moreno Valley; the Riverside County Department of Public Social Services works closely with the City to assist homeless persons through the Continuum of Care Consortium; and the Riverside County Department of Mental Health also coordinates efforts to assist mentally ill homeless persons.

PR-15 Citizen Participation

1. **Summary of citizen participation process/Efforts made to broaden citizen participation**
Summarize citizen participation process and how it impacted goal-setting

Citizen Participation Outreach

Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities	This Community Needs Meeting was held on October 29, 2012 at the Moreno Valley Council Chambers. Eighteen individuals attended the meeting and were representing 13 organizations. Concerned residents also attended.	Attendees provided comments regarding the need for the following:-Affordable Housing-Homeless services-Veterans services-Social service referrals-Gang intervention-Senior and disabled services-Financial literacy for homeowners	All comments were considered in developing the Consolidated Plan.	
Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities	This Community Needs Meeting was held on October 30, 2012 at the Moreno Conference and Recreation Center. Four individuals attended the meeting. Of the attendees three were concerned citizens and one was representing a community organization.	Comments received addressed the following concerns/needs: City's CDBG project selection process. Fair Housing definition. Edgemont neighborhood improvements and water quality improvements to Old Highway 215. Need for more homeless shelters, and motel vouchers.	All comments were considered in developing the Consolidated Plan.	
Public Meeting	Minorities	This public hearing was conducted at the Moreno Valley City Council	No public comments were received.	N/A	

Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
	Non-English Speaking - Specify other language: Spanish Persons with disabilities	meeting on December 11, 2012. The purpose of the meeting was to provide the public an opportunity to comment on the proposed CDBG/HOME objectives and policies for FY 2013/14. The meeting was advertised by a public notice published in the Press Enterprise newspaper on November 25, 2012.			
Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities	This public hearing was conducted at the Moreno Valley City Council meeting on March 26, 2013. The purpose of the meeting was to provide the public an opportunity to comment on the proposed CDBG/HOME funded projects for FY 2013/14. The meeting was advertised by a public notice published in the Press Enterprise newspaper on March 9, 2013.	No comments were received.	N/A	
Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with Disabilities	This public hearing was conducted at the Moreno Valley City Council meeting on April 23, 2013. The purpose of the meeting was to provide the public an opportunity to comment on the proposed Consolidated Plan, FY 2013/14 Action Plan Update, and the Analysis of Impediments to Fair Housing. The meeting was advertised by a public notice published in the Press Enterprise newspaper on March 7, 2013.	No comments were received.	N/A	
Newspaper Ad	Non-targeted/broad	Notice of Community Needs Meeting to be held on October 29, 2012 published	No comments received	N/A	

Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
	community	in Riverside Press Enterprise on October 13, 2012.			
Newspaper Ad	Non-targeted/broad community	Notice of Community Needs Meeting to be held on October 30, 2012. Notice was published in the Riverside Press Enterprise on October 13, 2012.	No comments were received	N/A	
Newspaper Ad	Non-targeted/broad community	Notice of Public Hearing held on December 11, 2012. Notice was published in the Riverside Press Enterprise on November 25, 2012.	No comments were received	N/A	
Newspaper Ad	Non-targeted/broad community	Notice of Public Hearing to be held on March 26, 2013. Notice was published in the Riverside Press Enterprise on March 9, 2013.	No comments were received.	N/A	
Newspaper Ad	Non-targeted/broad community	Notice of Public Hearing to be held on May 9, 2013. Notice was published in the Riverside Press Enterprise on April 8, 2013.	No comments were received.	N/A	
Newspaper Ad	Non-targeted/broad community	This ad was published to announce the 30 day public review period of the Consolidated Plan. The review period was from March 15, 2013 to April 15, 2013. The ad was published in the Riverside Press Enterprise on March 7, 2013.	No comments were received	N/A	

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Housing needs were determined by analyzing housing problems by income level, tenure, and households with special needs. The Consolidated Plan uses the Comprehensive Housing Affordability Strategy (CHAS) data developed by the Census Bureau for HUD. CHAS data is based on the 2005-2009 American Community Survey (ACS) Census and analyzes households with one or more housing problems (those experiencing overcrowding, lacking adequate kitchen or plumbing facilities), and those experiencing cost burden (paying more than 30 percent of household income for housing costs) and extreme cost burden (spending over 50 percent of household income for housing costs). The number and types of households needing assistance includes those in the racial and ethnic groups of African Americans, American Indians, Asians, Alaska Natives and Pacific Islanders. According to the ACS, the population of the City of Moreno Valley was 184,039 and was comprised of 48,702 households with a median household income of \$57,720. ACS data indicates that there are a total of 52,985 market rate residential units in the City of Moreno Valley. Of these units 6,100 (or 11.5%) are affordable to renters and 5,970 (or 11%) are affordable to owners with incomes below 100% of the area median income. Therefore, the data indicates that approximately 77.5% of all market rate units in the city are unaffordable to Moreno Valley residents earning less than 100% of the area median income. This also reveals that approximately 41,063 households may need some form of affordable housing assistance or assistance with creating more income opportunities. According to data in the City's Implementation Plan, between 2005 and 2010 the City created a total of 4,518 affordable units. Even when the City created affordable housing units are taken into consideration, a significant affordability gap remains evident. Within the City certain subpopulations appear to have an increased risk of housing problems (particularly cost burden) and risk for homelessness. These groups include: Hispanics, Blacks/African Americans, small related households (renters and owners) and single female head of households. High housing costs reduce economic opportunities, limit access to jobs and services, and restrict the ability of lower-income households, including the elderly and persons with disabilities, to live in the communities and neighborhoods of their choice. The affordability gap results in a concentration of lower-income households and overcrowding.

NA-10 Housing Needs Assessment

Summary of Housing Needs

Demographic Information

- Moreno Valley – with a population of almost 200,000 persons - is the 2nd largest city in Riverside County.
- The Southern California Association of Governments (SCAG) forecasts the City's population to reach about 255,100 people in 2035, an increase by about 61,500 people between 2010 and 2035.
- Between 2000 and 2012, the housing stock grew from about 41,400 to almost 55,800 housing units, an increase of about 14,400 housing units.
- Moreno Valley's housing stock is comprised of 55,800 housing units of which 81% are single-family detached homes.
- Moreno Valley's homeownership rate is almost 65% which is slightly lower than that of Riverside County.
- About 51,600 households live in Moreno Valley, of which 42% have lower incomes, meaning less than 80% of Riverside County's median household income.
- Three groups comprise most of the minority population – Hispanics (54.4%), Blacks (17.2%), and Asians (5.9%)
- About 48,000 people are foreign born, mainly in Latin America (77%) and Asia (18%).
- There are an estimated 43,200 *family* households, which comprise about 84% of all households. About 24,100 family households have children.
- Disabilities affect about 15,500 people. The elderly (65 years +) comprise about 44% of all disabled people.
- The poverty rates by race and ethnicity range from a low of 4.4% (Native Hawaiian and Other Pacific Islander) to a high of 35.8% (Asian). The Black (27.1%) and Hispanic (18.5%) poverty rates also are relatively high. It must be noted that the margin of error for the Asian poverty rate was +/-18%.
- Female heads of households both with and without children under 18 experience the highest poverty income rates. About 2,000 female householders with children live in poverty, or about 36% of all such household types.
- Crowding is a condition that disproportionately impacts Native Hawaiian and Other Pacific Islander households. Hispanic households, however, comprise about 82% of all crowded households.
- The City has about 33,400 owner and 18,200 renter households.

Demographics	2000 Census (Base Year)	2005-2009 ACS (Most Recent Year)	% Change
Population	142,381	184,039	29%
Households	41,431	48,702	18%
Median Income	\$47,387.00	\$57,720.00	22%

Table 5 - Housing Needs Assessment Demographics

Data

Source: 2005-2009 ACS Data
2000 Census (Base Year)
2005-2009 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80- 100% HAMFI	>100% HAMFI
Total Households *	5,120	5,400	9,245	5,630	
Small Family Households *	2,305	2,425	3,995	15,990	
Large Family Households *	1,075	1,445	3,355	6,510	
Household contains at least one person 62-74 years of age	790	698	935	770	2,815
Household contains at least one person age 75 or older	495	485	804	385	1,305
Households with one or more children 6 years old or younger *	1,810	2,020	3,510	7,205	
* the highest income category for these family types is >80% HAMFI					

Table 6 - Total Households Table

Data

Source: 2005-2009 CHAS

Housing Needs Summary Tables for several types of Housing Problems

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Substandard Housing - Lacking complete plumbing or kitchen facilities	20	0	85	0	105	20	0	60	10	90
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	175	170	265	175	785	20	85	170	105	380
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	565	250	580	180	1,575	220	495	500	215	1,430
Housing cost burden greater than 50% of income (and none of the above problems)	1,800	1,410	595	40	3,845	1,590	1,330	2,165	770	5,855
Housing cost burden greater than 30% of income (and none of the above problems)	75	510	1,460	610	2,655	75	510	1,590	1,540	3,715
Zero/negative Income (and none of the above problems)	110	0	0	0	110	170	0	0	0	170

Table 7 – Housing Problems Table

Data

Source: 2005-2009 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Having 1 or more of four housing problems	2,565	1,830	1,520	395	6,310	1,840	1,915	2,890	1,105	7,750
Having none of four housing problems	280	695	1,955	1,230	4,160	150	965	2,870	2,895	6,880
Household has negative income, but none of the other housing problems	110	0	0	0	110	170	0	0	0	170

Table 8 – Housing Problems 2

Data

Source: 2005-2009 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	1,300	1,280	1,100	3,680	800	960	2,025	3,785
Large Related	500	500	855	1,855	419	870	1,570	2,859
Elderly	355	85	174	614	380	450	335	1,165
Other	355	460	565	1,380	295	135	280	710
Total need by income	2,510	2,325	2,694	7,529	1,894	2,415	4,210	8,519

Table 9 – Cost Burden > 30%

Data

Source: 2005-2009 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	1,275	855	320	2,450	755	725	1,230	2,710
Large Related	490	340	215	1,045	415	560	920	1,895
Elderly	315	20	4	339	345	250	105	700
Other	340	390	140	870	295	120	135	550
Total need by income	2,420	1,605	679	4,704	1,810	1,655	2,390	5,855

Table 10 – Cost Burden > 50%

Data

Source: 2005-2009 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Single family households	660	320	605	190	1,775	180	395	400	215	1,190
Multiple, unrelated family households	60	75	215	165	515	60	185	275	115	635
Other, non-family households	20	25	25	0	70	0	0	0	0	0
Total need by income	740	420	845	355	2,360	240	580	675	330	1,825

Table 11 – Crowding Information

Data

Source: 2005-2009 CHAS

What are the most common housing problems?

Cost Burden

HUD defines a cost burden as “the extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data available from the U.S. Census Bureau” and a severe cost burden as “the extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data available from the U.S. Census Bureau”. HUD has found a correlation between cost burden and risks for homelessness. The higher the cost burden, the higher the risk.

Although obviously related, housing cost burden is a distinctly different measure than the affordability indexes that are based on the typical housing cost and the median income. The Housing Affordability Index and related affordability indexes measure affordability based on the ratio of median income to median housing cost. The indexes reflect the affordability of the average unit for the average household consumer. Even though the average unit might be affordable to the average household, this does not mean that individual households might not face significant problems with housing affordability. The housing cost burden measure provides the actual “affordability outcome” of the housing choices made by individual households.

Data tables in this section indicate that nearly 30% of all renter households (under 100% ami) experience a 30% (or greater) cost burden while over 33% of owner households below 100% ami experience the same. Nearly 19% of renters 23% of owners experience a 50% cost burden. Renter households at the 0% to 30% ami category experience the highest 50% (or greater) cost burden while renters in the 50% - 80% ami category experience the highest 30% (or greater) cost burden. For owner households, those in the 50% - 80% ami category experience both the highest 30% and 50% cost burden.

Overcrowding

Overcrowding is a measurement of the adequacy of housing units to accommodate residents. Overcrowding is determined by a standard based on the number of persons per room within a unit. The standard is established at 1 person per room or less. Housing units are considered slightly overcrowded when the occupancy per room is 1.01 to 1.50 persons per room. Units are considered severely overcrowded when occupancy per room is 1.51 persons or more.

Based on CHAS data, there were a total of 2,360 renter households (under 100% a.m.i) who were classified as living in overcrowded conditions, or 9% of all renter households in Moreno Valley. Among owner households 1,825 were classified as living in overcrowded conditions or 7% of all households in the city. When renters and owners are combined, the total number of households (under 100% a.m.i.) living in overcrowded conditions totaled 16% of all households. Single families households are most impacted by the problem of overcrowding.

Are any populations/household types more affected than others by these problems?

Households classified as “small related” are most impacted by housing problems. Specifically 0% - 30% ami renters are most at risk for cost burden at both the 30% and 50% cost burden level, while owners in the 50% - 80% ami are most at risk of having both a 30% and 50% cost burden.

Hispanics have the highest disproportionate need in regards to housing problems amongst all races/ethnicities. This need is consistent across all Hispanic income brackets. Black/African Americans show disproportionate need in regards to both severe and regular housing problems at the 0% - 30% and 80% - 100% ami categories. In the 80% - 100% ami category Whites have a disproportionate need in relation to severe housing problems.

Crowding is a condition that disproportionately impacts Native Hawaiian and Other Pacific Islander households. Hispanic households, however, comprise about 82% of all crowded households.

See also “Disproportionate Need” section.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Persons at risk of homelessness generally live in poverty, have few familial or community supports, and may have increasing drug and alcohol dependencies. Among those at risk of homelessness, the following groups will be addressed: cost burdened households, families living in poverty, victims of domestic violence, persons diagnosed with HIV/AIDS, and persons with disabilities.

Poverty Status

Although there are different types of poverty, the most common meaning refers to “income poverty,” or the lack of sufficient income to meet minimum consumption needs. Poverty then refers to persons who are income poor and, perhaps, have no income at all. According to the U.S. Census Bureau, the poverty thresholds are dollar amounts used to determine poverty status.

In 2010 a mother with two children would be considered poor if her annual income was less than \$17,568. A husband-wife family with two children would be classified as poor if their annual income was less than \$22,113.

About one in five householders have poverty incomes. Poverty rates by race and ethnicity range from a low of 4.4% (Native Hawaiian or Other Pacific Islander) to a high of 35.8% (Asian). The Black population also has a high poverty rate (27.1%). Although poverty rates differ, any household with such low incomes – regardless of race or ethnicity – would be unable to afford market rate housing. Their freedom to attain their housing of choice is severely restricted. (The margin of error for the Asian poverty rate was +/- 18%.)

Female householders with children often confront bias in the rental housing market. Their access to decent housing also is made more difficult by poverty. Female households have significantly higher poverty rates than other household types. Female heads of households both with and without children under 18 experience the highest poverty income rates. About 2,000 female householders with children live in poverty, or about 36% of all such household types.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

The Riverside County Continuum of Care utilizes data captured through the Homeless Information Management System (HMIS). This system is required for regions that receive HUD funds, which defines homelessness as meeting one of the following conditions: Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance; is living in the home of another because of economic hardship; has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days of the date of application for assistance; Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals; lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons, or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau; is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The characteristics most commonly linked with housing instability and an increased risk of homelessness include high cost burden, lack of jobs and high unemployment rate, personal circumstances, and a tight rental market (due, in part, to the foreclosure rate forcing former owner households into rental housing, and shrinking public subsidies).

NA-15 Disproportionately Greater Need: Housing Problems

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group in a category of need is at least 10% greater than the percentage of persons in the category as a whole.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,555	280	280
White	690	80	140
Black / African American	1,215	15	75
Asian	305	25	25
American Indian, Alaska Native	4	0	0
Pacific Islander	0	0	0
Hispanic	2,240	155	30

Table 12 - Disproportionally Greater Need 0 - 30% AMI

Data

Source: 2005-2009 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,765	635	0
White	795	210	0
Black / African American	1,040	85	0
Asian	215	50	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Hispanic	2,670	285	0

Table 13 - Disproportionally Greater Need 30 - 50% AMI

Data

Source: 2005-2009 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	7,465	1,775	0
White	1,380	480	0
Black / African American	1,500	130	0
Asian	255	110	0
American Indian, Alaska Native	30	0	0
Pacific Islander	30	0	0
Hispanic	4,165	1,015	0

Table 14 - Disproportionally Greater Need 50 - 80% AMI

Data

Source: 2005-2009 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,645	1,980	0
White	770	530	0
Black / African American	710	405	0

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Asian	210	170	0
American Indian, Alaska Native	10	0	0
Pacific Islander	0	0	0
Hispanic	1,870	820	0

Table 15 - Disproportionally Greater Need 80 - 100% AMI

Data

Source: 2005-2009 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

Hispanic households have a disproportionately greater need as it relates to standard and severe housing problems in all four income categories. This disparity is also found when discussing “severe housing problems” as Black/African American and Hispanic Households are also overrepresented in this category.

In regards to housing cost burden for income brackets at either: 1) below 30%, 2) 30% - 50%, or 3) higher than 50% burden, Black/African American, and Hispanics had a disproportionately greater need for affordable housing as compared to Asian, American Indian/Alaska Natives, or Pacific Islanders. In the 50% - 80% ami bracket Whites showed some disproportionate need.

Poverty and Disproportionate Need

The amount of income available to a household appears to have a correlation to cost burden and housing problems. The 2010 American Community Survey 1 – Year Estimates revealed that as a group, Black/African Americans had the lowest median income (\$31,929) with a 27.1% of the group living below the poverty line. According to the same data source, the average median household income of Hispanics was \$44,939 with 18.5% of the group living below the poverty line. Peculiarly, although Asians had the highest poverty rate (35.8%) of all races/ethnicities citywide, the group does not have a disproportionately greater need in any area.

NA-20 Disproportionately Greater Need: Severe Housing Problems

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

This section analyses housing problems by income level, tenure, and households with special needs and uses data from the Comprehensive Housing Affordability Strategy (CHAS) developed by the Census Bureau for HUD. CHAS data is based on the 2005-2009 American Community Survey (ACS) Census and analyzes households with one or more housing problems as defined below:

Housing Problems: 1) lacking complete kitchen facilities; 2) lacking complete plumbing facilities; 3) more than one person per room, and 4) Cost burden greater than 30%.

Severe Housing Problems: 1) lacking complete kitchen facilities; 2) lacking complete plumbing facilities; 3) more than 1.5 persons per room, and 4) Cost burden greater than 50%.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,405	430	280
White	655	120	140
Black / African American	1,175	50	75
Asian	300	30	25
American Indian, Alaska Native	4	0	0
Pacific Islander	0	0	0
Hispanic	2,175	225	30

Table 16 – Severe Housing Problems 0 - 30% AMI

Data

Source: 2005-2009 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,745	1,665	0
White	555	445	0
Black / African American	870	255	0
Asian	150	120	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	2,140	815	0

Table 17 – Severe Housing Problems 30 - 50% AMI

Data

Source: 2005-2009 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,415	4,825	0
White	500	1,365	0
Black / African American	805	825	0
Asian	195	165	0
American Indian, Alaska Native	15	15	0
Pacific Islander	15	15	0
Hispanic	2,815	2,360	0

Table 18 – Severe Housing Problems 50 - 80% AMI

Data

Source: 2005-2009 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,495	4,125	0
White	270	1,030	0
Black / African American	425	690	0
Asian	130	245	0
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	670	2,020	0

Table 19 – Severe Housing Problems 80 - 100% AMI

Data

Source: 2005-2009 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

CHAS data reveals that in the City of Moreno Valley, of all households (under 100% of the area median income), nearly 25% of all renter households and nearly 31% of owner households have at least one of the four identified housing problems listed above. Of renter households the income category most impacted by housing problems are those at the 0% - 30% a.m.i income, while within owner households, those at the >50 – 80% a.m.i. level are most effected by housing problems. This suggest a need for additional outreach and resources to 0-30% a.m.i renters and >50 -80% a.m.i. owners.

NA-25 Disproportionately Greater Need: Housing Cost Burdens

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

HUD defines a cost burden as “the extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data available from the U.S. Census Bureau” and a severe cost burden as “the extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data available from the U.S. Census Bureau”. HUD has found a correlation between cost burden and risks for homelessness. The higher the cost burden, the higher the risk.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	21,920	14,030	12,375	375
White	8,725	3,590	2,060	165
Black / African American	3,000	3,115	3,070	95
Asian	1,535	695	775	25
American Indian, Alaska Native	60	25	20	0
Pacific Islander	115	65	0	0
Hispanic	8,000	6,235	6,270	65

Table 20 – Greater Need: Housing Cost Burdens AMI

Data

Source: 2005-2009 CHAS

Discussion

Although obviously related, housing cost burden is a distinctly different measure than the affordability indexes that are based on the typical housing cost and the median income. The Housing Affordability Index and related affordability indexes measure affordability based on the ratio of median income to median housing cost. The indexes reflect the affordability of the average unit for the average household consumer. Even though the average unit might be affordable to the average household, this does not mean that individual households might not face significant problems with housing affordability. The housing cost burden measure provides the actual “affordability outcome” of the housing choices made by individual households.

In the Moreno Valley population as a whole, nearly 30% of renters and nearly 34% of owner households experience a 30% cost burden. When taking into account family composition, 14.5% of renters and nearly 15% of owners in “small related” households were 30% cost burden (higher than any other family composition type in the 30% burden category). In the population as a whole. Nearly 30% of renter households and nearly 34% of owner households were experiencing a 50% cost burden. Again, the family composition type impacted most in this category are those classified as “small related”, regardless of renter and owner status.

NA-30 Disproportionately Greater Need: Discussion

Income categories in which a racial or ethnic group has disproportionately greater need.

Hispanic households have a disproportionately greater need as it relates to standard and severe housing problems in all four income categories. This disparity is also found when discussing “severe housing problems” as Black/African American and Hispanic Households are also overrepresented in this category.

Disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group in a category of need is at least 10% greater than the percentage of persons in the category as a whole.

In regards to housing cost burden for income brackets at either: 1) below 30%, 2) 30% - 50%, or 3) higher than 50% burden, Black/African American, and Hispanics had a disproportionately greater need for affordable housing as compared to Asian, American Indian/Alaska Natives, or Pacific Islanders. In the 50% - 80% ami bracket Whites showed some disproportionate need.

Poverty and Disproportionate Need

The amount of income available to a household appears to have a correlation to cost burden and housing problems. The 2010 American Community Survey 1 – Year Estimates revealed that as a group, Black/African Americans had the lowest median income (\$31,929) with a 27.1% of the group living below the poverty line. According to the same data source, the average median household income of Hispanics was \$44,939 with 18.5% of the group living below the poverty line. Peculiarly, although Asians had the highest poverty rate (35.8%) of all races/ethnicities citywide, the group does not have a disproportionately greater need in any area.

Needs not previously identified

N/A

NA-35 Public Housing

Introduction

The Housing Authority of the County of Riverside (HACR) owns and operates 469 public housing units within Riverside County. The physical condition of the public housing units varies however the HACR has plans to modernize selected units within the stock of public housing units. Examples of such modernization projects include the replacement of evaporative coolers with centralized air conditioning, kitchen cabinet upgrades, and door replacements.

There are currently 63,436 persons on the waiting list for public housing, and 44,216 persons on the waiting list for Section 8 tenant-based assistance. Based on the large numbers of families waiting for assistance, the HACR goal is to:

- Apply for additional rental vouchers by annually competing for the U.S. Department of Housing and Urban Development (HUD) affordable housing funding available to Public Housing Authorities.
- Reduce public housing vacancies.
- Leverage private or other public funds to create additional housing opportunities.

To this end, the HACR has successful collaborations with the City of Riverside as the project sponsor for the Housing Opportunities for Persons with AIDS (HOPWA) Program and a new Tenant Based Rental Assistance Program for the Homeless.

Section 8 and Public Housing Programs

The Housing Authority of the County of Riverside administers and manages several programs to address the housing needs of residents county-wide. The annual estimated operating budget of \$84 million is allocated to fund Housing Authority projects and programs. The Public Housing Program provides decent, safe, and sanitary housing to low and moderate-income families, seniors, and persons with disabilities. These multi-family developments were constructed or purchased with funding provided by HUD. The property units are operated and maintained by the Housing Authority with funding subsidies from HUD. The Rental Assistance Programs are tenant based utilizing Section 8 (Voucher) Rental Assistance Payments. The Section 8 (Voucher) program assists lower income households with rental assistance to provide an opportunity to live in affordable, decent, safe, and sanitary housing.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	79	456	8,748	36	8,364	135	178	19
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 21 - Public Housing by Program Type

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Average Annual Income	0	12,664	13,261	13,870	10,805	13,850	13,465	14,983	13,154
Average length of stay	0	6	4	6	2	6	0	5	7
Average Household size	0	1	3	2	1	2	1	3	1
# Homeless at admission	0	2	331	205	1	197	2	5	0
# of Elderly Program Participants (>62)	0	67	38	3,249	9	3,211	15	10	1
# of Disabled Families	0	12	70	2,587	26	2,422	82	33	18
# of Families requesting accessibility features	0	79	456	8,748	36	8,364	135	178	19
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 22 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	66	318	5,469	26	5,195	79	144	15
Black/African American	0	10	126	2,967	8	2,867	55	29	3
Asian	0	1	9	209	2	203	0	2	1
American Indian/Alaska Native	0	0	2	80	0	76	1	3	0
Pacific Islander	0	2	1	23	0	23	0	0	0
Other	0	0	0	0	0	0	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 23 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	29	250	2,318	7	2,220	13	74	1
Not Hispanic	0	50	206	6,430	29	6,144	122	104	18
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 24 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

There are currently 63,436 persons on the waiting list for public housing, and 44,216 persons on the waiting list for Section 8 tenant-based assistance.

The widespread poverty found among residents of assisted housing and/or voucher holders suggests a need for both traditional safety net programs to help residents/clients avoid hunger and meet basic health care needs as well as innovative initiatives to help them build assets, increase earnings, and make progress toward economic security. Income increases allow families to move up and out of assisted housing; spaces then become available to assist other needy families. Boosting residents'/clients' earnings can also be an effective way to widen the mix of incomes in public housing developments and increase the proportion of residents who are employed, which in turn may enhance community stability and expand the number of working role models for youth and other residents.

NA-40 Homeless Needs Assessment

Introduction

The City of Moreno Valley is a very active member of the Riverside Continuum of Care (CoC). The Riverside County Department of Public Social Services (DPSS) serves as the lead agency for the CoC. DPSS conducts a homeless census and survey biannually as part of the Continuum of Care planning process. The City of Moreno Valley has completed in all homeless census conducted by the County. The census consists of a one day “point-in-time count” (PIT) of homeless persons countywide during the last week of January. To gather more comprehensive data, DPSS also administers a survey during the 90 days following the census which provides information on household income, disability status, and serves to identify significant subpopulations. The results of the census and survey are published in a detailed report and made available to the public.

The most recent census/survey was conducted in 2011 and a detailed report, *The 2011 Riverside County Homeless Survey*, can be obtained on the Continuum of Care’s website at www.riversidehomeless.org.

DPSS also strives to address the needs of “at-risk” individuals and families who are imminent risk of homelessness due to income level and housing costs. The Continuum of Care defines “at-risk” households as households whose incomes fall at or below 50% of the area median income as defined by HUD and spend 30% or more of their income on basic housing costs such as rent/mortgage and utilities. This operational definition is found in the *Riverside County 10 Year Strategy to End Homelessness* which was also published in 2011 and serves as the strategic plan for the Continuum of Care.

The 2011 PIT homeless count found a total of 6,203 homeless (sheltered and unsheltered) individuals throughout the County. In 2011 there were a total of 237 homeless individuals counted in the City of Moreno Valley. This number is significantly higher than the 2009 count which showed 28 homeless individuals. The 2009 and 2011 counts were conducted utilizing a significantly different count methodology however, and the 2011 Count is not widely accepted as valid. In January 2013 the City participated in another PIT and preliminary data shows that just over 40 homeless individuals were counted.

The Department of Public Social Services has established chronically homeless persons as the highest need priority. The Riverside County *10 Year Strategy to End Homelessness* has called for the development of 500 units of permanent supportive housing dedicated to chronically homeless persons over the next five years. To facilitate this goal, all new projects seeking Continuum of Care funding must be permanent supportive housing projects.

Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	518	31	549	1,165	0	0
Persons in Households with Only Children	0	0	0	0	0	0
Persons in Households with Only Adults	612	2,731	3,343	3,343	0	0
Chronically Homeless Individuals	70	2,445	2,515	2,515	0	0
Chronically Homeless Families	3	2	5	5	0	0
Veterans	76	90	166	166	0	0
Unaccompanied Child	16	109	125	125	0	0
Persons with HIV	28	152	180	180	0	0

Table 25 - Homeless Needs Assessment

Data Source

Comments:

Population includes Rural none
Homeless:

Jurisdiction's Rural Homeless Population

Nature and Extent of Homelessness by Racial and Ethnic Group

The two largest racial/ethnic groups among 2011 survey respondents were White/Caucasian (45%) and Hispanic/Latino (27%).

19% of survey respondents identified as Black/African American, which was the third largest racial/ethnic group.

Compared to the County of Riverside's general population, there were greater percentages of Whites/Caucasians and Blacks/African Americans in the 2011 homeless survey population, and a lower percentage of Hispanics/Latinos.

Nature and Extent of Unsheltered and Sheltered Homelessness, including Rural Homelessness

The homeless count had two components: a point-in-time enumeration of unsheltered homeless individuals and families (those sleeping outdoors, on the streets, in parks, vehicles, etc.) and a point-in-time enumeration of homeless individuals and families who have temporary shelter (those staying in emergency shelters and transitional housing, and those using motel vouchers).

- Of the homeless persons counted, the majority (82%) were unsheltered (5,090 individuals). This included individuals counted on the streets, as well as the number of people estimated to be living in cars, vans, RVs, abandoned buildings, and encampments
- 18% of the homeless persons enumerated were sheltered (1,113). This included individuals who were residing in emergency shelters and transitional housing facilities.
- Of the sheltered population, 50% were living in emergency shelters and 50% were living in transitional housing facilities.
- Single individuals (2,603) made up 42% of the point-in-time homeless population, while persons in families (549) made up 9% and persons of unknown family status (3,051) made up 49%.
- Persons in families made up less than 1% of the unsheltered homeless population (31), and 47% of the sheltered population (518).
- A total of 169 family units were identified during the homeless count (10 families unsheltered, 53 families sheltered in emergency shelters, and 106 families sheltered in transitional housing facilities).

NA-45 Non-Homeless Special Needs Assessment

Introduction

Special needs populations include persons with disabilities, persons with HIV/AIDS, individuals fleeing from domestic violence, individuals with who suffer from alcohol and drug addiction, and female-headed households (single female households). These groups have special needs for services and housing. In addition, many often have lower incomes as a result of their condition.

Characteristics of Special Needs Populations

Disabled

About 15,500 residents have one or more disabilities, according to data from the 2010 Census and 2010 American Community Survey. The elderly experience the highest disability prevalence rate – that is, about 44% of all persons 65 years of age and older have one or more disability.

Elderly Households

Elderly persons make up a relatively small percentage (8.5%) of the City's population. The 2006 American Community Survey indicates that the Moreno Valley population of persons 60 years of age and over is 15,265. The number of elderly residents within Moreno Valley is increasing, and is expected to continue doing so as the community matures.

Persons with substance abuse problems

The Riverside County Department of Mental Health indicated that there were 17,623 individuals in its substance abuse outpatient programs in fiscal year 2007 to 2008. Of that number, 922 youth under age 18 participated in these substance abuse programs.

Persons diagnosed with HIV/AIDS and related diseases

Housing Opportunities for People with AIDS (HOPWA) funds, currently allocated to the two counties of San Bernardino and Riverside, are being used to provide housing assistance to person with HIV/AIDS, home care, clinic-based primary care, shelter, case management, and housing placement.

Domestic Violence

In September 2010, 92 percent of identified local domestic violence programs in California participated in the 2010 National Census of Domestic Violence Services. Since domestic violence often goes unreported, accurate analysis of housing needs is difficult to estimate.

Single Female Head of Household

In Moreno Valley about 4,300 female householders live alone or with nonrelatives, which represent about 30% (4,310/14,300) of all female householders. Single female heads of household access to decent housing also is made more difficult by poverty. Female heads of households both with and without children under 18 experience the highest poverty income rates. About 2,000 female householders with children live in poverty, or about 36% of all such household types

Housing and Supportive Service Needs and Determination

Housing and supportive services needs for special needs populations have been determined by analyzing available data sources.

Disabled

The major housing and service needs identified for households with disabled members are generally related to affordability and access. The needs identified include development of affordable handicapped accessible rental units and rehabilitation of housing units to make them handicapped accessible.

Elderly

The most significant factors related to the needs of the elderly include an environment that offers a combination of housing, retail and medical facilities in proximity.

Persons with substance abuse problems

While several local organizations do assist persons in this category with housing, the need for additional facilities for rehabilitation and housing are needed to serve area residents with alcohol or other addictions.

Persons diagnosed with HIV/AIDS and related diseases

For persons living with HIV/AIDS, access to safe, affordable housing is nearly as important to their general health and well-being as access to quality health care. For many persons with HIV/AIDS, the persistent shortage of stable housing can be the primary barrier to consistent medical care and treatment. Persons with HIV/AIDS also require a broad range of services, including counseling, medical care, in-home care, transportation, food, in addition to stable housing. Today, persons with HIV/AIDS live longer and require longer provision of services and housing.

Domestic Violence

A primary need for victims of domestic violence is emergency shelter in a safe and confidential location. Affordable housing options are important to provide victims with options for housing once they leave the shelter, to avoid having them return to an unsafe home.

Single Female Head of Household

Without access to affordable housing, many of these households may be at risk of becoming homeless. Affordable housing with childcare centers or in close proximity to schools, public transportation, and recreation facilities can address critical needs of lower-income single-parent families

Public Size and Characteristics of Population with HIV / AIDS

From 1997 to 2007, 2,394 AIDS cases were reported in Riverside County. Ninety-one percent of all newly reported cases are male. Eastern Riverside County continues to have the highest rates of both HIV and AIDS case reporting in the County. HIV incidence rates for eastern Riverside County were 3 times greater than rates for other regions in the County.

Discussion

HOUSING FOR SPECIAL NEEDS POPULATIONS

Housing to Serve People With Disabilities

Ability First (formerly Crippled Children) provides persons with disabilities living environments adapted to meet their needs. The Moreno Valley Apartments are one such example. Ability First has provided a suitable living environment by reserving 25 units solely for use by disabled persons and their families.

Housing to Serve Persons with HIV/AIDS

The Inland AIDS Project has a six-bed residential care facility for the chronically ill. The home is located in the city of Hesperia, approximately 50 miles from Moreno Valley. This California State Licensed facility is staffed by a team of Licensed nurses, home health attendants and social workers who provide an array of services for persons living with AIDS including but not limited to meal preparation, hospice/end stage care, case management, counseling & transportation. Admission to this facility is arranged through the client's case manager. In addition, the Inland AIDS Project has two licensed residential substance abuse treatment facilities located in the cities of Ontario and Riverside; and low rent housing units located in San Bernardino, Ontario, and Riverside.

HOPWA funds currently allocated to San Bernardino and Riverside counties are being used to provide housing assistance to person with HIV/AIDS, home care, clinic-based primary care, shelter, case management, and housing placement. The City of Riverside administers the HOPWA program for both counties.

Housing to Serve the Elderly

Senior Cooperative Services: Affordable housing with supportive services are needed to allow senior citizens options for independent living situations. The City assisted Cooperative Services Inc. (a non-profit organization) with development of a 70-unit housing project for low-income senior citizens.

Assisted Living Center: The City facilitated issuance of Housing Revenue Bonds for the construction of an Assisted Living Center by assist California Drug Consultants.

Telacu Senior Housing: Provides affordable independent living housing opportunities for senior citizens. The project was constructed in previous years using RDA funding.

NA-50 Non-Housing Community Development Needs

HUD Community Planning and Development funds (CDBG, HOME, and ESG) can be used for a variety of supportive services and community development activities. These include: economic development; public and infrastructure improvements; community facilities; and community services.

Moreno Valley has a wide range of community development issues, particularly in older neighborhoods where the housing stock, public improvements and community facilities are deteriorating, and businesses are declining.

Many of the programs and strategies for Community and Economic Development are centered in the CDBG Target Areas. Infrastructure improvements are needed in the Target Areas which include some of the oldest areas in the City. To improve public safety and facilitate pedestrian traffic, the City plans to continue the development of public facilities within the CDBG Target Areas utilizing a combination of CDBG and city General Funds.

Public Facilities Need Determination

Public facility needs were determined utilizing the City's Capital Improvement Plan which identifies needed public facilities and improvements throughout the city.

Public Improvements

The Americans with Disabilities Act (ADA) of 1990 is federal civil rights legislation that makes it illegal to discriminate against persons with disabilities. Title II of the ADA requires elimination of discrimination in all public services and the elimination of architectural barriers in all publicly owned improvements and facilities. It is important that public improvements are ADA compliant to facilitate participation among disabled residents in the community planning and decision making processes.

Public improvements are needed in the Target Areas which include some of the oldest areas in the City. To improve public safety and facilitate pedestrian traffic, the City plans to complete several street and sidewalk improvements with a combination of CDBG and other available funding.

Public Services

CDBG funds are a primary funding source for community services for low-income persons and persons with special needs. Up to 15% of CDBG funds may be allocated to public service activities. Included in the Community and Economic Development Strategy are public services that assist low income residents (in addition to those identified in the other strategies such as homelessness, special needs, fair housing, etc.). Public services such as education, food distribution and youth services all provide much needed services in the community.

The City will continue to provide grant funding to various public service providers to assist low income individuals and households, special needs population, and the homeless population with

access to critical services. These programs provide City residents opportunities to utilize programs at little or no cost, thereby reducing financial burden. See also Special Needs section.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

Moreno Valley's existing housing stock (January 2012) is comprised of about 55,784 housing units. The basic distribution of housing types is essentially unchanged from 12 years ago – the clear majority (80+ %) of the housing stock consists of single family detached homes. Multi-family housing (5+units) increased from 8.5% to 12.2% of the housing stock. While not large in percentage terms, mobile homes continue to be an important resource as they account for almost 1,400 housing units.

In 2000, the City had a somewhat higher ownership rate than Riverside County. In 2010, however, the reverse was the case, which may be caused by the number of foreclosed homes that became renter-occupied by the time of the decennial Census.

During the last decade the City's home ownership rate decreased by 6.4%. The increase in the vacancy rate and decrease in the ownership rate may indicate that there are unoccupied and rented single family homes that could become owner occupied over time.

Moreno Valley's median household income in 2010 was \$48,907 compared to \$47,387 in 2000, an increase of 3.2%. Between 2000 and 2010, the number of households with annual incomes of less than \$50,000 increased by about 5,500. The percentage of households with incomes of less than \$50,000 was about the same in 2000 (52.9%) and 2010 (50.8%). These data reveal the lack of substantial income gains between 2000 and 2010, which could be the result of underemployment – that is, households adjusting from full- to part-work or working in jobs with wages lower than their previous jobs.

The percentage of households with incomes between \$50,000 and \$99,999 decreased from 37.2% to 33.9%. On the other hand, households with incomes of \$100,000 or more increased from 9.9% to 15.3%

Housing prices in Moreno Valley, though affordable for the region, are out of reach for the earnings of the average worker in Moreno Valley. An additional market force that keeps housing from being affordable is the supply of housing that households can afford to rent or purchase.

The supply of affordable housing is a crucial component of affordability. Even if housing is not earmarked as affordable, a large supply of housing will drive housing prices down and result in affordable housing as vacancies increase and prices decline. However, once vacancies decrease, prices increase again and only housing developments with affordability covenants remain affordable despite the changes in housing supply.

MA-10 Number of Housing Units

All residential properties by number of units

INTRODUCTION

Moreno Valley's existing housing stock (January 2012) is comprised of 55,784 housing units. The basic distribution of housing types is essentially unchanged from 12 years ago – the clear majority (80+ %) of the housing stock consists of single family detached homes. Multi-family housing (5+units) increased from 8.5% to 12.2% of the housing stock. While not large in percentage terms, mobile homes continue to be an important resource as they account for almost 1,400 housing units.

Property Type	Number	%
1-unit detached structure	42,843	81%
1-unit, attached structure	976	2%
2-4 units	1,512	3%
5-19 units	3,816	7%
20 or more units	2,197	4%
Mobile Home, boat, RV, van, etc.	1,641	3%
Total	52,985	100%

Table 28 – Residential Properties by Unit Number

Data 2005-2009 ACS Data
Source:

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	108	0%	707	5%
1 bedroom	288	1%	2,000	14%
2 bedrooms	2,796	8%	4,465	31%
3 or more bedrooms	30,875	91%	7,463	51%
Total	34,067	100%	14,635	101%

Table 29 – Unit Size by Tenure

Data 2005-2009 ACS Data
Source:

Describe the Number and Targeting of Units assisted with federal state and local programs

Since 1988 the City of Moreno Valley has created 1381 affordable housing units of which 1117 have affordability covenants recorded on them to ensure they remain affordable to low and moderate income households. In addition, the City has three proposed affordable housing projects consisting of 383 units, of which 379 will have affordability covenants. The table below

provides a break down the number of units available (or projected) by household income category. Unit sizes available include studios and 1-4 bedrooms. These units were created utilizing either (or a combination) of prior Redevelopment Agency funds and HUD HOME Investment Partnership Program funds.

City of Moreno Valley

Rental Units with Affordability Covenants

Income Category	# of Completed Units	# of Projected Units
<30% ami	73	8
30% - 50% ami	533	44
50% - 60% ami	339.5	26
60% - 80%	7.5	0
80% - 120% ami	80.5	0
Totals	1033.5	78

Units Expected to be lost from Inventory

The majority of all affordable housing units within the City of Moreno Valley have 50 year affordability covenants placed on their operations. Therefore, within the period of this Consolidated Plan, no units are expected to be lost.

Does the availability of housing units meet the needs of the population?

The Regional Housing Needs Assessment (RHNA) is supposed to project future population and household growth for the planning period from 2008-2014. For the City of Moreno Valley, the RHNA forecasts a total housing need 7,474 units that must be accommodated through available sites with appropriate zoning, for the planning period from 2008-2014. The RHNA classifies the total housing need into income categories (see the table below). The City of Moreno Valley's 2008-2014 Housing Element states:

"In order to meet the projected housing need for all income categories, 1,246 units would need to be added to the housing stock on an annual basis. A look at Moreno Valley building activity between 2004 and 2007 (see table 8-10) indicates that building activity in the city has significantly declined. In 2004, a total of 3,655 units were permitted, in 2005 the number of units permitted declined by 43% to 2,061. Subsequently, in 2006 permit activity for multi-family units increased and 2,111 units were permitted for an increase 2% from 2005. However, in 2007 total units permitted totaled 755, a decrease of 79% from the city's high in 2004 and 64% decrease from 2006. In the current climate of diminished housing activity, it is unlikely that 1,200 units will be produced annually to meet the RHNA. However, despite the significant reduction in permit activity, the City is funding the construction of several projects that will provide dedicated

affordable housing to low and very low income households. Table 8-19 provides a listing of currently pending affordable projects and affordable projects that were built or approved between January of 2006 and July 2008. In addition, the market has been providing multi-family housing on small underutilized sites in the Target Area, with the construction and/or approval of 189 units.

Moreno Valley Regional Housing Needs Allocation 2008-2014		
Income Category	Units	Percent
<i>Very Low-Income</i>	1,806	24.2%
Low-Income	1,239	16.6%
Moderate-Income	1,362	18.2%
Above Moderate-Income	3,068	41.0%
Total Construction Need	7,474	100%

Need for Specific Types of Housing

Special Needs housing designated for persons with HIV/AIDS is needed since individuals with HIV/AIDS are more likely to become homeless due to health care costs, deteriorated health, frequent medical treatments, hospitalization, and potential discrimination. Persons with HIV/AIDS require a broad range of services, including counseling, medical care, in-home care, transportation, and food. The preservation of the current housing and bed inventory and the ability to expand the inventory over the next several years remains critical. Affordable housing for low-income and extremely low-income households is needed because market rents in the jurisdictions covered by the Consolidated Plan often translate into housing costs burden for low-income families. Special Needs handicapped accessible housing assistance continues to be needed, especially for the frail elderly and physically disabled population. With the abolishment of California Redevelopment and the subsequent loss of revenue for new housing projects, continued access to HUD CDBG and HOME funding will be important. Likewise, affordable housing for families with children or unaccompanied children remains a need throughout the community.

DISCUSSION

The continual challenge for the City of Moreno Valley will be to preserve and increase the supply of affordable housing for all the groups identified above during a period of highly constrained resources. As mentioned above, the City anticipates being able to produce 383 multifamily affordable units during the period of this Consolidated Plan

MA-15 Cost of Housing

INTRODUCTION

The recent recession and economic downturn has had a marked impact on Moreno Valley's housing. The region has been burdened with an unusually high number of forced sales and foreclosures and this has affected both the ownership and rental markets. The over supply of homes on the market in recent years has driven down the median home value to a level not seen in the area in over a decade. However, market housing inventory and property values have begun to stabilize and in FY 2011/12 there was a small gain (since the year 2000) of 3.9% as reported by MDA Data Quick in 2012. With many foreclosed homes on the market at low values, cash investors are again purchasing large numbers of units as rentals. Between 2007 and 2012 there were a total of 13,034 foreclosures in the City. The percentage of homeowners in the City decreased from 71.1% in 2000 to 64.4% in 2012 and the number of renters increased from 28.9% in 2000 to 35.6% in 2012. The rental market has generally been stable over the last several years due to owners who have lost their homes seeking rental units and high local unemployment. Competition for ownership units has spiked due to cash investors directly competing with homebuyers entering the market to purchase affordable units with currently very affordable mortgage interest rates.

The "Local Housing Element Assistance: Existing Housing Needs Data Report" for Moreno Valley, created by Southern California Association of Governments (based on 2005-2009) ACS data states that 62.8% (18,334 households) of renters and 53.8% (9204 households) of owners were paying over 30% of their income towards rent/mortgage and were therefore "cost burdened". In addition, ACS data indicates that approximately 77.5% of all market rate units in the city are unaffordable to Moreno Valley residents earning less than 100% of the area median income. The data indicates that a large percentage of households in Moreno Valley may need some form of affordable housing assistance or assistance with creating more income opportunities.

Cost of Housing

	2000 Census (Base Year)	2005-2009 ACS (Most Recent Year)	% Change
Median Home Value	117,800	329,800	180%
Median Contract Rent	641	1,102	72%

Table 30 – Cost of Housing

Data 2005-2009 ACS Data

Source:

2000 Census (Base Year)

2005-2009 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	1,043	7.1%
\$500-999	5,110	34.9%
\$1,000-1,499	5,998	41.0%
\$1,500-1,999	2,178	14.9%
\$2,000 or more	306	2.1%
Total	14,635	100.0%

Table 31 - Rent Paid

Data 2005-2009 ACS Data

Source:

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	400	No Data
50% HAMFI	950	800
80% HAMFI	4,750	2,085
100% HAMFI	No Data	3,085
Total	6,100	5,970

Table 32 – Housing Affordability

Data 2005-2009 CHAS
Source:

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	763	879	1,116	1,577	1,924
High HOME Rent	739	793	954	1,094	1,200
Low HOME Rent	583	625	751	867	967

Table 33 – Monthly Rent

Data HUD FMR and HOME Rents
Source:

Availability of Sufficient Housing

See Section MA-10 “Number of Housing Units”

Expected Change of Housing Affordability

The housing market is showing signs of normalizing and as housing continues to recover in the coming years it is likely costs will begin to rise. Likewise, until unemployment levels decline incomes will not increase significantly. It is likely that affordability will stay the same or get worse over the next several years until such time that employment and income increase to a level that changes the current market direction.

Rent Comparison

Between 2000 and 2009 median contract rent in the City increased by 72% to \$1,102 per month. However between 2000 and 2010 the median household income only increased by 3.2%. The fair market rent (FMR) for a two bedroom unit is \$1,116, in comparison to a High HOME Rent of \$954 and a Low HOME Rent of \$751. It is critical to the provision of affordable rents in the area that the City continue to receive HOME and CDBG funding. Historically, the City has not utilized CDBG funding for affordable housing creation, however, moving forward the City may need to consider utilizing this funding source to increase the availability of affordable housing.

MA-20 Condition of Housing

Introduction

The housing stock in Moreno Valley is relatively new, with 84% of the housing built after 1980. According to the City's 2008-2014 Housing Element, between 1998 and 2007, 29 single family homes were rehabilitated via the citywide Home Improvement Loan Program (HILP). Fifty-five multi-family units were rehabilitated under the Rental Rehabilitation Program. All of the single family units rehabilitated were built between 1939 and 1970, while the multi-family units were built between 1960 and 1969.

According to the 2005-2009 ACS Five Year Estimates, the City of Moreno Valley's overall vacancy rate was 8.1%. The vacancy rate for owners was 3.3% and for renters 5.9%. As a standard, a vacancy rate lower than 6% indicates that demand for housing is healthy, while a vacancy rate in excess of 10% is an indicator of oversupply in the housing market. Rental vacancy rates are currently low but they could increase with more home purchases in an improving low interest rate buyer market, however down-payment requirements will keep a cap on this activity.

According to the 2000 census there were 23,297 disabled persons in Moreno Valley. A person is considered to have a disability if he or she has difficulty performing certain functions (seeing, hearing, talking, walking, climbing stairs, and lifting and carrying), or has difficulty with certain social roles (children doing school work, adults working at a job and around the house). A person unable to carry out one or more activities, or who uses an assistance device to get around, or needs assistance from another person to perform basic activities is considered to have a severe disability.

Based on data maintained by Community Care Licensing of Riverside County, there is a variety of housing options for disabled persons in Moreno Valley and surrounding communities. As of March 2013 there were 64 licensed adult residential facilities, (often referred to as board and care homes), in Moreno Valley. Adult residential care facilities provide care and supervision to adults, ages 18-59 who have a mental illness. As of the same date there were 11 group homes in the city. Group homes provide housing for special populations in need of a supervised living arrangement. Individuals residing in group homes may be mentally or physically disabled, teenage mothers, victims of domestic violence or sexual abuse, or persons recovering from substance abuse.

There were 3 adult day care facilities in Moreno Valley. Adult day care facilities provide services on a daily or regular basis, but not overnight, to four or more elderly or handicapped persons with functional impairments. There were 38 residential care facilities exclusively for the elderly. These facilities provide group housing arrangements for residents over 60 years of age, who are provided non-medical care and supervision specific to their individual needs. The number of small family homes decreased to zero in March 2013 (from 5 in 2008). Small family homes provide care to minor children under the age of 18.

Affordable and stable housing with the appropriate supportive services is a primary need among disabled persons. As a result of a partnership between Ability First, formerly the Crippled

Children's Society of Los Angeles and the Redevelopment Agency of the City of Moreno Valley, there are twenty-five affordable apartments for disabled adults in the City of Moreno Valley.

The project allows disabled adults to live independently in apartments designed with their needs in mind and in a setting that provides social, physical and social opportunities that might not be available to them in another setting.

Definitions

Standard Condition – Meets HUD Housing Quality Standards (HQS).

Substandard Condition – The unit is in poor condition and it is both structurally and financially feasible to rehabilitate.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	17,221	51%	8,139	56%
With two selected Conditions	1,579	5%	1,823	12%
With three selected Conditions	24	0%	28	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	15,243	45%	4,645	32%
Total	34,067	101%	14,635	100%

Table 34 - Condition of Units

Data 2005-2009 ACS Data

Source:

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	5,979	18%	3,259	22%
1980-1999	22,383	66%	6,880	47%
1950-1979	5,318	16%	4,061	28%
Before 1950	387	1%	435	3%
Total	34,067	101%	14,635	100%

Table 35 – Year Unit Built

Data 2005-2009 CHAS

Source:

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	5,705	17%	4,496	31%
Housing Units build before 1980 with children present	3,200	9%	1,340	

Table 36 – Risk of Lead-Based Paint

Data 2005-2009 ACS (Total Units) 2005-2009 CHAS (Units with Children present)

Source:

Need for Owner and Rental Rehabilitation

Describe the need for owner and rental rehabilitation based on the condition of the jurisdiction's housing

Since the majority of the housing stock in Moreno Valley was built after 1980, and given that the units assisted by the City of Moreno Valley rehabilitation programs, were built prior to 1970, it is reasonable to assume that a disproportionate number of units needing rehabilitation would be units built between 1940 and 1969. Units built between 1940 and 1969 comprised 9.5% of the housing stock in 2000. By comparison, based on the number of units rehabilitated by the citywide rehabilitation programs, a total of 84, which represents .002% of the total housing stock in 2000, staff estimates that as many as ten times that number, or 840 units require rehabilitation citywide, or 2% of the city's housing stock in 2006. Since 91% of the city's housing stock was built since 1970 (see the assumption that no more than 2% of the housing stock would be in need of rehabilitation is a fair estimate. Units rehabilitated under the city programs were those of owners that were willing to rehabilitate their homes and had equity in their homes on which to borrow. Unfortunately, not all owners of units needing rehabilitation are willing to embark on a rehabilitation process or have the equity needed to borrow funds for the rehabilitation.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

NATIONAL HOUSING STUDIES

In 1989 and 1990, HUD performed a nationwide study of lead levels in housing. The HUD results revealed a high prevalence of lead-based paint in housing. Seventy-four percent of houses built before 1980 contained lead-based paint somewhere in the building.

ESTIMATED NUMBER OF HOUSING UNITS WITH LEAD-BASED PAINT HAZARDS

The majority of housing units that contain lead-based paint hazards are located in older areas of the City. These areas are readily identifiable based upon the City's growth patterns. However, there may be additional units which may need to be identified by a survey, due to the rural development which took place prior to 1979. Despite the fact that the majority of housing units in the City were recently constructed, the City recognizes that a majority of the affordable housing units were constructed prior to 1978 and should therefore be evaluated for lead-based paint hazards. By using HUD's estimate that 74% of pre-1980 houses contain lead-based paint, this would mean that out of the total of 9,862 housing units constructed in the City prior to 1979, the estimated number of housing units that contain lead-based paint hazards could potentially be as high as 7,300. In the CDBG Target Areas, which encompass the older portions of the City's housing stock, the average percentage of low and moderate income families is 70%. It

can be estimated that 70% of the housing units (5,100) with potential lead-based paint hazards are occupied by low and moderate income families.

CALIFORNIA HOUSING STUDIES

Childhood Lead Poisoning in California: Extent, Causes, and Prevention (DHS, 1992) is the report of targeted studies that was mandated by the Legislature in 1986. It assessed environmental lead contamination in the homes of children in three urban locations. Paint, soil and dust lead levels, as well as children's blood lead levels, were measured, and a questionnaire was administered. Applying survey results to the state as a whole, an estimated three million homes in California (27 percent) may have exterior paint lead levels at or above the USEPA/HUD action level of 5000 ppm and 1.3 million homes (12 percent) may have interior paint lead levels at or above 5000 ppm. Age of housing was found to be the best predictor of lead in soil and dust; homes built before 1920 were ten times more likely to have soil lead levels above 5000 ppm. This study confirmed the need for additional examination of lead hazards to children. More information regarding the State's efforts to address lead-based paint hazards for children can be found at the following website: <http://www.dhs.cahwnet.gov/ps/deodc/childlead/schools/bkgnd.htm>

Due to funding cuts, the City discontinued its four consumer loan and grant programs that were impacted by the requirements of lead based paint disclosure. The City is in hopes that within the 5 year term of this consolidated plan, it will be able to re-implement the City's Mobile Home Grant, the Homebuyers Assistance Program (HAP), Home Improvement Loan Program, and the Homeowners Assistance for Minor Rehabilitation. Participants in these programs are given a lead-based paint disclosure booklet and sign acknowledgment that is included in the loan application. If the home was constructed prior to 1978, the City contracts with Home Safe for a lead-based paint inspection of the property. If the property is found to contain lead-based paint, mitigation measures are incorporated as a part of the revitalization work. Since the HAP loan is down payment assistance, the lead-based paint mitigations are the responsibility of the Seller prior to title transfer. Both Buyer and Seller receive the disclosure materials as a part of the loan application process.

MA-25 Public and Assisted Housing

Introduction

The Housing Authority of the County of Riverside administers and manages several programs to address the housing needs of residents countywide. The Public Housing Program provides decent, safe, and sanitary housing to low and moderate-income families, seniors, and persons with disabilities. These multi-family developments were constructed or purchased with funding provided by HUD. The property units are operated and maintained by the Housing Authority with funding subsidies from HUD. Countywide the Housing Authority owns 469, of which 66 are located in the City of Moreno Valley. In FY 2007 the City of Moreno Valley purchased (on behalf of the City's CHDO) two duplexes previously owned by the Housing Authority. The units are located on Adrienne Avenue and Allies Street in the City of Moreno Valley. The physical condition of these units is that they are generally well maintained.

Each year, the HACR receives an annual grant from HUD's Capital Fund Program which provides funds for development, financing, modernization, and management improvements. The funds may not be used for luxury improvements, direct social services, cost funded by other HUD programs, and ineligible activities as determined by HUD on a case-by-case basis. With this grant, the HACR strategically plans for the modernization and rehabilitation needs of its 469 units. Although funding is only provided annually, the HACR plans for a 5 year period on the modernization and rehabilitation needs of its public housing developments. As a result of this funding source, all of the Housing Authorities remain in good condition and comply with all the required HUD Housing Quality Standards (HQS).

According to the Section 504 needs assessment, all units have been made accessible according to regulations and additional accommodations are made when necessary. The PHA's strategy for improving the management and operation of such public housing and for improving the living environment of low-and moderate-income families residing in public housing is that they are making efficient use of their limited subsidy, providing more energy efficient units, minimum vacancies and the enforcement of lease provisions.

There are about 1,500 Moreno Valley residents who receive Housing Choice Vouchers (Section 8). All Voucher recipients are below 50% of the area median income and approximately 80% are below 30% of area median income. As of March 2013 the waiting list for Section 8 was closed and not taking new applications. Unfortunately, the assistance provided under its two primary affordable housing programs is limited. A review of the County Agency Five Year Plan (2009) showed an extensive Section 8 (Housing Choice Voucher) County-wide waiting list of 50,751 families and 66,663 families on the Public Housing waiting list.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	77	469	8,681	48	8,633	819	1,759	342
# of accessible units			2						
# of FSS participants*									
# of FSS completions*									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 38 – Total Number of Units by Program Type

*Family Self Sufficiency Program

Data Source: PIC (PIH Information Center)

Supply of Public Housing Development

The total number of public housing units in the City of Moreno Valley is 66. The following table describes the general location of the public housing units and the number of units in each complex. In FY 2007 the City of Moreno Valley purchased (on behalf of the City's CHDO) two duplexes previously owned by the Housing Authority. The units are located on Adrienne Avenue and Allies Street in the City of Moreno Valley. The physical condition of these units is that they are generally well maintained. All units were in good condition and complied with HUD Housing Quality Standards and 504 accessibility requirements.

<u>Location</u>	<u>Number of Units</u>
Dracaea Street	28 units
Gloria Street	34 units
Sherman Avenue	4 units

Altogether there are about 1,500 Moreno Valley families obtaining rental assistance through Section 8 Housing Choice Vouchers. According to the Housing Authority of Riverside County:

Thus, Section 8 assisted households/housing units are not situated in permanent locations. Families receiving Section 8 assistance may move to another apartment unit (where the landlord accepts Section 8) located in Moreno Valley or move to another City. Usually, the initial lease term must be for at least one year.

The table below shows the number of Section 8 Vouchers by zip code location, information that was transmitted to the City by the Housing Authority.

**City of Moreno Valley
Distribution of Section 8 Housing Choice Vouchers by Zip Code**

Zip Code	Number of Section 8 Vouchers	Percent
92551	235	15.6%
92553	703	46.8%
92555	105	7.0%
92557	459	30.6%
Total	1,502	100.0%

Note: Total excludes one voucher in zip code 92552

Source: Housing Authority of the County of Riverside, January 12, 2013

Table construction by Castañeda & Associates

Restoration and Revitalization Needs

All Housing Authority properties remain in good condition and comply with all the required HUD Housing Quality Standards (HQS). According to the Section 504 needs assessment, all units have been made accessible according to regulations and additional accommodations are made when necessary.

Strategy of Improving the Living Environment of low- and moderate Income Families

The PHA's strategy for improving the management and operation of such public housing and for improving the living environment of low- and moderate-income families residing in public housing is that they are making efficient use of their limited subsidy, providing more energy efficient units, minimum vacancies and the enforcement of lease provisions.

MA-30 HOMELESS FACILITIES

INTRODUCTION

One of the City's highest priorities for the use of CDBG funds is to address the emergency shelter and transitional housing needs of homeless persons. The City will continue to fund applications for homeless shelters that serve the Moreno Valley homeless population. The City will assist homeless persons make the transition to permanent housing and independent living through continued support of affordable housing developments that will provide long term affordability covenants.

There are several programs administered by Riverside County that aid in the prevention of homelessness. For example, the Emergency Food and Shelter Program meets the needs of the hungry and homeless by providing funds to provide the following housing assistance, as determined by the Local Board in funded jurisdictions: lodging in a mass shelter or hotel; one month's rent or mortgage payment; one month's utility bill; and minimal repairs to allow a sheltering facility to function during the program year.

Several service providers provide shelter and services to Moreno Valley homeless. Although there are no homeless shelters located within the City limits, the City continues to provide CDBG assistance to three homeless housing programs located on March Air Reserve Base (MARB). In the past, the City has provided CDBG funding to the following organizations to assist the homeless:

- Community Assistance Program (Food Distribution)
- Lutheran Social Services (Transitional Living Program) – located on MARB
- Riverside County (Cold Weather Shelter)
- God's Helping Hand (Food Distribution)
- PW Enhancement Center (Emergency Motel Vouchers)
- Operation Safehouse (Emergency Youth Shelter)
- Alternatives to Domestic Violence (Emergency Shelter)
- God's Helping Hand (Food Distribution)
- Path of Life Shelter (Emergency and Transitional Housing) – located on MARB
- US Vets (Transitional Housing for Homeless Veterans) – located on MARB

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	237	72	487	27	0
Households with Only Adults	377	0	374	218	0
Chronically Homeless Households	0	0	24	283	0
Veterans	0	0	50	0	0
Unaccompanied Child(ren)	17	0	0	0	0

Table 40 - Facilities Targeted to Homeless Persons

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

The Emergency Shelter Grant (ESG) program is designed to be the first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living. Homeless Prevention became an eligible ESG activity category in FY 1989 – adding a new population and a new dimension to the program. ESG grantees may allocate up to 30% of their total ESG award to homeless prevention. The City of Moreno Valley does not receive ESG funds, however often refers residents to ESG providers in the County.

To help prevent the incidence of homelessness in a community, ESG funds can be used to support a variety of activities, including:

- Short-term subsidies to defray rent and utility debts for families that have received eviction or utility termination notices
- Security deposits or first month's rent to permit individuals or families at-risk of homelessness to obtain permanent housing
- Mediation programs for landlord-tenant disputes
- Legal services programs for the representation of indigent tenants in eviction proceedings
- Payments to prevent foreclosure on a home; and
- Other innovative programs and activities designed to prevent the incidence of homelessness.

The primary agency that coordinates the linkages of mainstream resources between other groups to implement the County's "Ending Homelessness in Ten Years" Plan is the Riverside County Department of Public Social Services (DPSS), the "umbrella" anti-poverty agency for the region. The goal is self-sufficiency accomplished by moving poor families out of poverty. DPSS interacts with people on many levels, thereby impacting their daily lives through child care, education, employment, training, health and human services, homelessness and housing.

Other available mainstream resources include:

1. CalWORKs: Funds are available to families on public assistance to provide rent and utility payments, which are funded through TANF. CalWORKs also offers the Welfare-to-Work Program that provides job training and supportive services.
2. Child Protective Services (CPS): Funds are available to provide emergency rent and utility assistance for families with children who have an open case.
3. Fair Housing Council of Riverside County: Provides fair housing services, including discrimination counseling, mediation, and dispute resolution to residents.
4. IHEAP: Funds are available on a limited basis for individuals who are in danger of losing utility service.
5. Riverside County Economic Development Agency & Workforce Development Center: Partners with community agencies and local jurisdictions to provide job training and placement services.

6. Moreno Valley Employment Resource Center: Partners with Riverside County EDA to provide job training, placement services, and job search assistance.
7. CalFresh Program (formerly called Food Stamps): Electronic Benefit Transfer cards issued to people on public assistance to fund food and other essential items.
8. Riverside County Department of Public Social Services and Mental Health and Public Health: provide assistance to individuals and families needing senior services, physical health, behavioral health, dentistry services, and public health. Homeless services are housed under the umbrella of DPSS.
9. Community Connect – 211 Referral Line: A telephone social service information directory on how to get food, income, jobs and training, housing, healthcare, legal advice, and other important help from local, state and federal programs and community services across Riverside County.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The City was an active participant in the development of the Homeless Assistance Plan (HAP) at March Air Reserve Base (ARB). March ARB was closed, in part, during a base realignment. Portions of the base will be used to benefit the homeless in Riverside County. The City of Moreno Valley participates in the March Joint Powers Authority (JPA) to determine what projects will be implemented. The Joint Powers Commission approved the following homeless programs: the Volunteer Center of Riverside to provide counseling services and to coordinate homeless services at the base; the First Apostolic Faith Church of Moreno Valley to provide education, job training, and child care; Path of Life Shelter to provide emergency and transitional shelter, counseling services and training for families; Lutheran Social Services to provide transitional housing for families; and Harvest Food Bank for food distribution services. The city fully supports these programs because they will benefit the homeless in Moreno Valley.

The county has worked toward dealing with the chronic homeless population for a number of years through the Mental Health Homeless Intervention Team (HIT) program. The HIT Teams actively seek out homeless in the streets environment and other places where the homeless congregate. The teams work in areas of high homeless concentration. Support workers are trained to recognize the symptoms of mental illness and substance abuse. They also possess the interpersonal skills necessary to solicit and provide information in a friendly, respectful, non-threatening manner. They are familiar with all community resources that serve the homeless population, both public and private. At a minimum, all homeless persons contacted on the streets are provided with information and referral to program relevant to their particular needs.

Once the chronic homeless persons have been identified, and if mentally ill and willing to participate, they are enrolled into a series of programs by the Department of Mental Health. Those suffering from substance abuse are referred to the existing programs, such as those provided by ABC Recovery, Phoenix House, Whiteside Manor, Cedar House and County Mental Health. Some of the mentally ill are referred to programs offered by Whiteside Manor and mental health clinics. All of these programs provide treatment and transitional housing. A

number of these homeless service providers have applications up for renewal in the county's Continuum of Care application.

The City also supports, through the use of CDBG funds, various homeless programs that provide general services in addition to shelter. Food distribution, counseling, and domestic violence services are some of the outreach activities which provide much needed support services to homeless persons.

Persons Fleeing Domestic Violence

Often, victims of domestic violence, and their children, who leave an abusive situation need emergency shelter. If adequate resources are not available to the family, then transitional shelter would be necessary. Alternative to Domestic Violence (ADV) provides shelter for domestic violence victims in addition to having a toll-free crisis line and counseling services.

Unaccompanied Youth

A portion of this sub-population is youth who have been emancipated from foster care. Many of these youth become homeless due to limited education and training, lack of financial resources, and a limited support system. Reaching out and serving these homeless youth is undertaken in a number of ways including street canvassing, hotlines and referrals. There is one agency that provides services for runaway and emancipated youth, Operation Safehouse. The City has granted CDBG funding to Operation Safehouse for nearly ten (10) years.

MA-35 SPECIAL NEEDS FACILITIES AND SERVICES

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Housing to Serve People With Disabilities

Ability First (formerly Crippled Children) provides persons with disabilities living environments adapted to meet their needs. The Moreno Valley Apartments are one such example. Ability First has provided a suitable living environment by reserving 25 units solely for use by disabled persons and their families.

Housing to Serve Persons with HIV/AIDS

The Inland AIDS Project has a six-bed residential care facility for the chronically ill. The home is located in the city of Hesperia, approximately 50 miles from Moreno Valley. This California State Licensed facility is staffed by a team of Licensed nurses, home health attendants and social workers who provide an array of services for persons living with AIDS including but not limited to meal preparation, hospice/end stage care, case management, counseling & transportation. Admission to this facility is arranged through the client's case manager. In addition, the Inland AIDS Project has two licensed residential substance abuse treatment facilities located in the cities of Ontario and Riverside; and low rent housing units located in San Bernardino, Ontario, and Riverside.

HOPWA funds currently allocated to San Bernardino and Riverside counties are being used to provide housing assistance to person with HIV/AIDS, home care, clinic-based primary care, shelter, case management, and housing placement. The City of Riverside administers the HOPWA program for both counties.

Housing to Serve the Elderly

Senior Cooperative Services: Affordable housing with supportive services are needed to allow senior citizens options for independent living situations. The City assisted Cooperative Services Inc. (a non-profit organization) with development of a 70-unit housing project for low-income senior citizens.

Assisted Living Center: The City facilitated issuance of Housing Revenue Bonds for the construction of an Assisted Living Center by assist California Drug Consultants.

Telacu Senior Housing: Provides affordable independent living housing opportunities for senior citizens. The project was constructed in previous years using RDA funding.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing.

As part of the City's involvement with the Continuum of Care, a Discharge Planning Policy, was established to ensure that all appropriate local and State government entities that discharge persons from publicly-funded institutions or systems of care participate in the Discharge Policy Committee. The Policy strengthens discharge planning with major institutions to limit the number of chronically homeless persons discharged into homelessness and connects the homeless and those persons threatened with homelessness with supported housing and community-based resources upon discharge. The overall objective of the Discharge Coordination Policy and Practices is to reduce the number of persons being released and discharged into homeless shelters, unsuitable accommodations, or homelessness.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

N/A

MA-40 BARRIERS TO AFFORDABLE HOUSING

Negative Effects of Public Policies on Affordable Housing and Residential Investment

The table below provides a summary of the public sector impediments and Fair Housing Action Plan as included in the City's updated Analysis of Impediments (AI) to Fair Housing Choice and Fair Housing Action Plan 2013 -2018. The AI document was completed per a consultant contract with Casteneda and Associates.

Summary of Public Sector Impediments Action Plan Recommendations and Action Plan Schedule

Impediments	Action Plan Recommendations	Action Plan Schedule
Housing for Disabled Persons – Disability Definition		
HUD encourages cities to provide a definition of “disability” in its planning and zoning codes.	In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.	The disability definition will be added to the Planning and Zoning Code in Program year 2013-2014.
Housing for Disabled Persons – Supportive Services		
HUD encourages cities to make provisions for housing with supportive services in the planning and zoning codes. The City's zoning regulations do not explicitly prohibit or permit transitional and supportive housing in residential zones.	The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.	The Planning and Zoning Code will be amended in Program Year 2013-2014.
Housing for Disabled Persons – Reasonable Accommodation Procedure		
HUD, the Federal Department of Justice and the California Attorney General's Office all encourage cities to adopt a reasonable accommodation procedure. This procedure provides a means for disabled persons to requests exceptions from the development standards of a planning and zoning code and the standards of a building code.	The City will adopt a reasonable accommodation procedure.	The reasonable accommodation procedure will be adopted in Program Year 2013-2014.

Special Needs Populations

<p>HUD encourages cities to address special needs populations through provisions in their planning and zoning codes and policies contained in their planning documents.</p>	<p>The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013), the City must address the needs of the developmentally disabled population. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.</p>	<p>The special needs populations will be addressed annually as part of the Consolidated Plan's Annual Action Plans.</p> <p>A definition and development standards for special needs housing will be considered in Program year 2014-2015.</p>
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Senior Housing

<p>Under federal law housing discrimination against families with children is permitted only in housing in which all the residents are 62 years of age or older or where at least 80% of the occupied units have one person who is 55 years of age or older. Generally, California law states that a housing provider using the lower age limitation of 55 years must have at least 35 units to use the familial status discrimination exemption. Also, California law, with narrow exceptions, requires all residents to be "senior citizens" or "qualified permanent residents", pursuant to Civil Code §51.3.</p> <p>The Planning and Zoning Code needs to be amended to contain a more precise definition of "senior housing."</p>	<p>The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows:</p> <p style="padding-left: 40px;">Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3607(b)) and implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.</p>	<p>A senior housing definition and other senior housing topics will be considered in Program Year 2014-2015.</p>
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MA-45 Non-Housing Community Development Assets

Economic Development Market Analysis

INTRODUCTION

According to the 2000 and 2010 census data, between 2000 and 2012, Moreno Valley's labor force grew by about 29,300 workers. The employer work force increased by about 19,400 workers. On the other hand, the number of unemployed workers increased by 10,140 which resulted in a 12.8% unemployment rate (not seasonally adjusted) as of December 2012. According to the 2005-2009 ACS there are 74,949 employed residents occupying approximately 25,958 jobs located in Moreno Valley. Of the employed residents, 21% were employed in the educational services, health care and social assistance industry while about 14% of employed residents had jobs in the retail trade industry. Major employers are government/education related, medical and hospital facilities, and the Moreno Valley Mall. Of employed residents: 25% work within the City and 75% have a job located outside the City limits; less than 2% of the workers use public transportation as a means to work; about 98% of all workers drive to work alone.

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	358	62	0	0	0
Arts, Entertainment, Accommodations	5,224	2,905	7	11	4
Construction	7,815	744	10	3	-8
Education and Health Care Services	15,651	5,943	21	23	2
Finance, Insurance, and Real Estate	3,614	1,688	5	7	2
Information	1,244	74	2	0	-1
Manufacturing	8,238	1,156	11	4	-7
Other Services	3,462	1,347	5	5	1
Professional, Scientific, Management Services	6,063	860	8	3	-5
Public Administration	4,277	790	6	3	-3
Retail Trade	10,745	8,206	14	32	17
Transportation and Warehousing	5,294	549	7	2	-5
Wholesale Trade	2,964	1,634	4	6	2
Total	74,949	25,958	--	--	--

Table 42 - Business Activity

Data Source: 2005-2009 ACS (Workers), 2010 ESRI Business Analyst Package (Jobs)

Labor Force

Total Population in the Civilian Labor Force	82,632
Civilian Employed Population 16 years and over	74,949
Unemployment Rate	9.30
Unemployment Rate for Ages 16-24	24.90
Unemployment Rate for Ages 25-65	4.95

Table 43 - Labor Force

Data 2005-2009 ACS Data
Source:

Occupations by Sector

Management, business, and financial	19,264
Farming, fisheries and forestry occupations	125
Service	12,362
Sales and office	20,525
Construction, extraction, maintenance and repair	9,855
Production, transportation and material moving	12,818

Table 44 – Occupations by Sector

Data 2005-2009 ACS Data
Source:

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	31,908	45%
30-59 Minutes	24,738	35%
60 or More Minutes	14,506	20%
Total	71,152	100%

Table 45 - Travel Time

Data 2005-2009 ACS Data
Source:

Education

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	12,685	1,224	7,996
High school graduate (includes equivalency)	16,673	1,201	6,880
Some college or Associate's degree	21,669	1,485	5,706

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Bachelor's degree or higher	10,838	490	1,756

Table 46 - Educational Attainment by Employment Status

Data Source: 2005-2009 ACS Data

Educational Attainment by Age

	Age				
	18-24 yrs	25-34 yrs	35-44 yrs	45-65 yrs	65+ yrs
Less than 9th grade	662	1,751	3,003	5,329	2,398
9th to 12th grade, no diploma	4,541	4,294	4,372	3,156	1,175
High school graduate, GED, or alternative	6,919	8,597	7,086	9,091	3,049
Some college, no degree	6,337	6,637	5,897	9,131	2,079
Associate's degree	1,052	2,204	2,214	2,973	662
Bachelor's degree	865	2,421	2,383	4,407	979
Graduate or professional degree	83	812	847	2,253	392

Table 47 - Educational Attainment by Age

Data Source: 2005-2009 ACS Data

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	24,049
High school graduate (includes equivalency)	29,638
Some college or Associate's degree	37,035
Bachelor's degree	47,024
Graduate or professional degree	67,534

Table 48 – Median Earnings in the Past 12 Months

Data Source: 2005-2009 ACS Data

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

According to the 2005 -2009 ACS there are 74,949 employed residents occupying approximately 25,958 jobs located in Moreno Valley. Of employed residents, 21% were employed in the educational services, health care and social assistance industry while about 14% of employed residents had jobs in the retail trade industry. Major employers are government/education related, medical and hospital facilities, and the Moreno Valley Mall. Of employed residents, 25% work within the City and 75% have a job located outside the City limits. Less than 2% of the workers use public transportation as a means to work. About 78% of all workers drive to work alone. The table below provides information of the City's largest employers.

City of Moreno Valley
Major Employers (400+) 2011

Business	Type of Business	No. of Employees	Location
March Air Reserve Base	Military Reserve Base	9,000	March Air Force Base
Moreno Valley Unified School District	Public Schools	3,490	25634 Alessandro Boulevard
Riverside County Regional Medical Center	County Hospital	2,416	26520 Cactus Avenue
Moreno Valley Mall	Retail Mall	1,760	22500 Town Circle
Ross Dress for Less	Retail Distribution	1,500	17800 Perris Blvd.
City of Moreno Valley Including Police & Fire Depts.	Municipal Government	762	22850 Calle San Juan De Los Lagos
Walgreens Co.	Distribution	694	17500 Perris Blvd.
Val Verde Unified School District	Public Schools	667	Public Schools
Moreno Valley College	Higher Education	555	16130 Lasselle St.
Sketchers USA	Retail Distribution	550	29800 Eucalyptus St.
Phillips Consumer Electronics	Electronics Distribution	484	25300 Globe St.
Kaiser Permanente Community Hospital/Office	Hospital/Medical Services	452	12815 Heacock St.

Source: City of Moreno Valley, *Major Employers*, November 2011

Table construction by Castañeda & Associates

Describe the workforce and infrastructure needs of the business community:

In the spring of 2011, the City Council established their Economic Development prioritized goals, and a corresponding action plan. The prioritized goals were approved on June 14, 2011 and are directed in five key areas:

1. Job Development, including maximizing vacant land in support of this goal
2. Focus on Medical Corridor and Health Services/Educational Opportunities
3. Maximize Transportation and Infrastructure Opportunities
4. Economic and Tax Base Development
5. Enhance City Image

The City Council approved a two-year Economic Development Action Plan that established actions through June 2013 focusing on both job development and tax base growth. Action items included re-sequencing and advancing capital projects to create the infrastructure and environment to attract and facilitate commercial and retail development in the Central and Easterly parts of the City. The plan includes actions that focus on continuing to build commercial and retail growth and stability in existing centers. This plan is designed to leverage current economic development efforts and deliver projects within the next two to three year period and beyond as businesses develop along the improved corridor. The primary goals of the Council-approved Two-year Economic Development Action Plan action plan are:

1. Focus on business development and attraction in a range of commercial and retail locations
2. Enhance retail and restaurant development in the Towngate area
3. Advance development on projects in the Centerpointe Business Park
4. Facilitate development of projects in the South Moreno Valley Industrial Specific Plan
5. Re-evaluate land uses in eastern Moreno Valley
6. Re-sequence and fast-track three Capital Improvement Projects in the City Center area

The two markets that are seeking to expand currently include logistics/distribution centers and health care. The City is prepared to be in position to take advantage of opportunities in the healthcare industry through capital improvements in a healthcare corridor. While the Two-year Economic Development Action Plan was a critical tool to focus the City on a solid direction immediately, a Three Year Economic Develop Action Plan is being developed to address the period of July 2013 through June 2016.

Given the city's high unemployment rate, the highest priority workforce need is increased job creation and retention. Many of the programs and strategies for Community and Economic Development are centered in the CDBG Target Areas. Infrastructure improvements are needed in the Target Areas which include some of the oldest areas in the City. To improve public safety and facilitate pedestrian traffic, the City plans to complete several street and sidewalk improvements with a combination of CDBG funds and City general funds.

The strategic plan for economic development activities includes small business counseling services, infrastructure improvements, and property rehabilitation programs in the Edgemont Area. There is a continual need for infrastructure improvement along major commercial corridors, for job-skills training, for parks and youth facilities and services, for community

facilities and for accessibility improvements. The City will contract with non-profit agencies to provide technical assistance and training to local small business owners. In addition, the City will implement a business incubator program to assist small businesses.

The goal of these economic development activities is to create and/or retain low and moderate income jobs in the community.

The objectives of the community and economic development strategy are to:

1. Promote expanded economic opportunities in order to create or retain low and moderate income jobs
2. Provide infrastructure improvements in CDBG Target Areas to create a suitable living environment by increasing access to quality public facilities
3. Support public service programs available to serve low and moderate income residents

The City will use a combination of CDBG funds, City General Funds, and other available grant resources to pursue programs that meet these objectives.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The most significant changes to the City in regards to economic impact is the state dissolution of redevelopment in February 2012. Redevelopment was a critical tool for the financing and development of housing, infrastructure and commercial/industrial facilities in Moreno Valley since the Agency was activated in 1986. In addition to the loss of redevelopment, the economic downturn also impacted City general fund revenues which had adverse impacts of the City's ability to perform needed public infrastructure improvements. The future availability of CDBG and HOME funds from HUD will be essential to ensure low and moderate income individuals receive critical programs and services.

As a result of the 2011 RDA Dissolution Act, ABx1 26 and, in particular, Section 34171(j) thereof, the City became the Successor Agency to Moreno Valley's RDA upon dissolution of the RDA. The 2011 Dissolution Act also provides, at Section 34176, for the disposition of housing assets of a former redevelopment agency. The City Council of the City of Moreno Valley designated the Moreno Valley Housing Authority as the recipient of the former Redevelopment Agency by its Resolution No. 2012-25 as adopted by the City Council on March 8, 2011 and the Oversight Board confirmed and approved the disposition of the housing assets of the former Redevelopment Agency to the Housing Authority.

The City formed the Housing Authority to carry out responsibilities as delineated under the Housing Authority Law. The Housing Authority provides the community with the appropriate legal tools to conduct housing activities, such as ongoing monitoring of covenanted units for compliance as to income limits and affordability, the maintenance of properties, the ability to enter into agreements with developers for the maintenance, construction and operation of housing developments, to enter into contracts, and to provide such other services and provide for such other activities as are authorized under the Housing Authority Law.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

There has been considerable erosion in the traditional labor market in the City and many of the former jobs in construction, manufacturing, government, and other sectors have dwindled and may not return soon. In addition, there is a disconnect between the existing skills of the labor pool and the skills required to compete for the remaining jobs or the new jobs that will emerge at some point. To compete successfully, workers will need to update their education and job skills in order to make themselves more skilled and flexible in order to successfully compete for the available jobs. Analysis of the data indicates that in every sector of the economy there are more workers than jobs.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan

The Riverside County Workforce Investment Board is one of 600 private-sector led Workforce Investment Boards (WIBs) in the Country. WIBs are transforming the nation's workforce system to be responsive to the demands of a global economy. Through strong strategic partnerships with private-sector businesses, local government, community-based organizations, institutions of higher education and K-12 education, WIBs remain in a prime position to serve as the pipeline for a skilled labor force necessary for economic recovery and long-term growth.

The Riverside County Workforce Investment Board provides oversight for the Workforce Investment Act program, acts as a catalyst to provide seamless services among various workforce programs, and provides community leadership around workforce issues. This task is accomplished through comprehensive one-stop career centers.

The City, in collaboration with the Riverside County Workforce Development Center, operates a One-Stop Career Center in the City of Moreno Valley. One stop centers are available throughout the County and serve as a hub of the county-wide service delivery vehicle for workforce/education/business services. Workforce funds allocated to Local Boards support the job training, placement, and business services delivered through the One-Stop Career Centers. These Centers, through partnerships with other local, state and federal agencies, education and economic development organizations provide access to job, skill development and business services vital to the social and economic well-being of Riverside County communities.

There are five ways that the Workforce Development Center carries out its role:

- **CONVENER** - Bringing together business, labor, education, and economic development to focus on community workforce issues
- **WORKFORCE ANALYST** - Developing, disseminating and understanding current labor market and economic information and trends
- **BROKER** - Bringing together systems to solve common problems, or broker new relationships with businesses and workers
- **COMMUNITY VOICE** - Advocating for the importance of workforce policy, providing perspective about the need for skilled workers

- **CAPACITY BUILDER** - Enhancing the region's ability to meet the workforce needs of local employers

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

The City of Moreno Valley is a participating jurisdiction in the County of Riverside's Comprehensive Economic Development Strategy. The strategy is intended to create new jobs, foster stable and diversified economies with high wages and increase capital investment, thereby improving the living conditions throughout each of these various regions of Riverside County. In addition, the CED tries to coordinate the efforts of organizations, local governments, and private industry involved with economic and workforce development.

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

In 2011, the City Council approved a two-year Economic Development Action Plan that established actions through June 2013 focusing on both job development and tax base growth. The Economic Development Action Plan is intended to align with the goals of the City's Consolidated Plan and the County of Riverside Comprehensive Economic Development Strategy. The action items in the Economic Development Action Plan include re-sequencing and advancing capital projects to improve the infrastructure and environment to attract and facilitate commercial and retail development in the Central and Easterly parts of the City to create sustainable jobs. The plan will also focus on continuing to build commercial and retail stability in existing centers in an effort to retain jobs. Working together, all three plans will leverage current economic development efforts and deliver programs and projects to promote economic growth along major corridors and other key areas in the City. A new Economic Development Action Plan is currently being developed to identify activities to be undertaken through 2016.

MA-50 Needs and Market Analysis Discussion

Are there any populations or households in areas or neighborhoods that are more affected by multiple housing problems?

Within Moreno Valley's geographic Priority Areas (Map: SP-10 Geographic Priorities) there are discrete areas where the highest density of very-low income households is found and these households experience multiple housing problems to a much greater degree than the population in general.

Are there areas in the Jurisdiction where these populations are concentrated?

In 2010, the City's population was 193,365 of which 81.1% belonged to a racial or minority group. At the census tract level, the minority population ranges from a low of 53.3% (424.01) to a high of 91.1% (424.12).

To be identified as an area of minority concentration, a census tract's minority population percentage should exceed the citywide percentage of 81.1%. The Consolidated Plan regulations do not establish a criterion that defines "concentration" but instead allow cities to establish their own standard. The one standard that the regulations do explicitly establish pertains to "disproportionate housing needs" which is defined as 10% above the average for a specific community housing need. Therefore, an area of minority population concentration can be defined as a census tract having 91.1% or more of its population belonging to a minority racial or ethnic group. The only census tract having a minority population of at least 91.1% is 424.12.

What are the characteristics of the market in these areas/neighborhoods?

The characteristics of the market are discussed in detail in Sections MA-05 through MA-25 and most of the same characteristics as described in those discussions apply to the market in these areas. The biggest differences would be that, as expected, there are a greater number of more substantial housing issues related to both housing costs and housing conditions, including multiple housing problems in both ownership and owner rental and multifamily rentals, in these areas.

Are there any community assets in these areas/neighborhoods?

Community assets generally include facilities such as schools, libraries, community centers, parks, and access to commercial establishments such as grocery stores, general merchandise stores, and pharmacy retailers, among others. In these specific areas, there are a number of local parks, elementary, middle and high schools, library, and senior center.

Are there other strategic opportunities in any of these areas?

The City's CDBG strategic priorities for all low to moderate income neighborhoods encourage: economic development through public facility and infrastructure investments in very low-and low-income areas; revitalizing existing commercial areas by investing in infrastructure and public amenities that will draw private investors into the area to develop and remove blighting influences and ultimately increase jobs; traditional programs that rehabilitate existing substandard housing for income-qualified owners or owners who rent to income-qualified tenants; affordable housing opportunities for renters and first-time homebuyers, including seniors and the disabled; rehabilitation of or new affordable housing units that include handicap accessibility for seniors or the disabled; rehabilitation of community center, neighborhood parks and amenities, including those in conjunction with affordable housing projects; and comprehensive homeless and homeless prevention programs in eligible neighborhoods.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The City of Moreno Valley plans to implement a Five-Year Strategic Plan by directing a variety of efforts and resources toward the creation and retention of affordable housing, housing related programs, homeless assistance, special needs and non-housing community development needs. Achievement of the strategy will be facilitated by coordination with private developers, non-profit organizations, lending institutions, City and Federal funding resources and other governmental jurisdictions. The City is committed to maximizing existing resources and opportunities to achieve a better quality of life for every resident. This includes the general priorities for allocating investment geographically within the jurisdiction and defining priority needs. The Strategic Plan will incorporate priorities in the following areas: Homeless, Special Needs, Housing/Fair Housing, Community and Economic Development. In establishing priorities, the City utilized the needs assessment, public input, resources available and the ability of the City to address the need. These priorities also incorporate the following HUD goals:

- (1) Decent housing - Includes assisting homeless persons to obtain appropriate housing and assisting persons at risk of becoming homeless; retention of the affordable housing stock; and increasing the availability of permanent housing in standard condition and affordable cost to low-income and moderate-income families, particularly to members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability. Decent housing also includes increasing the supply of supportive housing, which combines structural features and services needed to enable persons with special needs, including persons with HIV/ AIDS and their families, to live with dignity and independence; and providing housing affordable to low-income persons accessible to job opportunities.
- (2) A suitable living environment - Includes improving the safety and livability of neighborhoods; increasing access to quality public and private facilities and services; reducing the isolation of income groups within a community or geographical area through the spatial de-concentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conservation of energy resources.
- (3) Expanded economic opportunities - Includes job creation and retention; establishment, stabilization and expansion of small businesses (including micro-businesses); the provision of public services concerned with employment; the provision of jobs involved in carrying out activities under programs covered by this plan to low-income persons living in areas affected by those programs and activities; availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally assisted and public housing.

SP-10 Geographic Priorities

General Allocation Priorities

Describe the basis for allocating investments geographically within the state.

For many years, Moreno Valley has opted to have CDBG Target Areas represented by census tracts within the City that contain at least 51% of residents who qualify as low and moderate income. There are sixteen (16) low and moderate census tracts or CDBG Target Areas located within four Moreno Valley Council Districts. These areas encompass neighborhoods mostly in the central and western portions of the City.

A list of CDBG Target Areas/census tracts is included below. The list provides for the low and moderate income Census Tract numbers first, followed by the percentage of low and moderate population who reside within that tract (Source: CPD Mapping, 2006-2009 CHAS).

1. 042515, 80.53%
2. 042504, 69.91%
3. 042505, 75.68%
4. 042515, 80.53%
5. 042505, 75.68%
6. 042508, 52.09%
7. 042519, 67.68%
8. 042514, 58.95%
9. 042516, 58.12%
10. 042509, 58.28%
11. 042405, 60.27%
12. 042512, 54.89%
13. 042520, 58.26%
14. 042509, 58.28%
15. 042504, 69.91%
16. 042516, 58.12%

When determining the geographic locations where Moreno Valley will allocate their investments, staff will consider if the project or program will physically be located within a designated CDBG Target Area, and whether the program will be directly benefitting the low-to-moderate income population in that area. The City will consider the current level of poverty for an area. Poverty levels will act as a measure of 'need', providing staff with insight on the state of the population within that area and allow staff to fund services accordingly. Staff will also take into account need based on public demand, recommendations of city departments (such as Code Enforcement, Capital Projects, or the Police Department), reports from CDBG subgrantees which track referrals and measure trends in service levels, recommendations of other local entities (the CoC, DPSS, HARC, EDA) and those of area non-profits.

Moreno Valley utilizes geographic distribution designations that further describe where the City will focus its programs. A program can be designated as serving either: (1) 'Citywide', or (2) 'in the CDBG Target Areas'. 'Citywide' is a designation used for programs that offer services to the entire community regardless of income status. Many Public Services provide services to the entire city, but because of the nature of its services exclusively serve low-to- moderate income persons (i.e., food banks). If a program is designated for the 'CDBG Target Area' it is confined exclusively to the CDBG Target Area. For example, Code Enforcement funded by CDBG can only occur within the boundaries of the Target Areas.

In general, CDBG Target Areas typically include older sections of the City where much of the building stock and infrastructure is deteriorated or fails to meet current standards. Many structures are in need of minor or major rehabilitation with some structures in need of extensive reconstruction. The areas lack adequate drainage systems, water lines, street lighting, and street improvements. The CDBG Target Area Map is included as an attachment or an appendix to the Consolidated Plan.

SP-25 Priority Needs

Priority Needs

Priority Need Name	Priority Level	Population	Goals Addressing
Community & Economic Development	High	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development	Community & Economic Development Strategy

Homeless	High	Extremely Low Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth	Homeless Strategy
Affordable/Fair Housing	High	Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents	Housing Strategy
Special Needs	High	Extremely Low Low Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development	Special Needs Strategy

Table 2 – Priority Needs Summary

Narrative (Optional)

In establishing the Priority Needs the City considers the overall program objectives at the Federal and those at the local level. Moreno Valley seeks to meet Federal national objectives of providing benefit to the low and moderate income, removing area slum and blight, and meeting urgent or emergency community needs. The City also seeks to prioritize in a way that can assist goals set by the City Council including: Revenue Diversification & Preservation, Public Safety, Positive Environment Community Image, and Neighborhood Pride & Cleanliness. Every year, in accordance with HUD's requirements, Moreno Valley's re-evaluates and updates its program specific Objectives and Policies to ensure they adequately reflect the current needs of the community. The updated Objectives and Policies must then be adopted at the local level by the City Council for the upcoming CDBG and HOME program year. CDBG and HOME Objectives and Policies primarily focus on: (1) defining the City's funding priorities, (2) offering project selection criteria, and (3) providing guidance for staff when reviewing and recommending programs and projects for funding.

For Consolidated Planning purposes, the City has chosen to develop its priorities based on the following general priority categories which would primarily assist low-income families and individuals within the community: Homelessness, Special Needs, Affordable/Fair Housing, and Community and Economic Development. Each category has been assigned a relative priority level and goals. A "High" priority means that the jurisdiction and its community partners will be addressing this need by allocating funds during the five-year period of the Strategy. A "Low" priority means that only a limited amount or in some cases no funding is available or intended to be allocated to projects for addressing this need during the life of the strategy.

SP-30 Influence of Market Conditions

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	In determining whether to undertake TBRA programs, the City will take into consideration: documented local need, documented local demand, existing services offering that type of assistance currently provided by the City and/or it's sub grantees, existing services offering that type of assistance currently provided by other regional organizations (i.e., County and State programs), the possibility of expansion of financial education programs, evaluation of the area rents, costs of utilities, degree of need based on other pertinent community needs, available funding and how many persons the funding is able to assist.
TBRA for Non-Homeless Special Needs	In determining whether to undertake TBRA for non-homeless/ Special Needs programs, the City will take into consideration: documented local need, documented local demand, degree of need based on other pertinent community needs, existing services offering that type of assistance currently provided by the City and/or it's sub grantees, existing services offering that type of assistance currently provided by other regional organizations (i.e., County and State programs), area statistics for special needs populations, evaluation of changing trends.
New Unit Production	The City will evaluate individual projects/proposals with an emphasis on availability of adequate amount of funding to subsidize the new project and/or the availability of other (funding) resources in which to leverage projects with such as State MHP. The City will consider the land values, analysis of the overall construction costs and 'cost per door' as per industry standards. It will compare costs to past City projects, and research to ensure reasonable development fees are imposed.
Rehabilitation	At the City level, sufficient amount of city entitlement is avail to offer rehab program, there is sufficient staff capacity to adequately carry-out/manage rehab programs. At the market level, characteristics that would influence the use of housing funds toward a rehab activity include: home values, homeowner's ability and willingness to borrow money, construction costs, public need and demand, evaluation of housing types in need of rehab and specific circumstances and types of repairs needed for those housing units, availability of other funding sources in which to leverage projects.
Acquisition, including preservation	Prior to any acquisition, the city would consider the following market characteristics: a full evaluation of parcel size, zoning & allowable land uses, proximity to Target Areas, current land values, costs of maintenance (current and long term), projection of how quickly a project would be completed, availability of monies in which to purchase land.

Table 3 – Influence of Market Conditions

SP-35 Anticipated Resources

Introduction

The City of Moreno Valley utilizes a variety of Federal, State, and local funding sources to achieve identified community and housing strategies. Specific funding resources are based upon availability, opportunities, and constraints of each particular project or program. The City is committed to utilizing each funding source to its highest and best use, therefore, the City leveraged the resources identified in this section to facilitate various programs and projects. Specific resources available to address the needs identified in the Consolidated Plan are included under each program description. The following represents a list of resources the Neighborhood Preservation Division utilizes to address the Consolidated Plan goals.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,672,620	0	902,576	2,575,196	0	CDBG funding is intended to address the needs of low income person's areas within the City.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	422,077	0	480,000	902,077	0	HOME funds are intended to address affordable housing and related needs.
Neighborhood Stabilization Program 1 & 3	Public – Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New		(being calculated)				NSP Funds are intended to address affordable housing issues and related needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
		construction for ownership						

Table 4 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.

Moreno Valley will directly administer and oversee programs for CDBG, HOME, and NSP 1 and 3 as listed above. There are outside resources/programs offered by local and state entities. These additional resources include:

Emergency Solutions Grant (ESG) - Grant awarded by HUD to implement a broad range of activities that serve homeless persons. In FY 2012, Riverside County will be receiving approximately \$696,668 in ESG funds from HUD. Program administered by the County for potential shelter renovation, shelter operation, Social Services, Homeless Prevention, and HMIS.

Housing Choice Vouchers - Rental assistance payments to owners of private market rate units on behalf of low income (50 percent MFI) tenants. Administered by the Housing Authority of the City of Riverside (HACR). Over 1,400 City households currently receive Section 8 housing vouchers.

Section 108 Loan - Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvements or other projects. Jurisdiction must pledge future CDBG allocations for loan repayment. Loan amount can be up to five times jurisdiction's annual CDBG entitlement and may be used for: Acquisition, Rehabilitation, Homebuyer Assistance, Economic Development, Public Infrastructure

Mortgage Credit Certificate Program - Income tax credits available to first-time homebuyers to buy new or existing single family housing. Riverside County administers program on behalf of jurisdictions in the County.

Homebuyer Assistance Housing for Persons with AIDS (HOPWA) - Only federal housing program specifically designed to meet needs of people living with HIV/AIDS. The City of Riverside serves as local grantee. HOPWA is used for new shelter construction, rehabilitation, and acquisition.

Shelter Plus Care Program - Grants for rental assistance that are offered with support services to homeless with disabilities. Rental Assistance, Homeless Assistance, Support Services.

Supportive Housing Program (SHP) - Grants for development of supportive housing and support services to assist homeless persons in the transition from homelessness. Transitional Housing, Permanent Housing for Disabled, Supportive Housing, Support Services, Safe Havens.

State Programs

Low-income Housing Tax Credit (LIHTC) - Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create new housing.

Multi-Family Housing Program (MHP) - Deferred payment loans to local governments, non-profit developers and for-profit developers for new construction, rehabilitation and preservation of

permanent and transitional rental housing for lower income households. New Construction, Rehabilitation, Preservation

California Housing Finance Agency (CalHFA) Multi-Family Programs - Below market rate permanent financing for the acquisition/rehabilitation, preservation or new construction of rental housing that includes a portion of the units affordable to lower income households. New Construction, Rehabilitation, Acquisition of properties from 20 to 150 units, Preservation

California Housing Finance Agency (CalHFA) Home Mortgage Purchase Program - CalHFA sells tax-exempt bonds to make below market loans to first-time homebuyers. Program operates through participating lenders who originate loans for CalHFA.

Homebuyer Assistance CalHome Program - Grants to municipalities and nonprofit developers to assist first-time homebuyers in home purchase. Project loans for development of multi-unit homeownership projects. Homebuyer Assistance New Construction (owner)

Matching Requirement

Entitlement cities receiving HOME funds are required to contribute a 25% match of non-HOME funds for every dollar of HOME funds spent. In general, as cities draw their HOME funds, they will incur a match liability, which must be satisfied by the end of each fiscal year. The HOME statute also provides a reduction of the matching contribution under three conditions: 1. fiscal distress, 2. severe fiscal distress, and 3. presidential disaster declarations. Moreno Valley has been identified by HUD as a fiscally distressed jurisdiction for several consecutive years and has been granted a 100-percent match reduction. The City anticipates that the 'fiscally distressed' classification to continue through the entire Consolidated Plan period.

In the past, Moreno Valley has actively leveraged its affordable housing projects, mostly with Redevelopment Set-aside funds. They city will continue its efforts to leverage projects with other available resources.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

APN	APPROX. ACREAGE	USE	SITE ADDRESS
291-191-027	0.88	Vacant Land	Alessandro and Day
291-191-028	0.33	Vacant Land	Alessandro and Day
291-191-029	0.37	Vacant Land	Alessandro and Day
291-191-026	0.14	Vacant Land	Alessandro and Day
291-191-025	0.23	Vacant Land	Alessandro and Day
291-191-007	0.29	Vacant Land	Alessandro and Day
291-191-008	1.57	Vacant Land	Alessandro and Day
291-191-009	1.55	Vacant Land	Alessandro and Day
291-191-010	1.00	Vacant Land	Alessandro and Day
291-191-011	1.00	Vacant Land	Alessandro and Day
291-191-012	0.24	Vacant Land	Alessandro and Day
291-191-013	0.82	Vacant Land	Alessandro and Day
481-270-058	1.30	Vacant Land	Eucalyptus
481-130-022	0.50	Vacant Land	24108 Fir Avenue
481-130-023	0.42	Vacant Land	24124 Fir Avenue

481-250-002	0.46	Vacant Land	24265 Meyers
481-250-003	0.91	Vacant Land	24265 Meyers
482-020-064	1.32	Vacant Land	24176 Atwood
482-161-021	4.01	Vacant Land	Cottonwood and Indian
482-161-022	1.18	Vacant Land	Cottonwood and Indian
482-161-024	2.30	Vacant Land	Cottonwood and Indian
482-161-023	1.13	Vacant Land	Cottonwood and Indian
485-032-013	0.20	Vacant Land	24181 John F. Kennedy
486-084-006	0.10	Vacant Land	Sheila Neighborhood
486-084-011	0.10	Vacant Land	Sheila Neighborhood

Discussion

In 2011, the California Legislature passed AB 1X26 to dissolve all redevelopment agencies (RDA(s)) in the state. After a period of litigation, RDAs were officially dissolved as of February 1, 2012. Prior to the dissolution on January 10, 2012, the City of Moreno Valley elected to serve as the successor agency to the RDA and approved a resolution providing that upon dissolution of the RDA all housing assets and functions of the RDA with regard to the Low and Moderate Income Housing Program would be transferred to the Moreno Valley Housing Authority (MVHA). On February 1, 2012, all housing assets of the former RDA were transferred by operation of law to the MVHA, along with all title and interest of the subject assets. The MVHA has the ability to engage in transactions which will promote the utilization of existing affordable housing resources and to pursue the development of potential additional affordable housing resources. One of the assets transferred to the MVHA is approximately 1.37 acres of land located at 24265 Myers Street. The MVHA has initiated discussions with a Habitat for Humanity for the construction of 10 single family dwelling units on this in-fill parcel. Once constructed the dwelling units will be sold at an affordable price to income qualified homebuyers. Land Banking of Vacant Property the City has developed a revitalization strategy around the Western-Central portion of Moreno Valley, commonly known as the Edgemont Area Revitalization Plan, to create

affordable housing opportunities and support ongoing revitalization efforts. The Edgemont Area is located within the NSP 3 target area and consists of multiple properties currently under a number of public and private ownerships. A majority of the area currently is either vacant or generally under-developed. The City plans to identify several vacant properties to acquire with NSP 3 funds through the land banking activity in an effort to assemble land for larger affordable housing projects.

SP-40 Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The institutional delivery system requires a diverse set of organizations in order to accomplish the Consolidated Plan goals. Coordination with other public and private agencies is necessary. The establishment of solid working relationships is key in being able to assist and enable service providers to better assist those in need. The City has worked to build cooperative relationships with surrounding jurisdictions and agencies, as well as nonprofit organizations. This has proven to be strength for Moreno Valley.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance	X		
Rental Assistance	X		
Utilities Assistance	X		
Street Outreach Services			
Law Enforcement	X		
Mobile Clinics			
Other Street Outreach Services		X	
Supportive Services			
Alcohol & Drug Abuse		X	
Child Care	X	X	
Education	X	X	X
Employment and Employment Training	X	X	
Healthcare		X	X
HIV/AIDS			X
Life Skills	X	X	
Mental Health Counseling		X	X
Transportation	X	X	
Other			
			X

Table 6 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

Several service providers provide shelter and services to Moreno Valley homeless. In the past, the City has provided CDBG funding to the following organizations to assist the homeless: Community Assistance Program (Food Distribution), Lutheran Social Services (Transitional Living Program), Riverside County (Cold Weather Shelter), Gods Helping Hand (Food Distribution), PW Enhancement Center (Emergency Motel Vouchers), Operation Safehouse (Emergency Youth Shelter), Alternatives to Domestic Violence (Emergency Shelter), God's Helping Hand (Food Distribution), Path of Life Shelter (Emergency and Transitional Housing) In addition, the City also participates in Riverside County's Continuum of Care Application.

The County has worked toward dealing with the chronic homeless population for a number of years through the Mental Health Homeless Intervention Team (HIT) program. The HIT Teams actively seek out homeless in the streets environment and other places where the homeless congregate. The teams work in areas of high homeless concentration. Support workers are trained to recognize the symptoms of mental illness and substance abuse. They also possess the interpersonal skills necessary to solicit and provide information in a friendly, respectful, non-threatening manner. They are familiar with all community resources that serve the homeless population, both public and private. At a minimum, all homeless persons contacted on the streets are provided with information and referral to program relevant to their particular needs. Once the chronic homeless persons have been identified, and if mentally ill and willing to participate, they are enrolled into a series of programs by the Department of Mental Health. Those suffering from substance abuse are referred to the existing programs, such as those provided by ABC Recovery, Phoenix House, Whiteside Manor, Cedar House and County Mental Health. Some of the mentally ill are referred to programs offered by Whiteside Manor and mental health clinics. All of these programs provide treatment and transitional housing. A number of these homeless service providers have applications up for renewal in the county's Continuum of Care application. In addition to County outreach services, CDBG funds public service providers who assist homeless persons with food distribution, counseling, or emergency voucher programs are often the primary source for referrals and assistance to homeless persons. Service providers provide homeless persons with referrals to emergency shelter programs and other service providers who can assist them with other issues such as substance abuse or mental illness. For unsheltered homeless persons, service providers are often the primary contact for assistance if the individual is not participating in a shelter program.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The City has cooperative relationships with surrounding jurisdictions, diverse types of agencies, and nonprofits in order to meet consolidated plan goals. This coordination has led to solid working relationships that assisted to enable all service providers to better assist those in need.

Non-Profit Organizations: The City utilizes a variety of nonprofit organizations to address community needs, such as homelessness, special needs, fair housing and food distribution services.

Public Housing Authority: The Riverside County Housing Authority continues to administer public housing and the Housing Choice Voucher Program (Section 8) for Moreno Valley residents. Issues relating to public housing are included in the Consolidated Plan for Riverside County. The City will work with the Riverside County Housing Authority when possible to improve the living environment of residents. The City will work with the Riverside County Housing Authority when possible to address the use of resident initiatives in public housing.

JPA: The City is a member of the March Joint Powers Authority (JPA). The JPA is a public entity created for the purpose of addressing the use, reuse, and joint use of realigned March ARB. The JPA approved a Homeless Assistance Program and is the location of 2 local transitional homeless facilities.

Coordination with those listed has led to solid working relationships that assisted to enable all service providers to better assist those in need and created a strong network of individual agencies working toward a common goal.

With the economic downturn, various organizations have experienced budget cuts, leading to decline in staff and hence services. This leads to gaps not only for the individual agency but also in the delivery system for the community. Staff cuts also translate to lost contacts and weakened working relationships between agencies.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

With resources becoming more and more limited, the City proposes to overcome gaps in institutional structure by:

- 1) Maintaining open communication with subgrantees and other consolidated planning partners;
- 2) Utilizing technology to share, distribute information, foster and maintain constant contact with community planning partners; and
- 3) Recommending and assisting to coordinate the use of volunteers (volunteer based organizations) in which to fill gaps where it logically makes sense.

SP-45 Goals Summary

Goals Summary Information

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Homeless Strategy	2013	2018	Homeless		Homeless		Homeless Person Overnight Shelter: 2250 Persons Assisted Homelessness Prevention: 250 Persons Assisted
Special Needs Strategy	2013	2018	Non-Homeless Special Needs		Special Needs		Public service activities other than Low/Moderate Income Housing Benefit: 15000 Persons Assisted
Housing Strategy	2013	2018	Affordable Housing		Affordable/Fair Housing		Public service activities for Low/Moderate Income Housing Benefit: 2500 Households Assisted Rental units constructed: 87 Household Housing Unit Rental units rehabilitated: 88 Household Housing Unit Direct Financial Assistance to Homebuyers: 5 Households Assisted

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
							Housing Code Enforcement/Foreclosed Property Care: 5000 Household Housing Unit
Community & Economic Development Strategy	2013	2018	Non-Housing Community Development		Community & Economic Development		Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 250 Households Assisted Public service activities other than Low/Moderate Income Housing Benefit: 50000 Persons Assisted Jobs created/retained: 125 Jobs

Table 7 – Goals Summary

SP-50 Public Housing Accessibility and Involvement

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The Housing Authority of the County of Riverside addresses the public housing needs of the cities within the region. Unfortunately, the assistance provided under its two primary affordable housing programs is limited. A review of the County Agency Five Year Plan (2009) showed an extensive Section 8 (Housing Choice Voucher) County-wide waiting list of 50,751 families and 66,663 families on the general Public Housing Countywide waiting list. The City of Moreno Valley will continue to coordinate for a review of the County's Agency Plan, and monitor the affordable housing needs of the area.

Activities to Increase Resident Involvements

Through its Public Housing Resident Initiatives (PHRI) and the Resident Opportunity and Self-Sufficiency funds (ROSS), the Riverside County Housing Authority seeks to facilitate the successful transition of residents from public housing residency to economic independence and/or from welfare-dependence to increased earning capacity or sustained work. These Initiatives build upon the efforts of the local welfare plan and other self-sufficiency efforts of the Housing Authority and target public housing residents who are receiving welfare assistance. The goals of the PHRI are to: reduce welfare dependence by assisting residents in returning to the work force in a job commensurate with their abilities; reduce poverty by assisting residents in increasing their self-sufficiency by enhancing their employment or earning potential; and to increase homeownership among public housing residents. Local partners including public agencies and community-based nonprofits, as well as faith-based organizations provide self-sufficiency services including: job training, employment opportunities, computer instruction, etc.

To assist first-time homebuyers, the Housing Authority has established a Homeownership Program (HP). The HP assists eligible participants in the Section 8 program, who are also participants of the FSS program by offering a single down payment assistance grant. In order to maximize the use of resources available to home seekers, the Housing Authority's program also targets families who take part in the Riverside County Economic Development Agency's (EDA) First Time Home Buyer Program (FTHB). In combination, the HP/FTHB partnership enables families to realize their dream of becoming homeowners by providing them with financial and other resources that they would not normally have access to. The new program for 2004 is optional only for FSS participants.

The Family-Self Sufficiency Program (FSS) was established to assist Section 8 residents and enables families to gain economic independence from all governmental assistance. There are currently 635 participating families. Supportive services offered to participating families include: Remedial Education and Classroom Training; Employment Training and Placement; Counseling/Case Management; Credit Counseling and Money Management; Child Care; and Transportation. For residents that require temporary loans, the Revolving Loan Fund (RLF) enables those program participants to obtain financial assistance for repairs of vehicles, the purchase of bus passes, childcare costs, and special educational needs such as scholarships.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the 'troubled' designation

The Housing Authority of the County of Riverside is not a "Troubled" PHA. The true and current rating for Public Housing is as a Standard Performer with applied strategies and policies to reach the goal of High Performer status. The true and current rating for Section 8 is as a High Performer with applied strategies and policies to maintain status as a high performer.

SP-55 Barriers to Affordable Housing

Barriers to Affordable Housing

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The City has identified barriers to affordable housing both in the public and in the private sectors. Moreno Valley plans to address each specific barrier as follows:

1. Public Sector Actions

Action 1.1 In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.

Action 1.2 The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.

Action 1.3 The City will adopt a reasonable accommodation procedure.

Action 1.4 The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013), the City must address the needs of the developmentally disabled population. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.

Action 1.5 The City will amend the Planning and Zoning Code by adding a senior housing definition.

2. Private Sector Actions

Action 2.1 The City and Fair Housing Council of Riverside County, Inc. will continue to offer to its residents fair housing services

Action 2.2 The City and Fair Housing Council of Riverside County, Inc. will arrange a meeting with IVAR's Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.

Action 2.3 The Fair Housing Council - as part of its home buyer counseling services – will provide examples of how to detect “steering” during the home search process and how to detect “loan steering.”

Action 2.4 The Fair Housing Council will add “how to read an appraisal report” to its homebuyer counseling services.

Action 2.5 The City and Fair Housing Council will annually monitor the HMDA data to establish long-term trends in loan denial rates.

Action 2.6 The City and Fair Housing Council will maintain an inventory of FHA and low down payment financed homes.

Action 2.7 The City and Fair Housing Council will monitor on a regular schedule the notices of default by address made available by the County Recorder's Office or through a subscription service.

Action 2.8 The City and Fair Housing Council will match the notices of default by address to the addresses of the low down payment financed homes.

Action 2.9 The Fair Housing Council will contact the borrowers in default and inform them of default and foreclosure counseling services available to homeowners at risk of losing their homes.

SP-60 Homelessness Strategy

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The County has worked toward dealing with the chronic homeless population for a number of years through the Mental Health Homeless Intervention Team (HIT) program. The HIT Teams actively seek out homeless in the streets environment and other places where the homeless congregate. The teams work in areas of high homeless concentration. Support workers are trained to recognize the symptoms of mental illness and substance abuse. They also possess the interpersonal skills necessary to solicit and provide information in a friendly, respectful, non-threatening manner. They are familiar with all community resources that serve the homeless population, both public and private. At a minimum, all homeless persons contacted on the streets are provided with information and referral to program relevant to their particular needs. Once the chronic homeless persons have been identified, and if mentally ill and willing to participate, they are enrolled into a series of programs by the Department of Mental Health. Those suffering from substance abuse are referred to the existing programs, such as those provided by ABC Recovery, Phoenix House, Whiteside Manor, Cedar House and County Mental Health. Some of the mentally ill are referred to programs offered by Whiteside Manor and mental health clinics. All of these programs provide treatment and transitional housing. A number of these homeless service providers have applications up for renewal in the county's Continuum of Care application. In addition to County outreach services, CDBG funds public service providers who assist homeless persons with food distribution, counseling, or emergency voucher programs are often the primary source for referrals and assistance to homeless persons. Service providers provide homeless persons with referrals to emergency shelter programs and other service providers who can assist them with other issues such as substance abuse or mental illness. For unsheltered homeless persons, service providers are often the primary contact for assistance if the individual is not participating in a shelter program.

Addressing the emergency and transitional housing needs of homeless persons

Several service providers provide shelter and services to Moreno Valley homeless. In the past, The City provides CDBG funding to the following organizations to assist the homeless:

- Community Assistance Program (Food Distribution)
- Lutheran Social Services (Transitional Living Program)
- PW Enhancement Center (Emergency Motel Vouchers)
- Operation Safehouse (Emergency Youth Shelter)
- Alternatives to Domestic Violence (Emergency Shelter)
- Path of Life Shelter (Emergency and Transitional Housing).

In addition, the City also participates in Riverside County's Continuum of Care.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

One of the City's highest priorities for the use of CDBG funds is to address the emergency shelter and transitional housing needs of homeless persons. The City will continue to fund applications for homeless shelters that serve the Moreno Valley homeless population. The City will assist homeless persons make the transition to permanent housing and independent living through continued support of affordable housing developments that will provide long term affordability covenants. Moreno Valley will sponsor programs such as Lutheran Social Services and Path of Life provide their participants with long term shelter under their transitional living programs but have been known to assist those threatened with homelessness by providing referrals and coordinating with other agencies to locate assistance for the families or individuals. The City also funded Alternatives to Domestic Violence Program which provides emergency shelter to persons who flee their homes due to domestic violence situations and Operation Safehouse, which houses runaway or endangered youth in various circumstances; providing a safe haven for children therefore keeping them off the streets. Emergency Rental/Mortgage Assistance is offered by: Catholic Charities and PW Enhancement. Emergency Shelters are located at: Alternatives to Domestic Violence and Operation Safehouse. Transitional Living Shelters are operated by: Lutheran Social Services and Path of Life.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Moreno Valley does everything in its power to mitigate low-income families in need of assistance from becoming homeless. During the recession, many low-income families live paycheck to paycheck, which makes it difficult for them to pay for the basic necessities when an unexpected expense arises. Catholic Charities and PW Enhancement Center (PWEC) will provide residents with one-time emergency rental/mortgage assistance paid for through other grants funding sources that also helped prevent homelessness of families who missed a rent/mortgage payment due to extenuating circumstances. There are several programs administered by Riverside County that aid in the prevention of homelessness. For example, the Emergency Food and Shelter Program meets the needs of the hungry and homeless by providing funds to provide the following housing assistance, as determined by the Local Board in funded jurisdictions: lodging in a mass shelter or hotel; one month's rent or mortgage payment; one month's utility bill; and minimal repairs to allow a sheltering facility to function during the program year. On a regular basis the City provides referrals to persons in need. In cases where assistance was not available via City program, staff would often refer the inquiring party about the Riverside County offices and to their 211 Telephone Referral Program.

SP-65 Lead Based Paint Hazards

Actions to address LBP hazards and increase access to housing without LBP hazards

To help evaluate and reduce the number of housing units containing lead based paint hazards the City has two main courses of action: (1) the City has integrated evaluation and reduction activities into its housing programs, and (2) the City also provides public information and education concerning lead-based paint.

How are the actions listed above related to the extent of lead poisoning and hazards?

According to the 2005-2009 CHAS data, 20.98% of houses built in Moreno Valley before 1980 and are thereby in danger of containing lead based paint somewhere within the building.

How are the actions listed above integrated into housing policies and procedures?

Lead based paint issues are addressed via Moreno Valley's consumer loan/grant products: the City's Mobile Home Grant, the Homebuyers Assistance Program, Home Improvement Loan Programs, Neighborhood Stabilization Program 1, as well as within the HPRP Program. Participants of the consumer housing programs are all provided the 'Renovate Right Informational Booklet' (EPA740-K-10-001, dated April 2010) from the United States Environmental Protection Agency (U.S. EPA). Each participant signs a certification that they received and reviewed the booklet. A City staff member (Housing Specialist) who is assigned a project will make themselves available to answer any questions a participant may have concerning the lead based paint. During the course of a Home Improvement Loan Project, a City Building Inspector also discussed any issues found in a dwelling with the homeowner, and initiated further evaluation as necessary. If a home is participating in one of the referenced programs and was constructed prior to 1978, the City contracts with Home Safe for a lead-based paint inspection of the property. If the property is found to contain lead-based paint, mitigation measures are incorporated as a part of the revitalization work. Since a HAP loan is down payment assistance, the lead-based paint mitigations are the responsibility of the Seller prior to the transfer title. Both Buyer and Seller received the disclosure materials as a part of the loan application process. Under the HPRP program, the City and/or its non-profit subgrantees were required to become Certified Lead Based Paint Inspectors. As required by the Recovery Act, prior to a participant locating to a specific dwelling, information about the unit and the occupants is gathered and risks are assessed. If there is no apparent danger to the tenant, the unit is considered suitable and approved for habitat. If hazards are found, an alternate unit would need to be identified.

SP-70 Anti-Poverty Strategy

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The City has established several goals to reduce poverty among its population:

1. Economic Development and Job Creation/Retention. The City partners with the Inland Empire Small Business Development Center (SBDC) to provide small business counseling services to local businesses with the goal that the services will create and/or retain low and moderate income jobs. The Small Business Consultant holds temporary offices one day per week within the City to provide increased access to Moreno Valley residents. The City began a job training program in 2007 to train youth (18-22 years old) in the manufacturing and logistics industry. The provision of job training is seen as a critical component to encouraging economic self-sufficiency. During the term of the Consolidated Plan it is anticipated that employment training opportunities be expanded to include adults from older age groups.

2. Housing Programs. The City plans to offer programs in its strategy to produce and preserve affordable housing. The implementation of City programs such as the Homebuyer Assistance Program, the Home Improvement Loan Programs, and the Mobile Home Grant Program will assist in maintaining livable conditions for lower income persons. In addition, the City will continue to partner with Community Housing Development Organizations (CHDO) such as Habitat for Humanity and Riverside Housing Development Corporation (RHDC). Habitat for Humanity will assist in the development of new single-family houses for very low-income persons. The partnership with RHDC will be utilized to continue acquisition and rehabilitation of affordable rental housing units for low and very low income households. The development of additional senior housing is also anticipated during the term of the Strategic Plan. The City will also continue to explore relationships with for profit and non-profit housing developers to increase the supply of affordable multi-family housing units.

3. Public Service Providers. The City will continue to provide grant funding to various public service providers to assist low income individuals and households, special needs population, and the homeless population with access to critical services. These programs provide City residents opportunities to utilize programs at little or no cost, thereby reducing financial burden.

4. Coordination Efforts. The City's goal is to continue to collaborate with governmental and other social service agencies to assure the effective delivery of such services to low-income individuals. One example is the Riverside County Continuum of Care. The Continuum of Care group consists of several local non-profit agencies along with governmental agencies, such as the City of Moreno Valley, who meet periodically to share information, coordinate efforts to assist homeless persons and plan future activities. While the City's ability to directly reduce the number of households with incomes below the poverty line is limited, by utilizing multiple programs and working with county, private and non-profit agencies, the City will endeavor to reduce the number of households with incomes below the poverty line.

How is the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan?

The City's Anti-Poverty Strategy has a direct correlation to its Housing Strategy. Stable affordable housing enhances a family's ability to transition from poverty to self-sufficiency.

SP-80 Monitoring

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring serves as an effective tool to ensure that expenditures of funds are consistent with Federal requirements, CDBG National Objectives, and achieve program/project goals. The following outlines monitoring requirements for Moreno Valley CDBG program:

1) Subrecipients. When an organization becomes a City subrecipient, they must sign a contract with the City in which the various scopes of work, time lines, and documentation requirements are outlined. On a monthly basis, each Subrecipient must submit detailed information regarding the number, ethnicity, and income level of individuals benefiting from CDBG funds. Quarterly summary reports are required of some agencies in which further information is provided on activities accomplished during that quarter. The City conducts an on-site inspection of each agency at least once per year, preferably toward the end of the funding cycle.

2) Construction Projects. All construction projects comply with Federal Labor and Procurement Procedures as well as the various affirmative action, equal opportunity, and Section 3 requirements mandated by various federal and state laws. A Department Management Analyst oversees and reviews contract preparation at each step from bid preparation, contract document preparation, pre-construction meetings, and ongoing project inspections. All public notices that solicit bids for capital projects are submitted to minority newspapers such as El Chicano, the San Bernardino American and the Precinct Reporter in order to give minority-owned businesses the opportunity to bid on the CDBG capital projects. Multi-Family Affordable Housing Programs. The City requires property owners who have received HOME funds to recertify their tenant's eligibility annually. They report information and provide documentation related to the property, unit occupancy, tenant information and financial reporting. Forms and applicable documentation such as Federal income tax returns are to be completed by tenants of reserved (affordable) units and submitted with the report. If the unit was occupied by multiple tenants, then a copy of the application, rental agreement and the dates of residency must be provided. In addition, a copy of 'Determining Affordable Rent' is provided to the owner for the reserved units. A City building inspector will conduct a property inspection to determine if the property is in compliance with code requirements and in good condition. The City will work with a recertification consulting service to ensure that the information is accurate and complete.



CITY OF MORENO VALLEY

**Annual Action Plan Update of the
Consolidated Plan**

July 1, 2013 – June 30, 2014

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	422,077	0	480,000	902,077	0	HOME funds are intended to address affordable housing and related needs.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Entitlement cities receiving HOME funds are required to contribute a 25% match of non-HOME funds for every dollar of HOME funds spent. In general, as cities draw their HOME funds, they will incur a match liability, which must be satisfied by the end of each fiscal year. The HOME statute also provides a reduction of the matching contribution under three conditions: 1. fiscal distress, 2. severe fiscal distress, and 3. presidential disaster declarations. Moreno Valley has been identified by HUD as a fiscally distressed jurisdiction for several consecutive years and has been granted a 100-percent match reduction. The City anticipates that the 'fiscally distressed' classification will continue through the entire Consolidated Plan period.

In the past, Moreno Valley has actively leveraged its affordable housing projects, mostly with Redevelopment Set-aside funds. Due to the fact that Redevelopment has been eliminated, these funds are no longer available. The City will continue its efforts to leverage projects with other available resources.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

In 2011, the California Legislature passed AB 1X26 to dissolve all redevelopment agencies (RDA(s)) in the state. After a period of litigation, RDAs were officially dissolved as of February 1, 2012. Prior to the dissolution on January 10, 2012, the City of Moreno Valley elected to serve as the successor agency to the RDA and approved a resolution providing that upon dissolution of the RDA all housing assets and functions of the RDA with regard to the Low and Moderate Income Housing Program would be transferred to the Moreno Valley Housing Authority (MVHA). On February 1, 2012, all housing assets of the former RDA were transferred by operation of law to the MVHA, along with all title and interest of the subject assets. The MVHA has the ability to engage in transactions which will promote the utilization of existing affordable housing resources and to pursue the development of potential additional affordable housing resources.

The following parcels were transferred from the former RDA to the Moreno Valley Housing Authority and will be used to provide affordable housing:

Redevelopment Agency-Owned Parcels for Affordable Housing Use				
APN	APPROX. ACREAGE	USE	SITE ADDRESS	DISPOSITION
291-191-027	0.88	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-028	0.33	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-029	0.37	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-026	0.14	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-025	0.23	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-007	0.29	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-008	1.57	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-009	1.55	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-010	1.00	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-011	1.00	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-012	0.24	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
291-191-013	0.82	Vacant Land	Alessandro and Day	Housing Asset Transferred to MVHA
481-130-022	0.50	Vacant Land	24108 Fir Avenue	Housing Asset Transferred to MVHA

481-130-023	0.42	Vacant Land	24124 Fir Avenue	Housing Asset Transferred to MVHA
482-020-064	1.32	Vacant Land	24176 Atwood	Housing Asset Transferred to MVHA
485-032-013	0.20	Vacant Land	24181 John F. Kennedy	Housing Asset Transferred to MVHA
486-084-011	0.10	Vacant Land	Sheila Neighborhood	Housing Asset Transferred to MVHA
Total Acreage	10.96			

Land Banking of Vacant Property

The City has developed a revitalization strategy around the Western-Central portion of Moreno Valley, commonly known as the Edgemont Area Revitalization Plan, to create affordable housing opportunities and support ongoing revitalization efforts. The Edgemont Area is located within the NSP 3 target area and consists of multiple properties currently under a number of public and private ownerships. A majority of the area currently is either vacant or generally under-developed. The City plans to identify several vacant properties to acquire with NSP 3 funds through the land banking activity in an effort to assemble land for larger affordable housing projects.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Homeless Strategy	2013	2018	Homeless		Homeless		Homeless Person Overnight Shelter: 450 Persons Assisted Homelessness Prevention: 50 Persons Assisted
Special Needs Strategy	2013	2018	Non-Homeless Special Needs		Community & Economic Development		Public service activities other than Low/Moderate Income Housing Benefit: 3000 Persons Assisted
Housing Strategy	2013	2018	Affordable Housing		Affordable/Fair Housing		Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 500 Households Assisted Rental units constructed: 17 Household Housing Unit Rental units rehabilitated: 18 Household Housing Unit Direct Financial Assistance to Homebuyers: 1 Households Assisted Housing Code Enforcement/Foreclosed Property Care: 1000 Household Housing Unit

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Community & Economic Development Strategy	2013	2018	Non-Housing Community Development		Community & Economic Development		Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 50 Households Assisted Public service activities other than Low/Moderate Income Housing Benefit: 10000 Persons Assisted Jobs created/retained: 16 Jobs

Table 2 – Goals Summary

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

The City anticipates providing a minimum of 35 units of affordable housing to extremely low, low and moderate income families during the upcoming program year. Currently under construction, the Hemlock Family Apartments will provide seventy seven new affordable multi-family units at full occupancy.

Projects

AP-38 Project Summary Project Summary Information

Project Name	Target Area	Goals Supported	Needs Addressed	Funding
Lutheran Social Services - Amelia's Light Transitional Shelter		Homeless Strategy	Homeless	CDBG: \$16,912
CDBG Program Administration		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$314,524
Fair Housing Services		Housing Strategy	Affordable/Fair Housing	CDBG: \$20,000
Domestic Violence Services		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$8,562
Community Assistance Program (CAP) Food Pantry		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$33,062
The MoVan Senior Van Transportation Program		Special Needs Strategy	Special Needs	CDBG: \$31,062
Operation Safehouse Shelter		Homeless Strategy	Homeless	CDBG: \$9,062
P.W. Enhancement Center Emergency Services Program		Homeless Strategy	Homeless	CDBG: \$17,062
Child Abuse Prevention & Education Program		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$8,562
Path of Life Shelter Program		Homeless Strategy	Homeless	CDBG: \$16,912
The Salvation Army Food Pantry		Community & Economic Development Strategy	CEDD	CDBG: \$8,562

The Assistance League's "Operation School Bell" Program		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$11,062
ARC of Riverside County's Moreno Valley Resource Center		Special Needs Strategy	Special Needs	CDBG: \$6,062
CASA - Court Appointed Special Advocates Program		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$11,062
Foreclosure Prevention & Mitigation Counseling		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$10,000
211 of Riverside County		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$6,062
Smooth Transitions Pre-Employment Job Readiness Program		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$6,062
Lighthouse Treatment Center for Homeless Veterans		Homeless Strategy	Homeless	CDBG: \$6,062
U.S. Veteran's Initiative		Homeless Strategy	Homeless	CDBG: \$6,062
Fair Housing Council Landlord-Tenant Mediation Program		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$17,892
Catholic Charities Emergency Services Program		Homeless Strategy	Community & Economic Development	CDBG: \$16,062
Moreno Valley Police Department Holiday Cheer Program		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$4,753
Habitat for Humanity Mobile Home Rehab		Housing Strategy	CEDD	CDBG: \$10,000
Neighborhood Code Enforcement		Housing Strategy	Community & Economic Development	CDBG: \$284,767
Code Enforcement Foreclosure Team		Housing Strategy	Community & Economic Development	CDBG: \$98,042

Recruitment Assistance at the Employment Resource Center (ERC)		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$173,216
Moreno Valley Business Incubator		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$273,754
Inland Empire Small Business Development Center		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$50,000
Sunnymead Boulevard Storm Drain (Between Indian and SR60 Perris Blvd Off ramp)		Community & Economic Development Strategy	Community & Economic Development	CDBG: \$800,000
Edgemont (Exterior Rehab) Beautification Program		Housing Strategy	Community & Economic Development	CDBG: \$300,000
HOME Program Administration		Community & Economic Development Strategy	Community & Economic Development	HOME: \$42,207
Future Multi Family Affordable Housing Project		Housing Strategy	Affordable/Fair Housing	HOME: \$796,558
CHDO Set Aside Funding		Housing Strategy	Affordable/Fair Housing	HOME: \$63,312

Table 3 – Project Summary

AP-35 Projects

Introduction

The City of Moreno Valley has selected a variety of projects aimed at meeting the goals and priority needs established in the Consolidated Plan. The City has allocated the maximum 15% Public Service cap for a total of 20 public service projects funded for FY 13/14. The 20% Administration cap will be utilized for staffing, administration, and Fair Housing activities. The remaining 65% will fund a variety of Economic Development, Code Enforcement and Rehabilitation activities.

#	Project Name
1	CDBG Program Administration
2	Lutheran Social Services - Amelia's Light Transitional Shelter
3	Fair Housing Services
4	Domestic Violence Services
5	Community Assistance Program (CAP) Food Pantry
6	The MoVan Senior Van Transportation Program
7	Operation Safehouse Shelter
8	P.W. Enhancement Center Emergency Services Program
9	Child Abuse Prevention & Education Program
10	Path of Life's King Hall Transitional Shelter Program
11	The Salvation Army Food Pantry
12	The Assistance League's "Operation School Bell" Program
13	ARC of Riverside County's Moreno Valley Resource Center
14	CASA - Court Appointed Special Advocates Program
15	Foreclosure Prevention & Mitigation Counseling
16	211 of Riverside County
17	Smooth Transitions Pre-Employment Job Readiness Program
18	Lighthouse Treatment Center for Homeless Veterans
19	U.S. Veteran's Initiative
20	Fair Housing Council Landlord-Tenant Mediation Program
21	Catholic Charities Emergency Services Program
22	Moreno Valley Police Department Holiday Cheer Program
23	Habitat for Humanity Helping Hands Mobile home Rehab Program
24	Neighborhood Code Enforcement
25	Code Enforcement Foreclosure Team
26	Recruitment Assistance at the Employment Resource Center (ERC)
27	Moreno Valley Business Incubator
28	Inland Empire Small Business Development Center
29	Sunnymead Boulevard Storm Drain (Between Indian and SR60 Perris Blvd Off ramp
30	Edgemont (Exterior Rehab) Beautification Program

#	Project Name
31	HOME Program Administration
32	Future Multi Family Affordable Housing Project
33	CHDO Set Aside Funding

Table 4 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

In establishing the Priority Needs the City considered the overall program objectives at the Federal and local levels. Moreno Valley seeks to meet the Federal national objective of providing benefit to the low and moderate income, removing area slum and blight, and meeting urgent or emergency community needs. The City also seeks to prioritize in a way that can assist goals set by the City Council including: Revenue Diversification & Preservation, Public Safety, Positive Environment Community Image, Neighborhood Pride & Cleanliness. Every year, in accordance with HUD's requirements, Moreno Valley re-evaluates and updates its program specific Objectives & Policies to ensure they adequately reflect the current needs of the community.

The City chose to develop priorities that would primarily assist low-income families and individuals within the Community - Homelessness, Special Needs, Affordable/Fair Housing, and community & Economic Development. Based on needs assessment and community input, the priorities are assigned a level from High to Low. Funding allocations are then directed towards high level priorities.

AP-50 Geographic Distribution

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

There are sixteen (16) low and moderate census tracts or CDBG Target Areas located within four Moreno Valley City Council Districts. Each census tract contains at least 51% of residents who qualify as low and moderate income. The areas encompass neighborhoods mostly in the central and western portions of the City and are locally referred to as Central Sunnymead, Edgemont, Eastgate and Warner Ranch.

Rationale for the priorities for allocating investments geographically

Prior to allocating funding, staff will consider if a project or program will physically be located within a designated CDBG Target Area, and whether the program will directly benefit the low to moderate income population that lives in the area. The City will consider the current poverty level of each area, which will act as a measure of "Need". Staff will also take into account need based on public demand or outcry, recommendations of City departments (such as Code Enforcement, Capital Projects or the Police Department), reports from CDBG Subgrantees which track referrals and measure trends in service levels, and recommendations of other local entities (Continuum of Care, Department of Social Services, Housing Authority, etc.).

Discussion

In general, CDBG Target Areas are the focus of funding priority because they typically include the older sections of the City where much of the building stock and housing stock, as well as infrastructure, is deteriorated or fails to meet current standards. Many structures are in need of minor or major rehabilitation with some structures in need of extensive reconstruction. The areas tend to lack adequate drainage systems, water lines, street lighting, and street improvement.

Affordable Housing

AP-55 Affordable Housing

Introduction

One Year Goals for the Number of Households to be Supported Through	
Homeless	0
Non-Homeless	35
Special-Needs	0
Total	35

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	35
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	35

Table 7 - One Year Goals for Affordable Housing by Support Type

Discussion

The Hemlock Family Apartments are currently under construction and will provide 77 new affordable multi-family units for very-low to moderate income families. This project does not specifically target the homeless or special needs categories.

AP-60 Public Housing

Introduction

The Housing Authority of Riverside County addresses the public housing needs of the cities within Riverside County. Unfortunately, the assistance provided under its two primary affordable housing programs is limited. A review of the County Agency Five Year Plan (2009) showed an extensive Section 8 (Housing Choice Voucher) Countywide waiting list of 50,751 families and 66,663 families on the general public housing countywide waiting list. There are currently 66 public housing units within the City.

Actions planned during the next year to address the needs to public housing

The City of Moreno Valley will continue to coordinate for a review of the County Agency's Plan, and monitor the affordable housing needs of the area. The City reviews proposed development sites, the comprehensive plan, and any proposed demolition or disposition of public housing developments.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Several activities are conducted by the Housing Authority to encourage public housing residents to become more involved in management and to participate in homeownership opportunities. Through its Public Housing Resident Initiatives (PHRI) and the Resident Opportunity and Self-Sufficiency funds (ROSS), the Housing Authority seeks to facilitate the successful transition of residents from public housing residency to economic independence and/or from welfare-dependence to increased earning capacity or sustained work. The goals of the PHRI are to reduce welfare dependence by assisting residents in returning to the work force in a job commensurate with their abilities, reduce poverty by assisting residents in increasing their self-sufficiency by enhancing their employment or earning potential, and to increase homeownership among public housing residents.

The Housing Authority has established a Homeownership Program (HP) that assists eligible Section 8 program participants by offering a single down payment assistance grant. In order to maximize the use of resources available to home seekers, the Housing Authority's program also targets families who take part in the Riverside County Economic Development Agency's (EDA) First Time Home buyer Program (FTHP). In combination, the HP/FTHB partnership enables families to realize their dream of becoming homeowners .

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The PHA is not designated as troubled. The true and current rating for Public Housing is as a Standard Performer with applied strategies and policies to reach the goal of High Performer status. The true and current rating for Section 8 is as a High Performer with applied strategies and policies to maintain the current status.

AP-65 Homeless and Other Special Needs Activities

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Riverside County has worked toward dealing with the chronic homeless population for a number of years through the Mental Health Homeless Intervention Team (HIT) program. The HIT Team actively seek out homeless living on the streets and in unsheltered locations of congregation. The teams work in areas of high homeless concentration. Support workers are trained to recognize the symptoms of mental illness and substance abuse. They also possess the interpersonal skills necessary to solicit and provide information in a friendly, respectful, non-threatening manner. They are familiar with all community resources that serve the homeless population, both public and private. At a minimum, all homeless persons contacted on the streets are provided with information and referrals to programs relevant to their particular needs. Once the chronic homeless persons have been identified, and if mentally ill and willing to participate, they are enrolled into a series of programs by the Department of Mental Health. Those suffering from substance abuse are referred to the existing programs, such as those provided by ABC Recovery, Phoenix House, Whiteside Manor, Cedar House, and County Mental Health. All of the noted programs provide treatment and transitional housing. A number of these homeless service providers have applications up for renewal in the County's Continuum of Care application. In addition to County outreach services, CDBG funds a variety of public service providers who assist homeless persons with food distribution, counseling, or emergency voucher programs. These social service programs are often the primary source for referrals and assistance to homeless persons. For unsheltered homeless persons, service providers are often the primary contact for assistance if the individual is not participating in a shelter program.

Addressing the emergency shelter and transitional housing needs of homeless persons

Several service providers provide shelter and services to Moreno Valley homeless. In the past, the City has provided CDBG funding to the following organizations to assist the homeless:

Community Assistance Program (food distribution); Lutheran Social Services (transitional living program); Riverside County DPSS (cold weather shelter); God's Helping Hand (food distribution); P.W. Enhancement Center (motel vouchers); Operation Safehouse (youth shelter); Alternatives to Domestic Violence (emergency shelter); and Path of Life Ministries (transitional shelter). In addition, the City also participates in Riverside County's Continuum of Care Application. The City's entitlement contribution toward the Countywide program is approximately \$220,000 per year.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

One of the City's highest priorities for the use of CDBG funds is to address the emergency shelter and transitional housing needs of homeless persons. The City will continue to fund applications for homeless shelters that serve the Moreno Valley homeless population. The City will assist homeless persons make the transition to permanent housing and independent living through continued support of affordable programs such as Lutheran Social Services and Path of Life, both of which provide their participants with long term shelter under their transitional living programs. Additionally, the aforementioned frequently assist those threatened with homelessness by providing referrals and coordinating with other agencies to locate assistance for the family or individual. The City also funds Alternatives to Domestic Violence, which provides emergency shelter to victims of domestic abuse, and Operation Safehouse, which provides shelter to run-away and/or homeless youth. Emergency rental assistance and first month's rent assistance is available through Catholic Charities and P.W. Enhancement Center.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Moreno Valley does everything in its power to mitigate low-income families in need of assistance from becoming homeless. During and since the recession, many low-income families live paycheck to paycheck, which makes it difficult for them to pay for the basic necessities when an unexpected expense arises. Catholic Charities and P.W. Enhancement Center provide residents with one-time emergency rental assistance paid for through other grant funding sources that also helped prevent homelessness of families who missed a rent/mortgage payment due to extenuating circumstances. There are several programs administered by Riverside County that aid in the prevention of homelessness. For example, the Emergency Food and Shelter Program meets the needs of the hungry and homeless by providing funds to provide the following housing assistance: lodging in a mass shelter or hotel; one month's rent or mortgage payment; one month's utility bill payment; minimal repairs to allow a sheltering facility to function during the program year. On a regular basis, the City provides referrals to persons in need. In cases where assistance was not available via City program, staff would often refer the inquiring party to 211 Riverside County.

AP-75 Barriers to affordable housing

Introduction

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City plans to address identified barriers to affordable housing as follows:

1. Housing for Disabled Persons - Disability Definition. In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.
2. Housing for Disabled Persons - Supportive Services. The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.
3. Housing for Disabled Persons - Reasonable Accommodation Procedure. The City will adopt a reasonable accommodation procedure.
4. Special Needs Populations - The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October, 2013), the City must address the needs of the developmentally disabled population. The City will also consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.
5. Senior Housing Impediment - The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows: Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens:, and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3608(b)) and implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.

AP-85 Other Actions

Actions planned to foster and maintain affordable housing

All of the City assisted affordable housing projects have long term (40-50) year covenants which protect and preserve the affordability period for low income persons. The City does not anticipate a loss to the existing affordable housing inventory.

Actions planned to reduce lead-based paint hazards

To address lead paint hazards, the city has 2 main courses of action: (1) the City has integrated evaluation and reduction activities into its housing programs, and (2) the City also provides public information and education concerning lead-based paint. Participants of consumer loan/rehab programs are provided with the Renovate Right Informational Booklet (EPA740-K-10-001, dated April 2010) from the EPA. Each participant must sign an acknowledgement that they have received and read the booklet. Homes built prior to 1978 will receive a lead-based paint hazards inspection prior to the rehabilitation, and any remediation will be required as part of the rehabilitation project. For homebuyer projects, both the buyer and seller are provided with information on lead hazards and any mitigation are made the responsibility of the seller.

Actions planned to reduce the number of poverty-level families

Moreno Valley's Anti-Poverty Strategy includes the utilization of a variety of programs that, when coupled with other community programs and resources, and working with local agencies (County, private, and nonprofit) can help reduce the number of persons with incomes below the poverty line. The City aims to provide opportunities to reduce the financial burden for the lower income population and assist to maintain livable conditions through economic development and job creation, the provision of affordable housing, the use of nonprofit organizations providing basic needs services, and a coordination of efforts

Actions planned to develop institutional structure

The City of Moreno Valley benefits from a solid institutional structure and relationships with various local public and private agencies. In the upcoming year, City staff will continue to work at strengthening its dialogue with Riverside County agencies such as the Departments of Mental Health and Public Social Services, specifically to address regional homeless issues. Staff will continue to serve on the Steering Committee for the Continuum of Care Consortium which provides opportunities to network with local public and non-profit agencies. The City will also remain a member of the March Joint Powers Authority, created for the repurposing of the March Air Reserve Base. The base currently housed 3 transitional housing programs for homeless persons and families. The City also participates with the Moreno Valley Multi Agency Collaborative which is organized through the local school district and has members from the community, faith based organizations, health care industries, transportation industries and nonprofit social service programs. Finally, the City will maintain open dialogue with the Riverside County Housing Authority and focus on the use of resident initiatives in public housing.

Actions planned to enhance coordination between public and private housing and social service agencies

The City's goal is to continue to establish collaborative relationships between governmental and social service agencies to assure the effective delivery of services to low-income individuals. One example is the Riverside County Continuum of Care. The Continuum of Care group consists of several local non-profits and local governmental agencies, such as the City of Moreno Valley, who meet periodically to share information, coordinate efforts to assist homeless persons and plan future activities. While the City's ability to directly reduce the numbers of household with incomes below the poverty line is limited, the City will attempt to reduce the number by utilizing multiple programs and working with the county, private and non-profit agencies.

Program Specific Requirements

AP-90 Program Specific Requirements

Introduction

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220.(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220.(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:
Not applicable.
2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:
The City of Moreno Valley will not be utilizing HOME funds during FY 13/14 for homebuyer activities.
3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:
4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:
The City has no plans to refinance existing debt secured by multifamily housing rehabilitated with HOME funds during the upcoming program year FY 13/14.



CITY OF MORENO VALLEY

**Analysis of Impediments to Fair Housing
Choice and Fair Housing Action Plan**

July 1, 2013 through June 30, 2018

Section 1

SECTION 1 - INTRODUCTION

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SECTION 1 - INTRODUCTION

A. AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) CERTIFICATION

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

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

The AFFH certification states that the community receiving HUD funds:

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

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

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

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

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

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

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

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

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

SECTION 1 - INTRODUCTION

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

More specifically, HUD has issued the following guidance:

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

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

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

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

HUD also has stated:

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

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

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

HUD has issued the following guidance:

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

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

SECTION 1 - INTRODUCTION

B. MEANING AND SCOPE OF FAIR HOUSING IMPEDIMENTS

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 1 - INTRODUCTION

C. PARTICIPANTS IN THE AI

The lead agency for preparation of the *AI* and *Fair Housing Action Plan* is the Business Support and Neighborhood Programs Division of the Community and Economic Development Department. Valuable input to the AI/FHAP was provided by:

- Building & Safety Division
- Planning Department
- Fair Housing Council of Riverside County, Inc.

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

The Planning Department will address many of the public sector impediments. Some of these impediments were identified in the City's *2008-2014 Housing Element of the General Plan*.

D. PUBLIC PARTICIPATION

HUD has stated that because fair housing planning is a component of the Consolidated Plan, the citizen participation requirements for the Consolidated Plan (24 CFR 91) applies to the preparation of the AI and Fair Housing Action Plan.

Source: U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Fair Housing Planning Guide*, Volume 1, March 1996, page 4-3.

1. Fair Housing Workshops

Fair housing workshops were held on October 29, 2012 and November 14, 2012. The first workshop was attended by residents and public service agencies. An overview of the scope and purpose of the AI was given to the attendees. Housing concerns mentioned at the workshop primarily pertained to the great need for rental assistance. On-site apartment resident managers were invited to the second focus group workshop. The Fair Housing Council distributed information on fair housing training to those in attendance. The main concern raised at the focus group workshop was reasonable accommodations, particularly the issue of reasonable accommodation requests to smoke marijuana and cultivate it on the site.

A third workshop was held at City Hall on February 27, 2013. At this workshop, the Fair Housing Council provided training to resident apartment managers. Additional workshops will be conducted in the future to address the impediments identified in the *AI*. During the course of completing the AI, the City has assembled the names, addresses, phone numbers and e-mail addresses of the resident apartment managers. As a result, the City and Fair Housing Council will be able to directly inform the managers on how to address fair housing impediments such as the lack of a written policy on the accommodation of service and companion animals for disabled persons. Additionally, information on emerging fair housing issues will be provided to the managers on an as-needed basis.

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2. Resident Fair Housing Survey

A major effort was undertaken by the City and Fair Housing Council to obtain public participation through the completion of a fair housing survey. The purpose of the survey was to obtain resident opinions on housing discrimination. Respondents, for instance, were asked whether they thought housing discrimination exists in Moreno Valley and to give examples of discriminatory practices. Additionally, information was obtained on the characteristics of the respondents in order to compare them to those of City's entire population.

The Fair Housing Council administered the survey by posting it on its website, through telephone surveys and talking with visitors to its offices, and also at events located in the City. The survey results will be available in March 2013. The survey instrument is reproduced on pages 7 and 8.

E. REPORT FORMAT

Besides this Introduction, the Report includes the following Sections:

Section 2 – Fair Housing Progress Report: The prior *Analysis of Impediments to Fair Housing Choice* contained actions that were scheduled to be taken during the 2008-2013 time period. Section 2 describes the actions taken during the past five years to eliminate or ameliorate the identified impediments.

Section 3 – Fair Housing Action Plan: This Section presents a new multi-year *Fair Housing Action Plan*. There are two impediment categories – public sector and private sector impediments. A summary description is given of each identified impediment. The actions the City plans to have its fair housing provider undertake are described in the *Fair Housing Action Plan*. Additionally, actions to be taken by the City are described in Section 3. Finally, actions are described to address affirmatively furthering fair housing through the location of affordable housing.

Appendix A – Fair Housing Community Profile: This Appendix presents demographic information on general housing and population characteristics, population growth in Moreno Valley, demographics of the protected classes, household income for different racial groups and Hispanic households, and other information.

Appendix B – Private Sector Fair Housing Analysis: This Appendix presents information on private sector impediments such as housing discrimination, blockbusting, discriminatory advertising, denial of reasonable accommodations or modifications, hate crimes and unfair lending.

Appendix C - Public Sector Fair Housing Analysis: This Appendix describes the public sector impediments. These impediments were identified through a survey regarding local governmental codes or policies and practices that may result in the creation or perpetuation of one or more impediments to fair housing choice. The survey has a particular focus on land use and zoning regulations, practices and procedures that can act as barriers to the siting, development, or use of housing for individuals with disabilities. It also touches on areas that may affect fair housing choice for families with children or otherwise serve as impediments to full fair housing choice.

SECTION 1 - INTRODUCTION

Appendix D – AFFH Through the Location of Affordable Housing: A lack of affordable housing in and of itself, HUD has pointed out, is not an impediment to fair housing choice, unless it creates an impediment to housing choice *because* of membership in a protected class. However, recent court cases and recent events have demonstrated that the location of affordable housing is regarded as a means of AFFH. This Appendix describes the characteristics of the census tracts in which affordable housing is located.

Appendix E – Persons Consulted and Data Sources: The Appendix lists all the persons consulted and the data sources which were used to prepare the *AI and Fair Housing Action Plan*.

SECTION 1 - INTRODUCTION

City of Moreno Valley - Resident Fair Housing Survey

Please check the appropriate box.

1. What is your living situation?

- I own a home
- I rent

2. What is your type of household?

- Married couple with children
- Married couple without children
- Female householder with children
- Male householder with children
- Other

3. Do you or any member of your household have a disability?

- Yes
- No

4. Have you ever experienced housing discrimination while a resident of Moreno Valley?

- Yes, I have
- I think I may have
- No, I have not (if you check this box go to questions 8-11)
- I don't know (if you check this box go to questions 8-11)

5. Why do you believe you were discriminated against? Because of your -

- | | | |
|---|--|-------------------------------------|
| <input type="checkbox"/> Race | <input type="checkbox"/> Color | <input type="checkbox"/> Religion |
| <input type="checkbox"/> National Origin | <input type="checkbox"/> Ancestry | <input type="checkbox"/> Gender |
| <input type="checkbox"/> Marital Status | <input type="checkbox"/> Family Status
(because of your children) | <input type="checkbox"/> Disability |
| <input type="checkbox"/> Sexual Orientation | <input type="checkbox"/> Source of Income
(i.e., welfare) | <input type="checkbox"/> Age |
| <input type="checkbox"/> Other | | |

6. Which of the following best describes the person who discriminated against you?

- My landlord/property manager
- A real estate agent
- A mortgage loan officer
- A home owner's insurance agent
- City staff

Other: _____

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7. What did that person do to discriminate against you?

- Would not allow me to modify my apartment unit to meet my needs.
- Would not allow me to have my service (or companion) animal even though I need one.
- Manager would not rent to me because I have children.
- Told me the apartment unit was not available when I called even though I later found out it was.
- Showed me homes to buy in neighborhoods that I did not want to see.
- Told me that certain people were moving into the neighborhood and suggested that I sell my home.
- Manager made negative comments about my race.
- Manager told me the 2-bedroom unit I wanted to rent was too small because each of my kids needs a separate bedroom.
- Offered me loans at too high an interest rate.
- Offered me home owner's insurance at too high a cost.

Other: _____

8. Do you know to whom you would report housing discrimination?

- Yes
- No
- Not sure

9. If yes, who would you report the housing discrimination to? (you may check more than box)

- Police
- City Staff
- Fair Housing Council of Riverside County, Inc.
- Mayor
- U.S. Department of Housing and Urban Development (HUD)
- Inland Fair Housing and Mediation Board
- State of California
- Fair Housing Foundation
- Other: _____

10. Please check the box that best describes your ethnicity:

- Of Hispanic, Latino or Spanish Origin No, not of Hispanic, Latino or Spanish Origin

11. Please check the box that best describes your race:

Race

- | | |
|---|--|
| <input type="checkbox"/> White | <input type="checkbox"/> Native Hawaiian, Other Pacific Islander |
| <input type="checkbox"/> Black/African American | <input type="checkbox"/> Some Other Race |
| <input type="checkbox"/> American Indian or Alaska Native | <input type="checkbox"/> Two or More Races |
| <input type="checkbox"/> Asian | |

Section 2

SECTION 2 - FAIR HOUSING PROGRESS REPORT

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SECTION 2 – FAIR HOUSING PROGRESS REPORT

A. INTRODUCTION

The study required by HUD regulations is known as the *Analysis of Impediments to Fair Housing Choice* or *AI*. The City's prior *AI* was adopted in 2008. HUD's guidelines suggest that an *AI* should document the progress made on implementing the recommended actions of the prior *AI*. In this way, the City can document impediments that have been ameliorated or removed. Impediments that have been removed do not need to be considered in the *2013-2018 AI and Fair Housing Action Plan*.

B. PROGRESS ON IMPLEMENTING THE 2008-2013 FAIR HOUSING ACTION PLAN

Table 2-1 describes the following:

- Ten actions recommended to ameliorate or remove private sector impediments
- Seven actions recommended to ameliorate or remove public sector impediments
- Accomplishments achieved between 2008 and 2013

**Table 2-1
City of Moreno Valley
Progress Report: Fair Housing Action Plan –
Program Year 2008-2009 to Program Year 2012-2013**

Private Sector Actions	Accomplishments
Support fair housing services in order to ameliorate the impacts of housing discrimination.	During the period from PY 2008/2009 through PY 2012-2013, the City contracted for fair housing services with the Fair Housing Council of Riverside County, Inc.
Provide access to home improvement financing through low interest and deferred loans.	Access to financing is provided through the Home Improvement Loan Program (HILP), Mobile Home Grant Program, and Habitat for Humanity Mobile Home Rehabilitation Program
Support fair housing services in order to inform residents on how to recognize and avoid predatory lending, blockbusting/panic selling, and steering.	The Fair Housing Council of Riverside County provides fair housing services to residents. Fair housing workshops are periodically conducted on a range of topics
Develop a directory of hate victim services and establish protocol for having the Police Department refer hate crime victims to available services.	The City supports a "211 Telephone Public Service" which maintains a directory of victim services and provides victims with referrals to service providers.
Continue to maintain an awareness of professional organizations that guide the day-to-day practice of real estate agents and property management companies.	The City continues to maintain an awareness of these organizations and how they affect housing in Moreno Valley. These organizations include the Inland Valley Association of REALTORS, California Apartment Association, Apartment Association of the Greater Inland Empire, and the Apartment Association of San Bernardino County.

SECTION 2 – FAIR HOUSING PROGRESS REPORT

**Table 2-1 continued
City of Moreno Valley
Progress Report: Fair Housing Action Plan –
Program Year 2008-2009 to Program Year 2012-2013**

Private Sector Actions	Accomplishments
Encourage the Riverside Press-Enterprise to identify in its Fair Housing Notice the agencies that can respond to fair housing questions.	The Press-Enterprise has not yet amended its Fair Housing Notice to include the name and telephone number of the Fair Housing Council of Riverside County, Inc. In March 2013, the FHCRC and City transmitted a letter to the Press-Enterprise suggesting that the Fair Housing Notice identify the Fair Housing Council as an agency that can respond to reader questions regarding fair housing.
Encourage the Riverside Press-Enterprise to publish a “no pets” disclaimer that indicates rental housing owners must provide reasonable accommodations, including “service animals” and “companion animals” for disabled persons.	The Press-Enterprise has not yet published a written “no pets” disclaimer. In March, the City and Fair Housing Council transmitted a letter to the Press-Enterprise suggesting the text that should be added to the Fair Housing Notice.
Prepare a summary of reasonable accommodation requirements and transmit this information to the owners and managers of large apartment communities.	This information was transmitted to the manager of the Ironwood Villas Apartments on November 14, 2012. The information also was provided to property managers who attended a FHCRC Training Workshop on February 27, 2013.
Provide a link to the State Department of Fair Employment and Housing video on reasonable accommodations.	The City will provide the following link www.dfeh.ca.gov to the DFEH. At the Department’s website the video Fair Housing and Disability: Reasonable Accommodations can be accessed as well as videos on other fair housing subjects. The City will post the link before the end of Program Year 2012-2013.
Produce a directory of accessible apartment housing.	The City conducted apartment surveys in 2007 and 2012. A question was asked of local property managers on the number of accessible apartment units. The data was not conclusive as many managers were unsure of the number. As a result information is being collected on the number of apartment complexes built for first occupancy after March 13, 1991, which is the date the Fair Housing Act’s accessibility guidelines took effect.

SECTION 2 – FAIR HOUSING PROGRESS REPORT

**Table 2-1 continued
City of Moreno Valley
Progress Report: Fair Housing Action Plan –
Program Year 2008-2009 to Program Year 2012-2013**

Public Sector Actions	Accomplishments
Augment FHCRC services to provide foreclosure counseling.	In 2008, the Fair Housing Council of Riverside County, Inc. added a comprehensive Foreclosure Prevention/Loss Mitigation Program to the service offered residents. The program provides homeowners that are either at risk of foreclosure or already in the foreclosure process with no cost assistance in negotiating with lenders in order to avoid losing their homes.
Transmit to the County of Riverside Housing Authority information on areas of minority and low-income concentrations.	The City has analyzed the 2010 Census in regard to the minority population in each census tract. However, HUD plans to release information on low and moderate income areas by the summer of 2014. The City will transmit minority population data to the Housing Authority by the end of Program Year 2012-2013. Low and moderate income data will be transmitted to the Housing Authority by the summer of 2014.
Transmit to the County of Riverside Housing Authority an inventory of rental housing communities located outside areas of minority and low income concentrations.	The City is in the process of identifying apartment communities located outside areas of minority and low income concentrations. The City will transmit this information to the Housing Authority before the end of PY 2012-2013.
Amend the Development Code to include a specific disability definition that is consistent with the one in the Fair Housing Act.	The Development Code was not amended to add a “disability” definition. This action will be implemented in the first year of the PY 2013-2018 Fair Housing Action Plan.
Revise the Development Code to permit on-site supportive services to meet the non-housing needs of the disabled populations.	The City’s Housing Element indicates that transitional and supportive housing is allowed in all residential zones.
Amend the Development Code to include a reasonable accommodation procedure as a means of enabling disabled persons to request a modification from zoning, building and land use rules, standards, and policies.	The Development Code was not amended to include a “reasonable accommodation procedure.” This action will be implemented in the first year of the FY 2013-2018 Fair Housing Action Plan.
Provide a link to the State Department of Fair Employment and Housing’s (DFEH) six-minute video on reasonable accommodations for tenants.	The City will provide the following link www.dfeh.ca.gov to the DFEH. At the website residents will be able to access information on reasonable accommodations and other fair housing topics.

Section 3

SECTION 3 - FAIR HOUSING ACTION PLAN

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SECTION 3 – FAIR HOUSING ACTION PLAN

A. INTRODUCTION

Public sector and private sector impediments to fair housing choice are described in detail in Appendices B and C. Section 3 describes the actions to be taken between mid-year 2013 and mid-year 2018 to remove or ameliorate impediments to fair housing choice and, thereby, affirmatively further fair housing.

B. PUBLIC SECTOR IMPEDIMENTS AND ACTIONS TO BE TAKEN

Table 3-1 describes the following:

- Public sector impediments, which are described greater detail in Appendix B
- Actions which will be taken to ameliorate or remove the impediment
- Time schedule for completion of the actions

The City will be responsible for implementing the recommended actions which address public sector impediments.

Appendix B describes in more detail the public sector impediments and recommended actions.

C. PRIVATE SECTOR IMPEDIMENTS AND ACTIONS TO BE TAKEN

Table 3-2 describes the following:

- Private sector impediments, which are described greater detail in Appendix C
- Actions which will be taken to ameliorate or remove the impediment
- Time schedule for completion of the actions

Many of the actions will be the responsibility of the Fair Housing Council of Riverside County, Inc. The Fair Housing Council is Moreno Valley's fair housing provider. Annually, the City allocates CDBG funds to support the services of the Fair Housing Council

Appendix C describes in more detail the private sector impediments and recommended actions.

SECTION 3 – FAIR HOUSING ACTION PLAN

**Table 3-1
City of Moreno Valley
Summary of Public Sector Impediments
Action Plan Recommendations and Action Plan Schedule**

Impediments	Action Plan Recommendations	Action Plan Schedule
Housing for Disabled Persons – Disability Definition		
HUD encourages cities to provide a definition of “disability” in its planning and zoning codes.	In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.	The disability definition will be added to the Planning and Zoning Code in Program year 2013-2014.
Housing for Disabled Persons – Supportive Services		
HUD encourages cities to make provisions for housing with supportive services in the planning and zoning codes. The City’s zoning regulations do not explicitly prohibit or permit transitional and supportive housing in residential zones.	The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.	The Planning and Zoning Code will be amended in Program Year 2013-2014.
Housing for Disabled Persons – Reasonable Accommodation Procedure		
HUD, the Federal Department of Justice and the California Attorney General’s Office all encourage cities to adopt a reasonable accommodation procedure. This procedure provides a means for disabled persons to requests exceptions from the development standards of a planning and zoning code and the standards of a building code.	The City will adopt a reasonable accommodation procedure.	The reasonable accommodation procedure will be adopted in Program Year 2013-2014.

SECTION 3 – FAIR HOUSING ACTION PLAN

**Table 3-1 - continued
City of Moreno Valley
Summary of Public Sector Impediments
Action Plan Recommendations and Action Plan Schedule**

Impediments	Action Plan Recommendations	Action Plan Schedule
Special Needs Populations		
<p>HUD encourages cities to address special needs populations through provisions in their planning and zoning codes and policies contained in their planning documents.</p>	<p>The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013), the City must address the needs of the developmentally disabled population. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.</p>	<p>The special needs populations will be addressed annually as part of the Consolidated Plan's Annual Action Plans.</p> <p>A definition and development standards for special needs housing will be considered in Program Year 2014-2015.</p>
Senior Housing		
<p>Under federal law housing discrimination against families with children is permitted only in housing in which all the residents are 62 years of age or older or where at least 80% of the occupied units have one person who is 55 years of age or older. Generally, California law states that a housing provider using the lower age limitation of 55 years must have at least 35 units to use the familial status discrimination exemption. Also, California law, with narrow exceptions, requires all residents to be "senior citizens" or "qualified permanent residents", pursuant to Civil Code §51.3.</p> <p>The Planning and Zoning Code needs to be amended to contain a more precise definition of "senior housing."</p>	<p>The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows:</p> <p style="padding-left: 40px;">Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3607(b)) and implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.</p>	<p>A senior housing definition and other senior housing topics will be considered in Program Year 2014-2015.</p>

SECTION 3 – FAIR HOUSING ACTION PLAN

**Table 3-2
City of Moreno Valley
Summary of Private Sector Impediments
Action Plan Recommendations and Action Plan Schedule**

Impediments	Action Plan Recommendations	Action Plan Schedule
Housing Discrimination		
Based on past trends, about 165 housing discrimination complaints will be filed during the five year period between 2013 and 2018. The bases for most of these complaints are likely to be race/color and disability.	<p>The City and Fair Housing Council of Riverside County, Inc. will continue to offer to its residents fair housing services</p> <p>The Fair Housing Council will post on its website a page where residents can input their fair housing questions.</p>	Ongoing; Program Year 2013-2014 to Program Year 2017-2018
Brokerage Services		
No impediment was found. Brokerage services as defined by the Federal Fair Housing Act pertain to the MLS and real estate organizations. However, fair housing and real estate practices are of interest because of the number of homes that will be sold and bought in Moreno Valley over the next five years.	The City and Fair Housing Council of Riverside County, Inc. will arrange a meeting with IVAR's Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.	Two meetings: Program Year 2014-2015 and Program Year 2017-2018
Steering		
<p>Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact renters when they seek an apartment.</p> <p>Corrective actions have been taken regarding loan steering so that abuse may not happen in the future as frequently as it occurred in the early to mid- 2000s.</p> <p>However, the steering of apartment seekers is likely to continue, although it is not possible to measure its frequency.</p>	<p>The Fair Housing Council - as part of its home buyer counseling services – will provide examples of how to detect "steering" during the home search process and how to detect "loan steering."</p> <p>The Fair Housing Council will offer information to renters attending workshops on how to detect steering behavior by resident property managers.</p>	Ongoing: Program Year 2014-2015 to Program Year 2017-2018

SECTION 3 – FAIR HOUSING ACTION PLAN

**Table 3-2 - continued
City of Moreno Valley
Summary of Private Sector Impediments
Action Plan Recommendations and Action Plan Schedule**

Impediments	Action Plan Recommendations	Action Plan Schedule
Appraisal Practices		
<p>Complaints regarding appraisal discriminatory practices are not routinely collected by local, State or Federal agencies. It may occur but would-be homebuyers are in the best position to detect potentially discriminatory practices.</p>	<p>The Fair Housing Council will add "how to read an appraisal report" to its homebuyer counseling services.</p>	<p>Program Year 2014-2015 to Program Year to Program Year 2017-2018</p>
Lending Practices		
<p>The potential for a high percentage of FHA loans becoming seriously delinquent will disproportionately affect Hispanic home buyers as 70% bought their homes with FHA/VA financing.</p> <p>As the FHA/VA reduces its market share of mortgage credit, fewer minorities will be able to obtain loans to purchase a home.</p> <p>Disparities exist among the loan denial rates experienced by minority loan applicants compared to White loan applicants.</p> <p>Bank of America has a loan denial rate considerably higher than other major lenders.</p>	<p>The City and Fair Housing Council will annually monitor the HMDA data to establish long-term trends in loan denial rates.</p> <p>The City and Fair Housing Council will maintain an inventory of FHA and low down payment financed homes.</p> <p>The City and Fair Housing Council will monitor on a regular schedule the notices of default by address made available by the County Recorder's Office or through a subscription service.</p> <p>The City and Fair Housing Council will match the notices of default by address to the addresses of the low down payment financed homes.</p> <p>The Fair Housing Council will contact the borrowers in default and inform them of default and foreclosure counseling services available to homeowners at risk of losing their homes.</p>	<p>Ongoing: Program Year 2013-2014 to Program Year 2017-2018</p>

SECTION 3 – FAIR HOUSING ACTION PLAN

**Table 3-2 - continued
 City of Moreno Valley
 Summary of Private Sector Impediments
 Action Plan Recommendations and Action Plan Schedule**

Impediments	Action Plan Recommendations	Action Plan Schedule
Homeowner's Insurance		
<p>As Moreno Valley has the second lowest home owners insurance premiums of the eight areas studied, there are no major impediments. However, without adequate knowledge consumers could pay more than they need to for appropriate insurance coverage.</p>	<p>The Fair Housing Council will add "homeowners insurance" and "CLUE Reports" to its homebuyer counseling services.</p> <p>The Fair Housing Council will provide educational services to home buyers and borrowers so they understand the impact of CLUE Reports and can compare homeowner's premium rates.</p>	<p>Ongoing: Program Year 2014-2015 to Program Year 2017-2018</p>
Property Management Practices		
<p>Property management practices pertaining to service and companion animals; reasonable accommodations; and modifications can pose impediments to fair housing choice.</p>	<p>The Fair Housing Council will update the list of the names and e-mail addresses of the resident apartment managers.</p> <p>The City and Fair Housing Council will arrange an "informational session" between the fair housing counselors and resident managers to exchange insights on a variety of fair housing issues.</p> <p>The City and Fair Housing Council will continue to inform resident managers by transmitting information to their e-mail and/or physical addresses.</p>	<p>Informational Session to be held PY 2013-2014</p> <p>Transfer information to resident managers; ongoing: Program Year 2014-2015 to Program Year 2017-2018</p>

SECTION 3 – FAIR HOUSING ACTION PLAN

**Table 3-2 - continued
City of Moreno Valley
Summary of Private Sector Impediments
Action Plan Recommendations and Action Plan Schedule**

Impediments	Action Plan Recommendations	Action Plan Schedule
Reasonable Modifications or Accommodations		
<p>A fair housing impediment is the practice of apartment managers to refuse disabled renters either a reasonable modification or reasonable accommodation.</p>	<p>The City and Fair Housing Council will transmit to the resident apartment managers a model written policy regarding reasonable accommodations and modifications.</p> <p>The City and Fair Housing Council will continue outreach to resident apartment managers through training sessions, workshops, correspondence and other means.</p> <p>As new information becomes available, the City and Fair Housing Council will transmit it the resident apartment managers' e-mail and/or physical addresses.</p>	<p>Transmit model written policy: Program Year 2014-2015</p> <p>Continue Outreach: 2014-2015 to Program Year 2017-2018</p>
Discriminatory Advertising		
<p>Ads containing discriminatory words or phrases are infrequently published. However, ads with discriminatory words or phrases may be published in the future. Additionally, ads stating "no pets" may discourage disabled persons from applying for the apartment housing advertised in print publications.</p>	<p>The City and Fair Housing Council of Riverside County, Inc. will continue to work with the Press-Enterprise to amend its fair housing notice with regard to: 1) placing the notice closer to the for rent ads; 2) add the protected classes per State law; 3) explain that service and companion animals are not pets; and 4) add the Fair Housing Council phone number.</p> <p>The Fair Housing Council will semi-annually review ads published in newspapers, on-line apartment search sites, and craigslist. When discriminatory words or phrases are found, the Council will notify the entities placing the ads of the need to remove those words and phrases.</p>	<p>Press Enterprise Fair Housing Notice: Program Year 2012-2013 and Program Year 2013-2014</p>

SECTION 3 – FAIR HOUSING ACTION PLAN

Hate Crimes		
<p>Hate crimes occur infrequently. When they do occur they can devastate families who believe they must move from the home and neighborhood of their choice.</p> <p>During the five-year period of the AI (2013-2018), about 20 to 25 hate crime events may occur with a home being the location of six to seven.</p> <p>There is a need for a resource directory so victims can be referred to community resources.</p>	<p>The City should prepare a Hate Crime Victims Resource Directory.</p> <p>When that Directory is deemed complete, it should be transmitted to the Police Department to use as a referral resource.</p>	<p>Program Year 2015-2016</p>

Appendix A

APPENDIX A - FAIR HOUSING COMMUNITY PROFILE

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APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

A. INTRODUCTION AND SUMMARY

1. Introduction

The *Fair Housing Community Profile* presents information on Moreno Valley's housing, population and demographic characteristics with a focus on the Fair Housing Act's protected classes. More specifically, information is presented on:

- Population growth trends in Riverside County and Moreno Valley
- City housing, demographic and economic characteristics
- Comparison of City and County demographic and economic characteristics
- Characteristics of fair housing groups residing in Moreno Valley
- Comparison of the status and well-being of the fair housing protected groups

The demographic profile of the protected classes includes information on:

- Race and color
- Sex of households
- National origin/ancestry
- Familial status
- Handicap/disability
- Marital status

The comparison of status and well-being of fair housing protected groups explores:

- Income
- Poverty
- Homeownership
- Crowding

The *Fair Housing Community Profile* data sources include:

- Census 2000
- Census 2010
- American Community Survey
- California Department of Employment
- Fair Housing Council of Riverside County
- California Department of Fair Employment and Housing
- U.S. Department of Housing and Urban Development

The American Community Survey (ACS) data is based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown in the ACS data is the 90% margin of error. The margin of error can be interpreted roughly as providing a 90% probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. The tables presented in the *Fair Housing Community Profile* which are based on the ACS sometimes describe the margin when they are unusually high such as the Asian poverty rate and median household income by race and ethnicity. For the most part, the ACS percentage values are applied to the 2010 Census population and household counts to estimate conditions at that time without documenting the margin of error.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

2. Summary

The list below and on pages A-2 and A-3 provides a summary of the information presented in the *Fair Housing Community Profile*:

- Riverside County's population is projected to reach 2,626,200 people by 2020, 3,146,000 people by 2030 and 3,678,100 people by 2040.
- In a few short years, the Hispanic population will comprise more than one-half of Riverside County's population.
- Moreno Valley – with a population of almost 200,000 persons - is the 2nd largest city in Riverside County.
- SCAG forecasts the City's population to reach about 255,100 people in 2035, an increase by about 61,500 people between 2010 and 2035.
- Between 2000 and 2012, the housing stock grew from about 41,400 to almost 55,800 housing units, an increase of about 14,400 housing units.
- Moreno Valley's housing stock is comprised of 55,800 housing units of which 81% are single-family detached homes.
- Moreno Valley's homeownership rate is almost 65% which is slightly lower than that of Riverside County.
- About 51,600 households live in Moreno Valley, of which 42% have lower incomes, meaning less than 80% of Riverside County's median household income.
- Between 2000 and 2010, the labor force grew by about 29,300 workers. The employed work force increased by about 19,400 workers. On the other hand, the number of unemployed workers increased by 10,140 which resulted in a 16.9% jobless rate.
- There are about 75,800 employed residents. Almost 23% of the employed residents work in the educational services, health care and social assistance industry. About 15% of employed residents had jobs in the retail trade industry.
- There are almost 21,700 jobs located in Moreno Valley. Almost 7,100 local jobs are found in the education services and healthcare and social assistance sectors.
- Major employers are government/education related, medical and hospital facilities, and the Mall.
- Of the 75,800 employed residents, 25% work within the City and 75% have a job located outside the City limits.
- About 19% of the almost 193,400 people calling Moreno Valley home are White Alone and about 81% identify with a minority population group.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

- Three groups comprise most of the minority population –
 - ✓ Hispanics 54.4%
 - ✓ Blacks 17.2%
 - ✓ Asians 5.9%
- Almost 50% of the Hispanic population identifies with a racial group other than White.
- Excluding married couples, there are an estimated 22,592 householders of which 63% (14,300) are female and 37% (8,292) are male.
- About 48,000 people are foreign born, mainly in Latin America (77%) and Asia (18%).
- There are an estimated 43,200 *family* households, which comprise about 84% of all households. About 24,100 family households have children; therefore, about 47% of all households have children less than 18 years of age (24,115/51,592).
- Disabilities affect about 15,500 people. The elderly (65 years +) comprise about 44% of all disabled people.
- About 47% of the population 15 years of age or older are married and 37.5% have never married.
- Less than 2% of the workers use public transportation as a means to work. About 78% of all workers drive to work alone.
- The poverty rates by race and ethnicity range from a low of 4.4% (Native Hawaiian and Other Pacific Islander) to a high of 35.8% (Asian). The Black (27.1%) and Hispanic (18.5%) poverty rates also are relatively high. It must be noted that the margin of error for the Asian poverty rate was +/-18%.
- Female heads of households both with and without children under 18 experience the highest poverty income rates. About 2,000 female householders with children live in poverty, or about 36% of all such household types.
- The City has about 33,400 owner and 18,200 renter households. Hispanic or Latino renters comprise about 8,000 of the 18,200 renters. The City's 2010 homeownership rate was almost 65%. Homeownership rates ranged from a low of 48.2% (Native Hawaiian and Other Pacific Islander) to a high of 76% (White Alone). Only two groups – Asians and White Alone – had home ownership rates higher than the City's average.
- Crowding is a condition that disproportionately impacts Native Hawaiian and Other Pacific Islander households. Hispanic households, however, comprise about 82% of all crowded households.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

B. POPULATION GROWTH IN RIVERSIDE COUNTY AND MORENO VALLEY

1. Population Growth in Riverside County

a. Population Trends and Change by Race and Ethnicity

The racial and ethnic composition of Riverside County's population has been experiencing dramatic change for the past few decades. It passed a major milestone in the 2010 when Riverside County became a majority-minority county. Table A-1 shows in percentage terms the population trends of the White and minority populations.

Table A-1
Riverside County: Population Trends – 2000 and 2010

Year	White	Hispanic	Black	Asian
2000	51.6%	36.2%	6.0%	3.8%
2010	39.7%	45.5%	6.0%	6.0%

Source: Census 2000, Summary File 1 Table P004 - Hispanic or Latino, and Not Hispanic or Latino by Race

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

Table construction by Castañeda & Associates

Table A-2 shows the population change between 2000 and 2010. Although the White population numerically increased by about 80,300 people, it now comprises about 40% of the 2010 County population compared to almost 52% in 2000.

Table A-2
Riverside County: Population Change – 2000-2010

Race/Ethnicity	2000	2010	Population Change
White	788,831	869,068	80,237
Hispanic	559,575	995,257	435,682
Black	92,403	130,823	38,420
Asian & Pacific Islander	58,483	131,770	73,287
American Indian & Alaskan Native	10,135	10,931	796
All Other Races	35,960	51,792	15,832
Total	1,545,387	2,189,641	644,254

Source: Southern California Association of Governments from Census 2000 SF1 and Census 2010 PL 94

Table construction by Castañeda & Associates

The Hispanic population now numbers almost 1 million people, having increased by about 435,700 persons between 2000 and 2010. The Hispanic population accounted for almost 68% of the growth in the past decade.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

The Asian population has also experienced tremendous growth having increased by about 73,300 people between 2000 and 2010. In 2000, the Asian population stood at about 58,500 representing 3.8% of Riverside County's population and by the time of 2010 Census, reached 131,770 representing 6.0% of the County's population. The Black population grew by about 38,500 persons and continues to represent about 6.0% of Riverside County's population.

b. Projected Population Growth

Table A-3 shows the projected population growth to 2040. The County's population is projected to reach 2,626,200 people by 2020, 3,146,000 people by 2030 and 3,678,100 people by 2040. Sometime between 2010 and 2020, the Hispanic population will comprise more than one-half of the County's population.

Table A-3
Riverside County Population Projections: 2010-2040

Year	Population	Incremental Increase	Cumulative Increase
2010	2,191,449		
2015	2,381,548	190,099	190,099
2020	2,626,222	244,674	434,773
2025	2,881,356	255,134	689,907
2030	3,145,948	264,592	954,499
2035	3,415,040	269,092	1,223,591
2040	3,678,119	263,079	1,486,670

Source: State of California, Department of Finance, *Interim Population Projections for California and Its Counties 2010-2050*, Sacramento, California, May 2012
Table construction by Castañeda & Associates

Population projections by race and ethnicity are currently unavailable. The Demographic Research Unit of the State Department of Finance will develop full population projections with greater detail, such as age, sex, and race/ethnicity, for California and California counties through 2050 by January 2013. The final projections will encompass more complete sets of assumptions and will reflect the 2010 Census Modified Age Race Sex (MARS) file. These full projections will replace the Interim Projections.

c. Housing Needs

It is expected that most of the immigrants settling in Riverside County will come from the same areas of the globe as those that now reside in the county: Asia and Latin America. They will probably share similar characteristics as today's immigrants. Those from Central America will be younger, have lower levels of education, have higher poverty rates, and have lower levels of English proficiency. Thus, the need for programs that assist immigrants in helping to provide safe and adequate housing will still persist, including fair housing services. There will also be a tremendous demand for housing as the large population born in the 1990s and the first decade of the 21st century become adults and form new households.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

2. Population Growth in Moreno Valley

Moreno Valley is located in western Riverside County, about 66 miles east of Los Angeles and 100 miles north of San Diego. Nestled in a valley with mountains serving as a physical boundary from other neighboring communities, the City consists of 50 square miles and is served by the Moreno Valley Freeway (Route 60) and Interstate 215. It has the second largest population of all cities located within Riverside County.

Table A-4 shows that in the past 20 years, the City's population has increased by about 63%, increasing from about 118,800 people in 1990 to about 193,400 people in 2010. Between 2000 and 2010 the City experienced a population increase of almost 51,000 people.

Table A-4
City of Moreno Valley
Population Growth Trends - 1990 to 2010

Year	Population	Incremental Increase	Incremental % Increase	Cumulative Increase	Cumulative % Increase
1990	118,779				
2000	142,381	23,602	19.9%	23,602	19.9%
2010	193,365	50,984	35.8%	74,586	62.8%

Source: U.S. Census of Population and Housing for years 1990, 2000 and 2010
Table construction by Castañeda & Associates

Key characteristics of the population include:

- About 81% of the population belongs to a minority group
- About 54% of the population is Hispanic or Latino
- About 19% of the population is White, Alone

SCAG's RTP 2012 forecasts a population increase of about 61,500 people by the year 2035.

C. MORENO VALLEY'S KEY HOUSING, DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

1. Housing Supply and Occupancy

Table A-5 on the next page shows the occupancy status of the housing stock in 2000 and 2010. Between 2000 and 2010, the housing stock grew from 41,431 to 55,559 housing units, an increase of 14,128 housing units. Between 2000 and 2010 the number of vacant housing units increased by almost 1,800 dwelling units. As a consequence, the vacancy rate grew from 5.3% to 7.1%. The increase in vacancies may be a result of the economic downturn and an increase in the number of foreclosed and vacant bank-owned homes.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

Table A-5
City of Moreno Valley
Housing Stock by Occupancy Status – April 2000 and April 2010

Occupancy Status	Number of Housing Units 2000	Number of Housing Units 2010
Occupied	39,225	51,592
Vacant	2,206	3,967
Total	41,431	55,559
Percent Vacant	5.3%	7.1%

Source: Census 2000 Summary File 1 Table H003 - Occupancy Status (Housing Units)

U.S. Census Bureau, DP-1 Profile of General Population and Housing Characteristics: 2010, Housing Tenure

Table construction by Castañeda & Associates

With regard to the vacancy estimate, the Demographic Research Unit of the Department of Finance states the following:

Occupied housing units are estimated by applying a derived civilian vacancy rate, based on 2010 benchmark data, to the estimated civilian housing units. Adjustments to the census vacancy rates are made periodically; however, exact data on foreclosures and other housing market indicators were not available to adjust vacancy rates.

An estimated 225 housing units were added to the housing stock between April 1, 2010 and December 31, 2011, according to the Demographic Research Unit (DRU) of the State Department of Finance.

2. Housing Types (Units in Structure)

Table A-6 shows Moreno Valley's housing types in 2000 and 2012. Moreno Valley's existing housing stock (January 2012) is comprised of about 55,800 housing units. The basic distribution of housing types is essentially unchanged from 12 years ago – the clear majority (80+ %) of the housing stock consists of single family detached homes. Multi-family housing (5+units) increased from 8.5% to 12.2% of the housing stock. While not large in percentage terms, mobile homes continue to be an important resource as they account for almost 1,400 housing units.

With respect to the 2012 estimate, the DRU of the Department of Finance states the following:

American Community Survey (ACS) data were used to distribute 2010 census housing units into our standard housing types (single detached units, single attached units, two to four units, five plus or apartment units, and mobile homes). Housing units are estimated by adding new construction and annexations and subtracting demolitions and conversions starting from the 2010 benchmark or based on the prior year's estimate. Housing unit changes are supplied by local jurisdictions and the U.S. Census Bureau.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

**Table A-6
City of Moreno Valley
Units in Structure: 2000 and 2012**

Units in Structure	2000		2012	
	Number of Units	Percentage Distribution	Number of Units	Percentage Distribution
Single Family, Detached	34,594	83.4%	44,997	80.7%
Single Family, Attached	892	2.2%	1,127	2.0%
2 to 4 Units	1,390	3.4%	1,505	2.7%
5 Units+	3,543	8.5%	6,791	12.2%
Mobile Homes, Boat, RV, Van, etc.	1,043	2.5%	1,364	2.4%
Total	41,462	100.0%	55,784	100.0%

Sources: Census 2000, Summary File 3 Table DP-4 Profile of Profile of Selected Housing Characteristics: 2000, Units in Structure. California Department of Finance (DOF) Series E-5 City/County Population and Housing Estimates, 1/1/12
Table construction by Castañeda & Associates

3. Homeownership

Homeownership is a key indicator of community well being. Increases or decreases in the percentage of owner-occupied housing, especially in communities that are not high growth, indicates a change in the balance of renter-occupied to owner-occupied housing.

Table A-7 shows the 2000 and 2010 homeownership rates for Moreno Valley, Riverside County, California and the nation. In 2000, the City had a somewhat higher ownership rate than Riverside County. In 2010, however, the reverse was the case, which may be caused by the number of foreclosed homes that became renter-occupied by the time of the decennial Census.

**Table A-7
Comparison of Homeownership Rates by Year**

Area	2000	2010
Moreno Valley	71.1%	64.7%
Riverside County	68.9%	67.4%
California	56.9%	55.9%
Nation	66.2%	65.1%

Source: 2000 Census Summary File 1, Table H15 Tenure by Household Size
2010 Census DP-1 Profile of Population and Housing Characteristics: 2010, Housing Tenure
Table construction by Castañeda & Associates

During the last decade the City's home ownership rate decreased by 6.4%. The increase in the vacancy rate and decrease in the ownership rate may indicate that there are unoccupied and rented single family homes that could become owner occupied over time.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

4. Household Income

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

Household income is the key determinant of ability to pay for housing. For many households, their income is too limited to afford existing housing. A larger number of households have incomes too low to afford new housing, as new housing is usually more expensive than existing housing.

Between 2000 and 2010 household incomes have obviously increased. So, too, has the cost of living. Data are too limited to determine whether the economic well being of the City's householders has been enhanced since Census 2000.

Table A-8 shows the number and percentage of households in ten income groups. Moreno Valley's median household income in 2010 was \$48,907 compared to \$47,387 in 2000, an increase of 3.2%. Between 2000 and 2010, the number of households with annual incomes of less than \$50,000 increased by about 5,500. The percentage of households with incomes of less than \$50,000 was about the same in 2000 (52.9%) and 2010 (50.8%). These data reveal the lack of substantial income gains between 2000 and 2010, which could be the result of underemployment – that is, households adjusting from full- to part-work or working in jobs with wages lower than their previous jobs.

The percentage of households with incomes between \$50,000 and \$99,999 decreased from 37.2% to 33.9%. On the other hand, households with incomes of \$100,000 or more increased from 9.9% to 15.3%

The City's CDBG and HOME programs as well as state and federal affordable housing programs are directed at addressing the needs of lower income households – those having incomes less than 80% of the Riverside County median income.

Table A-9 shows the number and percentage of households in five income groups, based on each group's percentage of the County median household income. About 21,700 households have annual incomes below 80% of Riverside County's median household income. This number represents about 42% of all households. Most communities in Riverside County have about 40% of their households in the lower income group (<80%).

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Table A-8
City of Moreno Valley
Household Income Distribution: 2000 and 2010

Household Income	2000	Percent	2010	Percent
Less than \$10,000	2,550	6.5%	2,838	5.5%
\$10,000 to \$14,999	1,805	4.6%	3,199	6.2%
\$15,000 to \$24,999	4,590	11.7%	5,778	11.2%
\$25,000 to \$34,999	4,551	11.6%	6,294	12.2%
\$35,000 to \$49,999	7,257	18.5%	8,100	15.7%
\$50,000 to \$74,999	9,337	23.8%	10,318	20.0%
\$75,000 to \$99,999	5,257	13.4%	7,171	13.9%
\$100,000 to \$149,999	3,099	7.9%	5,314	10.3%
\$150,000 to \$199,999	510	1.3%	1,857	3.6%
\$200,000 or more	275	0.7%	722	1.4%
Total	39,229	100.0%	51,592	100.0%

Note: Occasionally, the tables will have slightly different counts of the number of households because for some the source is SF 1 (complete count) while for others it may be SF 3 (sample).

Source: Census 2000 Summary File 3 (SF3) Table P052: Household Income in 1999 and American Community Survey (ACS), 2010 1-Year Estimates, DP03, Selected Economic Characteristics, Income and Benefits (in 2010 Inflation-Adjusted Dollars)

Table construction by Castañeda & Associates

Table A-9
City of Moreno Valley: Income Groups by Tenure: 2010

Income Group	Tenure				All Households	Percent
	Owner	Percent	Renter	Percent		
Extremely Low 0-30% AMI	2,137	6.4%	3,676	20.2%	5,813	11.3%
Very Low 30-50% AMI	2,838	8.5%	3,130	17.2%	5,968	11.6%
Low 50-80% AMI	5,643	16.9%	4,313	23.7%	9,956	19.3%
Above Low 80-100% AMI	3,907	11.7%	2,020	11.1%	5,927	11.5%
Above Median 100%+	18,868	56.5%	5,060	27.8%	23,928	46.3%
Total	33,393	100.0%	18,199	100.0%	51,592	100.0%
Percent	64.7%		35.3%		100.0%	

Note: AMI refers to Area Median Income

Source: U.S. Department of Housing and Urban Development, 2005-2009 CHAS data for number and percentage of renter and owner households by income group

U.S. Census Bureau, DP-1 Profile of General Population and Housing Characteristics: 2010, Housing Tenure for total owners and renters; ACS tenure/income group percentages applied to 2010 Census tenure distribution

Table construction by Castañeda & Associates

5. Labor Force/Employment Characteristics

a. Labor Force, Employment and Unemployment Trends

Another key to people's ability to exercise housing choice is employment. This means both jobs within the City as well as the number of local residents that are employed. Employment generates income, which leads to effective housing demand and housing choice.

Table A-10 shows Moreno Valley's labor force and employment characteristics in 2000 and 2010. During the 10-year span, the labor force grew by about 29,300 workers. The employed work force increased by about 19,400 workers. On the other hand, the number of unemployed workers increased by 10,140 which resulted in a 16.9% jobless rate. The increase in the number of unemployed workers and the unemployment rate helps to explain the less than robust income gains which transpired between 2000 and 2010.

Housing choice for all racial and ethnic groups has been diminished by a variety of economic conditions, including the lack of job growth and unemployment.

b. Employed Residents by Industry of Employment

The 75,787 employed residents have jobs in a variety of industries as shown in Table A-11. Almost 23% of the employed residents work in the educational services, health care and social assistance industry. This industry includes jobs at schools, doctor offices, hospitals, nursing care facilities, family and emergency services, child day care and other similar organizations.

About 15% of employed residents had jobs in the retail trade industry. This industry includes jobs at auto dealers, furniture, appliance, grocery and clothing stores, gasoline stations, and other direct selling establishments.

6. Jobs Located in Moreno Valley by Industry

a. Jobs by Industry Sector

There are almost 21,700 jobs located in Moreno Valley. Table A-12 shows the number and types of jobs located within the City limits. There are almost 7,100 local jobs in the education services and healthcare and social assistance sectors. It appears that many employed residents (Table A-11) are employed at local jobs (Table A-12)

b. Major Employers

There is a variety of large businesses, institutions, and agencies that provide both local and regional employment opportunities. The City's major employers are government/education related, medical and hospital facilities, and the Mall.

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Table A-10
City of Moreno Valley
Civilian Labor Force and Employment Characteristics
for Population 16 Years and Over: 2000 and 2010

Employment Status	2000	2010
Population 16 Years +	95,754	138,930
In the Labor Force	61,878	91,161
Employed	56,429	75,787
Unemployed	5,234	15,374
Unemployment Rate	8.5%	16.9%

Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Employment Status Population 16 Years and Over

2010 Census, Table DP-1 Profile of General Population and Housing Characteristics: Sex and Age

2010 American Community Survey 1-Year Estimates, Table DP03 Selected Economic Characteristics, Employment Status Population 16 Years and Over

Table construction by Castañeda & Associates

Table A-11
City of Moreno Valley
Employed Residents 16 Years and Older
by Industry

Industry	Number Employed	Percent
Agriculture, forestry, fishing and hunting, and mining	606	0.8%
Construction	6,139	8.1%
Manufacturing	5,154	6.8%
Wholesale trade	3,638	4.8%
Retail trade	11,595	15.3%
Transportation and warehousing, and utilities	5,684	7.5%
Information	1,440	1.9%
Finance and insurance, and real estate and rental and leasing	3,638	4.8%
Professional, scientific, and management, and administrative and waste management services	6,290	8.3%
Educational services, and health care and social assistance	17,355	22.9%
Arts, entertainment, and recreation, and accommodation and food services	6,063	8.0%
Other services, except public administration	3,941	5.2%
Public administration	4,244	5.6%
Total	75,787	100.0%

Source: American FactFinder American Community Survey (ACS) 1-Year Estimates, Table DP03 Selected Economic Characteristics

Table construction by Castañeda & Associates

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**Table A-12
Number of Jobs Located in Moreno Valley: 2009**

Industry Sector	Number of Jobs
Retail Trade	4,482
Educational Services	3,579
Healthcare and Social Assistance	3,495
Accommodations and Food Services	1,985
Other Services (excluding Public Administration)	1,259
Public Administration	1,011
All Other Jobs	5,870
Total	21,681

Source: Riverside County Center for Demographic Research, 2011 Progress Report, Moreno Valley
Table construction by Castañeda & Associates

The two School Districts provide 4,157 jobs:

- The Moreno Valley Unified School District has 23 elementary schools, 6 middle schools, 5 high schools, 2 special education schools, 1 community day school, and 1 continuation school with a total of 35,868 students enrolled in the 2011/2012 school year.
- Val Verde Unified School District has 4 preschools, 13 elementary schools, 6 middle schools, 4 high schools and 1 virtual high school with a total of 19,800 students enrolled.

The City also is home to the Moreno Valley College, which has an enrollment of 11,000 students in the 2010/2011 school year.

The hospital and medical facilities provide about 2,900 jobs.

The Moreno Valley Mall, which opened in October of 1992, is another large employer. The Mall built on 87 acres and has anchor tenants of Macy's, Sears and J.C. Penny.

Many other retail centers have also been built such as Alessandro Plaza, Canyon Springs Plaza, Merchant's Square, the Sunnymead Shopping Center, the Festival at Moreno Valley, and the Moreno Valley Auto Mall that provide a variety of retail jobs.

Three other major employers are retail distribution: Ross Dress for Less, Walgreens and Sketchers.

Most major employers are located along or near transit routes. However, access to some of the comparatively smaller businesses requires private transportation.

Table A-13 identifies the major employers with 400 or more employees.

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**Table A-13
City of Moreno Valley
Major Employers (400+)-2011**

Business	Type of Business	No. of Employees	Location
March Air Reserve Base	Military Reserve Base	9,000	March Air Force Base
Moreno Valley Unified School District	Public Schools	3,490	25634 Alessandro Boulevard
Riverside County Regional Medical Center	County Hospital	2,416	26520 Cactus Avenue
Moreno Valley Mall	Retail Mall	1,760	22500 Town Circle
Ross Dress for Less	Retail Distribution	1,500	17800 Perris Blvd.
City of Moreno Valley Including Police & Fire Depts.	Municipal Government	762	22850 Calle San Juan De Los Lagos
Walgreens Co.	Distribution	694	17500 Perris Blvd.
Val Verde Unified School District	Public Schools	667	Public Schools
Moreno Valley College	Higher Education	555	16130 Lasselle St.
Sketchers USA	Retail Distribution	550	29800 Eucalyptus St.
Phillips Consumer Electronics	Electronics Distribution	484	25300 Globe St.
Kaiser Permanente Community Hospital/Office	Hospital/Medical Services	452	12815 Heacock St.

Source: City of Moreno Valley, *Major Employers*, November 2011
Table construction by Castañeda & Associates

D. TRANSPORTATION PROFILE

1. Place of Work

Almost 76,000 residents are employed. The 2011 American Community Survey found that 25% of the employed residents worked within the City and 75% had a job located outside the city limits.

2. Transportation to Work

Table A-14 reports on transportation to work trends in 1999 and 2010. Key trends are noted below:

- In both time periods, about three of every four workers drove alone to work.
- Workers carpooling have declined both numerically and relatively.
- Workers using public transportation has increased in numbers but declined slightly relatively.
- Of the workers using public transportation, 77% take a bus and another 23% take a train to work.

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Table A-14
City of Moreno Valley: Transportation to Work — 1999 and 2010

Means of Transportation	Number of Workers-1999	Percent	Number of Workers-2010	Percent
Drove alone	40,866	74.2%	59,418	78.4%
Carpool	10,424	18.9%	10,080	13.3%
Public transportation	1,044	1.9%	1,364	1.8%
Bicycle	138	0.3%	0	0.0%
Walked	398	0.7%	1,288	1.7%
Taxicab, Motorcycle or other	564	1.0%	1,970	2.6%
Worked at Home	1,655	3.0%	1,667	2.2%
Total	55,089	100.0%	75,787	100.0%

Source: Census 2000, Summary File 3, Table P30, Means of Transportation to Work for Workers 16 Years and Over.

American Community Survey (ACS) Table B08101 "Means of Transportation to Work by Age," 2008-2010 American Community Survey 3-Year Estimates

Table construction by Castañeda & Associates

Public transportation services are discussed in Technical Appendix C – Public Sector Impediments Analysis.

E. DEMOGRAPHIC PROFILE COMPARISON TO RIVERSIDE COUNTY

Table A-15 compares Moreno Valley to Riverside County with regard to:

- Protected group characteristics
- Well-being indicators

1. Protected Group Characteristics

The demographic characteristics of Moreno Valley's protected classes are described in detail in Part F. Here a comparison is made between the City's characteristics and those of the entire Riverside County, including all cities and the unincorporated area.

Moreno Valley has a higher minority population percentage than Riverside County as a whole. The percentage of female householders and foreign born populations is almost the same. Moreno Valley is more family oriented than the County as a higher percentage of households are family households and family households with children. The City has a lower percentage of disabled people compared to the County. The City and County have similar percentages of married persons.

Homeownership rates are similar between the City and the County except that the City's Hispanic population enjoys a higher ownership rate. Moreno Valley's All Other Races population has a homeownership rate lower than the County's.

The County's poverty rates by race and ethnicity are lower than the City's except for the Hispanic population. The County's poverty rates for families with children are lower than Moreno Valley's. The City is less affluent than the County. Overcrowding in the City is somewhat less than the County except for all households and Asian households.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

Table A-15
Key Indicators: Comparison of Moreno Valley to Riverside County

	Riverside County	Moreno Valley
Protected Group Indicators		
Race/Color - % Minority	60.3%	81.1%
Sex - % Female Householders	26.6%	27.7%
National Origin - % Foreign Born	22.4%	24.8%
Familial Status - % Family Households	74.4%	83.7%
Familial Status - % Family HHs w/ Children	37.5%	46.7%
Disabled - % Disabled	10.1%	8.0%
Marital Status - % Married Persons	49.9%	46.8%
Well-Being Indicators		
<i>Homeownership Rates</i>		
All Households	67.4%	64.7%
White Alone, Not Hispanic or Latino	74.8%	75.9%
Hispanic	58.3%	64.0%
Black	51.3%	50.9%
Asian	72.1%	72.9%
All Other Races	59.6%	53.2%
<i>Poverty Income</i>		
All Persons	16.3%	19.4%
White Alone, Not Hispanic or Latino	9.3%	13.2%
Hispanic	22.7%	18.5%
Black	20.4%	27.1%
Asian	12.2%	35.8%
<i>By Familial Status with Children Under 18</i>		
All Families	18.2%	21.4%
Married Couple Family	12.4%	17.1%
Female Householder No Husband Present	35.1%	35.9%
<i>Affluence</i>		
% of households \$100K +	22.0%	15.3%
% of households \$150K +	8.3%	5.0%
% of households \$200K +	3.3%	1.4%
<i>Overcrowding</i>		
All Households	7.6%	8.7%
White Alone, Not Hispanic or Latino	1.6%	1.6%
Hispanic	18.2%	16.3%
Black	2.6%	0.5%
Asian	5.8%	14.2%

Table construction by Castañeda & Associates

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

F. PROFILE OF MORENO VALLEY'S FAIR HOUSING PROTECTED CLASSES

1. Introduction

The Fair Housing Act, 42 U.S.C. 3601 et. seq., prohibits discriminatory practices which make housing unavailable to persons because of:

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

The California Fair Employment and Housing Act (Article 2, Section 12955) makes it unlawful:

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

Under the provisions of Civil Code Section 51.2 et. seq. age is a protected class.

Hence, the California law has added the following to the group of protected classes:

- Sexual Orientation
- Marital Status
- Ancestry
- Source of Income
- Age

California law also prohibits discrimination based on arbitrary factors.

Attachment A provides definitions of the fair housing protected classes.

2. Race/Color

Housing discrimination complaint data made on the bases of race or color are noted below:

- 27.6% of all complaints filed with the FHCRC between 2007 and 2012
- 19.7% of all cases filed with the DFEH between 2001 and 2010

a. Race and Ethnic Categories

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

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include both racial and national origin or socio-cultural groups. Census 2010 and the *American Community Survey* provide for six race categories:

- White Alone
- Black, African American or Negro Alone
- American Indian or Alaska Native Alone
- Asian Alone
- Native Hawaiian or Other Pacific Islander Alone
- Some Other Race Alone

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

The 2000 Census [and 2010 Census] race and ethnic categories follow the 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

b. Non-Hispanic White and Minority Population Characteristics

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

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

The CEQ environmental justice guidelines provide the following definition:

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

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

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

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2) *Population by Race and Ethnicity:* Table A-16 shows the 2000 and 2010 population by Hispanic/Latino ethnicity and seven race categories. During the 10-year period, the City's population increased by nearly 51,000 persons. With the exception of the White Alone population, all other groups increased. The Hispanic population nearly doubled, increasing from about 54,700 to about 105,200 people. It now constitutes about 54% of the total population.

Table A-16
City of Moreno Valley
Total Population by Race and Ethnicity – April 2000 and April 2010

Race/Ethnicity	2000	Percent Distribution	2010	Percent Distribution
White Alone	45,881	32.2%	36,573	18.9%
Hispanic or Latino	54,689	38.4%	105,169	54.4%
Black or African American Alone	27,536	19.3%	33,195	17.2%
American Indian and Alaska Native Alone	567	0.4%	573	0.3%
Asian Alone	8,214	5.8%	11,423	5.9%
Native Hawaiian and Other Pacific Islander Alone	650	0.5%	990	0.5%
Some Other Race Alone	295	0.2%	388	0.2%
Two or More Races	4,549	3.2%	5,054	2.6%
Total Population	142,381	100.0%	193,365	100.0%
Minority Population	96,500		156,792	
Percent Minority	67.80%		81.10%	

Source: Census 2000, Summary File 1 Table P004 - Hispanic or Latino, and Not Hispanic or Latino by Race. American FactFinder, Census 2010, Summary File 1, Table P9: Hispanic or Latino and Not Hispanic or Latino by Race.

Table construction by Castañeda & Associates

3) *Race of Hispanic Or Latino and Not Hispanic or Latino Populations:* Table A-17 shows the 2010 Hispanic or Latino and not Hispanic or Latino populations by race.

When the April 2010 Census was taken, 105,169 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- About 42% of the Hispanic population said that their race was White Alone
- About 49% said they belonged to Some Other Race
- About 6% identified themselves as having Two or More Races

Thus, many Hispanic or Latino people do not identify with the White Race Category but rather consider themselves as belonging to Some Other Race. Indeed, 99.3% (51,353/51,741) of the Some Other Race population is Hispanic or Latino. Moreno Valley is not unusual in terms of the racial identification of the Hispanic or Latino population.

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Table A-17
City of Moreno Valley
Race of Hispanic or Latino and Non Hispanic or Latino Populations: 2010

Race	Hispanic or Latino	Percent Distribution	Not Hispanic or Latino	Percent Distribution	Total	Percent Distribution
White Alone	44,396	42.2%	36,573	41.5%	80,969	41.9%
Black or African American Alone	1694	1.6%	33,195	37.6%	34,889	18.0%
Asian Alone	444	0.4%	11,423	13.0%	11,867	6.1%
American Indian or Alaska Native Alone	1,148	1.1%	573	0.6%	1,721	0.9%
Hawaiian or Other Pacific Islander Alone	127	0.1%	990	1.1%	1,117	0.6%
Some Other Race Alone	51,353	48.8%	388	0.4%	51,741	26.8%
Two or More Races	6,007	5.7%	5,054	5.7%	11,061	5.7%
Total	105,169	100.0%	88,196	100.0%	193,365	100.0%

Source: 2010 Census, DP-1 Profile of General Population and Housing Characteristics: 2010, Hispanic or Latino and Race
 Table construction by Castañeda & Associates

A research study of the 2000 Census found:

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

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

4) *Origins of the Hispanic or Latino Populations:* There are an estimated 105,169 Hispanic or Latino persons residing in Moreno Valley, according to the 2010 Census. Table A-18 shows that 85.6% of the Hispanic or Latino population is of Mexican origin.

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**Table A-18
City of Moreno Valley
Persons of Hispanic Origin — 2000 and 2010**

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

*The Census 2000 category is "Other Hispanic or Latino"
 Census 2000, Table DP-1, Profile of General Demographic Characteristics, Hispanic or Latino and Race
 Census 2010 Summary File 1 Table QT-P10
 Table construction by Castañeda & Associates

5) *Asian Population by Sub-Group*: Table A-19 shows the Asian population by sub-group. Almost one half of the Asian population is Filipino. All other sub-groups comprise a relatively small percentage of the Asian population.

**Table A-19
City of Moreno Valley
Asian Population by Sub-Group**

Sub-Group	Number	Percentage
Asian Indian	794	6.7%
Chinese	922	7.8%
Filipino	5,437	45.8%
Japanese	362	3.1%
Korean	678	5.7%
Vietnamese	1,394	11.7%
Other Asian ¹	2,280	19.2%
Total	11,867	100.0%

¹Other Asian Alone, or two or more Asian Categories
 Source: 2010 Census, Table DP-1 Profile of General Population and Housing Characteristics: 2010
 Table construction by Castañeda & Associates

c. School District Enrollment Trends

The trends that the Census and ACS data show are re-enforced by the Moreno Valley Unified School District's estimates of the racial/ethnic composition of school-age children. Table A-20 shows that between 2007 and 2011, there was an increase in the Hispanic share of the total school age children. Further, there was an 18% decrease in the number of White children and nearly a 10% decrease in the number of Black or African American children.

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**Table A-20
City of Moreno Valley
School Enrollment by Race/Ethnicity**

Race/Ethnicity	School Year				4-Year Numerical Change	4-Year Percent Change
	2007-2008	2008-2009	2009-2010	2010-2011		
American Indian or Alaska Native	196	178	156	142	(54)	-27.6%
Asian	819	822	805	804	(15)	-1.8%
Native Hawaiian/Pacific Islander	242	263	256	265	23	9.5%
Filipino	736	696	711	659	(77)	-10.5%
Hispanic or Latino	22,653	22,161	23,255	23,638	985	4.3%
Black or African American	7,302	6,942	6,855	6,583	(719)	-9.8%
White	4,813	4,476	4,301	3,945	(868)	-18.0%
Two or More Races/No Response	365	554	470	579	214	58.6%
Total	37,126	36,092	36,809	36,615	(511)	-1.4%

Source: California Department of Education, Education Data Partnership.
Table construction by Castañeda & Associates

Important characteristics include:

- Hispanic youth comprise 64.5% of all students
- Black youth comprise 18% of all students
- White youth comprise 10.8% of all students

d. Areas of Minority Population Concentration (Population by Race and Ethnicity by Census Tract)

The Consolidated Plan regulations state that the City must identify and describe any areas within Moreno Valley -

with concentrations of racial/ethnic minorities...stating how it defines...area of minority concentration. The locations and degree of these concentrations must be identified, either in a narrative or on one or more maps. [CFR 91.210]

In 2010, the City's population was 193,365 of which 81.1% belonged to a racial or minority group. Table A-21 shows the City's population by race and ethnicity by census tract. At the census tract level, the minority population ranges from a low of 53.3% (424.01) to a high of 91.1% (424.12).

To be identified as an area of minority concentration, a census tract's minority population percentage should exceed the citywide percentage of 81.1%. The Consolidated Plan regulations do not establish a criterion that defines "concentration" but instead allow cities to establish their own standard. The one standard that the regulations do explicitly establish pertains to "disproportionate housing needs" which is defined as 10% above the average for a specific community housing need. Therefore, an area of minority population concentration can be defined as a census tract having 91.1% or more of its population belonging to a minority racial or ethnic group. Table A-21 shows that the only census tract having a minority population of at least 91.1% is 424.12.

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**Table A-21
City of Moreno Valley
Race/Ethnicity by Census Tract-2010**

Census Tract	White alone	Hispanic or Latino	Black or African American alone	American Indian and Alaska Native alone	Asian alone	Native Hawaiian and Other Pacific Islander alone	Some Other Race alone	Two or More Races	Total	Percent Minority
422.12	1,811	3,088	1,097	22	468	24	11	206	6,727	73.1%
422.14	1,742	2,203	687	5	412	16	5	169	5,239	66.7%
424.01	972	779	173	6	92	3	5	50	2,080	53.3%
424.02	1,322	2,522	547	20	222	11	14	122	4,780	72.3%
424.03	1,157	1,996	575	21	207	24	4	87	4,071	71.6%
424.03	344	1,176	367	2	71	6	2	70	2,038	83.1%
424.04	725	2,436	1,539	27	113	22	8	127	4,997	85.5%
424.05	961	2,348	573	6	133	21	4	104	4,150	76.8%
424.06	1,022	1,653	353	28	104	9	2	91	3,262	68.7%
424.07	848	1,632	384	15	122	44	13	94	3,152	73.1%
424.08	794	1,725	577	7	103	14	5	74	3,299	75.9%
424.09	1,344	1,892	1,070	15	375	8	4	174	4,882	72.5%
424.10	889	932	489	10	122	10	5	83	2,540	65.0%
424.11	1,800	1,204	618	8	254	4	7	175	4,070	55.8%
424.12	321	2,892	245	8	67	21	10	48	3,612	91.1%
425.05	1,324	4,743	2,023	28	999	25	14	327	9,483	86.0%
425.06	741	2,944	869	19	288	15	7	128	5,011	85.2%
425.07	480	3,540	597	8	125	34	11	93	4,888	90.2%
425.08	594	2,071	317	2	139	3	0	67	3,193	81.4%
425.09	638	3,323	723	12	230	46	2	74	5,048	87.4%
425.10	472	2,129	524	5	97	9	5	67	3,308	85.7%
425.11	313	2,258	437	8	64	41	1	78	3,200	90.2%
425.12	595	2,144	346	3	141	69	7	74	3,379	82.4%
425.13	466	1,913	521	6	158	4	2	95	3,165	85.3%
425.14	352	2,691	587	21	90	5	5	52	3,803	90.7%
425.15	438	2,809	632	18	137	41	15	87	4,177	89.5%
425.16	520	2,053	465	2	144	23	20	51	3,278	84.1%
425.17	576	1,994	801	10	206	8	7	68	3,670	84.3%
425.18	190	1,087	322	6	53	6	1	41	1,706	88.9%
425.19	573	3,245	499	16	208	20	14	94	4,669	87.7%
425.20	637	3,176	737	15	195	52	11	99	4,922	87.1%
425.21	0	0	0	0	0	0	0	0	0	0.0%
426.20	934	3,562	1,205	25	611	21	23	175	6,556	85.8%
426.21	749	1,816	740	11	631	8	12	140	4,107	81.8%
426.22	1,197	1,100	835	8	383	22	13	124	3,682	67.5%
426.23	1,188	1,675	471	10	220	15	12	140	3,731	68.2%
426.24	0	0	0	0	0	0	0	0	0	0.0%

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**Table A-21 continued
City of Moreno Valley
Race/Ethnicity by Census Tract-2010**

Census Tract	White alone	Hispanic or Latino	Black or African American alone	American Indian and Alaska Native alone	Asian alone	Native Hawaiian and Other Pacific Islander alone	Some Other Race alone	Two or More Races	Total	Percent Minority
438.22	317	2,298	482	3	77	26	2	75	3,280	90.3%
467.00	1,063	3,748	1,001	26	323	37	10	157	6,365	83.3%
468.00	831	3,288	1,701	16	595	17	5	196	6,649	87.5%
483.00	776	1,826	1,216	32	450	15	24	150	4,489	82.7%
487.00	489	2,702	860	3	330	18	11	99	4,512	89.2%
489.01	748	2,274	553	14	103	17	3	93	3,805	0.3%
489.02	837	3,954	806	12	174	48	15	111	5,957	85.9%
490.00	1,523	3,420	1,999	15	978	58	16	236	8,245	81.5%
509.00	0	0	0	0	0	0	0	0	0	0.0%
511.00	960	2,908	1,632	19	409	50	21	189	6,188	84.5%
Total	36,573	105,169	33,195	573	11,423	990	388	5,054	193,365	81.1%

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

3. Sex (of Householder)

In the sale and rental of housing, fair housing laws protect several “classes” from discrimination. State and federal 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

Housing discrimination complaint data made on the bases of sex or gender are noted below:

- 2.4% of all complaints filed with the FHCRC between 2007 and 2012
- 6.9% of all cases filed with the DFEH between 2001 and 2010

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Table A-22 presents data on the number of male and female householders. The counts *exclude* married couple families as homes are typically owned or rented in both spouses' names. Excluding married couples, there are an estimated 22,592 householders of whom about 63% (14,300) are female and 37% (8,292) are male. About 4,300 female householders live alone or with nonrelatives, which represent about 30% (4,310/14,300) of all female householders.

Table A-22
City of Moreno Valley
Sex of Householder: 2010

Sex of Householder	Number	Percentage
Male Householder, No Wife Present	4,191	18.5%
Male Householder Living Alone	2,754	12.2%
Male Householder Living with Others	1,347	6.0%
Subtotal	8,292	36.7%
Female Householder, No Husband Present	9,990	44.2%
Female Householder Living Alone	3,340	14.8%
Female Householder Living with Others	970	4.3%
Subtotal	14,300	63.3%
Total	22,592	100.0%

Source: Census 2010, Table QT-H3: Tenure, Household Size and Age of Householder

Table construction by Castañeda & Associates

Poor women, as noted above by the DOJ, are often the victims of sexual harassment. About 36% of female householders with children have poverty incomes.

4. 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.

Housing discrimination complaint data made on the bases of national origin are noted below:

- 2.4% of all complaints filed with the FHCRC between 2007 and 2012
- 9.8% of all cases filed with the DFEH between 2001 and 2010

According to the 2010 Census the foreign born population consisted of about 48,000 persons or almost 25% of the City's total population. Of the foreign born population –

- 77.2% were born in Latin America
- 18.2% were born in Asia

Table A-23 shows the place of birth of the foreign born population.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

**Table A-23
City of Moreno Valley
Place of Birth of the Foreign Born Population**

Place of Birth	Number	Percent
Europe	911	1.9%
Asia	8,728	18.2%
Africa	719	1.5%
Oceania	240	0.5%
Latin America	37,021	77.2%
North America	336	0.7%
Total	47,955	100.0%

Source: American FactFinder, American Community Survey 2006-2010 5-Year Estimates. Table S0502: Selected Characteristics of the Foreign-Born Population by Period of Entry into the United States

Note: The percentage of the foreign-born population ($46,427/187,428=24.8\%$) was obtained from ACS data and applied to Census 2010 population counts of 193,365 to obtain foreign born population estimate of 47,955

Table construction by Castañeda & Associates

Table A-24 shows that the race and ethnicity of the foreign born population reflects the place of birth or country of origin: 74.7% Hispanic or Latino and 16.8% Asian.

**Table A-24
City of Moreno Valley
Race of the Foreign-Born Population**

Race	Number	Percent
One Race	47,332	98.7%
White	18,607	38.8%
Black or African American	1,151	2.4%
American Indian and Alaska Native	192	0.4%
Asian	8,056	16.8%
Native Hawaiian and Other Pacific Islander	48	0.1%
Some Other Race	19,278	40.2%
Two or More Races	623	1.3%
Total	47,955	100.0%
Hispanic or Latino of Any Race	35,822	74.7%

Source: American Fact Finder, American Community Survey 2006-2010 5-Year Estimates. Table S0502: Selected Characteristics of the Foreign-Born Population by Period of Entry into the United States

Table construction by Castañeda & Associates

5. Familial Status

The Fair Housing Amendments Act of 1988 prohibits discriminatory housing practices based on familial status. In most instances, according to the United States Department of Justice, 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

Housing discrimination complaint data made on the bases of familial status are noted below:

- 7.2% of all complaints filed with the FHCRC between 2007 and 2012
- 15.1% of all cases filed with the DFEH between 2001 and 2010

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

Table A-25 shows there are an estimated 43,200 *family* households, which comprise about 84% of all households. About 24,100 family households have children; therefore, about 47% of all households have children less than 18 years of age (24,115/51,592). Families with children represent a significant number of all households. Most families with children are husband-wife, two parent families. But about 5,700 female householders have children less than 18 years of age.

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**Table A-25
City of Moreno Valley
Families With and Without Children: 2010**

Type of Family	With Children < 18 Years	Percent	Without Children <18 Years	Percent	Total	Percent
Husband-Wife Families	16,210	55.9%	12,790	44.1%	29,000	100.0%
Female Householder No Husband Present	5,687	56.9%	4,303	43.1%	9,990	100.0%
Male Householder No Wife Present	2,218	52.9%	1,973	47.1%	4,191	100.0%
Total	24,115	55.8%	19,066	44.2%	43,181	100.0%

Source: Census 2010, DP-1: Profile of General Population and Housing Characteristics 2010
Table construction by Castañeda & Associates

6. Handicap/Disability

a. Background

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

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

Housing discrimination complaint data made on the bases of handicap/disability are noted below:

- 47.3% of all complaints filed with the FHCRC between 2007 and 2012
- 26.1% of all cases filed with the DFEH between 2001 and 2010

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.

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

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

b. Estimates of People with Disabilities and Types of Disabilities

About 15,500 residents have one or more disabilities, according to data from the 2010 Census and 2010 American Community Survey. Table A-26 shows the number of disabled persons by age group. The elderly experience the highest disability prevalence rate – that is, about 44% of all persons 65 years of age and older have one or more disability.

**Table A-26
City of Moreno Valley
Disability Status of Civilian Non-institutionalized
Population by Age Group – April 2010**

Age Group	Total Population	Disabled Population	Percent Disabled
< 5 years	16,175	0	0.0%
5-17 years	46,285	1,527	3.3%
18-64 years	118,695	8,546	7.2%
65 years +	12,127	5,384	44.4%
Total	193,282	15,457	8.0%

Note: Total population by age group is based on the 2010 Census. Also excluded is the institutionalized population of 83 persons. 36 institutionalized persons less than 18 years of age are subtracted from the 5-17 age group, 40 institutionalized persons are subtracted from the 18-64 years of age total population and 7 are subtracted from the 65+ age group total.

Sources: 2010 Census Summary File 1, Table P12 Sex by Age (total population by age group)

2010 Census Summary File 1, Table QT-P13 Group Quarters Population by Sex, Age, and Type of Group Quarters: 2010 (institutionalized population by age group)

Source: American FactFinder, U.S. Census Bureau, 2010 American Community Survey 1-Year Estimates, Table S1810, Disability Characteristics

Table construction by Castañeda & Associates

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The 2010 American Community Survey asks respondents about six different types of disabilities:

- Hearing difficulty – “deaf or [had] serious difficulty hearing.”
- Vision difficulty – “blind or [had] serious difficulty even when wearing glasses.”
- Cognitive difficulty – “serious difficulty concentrating, remembering, or making decisions.”
- Ambulatory difficulty – “serious difficulty walking or climbing stairs.”
- Self-care difficulty – “difficulty dressing or bathing.”
- Independent living difficulty – difficulty doing errands alone such as visiting a doctor’s office or shopping.”

Table A-27 shows that the most prevalent disabilities are “ambulatory difficulty” and “independent living difficulty.” Elderly people experience both of these difficulties.

**Table A-27
City of Moreno Valley
Types of Disabilities by Age Group**

Types of Disability	<5 Yrs of Age	5 to 17 Yrs of Age	18 to 64 Yrs of Age	65 Yrs of Age+	Total
With a hearing difficulty	0	93	1,306	2,062	3,461
With a vision difficulty	0	185	1,662	291	2,138
With a cognitive difficulty	0	1,203	2,611	1,734	5,548
With a ambulatory difficulty	0	139	4,629	3,614	8,382
With a self-care difficulty	0	370	1,780	1,613	3,763
With an independent living difficulty	0	0	3,323	3,020	6,343
Total disabilities	0	1,990	15,311	12,334	29,635
People with one or more disability	0	1,527	8,546	5,384	15,457
Disabilities per disabled person	0	1.3	1.79	2.29	1.92

Sources: 2010 Census Summary File 1, Table P12 Sex by Age (total population by age group)
 2010 Census Summary File 1, Table QT-P13 Group Quarters Population by Sex, Age, and Type of
 Group Quarters: 2010 (institutionalized population by age group)
 Source: American FactFinder, U.S. Census Bureau, *2010 American Community Survey 1-Year
 Estimates, Sex By Disability Status.*
 Table construction by Castañeda & Associates

About 2,470 elderly households – 2,065 owners and 405 renters - have disabilities, sometimes two or more disabilities. Elderly disabled owners may need home modifications as they age in place and permission from the City to make exterior modifications such as constructing ramps in the side yard. Elderly disabled renters may need permission for reasonable modifications and accommodations from their landlord.

About 1,658 elderly households – 1,386 owners and 272 renters – experience ambulatory difficulties, which is an indicator of the need for accessible housing. A greater number of people 18-64 years of age than those 65 years + have ambulatory difficulties. It is possible that many of these people belong to the 62-64 years of age group. Additionally, it is possible that many disabled persons have a need for service and companion animals.

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(The average 65 years + household size of 2.18 was applied to the 5,384 persons 65 years + to estimate the number of 65 years + disabled households – $5,384/2.18 = 2,470$. The percentage of owners (83.6%) and renters (16.4%) was then applied to the 2,470 households to estimate the number of owners and renters 65 years +.)

7. Marital Status

The California Fair Employment and Housing Act prohibits discrimination based on marital status. The applicable state regulation defines marital status as –

(a) an individual's state of marriage, non-marriage, divorce or dissolution, separation, widowhood, annulment, or other marital status.

Essentially, this means that all persons in a household or establishing a household fall within the meaning of this fair housing protect group. People are covered regardless of marital status or the state of marriage or non-marriage.

Housing discrimination complaint data made on the bases of marital status are noted below:

- 0% of all complaints filed with the FHCRC between 2007 and 2012
- 2.1% of all cases filed with the DFEH between 2001 and 2010

The 2010 *American Community Survey* has five “marital status” categories:

- Never married
- Now married, except separated
- Separated
- Widowed
- Divorced

These terms refer to the marital status at the time of the survey. A married couple includes a family in which the householder and his or her spouse are enumerated as members of the same household. The “now married, except separated” category includes all married people except those who are now legally married but separated. Separated persons are included in a different category. In selected tabulations, data for married and separated people are reorganized and combined with information on the presence of the spouse in the same household. The *American Community Survey* reports the marital status of the male and female population that is 15 years of age and older. Table A-28 shows that about 47% of the population 15 years of age or older are married and about 37% have never married.

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Table A-28
City of Moreno Valley
Marital Status of the Population 15 Years and Over: 2010

Marital Status	Females	Percent	Males	Percent	Total	Percent
Never Married	26,519	35.8%	26,964	39.3%	53,482	37.5%
Now Married, Except Separated	31,905	43.0%	34,855	50.8%	66,760	46.8%
Separated	3,323	4.5%	1,341	2.0%	4,664	3.3%
Widowed	5,076	6.8%	534	0.8%	5,610	3.9%
Divorced	7,309	9.9%	4,942	7.2%	12,251	8.6%
Total	74,132	100.0%	68,636	100.0%	142,768	100.0%

Sources: 2010 American Community Survey 1-Year Estimates, Table DP02, Selected Social Characteristics, Marital Status Census 2010 Summary File 1, Table P12 Sex by Age
 Table construction by Castañeda & Associates

G. COMPARISON OF THE STATUS AND WELL-BEING OF PROTECTED GROUPS

Part F explores the relative well-being of the fair housing protected groups. For example, how do each of the groups compare with regard to income, poverty and crowding.

1. Annual Median Household Income

Table A-29 shows in rank order the median household incomes for difference races and the Hispanic population. Four population groups have median incomes above and four have median incomes below the City average of \$48,907. The Black households have the lowest median household income - \$31,900 – which helps to explain the relatively high poverty rate of this group. The 2010 median households unfortunately must be interpreted with caution because of the large margins of error (refer to table footnotes.)

2. Poverty Income

Although there are different types of poverty, the most common meaning refers to “income poverty,” or the lack of sufficient income to meet minimum consumption needs. Poverty then refers to persons who are income poor and, perhaps, have no income at all. According to the U.S. Census Bureau, the poverty thresholds are dollar amounts used to determine poverty status. The Office of Management and Budget (OMB) in Statistical Policy Directive 14 established the official measure of poverty.

The poverty thresholds were originally derived in 1963-1964 using U.S. Department of Agriculture food budgets designed for families under economic stress. At the core of the poverty definition was the economy food plan – that is, the least costly of four nutritionally adequate food plans designed by the USDA. The poverty thresholds have been the subject of much criticism. For example, the official measure does not take into account California's higher cost of living and regional differences – urban versus rural – within the State.

Attachment 3 provides more detailed information on the meaning and estimation of poverty income. In 2010 a mother with two children would be considered poor if her annual income was less than \$17,568. A husband-wife family with two children would be classified as poor if their annual income was less than \$22,113.

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**Table A-29
City of Moreno Valley
Median Household Income by
Race and Ethnicity of Householder in Rank Order– 2010**

Race of Householder	Median Income¹	Number of Households
Hawaiian/Pacific Islander Alone ²	\$74,250	220
Two or More Races	\$69,259	1,053
White Alone, Not Hispanic	\$65,830	13,672
Asian Alone	\$55,527	3,173
Hispanic	\$44,939	22,660
Some Other Race Alone	\$44,493	106
American Indian/Alaskan Alone ²	\$42,361	188
Black/African American Alone	\$31,929	10,520
All Households	\$48,907	51,592

¹The Margin of error for All Households is +/- \$5,318; White Alone is +/- \$5,774; Hispanic or Latino Households is +/- \$6,647; Black or African American Households is +/- \$9,941; Asian Households is +/- \$29,272; Some Other Race Alone is +/- \$10,385; Two or More Races +/- \$24,635

²Median Income determined from American Community Survey 5-Year Estimates. American Indian/Alaska Native +/- \$43,345; Hawaiian Other Pacific Islander +/- \$38,791

Sources: 2010 American Community Survey 1-Year Estimates Tables B19013, B19013B, B19013C, B19013D, B19013E, B19013F, B19013G, B19013H and B19013I.

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

Table construction by Castañeda & Associates

a. Poverty Income by Race and Ethnicity

About one in five householders have poverty incomes. Table A-30 shows the poverty rates by race and ethnicity which range from a low of 4.4% (Native Hawaiian or Other Pacific Islander) to a high of 35.8% (Asian). The Black population also has a high poverty rate. Although poverty rates differ, any household with such low incomes – regardless of race or ethnicity – would be unable to afford market rate housing. Their freedom to attain their housing of choice is severely restricted. (As noted in the table footnote, the margin of error for the Asian poverty rate was +/- 18%.)

b. Poverty Income by Familial Status and Presence of Children

Poverty by family type offers another indicator of the well-being of the fair housing protected groups. Female householders with children often confront bias in the rental housing market. Their access to decent housing also is made more difficult by poverty. Table A-31 shows that female households have significantly higher poverty rates than other household types. Female heads of households both with and without children under 18 experience the highest poverty income rates. About 2,000 female householders with children live in poverty, or about 36% of all such household types.

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Table A-30
City of Moreno Valley
Poverty Status by Race and Ethnicity – 2010

Race/Ethnicity	2010 Population	Number Below Poverty Level	Percent Below Poverty Level
One Race			
White	80,969	13,198	16.3%
Black or African American	34,889	9,455	27.1%
American Indian and Alaskan Native	1,721	150	8.7%
Asian	11,867	4,248	35.8%
Native Hawaiian or Other Pacific Islander	1,117	49	4.4%
Some Other Race	51,741	10,141	19.6%
Two or More Races	11,061	1,206	10.9%
Total	193,365	37,513	19.4%
Hispanic or Latino of any race	105,169	19,456	18.5%
White Alone, Not Hispanic	36,573	4,828	13.2%

Note: American Indian/Alaska Native and Native Hawaiian or Other Pacific Islander based on American Community Survey 5-year Estimates

Note: Margin of error for Asian population is +/- 18%

Source: 2010 Census, DP-1 Profile of General Population and Housing Characteristics

2010 American Community Survey 1-Year Estimates, Table S1701, Poverty Status in the Past 12 Months

Table construction by Castañeda & Associates

Table A-31
City of Moreno Valley
Poverty Status by Familial Status and Presence of Children-2010

Family Type	Total Number of Families	Number Below Poverty Level	Percent Below Poverty Level
Married Couple Families	29,000	3,712	12.8%
With related children under 18 years	16,210	2,772	17.1%
Female Householder, no husband present	9,990	3,127	31.3%
With related children under 18 years	5,687	2,042	35.9%
All Families	43,181	7,513	17.4%
With related children under 18 years	24,115	5,161	21.4%

Note: Table does not include Male Householder, No Wife Present (4,191) With Own Children (2,218).

Source: American FactFinder, 2010 American Community Survey (ACS) 1-Year Estimates, Table S1702 Poverty Status in the Past 12 Months of Families

2010 Census, DP-1 Profile of General Population and Housing Characteristics: 2010, Households by Type.

Characteristics: 2010, Households by Type

Table construction by Castañeda & Associates

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c. Poverty Income by Citizenship Status

Housing discrimination based on foreign status and ancestry is prohibited. Table A-32 shows that the foreign born population has a somewhat higher poverty rate than the native population. Naturalized citizens, on the other hand, have a poverty rate of 9.8%.

Table A-32
City of Moreno Valley
Poverty Status by Citizenship Status-2010

Citizenship Status	Total Persons	Percent Below Poverty Level
Native	22,509	15.5%
Foreign Born	8,859	18.4%
Naturalized Citizen	1,895	9.8%

Note: ACS percentage distribution applied to 2010 population
Source: American FactFinder, 2006-2010 American Community Survey (ACS) 5-Year Estimates, Table S1703, Selected Characteristics of People at Specified Levels of Poverty in the Past 12 Months
Table construction by Castañeda & Associates

According to the *American Community Survey*:

The native population includes anyone who was a U.S. citizen or a U.S. national at birth. This includes respondents who indicated they were born in the United States, Puerto Rico, a U.S. Island Area (such as Guam), or abroad of American (U.S. citizen) parent or parents.

The foreign-born population includes anyone who was not a U.S. citizen or a U.S. national at birth. This includes respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen.

The American Community Survey questionnaires do not ask about immigration status. The population surveyed includes all people who indicated that the United States was their usual place of residence on the survey date. The foreign-born population includes naturalized U.S. citizens, lawful permanent residents (i.e. immigrants), temporary migrants (e.g., foreign students), humanitarian migrants (e.g., refugees), and unauthorized migrants (i.e. people illegally present in the United States).

3. Homeownership

a. Homeownership By Race and Ethnicity

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

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

Table A-33 shows that the City has about 33,400 owner and 18,200 renter households. Hispanic or Latino renters comprise about 8,100 of the 18,200 renters. The City's homeownership rate was almost 65% in 2010. Homeownership rates ranged from a low of 48.2% (Native Hawaiian or Other Pacific Islander) to a high of almost 76% (White Alone). Only two groups – Asians and White Alone – had home ownership rates higher than the City's average.

**Table A-33
City of Moreno Valley
Homeownership Rates by Race and Ethnicity: 2010**

Race/Ethnicity	Owners	Percent	Renters	Percent	Total Households	Percent*
White	10,382	75.9%	3,290	24.1%	13,672	26.5%
Black or African American	5,354	50.9%	5,166	49.1%	10,520	20.4%
American Indian/Alaska Native	104	55.3%	84	44.7%	188	0.4%
Asian	2,312	72.9%	861	27.1%	3,173	6.2%
Native Hawaiian or Other Pacific Islander	106	48.2%	114	51.8%	220	0.4%
Some Other Race	54	50.9%	52	49.1%	106	0.2%
Two or More Races	569	54.0%	484	46.0%	1,053	2.0%
Hispanic or Latino	14,512	64.0%	8,148	36.0%	22,660	43.9%
Total	33,393	64.7%	18,199	35.3%	51,592	100.0%

Refers to % of all households

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

Table construction by Castañeda & Associates

b. Homeownership 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. Moreno Valley has about 24,100 families with children. Families with children – most frequently renters – face housing discrimination. Almost 10,200 renter households have children. Table A-34 shows the number of families with and without children by tenure.

**Table A-34
City of Moreno Valley
Tenure by Presence of Children - 2010**

Presence of Children	Owner	Percent	Renter	Percent	Total	Percent
With Own Children Under 18 Years	13,960	41.8%	10,155	55.8%	24,115	46.7%
No Own Children Under 18 Years	19,433	58.2%	8,044	44.2%	27,477	53.3%
Total	33,393	100.0%	18,199	100.0%	51,592	100.0%

Source: American FactFinder, Census 2010, Summary File 1, Table HCT2: Tenure by Presence and Age of Own Children.

Table construction by Castañeda & Associates

APPENDIX A – FAIR HOUSING COMMUNITY PROFILE

c. Homeownership By Household Type and Sex of Householder

Table A-35 provides information on the fair housing protected groups of sex and familial status. About 14,300 female householders call Moreno Valley home, which is almost 28% of all households. About 7,100 of the 14,300 female householders are renters. That means that about 40% of all renters are female householders.

**Table A-35
City of Moreno Valley
Tenure by Household Type-2010**

Household Type	Owner	Percent	Renter	Percent	Total	Percent
Husband-Wife Families	21,629	74.6%	7,371	25.4%	29,000	56.2%
Male Householder, No Wife Present	2,320	55.4%	1,871	44.6%	4,191	8.1%
Female Householder, No Husband Present	4,649	46.5%	5,341	53.5%	9,990	19.4%
Male Householder Living Alone	1,593	57.8%	1,161	42.2%	2,754	5.3%
Male Householder Living With Others	689	51.2%	658	48.8%	1,347	2.6%
Female Householder Living Alone	2,009	60.1%	1,331	39.9%	3,340	6.5%
Female Householder Living With Others	504	52.0%	466	48.0%	970	1.9%
Total	33,393	64.7%	18,199	35.3%	51,592	100.0%

Source: American FactFinder, Census 2010, Summary File 1, Table QT-H2: Tenure, Household Size, and Age of Householder

Table construction by Castañeda & Associates

4. Overcrowding by Race and Ethnicity

HUD CHAS data provides estimates of the number of occupants per room based on the 2005-2009 American Community Survey (ACS). The following definitions apply to this topic:

Occupants per room are obtained by dividing the number of people in each occupied housing unit by the number of rooms in the unit. The figures show the number of occupied housing units having the specified ratio of people per room. Although *the Census Bureau has no official definition of crowded units*, many users consider units with more than one occupant per room to be crowded.

For each unit, rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded are strip or pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

Table A-36 shows the crowding data by race and ethnicity. About one of every six Hispanic households are "crowded" and Hispanic households comprise 82% of all "crowded" households.

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**Table A-36
City of Moreno Valley
Occupants per Room by Race/Ethnicity-2010**

Race/Ethnicity	Less than 1.00	1.01 or More	Total	Percent Overcrowded
White Alone, Not Hispanic or Latino	13,447	225	13,672	1.6%
Hispanic or Latino	18,967	3,693	22,660	16.3%
Black or African American	10,466	54	10,520	0.5%
Asian	2,722	451	3,173	14.2%
Am. Indian or Alaska Native	170	18	188	9.6%
Nat. Hawaiian or Other Pac. Isl.	145	75	220	34.3%
Some Other Race	85	21	106	19.6%
Two or More Races	972	81	1,053	7.7%
Total	47,085	4,507	51,592	8.7%

Source: American FactFinder, 2010 American Community Survey 1-Year Estimates, Tables B25014B-I: Tenure by Occupants per Room

Notes: American Indian and Native Hawaiian based on 5 year estimates
% applied to 2010 households count by race and ethnicity

Table construction by Castañeda & Associates

A home with a living room, dining room, kitchen, 3 bedrooms, and an enclosed porch would need to have seven people to reach the 1.0 ratio whereas six people would not be deemed crowded. But it important to observe that the Census Bureau has *no official definition* of crowded units and that occupants per room is merely a ratio that measures the number of occupants per room.

An often quoted occupancy standard is two persons per bedroom or two persons per bedroom plus one additional person. Thus, six or seven persons could live in a 3-bedroom housing unit and not be considered crowded.

However, strict occupancy standards could adversely impact Hispanic households. Moreover, people who live in housing with 1.0 or more occupants per room may not think they are crowded.

Source: Ellen Pader, *Housing Occupancy Standards: Inscribing Ethnicity and Family Relations on the Land*, Journal of Architectural and Planning Research, Winter 2002, pages 300-318

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Attachment A Fair Housing Protected Classes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Age: Age refers to the chronological age of any individual who has reached his or her 40th birthday.

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

Attachment B 2010 Census Definitions of Race and Hispanic/Latino

The data on race were derived from answers to the question on race that was asked of all people. The U.S. Census Bureau collects race data in accordance with guidelines provided by the U.S. Office of Management and Budget (OMB), and these data are based on self-identification. The racial categories included in the census questionnaire generally reflect a social definition of race recognized in this country and not an attempt to define race biologically, anthropologically, or genetically. In addition, it is recognized that the categories of the race item include racial and national origin or sociocultural groups. People may choose to report more than one race to indicate their racial mixture, such as "American Indian" *and* "White." People who identify their origin as Hispanic, Latino, or Spanish may be of any race.

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

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

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

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

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

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

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

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Respondents who identified themselves as “American Indian or Alaska Native” were asked to report their enrolled or principal tribe. Therefore, tribal data in tabulations reflect the written entries reported on the questionnaires. Some of the entries (for example, Metlakatla Indian Community and Umatilla) represent reservations or a confederation of tribes on a reservation. The information on tribe is based on self-identification and therefore does not reflect any designation of federally or state-recognized tribe. The information for the 2010 Census was derived from the American Indian and Alaska Native Tribal Classification List for Census 2000 and updated from 2002 to 2009 based on the annual *Federal Register* notice entitled “Indian Entities Recognized and Eligible to Receive Services From the United States Bureau of Indian Affairs,” Department of the Interior, Bureau of Indian Affairs, issued by OMB, and through consultation with American Indian and Alaska Native communities and leaders.

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

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

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

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

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

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

Hispanic or Latino Origin

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

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

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

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

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

There were two changes to the Hispanic origin question for Census 2000. First, the sequence of the race and Hispanic origin questions for Census 2000 differed from that in 1990; in 1990, the race question preceded the Hispanic origin question. Testing prior to Census 2000 indicated that response to the Hispanic origin question could be improved by placing it before the race question without affecting the response to the race question. Second, there was an instruction preceding the Hispanic origin question indicating that respondents should answer both the

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Hispanic origin and the race questions. This instruction was added to give emphasis to the distinct concepts of the Hispanic origin and race questions, and emphasized the need for both pieces of information.

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

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

Attachment C Poverty Income Thresholds

Poverty statistics in ACS products adhere to the standards specified by the Office of Management and Budget in Statistical Policy Directive 14. To determine a person's poverty status, one compares the person's total family income in the last 12 months with the poverty threshold appropriate for that person's family size and composition (see example below). If the total income of that person's family is less than the threshold appropriate for that family, then the person is considered "below the poverty level," together with every member of his or her family. If a person is not living with anyone related by birth, marriage, or adoption, then the person's own income is compared with his or her poverty threshold. The total number of people below the poverty level is the sum of people in families and the number of unrelated individuals with incomes in the last 12 months below the poverty threshold.

For example, consider a family of three with one child less than 18 years of age, interviewed in July 2010 and reporting a total family income of \$14,000 for the last 12 months (July 2009 to June 2010). The base year (1982) threshold for such a family is \$7,765, while the average of the 12 inflation factors is 2.24574. Multiplying \$7,765 by 2.24574 determines the appropriate poverty threshold for this family type, which is \$17,438. Comparing the family's income of \$14,000 with the poverty threshold shows that the family and all people in the family are considered to have been in poverty. The only difference for determining poverty status for unrelated individuals is that the person's individual total income is compared with the threshold rather than the family's income.

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Table 1
Poverty Thresholds for 2012 by Size of Family and Number of Related Children Under 18 Years

Size of family unit	Related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual).....	11,945								
Under 65 years.....	11,011								
65 years and over.....		15,825							
Two people.....	15,374	15,765							
Householder under 65 years.....	13,878								
Householder 65 years and over.....			18,498						
Three people.....	17,959	18,480	18,498						
Four people.....	23,681	24,069	23,283	23,364					
Five people.....	28,558	28,974	28,087	27,400	26,981				
Six people.....	32,847	32,978	32,298	31,647	30,678	30,104			
Seven people.....	37,795	38,031	37,217	36,651	35,594	34,362	33,009		
Eight people.....	42,271	42,644	41,876	41,204	40,249	39,038	37,777	37,457	
Nine people or more.....	50,849	51,095	50,416	49,845	48,908	47,620	46,454	46,165	44,387

Note: The poverty thresholds are updated each year using the change in the average annual Consumer Price Index for All Urban Consumers (CPI-U). Since the average annual CPI-U for 2009 was lower than the average annual CPI-U for 2008, poverty thresholds for 2009 are slightly lower than the corresponding thresholds for 2008
Source: U.S. Census Bureau

Appendix B

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APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

A. INTRODUCTION

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

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

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

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

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

B. PUBLIC SECTOR IMPEDIMENTS ANALYSIS

1. Planning Policies

a. General Plan

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

Key policies include that affect housing opportunities include:

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

Promotes the maintenance and redevelopment of blighted areas.

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

Important public service policies and objectives include:

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

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

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

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

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

b. Housing Element

The City's Housing Element is in the process of being updated and scheduled for adoption by mid-October 2013. As required by the Housing Element Law, the policy document will include a "program" to ensure equal housing opportunity for all persons. Specifically, the City's Housing Program must include actions to:

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

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

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

Source: State Department of Housing and Community Development, *Housing Program: Equal Housing Opportunities*, May 6, 2010

2. **Housing for Disabled Persons**

a. Independent Living – ADA Physical Development

The City and Redevelopment Agency – together with a HUD Section 811 Capital Advance – financially assisted the development of the Moreno Valley Apartments. Built in 1996, the development is a 24-unit two-story apartment community with all units accessible by a wheelchair user. The complex has an elevator with 14 units located on the first floor and 10 units located on the second floor.

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The apartment community has 14 one-bedroom units; eight two-bedroom units; and two three-bedroom units.

Located at 24545 Bay Avenue, the Moreno Valley Apartments are close to a variety of transit, public and other community services.

Two other developments accommodate the housing needs of disabled persons:

- Atwood Gardens 9 units for of permanent support housing for developmentally disabled adults
- Rancho Dorado 15 units of permanent supportive housing for homeless and mentally ill adults

b. Housing for Disabled Persons – Licensed Residential Care Facilities

The California Community Care Licensing Division defines these facilities as follows:

Adult Residential Facilities: ARFs are facilities of any capacity that provide 24-hour non-medical care for adults ages 18 through 59, who are unable to provide for their own daily needs. Adults may be physically handicapped, developmentally disabled, and/or mentally disabled.

Residential Care Facilities for the Elderly: RCFEs provide care and supervision and assistance with activities of daily living, such as bathing and grooming. They may also provide incidental medical services under special care plans. The facilities provide services to persons 60 years of age and over and persons under 60 with compatible needs. RCFEs may also be known as assisted living facilities, retirement homes and board and care homes. The facilities can range in size from six beds or less to over 100 beds. The residents of these facilities require varying levels of personal care and protective supervision.

Group Homes: These are facilities of any capacity and provide 24-hour non-medical care and supervision to children in a structured environment. Group homes provide social, psychological, and behavioral programs for troubled youth.

Small Family Homes SFHs provide 24-hour-a-day care in the licensee's family residence for six or fewer children who are mentally disabled, developmentally disabled, or physically handicapped, and who require special care and supervision as a result of such disabilities.

Table B-1 shows the number (114) and capacity (676) of three types of residential care facilities.

c. Home Modifications

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

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

**Table B-1
City of Moreno Valley
Licensed Residential Care Facilities –2013**

Facility Type	Number	Capacity
Adult Residential Facilities	64	333
Residential Care Facilities For the Elderly	38	265
Group Homes	12	78
Total	114	676

Source: State Department of Social Services, Community Care Licensing Division, facilities inventory as of February 18, 2013

Note: Of the 64 ARF facilities, three had licenses pending. Total capacity of the three facilities is 18. Of the 38 RCFEs, three with a capacity of 20 beds had licenses pending. Two of the Small Family Homes with a capacity of twelve beds had provisional license and one with a capacity of six beds had a pending license.

3. Public Services

a. Fair Housing Services

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

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

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

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

b. Transit Services

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

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

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

1) *Riverside Transit Agency*: Currently nine RTA bus routes serve the City, one of which connects with the Metrolink Rail Line Station to provide a light rail connection to Orange and Los Angeles Counties. Table B-2 lists the route number, general route descriptions, and areas served.

**Table B-2
Riverside Transit Agency – Routes Serving Moreno Valley**

Route #	Route Description	Also Serving
11	Moreno Valley Mall/March ARB	Sunnymead Middle School Moreno Valley High School
16	Riverside Downtown Terminal to Moreno Valley Mall	Downtown Riverside UCR, Canyon Crest Towne Center Canyon Springs Plaza
18	Sunnymead Ranch to Moreno Valley College	Moreno Valley Mall Hometown Buffet Canyon Springs High School Sunnymead Ranch Moreno Valley High School Vista Del Lago High School Riverside Community College
19	Moreno Valley Mall to Perris Station Transit Center – Trumble Road	March Mountain High School RCC Perris High School
20	Magnolia Center, RCR Medical Center Moreno Valley Community Hospital Moreno Valley College	
35	Beaumont/Banning to Moreno Valley Mall	Walmart, Kmart, City Hall Riverside County Regional Medical Center
41	Mead Valley Community Center to Moreno Valley College and RCRMC	Rancho Verde High School RCC Mo Val Riverside County Regional Medical Center
208	Temecula-Murrieta-Sun City-Perris Moreno Valley-Downtown Terminal	Riverside City Hall County Administration Building
210/220	Riverside Downtown Terminal to Palm Desert	Riverside City Hall County Administration Building

Source: Riverside Transit Agency

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

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

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

4) *MoVan*: This service is operated by the Friends of Moreno Valley Senior Center in coordination with the RTA, and provides Moreno Valley transportation services for seniors and persons with disabilities. The service operates Monday-Friday, and specializes in trips to Riverside and Loma Linda. It requires a 24-hour advanced reservation. There is no charge, but donations are accepted.

4. Planning and Zoning Policies and Practices

As part of the preparation of the *Analysis of Impediments to Fair Housing Choice* the City responded to a 24-question survey regarding governmental codes or policies and practices that may result in the creation or perpetuation of one or more impediments to fair housing choice. The survey has a particular focus on land use and zoning regulations, practices and procedures that can act as barriers to the siting, development, or use of housing for individuals with disabilities. However, it also touches on areas that may affect fair housing choice for families with children or otherwise serve as impediments to full fair housing choice. In identifying impediments to fair housing choice, the survey looks to distinguish between *regulatory* impediments based on specific code provisions and *practice* impediments, which arise from practices or implementing policies used by the jurisdiction.

Attachment A is the complete *Survey of Zoning and Planning Codes, Policies and Practices That May Pose an Impediment to Fair Housing Choice*. The survey provides background information that explains the fair housing issues and concerns posed by each question. Three examples of background information are provided below:

- The *City of Santa Barbara v Adamson* case explains why cities should not have a definition of “family” that restricts housing opportunities for disabled persons living in a group home.
- The *U.S. ex re. Anti-Discrimination Center v. Westchester County* indicates that in appropriate circumstances affordable housing can be a tool to address a lack of fair housing choice in highly segregated communities.
- The Housing for Older Persons Act explains the conditions under which senior housing is exempt from the prohibition against familial discrimination.

Attachment A presents the results of the *Zoning and Planning Survey*. Based on this analysis it was determined that the City can take the actions affirmatively further fair housing. Table B-3 on pages 7 and 8 describes the public sector impediments and the recommended actions to ameliorate or remove the impediment.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

**Table B-3
City of Moreno Valley
Summary of Public Sector Impediments
and Fair Housing Action Plan Recommendations**

Impediment	Action Plan Recommendation
Housing for Disabled Persons – Disability Definition	
HUD encourages cities to provide a definition of "disability" in its planning and zoning codes.	In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Federal Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure.
Housing for Disabled Persons – Supportive Services	
HUD encourages cities to make provisions for housing with supportive services in the planning and zoning codes. The City's zoning regulations do not explicitly prohibit or permit transitional and supportive housing in residential zones.	The Planning and Zoning Code will be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.
Housing for Disabled Persons – Reasonable Accommodation Procedure	
HUD, the Federal Department of Justice and the California Attorney General's Office all encourage cities to adopt a reasonable accommodation procedure. This procedure provides a means for disabled persons to request exceptions from the development standards of a planning and zoning code and the standards of a building code.	The City will adopt a reasonable accommodation procedure.
Special Needs Populations	
HUD encourages cities to address special needs populations through provisions in their planning and zoning codes and policies contained in their planning documents.	The City will address special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013), the City must address the needs of the developmentally disabled population. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

**Table B-1 continued
City of Moreno Valley
Summary of Public Sector Impediments
and Fair Housing Action Plan Recommendations**

Senior Housing	
Impediment	Action Plan Recommendation
<p>Under federal law housing discrimination against families with children is permitted only in housing in which all the residents are 62 years of age or older or where at least 80% of the occupied units have one person who is 55 years of age or older. Generally, California law states that a housing provider using the lower age limitation of 55 years must have at least 35 units to use the familial status discrimination exemption. Also, California law, with narrow exceptions, requires all residents to be "senior citizens" or "qualified permanent residents", pursuant to Civil Code §51.3.</p> <p>The Planning and Zoning Code needs to be amended to contain a more precise definition of "senior housing."</p>	<p>The City will amend the Planning and Zoning Code by adding a senior housing definition. Many cities define senior housing as follows:</p> <p>Senior citizen housing shall mean a housing development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the Federal Fair Housing Amendments Act (42 U.S.C. 3607(b)) and implementing regulations and as that phrase is used in California Civil Code Section 51.2 and 51.3.</p>



**Attachment A
Survey of Zoning, Planning and Building
Codes, Policies and Practices That May Pose an
Impediment to Fair Housing Choice**

Name of Jurisdiction: City of Moreno Valley

Reviewing Agency: _____

Reviewer: _____

Date: _____

INTRODUCTION

As part of the preparation of an Analysis of Impediments to Fair Housing Choice, which is required for the receipt of certain federal funds, this survey provides answers to 24 questions regarding local governmental codes, policies and/or practices that may result in the creation or perpetuation of one or more impediments to fair housing choice. It has a particular focus on land use and zoning regulations, practices and procedures that can act as barriers to the situating, development, or use of housing for individuals with disabilities. However, it also touches on areas that may affect fair housing choice for families with children or otherwise serve as impediments to full fair housing choice.

The Survey helps to analyze the fair housing impacts of the City's codes and other documents related to land use and zoning decision-making. Additional information may be sought through interviews with appropriate staff and local developers of housing. In identifying impediments to fair housing choice, the survey looks to distinguish between regulatory impediments based on specific code provisions and practice impediments, which arise from practices or implementing policies used by the City.

The Survey was originally developed by David Acevedo of the U.S. Department of Housing and Urban Development – Los Angeles. It was modified by Castaneda & Associates and the Fair Housing Council of Orange County, Inc. HUD-LA has approved its use as a means to identify public sector fair housing impediments caused by a jurisdiction's planning, zoning, and building codes and practices.

QUESTIONS

The 24 questions comprising the Survey are organized into five categories:

- Housing for Disabled People
- Housing for Special Needs Populations
- Affordable Housing Policies
- Accessible Housing and Parking
- Other Fair Housing Policies

The 24 questions are listed below by category and answers to the questions begin on page 4.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

Attachment B shows the schedule of accessible parking requirements.

Appendix E lists the data sources consulted to complete the public sector impediments analysis.

Housing for Disabled People

1. Does the Code definition of “family” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?
2. Does the Zoning Code definition of “dwelling unit” or “residential unit” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?
3. Does the Zoning Code or any policy document define “disability”, if at all; at least as broadly as the Fair Housing Act?
4. Are the personal characteristics of residents including, but not necessarily limited to, disability considered in land use decisions?
5. Does the zoning ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as “boarding or rooming house” or “hotel”?
6. Does the zoning ordinance deny housing opportunities for disabled individuals with on-site housing supporting services?
7. Does the jurisdiction policy allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled?
8. Does the City require a public hearing for disabled persons seeking specific exceptions to zoning and land-use rules (variances) necessary for them to be able to fully use and enjoy housing?
9. Does the City have, either by ordinance or policy, a process by which persons with disabilities can request reasonable accommodations (modifications or exceptions) to the jurisdiction’s codes, rules, policies, practices, or services, necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling?
10. If the City supplies or manages housing, is there a clear policy to allow disabled persons residing in or seeking to reside in the housing to make or request reasonable physical modifications or to request reasonable accommodations? If ‘Yes’, is the policy communicated to applicants or residents?

Housing for Special Needs Populations

11. Does the zoning code or other planning policy document address housing for “special needs” populations?
12. How are “special group residential housing” defined in the jurisdiction’s zoning code?

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

13. Does the zoning code distinguish senior citizen housing from other single- family residential and multifamily residential uses by the application of a conditional use permit (CUP)?
14. Are there any standards for Senior Housing in the Zoning Code? If 'Yes', do the standards comply with federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older, or at least one person 55 years of age, or other qualified permanent resident pursuant to Civil Code Section 51.3)? Is the location of Senior Housing treated differently than other rental or for-sale housing? If 'Yes', explain.

Affordable Housing Policies

15. Is there a Zoning Code or other development policy that encourages or requires the inclusion of housing units affordable to low- and/or moderate- income households ('inclusionary housing')?
16. Does the City encourage or require affordable housing developments to give an admission preference to individuals already residing within the jurisdiction? If 'Yes', is it a requirement?

Accessible Housing and Parking

17. Does the jurisdiction's planning and building codes presently make a specific reference to the accessibility requirements contained in the 1988 amendments to the Fair Housing Act? Is there any provision for monitoring compliance?
18. Does the zoning ordinance contain any special provisions for making housing accessible to persons with disabilities?
19. Describe the minimum standards and amenities required by the ordinance for a multiple family project with respect to handicap parking?

Other Fair Housing Policies

20. Does the zoning ordinance include a discussion of fair housing? If yes, how does the jurisdiction propose to further fair housing?
21. Does the Zoning Code or Building Code establish occupancy standards or maximum occupancy limits that are more restrictive than state law, which incorporates the Uniform Housing Code (UHC)?
22. Does the Zoning Code allow for mixed uses? If 'Yes', does the ordinance or other planning policy document consider the ability of mixed-use development to enhance housing affordability? Also, do development standards for mixed-uses take into consideration the challenges of providing housing accessible to persons with disabilities in such mixed uses?
23. Does the zoning ordinance describe any areas in this jurisdiction as exclusive? Are there exclusions or discussions of limiting housing to any of the following groups? If yes, check any of the following that apply:
 - Race
 - Color
 - Sex

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

- Religion
- Age
- Disability
- Marital or Familial Status
- Creed of National Origin

24. Do real estate property tax assessments adversely impact one or more of the protected groups?

Housing for Disabled People

1. Does the Zoning Code definition of “family” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?

Yes No

a. Background

The legislative history of the Federal Fair Housing Act specifically recognizes that zoning ordinance provisions have discriminated against people with disabilities by limiting opportunities to live in the community and in group home residences:

While state and local governments have authority to protect safety and health and to regulate use of land, that authority has sometimes been used to restrict the ability of individuals to live in communities. This has been accomplished by such means as the enactment or imposition of . . . land use requirements on congregate living arrangements among non-related persons with disabilities. Since these requirements are not imposed on families and groups of similar size or other unrelated people, these requirements have the effect of discriminating against people with disabilities.

Source: H.R. Rep. No 711, 100th Cong., 2d Sess. 24 (1988), reprinted in 1988 U.S.C.C.A.N. 2173, 2185.

Group living arrangements are often necessary to enable people with disabilities to secure the supports they need to live in the community. Moreover, integration in the community has been found to enhance the quality of life and functioning of people with disabilities.

The State of California, in enacting its own fair housing protections, specifically recognized that land use practices have discriminated against group housing for people with disabilities. In a statement of legislative intent that accompanied amendments to California's Fair Housing and Employment Act, the following findings were made:

- That public and private land use practices, decisions, and authorizations have restricted, in residentially zoned areas, the establishment and operation of group housing, and other uses.
- That people with disabilities. . . are significantly more likely than other people to live with unrelated people in group housing.
- That this act covers unlawful discriminatory restrictions against group housing for these people.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

The California Land Use and Zoning Campaign found two zoning provisions that have the effect of discriminating against the development, siting and use of group homes for individuals with disabilities: (1) definitions of “family” that have numerical limits on unrelated persons and (2) occupancy standards based on familial status.

Traditionally, many cities and counties in their zoning ordinance have defined “family” as “. . . persons related by blood, marriage or adoption or not more than five unrelated persons, excluding servants.”

Historically, for land use and zoning purposes, this definition has been used to limit single family low density zones (hereafter “R1 zones”) to “traditional” family households to maintain the residential character of a neighborhood. However, this restrictive definition, which limits the number of unrelated persons who may live together, has effectively prohibited the siting and development of congregate or group homes for individuals with disabilities in R1 zones. A restrictive definition coupled with a conditional use permit requirement has also been used to strictly control the location of group homes for individuals with disabilities in multi-family zones.

Under the foregoing typical definition, a group home for individuals with disabilities that functions like a family would be excluded from an R1 zone solely because the residents are unrelated by blood, marriage or adoption. Instead of distinguishing between related and unrelated persons, a definition of family should look to whether the household functions as a cohesive unit and the use of the residence is compatible with other dwellings in an R1 zone. The characteristics of the residents of the dwelling, that they are individuals with disabilities, are not relevant to an inquiry of compatibility.

In 1980, the California Supreme Court in *City of Santa Barbara v. Adamson* struck down a municipal ordinance that permitted any number of related people to live in a house in a R1 zone but limited the number of unrelated people who were allowed to do so to five. The Court held that the residents of the Adamson household were a single housekeeping unit that could be termed an alternative family because they shared expenses, rotated chores, ate evening meals together, participated in recreational activities together, and became a close group with social, economic, and psychological commitments to each other. As a single housekeeping unit or, alternative family, the Adamson household could not be excluded from the single family zone nor made to apply for a conditional use permit.

Both state and federal fair housing laws also prohibit restrictive definitions of family that either intentionally discriminate against people with disabilities or have the effect of excluding such individuals from housing. Restrictive definitions of family illegally limit the development and siting of group homes for individuals with disabilities, not families similarly sized and situated, and effectively deny housing opportunities to those who because of their disability live in a group home setting.

A restrictive definition of family not only discriminates against people with disabilities in violation of the Act, but the failure to modify the definition of family or make an exception for group homes for people with disabilities may also constitute a refusal to make a reasonable accommodation under the Act.

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.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

- 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

b. Planning and Zoning Code Regulations

Section 9.15.030 of the Planning and Zoning Code defines “family” as follows:

“Family” means one or more individuals occupying a dwelling unit and living as a single household unit.

[Note: references to the zoning code and/or zoning regulations refer to the Municipal Code, Title 9, Planning and Zoning.]

c. Conclusion

The City of Moreno Valley zoning regulations define the occupants of a housing unit as a “family” and “household unit.” Furthermore, the zoning regulations do not refer to related or unrelated persons who may occupy a housing unit. Therefore, the zoning regulations do not discriminate against unrelated individuals with disabilities who reside together in a congregate or group living arrangement.

- 2. Does the Zoning Code definition of “dwelling unit” or “residential unit” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?**

Yes No

a. Background

The definition of a “dwelling unit” or “residential unit” may exclude or restrict housing opportunities for individuals with disabilities by mischaracterizing congregate or group living arrangements as “boarding or rooming house” or “hotel”. Both State and Federal fair housing laws prohibit definitions of dwelling that either intentionally discriminate against people with disabilities or have the effect of excluding such individuals from housing. Generally, all dwellings are covered by fair housing laws, with a “dwelling” being defined as “a temporary or permanent dwelling place, abode or habitation to which one intends to return as distinguished from the place of temporary sojourn or transient visit.”

b. Planning and Zoning Code Regulations

Section 9.15.030 of the Planning and Zoning Code defines “dwelling unit” as follows:

“Dwelling unit” means a building or mobile home or portion thereof, which contains living facilities for not more than one family, within which one family has interior access to all parts of the dwelling. In the case of residential care facilities with shared eating, cooking or sanitation facilities, a dwelling unit is a building or portion thereof that contains living facilities for ten (10) or less persons.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

The Planning and Zoning Code does not include a definition of “residential unit,”

c. Conclusion

The “dwelling unit” definition is consistent with fair housing laws as it does not mischaracterize licensed group homes or residential care facilities as “boarding or roominghouse.” In fact, the definition incorporates residential care facilities within the meaning of “dwelling unit.”

3. Does the Zoning Code or any policy document define “disability”, if at all; at least as broadly as the Fair Housing Act?

Yes No

a. 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.

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.

b. Planning and Zoning Code Regulations

The City’s zoning regulations do not contain a definition of disability. Section 9.15.030 of the Planning and Zoning Code defines “handicap housing” as follows:

“Handicapped housing” means multiple-family housing in which *all* of the dwelling units serve *physically handicapped* persons. Handicapped housing is characterized by doors, elevators, bathroom and kitchen facilities designed to accommodate physically handicapped persons. Handicapped housing does not include residential care facilities licensed by the state of California. [Emphasis added]

“Handicapped housing” is a permitted use in the RS 10, R10, RS 15 and RS 20 zone districts. It is a conditionally permitted use in the MUD 1 and MUD 2 zone districts. The latter are mixed use districts allowing up to 15 and 30 dwelling units per acre.

c. Conclusion

In order to affirmatively further fair housing, the City will establish a specific disability definition that is identical to the one in the Fair Housing Act. The definition will be included in the Reasonable Accommodation Procedure that will be adopted in the first year (2013-2014) of the *2013-2018 Fair Housing Action Plan*.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

4. Are the personal characteristics of residents, including but not necessarily limited to, disability, considered in planning and zoning decisions?

Yes No

a. Background

Under the Fair Housing Act, cities may have reasonable restrictions on the maximum number of occupants permitted to occupy a dwelling; however, the restrictions cannot be based on the *characteristics* of the occupants; the restrictions must apply to all households, and are based upon health and safety standards. Similarly, a conditional use permit or variance requirement triggered by the number of people with certain *characteristics* (such as a disability) who will be living in a particular dwelling is prohibited. Because licensed residential care facilities serve people with disabilities, imposing a variance requirement on family-like facilities of a certain size and not similarly sized housing for people without disabilities, violates fair housing laws.

According to the Department of Justice (DOJ) and Department of Housing and Urban Development (HUD), "group home" does not have a specific legal meaning. In the DOJ/HUD Joint Statement –

...the term 'group home' refers to housing occupied by groups of unrelated individuals with disabilities. Sometimes, but not always, housing is provided by organizations that also offer services for individuals with disabilities living in the group home. Sometimes it is this group home operator, rather than the individuals who live in the home, that interacts with local government in seeking permits and making requests for reasonable accommodations on behalf of those individuals.

The term 'group home' is also sometimes applied to any group of unrelated persons who live together in a dwelling – such as a group of students who voluntarily agree to share the rent on a house. The Act does not generally affect the ability of local governments to regulate housing of this kind, as long as they do not discriminate against residents on the basis of race, color, national origin, religion, sex, handicap (disability) or familial status (families with minor children).

Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act.

b. Planning and Zoning Code Regulations

Under the provisions of California law, the use of property for the care of six or fewer disabled persons is a residential use for the purpose of zoning. The land use protection applies to --

- Intermediate care facilities for individuals who have developmental disabilities (Health and Safety Code Section 1267.8)
- Residential facilities for persons with disabilities and for abused children (Health and Safety Code Section 1566.3, and Welfare and Institution Code Section 5116)
- Residential care facility for the elderly (Health and Safety Code Section 1569.87)
- Alcoholism and drug treatment facilities (Health and Safety Code Section 11834.23)
- Residential facilities for persons with chronic life threatening illness (Health and Safety Code Section 1568.0831)

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

Source: Law Offices of Goldfarb & Lipman, *Between the Lines: A Question and Answer Guide on Legal Issues in Supportive Housing*, 1999, pg. 110.

Health and Safety Code Section 1566.3 states:

No conditional use permit, zoning variance, or other zoning clearance shall be required of a residential facility which serves six or fewer persons which is not required of a family dwelling of the same type in the same zone.

Section 9.02.020 of the Planning and Zoning Code describes the permitted and conditionally permitted uses by zone district. This section of the Planning and Zoning Code, however, does not list the zones in which residential care facilities for six or few persons are permitted. The *2008-2014 Housing Element* explains –

The State of California has authority over the review of group homes having six or fewer persons. The City of Moreno Valley does not require community input, nor does the city impose additional requirements on housing for the disabled. (page 79)

c. Conclusion

Licensed residential care facilities providing housing for six or fewer disabled persons are allowed by right in all residential zones that permit single family homes. The characteristics of the occupants of such housing are not considered in zoning decisions. The zoning regulations do not impose an impediment to the siting of licensed group homes in residential zones that permit single family homes.

5. Does the Zoning Code restrict housing opportunities for individuals with disabilities and mischaracterize such housing as “boarding or rooming house” or “hotel”?

Yes No

a. Background

Housing for disabled persons in some communities is limited to certain residential zones. Often, housing for disabled persons is included in how cities define a boarding house or hotel.

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*.

b. Planning and Zoning Code Zoning Regulations

Section 9.15.030 of the Planning and Zoning Code defines a “boardinghouse” as follows:

“Boarding or rooming house” means a building containing a dwelling unit where lodging is provided with or without meals for compensation. Notwithstanding this definition, no single-family residence lawfully operating pursuant to a state license under the California Health and Safety Code, that is otherwise exempt from local zoning regulations, shall be considered a boarding or rooming house for purposes of this code.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

c. Conclusion

The zoning regulations do not include residential care facilities within the meaning of “boarding house” or “rooming house.” Furthermore, the zoning regulations explicitly exclude licensed residential care facilities from the meaning of boarding or rooming house. Therefore, the City’s regulations comply with the Federal Fair Housing Act and the State laws.

6. Does the Zoning Code deny housing opportunities for disabled individuals with on-site housing supporting services?

Yes No

a. Background

Housing for disabled persons often must incorporate on-site supportive services. Zoning provisions that limit on-site supportive services will, in effect, curtail the development of adequate housing for the disabled. As the joint statement by DOJ and HUD indicates:

Sometimes, but not always, housing is provided by organizations that also offer services for individuals with disabilities living in the group home.

b. Planning and Zoning Code Regulations

The zoning regulations do not outright deny supportive housing by, for example, listing it as a prohibited use in the residential zones.

SB 2 (Chapter 633, Statutes of 2007) amends housing element law regarding planning and approval of transitional and supportive housing. Government Code Section 65583 was amended to require local zoning to be updated to state that transitional and supportive housing shall be considered a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. For example, if the transitional housing is a multifamily use proposed in a multifamily zone, then zoning should treat the transitional housing the same as other multifamily uses proposed in the zone.

The *2008-2014 Housing Element* states:

The City does not restrict occupancy nor does it impose conditions on group homes that provide services on-site. (page 80)

Continue to allow transitional and supportive housing in all residential zones. (page 94)

The zoning regulations, however, do not –

- Define supportive housing
- Define transitional housing
- Identify the zones in which such housing is permitted

HCD has stated:

If jurisdictions do not *explicitly* permit transitional and supportive housing ... the element must include a program to ensure zoning treats transitional and supportive housing as a

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

residential use, subject only to those restrictions on residential uses contained in the same type of structure. [Emphasis added]

Source: 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, page 14

HCD also has stated:

Every locality must identify zones that will allow the development of transitional housing. The housing element should identify zones that allow supportive housing development....

Source: California Department of Housing and Community Development, *Zoning for a Variety of Housing Types*, May 6, 2010, page 1

c. Conclusion

The zoning regulations do not explicitly prohibit or permit transitional and supportive housing in residential zones. Therefore, the Planning and Zoning Code should be revised to define transitional and supportive housing and to indicate the residential zones in which such housing is permitted.

HCD suggests the following definitions:

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

Transitional Housing: Transitional housing and transitional housing development mean rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months.

7. Does the jurisdiction policy allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled?

Yes (as permitted by law) No

a. 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. [Emphasis added]

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b. Planning and Zoning Code Regulations

Housing for six or fewer disabled persons is a permitted use in all zones that permit single family housing. The City allows residential care facilities for seven or more persons in all residential zones subject to approval of a Conditional Use Permit (CUP). 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*, pg. 3, presented at the Residential Recovery Facilities Conference, Newport Beach, March 2, 2007.

c. Conclusion

Group homes housing six or fewer persons and licensed by the State under the provisions of the Health and Safety Code are permitted in residential zones. Under the law, a city may require a conditional use permit (CUP) for group housing occupied by seven or more disabled persons. Therefore, the City's zoning regulations are consistent with Federal and State fair housing laws.

8. Does the City require a public hearing for disabled persons seeking specific exceptions to zoning and land-use rules (variances) necessary for them to be able to fully use and enjoy housing?

Yes No

If 'Yes', is the process the same as for other applications for variances, or does it impose added requirements?

Yes No

a. Background

Persons with disabilities cannot be treated differently from non-disabled persons in the application, interpretation and enforcement of a community land use and zoning policies.

b. Planning and Zoning Code Regulations

All applicants requesting exceptions from the zoning and land use rules must apply for an administrative variance or variance. The administrative variance requires a community development director's hearing. A notice of this hearing is mailed to contiguous property

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owners and interested parties 10 days in advance of the director's hearing. The decision of the director can be appealed to the City Council.

Variations must be granted by the Planning Commission and require a public hearing. Variations from the terms of the zoning regulations shall be granted only when, because of special circumstances applicable to the *property* (not the user) in question, including size, shape, topography, location or surroundings, the strict application of the zoning regulations deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classification. Consequently, variations to a zoning regulation may be granted with respect to development standards such as, but not limited to, walls, fences, screening and landscaping, site area, width and depth, coverage, front, side and rear yards, height of structures, usable open space, and on-street and off-street parking and loading facilities. In approving a variance, the Planning Commission may impose reasonable conditions.

c. Conclusion

Reasonable accommodation procedures do not require public hearings. Consequently, once adopted, the reasonable accommodation procedure will enable the City to streamline the process for disabled applicants to request relief from the Planning and Zoning Code development standards.

9. Does the City have, either by ordinance or policy, a process by which persons with disabilities can request reasonable accommodations (modifications or exceptions) to the jurisdiction's codes, rules, policies, practices, or services, necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling?

Yes No

a. Background

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

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

Even though a zoning ordinance imposes on group homes the same restrictions it imposes on other groups of unrelated people, a local government may be required, in individual cases and when requested to do so, to grant a reasonable accommodation to a group home for persons with disabilities. For example, it may be a reasonable accommodation to waive a setback required so that a paved path of travel can be provided to residents who have mobility impairments. A similar waiver might not be required for a different type of group home where residents do not have difficulty negotiating steps and do not need a setback in order to have an equal opportunity to use and enjoy a dwelling.

Where a local zoning scheme specifies procedures for seeking a departure from the general rule, courts have decided, and the Department of Justice 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,

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and a local government is obligated to grant it if it meets the criteria discussed above. A local government's failure to respond to a request for reasonable accommodation or an inordinate delay in responding could also violate the Act.

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

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

On May 15, 2001 the State Attorney General transmitted a letter to all local governments advising the localities to consider adoption of a reasonable accommodation procedure. In that letter, the Attorney General stated:

Both the federal Fair Housing Act ('FHA') and the California Fair Employment and Housing Act ('FEHA') impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations and practices when such accommodations 'may be necessary to afford' disabled persons 'an equal opportunity to use and enjoy a dwelling.

The Office of Attorney General pointed out that while a city may deny a disabled applicant's request from relief under variance or conditional use permit procedures, the procedures may be insufficient to justify the denial when judged in light of the fair housing laws' reasonable accommodations mandate.

b. Planning and Zoning Code Regulations

The Code does not contain a reasonable accommodation procedure. Program 8.27 of the *2008-2013 Housing Element* indicates the City will amend the Planning and Zoning Code to adopt by a reasonable accommodation procedure by October 2013.

c. Conclusion

One of the main reasons for a reasonable accommodation procedure is to provide a way – other than through a variance or conditional use permit -- for disabled applicants to request a modification from zoning, building and land use rules, standards, and policies.

The City will adopt a reasonable accommodation procedure in the first year (2013-2014) of the *2013-2018 Fair Housing Action Plan*.

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10. If the City supplies or manages housing, is there a clear policy to allow disabled persons residing in or seeking to reside in the housing to make or request reasonable physical modifications or to request reasonable accommodations?

Yes No Not Applicable

If 'Yes', is the policy communicated to applicants or residents?

Yes No Not Applicable

a. Background

The Fair Housing Act requires *housing providers* to make reasonable accommodations for persons with disabilities. A reasonable accommodation is a change in rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling unit or common space. A housing provider should do everything s/he can to assist, but s/he is not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden. Reasonable accommodations may be necessary at all stages of the housing process, including application, tenancy, or to prevent eviction.

Example: A housing provider would make a reasonable accommodation for a tenant with mobility impairments by fulfilling the tenant's request for a reserved parking space in front of the entrance to their unit, even though all parking is unreserved.

b. Housing Provider Findings

A survey of apartment housing was conducted in October 2012. One question asked the managers whether they had policies for disabled tenants to request and make reasonable accommodations and/or modifications. Of the twenty (20) apartment complexes interviewed –

- 1 said no
- 10 said yes
- 2 said yes and the complex makes them
- 2 said yes with permission;
- 1 said yes but it would have to be restored when moving out
- 1 said yes depending on the type
- 1 didn't know
- 2 there was no response

The Housing Authority of the County of Riverside operates 82 public housing units and 631 Section 8 units in Moreno Valley. The Housing Authority's reasonable accommodation policies are quoted below:

The HA's policies and practices are designed to provide assurances that all persons with disabilities will be provided reasonable accommodations so that they may have equal access to the housing programs and related services. Persons requiring special accommodations due to a disability must notify the HA of their needs.

Reasonable Accommodation requests for families will be considered when a family includes a person with disabilities. The person with a disability, or guardian or responsible party of the person with a disability, must submit a written Reasonable Accommodation request. In cases where a separate bedroom or live-in aide is requested

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because of reasonable accommodation, the Housing Authority will verify the need through third party verification from the patient's designated licensed professional.

The HA will approve the exception as a reasonable accommodation if the family demonstrates a nexus to the disability is present to make the program accessible to and usable by the family member with a disability. Verification of the need must be provided annually on a Housing Authority approved form. In addition, requests involving separate bedrooms for medical equipment will be verified at the time of a participant's annual inspection or a special inspection may be conducted after an initial lease up to ensure that program funds are being used for the purpose in which they were intended.

Source: Housing Authority of the County of Riverside, *Administrative Plan for the Housing Choice Voucher Program*, July 1, 2012, pages 1 and 33

c. Conclusion

The City does not manage rent restricted affordable housing. It has provided gap financing to facilitate the development of affordable housing. The agreements between the City and the nonprofit owners require to reasonable accommodations and reasonable modifications.

In February 2013, the City and Fair Housing Council of Riverside County, Inc. distributed a model reasonable accommodation and reasonable modification policy to local apartment managers.

Housing for Special Needs Populations

11. Does the Zoning Code or other planning policy document address housing for "special needs" populations?

Yes No

a. Background

Special needs populations typically are considered to be homeless people, victims of domestic violence, people with disabilities (including those recovering from substance abuse), youth in crisis, people living with HIV/AIDS and the frail elderly. Of these groups, homeless people, victims of domestic violence, people with disabilities, and people living with HIV/AIDS have direct fair housing implications. There is a high incidence of disability in the homeless population; domestic violence overwhelming impacts women; and people living with HIV/AIDS are considered disabled under fair housing laws. While age is not a characteristic protected under federal fair housing law, it is covered under state law, and the higher incidence of disability in the frail elderly introduces possible fair housing implications for that population as well.

These populations often rely on group homes or service-enriched multi-family settings for housing opportunities. 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 might exist.

As previously noted, according to the DOJ and HUD, the term 'group home' does not have a specific legal meaning. While it often implies a living situation for people with disabilities, it also

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applies to any group of unrelated persons, often sharing common characteristics, who live together in a dwelling. This broader use of the term encompasses 'special needs' individuals.

b. Planning and Zoning Code Regulations

The Planning and Zoning Code neither defines "special needs" housing nor establish development standards for such housing. The City plans to define and accommodate transitional housing and supportive housing, which serve special housing needs. The City also addresses "special needs" housing through two planning policy documents – the Consolidated Plan and the Housing Element.

The Consolidated Plan establishes policies for addressing the needs of the following special needs populations:

- Elderly
- Frail Elderly
- Persons with disabilities (mental, physical, developmental)
- Persons with HIV/AIDS and their families
- Persons with alcohol or other drug addiction
- Victims of domestic violence

The *2008-2013 Housing Element* contains policies and programs to address the housing needs of special populations. Some of the housing element special populations also are fair housing protected classes – handicapped/disabled, female householders and the homeless many of whom are disabled.

City programs have produced housing for special needs populations:

- Ability First 24 housing units for physically disabled persons
- Atwood Gardens 9 units for of permanent support housing for developmentally disabled adults
- Rancho Dorado 15 units of permanent supportive housing for homeless and mentally ill adults

c. Conclusion

The City addresses special needs populations through the policies of the Consolidated Plan and Housing Element. In the Housing Element Update (to be adopted by October 2013), the City must address the needs of the developmentally disabled population. The City also will consider amending the Planning and Zoning Code to include a definition and development standards for special needs housing.

12. How are "special group residential housing" defined in the jurisdiction's Zoning Code?

a. Background

The term group home does not have a specific legal meaning. According to the DOJ/HUD Joint Statement the term 'group home' is sometimes applied to any group of unrelated persons who live together in a dwelling – such as a group of students who voluntarily agree to share the rent on a house. The Fair Housing Act does not generally affect the ability of local governments to regulate housing of this kind, as long as they do not discriminate against residents on the basis

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of race, color, national origin, religion, sex, handicap (disability) or familial status (families with minor children).

b. Planning and Zoning Code Regulations

The zoning regulations do not define group home or special group residential housing. Licensed residential care homes for fewer than six persons are a permitted residential use in all zones that permit single family homes. Those that house seven or more persons are permitted with a conditional use permit.

c. Conclusion

The City's zoning regulations are consistent with the Federal and State laws. The regulations are not a barrier to group housing for disabled persons.

13. Does the Zoning Code distinguish senior citizen housing from other single- family residential and multifamily residential uses by the application of a conditional use permit (CUP)?

Yes No

a. Background

Senior housing is an important component of a community's housing stock. As a population ages, seniors need a variety of housing opportunities.

b. Planning and Zoning Code Regulations

The zoning regulations do not require a conditional use permit (CUP) for senior housing. However, the Planning and Zoning Code does have specific "property development standards" for senior and handicapped housing. The most important of these is that:

The number of dwelling units may exceed that which is permitted in the underlying district by up to one hundred (100) percent.

In addition:

Each dwelling unit shall consist of individual rooms that contain a full bathroom and may contain small, efficiency kitchens. Any common kitchen, dining and living space, and recreational facilities must be adequate to serve all residents.

The senior housing regulations also allow the development of common facilities for the exclusive use of resident seniors (e.g., transportation maintained and operated by the facility).

c. Conclusion

The zoning regulations do not impede the development of senior housing. In fact, the density and property development standards encourage housing specifically designed to meet the needs of Moreno Valley's seniors.

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14. Are there any standards for Senior Housing in the Zoning Code?

Yes No

If 'Yes', do the standards comply with federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older, or at least one person 55 years of age, or other qualified permanent resident pursuant to Civil Code Section 51.3)?

Yes No

Is the location of Senior Housing treated differently than other rental or for-sale housing?

Yes No

If 'Yes', explain.

a. Background

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

The 1988 amendments to the federal Fair Housing Act exempt "housing for older persons" from the prohibitions against familial discrimination. This means that housing communities and facilities that meet the criteria for the federal Housing for Older Persons Act (HOPA) may legally exclude families with children. Such housing is still bound by all other aspects of fair housing law (such as prohibition of discrimination based on race, national origin or disability).

Section 3607(b)(2) defines "housing for older persons" as housing:

(A) provided under any State or Federal program that the Secretary determines is specifically designed and operated to assist elderly persons (as defined in the State of Federal program); or

(B) intended for, and solely occupied by, persons 62 years of age or older; or

(C) intended and operated for occupancy by persons 55 years of age or older and –

(i) at least 80 percent of the occupied units are occupied by at least one person who is 55 years of age or older;

(ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subparagraph; and

(iii) the housing facility or community complies with rules issued by the Secretary for verification of occupancy, which shall –

(I) provide for verification by reliable surveys and affidavits, and

(II) include examples of the types of policies and procedures relevant to a determination of compliance with the requirement of clause (ii). Such surveys

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and affidavits shall be admissible in administrative and judicial proceedings for the purposes of such verification.

Subsection (C) was changed by the Housing for Older Persons Act of 1995 (HOPA) to remove some of the uncertainties created by a provision in the 1988 Amendments that required the "existence of significant facilities and services specifically designed to meet the physical and social needs of older persons." The HOPA also provides for a good faith defense in an action for monetary damages under this subsection.

b. Planning and Zoning Code Regulations

Section 9.09.150 C7 of the Zoning Code states:

Residential occupancy for senior housing shall be limited to single persons at least sixty-two (62) years old, or to cohabiting couples of which one is at least sixty-two (62) years old for projects of less than one hundred fifty (150) units. For projects of one hundred fifty (150) or more units, such minimum occupant age shall be fifty-five (55) years. Any differing age criteria set by state or federal law shall prevail over any inconsistencies within this section.

Section 9.09.150B states:

Senior and handicapped housing shall be subject to the property development requirements of the underlying district and subject to all applicable local, state and federal laws, including the requirements of this section.

Property development standards unique to senior housing include:

The units provided shall not be less than four hundred fifteen (415) square feet in floor area for efficiency units, and five hundred forty (540) square feet for one bedroom units, or as otherwise approved by the planning commission.

The number of dwelling units may exceed that which is permitted in the underlying district by up to one hundred (100) percent, or as otherwise approved by the city council, provided the conditions of approval [meet certain] requirements

c. Conclusion

The Planning and Zoning Code could be amended to be more precise on what constitutes senior housing. For example, many cities define senior housing as follows:

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

With respect to the meaning of senior housing and the age restrictions, the Planning and Zoning Code defers to Federal and State laws:

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- Any differing age criteria set by state or federal law shall prevail over any inconsistencies within this section.
- Senior housing shall be subject to the property development requirements of all applicable state and federal laws....

Affordable Housing Policies

15. Is there a Zoning Code or other development policy that encourages or requires the inclusion of housing units affordable to low- and/or moderate- income households ('inclusionary housing')?

Yes No

a. Background

An analysis of impediments to fair housing choice must be careful to not substitute or conflate housing affordability policy with policies intended to affirmatively further fair housing. While household income is not a characteristic addressed by fair housing laws, it is appropriate to recognize that a lack of affordable housing can have a disparate impact on housing choice, on the basis of characteristics protected by fair housing laws.

As demonstrated by the outcome in the recent court case of *U.S. ex rel. Anti-Discrimination Center v. Westchester County*, which involved failures to affirmatively further fair housing by Westchester County, New York, in appropriate circumstances the provision and situation of affordable housing can be a tool to address a lack of fair housing choice in highly segregated communities.

b. Planning and Zoning Code Regulations

The zoning regulations do not include provisions for inclusionary housing. However, the City does provide many incentives to facilitate affordable housing such as:

- Gap financing
- Defer or reduce development impact fees
- Waive Traffic Uniform Mitigation Fee (TUMF)
- Streamlined permit processing
- Density bonuses

c. Conclusion

The City provides incentives for the production of affordable housing.

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16. Does the City encourage or require affordable housing developments to give an admission preference to individuals already residing within the jurisdiction?

Yes No

If 'Yes', is it a requirement?

Yes No

a. Background

This practice may have fair housing implications if the population of the jurisdiction lacks diversity or does not reflect the demographic makeup of the larger region in which it is located. There may be a barrier to fair housing choice, in that the policy can have a discriminatory affect on the basis of characteristics considered by fair housing laws.

For example if a jurisdiction already lacks housing suitable to people with mobility-related disabilities, the local population may have an under representation of such individuals, when compared to the population generally. Newly developed accessible housing that could meet the needs of such individuals, but which has a local resident admission preference, would be less likely to improve the ability of people with mobility-related disabilities to live in the jurisdiction. Likewise, a jurisdiction with an under representation of minority residents is likely to perpetuate that situation if a local resident admission preference is implemented for new affordable housing development.

b. Planning and Zoning Code Regulations

Admission preferences have not been established by the City.

c. Conclusion

There are no impediments to fair housing choice.

Accessible Housing and Parking

17. Does the jurisdiction's planning and building codes presently make a specific reference to the accessibility requirements contained in the 1988 amendments to the Fair Housing Act?

Yes No

Is there any provision for monitoring compliance?

Yes No

a. Background

The Fair Housing Act establishes accessibility requirements for new housing. Title 24 of the California Code of Regulations, known as the California Building Standards Code or just 'Title 24,' contains the regulations that govern the construction of buildings in California. Chapter 11A contains the regulations governing housing accessibility.

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b. Building Code Regulations

The City has adopted the California Building Code, 2010 Edition, based on the 2009 International Building Code as published by the International Code Council. The scheme for accessibility in California has been enhanced by the incorporation of the more restrictive building standards of the Federal Americans with Disabilities Act as well as the Fair Housing Amendments Act into the California access code.

The Building & Safety Division website makes available a Title 24 Disability Access Standards Complaint Form. The form allows a resident to make a complaint relative to site accessibility, building accessibility and sanitary facility accessibility.

c. Conclusion

As noted above, the City's Building Code contains the Fair Housing Act accessibility requirements. Compliance is monitored by the Building & Safety Division review of construction plans and the issuance of building permits and certificates of occupancy.

18. Does the Zoning Code contain any special provisions for making housing accessible to persons with disabilities?

Yes No

a. Background

The requirement for accessible units applies to "covered multifamily dwellings" constructed for first occupancy after March 13, 1991. First occupancy is defined as a "building that has never been used for any purpose."

There is no timetable for the production of accessible housing, as such housing is constructed when residential projects are built. The Fair Housing Act does not require any renovations to existing buildings. Its design requirements apply to new construction only.

Both privately owned and publicly assisted housing – including rental and for sale units – must meet the accessibility requirements when they are located in 1) buildings of four or more dwellings if such buildings have one or more elevators, and 2) all ground floor dwellings in other buildings containing four or more units.

b. Building Code Regulations

The City requires all new housing developments to comply with the California Building Standards (Title 24 of the California Code of Regulations) and the federal American with Disabilities Act (ADA). Title 24 of the California Code of Regulations, known as the California Building Standards Code or just 'Title 24,' contains the regulations that govern the construction of buildings in California. Chapter 11A contains the regulations governing housing accessibility.

The City enforces the Title 24 accessibility regulations. The City has prepared a Plan Check Manual which explains that construction plans must comply with the ADA Standards for Accessible Design (page 3) and explains in the Plan Check Review Checklist that "ADA requirements are approved by the Building and Safety Division" (page 40).

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Additionally, the City's housing programs enhance housing accessibility. The Home Improvement Loan Program (HILP) offers 3% deferred loans to "improve handicap accessibility." The Mobile Home Rehabilitation Program provides assistance "mainly to elderly and disabled persons whom are unable to maintain the exterior of their property and are facing penalties that could lead to eviction."

c. Conclusion

The City complies with the Federal and State laws governing accessible housing in new housing developments. The City's housing programs make special provisions for making housing accessible to disabled people.

19. Describe the minimum standards and amenities required by the Zoning Code for a multiple family project with respect to handicap parking?

a. Background

Federal and State laws require handicap parking. To further fair housing for disabled persons, the City's requirements should equal or exceed the minimum standards of Federal and State laws.

b. Planning and Zoning Code Regulations

The City's requirements for accessible parking are intended to be consistent with the state requirements. According to the Planning and Zoning Code, any conflicting provisions or future changes in state or federal requirements shall preempt the standards for provision of accessible parking spaces that the City currently requires.

Attachment C contains the City's accessible parking requirements.

c. Conclusion

The City's accessible and handicap parking requirements comply with the standards imposed by State and Federal laws.

Other Fair Housing Policies

20. Does the Zoning Code include a discussion of fair housing?

Yes No

If yes, how does the jurisdiction propose to further fair housing?

a. Background

Affirmatively furthering fair housing is an important responsibility of local government. Although a city may have numerous plans, policies, and standards, fair housing is rarely discussed in a zoning ordinance. Other documents of a city may discuss fair housing.

b. Planning Policies

The *2008-2014 Housing Element* discusses fair housing. The element policy is to –

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- Provide fair housing ... services to very low- and moderate-income households.

Two action programs are:

- Contract with a fair housing agency to educate landlords and tenants on their rights and responsibilities.
- Update the *Analysis of Impediments to Fair Housing Choice*.

c. Conclusion

The *2008-2014 Housing Element* contributes to promoting and furthering fair housing. The City's program includes workshops, the dissemination of information on fair housing laws and referrals to the Fair Housing Council of Riverside County, Inc.

21. Does the Zoning Code or Building Code establish occupancy standards or maximum occupancy limits that are more restrictive than state law, which incorporates the Uniform Housing Code (UHC)?

Yes No

a. Background

Occupancy standards sometimes can impede housing choice for families with children or for disabled persons. For example, some jurisdiction's zoning regulations have attempted to limit occupancy to five related persons occupying a single family home, or to strictly establish an occupancy standard of no more than two persons per bedroom. Such regulations can limit housing availability for some families with children, or prevent the development of housing for disabled persons.

The federal Fair Housing Act (FHA) 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)]

HUD implements section 589 of the Quality Housing and Work Responsibility Act (QHWRA) of 1988 by adopting as its policy on occupancy standards for purposes of enforcement actions under the FHA, the standards provided in the Memorandum of General Counsel Frank Keating to Regional Counsel dated March 20, 1991. The purpose of that Memorandum was "to articulate more fully the Department's position on reasonable occupancy policies and to describe the approach that the Department takes on its review of occupancy cases." The Memorandum states the following:

Specifically, the Department believes that an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act. [. . .] However, the reasonableness of any occupancy policy is rebuttable, and neither the February 21 [1991] memorandum nor this memorandum implies that Department will determine compliance with the Fair Housing Act based solely on the number of people permitted in each bedroom. [Emphasis added]

The memorandum goes on to reiterate statements taken from the final rule implementing the Fair Housing Amendments Act of 1988 as follows:

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- [T]here is nothing in the legislative history that indicates any intent on the part of Congress to provide for the development of a national occupancy code”
- Thus, the Department believes that in appropriate circumstances, owners and managers may develop and implement reasonable occupancy requirements based on factors such as the number and size of sleeping areas or bedrooms and the overall size of the dwelling unit. In this regard, it must be noted that, in connection with a complaint alleging discrimination on the basis of familial status, the Department will carefully examine any such nongovernmental restriction to determine whether it operates unreasonably to limit or exclude families with children.

Source: U.S. Department of Housing and Urban Development, Memorandum to All Regional Counsel from Frank Keating on the subject of *Fair Housing Enforcement Policy: Occupancy Cases*, March 20, 1991.

Essentially, HUD has established a starting point for assessing the reasonableness of occupancy restrictions, but has stated that the specific facts of each living situation must inform the final determination of reasonableness. While the above discussion relates to matters of discrimination affecting families with children, a similar analysis applies to standards that may limit housing choice for persons with disabilities.

b. Building Code Regulations

The City’s zoning regulations do not establish occupancy limits. The Uniform Housing Code -- on the basis of square footage -- establishes minimum occupancy limits for all housing.

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.

According to an analysis of occupancy standards:

The Legislature, by adopting this Uniform Housing Code standard, intends to pre-empt 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

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c. Conclusion

The City follows the standards of the Uniform Housing Code. Consequently, the City's regulations do not impede housing opportunities as occupancy standards different from the State requirements have been established.

22. Does the Zoning Code allow for mixed uses?

Yes No

If 'Yes', does the ordinance or other planning policy document consider the ability of mixed-use development to enhance housing affordability?

Yes No

Also, do development standards for mixed-uses take into consideration the challenges of providing housing accessible to persons with disabilities in such mixed uses?

Yes No

a. Background

Housing for disabled persons in a mixed-use development that includes commercial and residential land uses in a multi-story building could be a challenge. In such a development, it is especially important to correctly interpret the Federal and State accessibility requirements.

Housing for disabled persons in a mixed-use development that includes commercial and residential land uses in a multi-story building could be a challenge. In such a development, it is especially important to correctly interpret the Title 24 accessibility requirements.

b. Planning and Zoning Code Regulations

The City's General Plan was adopted on July 11, 2006. According to the General Plan policy:

The primary purpose of locations designated Mixed-Use on the Moreno Valley General Plan Land Use map is to provide for the establishment of commercial and office uses and/or residential developments of up to 20 dwelling units per acre. The zoning regulations shall identify the particular uses and type of development permitted on each parcel. Overall development intensity should not exceed a floor area ratio of 1.00.

The Planning and Zoning Code provides for two mixed use zones – MUD 1 and MUD 2. According to the Code:

The intent of the mixed use district 2 (MUD2) is the development of pedestrian oriented shopping areas with smaller, service related and specialty types of businesses with an allowance for residential as a secondary land use to the primary commercial use. MUD2 development is intended to occur along arterials or greater streets or in areas of high density development. The addition of a residential component is intended to increase the level of activity in commercial areas and provide better linkages and compatibility with adjacent residential neighborhoods. Overall development intensity should not exceed a floor area ratio of 1.00.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

The Code does mention specifically that the mixed use zones are intended to enhance affordability. However, MUD 2 allows housing at a maximum density of 30 dwelling units per acre. The California Department of Housing and Community Development has found that this density facilitates the development of affordable housing.

c. Conclusion

The City's mixed-use policy is neutral with respect to housing for disabled persons. The policy may be clarified with respect to how accessibility requirements will be enforced in a mixed-use development.

23. Does the Zoning Code describe any areas in this jurisdiction as exclusive?

Yes No

Are there exclusions or discussions of limiting housing to any of the following groups?

Yes No

If yes, check any of the following that apply:

- Race
- Color
- Sex
- Religion
- Age
- Disability
- Marital or Familial Status
- Creed of National Origin

a. Background

Fair housing choice means the ability of persons of *similar* income levels to have available to them the *same* housing choices. The City's land use and zoning policies cannot exclude persons from living in the neighborhoods in which they want to reside.

b. Zoning Regulations

Land use within Moreno Valley is primarily residential in character. Single family residential dominates the western half of the community. Residences are scattered throughout the eastern portion of the City.

Much of developed Moreno Valley was guided by specific plans. These specific plans, which include specific zoning and development standards, include Towngate, Moreno Valley Ranch, Sunnymead Ranch, Hidden Springs, Moreno Highlands and Eastgate. The General Plan and Specific Plans guide development of land and do not exclude or limit housing choices because of the characteristics listed above. The Housing Element has policies to encourage the production of senior housing, housing for disabled persons and family housing.

c. Conclusion

The land use and housing policies are consistent with Federal and State fair housing laws.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

24. Do real estate property tax assessments adversely impact one or more of the protected groups?

Yes No

a. Background

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

b. Real Estate Property Tax Assessment Regulations

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

In 1978, California voters passed Proposition 13, which substantially reduced property tax rates. As a result, the *maximum levy* cannot exceed 1% of a property's assessed value (plus bonded indebtedness and direct assessment taxes). This levy is applied to the City's residential properties as it is to all other properties in Riverside County and the State.

Increases in assessed value are limited to 2% annually. Four events can cause a reappraisal:

- A change in ownership;
- Completed new construction;
- New construction partially completed on the lien date (January 1); or
- A decline-in-value

Moreno Valley's 2012 assessed valuation is \$10,988,508,839 or 1.44% more than in 2011.

Source: Riverside County Office of the Assessor, County Clerk-Recorder, *2012-2013 Annual Report*, page 19

c. Conclusion

City practices do not affect real estate property tax assessments.

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

Attachment B Fair Housing Impediments Study Schedule of Accessible Parking Requirements

The following requirements for accessible parking are intended to be consistent with the state requirements. Any conflicting provisions or future changes in state or federal requirements shall preempt the standards for provision of accessible parking spaces contained in this title.

1. Accessible parking for residential uses shall be provided at a rate of one space for each dwelling unit that is designed for accessibility and occupancy by the disabled, unless an adjustment is allowed, based on a parking study approved by the community development director.

2. Accessible parking for outpatient units and facilities providing medical care and other services for persons with mobility impairments shall be provided at a rate of ten (10) percent of the total number of parking spaces provided serving such outpatient unit or facility. Accessible parking for units and facilities that specialize in treatment or services for persons with mobility impairments shall be provided at a rate of twenty (20) percent of the total number of parking spaces provided serving each such unit or facility.

3. Accessible parking spaces for other uses shall be provided at the following rates:

Number of Automobile Spaces Provided	Number of Accessible Spaces Provided
1—25	1
26—50	2
51—75	3
76—100	4
101—150	5
151—200	6
201—300	7
301—400	8
401—500	9
501—1,000	2 percent of total spaces
1,001 and over	20 plus 1 for each 100 spaces or fraction thereof over 1,001

4. Each accessible parking space shall be fourteen (14) feet wide, striped to provide a nine-foot wide parking area and a five-foot wide loading area (access aisle) and shall be a minimum of eighteen (18) feet in length. If two accessible spaces are located adjacent to each other, they may share the five-foot wide loading area, resulting in a width of twenty-three (23) feet for the two spaces. One in every eight handicapped spaces, but not less than one, shall be van accessible; served by a loading area not less than eight feet wide. If two van accessible parking spaces are located adjacent to each other, they may share a common eight-foot wide loading area.

5. When less than five parking spaces are provided, at least one shall be fourteen (14) feet wide, striped to provide a nine-foot parking area and a five-foot loading area. Such space shall not be required to be reserved or identified exclusively for use by persons with disabilities.

6. Accessible parking spaces serving a particular building shall be located on the shortest accessible route of travel from adjacent parking to an accessible entrance. In parking facilities that do not serve a particular building, accessible parking shall be located on the

APPENDIX B – PUBLIC SECTOR IMPEDIMENTS ANALYSIS

shortest accessible route of travel to an accessible pedestrian entrance of the parking facility. In buildings with multiple accessible entrances with adjacent parking, accessible parking spaces shall be dispersed and located closest to the accessible entrances.

7. In each parking area, a bumper or curb shall be provided and located to prevent encroachment of cars over the required width of walkways. The space shall be so located that persons with disabilities are not compelled to wheel or walk behind cars other than their own. Pedestrian ways that are accessible to people with disabilities shall be provided from each such parking space to the related facilities, including curb cuts or ramps as needed. Ramps shall not encroach into any parking space; with the exception that ramps located at the front of accessible parking spaces may encroach into the length of such spaces when such encroachment does not limit the capability of a person with a disability to leave or enter their vehicle, thus providing equivalent facilitation. Where the building official determines that compliance with any regulation of this subsection (B)(7) would create an unreasonable hardship, a waiver may be granted when equivalent facilitation is provided.

8. The slope of an accessible parking stall shall be the minimum possible and shall not exceed one-quarter inch per foot (2.083% gradient) in any direction.

9. Notwithstanding the off-street parking requirements of subsection A of this section, the number of parking spaces that are not accessible may be reduced to the extent necessary for modification of an existing facility to comply with the requirements described in this subsection.

10. Where provided, one passenger drop-off and loading zone shall provide an access aisle at least five feet wide and twenty (20) feet long adjacent and parallel to the vehicle pull up space. Such zones shall be located on a surface with a slope not exceeding one vertical in fifty (50) horizontal and shall be located on an accessible route of travel to the entrance of the facility. If there are curbs between the access aisle and the vehicle pull-up space, then a curb ramp shall be provided. Valet parking facilities shall provide a passenger loading zone, as described herein. (Ord. 694 § 1.1 (part), 2005; Ord. 670 § 3.1 (part), 2004; Ord. 557 §§ 2.2, 2.3, 2000; Ord. 520 § 1.14, 1997; Ord. 475 § 1.4 (part), 1995; Ord. 405 §§ 1.8, 1.13, 1993; Ord. 402 §§ 1.1, 1.2, 1993; Ord. 359 (part), 1992)

Appendix C

APPENDIX C - PRIVATE SECTOR IMPEDIMENTS ANALYSIS

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APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

A. INTRODUCTION

The AI examines the following private sector impediments:

- Housing discrimination
- Brokerage services
- Steering
- Appraisal practices
- Lending practices
- Homeowners insurance
- Blockbusting/panic selling
- Property management
- Reasonable modifications/accommodations
- Discriminatory advertising
- Hate crimes

1. Summary of Impediments and Action Plan Recommendations

Table C-1 on the next four pages presents a summary of the private sector impediments and the recommendations that will be included in the *2013-2018 Fair Housing Action Plan (FHAP)*. Most of the actions to remove or ameliorate the private sector impediments will be undertaken by the Fair Housing Council of Riverside County, Inc. These actions will be accomplished under the current agreement between the City and FHC or amended as necessary during the five-year period of the FHAP.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table C-1
City of Moreno Valley
Summary of Private Sector Impediments
and Fair Housing Action Plan Recommendations**

Impediments	Action Plan Recommendations
Housing Discrimination	
<p>Based on past trends, about 165 housing discrimination complaints will be filed during the five year period between 2013 and 2018. The bases for most of these complaints are likely to be race/color and disability.</p> <p>Although housing discrimination is infrequently reported in Moreno Valley, it is an underreported event. Some residents could experience housing discrimination and 1) not know how to detect it; 2) not know where to report it; and 3) uncertain about whether they want to report it.</p>	<ul style="list-style-type: none"> ➤ The City and Fair Housing Council of Riverside County, Inc. will continue to offer to its residents fair housing services which include the processing of housing discrimination complaints and landlord/tenant counseling services. Sometimes a landlord/tenant issue has as its basis a housing discrimination concern. ➤ The Fair Housing Council will post on its website a page where residents can input their fair housing questions.
Brokerage Services	
<p>No impediment was found. Brokerage services as defined by the Federal Fair Housing Act pertain to the MLS and real estate organizations. Therefore, the City has no authority with respect to the MLS, Bylaws, and Code of Ethics. However, fair housing and real estate practices are of interest because of the number of homes that will be sold and bought in Moreno Valley over the next five years.</p>	<ul style="list-style-type: none"> ➤ The City and Fair Housing Council of Riverside County, Inc. will arrange a meeting with IVAR’s Fair Housing Committee, which meets the third Tuesday of every month, to explore fair housing topics.
Steering	
<p>Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact renters when they seek an apartment.</p> <p>Corrective actions have been taken regarding loan steering so that abuse may not happen in the future as frequently as it occurred in the early to mid- 2000s.</p> <p>However, the steering of apartment seekers is likely to continue, although it is not possible to measure its frequency.</p>	<ul style="list-style-type: none"> ➤ The Fair Housing Council - as part of its home buyer counseling services – will provide examples of how to detect “steering” during the home search process and how to detect “loan steering.” ➤ The Fair Housing Council will offer information to renters attending workshops on how to detect steering behavior by resident property managers.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table C-1 continued
City of Moreno Valley
Summary of Private Sector Impediments
and Fair Housing Action Plan Recommendations**

Impediments	Action Plan Recommendations
Appraisal Practices	
<p>Complaints regarding appraisal discriminatory practices are not routinely collected by local, State or Federal agencies. It may occur but would-be homebuyers are in the best position to detect potentially discriminatory practices.</p>	<ul style="list-style-type: none"> ➤ The Fair Housing Council will add “how to read an appraisal report” to its homebuyer counseling services. ➤ Consumer education will 1) inform borrowers of their right to request the appraisal report and 2) provide information on the contents of the report and how to detect possible discriminatory practices.
Lending Practices	
<p>The potential for a high percentage of FHA loans becoming seriously delinquent will disproportionately affect Hispanic home buyers as 70% bought their homes with FHA/VA financing.</p> <p>As the FHA/VA reduces its market share of mortgage credit, fewer minorities will be able to obtain loans to purchase a home.</p> <p>Disparities exist among the loan denial rates experienced by minority loan applicants compared to White loan applicants.</p> <p>Bank of America has a loan denial rate considerably higher than other major lenders.</p>	<ul style="list-style-type: none"> ➤ The City and Fair Housing Council will annually monitor the HMDA data to establish long-term trends in loan denial rates. ➤ The City and Fair Housing Council will maintain an inventory of FHA and low down payment financed homes. ➤ The City and Fair Housing Council will monitor on a regular schedule the notices of default by address made available by the County Recorder’s Office or through a subscription service. ➤ The City and Fair Housing Council will match the notices of default by address to the addresses of the low down payment financed homes. ➤ The Fair Housing Council will contact the borrowers in default and inform them of default and foreclosure counseling services available to homeowners at risk of losing their homes.
Homeowner’s Insurance	
<p>As Moreno Valley has the second lowest home owners insurance premiums of the eight areas studied, there are no major impediments. However, without adequate knowledge consumers could pay more than they need to for appropriate insurance coverage.</p>	<ul style="list-style-type: none"> ➤ The Fair Housing Council will add “homeowners insurance” and “CLUE Reports” to its homebuyer counseling services. ➤ The Fair Housing Council will provide educational services to home buyers and borrowers so they understand the impact of CLUE Reports and can compare homeowner’s premium rates.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table C-1 continued
City of Moreno Valley
Summary of Private Sector Impediments
and Fair Housing Action Plan Recommendations**

Impediments	Action Plan Recommendations
Property Management Practices	
<p>Property management practices pertaining to service and companion animals; reasonable accommodations; and modifications can pose impediments to fair housing choice.</p>	<ul style="list-style-type: none"> ➤ The Fair Housing Council will update the list of the names and e-mail addresses of the resident apartment managers. ➤ The City and Fair Housing Council will arrange an “informational session” between the fair housing counselors and resident managers to exchange insights on a variety of fair housing issues. ➤ The City and Fair Housing Council will continue to inform resident managers by transmitting information to their e-mail and/or physical addresses. ➤ Every quarter or semi-annually the Q & A prepared by Apartment Association of San Bernardino County should focus on fair housing questions and answers.
Reasonable Modifications or Accommodations	
<p>A fair housing impediment is the practice of apartment managers to refuse disabled renters either a reasonable modification or reasonable accommodation.</p>	<ul style="list-style-type: none"> ➤ The City and Fair Housing Council will continue outreach to resident apartment managers through training sessions, workshops, correspondence and other means. ➤ The City and Fair Housing Council will transmit to the resident apartment managers a model written policy regarding reasonable accommodations and modifications. ➤ As new information becomes available, the City and Fair Housing Council will transmit it the resident apartment managers’ e-mail and/or physical addresses.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table C-1 continued
City of Moreno Valley
Summary of Private Sector Impediments
and Fair Housing Action Plan Recommendations**

Impediments	Action Plan Recommendations
Discriminatory Advertising	
<p>Ads containing discriminatory words or phrases are infrequently published. However, ads with discriminatory words or phrases may be published in the future. Additionally, ads stating “no pets” may discourage disabled persons from applying for the apartment housing advertised in print publications.</p>	<ul style="list-style-type: none"> ➤ The City and Fair Housing Council of Riverside County, Inc. will continue to work with the Press-Enterprise to amend its fair housing notice with regard to the following: <ul style="list-style-type: none"> ✓ Fair housing notice be placed closer to the for rent ads ✓ Indicate the protected classes under the provisions of both the Federal and State laws ✓ Explain that service and companion animals are not pets ✓ Include the phone number of the Fair Housing Council of Riverside County, Inc. ➤ The Fair Housing Council will semi-annually review ads published in newspapers, on-line apartment search sites, and craigslist. When discriminatory words or phrases are found, the Council will notify the entities placing the ads of the need to remove those words and phrases.
Hate Crimes	
<p>Hate crimes occur infrequently. When they do occur they can devastate families who believe they must move from the home and neighborhood of their choice.</p> <p>During the five-year period of the AI (2013-2018), about 20 to 25 hate crime events may occur with a home being the location of six to seven.</p> <p>There is a need for a resource directory so victims can be referred to community resources.</p>	<ul style="list-style-type: none"> ➤ The City should prepare a Hate Crime Victims Resource Directory. ➤ When that Directory is deemed complete, it should be transmitted to the Police Department to use as a referral resource.

B. HOUSING DISCRIMINATION

1. Prohibited Housing Discriminatory Practices

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) For any owner of housing accommodations to harass, evict, or otherwise discriminate against any person in the sale or rental of housing accommodations when the owner's

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

dominant purpose is retaliation against a person who has opposed practices unlawful under this section, informed law enforcement agencies of practices believed unlawful under this section, has testified or assisted in any proceeding under this part, or has aided or encouraged a person to exercise or enjoy the rights secured by this part. Nothing herein is intended to cause or permit the delay of an unlawful detainer action.

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

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

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

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

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

A follow-up study finds that between 2001 and 2005 knowledge of fair housing laws has increased in two areas – discrimination against families with children and steering of prospective homebuyers by race – but declined in one area – discrimination based on religion. On a composite index of overall knowledge, there was no change between 2001 and 2005. There was, however, a significant increase in overall support for fair housing laws.

The study also explores whether people know what to do to address perceived discrimination and why so few people who perceive they have been discriminated against do anything about it.

Four of every five persons who believed they had experienced housing discrimination plausibly covered by the federal Act profess not ... to have done anything at all in response. Many alleged victims maintain they did not take action because they presumed doing so would not have been worth it or would not have helped. Some, however, did not know where or how to complain, supposed it would cost too much money or take too much time, were too busy, or feared retaliation. The minority who did respond mainly complained to the person thought to be discriminating or to someone else, but a small proportion also talked to or hired a lawyer or sought help from or filed a complaint with a fair housing or other group or government agency.

Source: The Urban Institute, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, prepared for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research, February 2006, pg. iii

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

2. Examples of Housing Discrimination

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

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

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

3. Number and Type of Housing Discrimination Complaints

a. Background

With respect to housing discrimination complaints, a 2006 U.S. Department of Housing and Community Development (HUD) study found:

About 17 percent of the adult public claims to have suffered discrimination at some point when trying to buy or rent a house or apartment. If, however, the explanations given about the nature of the perceived discrimination are taken into account, about eight percent of the public had experiences that might plausibly have been protected by the Act. While the frequency, actions, and bases for the alleged discrimination are diverse, majorities of this group believe they were discriminated against more than one time, were looking to rent more frequently than to buy, and identified race more so than any other attribute or characteristic as the basis of the discrimination.

The Urban Institute, Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law, prepared for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research, February 2006, pg. iv

Therefore, the HUD study found that, perhaps, eight percent of public at some point time believe they were discriminated against.

b. National Housing Discrimination Complaints

Annually, between 2007 through 2010, about 10,150 to 10,550 complaints are filed with HUD and FHAP agencies. Each year complaints on the bases of disability and race had the largest number of complaints:

- Disability 4,410 to 4,839
- Race 3,203 to 3,750

Complaints on the bases of familial status, national origin and sex had the next highest number of complaints.

Source: U.S. Department of Housing and Urban Development, *Annual Report on Fair Housing, FY 2010*, page 20

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Table C-2
Examples of Housing Discrimination

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

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

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

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

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

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

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

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

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

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

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

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

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

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c. California Housing Discrimination Complaints

Table C-3 presents the number and types of housing discrimination complaints filed with the California Department of Fair Employment and Housing between 2000 and 2010. During this time span almost 13,000 complaints were filed statewide or about 1,300 annually. The most frequent bases for the complaints were:

- Disability about 28%
- Race/color almost 20%
- Familial Status about 15%
- National Origin almost 10%

Table C-4 shows the count of alleged discriminatory acts the most frequent of which are:

- Eviction almost 24%
- Refusal to rent 18%
- Unequal terms almost 18%
- Harassment about 16%
- Denied reasonable
modification/
accommodation about 17%

d. Moreno Valley Housing Discrimination Complaints – California Department of Fair Employment and Housing

The California Department of Fair Employment and Housing (DFEH) provided statistics on the number of housing complaints filed by basis and act. From 2000 through 2011 there was a total of 23 complaints filed, or an average of just under two cases per year.

Table C-5 shows that there were a total of 34 bases for the 23 complaints filed. The most frequently reported basis was race/color. During the same time period there were a total of 31 alleged acts. Table C-6 shows that the most frequent alleged acts were “eviction” and “unequal terms.”

Total bases and acts reported exceed the total number of cases filed because complainants may claim up to four bases and acts.

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Table C-3
California Department of Fair Employment and Housing: Housing Cases-Count of Bases

Bases	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Percent
Race/Color	215	270	253	263	271	313	304	267	199	203	2,558	19.7%
National Origin/Ancstry	141	101	139	103	131	200	149	113	79	111	1,267	9.8%
Religion	25	11	15	33	23	30	25	24	11	27	224	1.7%
Physical Disability-Hearing	2	9	5	11	7	4	6	8	12	10	74	0.6%
Physical Disability-Sight	22	25	8	10	8	8	12	12	15	11	131	1.0%
Physical Disability-Limbs	49	30	33	53	24	23	14	98	63	79	466	3.6%
Physical Disability-Blood/Circulation	3	1	13	14	6	2	3	4	1	2	49	0.4%
Physical Disability-Spinal/Back	11	20	31	24	23	18	15	10	9	14	175	1.4%
Physical Disability/Cerebral/Neural/Muscular	41	30	11	23	31	36	48	21	12	6	259	2.0%
Physical Disability-Heart	19	13	16	8	10	4	7	16	4	9	106	0.8%
Physical Disability-Speech/Respiratory	18	23	23	16	13	15	26	56	37	33	260	2.0%
Physical Disability-AIDS	12	7	13	11	17	14	16	2	9	8	109	0.8%
Physical Disability-Digestive/Urinary/Reproductive	2	4	5	3	4	4	5	7	15	15	64	0.5%
Physical Disability-Other	90	99	129	110	173	261	223	209	183	202	1,679	13.0%
Age (Over 40)	9	1	3	8	6	8	3	4	5	4	51	0.4%
Medical Condition	0	0	0	0	0	0	0	0	0	0	0	0.0%
Retaliation-for Filing	2	5	5	10	11	15	28	23	28	27	154	1.2%
Retaliation-for Protesting	45	44	58	47	49	53	55	22	27	42	442	3.4%
Retaliation-for Participating in DFEH Investigation	0	0	1	4	1	1	11	3	3	2	26	0.2%
Retaliation-for Protesting Patient Abuse	0	0	0	0	1	0	0	0	0	0	1	0.0%
Association-Must be Used with Another Bases	27	31	48	24	33	35	34	11	10	11	264	2.0%
Sex-Other Allegation	49	29	27	26	50	53	43	34	27	31	369	2.8%
Sex-Harassment	52	44	46	50	63	51	52	45	31	36	470	3.6%
Sex-Pregnancy	1	9	5	4	5	6	14	5	8	6	63	0.5%
Sex-Orientation	27	36	36	39	44	21	37	27	37	20	324	2.5%
Marital Status-Single	21	7	12	18	25	22	14	20	9	9	157	1.2%
Marital Status-Married	1	4	2	3	2	7	2	3	3	5	32	0.2%
Marital Status-Divorced	1	2	1	2	5	7	0	0	0	0	18	0.1%
Marital Status-Cohabitation	11	13	13	8	5	8	7	8	6	4	83	0.6%
Familial Status (Children)	194	182	146	169	219	265	204	203	201	172	1,955	15.1%
Source of Income	7	14	11	27	23	13	25	22	25	19	186	1.4%
Other	13	17	3	6	10	8	33	2	21	1	114	0.9%
Total	1,124	1,109	1,176	1,203	1,384	1,589	1,534	1,407	1,204	1,231	12,961	100.0%

Note: Total bases reported exceed the total number of cases filed. Complaints may claim up to four bases.

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Table C-4
California Department of Fair Employment and Housing: Housing Cases-Count of Alleged Acts

Alleged Act	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Percent
Refusal to Rent	189	207	182	203	235	329	363	333	332	301	2,674	18.0%
Eviction	384	366	401	351	412	425	368	284	258	262	3,511	23.6%
Refusal to Show	4	3	3	10	8	3	2	7	1	7	48	0.3%
Refusal to Sell	16	24	30	35	29	23	18	10	9	5	199	1.3%
Rent Increase	15	12	7	6	17	14	7	11	3	4	96	0.6%
Loan Withheld	3	10	9	16	8	8	9	4	7	6	80	0.5%
Unequal Terms	146	191	204	252	336	412	365	254	247	259	2,666	17.9%
Harassment	212	184	224	225	286	293	316	277	198	199	2,414	16.2%
Unequal Access to Facilities	24	29	6	32	32	80	143	67	78	97	588	4.0%
Occupancy Standards	3	2	4	3	6	8	3	12	13	15	69	0.5%
Surcharge	1	1	1	1	1	0	2	2	2	2	13	0.1%
Aggregate Income	1	0	0	0	0	0	0	1	0	1	3	0.0%
Income Standard	0	0	0	1	0	0	0	0	0	0	1	0.0%
Restrictive Covenant	6	5	2	0	4	1	0	9	5	9	41	0.3%
Denied Reasonable Modification/Accommodation	133	146	165	191	238	289	322	384	290	305	2,463	16.6%
Other	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total	1,137	1,180	1,238	1,326	1,612	1,885	1,918	1,655	1,443	1,472	14,866	100.0%

Note: Total acts reported exceed the total number of cases filed because some cases are filed under more than one act.

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**Table C-5
City of Moreno Valley
Housing Discrimination Cases Filed and Closed 2000-2011 by Basis**

Cases Files by Basis	Number of Cases
Race/Color	14
National Origin/Ancestry-Other	1
Mental Disability	1
Retaliation-For Protesting	4
Association-Must be used with another basis	6
Sex-Harassment	4
Source of Income	1
National Origin-Mexico	1
National Origin-United States	2
Total	34

Source: California Department of Fair Employment and Housing (DFEH) Housing Cases Filed and Closed in Moreno Valley 2000-2011
Table construction by Castañeda & Associates

**Table C-6
City of Moreno Valley
Housing Discrimination Cases Filed and Closed 2000-2011 by Act**

Cases Filed by Act	Number of Cases
Refusal to Rent	6
Eviction	10
Refusal to Sell	1
Unequal Terms	8
Harassment	6
Total	31

Source: California Department of Fair Employment and Housing (DFEH) Housing Cases Filed and Closed in Moreno Valley 2000-2011
Table construction by Castañeda & Associates

e. Moreno Valley Housing Discrimination Complaints – Fair Housing Council of Riverside County, Inc.

During the five-year period from FY 2007/2008 through FY 2011/2012, 167 housing discrimination complaints were made to the Fair Housing Council of Riverside County, Inc. Table C-7 shows that the basis of those complaints were predominantly disability (47%) and race (23%).

Table C-8 shows that two-thirds of the complaints were made by Black residents. White residents made more complaints than the Hispanic, Asian and Other populations.

Table C-9 shows that the actions taken included primarily Fair Housing Council counseling, HUD/DFEH Attorney and education.

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**Table C-7
City of Moreno Valley
Basis of Housing Discrimination Complaints: FY 2007/2008 – FY 2011/2012**

Bases	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Total	Percent
Age	1	0	2	0	1	4	2.4%
Arbitrary	0	0	0	1	8	9	5.4%
Color	0	0	2	1	4	7	4.2%
Disability	3	9	8	32	27	79	47.3%
Familial Status	1	3	1	4	3	12	7.2%
National Origin	0	1	1	2	0	4	2.4%
Race	9	7	5	12	6	39	23.4%
Sex/Gender	0	1	0	2	1	4	2.4%
Sexual Orientation	1	0	0	0	0	1	0.5%
Source of Income	0	1	1	5	1	8	4.8%
Total	15	22	20	59	51	167	100.0%

Source: Fair Housing Council of Riverside County, Inc.

**Table C-8
City of Moreno Valley
Housing Discrimination Complaints by Race and Ethnicity: FY 2007/2008 – FY 2011/2012**

Race/Ethnicity	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Total	Percent
Black	9	13	11	46	31	110	65.8%
White	5	6	4	1	10	26	15.6%
Hispanic	0	2	3	8	8	21	12.6%
Asian	0	1	2	2	0	5	3.0%
Other	1	0	0	2	2	5	3.0%
Total	15	22	20	59	51	167	100.0%

Source: Fair Housing Council of Riverside County, Inc.

**Table C-9
City of Moreno Valley
Actions Taken on Housing Discrimination Calls – FY 2007/2008 – FY 2011/2012**

Action Taken	2008/2009	2009/2010	2010/2011	2011/2012	Total	Percent
HUD/DFEH Attorney	3	3	26	8	40	26.3%
Counseled	9	11	17	30	67	44.0%
Educated	7	4	16	9	36	23.7%
Pending	3	0	0	0	3	2.0%
Conciliation	0	2	0	4	6	4.0%
Total	22	20	59	51	152	100.0%

Source: Fair Housing Council of Riverside County, Inc.

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Impediment:

Based on past trends, about 165 housing discrimination complaints will be filed during the five year period between 2013 and 2018. The bases for most of these complaints are likely to be race/color and disability.

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

Action Plan Recommendations:

The City and Fair Housing Council of Riverside County, Inc. will continue to offer to its residents fair housing services which include the processing of housing discrimination complaints and landlord/tenant counseling services. Sometimes a landlord/tenant issue has as its basis a housing discrimination concern.

The Fair Housing Council will post on its website a page where residents can input their fair housing questions.

C. BROKERAGE SERVICES

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

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

1. Rules and Regulations and Multiple Listing Service

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

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

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

2. Bylaws

According to Article V, Section 11 of the IVAR bylaws, applicants for membership must complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time, meeting the minimum criteria established from time to time by the National Association of Realtors for new member ethics training. Failure to satisfy this requirement within ninety days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 13 further requires that every four years members are required to complete a course on the Code of Ethics. Failure to satisfy this requirement is considered a violation of a membership duty for which membership is suspended until such time as the training is completed.

There are several classes of members, and although only REALTOR® members are subject to the Code of Ethics and its enforcement by the association, all members are encouraged to abide by the principles established in the Code of Ethics and conduct their business and professional practices accordingly.

3. Code of Ethics

The Code of Ethics adopted by IVAR seeks “to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession. REALTORS® having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, *willful discrimination*, or fraud resulting in substantial economic harm...shall bring such matters to the attention of the appropriate Board of Association of REALTORS.” (Emphasis added)

Article 10 of the IVAR code of ethics requires that its members shall not deny equal professional services to any person for reasons of *race, color, religion, sex, handicap, familial status, national origin, or sexual orientation*. Members also shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin or sexual orientation. Further, members shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, or sexual orientation. In furtherance of these objectives, IVAR has set forth several “standards of practice which state:

Standard of Practice 10-1: When involved in the sale or lease of a residence, REALTORS® shall not volunteer information regarding the *racial, religious or ethnic composition of any neighborhood* nor shall they engage in any activity which may result in panic selling, however, REALTORS® may provide other demographic information. [Emphasis added]

Standard of Practice 10-2: When not involved in the sale or lease of a residence, REALTORS® may provide demographic information related to a property, transaction or

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professional assignment to a party if such demographic information is (a) deemed by the REALTOR® to be needed to assist with or complete, in a manner consistent with Article 10, a real estate transaction or professional assignment and (b) is obtained or derived from a recognized, reliable, independent, and impartial source. The source of such information and any additions, deletions, modifications, interpretations, or other changes shall be disclosed in reasonable detail.

Standard of Practice 10-3: REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, or sexual orientation.

Impediment:

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

Action Plan Recommendation:

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

E. STEERING

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

...it shall be unlawful--

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

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

Examples of steering include:

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

Between 2007 and 2010, one percent of housing discrimination complaints alleged steering (HUD FY 2010 Annual Report on Fair Housing, page 24). There is no comparable data compiled by the State DFEH and the Fair Housing Council.

1. Racial/Ethnic and Neighborhood Steering

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

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

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

Source: Encyclopedia of Chicago, *Steering*, 2007

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

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

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

However, given Moreno Valley's household and neighborhood demographic profiles it is unavoidable to buy and rent in neighborhoods that are not predominantly minority. As Table C-10 shows between 2000 and 2010, the percentage of minority households increased from 59.8% to 73.5% largely because there were 2,078 fewer White Alone households at the end compared to the beginning of the decade. By contrast, the number of Black, Asian and Hispanic households increased. Black households increased by nearly 30% and Asian households by more than 50%. In addition, Hispanic households nearly doubled increasing from about 12,000 to nearly 22,700 during the decade.

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Table C-10
City of Moreno Valley
Number of Households by Race and Ethnicity: 2000 and 2010

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

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

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

Table construction by Castañeda & Associates

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

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

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

2. Steering of Apartment Seekers

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

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During any one-year there is turnover in the rental housing market as apartments are vacated and then are occupied by an apartment seeker. It is when this vacancy-turnover process occurs that apartment seekers could experience steering. Statistics are unavailable on apartment turnover, although the 2010 Census provides a snapshot of the number of vacant housing units available for rent. The 2010 Census reports 3,967 vacant housing units of which 1,486 were available for rent.

Table C-11 describes the four main types of illegal steering practices.

3. Loan Steering

Some of the families who bought homes in Moreno Valley during the housing boom years – a large proportion of whom were Hispanic – undoubtedly were steered into more costly loan products than they were qualified for and were victims of predatory lending.

From 2000 through 2006, easy access to mortgage loan credit dramatically increased home ownership and fueled home price appreciation. As the Government Accounting Office pointed out:

...more aggressive lending practices — an easing of underwriting standards and wider use of certain loan features associated with poorer loan performance — reduced the likelihood that some borrowers would be able to meet their mortgage obligations, particularly in times of economic hardship or limited house price appreciation. For example, data on private label securitized loans show significant increases from 2000 through 2006 in the percentage of mortgages with higher loan-to-value ratios (the amount of the loan divided by the value of the home), adjustable interest rates, limited or no documentation of borrower income or assets, and deferred payment of principal or interest.

Source: Government Accounting Office (GAO), *Home Mortgage Defaults and Foreclosures: Recent Trends and Associated Economic and Market Developments: Briefing to the Committee on Financial Services*, U.S. House of Representatives, Report No.: GAO-08-78R, October 2007, page 5 of letter to Chairman Frank

Mortgage lending grew sharply in the early to mid-2000s, as described below:

Mortgage lending surged in low- and moderate income neighborhoods during the housing boom, and subsequently contracted sharply. Over 2003-2006, purchase mortgage originations increased 60 percent in low- and moderate-income neighborhoods but less than 20 percent in high-income neighborhoods. Unfortunately, during the surge in lending many borrowers were encouraged to take out subprime mortgages with teaser rates and prepayment penalties as well as alt-A mortgages with negative amortization features.

Source: Janet L. Yellen, Vice Chair, Board of Governors of the Federal Reserve System, *Housing Market Developments and Their Effects on Low- and Moderate-income Neighborhoods*, June 9, 2011 (at the 2011 Federal Reserve Bank of Cleveland Policy Summit)

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**Table C-11
U.S. Department of Housing and Urban Development
Types and Examples of Illegal Steering Practices**

Type of Illegal Steering	Examples of Illegal Steering
<i>Discouraging You from Renting at a Building</i>	<p>Rather than saying "We don't rent to black people" or "No families allowed," some landlords claim to have nondiscriminatory policies but indirectly try to encourage prospective tenants to <i>look elsewhere</i> based on discriminatory reasons. Of course, if the apartment seeker mentions a need to rent an apartment in a building that's close to public transportation, it's valid for a landlord to point out a building isn't located near public transportation and suggest apartment seeker to look elsewhere.</p> <p>But if an apartment seeker starts to hear a landlord or broker make arguments for why a building shouldn't be considered when everything about it seems fine, the would be renter should be suspicious that they're trying to steer them away from the building for a discriminatory reason.</p>
<i>Discouraging Apartment Seeker from Renting by Exaggerating Drawbacks or Failing to Inform the Renter about Desirable Features of the Rental or Neighborhood</i>	<p>Instead of trying to show why the renter should be interested in their building, some landlords may stress the negatives, in the hope that it might get discourage the apartment seeker.</p> <p>Even less directly, a landlord may simply not bother pointing out the pros of living in the building or even in the neighborhood. For example, if a building has amenities such as a swimming pool, roof deck, or fitness center and the landlord or broker isn't mentioning them, that should be considered a red flag that the apartment seeker is being steered.</p>
<i>Indicating that Apartment Seeker Wouldn't Be Comfortable or Compatible with other Tenants</i>	<p>Another steering tactic could be summarized as "It's not the building, it's the tenants." Under this scenario, a landlord will try to discourage someone from renting at the building because he believes apartment seeker wouldn't be a good fit with the other tenants. HUD advises if someone is in this situation, the landlord or broker should be pressed to explain why he/she thinks renter would have problems with the tenants.</p> <p>The reason could be valid. For example, the renter may have told a landlord or broker they are looking for peace and quiet and landlord might let the renter know that many tenants like to hold loud parties or that the walls are thin and several complaints have been about noise. But if a landlord says, "Well, I don't think the other tenants will like the fact you have kids," then would be renter knows this is illegal steering, in this case based on familial status.</p>
<i>Trying to Assign Apartment Seeker to a Certain Floor or Section of the Building</i>	<p>This type of steering practice is about segregation. In this scenario, a landlord doesn't mind renting to certain types of people -- as long as those people rent apartments in a certain part of the building. Although this is a less obvious form of discrimination, this type of steering practice often leads to flat-out discrimination.</p> <p>An example is a landlord who tries to put tenants with disabilities in a certain area of a complex, in an attempt to minimize their visibility to other tenants and their guests. Another example is if the renter is a woman with two children and there are no more vacancies available in the "kids' part" of a building, it means the landlord must (under a discriminatory policy) turn the renter away on account of familial status -- even though there may be vacancies in the building.</p>

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The GAO Report also found the following:

In dollar terms, subprime lending grew from about 9 to 24 percent of mortgage originations (excluding home equity loans) from 2003 through 2006. Over the same period, Alt-A lending grew from about 2 to almost 16 percent of mortgage originations, and the share for loans with government insurance or guarantees fell from about 6 to 3 percent. As we reported in June 2007, in terms of number of loans, the subprime share of the market for home purchase mortgages grew most rapidly in census tracts with lower median incomes and higher concentrations of minorities, the same areas where FHA's share dropped most sharply.

Source: GAO Report, page 11 of Report to Committee on Financial Services

While this aggressive lending was going on, often borrowers of color experienced loan steering. Steering, bait-and-switch, and predatory lending are inter-connected. The California Association of Mortgage Brokers (CAMB) at its 2004 Annual Convention announced its first-ever definition of predatory lending:

Predatory lending is defined as intentionally placing customers in loan products with significantly worse terms and/or higher costs than loans offered to similarly qualified consumers in the region for the primary purpose of enriching the originator and little or no regard for the costs to the consumer.

Loan steering sometimes happened when borrowers were first declined by a lender and then referred to an affiliate. For example:

A borrower enters a lending institution seeking a loan and is told that they do not qualify for the specific loan applied for, but would qualify for another loan product from another affiliate of the organization. The applicant is therefore 'steered' to the affiliate and reapplies for another loan. [The] affiliate steers the borrower toward a loan product for which they are overqualified.

Sumit Agarwal and Douglas D. Evanoff, Social Science Research Network (SSRA) *Loan Product Steering in Mortgage Markets*, January 2013, pages 2-3

According to the Center for Responsible Lending:

...there is evidence that African American and Latinos were more likely to be steered into higher-priced loans than white borrowers.

...African and Latino borrowers were about 30 percent more likely to receive higher-cost subprime loans than white borrowers.

...higher-priced and subprime loans were more frequent in low-income and minority neighborhoods than in higher-income or predominantly non-Hispanic white neighborhoods.

Source: Center for Responsible Lending, *Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures*, page 11

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The average interest rate on a 30-year fixed rate home loan in 2004 was 5.84%. In contrast, the average higher-cost home loan in California carried an interest rate of 9.81%. It is very likely that during this period, many borrowers were steered to higher price loans and that higher-cost loans adversely impacted disproportionately borrowers of color. *Some borrowers of color who bought homes in Moreno Valley in the early- to mid-2000s would have experienced higher cost loans.*

Table C-12 shows that African-Americans, Latinos and American Indians and Pacific Islanders had a higher percentage of higher cost loans than White or Asian borrowers. Indeed, for African American borrowers, the figures were more than twice that for Whites.

Table C-12
State of California
Percent Higher Costs Loans by Race/Ethnicity
and Neighborhood Characteristics

Race/Ethnicity	% Higher Cost Loans
Asian	4.29%
White	7.16%
Pacific Islander	10.84%
American Indian	12.39%
Latino	14.03%
African American	16.29%
80-100% Minority Tracts	13.59%
Low Income Tracts	14.67%

Source: California Reinvestment Coalition, *Who Really Gets Higher-Cost Loans?* December 2005, page 29

Legal actions have recently been taken to obtain monetary relief for victims of steering. For instance, in 2011, the Civil Rights Division of the Federal Department of Justice filed and settled its largest fair lending lawsuit ever, obtaining \$335 million in monetary relief for more than 200,000 victims of discrimination. The Division's lawsuit against Countrywide Financial Corporation alleged that, for more than four years during the height of the mortgage boom, Countrywide systematically discriminated against qualified Hispanic and African-American borrowers in violation of ECOA [Equal Credit Opportunity Act] and the FHA [Fair Housing Act]. The lawsuit alleged – for the first time ever by the Department – that the mortgage lender “steered” Hispanic and African-American borrowers by systematically placing them in subprime loans, while placing white borrowers with similar creditworthiness in prime loans. [Emphasis added]

It is likely that “steering” was experienced by some Hispanic and African-American homebuyers who obtained loans from Countrywide to buy homes in Moreno Valley between 2003 and 2006.

Also, in 2011, the Federal DOJ reached a fair lending settlement with Wells Fargo. The complaint alleged that between 2004 and 2008, as a result of Wells Fargo's policies and practices, qualified African-American and Hispanic wholesale borrowers were placed in subprime loans rather than prime loans even when similarly-qualified non-Hispanic white borrowers were placed in prime loans. The discriminatory placement of wholesale borrowers in subprime loans, also known as “steering,” occurred because it was the bank's business practice

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to allow mortgage brokers and employees to place a loan applicant in a subprime loan even when the applicant qualified for a prime loan.

Source: The Attorney General's 2011 Annual Report to Congress Pursuant to the Equal Credit Opportunity Act Amendments of 1976, March 2012 (submitted by Thomas E. Perez, Assistant Attorney General, Civil Rights Division)

Additionally, corrective actions are underway to prevent or at least deter the abuses of the past from impacting borrowers who want to buy a home located in Moreno Valley. For example, the Federal Reserve Board (FRB) on August 16, 2010 announced final rules to protect mortgage borrowers from unfair, abusive, or deceptive lending practices that can arise from loan originator compensation practices. The new rules apply to mortgage brokers and the companies that employ them, as well as mortgage loan officers employed by depository institutions and other lenders.

The FRB explained that lenders commonly pay loan originators more compensation if the borrower accepts an interest rate higher than the rate required by the lender (commonly referred to as a "yield spread premium"). Under the final rule, however, a loan originator may not receive compensation that is based on the interest rate or other loan terms. This will prevent loan originators from increasing their own compensation by raising the consumers' loan costs, such as by increasing the interest rate or points. Loan originators can continue to receive compensation that is based on a percentage of the loan amount, which is a common practice.

The final rule, according to the FRB, also prohibits a loan originator that receives compensation directly from the consumer from also receiving compensation from the lender or another party. In consumer testing, the Board found that consumers generally are not aware of the payments lenders make to loan originators and how those payments can affect the consumer's total loan cost. The new rule seeks to ensure that consumers who agree to pay the originator directly do not also pay the originator indirectly through a higher interest rate, thereby paying more in total compensation than they realize.

Additionally, the final rule prohibits loan originators from directing or "steering" a consumer to accept a mortgage loan that is not in the consumer's interest in order to increase the originator's compensation. The rule will preserve consumer choice by ensuring that consumers can choose from loan options that include the loan with the lowest rate and the loan with the least amount of points and origination fees, rather than the loans that maximize the originator's compensation.

The Consumer Financial Protection Bureau (CFPB) adopted rules for mortgage brokers and loan officers to explicitly prohibit mortgage from steering borrowers into risky and high-cost loans. The Agency's rules prohibit mortgage steering mainly through removing incentives: originators can no longer received payment from both the consumer and other parties; they can no longer obtain compensation plans that fluctuate with the terms of the loan; and they cannot receive higher payment for securing higher interest loans (or loans with higher fees).

Impediment:

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

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steering of apartment seekers is likely to continue, although it is not possible to measure its frequency.

Action Plan recommendations:

- The Fair Housing Council - as part of its home buyer counseling services – will provide examples of how to detect “steering” during the home search process and how to detect “loan steering.”
- The Fair Housing Council will offer information to renters attending workshops on how to detect steering behavior by resident property managers.

F. APPRAISAL PRACTICES

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

Unlawful discriminatory appraisal practices, for example, may include:

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

According to Realist assessor information, in the past five years (1/1/2008-12/31/2012), there were 11,387 transactions for owner-occupants who bought homes or condominiums located in Moreno Valley. Although some purchased their home “all-cash” a significant number would have had an opportunity to review an appraisal. It is unlikely that the borrowers requested a copy of the appraisal.

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

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

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

At the end the report, there is an “appraiser’s certification” which includes 25 certifications. Certifications #17 reads:

I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the

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participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

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

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

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

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

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

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

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

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homogeneity of such characteristics is necessary to maximize value (Bold added for emphasis).

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

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

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

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

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

Impediment:

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

Action Plan Recommendations:

- **The Fair Housing Council will add "how to read an appraisal report" to its homebuyer counseling services.**
- **Consumer education will 1) inform borrowers of their right to request the appraisal report and 2) provide information on the contents of the report and how to detect possible discriminatory practices.**

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G. LENDING PRACTICES

1. Background

a. Fair Housing Act, Equal Credit Opportunity Act and the California Holden Act

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

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

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

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

To supplement federal legislation, state laws have been enacted to forbid the discriminatory practice known as "redlining," a practice that results in blanket refusals by some lenders to make loans in whole neighborhoods or geographic areas. Redlining is illegal in California pursuant to the Housing Financial Discrimination Act of 1977 (Holden Act). (Health & Safety Code Section 35800-35833) The Holden Act prohibits the consideration of race, color, religion, sex, marital status, national origin, or ancestry in lending for the purchase, construction, improvement, or rehabilitation of housing. Further, lenders cannot deny loan applications because of the ethnic composition, conditions, characteristics, or expected trends in the neighborhood or geographic area surrounding the property.

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

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

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

1. TRENDS, CHARACTERISTICS OR CONDITIONS IN THE NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION UNLESS THE FINANCIAL INSTITUTION CAN DEMONSTRATE IN THE PARTICULAR CASE THAT SUCH CONSIDERATION IS REQUIRED TO AVOID UNSAFE AND UNSOUND BUSINESS; OR

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2. RACE, COLOR, RELIGION, SEX, MARITAL STATUS, NATIONAL ORIGIN OR ANCESTRY

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

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

b. Home Mortgage Disclosure Act (HMDA)

The HMDA Loan Application Register (LAR) data includes information about *each* loan application. HMDA requires lenders to report on the action taken on each loan application, as follows:

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

The race, ethnicity and income of the applicant also are noted by the lender.

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

2. 2011 Conventional and FHA/VA Loan Volumes, Loan Dispositions and Denial Rates by Race, Ethnicity and Income

The 2011 LARS HMDA data reports 2,199 loan applications. That's all conventional and FHA/VA loan applications that made it through the entire underwriting process:

➤ Conventional Loans	481	21.9%
➤ FHA/VA Loans	1,718	78.1%
➤ Total	2,199	100.0%

The final disposition of the loan applications is as follows:

➤ Originated	1,693	77.0%
➤ Application Approved, Not Accepted	124	5.6%
➤ Denied	<u>382</u>	17.4%
➤ Total	2,199	100.0%

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

As noted above, about 17% of all loan applications were denied. Table C-13 shows the denial rates by race/ethnicity, selected income groups, and loan type.

**Table C-13
City of Moreno Valley
Comparison of Denial Rates by Race/Ethnicity, Type of Loan and Income Level**

Race/Ethnicity	\$25,000-\$49,999		\$50,000-\$74,999		\$75,000-\$99,999	
	Conventional	FHA/VA	Conventional	FHA/VA	Conventional	FHA/VA
White Alone	23.1%	14.7%	2.9%	10.8%	22.2%	8.9%
Hispanic or Latino	20.2%	15.1%	14.6%	14.8%	23.1%	12.7%
Asian	12.0%	22.2%	14.3%	38.5%	0.0%	0.0%
Black	22.2%	15.6%	28.6%	21.4%	60.0%	21.7%
Other/NA	15.8%	17.9%	17.6%	12.5%	12.5%	24.0%
Total	19.7%	15.4%	13.3%	15.3%	22.9%	14.2%

Source: 2011 LARS HMDA data
Table construction by Castañeda & Associates

- Within the \$25,000-\$49,999 income group, all minority group applicants have lower conventional loan denial rates than White borrowers. In contrast, white loan applicants have the lowest FHA/VA denial rates.
- Within the \$50,000-\$74,999 income group, the White loan applicants experienced a conventional loan denial rate much lower than the other race and ethnic groups. For Black borrowers, the conventional loan denial rate was more than twice as high as for the Hispanic and Asian borrowers. It should be noted, however, that both Asian and Black borrowers had 14 applications, of which two Asian applicants and four Black applicants were denied. This would account for the denial rate being twice as high. Among the FHA/VA loan applicants, Asian borrowers had a substantially higher denial rate; however, there were only 13 applications.
- Within the \$75,000-\$99,999 income group, the Asian conventional loan applicants had the lowest denial rate (only six applications); Blacks experienced the highest loan denial rate (only five applicants). Among the FHA/VA loan applicants, the Other/NA category borrowers had the highest loan denial rate while Asian loan applicants experienced the lowest denial rate (only six applications).

3. Characteristics of Borrowers with Approved Loan Applications

There were 1,693 approved loans in 2011:

➤ Conventional Loans	355	21.0%
➤ FHA/VA Loans	1,338	79.0%
➤ Total	1,693	100.0%

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The race and ethnicity of the borrowers is known for 1,560 of the 1,693 approved loans. The race and ethnicity is not known for 37 approved conventional loan borrowers and 96 FHA/VA approved loan applicants. These 133 approved loans were eliminated from the analysis because the focus is on the race and ethnicity of applicants who had their loans approved.

Table C-14 shows the race/ethnicity of 1,560 homebuyers who had their loans approved compared to household percentages based on the 2010 Census. The minority percentage of 2011 homebuyers (75%) is about 6% below the citywide percentage (81%) of minority householders. But Hispanic and White householders represent a higher percentage of the 2011 homebuyers than they comprise of all households residing in Moreno Valley in 2010. In contrast, the Asian homebuyer percentage is slightly less than they represent in the City while the Black homebuyers comprise 17.2% of all households compared to 10.8% of the homebuyers.

Table C-14
City of Moreno Valley
Race and Ethnicity of 2011 Homebuyers Compared to 2010 Census

Race/Ethnicity	Number	2011 Percent	2010 Percent
White	387	24.8%	18.9%
Black	168	10.8%	17.2%
Asian	76	4.9%	5.9%
Other	25	1.6%	3.6%
Hispanic	904	57.9%	54.4%
Total	1,560	100.0%	100.0%

Source: HMDA and 2010 Census
Table construction by Castañeda & Associates

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

The reasons why Blacks represent fewer of the 2011 homebuyers than the city-wide percentage are probably complicated. But they may include economic factors impeding mobility such as underemployment and income constraints or they prefer to buy in other communities.

4. Types of Home Loan Financing by Race and Ethnicity

Unlike the housing boom years, approved borrowers rely heavily on FHA/VA financing compared to conventional financing. Indeed, nearly 80% of all approved loans in 2011 were FHA insured loans or VA guaranteed loans. Table C-15 shows that about half of Asian homebuyers relied on FHA/VA financing. In contrast, 84% of Hispanic borrowers and 83% of the Black borrowers had their approved loans FHA/VA financed.

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Table C-15
City of Moreno Valley
FHA and Conventional Financing by Race and Ethnicity: 2011

Race/Ethnicity	FHA	Conventional	Total	Percent FHA
White	287	100	387	74.2%
Black	139	29	168	82.7%
Asian	37	39	76	48.7%
Other	22	3	25	88.0%
Hispanic	757	147	904	83.7%
Total	1,242	318	1,560	79.6%

Source: HMDA

Note: Table includes approved loans for which race and ethnicity are known. Therefore, 133 approved loans are excluded from the table total because race and ethnicity are unknown.

Table construction by Castañeda & Associates

5. Down Payments by Type of Financing and Race and Ethnicity

Data on the sales prices, type of financing, and down payments was obtained for 1,893 owner-occupied single family home purchases. The data provide the first and last name of the home buyer, but not the race or ethnicity. Software was then used to process the owners' surnames and categorize the homebuyers into three groups:

➤ Hispanic	1,039	54.9%
➤ Asian	161	8.5%
➤ Other	<u>693</u>	<u>36.6%</u>
Total	1,893	100.0%

Comparing the sales data to the HMDA data, the race and ethnicity distribution matched closely for Hispanic buyers, but was higher for Asian buyers:

	<u>Sales Data</u>	<u>HMDA Data</u>
➤ Hispanic	54.9%	57.9%
➤ Asian	8.5%	4.9%

The vast majority of the "Other" category (36.6%) is comprised of White and Black homebuyers as other groups bought few homes in Moreno Valley in 2011. Table C-15 – which is based on HMDA data – shows that White buyers comprised 387 and Black buyers 168 of the 580 homebuyers who were not Asian or Hispanic.

The sales data provides details on each property and, unlike HMDA data, includes the sales price and the amount of the first loan. Therefore, it is possible to calculate the amount of the down payment.

Table C-16 shows that about 64% of the Moreno Valley's 2011 homebuyers made a down payment of 3% or less. Almost 70% of the Hispanic homebuyers made a down payment of 3% or less. Additionally, about 65% of the "Other" homebuyers also made down payments of 3% or

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less. By contrast, only about 26% of the Asian homebuyers made a down payment of 3% or less.

Table C-16
City of Moreno Valley
Owner Occupied Home Purchases in 2011
by Race/Ethnicity and Down Payment Amount

Percent Down Payment	Race/Ethnicity						Total	Percent
	Asian	Percent	Hispanic	Percent	Other	Percent		
0% or >100% Financing ¹	4	2.5%	50	4.8%	82	11.8%	136	7.2%
1% to 3%	38	23.6%	675	65.0%	370	53.4%	1,083	57.2%
4% to 9%	4	2.5%	74	7.1%	39	5.6%	117	6.2%
10% to 15%	0	0.0%	21	2.0%	16	2.3%	37	2.0%
16% to 19%	0	0.0%	8	0.8%	2	0.3%	10	0.5%
20%	18	11.2%	79	7.6%	68	9.8%	165	8.7%
21% to 25%	24	14.9%	19	1.8%	20	2.9%	63	3.3%
26% to 30%	8	5.0%	13	1.3%	14	2.0%	35	1.8%
31% to 50%	7	4.3%	26	2.5%	13	1.9%	46	2.4%
51% or More	1	0.6%	4	0.4%	6	0.9%	11	0.6%
"All-Cash"	57	35.4%	70	6.7%	63	9.1%	190	10.0%
Total	161	100.0%	1,039	100.0%	693	100.0%	1,893	100.0%

¹Some HUD loans such as 203K loans and VA loans allow loans to exceed 100% of the purchase price.

Source: Realist tax assessor data obtained through the Pacific West Association of Realtors

Table construction by Castañeda & Associates

A significant loan underwriting goal is accomplished when a home buyer makes a down payment of 20% or more. The percentage of homebuyers who made a 20% or more down payment or an "all cash" purchase is as follows:

- Asian 71.4%
- Other 26.6%
- Hispanic 20.3%

Low down payment financing allows borrower leverage in six forms:

Two types of asset leverage:

1. As the down payment percentage decreases, the asset price of the home it can leverage increases.
2. As the loan amortization term increases, asset leverage remains high because of slower earned equity buildup from amortization during a loan's early years.

Three types of income leverage:

3. As the debt-to-income ratio increases, so does the loan that may be serviced with the same amount of income.

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4. As the loan amortization term increases, so does the loan that may be serviced with the same amount of income.
5. As the rate of interest declines, the size of the loan that may be serviced with the same amount of income rises. While the Federal Reserve is responsible for this increase in leverage, the FHA's underwriting policies turn virtually all of this additional buying power into increased buyer leverage.

One type of credit leverage:

6. The lower the acceptable credit score, the larger the pool of buyers.

Source: Edward J. Pinto, *How FHA Hurts Working-Class Families and Communities*, American Enterprise Institute, December 2012, pages 4 and 5

As previously explained, in 2011 about 64% of Moreno Valley's 1,893 homebuyers made a down payment of 3% or less. In the second half of 2008, 51% of mortgage foreclosures were caused by "negative equity" and down payments of less than 3%." (Wall Street Journal, July 3, 2009). According to the November 2012 FHA Outlook, 9.5% of all FHA loans are seriously delinquent, a percentage that includes all bankruptcies, all foreclosures, and 90 days or more delinquent.

Most of Moreno Valley's "low down payment homebuyers" obtained FHAVA financing. If housing price increases are stagnant, slow or declining, these homebuyers are potentially at risk of going underwater – that is, having a "net" sales price less than what is owed on the home. The median home price in 2011 was \$165,000. A loan amount of \$160,050 can be approved with a 3% down payment. After three years a loan balance of \$151,245 would be owed by the borrower (4% interest rate, 30-year term). If the home could still be sold for \$165,000 in 2016, the seller would realize a net sales price of \$151,800 based on 8% of the sales price being consumed by transaction costs (e.g., sales commission, inspection reports, appraisal costs, pest control reports, buyer mandated repair costs, etc.). Therefore, buyers who made a small down payment have a small equity stake and are at-risk to many economic forces outside of their control.

As stated earlier, about two thirds of all approved loans were FHA financed. There is concern of FHA's increased market share and its exposure to borrower delinquencies. As stated in the Department of Treasury and Department of Housing and Urban Development report to Congress:

FHA should return to its pre-crisis role as a targeted provider of mortgage credit access for low- and moderate-income Americans and first-time homebuyers. (Today, FHA's market share is nearly 30 percent, compared to its historic role of between 10-15 percent.) As Fannie Mae and Freddie Mac's presence in the market shrinks, the Administration will coordinate program changes at FHA to ensure that the private market – not FHA – picks up that new market share.

To make sure that FHA is financially strong enough to provide this key support, and that those taking out FHA-insured single-family loans are taking on sustainable mortgages, the Administration will explore ways to further reduce the risk exposure of FHA. While FHA has already changed its policy to require that borrowers with lower FICO scores put

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down *larger down payments*, FHA will consider other options, such as *lowering the maximum loan-to-value ratio* for qualifying mortgages more broadly. [Emphasis added]

Source: The Department of the Treasury and U.S. Department of Housing and Urban Development, *Reforming American's Housing Finance Market: A Report to Congress*, February 2011, pages 4, 19 and 20

FHA is changing the underwriting guidelines by increasing down payment standards, upfront mortgage insurance premiums (MIP - (which can be financed) and the monthly MIP. Starting in April 2013, the Federal Housing Administration is increasing the upfront and annual mortgage insurance premiums for FHA-insured loans. From a recent FHA press release:

As part of ongoing efforts to encourage the return of private capital in the residential mortgage market and strengthen the Federal Housing Administration's (FHA) Mutual Mortgage Insurance Fund, Acting FHA Commissioner Carol Galante today announced a new premium structure for FHA-insured single family mortgage loans. FHA will increase its annual mortgage insurance premium (MIP) by 0.10 percent for loans under \$625,500 and by 0.35 percent for loans above that amount. Upfront premiums (UFMIP) will also increase by 0.75 percent.

Two types of mortgage insurance are required on the majority of FHA-insured loans:

- Upfront mortgage insurance, or UFMIP, which is paid once at loan closing. FHA allows this premium to be financed into the loan.
- Mortgage insurance premium, or MIP, which is paid in equal installments are part of the mortgage payment.

On a \$200,000 FHA-insured loan, the UFMIP premium will increase from the current rate of 1% of the loan amount, or \$2,000, to 1.75% of the loan amount, or \$3,500. The MIP will increase from 1.15% of the loan amount to 1.25%, which increases the monthly MIP payment from \$191.66 to \$208.66.

6. Loan Denial Rates

1) *Loan Denial Rates by Type of Financing:* In 2011, conventional loan applications (481) comprised 22% of all loan applications (2,199). Of the 481 applications, 20.6% were denied, which is slightly higher than Riverside County denial rate of 17.3%.

In 2011, FHA/VA loan applications (1,718) comprised 78% of all loan applications (2,199). Of the 1,718 applications, 16.5% were denied, which is slightly higher than Riverside County denial rate of 15.8%.

For more details, refer to Tables 1 and 2 in Attachment A

2) *Loan Denial Rates by Race and Ethnicity* In 2011, the White applicants had the lowest conventional loan denial rate and the Black applicants had the highest denial rate, as follows:

Black applicants	31.1%
Other applicants	22.8%
Asian applicants	20.6%
Hispanic applicants	20.2%

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White applicants 17.5%

For more details and the data for 2009 and 2010, refer to Table 3 in Attachment A.

Between 2009 and 2011, the Hispanic loan denial rate decreased, while the Black loan denial rate increased.

In 2011, the White applicants had the lowest FHA/VA denial rate and the Asian applicants had the highest denial rate, as follows:

Asian applicants	24.0%
Black applicants	20.3%
Other applicants	16.4%
Hispanic applicants	16.3%
White applicants	13.9%

Between 2009 and 2011, the Hispanic loan denial rate decreased, while the Asian loan denial rate increased.

For more details and the data for 2009 and 2010, refer to Table 4 in Attachment A.

3) *Loan Denial Rates by Race, Ethnicity and Income:* Of the 481, conventional loan applications, 223 were made by applicants having annual incomes in the range of \$25,000 to \$49,999. In this income group, Asian's had the lowest loan denial rate and Hispanic and Black applicants experienced loan denial rates less than the White applicants.

Of the 481, conventional loan applications, 120 were made by applicants having annual incomes in the range of \$50,000 to \$74,999. In this income group, White applicants had the lowest loan denial rate (2.9%) while Black applicants experienced highest loan denial rate (28.6%) The Hispanic and Asian loan applicants experienced loan denial rates of about 14%.

Of the 1,718 FHA/VA loan applications, 862 were made by applicants having annual incomes in the range of \$25,000 to \$49,999. The Asian loan denial rate was considerably higher than those experienced by the other population groups.

Of the 1,718 FHA/VA loan applications, 471 were made by applicants having annual incomes in the range of \$50,000 to \$74,999. The Asian loan denial rate was considerably higher than that experienced by the other population groups. Within this income group, the Asian loan denial rate again was higher than those of the other population groups.

For more details, refer to Tables 5 and 6 in Attachment A.

4) *Loan Denial Rates by Census Tract, Percent Low Income and Percent Minority:* Five census tracts had highest loan denial rates which ranged between 28.0% and 36.4%. Census tracts with high percentages of low income population did not necessarily have the highest denial rates. Three of the five census tracts had a low income percentage less than the citywide average of 39.3%.

As noted above, five census tracts had highest loan denial rates which ranged between 28.0% and 36.4%. Census tracts with high percentages of minority populations did not necessarily have the highest denial rates. Two of the five census tracts had a minority population percentage less than the citywide average of 67.8%.

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For more details, refer to Tables 7 and 8 in Attachment A.

5) *Loan Denial Rates by Lender.* In 2011, major lenders were defined as those receiving 100 or more loan applications. Six major lenders received almost 900 loan applications which represented almost 41% of all loan applications. Bank of America had the highest loan denial rate at 31% compared to Wells Fargo which had the second highest loan denial rate at 15.4%. All other major lenders had loan denial rates of 7% or less.

For most major lenders, the number of loan applications received per census tract is small. However, Bank of America denied 44% of the 25 loan applications in one census tract and 24.4% of the 25 loan applications in another census tract. Wells Fargo denies 22.2% of the 63 loan applications made on one census tract.

For more details, refer to Tables 9 and 10 in Attachment A.

7. Reasons for Loan Denials

Loans can be denied for a number of reasons. HMDA requires lenders to list one or more reasons for a loan denial. Most loans are denied for “other” reasons. Between 2009 and 2011, 21.4% of the conventional loan applications were denied because of “debt-to-income ratio” and 14.1% due to “collateral.” During the same three-year period, 24.6% of FHA/VA loan applications were denied because of “debt-to-income ratio” and 15.2% due to “credit history.”

According to the 2011 HMDA Reporting Guide, the reasons are defined as follows:

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

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

Collateral: value or type of collateral insufficient.

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

For more details, refer to Tables 11 and 12 in Attachment A

Impediments:

- **The potential for a high percentage of FHA loans becoming seriously delinquent will disproportionately affect Hispanic home buyers as 70% bought their homes with FHA/VA financing.**
- **As the FHA/VA reduces its market share of mortgage credit, fewer minorities will be able to obtain loans to purchase a home.**
- **Disparities exist among the loan denial rates experienced by minority loan applicants compared to White loan applicants.**
- **Bank of America has a loan denial rate considerably higher than other major lenders.**

Action Plan Recommendations:

- The City and Fair Housing Council will annually monitor the HMDA data to establish long-term trends in loan denial rates.
- The City and Fair Housing Council will maintain an inventory of FHA and low down payment financed homes.
- The City and Fair Housing Council will monitor on a regular schedule the notices of default by address made available by the County Recorder's Office or through a subscription service.
- The City and Fair Housing Council will match the notices of default by address to the addresses of the low down payment financed homes.
- The Fair Housing Council will contact the borrowers in default and inform them of default and foreclosure counseling services available to homeowners at risk of losing their homes.

H. HOMEOWNER'S INSURANCE

1. Background

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

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

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

Although it could be argued that "otherwise make unavailable or deny" should only apply to activities similar to the refusal to sell or rent a home, not to all activities that make housing unavailable, this reading is inconsistent with other § 3604 jurisprudence. The Supreme Court has found that the FHA should be read broadly. Courts have readily applied § 3604 to a number of activities beyond the actual sale or rental transaction, such as zoning, the construction of low-income housing, and the provision of Section 8 housing vouchers.

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

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

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

The McCarran-Ferguson Act provides that federal law does not preempt state insurance law unless the federal law 'specifically relates to insurance.' Federal law not specifically relating to insurance should not be interpreted to 'invalidate, impair, or supercede' state

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insurance law. Some argue that, under the McCarran-Ferguson, the FHA cannot be applied to insurance because it does not explicitly mention insurance and would preempt States' determinations of appropriate insurance discrimination regulations.

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

This issue can be thought of as a state by state issue. By way of example, the Supreme Court of Texas ruled on the following question:

Does Texas law permit an insurance company to price insurance using a credit-scoring factor that has a racially disparate impact that, were it not for the McCarran-Ferguson Act, would violate the federal Fair Housing Act, 42 U.S.C §§ 3601-19, absent a legally sufficient nondiscriminatory reason, or would using such a credit-score factor violate Texas Insurance Code section 544.002(a), 559.051, 559.052, or some other provision of Texas law?

We answer that Texas law prohibits the use of race-based credit scoring, but permits race-neutral credit scoring even if it has a racially disparate impact.

Another study concluded – after a review of the number of homeowner's insurance policies written, canceled, non-renewed and declined - the following as issues pertaining to homeowner's insurance and fair housing:

The analysis suggests that people with lower incomes face barriers in obtaining and retaining homeowner's insurance. And while there were no indications of any pattern of intentional discrimination or bias against homeowners who live in zip codes of color, the findings suggest that, *in effect*, homeowners in those areas may be disproportionately underserved in their ability to obtain homeowner's insurance. The findings also make clear that determining the role that policies and practices of insurance companies play in blocking access to and retention of homeowner's insurance in low-income zip codes and in zip codes of color warrants further investigation

Source: Legal Services Advocacy Project, St. Paul, MN, *The Effect of Income and Race on the Ability to Obtain and Retain Homeowners Insurance*, October 2000

On November 16, 2011, HUD issued a proposed rule regarding *Implementation of the Fair Housing Act's Discriminatory Effects Standard*. Under this proposed rule, a –

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

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

The proposed rule – it should be noted – has not been finalized. And the proposed rule is not without controversy. For example, the American Bankers Association (ABA) believes that the disparate impact, or 'effects' discrimination doctrine is not supported by the legislation from

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which it seeks to draw its authority. The ABA explained its position in a paper prepared by Buckley Sandler LLP – *Disparate Impact Under FHA and ECOA: A Theory Without a Statutory Basis*, July 13, 2012. In short, the ABA's position is that –

Where a statute like the FHA does not permit disparate impact claims, such claims cannot be authorized by regulation.

It has been argued that:

If the rule is finalized as proposed, and upheld by the courts, property insurance companies are likely to experience claims of unlawful discrimination under the Fair Housing Act.

...it is much more likely that insurance practices will be challenged for their 'impact' rather than on the basis that they are motivated by a racial or ethnic animus.

Source: Washington Legal Foundation, *Legal Backgrounder*, Vol. 27, No. 11, June 8, 2012, authors Paul F. Hancock, Andrew C. Glass, and Roger L. Smerage, *HUD Proposal Would Impose 'Disparate Impact' Regulation on Property Insurance*, pages 1 and 2

2. Availability of Homeowners Insurance

a. CLUE Reports

Homeowners insurance can be made unavailable due to the claims history of a property or of the buyer seeking coverage.

When faced with a prospective insured, insurance providers use the CLUE database to find out information not only about the customer, but also about the residence to be covered. Often this will cause problems for homeowners who have recently purchased a property. If they assume they will be able to get insurance easily because they always have had coverage and have never made any claims, they may be surprised when they are turned down based on claims made on their new property by the previous owners.

Source: Eric R. Jaworski, Esq. and Jonathan A. Goodman, Esq., Colorado REALTOR News, *CLUE Reports Comprehensive Loss Underwriting Exchange Reports*, page 2

CLUE is a claims-information report generated by LexisNexis®, a consumer-reporting agency. The report generally contains up to seven years of personal-auto and personal-property claims history.

An insurer may request a CLUE report when an application is made for coverage or request is made for a quote. The company uses the applicant's claims history or the history of claims at a specific property, to decide if it'll offer coverage and the premium amount. Insurance company studies show a relationship between past and future claims.

When a home is sold in California, the seller is not obligated to provide the buyer with a CLUE report. According to the California Association of REALTORS (CAR), the standard residential purchase agreement -

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...simply requires the seller to disclose known material facts and defects including "known insurance claims within the past five years." In other words, if the seller had a fire in the kitchen 2 years ago and made an insurance claim, then the seller must disclose this fact to the buyer. *The C.A.R. purchase contract does not require purchase of a third-party report, such as C.L.U.E.* Sellers may make the disclosures of known insurance claims by using the C.A.R. Standard Form "Supplemental Statutory and Contractual Disclosures" (Form SSD), which allows a seller to disclose his or her awareness of insurance claims via a simple yes/no checkbox format.

A seller must disclose only known insurance claims; C.A.R. purchase agreements *do not require sellers* to discover unknown claims, or *to purchase reports or other third-party information to make this disclosure.* Although sellers may choose to provide and pay for a third-party report to provide this optional third-party information to buyers, *neither the law nor C.A.R.'s purchase agreement require that they do so.* [Emphasis added]

CAR points out, however –

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

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

b. Underserved Communities

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

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

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

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c. California FAIR Plan

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

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

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

3. Analysis of Homeowner's Insurance Rates

Researchers have demonstrated that insurers employ a wide range of practices which contribute to a pricing differential in insurance for whites compared to minority populations:

- Establishing a maximum age for houses beyond which policies become more expensive or entirely unavailable. Since minorities, on the whole, live in older housing this practice causes a disproportionate impact on such populations.
- Establishing a minimum value threshold below which insurance is unavailable. Since low income minorities live in less expensive housing, this practice generates a disproportionate impact on populations.
- Adjusting premiums in a neighborhood in a way that increases the rates in low income, minority areas. Instead of redlining, proxies for "low income minority area" are used such as crime rates, percentage of owner-occupied housing, number of vacant buildings, responses times of fire and police departments.

Source: Dana L. Kaersvang, "The Fair Housing Act and Disparate Impact in Homeowner's Insurance," Michigan Law Review, Vol. 104:1993, August 2006, page 1996

Homeowners insurance is a package policy consisting of different types of coverage for the house, its contents, additional living expenses, personal liability claims against the policyholder and other members of the household and medical payments to others. The policyholder pays a single premium amount for the combination of these coverages.

Section 12959 of the California Insurance Code requires the commissioner to publish and distribute a comparison of insurance rates report for those lines of insurance which are of most interest to individual purchasers of personal lines of coverage. The Homeowners Premium

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Survey is based upon several scenarios, or hypothetical risks, that represent the most common variables applied to homeowners, condominium, renters and earthquake insurance premiums quoted today.

Annually, the Statistical Analysis Division (SAD) of the California Department of Insurance conducts a survey of premiums of insurers offering homeowners insurance in California. Due to the great diversity of homes, limits, locations and coverages available, it is impossible to publish a comparison for every risk. Therefore, companies are asked to supply their annual premium, based on rates for new business, for specific hypothetical risks located in various zip codes throughout the state. Zip codes are selected from various regions within the state, based on census home density data. Hypothetical examples are developed in order to provide premiums for a wide variety of risk types.

The California Department of Insurance 2012 Homeowners Premium Survey was consulted to estimate insurance rates in Moreno Valley and, for comparison purposes, the seven nearest cities and zip codes for which data are available. The data on premiums is usually published by city; however, for Corona and Riverside the premiums were listed by zip code.

Annual premiums were determined for the eight largest insurers based on “exposures,” which are defined as –

In general, an exposure is defined as the risk or loss potential an insurance company assumes from its policyholder in exchange for premium. However, it is important to note that there can be multiple exposures under one policy. For example, an insurer may cover several vehicles, or exposures, under one automobile policy.

This report studied exposures on an **Earned** basis. Earned exposure is defined as a condition where the exposure is recognized by the insurance company after time has passed and the insurance company has delivered the services promised under the insurance policy.

Table C-17 shows the annual premiums of California’s eight largest insurers for single-family homes 16 to 25 years of age with \$200,000 of coverage and which are located in Moreno Valley and three other cities and four zip codes. As previously explained, the seven locations are those located in closest proximity to Moreno Valley and for which premium data are available.

Table C-18 shows the Homeowners Insurance Premium Cost Index. The index was developed for this AI as a means of comparing the cost to insure homes located in the eight locations. The Index is the average rank of the premiums of the eight largest insurance providers. The lower the value of the index, the higher is the cost of insurance. The premiums of each insurance provider were ranked from 1 to 8 with 1 representing the highest cost premium and 8 the lowest cost premium. State Farm, for instance, has its highest cost premium in Perris and its fifth highest in Moreno Valley and Hemet. Mid Century Insurance has its highest cost premium in Hemet and the lowest premium in Moreno Valley. Among the eight companies –

- 2 had their highest premium in Moreno Valley (2 X 1 = 2)
- 2 had their second highest premium in Moreno Valley (2 X 2 = 4)
- 1 had their third highest premium in Moreno Valley (1 X 3 = 3)
- 1 had their fourth highest premium in Moreno Valley (1 x 4 = 4)
- 1 had their fifth highest premium in Moreno Valley (1 x 5 = 5)
- 1 had their eighth highest premium in Moreno Valley (1 x 8 = 8)

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Table C-17
Survey of 8 Largest¹ (By Exposure) Residential Insurers
By City and Percent Minority – May 1, 2012

City	Percent Minority	State Farm	Fire Insurance Exchange	Mid Century Insurance Co.	Insurance Exchange of the Automobile Club	Mercury Casualty Company	Amco Insurance Co.	Safco Insurance Company of America	United Services Automobile Association
Moreno Valley	81.1%	\$1,227	\$843	\$1,027	\$599	\$466	\$677	\$689	\$589
Banning	56.6%	\$1,114	\$843	\$1,301	\$560	\$474	\$677	\$760	\$571
Corona-92879	61.9%	\$1,255	\$843	\$1,124	\$598	\$607	\$677	\$760	\$550
Corona-92882	61.9%	\$1,385	\$843	\$1,201	\$555	\$607	\$677	\$760	\$550
Hemet	48.2%	\$1,227	\$854	\$1,433	\$552	\$386	\$637	\$540	\$571
Perris	89.0%	\$1,454	\$843	\$1,225	\$569	\$589	\$677	\$703	\$571
Riverside-92503	66.0%	\$1,318	\$843	\$1,147	\$607	\$474	\$677	\$760	\$550
Riverside-92506	66.0%	\$1,114	\$843	\$1,204	\$596	\$474	\$677	\$760	\$550

¹Allstate and AAA Northern CA NV UT Insurance Exchange are among the 10 largest home insurers. However, premiums are unavailable for these two insurers.

Note: Criteria included a home value of \$200,000 and a home age between 16 and 25 years old. Percent minority for Corona and Riverside are for the entire city.

Source: California Department of Insurance Website, 2012 Homeowners Premium Survey. American FactFinder, Census 2010, Summary File 1, Table P9 Hispanic or Latino and Not Hispanic or Latino by Race

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Table C-18
Homeowners Insurance Premium Cost Index¹

City	Premium Cost Index	Percent Minority	Percent Minority Population Rank
Perris	2.250	89.0%	1
Riverside-92503	2.500	66.0%	3
Corona-92879	2.750	61.9%	4
Corona-92882	2.750	61.9%	4
Banning	2.875	56.6%	5
Riverside-92506	3.000	66.0%	3
Moreno Valley	3.250	81.1%	2
Hemet	3.500	48.2%	6

Source: Table C-17 was used to rank the annual premiums of the eight insurance providers in the eight locations. The ranking methodology is explained in the narrative.

The sum of the ranks is 26 which divided by 8 yields an average rank for Moreno Valley of 3.250. The average rank indicates that homeowners' insurance premiums are the second lowest in Moreno Valley. Hemet is the only city that on average has lower cost premiums than Moreno Valley.

Another AI issue is whether there is a positive correlation between high insurance costs and high minority population percentages. Perris has the highest average insurance costs and the highest minority population percentage of the eight locations. On the other hand, Moreno Valley has the second highest minority population percentage but the second lowest insurance premiums. Hemet is the only city with average insurance costs lower than Moreno Valley. Thus, there appears to be no positive correlation between high insurance costs and high minority population percentages.

Minority buyers seeking homeowners insurance for homes bought in Moreno Valley would not be adversely impacted financially as the City has the second lowest average insurance costs.

Impediments:

As Moreno Valley has the second lowest home owners insurance premiums of the eight cities studied, there are no major impediments. However, without adequate knowledge consumers could pay more than they need to for appropriate insurance coverage.

Action Plan Recommendations:

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

I. BLOCKBUSTING/PANIC SELLING

1. Historical Background

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

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

Source: Encyclopedia of Chicago, *Blockbusting*, 2007

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

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

2. California Law

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

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

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subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

Government Code Section 12955 states it shall be unlawful:

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

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

3. Blockbusting in Moreno Valley

Data on housing discrimination complaints based on claims of blockbusting and/or panic selling are not routinely collected by HUD, DFEH, Fair Housing Council or the City. The California Department of Real Estate website was researched to obtain data on violations of Business and Professions Code 10177(l)(1). The DRE reported that violations cannot be filtered by this code. The City then contacted Thomas Poole of the DRE on January 11, 2013 who indicated there has been “no disciplinary action against a real estate licensee because of violation of 10177(l)(1).” Thus, in Moreno Valley blockbusting/panic selling is not an impediment.

J. PROPERTY MANAGEMENT

Property management policies and practices are of keen importance to Moreno Valley residents. The vast majority of the 18,199 renter households reside in apartment communities. For the AI, a survey was conducted of the resident managers of market rate and rent-restricted apartments. The purpose of the survey was to find out if policies and practices adhere to fair housing laws.

1. Occupancy Limits

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

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

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

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

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

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

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

Six of the eight affordable housing resident managers responded to the question – all six said yes. When asked to give examples, none of the six examples were inconsistent with the 2 + 1 standard.

2. Service and Companion Animals

Under Federal and State fair housing laws, individuals with disabilities may ask their housing provider to make reasonable accommodations in the "no pets" policy to allow for their use of a service and/or companion animal. The housing provider may ask the disabled applicant/tenant to provide verification of the need for the animal from a qualified professional. Once that need is verified, the housing provider must generally allow the accommodation.

One of the three regulations issued by HUD applies to all housing. The second and third sets of regulations implement legislation designed to recognize the importance of animals in the lives of the elderly, disabled and persons living in subsidized housing. 24 CFR 100.204(b)(1) provides an example that applies to all housing providers and concerns a guide dog:

A blind applicant for rental housing wants to live in a dwelling unit with a seeing-eye dog. The building has a *no pets policy*. It is a violation of Section 100.204 for the owner or manager of the apartment complex to refuse to permit the applicant to live in the apartment with a seeing-eye dog because, without the seeing-eye dog, the blind person will not have an equal opportunity to use and enjoy a dwelling.

The principle is broader than just guide dogs and applies to all service dogs.

Another example is given below:

A housing provider has a "no pets" policy. A tenant who is deaf requests that the provider allow him to keep a dog in his unit as a reasonable accommodation. The tenant explains that the dog is an assistance animal that will alert him to several sounds, including knocks at the door, sounding of the smoke detector, the telephone ringing, and cars coming into the driveway. The housing provider must make an exception to its "no pets" policy to accommodate this tenant.

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Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Accommodations Under the Fair Housing Act*, May 17, 2004, pages 6-7

When asked about allowing service animals, of 14 of the market rate resident managers 12 said yes, one said no, and one said “not pet friendly.” Among the affordable housing resident managers, four said yes, one said yes with exceptions and three did not respond.

When asked about companion animals, the market rate resident managers’ responses were:

- 9 said yes
- 2 said yes with doctor’s prescription
- 1 said yes with certificate
- 1 said no
- 1 said not pet friendly

The responses of the affordable housing managers were:

- 4 said yes
- 1 said yes with exceptions
- 3 did not respond

3. Housing Unit Modifications

According to HUD:

A reasonable modification is a structural change made to existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises..

Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Modifications Under the Fair Housing Act*, March 5, 2008, page 3

When asked about allowing disabled tenants to make modifications to their unit, the market rate resident managers’ responses were:

- 12 said yes in one way or another (but most do not seem to have a “written policy”)
- 1 doesn’t know
- 1 didn’t answer

The affordable housing managers’ answers were:

- 2 said yes
- 1 said yes, reasonable accommodations, to be made by apt. owner
- 1 said yes, depending what type
- 1 said no
- 3 did not respond

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4. Knowledge of Fair Housing Laws

Market rate and rent restricted resident managers were asked about their knowledge of fair housing laws. The market rate resident managers stated:

- 9 said very familiar
- 5 said somewhat familiar

The affordable housing resident managers' responded:

- 4 said very familiar
- 2 said somewhat familiar
- 2 did not respond to the survey

5. Property Management Industry

Fair housing is of keen interest to the property management industry because violations of the law can be costly. To obtain ideas on the perspectives of the property management industry, a review was completed of the *Apartment Management Magazine* and an interview was conducted with the executive director of an apartment association.

In 2012, fair housing articles were published in seven of the 12 monthly issues of the *Apartment Management Magazine*. The articles, for the most part, provide information on fair housing laws and render advice such as the following:

- Support fair housing
- Landlords should spell out their pet policy clearly in the lease or rental agreement
- Owners can't refuse to rent to a resident who requires a service or companion animal
- Encourage people working in the industry to complete fair housing training
- Do not attempt to pre-screen applicants over the phone
- You never know if the person on the other end of the line is really a prospect or a fair housing imposter trying to trick you into a violation of fair housing law
- Know fair housing rules
- The owner and his/her site manager or property manager should develop fair housing selection criteria/policies consistently to meet fair housing laws
- Make sure your occupancy limit is not too restrictive that could be interpreted as a pretext for discriminating against families with children
- Summary of federal laws managers must be aware of (Fair Housing Act, Americans with Disabilities Act)
- Legal questions and answers on subjects as familial status discrimination, steering and retaliation
- That registered sex offenders are not members of a 'protected class'

The July 2012 issue of *Apartment Management Magazine* published "The Fair Housing Act Turns 46" which was prepared by the National Multi Housing Commission. That article contained information on the following:

- Fair Housing Act Overview (differential treatment, protected classes, accessibility)
- Non-Traditional Fair Housing Act Discrimination (source of income discrimination, Violence Against Women Act [VAWA], linguistic profiling)
- HUD and DOJ enforcement

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On January 16, 2013 an interview of Karen Fricke was conducted. Ms. Fricke is currently the Executive Director of the Apartment Association of San Bernardino County. Previously she had been the Executive Director of the Apartment Association of the Greater Inland Empire.

During the interview Ms. Fricke made the following observations:

- Fair housing organizations are spending considerable efforts on the foreclosure issue
- Addressing the accessibility requirements is not a major problem for apartment owners
- No new or emerging fair housing issues from the viewpoint of apartment associations
- Ideas for possible actions to include in the fair housing study:
 - ✓ Have the City encourage the efforts of Ms. Fricke to have a fair housing Q & A published quarterly or semi-annually in local newspapers
 - ✓ Have the City schedule a workshop between fair housing counselors and on-site property managers to develop a common understanding of the information that should be conveyed to tenants calling the Fair Housing Council.

The Q & A is a question and answer format where questions of on-site property managers are answered. The Q & A is published in several foothill community newspapers and the focus is on landlord-tenant questions. The suggestion is that every quarter or twice a year the Q & A focus on fair housing questions.

Impediments:

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

Action Plan Recommendations:

- **The Fair Housing Council will update the list of the names and e-mail addresses of the resident apartment managers.**
- **The City and Fair Housing Council will arrange an “informational session” between the fair housing counselors and resident managers to exchange insights on a variety of fair housing issues.**
- **The City and Fair Housing Council will continue to inform resident managers by transmitting information to their e-mail and/or physical addresses.**
- **Every quarter or semi-annually the Q & A prepared by Apartment Association of San Bernardino County should focus on fair housing questions and answers.**

K. REASONABLE MODIFICATIONS AND ACCOMMODATIONS

1. Background

It is unlawful to refuse to make reasonable modifications or accommodations for disabled persons. Section 804 (3) of the 1968 Fair Housing Act states that discrimination includes--

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

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except that, in the case of a rental, the landlord may where it is reasonable to do so condition permission for a modification on the renter agreeing to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted.

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

HUD and the Federal Department of Justice provide the following explanation and examples of reasonable modifications:

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.

To show that a requested modification may be necessary, there must be an identifiable relationship, or nexus, between the requested modification and the individual's disability. Further, the modification must be "reasonable." Examples of modifications that typically are reasonable include widening doorways to make rooms more accessible for persons in wheelchairs; installing grab bars in bathrooms; lowering kitchen cabinets to a height suitable for persons in wheelchairs; adding a ramp to make a primary entrance accessible for persons in wheelchairs; or altering a walkway to provide access to a public or common use area.

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 of the Department of Housing and Urban Development and the Department of Justice, Reasonable Modifications Under the Fair Housing Act*, March 5, 2008, page 3

The DOJ and HUD state that:

The Act does not require that a housing provider adopt any formal procedures for reasonable accommodation requests. However, *having formal procedures may aid individuals with disabilities in making requests* for reasonable accommodations and *may aid housing providers in assessing those requests* so that there are no misunderstandings as to the nature of the request, and, in the event of later disputes, provide records to show that the requests received proper consideration.

A provider may not refuse a request, however, because the individual making the request did not follow any formal procedures that the provider has adopted. If a provider adopts formal procedures for processing reasonable accommodation requests, the provider should ensure that the procedures, including any forms used, do not seek information that is not necessary to evaluate if a reasonable accommodation may be needed to afford a person with a disability equal opportunity to use and enjoy a dwelling. [Emphasis added]

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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 of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodations Under the Fair Housing Act*, May 17, 2004, pages 10-11.

2. Discriminatory Practices

In California about 28% of all housing discrimination complaints are made on the bases of a disability. In the State, 17% of the alleged acts relate to denied reasonable modification or accommodation. The Fair Housing Council reports that In Moreno Valley 47% of all housing discrimination complaints were made on the bases of a disability (FY 2007/2008 to FY 2011-2012). Often the alleged act that prompts the compliant is a refusal to allow either a reasonable modification or reasonable accommodation.

Impediment:

A fair housing impediment is the practice of apartment managers to refuse disabled renters either a reasonable modification or reasonable accommodation.

Action Plan Recommendations:

- **The City and Fair Housing Council will continue outreach to resident apartment managers through training sessions, workshops, correspondence and other means.**
- **The City and Fair Housing Council will transmit to the resident apartment managers a model written policy regarding reasonable accommodations and modifications.**
- **As new information becomes available, the City and Fair Housing Council will transmit it the resident apartment managers' e-mail and/or physical addresses.**

L. DISCRIMINATORY ADVERTISING

1. Background

Section 804 (c) of the 1968 Fair Housing Act prohibits discriminatory advertising; it is unlawful:

To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

Section 12955(c) of the California Fair Employment and Housing Act contains similar language prohibiting discriminatory advertising. That Section, however, also includes the State's additionally protected classes of sexual orientation, marital status, ancestry, and source of income.

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Under California law, a real estate licensee may not run any kind of advertisement concerning the sale, rental or financing of real property that indicates any preference, limitation or discrimination because of race, color, sex, religion, ancestry, physical handicap, marital status or national origin (10 Cal. Code Regs. § 2780).

The National Association of REALTORS (NAR) Code of Ethics Standard of Practice 10-3 states:

REALTORS® shall not print, display or circulate any statement or advertisement with respect to the selling or renting of a property that indicates any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin.

These rules apply to every and any type of advertising that real estate licensees decide to use, including, but not limited to, flyers, postcards, newspapers, magazines, "For Sale" signs, billboards, business cards, e-mails, faxes, radio, television.

The process for documenting discriminatory advertising involved the following:

- A comparison of the words and phrases used published ads to the discriminatory examples provided by:
 - ✓ California Association of Realtors (CAR), *Advertising*, December 12, 2012 (revised)
 - ✓ California Newspaper Publishers Association, *Fair Housing Advertising Training Manual*, Fourth Edition, January 2001. 33 pages
 - ✓ HUD (24 CFR 109.20, 24 CFR 109.25, Roberta Achtenberg, Advertisements Under 804(c) of the Fair Housing Act – January 9, 1995)
 - ✓ Southern California Multiple Listing Service, *Fair Housing and MLS*, September 29, 2000, 11 pages
- Denoting those words or phrases that could indicate a preference, limitation, or discrimination

The most basic rule for avoiding discriminatory words and phrases is:

Limit the advertisement to a physical description of the property – describe the place, not the people.

Source: Southern California Multiple Listing Service, *Fair Housing and MLS*, September 29, 2000, page 3

2. Analysis of Newspaper/Print Advertising

Ads printed in the Press Enterprise, The Pennysaver and Los Angeles Times were reviewed to identify discriminatory terms and phrases. The process described above was used to identify problematic language.

a. Press Enterprise

The Press Enterprise is a daily newspaper. Ads for rental units were reviewed for the following dates:

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- September 23
- October 6th through October 14th
- October 20th and 21st
- October 27th and 28th
- November 3rd
- November 10th and 11th
- November 25th

There was a total for 79 unique ads for rentals in Moreno Valley. Nine ads deviated somewhat from physical descriptions of the property. Five ads stated “Section 8 ok,” one ad stated “no pets,” one ad mentioned “cred check,” and two ads said “across from Senior Citizen Center.” Although the latter was not an advertisement for a senior’s only complex, it could infer a preference for senior citizen tenant.

When the rental market was tight, many ads were published stating “No Section 8.” As vacancies grew, the frequency of ads stating “Section 8 OK” grew. Either statement is not a violation of the California fair housing act because Section 8 is not deemed a source of income. Section 8 rental assistance does not fall within the meaning of source of income. According to the Fair Employment and Housing Act:

“source of income” means lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant. For the purposes of this section, a landlord is not considered a representative of a tenant.”

Thus, Section 8 rental assistance is not considered a source of income for the tenant.

Ads were also reviewed for for-sale homes in Moreno Valley for the following dates:

- November 3rd
- November 10th
- November 11th
- November 25th

There were a total of six unique ads for homes for sale. None of the ads had questionable language.

b. The Pennysaver

Several apartment managers stated that they advertised in the Pennysaver. On November 6, 2012 six apartment ads were published in the Pennysaver. One ad mentioned that Section 8 was OK and one ad was entirely in Spanish. An ad in English for the same complex was not published on that date. Consequently, that complex may prefer a Spanish-speaking tenant and/or one of Hispanic or Latino Origin.

One ad for a unit in a duplex stated NO PETS. Two ads were placed for condos for rent one of which was published entirely in Spanish. Nine ads were place for homes for rent none of which had questionable language.

c. Los Angeles Times

Ads announcing apartments for rent in Moreno Valley are infrequently published.

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3. Analysis of On-line Rental Ads

a. Apartment Search Websites

On March 2, 2013, ads published in five on-line apartments search sites were reviewed to determine if they contained any discriminatory words or phrases. The five search sites were:

- Rent.com
- Forrent.com
- Apartments.com
- Apartmentguide.com
- Apartmentfinder.com

Ads were published in one or more of the apartment search sites for 25 market rate apartment communities:

- Asante Villas
- Barcelona Village
- Baywood Villas
- Broadstone Overlook
- Broadstone Rancho Belago
- Capri Apartment Homes
- Heacock Park
- Highland Meadows
- Galleria at Towngate
- Ironwood Villas
- La Pacifica
- Lasselle Place
- Monarch Terrace
- Mountain View-Moreno Valley
- Northwoods Apartments
- Ridgeview Apartment Homes
- Sienna Pointe
- Stonegate at Towngate
- The Mediterranean at Towngate
- The Reserve at Moreno Valley
- The Villas at Towngate
- The Villas at Moreno Valley
- Tuscany Hills
- Verano Terrace
- Vista Springs

With respect to these developments:

- Three of the ads stated “no pets.”
- Most ads did explain there were restrictions regarding the maximum number of pets, breed restrictions, weight limits, pet deposits, and monthly pet rent.
- The 13 apartment communities on Rent.Com stated “call for service animal policy,” which indicates that they are aware of the need to accommodate service and, perhaps, companion animals.
- One complex stated on two sites Cats Only.

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- One ad stated “Deposits may fluctuate based on credit, income, and other qualifying standards.”
- One ad stated “Senior Discount!”
- One ad stated LAW ENFORCEMENT DISCOUNTS ALSO AVAILABLE.
- None of the ads stated “no Section 8;” however, one stated “Section 8 welcomed.”

The only ad inferring a preference is the one that stated “Senior Discount.”

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.

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.” Therefore, an action to affirmatively further fair housing is to persuade the Riverside Press-Enterprise and on-line advertisers to publish a concise “no pets” notice that indicates rental housing owners must provide reasonable accommodations for “service animals” and “companion animals” for disabled persons.

The City and Fair Housing Council of Riverside County have transmitted a letter to the Press-Enterprise requesting that a notice be published near the for-rent ads indicating that service and companion animals are not considered pets.

b. Craigslist Ads

Craigslist states that all ads must adhere to fair housing law (Section 3604(c) of the Federal Fair Housing Act). Craigslist makes the advertiser aware that “Stating a discriminatory preference in a housing post is illegal.” At the top of each ad links to file complaints and to fair housing information are provided.

On October 24, 2012 a review was made of rental ads for properties located in Moreno Valley on the message board website Craigslist. There were a total of 92 ads that were placed between October 10th and October 24th that had “Moreno Valley” in the subject line. Of the 92 ads, 20 were for large complexes, and of those, 16 were repeated. An additional 13 other ads were repeated during the same time period. Therefore, only about the half were unique ads. A summary of the questionable language is given below:

- Two ads stated “no pets,” one stated pet fee and four stated pet restrictions.

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- Two ads inferred a preference for families.
- Two discriminated on the basis of marital status as married couples were charged a higher fee than one person households.
- One ad inferred a preference for seniors (Discount for Seniors).
- Two ads stated Section 8 in the headline and one stated “No Section 8.”

c. Internet Illegal Housing Advertising

The National Fair Housing Alliance (NFHA) completed a study in 2009 of discriminatory ads placed by housing providers on various websites. According to the NFHA study, Craigslist, the source of the overwhelming majority of housing advertising in today’s market, and other Internet sites provide a convenient forum for illegal housing discrimination. Under current court decisions, these websites are not considered to be publishers and thus can neither be held liable under the Fair Housing Act nor be required to screen out illegal housing advertisements. Only the individual landlords who create and post discriminatory ads online can be held responsible.

The Communications Decency Act (CDA) is Title V of the Telecommunications Act of 1996 and was intended to protect families from online pornography and other forms of indecency. It states that operators of Internet services are not to be construed as publishers, and thus are not legally liable for the words of third parties who use their services. The CDA makes exceptions to this rule as it relates to federal criminal statutes and intellectual property law, but does not make explicit exceptions for civil rights laws like the Fair Housing Act.

Private fair housing organizations, according to the NFHA study, have brought two lawsuits against online housing advertisers for publishing discriminatory housing advertisements. In each instance, the Court accepted the website’s argument that the CDA protected it from liability under the Fair Housing Act to the extent that users provided content.

In reaching these decisions, the Courts relied upon Section 230(c) of the CDA to find that operators of interactive websites are not to be construed as “publishers” of the words posted by users of their websites. This section, entitled Protection for ‘Good Samaritan’ Blocking and Screening of Offensive Material, “aim[s] to protect interactive computer service providers ‘who take (steps to screen indecent) and offensive material for their customers.’” Ironically, in refusing to take responsibility for discriminatory advertisements, these websites have screened nothing, opting instead to facilitate widespread distribution of discriminatory ads.

The NFHA states that the most effective way to stop discrimination in online housing ads is to hold all housing advertisers and publishers to the same standard. In order to hold accountable websites advertising housing, just as newspapers are currently held accountable, the Communications Decency Act of 1996 should be amended, according to the NFHA. Specifically, Section 230(c)(1) is the section of the CDA that provides immunity to websites for third party content. 47 U.S.C. § 230(c)(1) currently reads:

TREATMENT OF PUBLISHER OR SPEAKER- No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.

The NFHA recommends that this section of the CDA should be amended to accommodate the requirements of the Fair Housing Act. An exemption could be made specifically for Fair Housing Act claims and amend 47 U.S.C. § 230(c)(1) as follows:

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“No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider, except for notices, statements, or advertisements with respect to the sale, rental, financing or insuring, or any other service of a dwelling that violate the Fair Housing Act, 42 U.S.C. § 3601 et seq.”

However, it is doubtful that the CDA will be amended in the near future given the conclusions reached in the most recent court case that considered this subject. 519 F.3rd 666 (7th Cir. 2008) is a decision affirming a lower court ruling that Section 230 of the Communications Decency Act provides immunity to Internet service providers that “publish” classified ads that violate the Fair Housing Act. The conclusion of the decision by the United States Court of Appeals, Seventh Circuit – issued February 15, 2008 – states:

Using the remarkably candid postings on craigslist, the Lawyers’ Committee can identify many targets to investigate. It can dispatch testers and collect damages from any landlord or owner who engages in discrimination. It can assemble a list of names to send to the Attorney General for prosecution. But given Section 230(c)(1) it cannot sue the messenger just because the message reveals a third party’s plan to engage in unlawful discrimination.

It has been suggested, however, that while internet websites such as craigslist are not legally required to review *each* ad before it is posted for problematic language, it could filter ads. For example, one study pointed out:

Website operators could employ filtering software that searches for hot button words like “minorities,” “kids,” and “Christian” and automatically embargoes ads that contain those words until they can be reviewed further. Similarly, a relatively simple program could cause a “warning” message to pop up if a user attempts to submit an ad containing potentially problematic language. This would give the user the opportunity to remove the language. If the user chooses to leave the language, the ad would be filtered for individualized review. Using such techniques would relieve website operators of the burden of reviewing every single ad posted to the site. Instead, they would only have to arrange for a staff person to review the ads that are filtered. Ads that contain suspect words but which turn out to be harmless could be cleared for posting after a brief review.

Rigel C. Oliveri, Associate Professor of Law, University of Missouri, *Discriminatory Housing Advertising On-Line: Lessons from Craigslist*, Indiana Law Review, Volume 43: 1125, 2010, page 1176

4. Fair Housing Notices

Newspapers often publish a fair housing notice near the beginning of the classified for rent ads. The Los Angeles Times publishes the following notice in the classified section pertaining to for-sale and for-rent ads:

Live Free From Discrimination

Federal and state fair housing laws make it illegal to indicate any preference, limitation, or discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or physical or mental disability. California Dept. of Employment & Housing 800-884-1684

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In the Press-Enterprise classified section there is a fair housing notice stating:

All real estate advertised herein is subject to the Federal Fair Housing Act, which makes it illegal to advertise any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or intention to make any such preference, limitation or discrimination. The Press-Enterprise will not knowingly accept any advertisements for real estate that is in violation of the law. All persons are hereby informed that all dwellings advertised are available on an equal opportunity basis.

The Apartment Finder print ads in the table of contents page contains the Equal Housing Opportunity logo along with the following notice:

All real estate advertised herein is subject to the Federal Fair Housing Act which makes it illegal to advertise any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or intention to make any such preference, limitation, or discrimination. We will not knowingly accept any advertising for real estate which is in violation of the law. All persons are hereby informed that all dwellings advertised are available on an equal opportunity basis.

Craigslist states that all ads must adhere to fair housing law (Section 3604(c) of the Federal Fair Housing Act). Craigslist makes the advertiser aware that "Stating a discriminatory preference in a housing post is illegal." At the top of each ad links to file complaints and to fair housing information are provided.

Impediments:

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

Action Plan Recommendations:

- **The City and Fair Housing Council of Riverside County, Inc. will continue to work with the Press-Enterprise to amend its fair housing notice with regard to the following:**
 - ✓ **Fair housing notice be placed closer to the for rent ads**
 - ✓ **Indicate the protected classes under the provisions of both the Federal and State laws**
 - ✓ **Explain that service and companion animals are not pets**
 - ✓ **Include the phone number of the Fair Housing Council of Riverside County, Inc.**

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

M. HATE CRIMES

1. Background

According to HUD, the AI should analyze *housing* related hate crimes; that is; when an event takes place at a residence, home or driveway. When hate crimes occur at a home, the victims can feel unwelcome and threatened. The victims may feel that they have no choice other than to move from the dwelling and neighborhood of their choice. This was recently the case when in December 2012 when a Black family moved from Yorba Linda in Orange County to Corona in Riverside County. It is under these circumstances that hate crimes create an impediment to fair housing choice.

Hate crime means –

“a criminal act committed, in whole or in part, because of one or more of the following actual or perceived characteristics of the victim: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, (6) sexual orientation, (7) association with a person or group with one or more of these actual or perceived characteristics.” [Source: California Penal Code section 422.55]

According to the California Department of Justice (DOJ), *hate crimes are not separate distinct crimes but rather traditional offenses motivated by the offender's bias. A bias is –*

A preformed negative opinion or attitude toward a group of persons based on their race, ethnicity, national origin, religion, gender, sexual orientation and/or physical/mental disability.

Police and Sheriff Department's report hate crime events to the DOJ which are -

An occurrence when a hate crime is involved.

In the DOJ report, the information about the event is a crime report or source document that meets the criteria for a hate crime. There may be one or more suspects involved, one or more victims targeted, and one or more offenses involved for each event.

A hate crime victim –

May be an individual, a business or financial institution, a religious organization, government, or other. For example, if a church or synagogue is vandalized and/or desecrated, the victim would be a religious organization.

2. Hate Crime Data

The DOJ annual statistical report *Hate Crime in California* was reviewed for the 12-year period from 2000 through 2011. During this 12-year, 56 hate crime events were reported by the Moreno Valley Police Department to the DOJ, an average of about four to five per year. Statewide during the 12-year period the most frequent bias motivations were:

- Anti-Black about 33%
- Anti-Gay about 12%
- Anti-Jewish about 11%

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- Anti-Hispanic about 9%

The *Hate Crime in California* reports do not provide estimates of the number of events that occur at a residence by jurisdiction. Statewide, the locations of about 30% of the hate crime events occur at a residence/home/driveway.

Given the above data, it is estimated that on average about four to five hate crimes will occur annually in Moreno Valley and that maybe one or two will be happen at a residence/home/driveway.

The International Association of Chiefs of Police has offered the following insights:

Hate crimes differ from other crimes in their effect on victims and community stability because –

- Hate crimes are often especially brutal or injurious
- Victim(s) usually feel traumatized and terrified
- Families of victims often feel frustrated and powerless
- Others in the community who share the victim's characteristics may feel victimized and vulnerable
- Hate incidents can escalate and prompt retaliatory action
- Hate crimes and hate incidents create community unrest

The City's Police Department is the department most closely connected to hate crimes. The International Association of Chiefs of Police has explained that –

Police officers and investigators have important roles to play in responding to hate incidents and hate crimes. By doing the job efficiently and carefully, police can reinforce the message that hate crimes will be investigated aggressively, thus enhancing the likelihood of a successful prosecution.

The Association has recommended that after taking immediate action, police officers should –

Refer the victim to support services in the community and provide written resource lists when possible.

Source: International Association of Chiefs of Police, *Responding to Hate Crimes: A Police Officer's Guide to Investigation and Prevention*, 2013, 9 pages

Hate crimes occur infrequently. When they do occur they can devastate families who believe they must move from the home and neighborhood of their choice. During the five-year period of the AI (2013-2018), about 20 to 25 hate crime events may occur with a home being the location of six to seven. There is a need for a resource directory so victims can be referred to community resources.

Action Plan Recommendations:

- **The City should prepare a Hate Crime Victims Resource Directory.**
- **When that Directory is deemed to be complete it should be transmitted it to the Police Department to use as a referral resource**

ATTACHMENT A
DETAILED HOME MORTGAGE DISCLOSURE ACT TABLES

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Table 1
City of Moreno Valley
Number of Loans and Percent Denied by Type of Loan-2011

Type of Loan	Number of Applications	Number of Applications Denied	Percent Denied
Conventional	481	99	20.6%
FHA/VA	1,718	283	16.5%
Total	2,199	382	17.4%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

Table 2
Denial Rates by Type of Loan
City of Moreno Valley and Riverside County-2011

Type of Loan	Moreno Valley	County of Riverside
Conventional	20.6%	17.3%
FHA/VA	16.5%	15.8%
Total	17.4%	16.3%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

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**Table 3
City of Moreno Valley
Number of Conventional Loans and Percent Denied
by Race/Ethnicity: 2009-2011**

Race/Ethnicity	2009	2010	2011	Total
White				
Percent Denied	12.7%	19.5%	17.5%	16.6%
Number of Applications	157	164	126	447
Hispanic				
Percent Denied	26.3%	25.5%	20.2%	24.6%
Number of Applications	430	208	198	836
Black				
Percent Denied	11.9%	25.0%	31.1%	22.5%
Number of Applications	42	24	45	111
Asian				
Percent Denied	17.7%	25.7%	18.2%	20.6%
Number of Applications	147	109	55	311
Other/Not Available				
Percent Denied	23.0%	23.4%	22.8%	22.8%
Number of Applications	80	47	57	184
Percent Denied	21.3%	23.6%	20.6%	21.8%
Total Applications	856	552	481	1,889

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2009, 2010 AND 2011.

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Table 4
City of Moreno Valley
Number of FHA/VA Loans and Percent Denied
by Race/Ethnicity: 2009-2011

Race/Ethnicity	2009	2010	2011	Total
White				
Percent Denied	12.0%	16.2%	13.9%	13.8%
Number of Applications	652	469	345	1,466
Hispanic				
Percent Denied	19.0%	19.5%	16.3%	18.4%
Number of Applications	1,687	1,217	984	3,888
Black				
Percent Denied	23.1%	16.9%	20.3%	20.2%
Number of Applications	247	231	187	665
Asian				
Percent Denied	13.8%	13.0%	24.0%	15.6%
Number of Applications	116	77	50	243
Other/Not Available				
Percent Denied	17.2%	16.0%	16.4%	16.6%
Number of Applications	221	150	152	523
Percent Denied	17.4%	18.0%	16.5%	17.3%
Total Applications	2,964	2,144	1,718	6,826

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2009, 2010 and 2011.

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**Table 5
City of Moreno Valley
Conventional Loans: Loan Denial Rates for Owner-Occupant Home Purchases
by Race, Ethnicity and Income – 2011**

Annual Income	Race/Ethnicity											
	White Alone		Hispanic or Latino		Asian		Black		Other and Not Available		Total	
	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied
<\$25,000	7	28.6%	25	28.0%	5	40.0%	2	50.0%	8	37.5%	47	31.9%
\$25,000-\$49,999	52	23.1%	109	20.2%	25	12.0%	18	22.2%	19	15.8%	223	19.7%
\$50,000-\$74,999	34	2.9%	41	14.6%	14	14.3%	14	28.6%	17	17.6%	120	13.3%
\$75,000-\$99,900	18	22.2%	13	23.1%	4	0.0%	5	60.0%	8	12.5%	48	22.9%
\$100,000-\$124,999	8	12.5%	4	25.0%	2	50.0%	4	50.0%	2	100.0%	20	35.0%
\$125,000-\$149,999	4	0.0%	6	16.7%	1	0.0%	1	0.0%	0	0.0%	12	8.3%
\$150,000-\$174,999	2	100.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%	4	50.0%
\$175,000-\$199,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$200,000 plus	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	1	0.0%
Income Not Available	1	0.0%	0	0.0%	3	66.7%	0	0.0%	2	50.0%	6	50.0%
Total	126	17.5%	198	20.2%	55	18.2%	45	31.1%	57	22.8%	481	20.6%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

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**Table 6
City of Moreno Valley
FHA and VA Loans: Loan Denial Rates for Owner-Occupant Home Purchases
by Race, Ethnicity and Income –2011**

Annual Income	Race/Ethnicity														
	White Alone			Hispanic or Latino			Asian			Black			Other/Not Available		
	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	Total Loans	Percent Denied	
<\$25,000	15	20.0%	90	24.4%	1	100.0%	3	66.7%	4	0.0%	67	17.9%	113	24.8%	
\$25,000-\$49,999	143	14.7%	557	15.1%	18	22.2%	77	15.6%	40	12.5%	471	15.3%	862	15.4%	
\$50,000-\$74,999	111	10.8%	237	14.8%	13	38.5%	70	21.4%	25	24.0%	162	14.2%	471	15.3%	
\$75,000-\$99,900	45	8.9%	63	12.7%	6	0.0%	23	21.7%	7	0.0%	64	23.4%	162	14.2%	
\$100,000-\$124,999	18	16.7%	20	40.0%	8	12.5%	11	27.3%	4	0.0%	21	23.8%	64	23.4%	
\$125,000-\$149,999	4	50.0%	8	12.5%	2	50.0%	3	33.3%	2	50.0%	6	33.3%	21	23.8%	
\$150,000-\$174,999	2	0.0%	2	50.0%	0	0.0%	0	0.0%	1	0.0%	8	12.5%	6	33.3%	
\$175,000-\$199,999	3	33.3%	4	0.0%	0	0.0%	0	0.0%	1	0.0%	2	0.0%	8	12.5%	
\$200,000 plus	0	0.0%	0	0.0%	1	0.0%	0	0.0%	1	100.0%	2	0.0%	2	0.0%	
Income Not Available	4	50.0%	3	33.3%	1	0.0%	0	0.0%	1	100.0%	9	44.4%	9	44.4%	
Total	345	13.9%	984	16.3%	50	24.0%	187	20.3%	152	16.4%	1,718	16.5%	1,718	16.5%	

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table 7
City of Moreno Valley
Loan Denial Rates by Rank Order of Census Tract
Percent Low Income-2011**

Census Tract	Percent Low Income	Total Loan Applications	Total Denied	Percent Denied
425.15	80.5%	19	6	31.6%
425.05	75.1%	12	3	25.0%
425.04	69.9%	11	4	36.4%
425.19	67.7%	8	1	12.5%
424.05	60.3%	18	4	22.2%
425.14	58.9%	21	3	14.3%
425.09	58.3%	38	7	18.4%
425.20	58.3%	39	10	25.6%
425.16	58.1%	25	2	8.0%
425.12	54.9%	19	2	10.5%
425.08	52.1%	43	4	9.3%
425.21	49.6%	49	11	22.5%
425.11	47.1%	39	7	18.0%
424.04	45.1%	28	4	14.3%
425.10	43.8%	41	5	12.2%
424.06	40.8%	47	6	12.8%
425.23	38.8%	19	1	5.3%
426.05	37.1%	599	99	16.5%
425.06	36.5%	64	21	32.8%
424.07	36.4%	39	6	15.4%
425.17	35.3%	39	4	10.3%
426.06	34.8%	153	26	17.0%
425.07	33.8%	58	10	17.2%
425.13	31.2%	35	6	17.1%
424.09	30.9%	49	11	22.5%
425.22	30.4%	75	12	16.0%
422.12	29.3%	65	7	10.8%
425.18	26.6%	24	8	33.3%
424.08	26.1%	33	6	18.2%
424.02	22.3%	50	8	16.0%
426.04	21.5%	142	26	18.3%
424.03	20.5%	56	8	14.3%
422.14	17.6%	56	11	19.6%
424.10	16.9%	54	4	7.4%
424.11	16.1%	22	2	9.1%
424.12	13.8%	93	26	28.0%
424.01	10.1%	17	1	5.9%
Total	39.3%	2,199	382	17.4%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2009, 2010 and 2011. Percent low income is based on HUD data that was prepared using the 2000 Census.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table 8
City of Moreno Valley
Loan Denial Rates by Census Tract, Percent Minority
Population (Rank Ordered)-2011**

Census Tract	Percent Minority	Total Loan Applications	Total Denied	Percent Denied
425.15	84.9%	19	6	31.6%
425.06	83.4%	64	21	32.8%
425.04	82.8%	11	4	36.4%
425.08	81.0%	43	4	9.3%
425.16	79.5%	25	2	8.0%
425.12	79.3%	19	2	10.5%
425.05	78.8%	12	3	25.0%
425.10	76.3%	41	5	12.2%
425.11	75.3%	39	7	18.0%
424.05	74.4%	18	4	22.2%
425.20	74.0%	39	10	25.6%
425.07	73.5%	58	10	17.2%
425.21	72.8%	49	11	22.5%
425.19	72.1%	8	1	12.5%
425.14	72.0%	21	3	14.3%
426.05	71.9%	599	99	16.5%
425.23	70.1%	19	1	5.3%
425.09	69.2%	38	7	18.4%
425.13	68.1%	35	6	17.1%
425.17	68.1%	39	4	10.3%
425.18	66.7%	24	8	33.3%
425.22	66.2%	75	12	16.0%
424.04	65.9%	28	4	14.3%
424.06	65.7%	47	6	12.8%
426.06	64.6%	153	26	17.0%
424.09	63.2%	49	11	22.5%
424.10	62.8%	54	4	7.4%
422.12	58.1%	65	7	10.8%
424.03	57.8%	56	8	14.3%
424.08	55.4%	33	6	18.2%
422.14	54.8%	56	11	19.6%
424.07	54.7%	39	6	15.4%
424.02	53.8%	50	8	16.0%
424.11	52.7%	22	2	9.1%
424.12	45.1%	93	26	28.0%
426.04	41.7%	142	26	18.3%
424.01	41.2%	17	1	5.9%
Total	67.8%	2,199	382	17.4%

Note: Census tract numbers and boundaries are per 2000 Census. HMDA data will be reported by 2010 Census numbers and boundaries starting in calendar year 2012. Percent minority is based on 2010 Census Summary File 1, Table P7 Hispanic or Latino and Not Hispanic or Latino by Race. Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

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Table 9
City of Moreno Valley
Major Lender Activity-2011

Major Lender	Number of Loan Applications	Percent of All Loan Applications	Denial Rate (%)
Wells Fargo	201	9.1%	15.4%
Bank of America	188	8.6%	30.9%
Provident Saving Bank	151	6.9%	6.6%
Wholesale Capital Corp.	150	6.8%	2.7%
First Mortgage Corp.	108	4.9%	3.7%
Mountain West Financial, Inc.	100	4.6%	7.0%
Total	898	40.9%	12.7%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

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Table 10
 City of Moreno Valley
 Major Lender Activity by Census Tract

Census Tract	Wells Fargo		Bank of America		Provident Saving Bank		Wholesale Capital Corp.		First Mortgage Corp		Mountain West Financial		Total Major Lenders	
	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied
422.12	10	20.0%	4	25.0%	7	0.0%	2	0.0%	0	0.0%	5	0.0%	28	10.7%
422.14	4	0.0%	7	28.6%	4	0.0%	6	0.0%	1	100.0%	1	0.0%	23	13.0%
424.01	3	0.0%	1	0.0%	2	50.0%	1	0.0%	0	0.0%	2	0.0%	9	11.1%
424.02	1	0.0%	3	33.3%	2	0.0%	4	0.0%	5	0.0%	2	0.0%	17	5.9%
424.03	6	0.0%	10	30.0%	1	0.0%	3	0.0%	8	12.5%	0	0.0%	28	14.3%
424.04	4	0.0%	1	100.0%	2	0.0%	2	0.0%	5	0.0%	3	0.0%	17	5.9%
424.05	3	33.3%	3	33.3%	1	0.0%	0	0.0%	2	0.0%	0	0.0%	9	22.2%
424.06	3	0.0%	5	40.0%	5	0.0%	3	0.0%	3	0.0%	0	0.0%	19	10.5%
424.07	3	0.0%	3	0.0%	3	0.0%	1	0.0%	5	20.0%	2	0.0%	17	5.9%
424.08	2	0.0%	5	40.0%	5	0.0%	5	0.0%	0	0.0%	0	0.0%	17	11.8%
424.09	6	0.0%	4	25.0%	5	0.0%	1	0.0%	1	0.0%	0	0.0%	17	5.9%
424.10	6	0.0%	8	12.5%	7	0.0%	3	0.0%	1	0.0%	0	0.0%	25	4.0%
424.11	2	0.0%	2	50.0%	2	0.0%	3	33.3%	0	0.0%	0	0.0%	9	22.2%
424.12	8	25.0%	25	44.0%	5	0.0%	4	0.0%	0	0.0%	0	0.0%	42	31.0%
425.04	3	0.0%	1	100.0%	0	0.0%	1	0.0%	1	0.0%	0	0.0%	6	16.7%
425.05	2	50.0%	0	0.0%	3	0.0%	2	0.0%	0	0.0%	0	0.0%	7	14.3%
425.06	6	33.3%	4	50.0%	5	0.0%	7	0.0%	1	0.0%	3	0.0%	26	15.4%
425.07	1	0.0%	5	20.0%	2	0.0%	5	0.0%	6	16.7%	1	0.0%	20	10.0%
425.08	5	0.0%	2	0.0%	1	0.0%	3	0.0%	4	0.0%	4	0.0%	19	0.0%
425.09	3	0.0%	5	40.0%	3	0.0%	2	0.0%	1	0.0%	3	0.0%	17	11.8%
425.10	3	0.0%	4	25.0%	0	0.0%	1	0.0%	0	0.0%	1	0.0%	9	11.1%
425.11	3	0.0%	4	100.0%	1	100.0%	5	0.0%	2	0.0%	0	0.0%	15	33.3%
425.12	0	0.0%	0	0.0%	2	0.0%	3	0.0%	3	0.0%	3	0.0%	11	0.0%
425.13	2	0.0%	1	100.0%	4	25.0%	4	0.0%	3	0.0%	1	100.0%	15	20.0%
425.14	3	66.7%	1	0.0%	1	0.0%	3	0.0%	0	0.0%	0	0.0%	8	25.0%
425.15	1	100.0%	1	0.0%	1	0.0%	1	0.0%	0	0.0%	1	0.0%	5	20.0%

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table 10- continued
City of Moreno Valley
Major Lender Activity by Census Tract**

Census Tract	Wells Fargo		Bank of America		Provident Saving Bank		Wholesale Capital Corp.		First Mortgage Corp		Mountain West Financial		Total Major Lenders	
	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied	Total Apps.	% Denied
425.16	1	0.0%	3	33.3%	2	0.0%	0	0.0%	4	0.0%	3	0.0%	13	7.7%
425.17	0	0.0%	3	33.3%	3	33.3%	4	0.0%	2	0.0%	5	20.0%	17	17.6%
425.18	1	100.0%	0	0.0%	1	0.0%	0	0.0%	0	0.0%	3	0.0%	5	20.0%
425.19	1	0.0%	2	50.0%	1	0.0%	0	0.0%	0	0.0%	2	0.0%	6	16.7%
425.20	4	25.0%	2	0.0%	2	0.0%	1	0.0%	3	0.0%	4	25.0%	16	12.5%
425.21	4	25.0%	1	0.0%	3	0.0%	4	0.0%	0	0.0%	2	0.0%	14	7.1%
425.22	9	11.1%	3	33.3%	5	20.0%	3	0.0%	5	0.0%	6	0.0%	31	9.7%
425.23	2	0.0%	0	0.0%	2	0.0%	0	0.0%	2	0.0%	0	0.0%	6	0.0%
426.04	13	0.0%	6	16.7%	9	11.1%	18	11.1%	5	0.0%	8	0.0%	59	6.8%
426.05	63	22.2%	45	24.4%	40	10.0%	44	2.3%	25	0.0%	30	13.3%	247	13.8%
426.06	10	20.0%	14	21.4%	9	0.0%	1	0.0%	10	0.0%	5	0.0%	49	10.2%
Total	201	15.4%	188	30.9%	151	6.6%	150	2.7%	108	3.7%	100	7.0%	898	12.7%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2011.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

**Table 11
City of Moreno Valley
Reasons for Conventional Loan Denials: 2009-2011**

Reasons for Loan Denials	2009 Number of Denials¹	Percent	2010 Number of Denials¹	Percent	2011 Number of Denials¹	Percent	Total Denials 2009-2011	Percent
Debt-to-Income Ratio	41	22.5%	26	20.0%	21	21.2%	88	21.4%
Employment History	4	2.2%	1	0.8%	2	2.0%	7	1.7%
Credit History	16	8.8%	13	10.0%	7	7.1%	36	8.8%
Collateral	25	13.7%	21	16.2%	12	12.1%	58	14.1%
Insufficient Cash ²	6	3.3%	3	2.3%	2	2.0%	11	2.7%
Unverifiable Information	17	9.3%	12	9.2%	10	10.1%	39	9.5%
Credit Application Incomplete	5	2.7%	12	9.2%	10	10.1%	27	6.6%
Mortgage Insurance Denied	3	1.6%	0	0.0%	1	1.0%	4	1.0%
Other ³	65	35.7%	42	32.3%	34	34.3%	141	34.3%
Total	182	100.0%	130	100.0%	99	100.0%	411	100.0%

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

²Downpayment, closing costs

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

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2009, 2010 and 2011.

APPENDIX C – PRIVATE SECTOR IMPEDIMENTS ANALYSIS

Table 12
City of Moreno Valley
Reasons for FHA/VA Loan Denials by: 2009-2011

Reasons for Loan Denials	2009		2010		2011		Total Denials 2009-2011	
	Number of Denials ¹	Percent	Number of Denials ¹	Percent	Number of Denials ¹	Percent		Percent
Debt-to-Income Ratio	138	27.1%	80	20.7%	42	26.3%	260	24.6%
Employment History	17	3.3%	9	2.3%	7	4.4%	33	3.1%
Credit History	76	14.9%	65	16.8%	19	11.9%	160	15.2%
Collateral	50	9.8%	64	16.6%	9	5.6%	123	11.7%
Insufficient Cash ²	25	4.9%	9	2.3%	5	3.1%	39	3.7%
Unverifiable Information	34	6.7%	17	4.4%	10	6.3%	61	5.8%
Credit Application Incomplete	19	3.7%	19	4.9%	12	7.5%	50	4.7%
Mortgage Insurance Denied	1	0.2%	0	0.0%	0	0.0%	1	0.1%
Other ³	149	29.3%	123	31.9%	56	35.0%	328	31.1%
Total	509	100.0%	386	100.0%	160	100.0%	1055	100.0%

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

²Downpayment, closing costs

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

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA), Loan Application Register System (LARS) 2009, 2010 and 2011.

Appendix D

APPENDIX D - LOCATION OF AFFORDABLE HOUSING

A. BACKGROUND D-1

B. LOCATION OF MORENO VALLEY'S AFFORDABLE HOUSING D-2

 1. Rent Restricted Apartment Units D-2

 2. Section 8 Rental Housing (Vouchers) D-4

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APPENDIX D – LOCATION OF AFFORDABLE HOUSING

A. BACKGROUND

A lack of affordable housing in and of itself, HUD has pointed out, is not an impediment to fair housing choice, unless it creates an impediment to housing choice *because* of membership in a protected class. However, recent court cases and recent events have demonstrated that the location of affordable housing is regarded as a means of Affirmatively Furthering Fair Housing (AFFH). As a result of a court settlement, Westchester County (New York) must adopt a policy statement providing that “the location of affordable housing is central to fulfilling the commitment to AFFH because it determines whether such housing will reduce or perpetuate residential segregation.” (*United States of America ex rel. Anti-Discrimination Center of Metro New York, Inc. v. County of Westchester, New York*)

In order to meet the requirements of the settlement agreement, Westchester County must develop an implementation plan that includes, but is not limited, to:

- A model ordinance that the County will promote to municipalities to advance fair housing that shall include:
 - ✓ A model inclusionary housing ordinance that requires new development projects to include a certain percentage of affordable units, including criteria and standards for the affordable housing units and definitions of who is eligible for affordable housing;
 - ✓ Standards for affirmative marketing of new housing developments to ensure outreach to racially and ethnically diverse households;
 - ✓ Standards for expedited review of proposals for affordable housing that AFFH including procedures for streamlining the approval process for the design, permitting, and development of these units; and
 - ✓ Standards for legal mechanisms to ensure the continued affordability of new affordable units.

Housing developed pursuant to the plan:

- Must be located predominantly in municipalities where the African American and Hispanic population comprise less than 3% and 7% of the population, respectively.
- *Not* be developed in any census block which has an African American population of more than 10% and a total population of 20 or more.
- *Not* be developed in any census block which has a Hispanic population of more than 10% and total population of 20 or more.

The Westchester County settlement agreement demonstrates that *a means to AFFH is by the development of affordable housing outside of areas with concentrations of minority populations.*

Another example is the State of North Carolina which added “affordable housing” to the group of protected classes. The State passed an act providing that it is a violation of the State’s fair housing act to discriminate in land use decisions or the permitting of development based on the fact that a development contains affordable housing units. The Act states:

APPENDIX D – LOCATION OF AFFORDABLE HOUSING

It is an unlawful discriminatory housing practice to discriminate in land-use decisions or in the permitting of development based on race, color, religion, sex, national origin, handicapping condition, familial status, or, except as otherwise provided by law, the fact that a development or proposed development contains affordable housing units for families or individuals with incomes below eighty percent (80%) of area median income. *It is not a violation* of this Chapter if land-use decisions or permitting of development is based on considerations of *limiting high concentrations of affordable housing*.
[Emphasis added]

In 2010, Florida's Affordable Housing Study Commission adopted a proposal made by 1000 Friends of Florida to amend the Florida Fair Housing Act by extending protection to affordable housing developments. Florida Statute 760.26 reads:

It is unlawful to discriminate in land use decisions or in the permitting of development based on race, color, national origin, sex, disability, familial status, religion, or, except as otherwise provided by law, the source of financing of a development or proposed development.

The decision to not specifically use the term "affordable housing" in statutory language has not diminished the intended application of Fair Housing Act protection, according to its advocates. Since enactment, county and city attorneys have regularly advised their commissions that affordable housing developments cannot be treated differently from market-rate developments in land use or permitting decisions.

In California, Government Code Section 65008 expressly prohibits localities from discriminating against residential development or emergency shelters if the intended occupants are low-income or if the development is subsidized (i.e., the method of financing).

B. LOCATION OF MORENO VALLEY'S AFFORDABLE HOUSING

The development of Moreno Valley's rent restricted affordable rental housing has happened incrementally. The first development was built in 1970 and the most recent one was constructed in 2009. As these developments took place, location guidelines, for the most part, were not established by local, State or Federal authorities.

The City conducted an analysis of the location of rent restricted affordable housing units in relation to census tract percentages of minority populations and low/moderate income populations. The analysis demonstrates that the location of affordable housing has not been concentrated in low income neighborhoods.

1. Rent Restricted Apartment Units

There are 21 rent-restricted affordable apartment communities located in Moreno Valley. The complexes range in size from four to 225 housing units. However, in the latter complex, only 45 of the 225 housing units are rent restricted. Only two apartment communities – Perris Isle and Cottonwood Place – contain more than 100 affordable housing units. Five apartment complexes range in size from 70 to 79 housing units.

APPENDIX D – LOCATION OF AFFORDABLE HOUSING

Table D-1 shows the census tract location of each development as well as the percentage of low income families and the minority percentage of each census tract. The low income percentage ranges from a low of 36.5% (Census Tract 425.06) to a high of 80.5% (Census Tract 425.15). Because only 92 affordable housing units are located in Census Tract 425.15, they do not contribute significantly to the tract's low income percentage.

**Table D-1
City of Moreno Valley
Location of Affordable Apartment Communities
By Census Tract, Percent Low Income and Percent Minority**

Map	2000 Census Tract	% Low Income	Percent Minority	Apartment Community	Number of Units	Affordable Units	Year Built
I	424.04	45.1%	83.1%	Casitas del Valle	40	39	2006
E	425.06	36.5%	86.0%	Amber Ridge	225	45	1973
K	425.15	80.5%	90.7%	Eucalyptus Towers	70	69	N/A
M	425.15	80.5%	90.7%	Postal Avenue	8	8	1970
R	425.15	80.5%	90.7%	Walker Terrace	48	15	1975
J	425.16	58.1%	89.5%	Cottonwood Place	169	168	1996
F	425.20	58.3%	87.7%	Atwood Street	5	5	1966
L	425.20	58.3%	87.7%	Perris Isle	189	148	2006
Q	425.20	58.3%	87.7%	Telacu Villa	75	74	Late 80's
A	425.21	49.6%	87.1%	Ability First	25	24	1996
B	467.00	66.3% ¹	76.0%	Adrienne III	8	8	N/A
C	467.00	66.3% ¹	76.0%	Adrienne IV	8	8	1975
D	467.00	66.3% ¹	76.0%	Allies	8	8	N/A
G	467.00	66.3% ¹	76.0%	Bay Avenue	4	4	N/A
H	467.00	66.3% ¹	76.0%	Bay Family	61	29	2005
N	489.02	75.1% ²	85.9%	Sheila I	8	8	1985
O	489.02	75.1% ²	85.9%	Sheila II	8	8	N/A
P	489.02	75.1% ²	85.9%	Shelia Street	4	4	1975
S	489.02	75.1% ²	85.9%	Rancho Dorado II	79	78	2009
T	489.02	75.1% ²	85.9%	Rancho Dorado South	79	78	PR
U	424.04	45.1%	83.1%	Hemlock Family Apts	78	77	PR
Total					1,199	905	

Note: PR refers to a California Tax Credit Allocation Committee Preliminary Reservation

¹2000 Census Tract 425.04 was renumbered to Census Tract 467.00, Percent low income based on 2000 data for Census Tract 425.04.

²2000 Census Tract 426.05 was divided into 2010 Census Tracts 483.00, 488.00, 487.00, 489.01, 489.02, 490.00 and 511.00. Percent low income based on 2000 data for Census Tract 426.05.

Source: Percent low income based on Census 2000 data obtained from HUD; will be updated in summer 2014
Percent minority from American FactFinder, Census 2010 Summary File 1, Table P9 Hispanic or Latino and Not Hispanic or Latino by Race
Year built obtained from assessor data, multiple listing service data, telephone interviews, and tax credit history for Perris Isle and Bay Family

Table construction by Castañeda & Associates

APPENDIX D – LOCATION OF AFFORDABLE HOUSING

Census Tract 489.02 has a low income percentage of 75.1%. Because only 176 affordable housing units are located in Census Tract 489.02, they do not contribute significantly to the tract's low income percentage.

Table D-2 shows the census tracts having more than one affordable rental development. One-fourth (227/905) of all rent restricted, affordable rental housing units are located in census tract 425.20. And these housing units comprise 16.3% of all the housing units located in Census Tract 425.20. Information is unavailable on the amount of vacant multi-family zoned land located in Census Tract 425.20. Consequently, the potential for additional multi-family and/or affordable housing development in that census tract is unknown.

**Table D-2
City of Moreno Valley
Census Tracts with More than One Affordable Rental Development**

Census Tract	Number of Developments	Number of Affordable Units	Percent of All Affordable Units	Total Units in Census Tract	Affordable Units as % of All Census Tract Housing Units
425.15	3	92	10.2%	1,128	8.2%
425.20	3	227	25.1%	1,392	16.3%
467.00	5	57	6.3%	1,648	3.5%
489.02	5	176	19.4%	1,560	11.3%

Note: Percent of all affordable housing units is census tract number of affordable units (92) divided by 905.

Source: Table D-1

U.S. Census Bureau, Table QT-H1, General Housing Characteristics: 2010 Census Summary File 1

Table construction by Castañeda & Associates

The census tract minority population percentages range from a low of 76.0% to a high of 90.7%. In the event additional affordable rental housing is constructed, it is unavoidable for it to be located in census tracts having a majority of the population belonging to a minority group.

2. Section 8 Rental Housing (Vouchers)

Altogether there are about 1,500 Moreno Valley families obtaining rental assistance through Section 8 Housing Choice Vouchers. According to the Housing Authority of Riverside County:

The subsidies provided by the rental voucher program are considered tenant-based subsidies because when an assisted family moves out of a unit leased under the program, the assistance contract with the owner terminates and the family may move to another unit with continued rental assistance (24 CFR Section 982.1). HUD enters into annual contributions contracts (ACCs) with PHAs (public housing agencies) under which HUD provides funds to the PHAs to administer the programs locally. The PHAs enter into HAP contracts with private owners who lease their units to assisted families (24 CFR Section 982.151). In the tenant-based Section 8 programs, the PHA verifies a family's eligibility (including income eligibility) and then issues the family a voucher.

APPENDIX D – LOCATION OF AFFORDABLE HOUSING

Thus, Section 8 assisted households/housing units are not situated in permanent locations. Families receiving Section 8 assistance may move to another apartment unit (where the landlord accepts Section 8) located in Moreno Valley or move to another City. Usually, the initial lease term must be for at least one year.

Table D-3 shows the number of Section 8 Vouchers by zip code location, information that was transmitted to the City by the Housing Authority.

Table D-3
City of Moreno Valley
Distribution of Section 8 Housing Choice Vouchers by Zip Code

Zip Code	Number of Section 8 Vouchers	Percent
92551	235	15.6%
92553	703	46.8%
92555	105	7.0%
92557	459	30.6%
Total	1,502	100.0%

Note: Total excludes one voucher in zip code 92552
 Source: Housing Authority of the County of Riverside, January 12, 2013
 Table construction by Castañeda & Associates

The list below compares the zip code percentage distributions of Section 8 vouchers and the total population of all four zip codes:

<u>Zip Code</u>	<u>Section 8 Percentage</u>	<u>Total Population Percentage</u>
92551	15.6%	15.9%
92553	46.8%	38.0%
92555	7.0%	20.1%
92557	30.6%	26.0%
	100.0%	100.0%

Based on the above, the following conclusions can be made:

- Zip Code 92551 percentage of Section 8 vouchers is about the same as its percentage of the total population (30,815/193,933).
- Zip Code 92553 has a high percentage of Section 8 vouchers compared to its percentage of the total population.
- Zip Code 92555 has a much lower percentage of Section 8 vouchers than it does of the total population.
- And, finally, Zip Code 92557 has a much higher percentage of Section 8 vouchers than it does of the total population.

Thus, the distribution of Section 8 vouchers is not in proportion to the share of the total population residing in each zip code.

APPENDIX D – LOCATION OF AFFORDABLE HOUSING

Table D-4 shows the zip code population by race and ethnicity. Each zip code has a minority population percentage higher than 75%. For example, the minority population percentage of Zip Code 92553 is 86.5%. In contrast, the minority population percentage is 76.7%.

The map of the locations of the developments is on page 8. Although in a few areas, there are multiple developments, most are small and contain only four or eight rental units.

Impediment:

The location of rent restricted affordable housing is not an impediment to fair housing choice. While most affordable housing developments are located in low and moderate income neighborhoods, they have not contributed significantly to the low income percentages of the neighborhoods in which they are located. Moreover, there is not a concentration of rent restricted affordable housing developments in any one neighborhood.

Action Plan Recommendation:

The affordable housing location analysis will be used to evaluate the sites of new rent restricted development proposals.

The location of Section 8 vouchers will be monitored to determine if such housing is becoming overly concentrated. If over concentration becomes a concern in the future the City will work with the Housing Authority to take appropriate corrective actions.

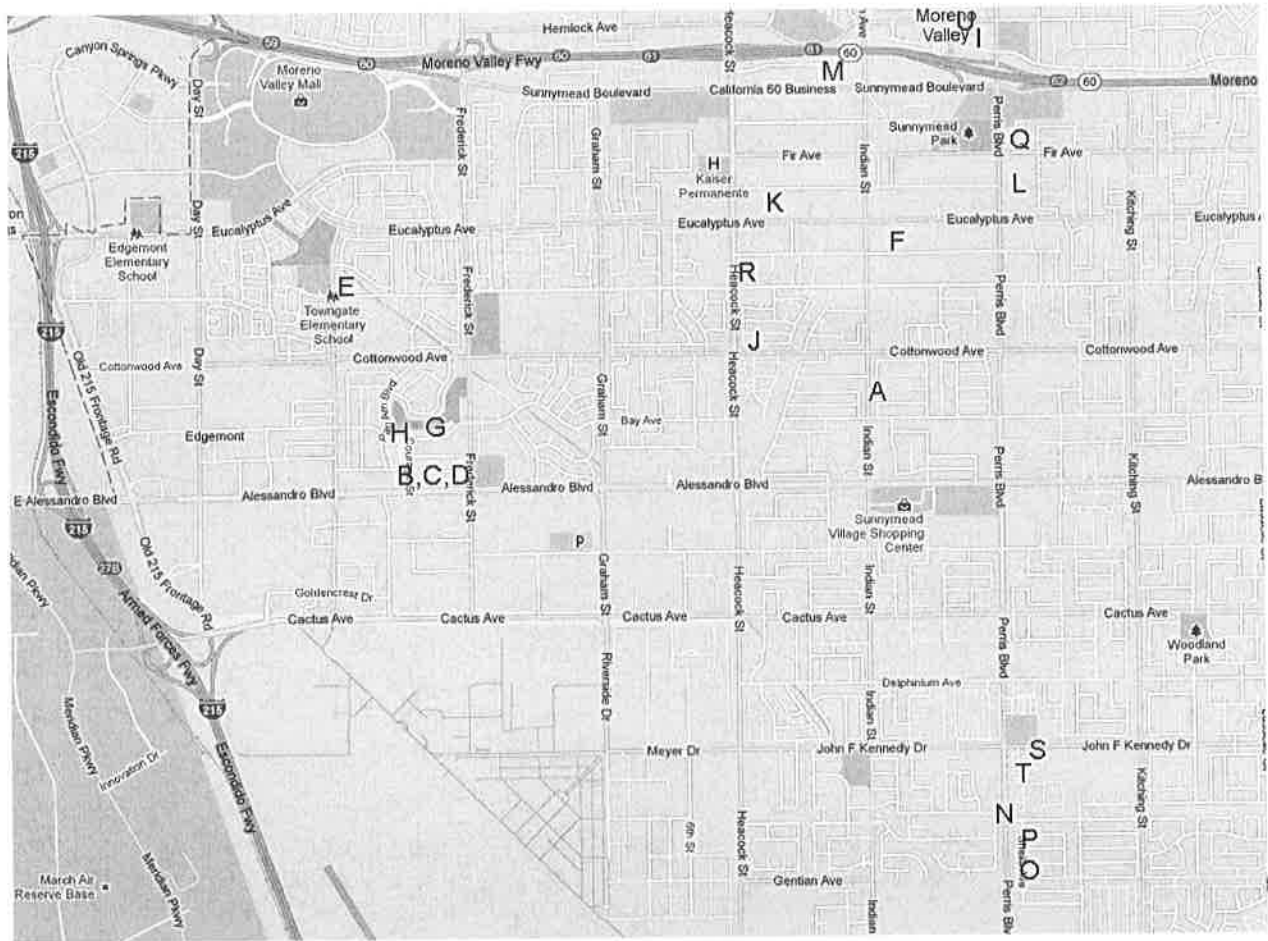
APPENDIX D – LOCATION OF AFFORDABLE HOUSING

**Table D-4
City of Moreno Valley
Population by Race and Ethnicity by Zip Code**

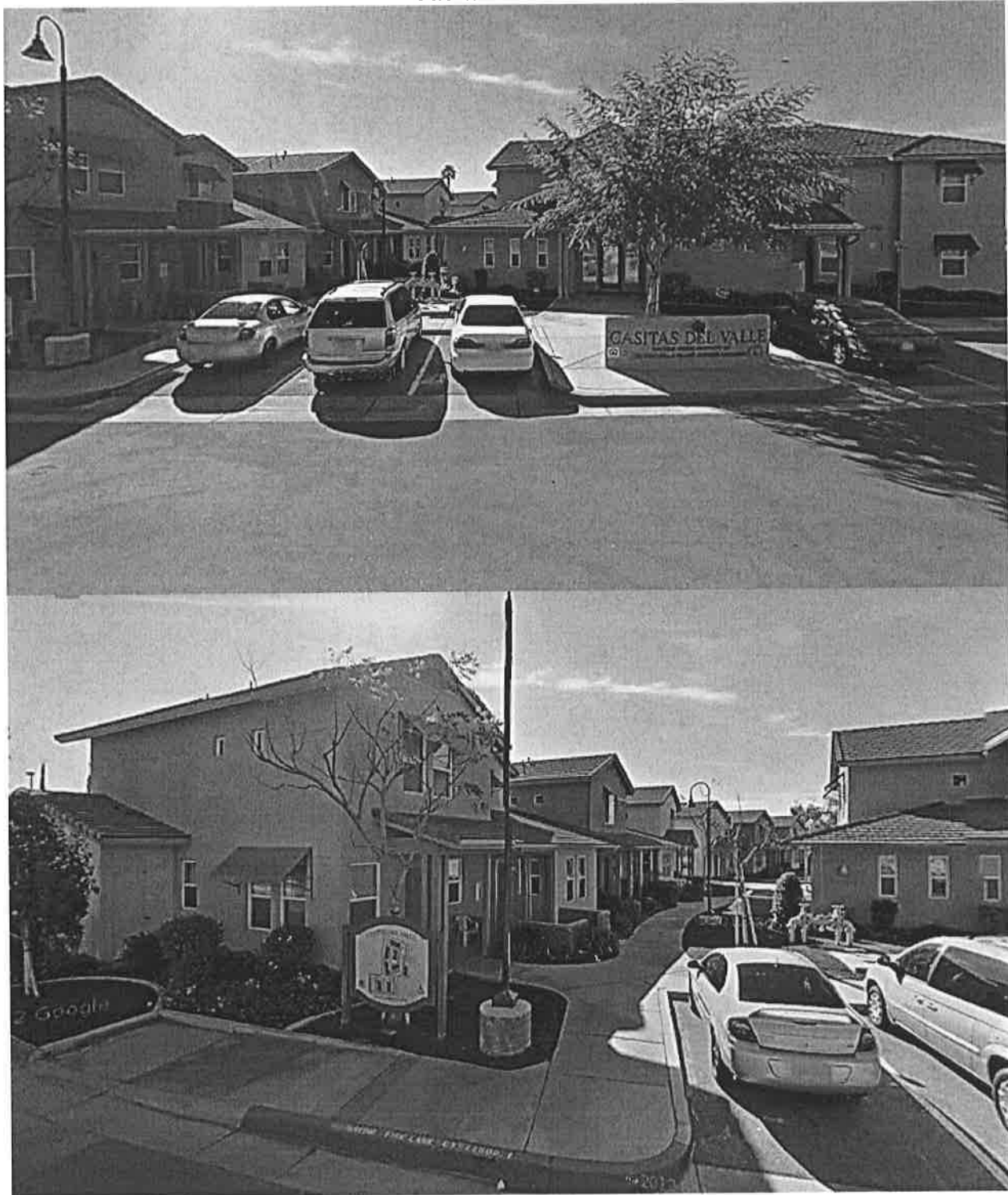
Race and Ethnicity	92551	Percent	92553	Percent	92555	Percent	92557	Percent	Total	Percent
White	4,029	13.1%	9,950	13.5%	9,113	23.3%	13,730	27.3%	36,822	19.0%
Black of African American	5,721	18.6%	11,334	15.4%	7,582	19.4%	8,566	17.0%	33,203	17.1%
American Indian and Alaska Native	79	0.3%	195	0.3%	121	0.3%	184	0.4%	579	0.3%
Asian	1,711	5.6%	3,438	4.7%	3,733	9.6%	2,552	5.1%	11,434	5.9%
Native Hawaiian/Other Pacific Islander	154	0.5%	454	0.6%	174	0.4%	214	0.4%	996	0.5%
Some Other Race Alone	67	0.2%	131	0.2%	114	0.3%	76	0.2%	388	0.2%
Two or More Races	733	2.4%	1,631	2.2%	1,191	3.0%	1,509	3.0%	5,064	2.6%
Hispanic or Latino	18,321	59.5%	46,589	63.2%	17,048	43.6%	23,489	46.7%	105,447	54.4%
Total	30,815	100.0%	73,722	100.0%	39,076	100.0%	50,320	100.0%	193,933	100.0%
Percent	15.9%		38.0%		20.1%		26.0%		100.0%	

Source: DP-1, 2010 Demographic Profile Data: Profile of General Population and Housing Characteristics: 2010 for Zip Codes 92551, 92553, 92555 and 92557
Table construction by Castañeda & Associates

Locations of Rent Restricted Affordable Apartment Community Locations



Casitas del Valle



Amber Ridge



Ability First



Cottonwood Place



Bay Family



Perris Isle



Appendix E

APPENDIX E - DATA SOURCES

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Appendix B-Public Sector Impediments Analysis.....	E-3
Technical Appendix C-Private Sector Impediments Analysis.....	E-5

APPENDIX E – DATA SOURCES

Appendix A Fair Housing Community Profile

- American FactFinder, American Community Survey (ACS) 2010 1-Year Estimates
- American FactFinder, American Community Survey (ACS) 2008-2010 3-Year Estimates
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