

Analysis of Impediments to Fair Housing Choice

County of San Bernardino

March, 2015

Prepared for
The County of San Bernardino
Community Development & Housing Department

By



Table of Contents

Executive Summary.....	3
Introduction	20
Definitions & Data Sources.....	21
Limitations of this Analysis	27
Historical Overview.....	28
Socioeconomic Overview	33
Population Dynamics.....	33
Economic Analysis	35
Racially and Ethnically Concentrated Areas of Poverty	40
Access to Opportunity	43
Protected Class Analysis.....	56
Segregation Analysis.....	70
Housing Profile.....	83
Public Investment, Infrastructure, & Education	105
Land Use & Zoning.....	122
Home Mortgage Disclosure Act (HMDA) Analysis	129
Fair Housing Organizations & Activities	141
Housing Discrimination Complaints.....	143
Hate Crimes	149
Housing Discrimination Lawsuits.....	152
Public Perceptions of Fair Housing.....	177
Impediments & Recommendations.....	190
Conclusion.....	198

Executive Summary

Introduction

Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act (the Act), ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin (the protected classes). The Act was amended in 1988 to include familial status and disability as protected classes.

San Bernardino County receives funds from the United States Department of Housing and Urban Development's Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) Programs, and is required to complete a fair housing study (Analysis of Impediments to Fair Housing Choice [AI]) to ensure that HUD-funded programs are being administered in a manner that furthers fair housing for protected classes.

Historical Overview

San Bernardino County is located in southern California in the Riverside-San Bernardino-Ontario California Metropolitan Statistical Area (MSA), which is also referred to locally as the "Inland Empire." The County is also a part of the Los Angeles-Long Beach, California Combined Statistical Area.¹ The County was created from the eastern portion of Los Angeles County in 1853, with additional land added from Los Angeles County in 1878. In 1893, land within the southern part of the County was awarded to Riverside County. San Bernardino is the largest County, in terms of land area, in the state of California and among all other states except Alaska. The County shares borders with the states of Nevada (Clark County) and Arizona (Mohave County and La Paz County) to the East and Southeast and is bordered by the California counties of Los Angeles and Kern to the West, Riverside to the South, and Inyo to the North.

Demographic Overview

San Bernardino County has the fifth largest population among counties in the State of California, and is the twelfth largest county nationally, with an estimated population of over 2 million in 2013. Overall population growth for the County has been steady, with a 21% growth rate between 2000 and 2013. Table 1 shows the populations for 2000, 2010, and 2013.

¹ "2010 Census P.L. 94-171 Summary File Data". United States Census Bureau. Accessed: December 12, 2014.

Population Change in the County of San Bernardino, 2000 to 2013				
Jurisdiction	2000	2010	2013	% Change 2000-2013
San Bernardino County	1,709,434	2,042,441	2,088,371	21%

Source: 2000 and 2010 U.S. Census and American Community Survey 2013 1-Year Estimates

The County can be characterized as young with a median age of 33 in 2012, compared to the national median age of 37. In 2010, residents over the age of 65 accounted for only 9% of the County's population.² However, estimates anticipate the senior citizen population will grow by 250% rising to a 19% share of the overall population by 2050.

Household Income

Median household income decreased for County residents by nearly 13% from 2008-2012 from \$58,208 to \$50,770, according to the American Community Survey. Notably, over 20% of County households had median income that equaled or exceeded \$100,000. However, over 20% of households also had under \$25,000 in income.

Poverty

The County of San Bernardino has had an especially high poverty rate when compared to national and state rates. In 2011, the County had the second highest poverty rate nationally. According to the 2012 American Community Survey, the County poverty rate was 31.4% in 2012 and averaged 17.4% in the period from 2008-2012, exceeding the state poverty rate (15.3%) for the same time frame. Poverty rates were higher among households with children and among racial and ethnic minority households. Poverty for the County is currently defined as \$23,000 or less annually for a family of four.

Protected Class Analysis

In 2010, the majority of the population within the study area was either Hispanic (49.2%) or White non-Hispanic (33.2%). Between the last two censuses (2000 and 2010), the population changes by race and ethnicity were largely due to changes within two groups, as the Hispanic population increased its share of the population by over 10 percentage points, while the non-Hispanic White population decreased its share by just over 10 percentage points.

As reported in the 2011-2013 American Community Survey, 21.5% of the County's population was foreign born, which is considerably higher than the U.S. rate of 12.9 %. Since the 2000 Census, the study area's non-native population grew considerably (37.2%), surpassing the U.S. non-native population growth rate of 27.9%.

² San Bernardino County Community Indicators Report 2014

The 2010 Census reported 611,618 households in the study area, of which 76.9% were families. Nearly sixty percent of families (59.3%) and one-half of total households (45.6%) included children. About one-fifth of family households (21.1%) had female householders, as did 27.9% of all households.

According to the most recent three-year American Community Survey data (2011-2013), the study area had a disability rate of 10.9%, which represented 222,004 persons living with a disability, including 1,116 children under the age of 5, 17,224 children and adolescents ages 5 to 17, 121,413 adults ages 18 to 64, and 82,251 Seniors (age 65 and over).

Segregation Analysis

Four methodologies (Dissimilarity, Exposure, Isolation, and Entropy indices) were used in this study to analyze segregation. A reconciliation of the four indices has shown that, on the whole in San Bernardino County, segregation is relatively modest among most population segments, but increased in some instances over the 2000 to 2010 decade. The analysis in the AI looked at these factors for African-Americans, Asians, Hispanics and Whites.

Racially and Ethnically Concentrated Areas of Poverty

The Department of Housing and Urban Development (HUD) has developed a methodology that combines demographic and economic indicators to identify racially or ethnically concentrated areas of poverty (RCAP/ECAPs). According to the 2008-2012 American Community Survey, there are 21 tracts in San Bernardino County that are areas of concentrated poverty and majority non-White population. Notably, every census tract with a poverty rate above 40% had a majority minority population (i.e., there are no majority White tracts with a concentration of poverty). The ACS data shows that 14 of the County's 21 RCAP/ECAP tracts are in or near the City of San Bernardino, while others are scattered throughout the western and northern portions of the County, including Ontario, Fontana, Rialto in the west, and Apple Valley, Adelanto, and Barstow in the north.

Public Investment & Infrastructure

Public Transit

Since 1976, the County of San Bernardino has been served by the OmniTrans public transit system in the urbanized areas of the County. OmniTrans has a service area of approximately 456 square miles, serving fifteen municipalities, and many unincorporated areas. Omnitrans service includes 27 local fixed route bus services, express fixed route bus services, Metrolink Regional commuter rail feeder service, Access para-transit service, OmniLink demand-response service, and OmniGo circulator service. In addition to the Omnitrans system, the County also has other separate transit systems that provide service to the non-urbanized areas of the County.

Roads

The County relies on major roadways for travel in and around the County which are part of a highway network that allows residents and workers to move through the County. The County's roads also provide commuters with access to the Omnitrans bus service and Metrolink commuter service.

Water and Wastewater Facilities and Services

Extreme drought conditions exist in California due to a lack of rain and snowfall over the last three years. With the State of California facing one of the most severe droughts on record, the Governor declared a drought State of Emergency in January 2015. This drought threatens the water supply to cities and towns.

Because of these drought conditions in the County, conservation is critical to ensure that sufficient water is available to supply communities, the environment, farms and other important parts of the economy. Residents of the County and the State of California have been asked to implement a voluntary 20% reduction in water usage. However, if water reductions are not realized, the state will issue more stringent water restrictions up to and including issuing fines for non-compliance.

Access to Opportunity

Among the many factors that drive housing choice for individuals and families are neighborhood factors including access to quality schools, jobs, and healthcare. This section of the AI examines these dimensions geographically, relative to locations of RCAP/ECAPs, and evaluates levels of access to opportunity by race and ethnicity.

HUD Opportunity Indicators

To measure economic and educational conditions at a neighborhood level, HUD's Office of Policy Development and Research developed a methodology to "quantify the degree to which a neighborhood offers features commonly associated with opportunity."³ For each census block group in the U.S., HUD provides a score on several "opportunity dimensions," including poverty, school proficiency, labor market engagement, and jobs access. For each Block Group, a value is calculated for each index and the results are standardized on a 0 to 100 scale, based on relative ranking within the metro area (or non-metro balance of the state). For each opportunity dimension, a higher index score indicates more favorable neighborhood characteristics.

Overall, Black and Hispanic residents – adults and children – face opportunity gaps relative to White residents. They are more likely to live in neighborhoods with higher poverty, lower school proficiency, and less labor market engagement, and these disparities persist regardless of poverty status. For job access, values were relatively consistent across all subgroups, suggesting

³ HUD Office of Policy Development and Research, "FHEA Data Documentation," Draft. 2013. p. 4.

that distance to employment centers is not related to race, ethnicity, or poverty status. However, access to employment centers and living wage jobs may depend on the availability of transportation (including public transit), educational attainment and training, and the types of jobs available, among other factors.

Land Use & Zoning

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, the zoning codes for the County of San Bernardino and 15 of its municipalities were obtained and individually reviewed against a set of fair housing issues. The County's zoning ordinance and those of the cities of Big Bear Lake, Rancho Cucamonga, Yucaipa and Yucca Valley were determined to be the most permissive and to present the least risk for discrimination or limitation of housing choice. At the opposite end of the spectrum, the City of Loma Linda's ordinance was the least permissive and presents the highest risk for discrimination or limitation of housing choice among the ordinances reviewed. The City of Rialto's zoning ordinance was similarly determined to have a higher risk for limitation of fair housing choice.

Of the individual fair housing issues the ordinances were reviewed against, the reviewed zoning codes handled very well the matter of establishing reasonable, uncomplicated processes for obtaining use permits and setting forth transparent appeal procedures. Many of the jurisdictions reviewed included inclusionary zoning with density bonuses that encouraged development of fair and affordable housing. The reviewed jurisdictions also scored well on the issue of spacing and dispersion requirements on protected housing types.

On the other hand, while several of the jurisdictions refer to the Fair Housing Act, the California FEHA or both, many jurisdictions do not. While some jurisdictions may incorporate portions of the Acts in their building codes, incorporating specific reference to the Fair Housing Act (1988 Amendments) and the FEHA in the zoning ordinance itself would better provide clear guidance to potential residents and development partners. Other problematic zoning code features tended to surround the definition of "Family". The most permissive definitions allowed for unlimited number of persons functioning as a single-household unit, however some jurisdictions, such as Adelanto, failed to define "family", and others relied on a restrictive definition permitting no more than three unrelated individuals from sharing a dwelling.

Housing Profile

Housing Stock Characteristics

According to the 2009-2013 American Community Survey, there are an estimated 701,332 housing units in San Bernardino County, up 16.6% from 601,369 in 2000. Approximately 13.9% of the current housing stock was vacant (97,453 units), an increase of 1.8 percentage points since 2000. The vacancy rate in the County (13.9%) is well above the statewide rate of 8.6%, and slightly above the national rate of 12.5%.

The majority of housing units in the County are single-family detached (70.3%). Multifamily properties totaled 19.8% of the housing stock compared with nearly one-third of housing in California (31.0%) and one-quarter of housing throughout the U.S. (25.9%). Mobile homes make up 6.1% of units in the County, above the share in the state (3.8%) but comparable to that of the nation (6.5%).

Multifamily units are concentrated in a few locations within the County, predominately in its more densely populated southwest corner. The largest share of homes were built during the 1980s (23.3%), followed by the 1970s (17.6%). Recent home construction (since 2000) constitutes 15.8% of housing in the County, compared to 15.3% statewide and 12.2% in the U.S. Slightly more than eight percent (8.1%) of homes countywide were built prior to 1950 versus 16% in the state and 19% in the nation.

The majority of households in RCAP/ECAPs rent their homes (69.8%), with single family homes making up the majority of the units in the RCAP/ECAPs. Housing in RCAP/ECAPS tends to be older, with over one-fifth of units (22.9%) built before 1950, and 68.0% built before 1980. The median year built is 1967, fourteen years earlier than the median for San Bernardino County as a whole.

RCAP/ECAP housing tends to cost less than comparison geographies, which is not surprising, as households in poverty have less income to spend on housing. The median gross rent of \$834 is \$268 below the median for the County, but only \$70 below the median for the nation. The median monthly owner cost for households with a mortgage is \$1,167 in the RCAP/ECAP tracts, which is \$661 less than the median for the County and \$1,103 less than that of the state.

Housing Costs/Market Activity

The for-sale housing market in San Bernardino County continues to recover after sales prices and volumes fell during and immediately following the recent recession. As of January 2014, the median sales price for existing single-family detached homes in the County was \$190,540, representing steady increases from medians of \$154,500 in January 2013 and \$129,920 in January 2012.⁴

The most common range of monthly housing costs for homeowners is from \$1,500 to \$1,999 (which includes 22.7% of homeowners), followed by \$2,000 and \$2,499 (17.1%), and over \$3,000 (14.7%). Only 11.8% of homeowners with mortgages spend less than \$1,000 a month on housing costs. According to the 2009-2013 ACS data, the median monthly owner costs for San Bernardino County households with a mortgage is \$1,828, which is \$442 below the California median but \$288 above the national median. San Bernardino County owners without a mortgage have median monthly housing costs of \$412.

⁴ *San Bernardino County 2014 Community Indicators Report* by the Community Foundation, Accessed via http://cms.sbcounty.gov/Portals/21/Resources%20Documents/CIR_2014_Report.pdf

The largest share of renters (23.0%) spend between \$1,000 and \$1,249 on housing costs each month; about 15% of renters spend between \$1,250 and \$1,499 and another 15% between \$1,500 and \$1,999. Less than one-tenth of renters spend under \$500 on housing costs per month. The 2009-2013 ACS shows a median rent of \$1,102 for San Bernardino County. Like median owner costs, this figure is below the state median (by \$122) but above the national median (by \$198). Housing costs relative to income will be assessed in the discussion of affordability and housing problems.

Housing Foreclosures

The Riverside-San Bernardino County metro area faced a high number of foreclosures during and following the 2007 to 2009 recession. In mid-2012, the MSA showed the highest rate of foreclosure filings among the country's 20 largest metropolitan areas, with one in every 179 housing units in some form of foreclosure.⁵

The *San Bernardino County 2014 Community Indicators Report* tracked the rate of foreclosures in the County from 2004 through 2013. The indicators show a sharp rise from 0.2% of all residential properties in 2005 to 5.3% in 2009, falling considerably since then to reach 1.1% in 2013. While the housing market in San Bernardino County shows signs of recovery, foreclosure levels in the County remain above those of the state and nation. According to RealtyTrac's November 2014 estimates, 1 in 791 housing units in the County is in foreclosure (0.13%), compared to 0.07% for the State of California and 0.09% for the U.S.

Most high foreclosure rates are in unincorporated parts of the County, including Big Bear City and the area to its south, Silver Lakes and the surrounding area, Pinon Hills, Crestline, and the area west of Adelanto. Incorporated areas with more than 0.2% of homes in foreclosure include Adelanto, northern Rialto, and southern Chino. For the most part, the high foreclosure rate areas do not include RCAP/ECAP census tracts, with the exception of two tracts in Adelanto.

Housing Problems/Affordability

To assess affordability and other types of housing needs, HUD identifies four types of housing problems: Cost burden, overcrowding, lacking complete kitchen facilities, and lacking complete plumbing facilities. HUD receives a special report from the U.S. Census Bureau's American Community Survey known as the Comprehensive Housing Affordability Strategy (CHAS) data. The CHAS report data included in Table 3 identifies the number of households that fit certain combinations of HUD-specified criteria, such as housing needs by income level, race, and ethnicity.

From an estimated 60,551 low- to moderate-income households in San Bernardino County, 35,533 (37.7%) have a severe cost burden. After affordability, overcrowding is the second most common problem, affecting 13,181 households or 14.0% of all low- or moderate-income households in the

⁵ "Riverside-San Bernardino posts nation's highest foreclosure rate," from *L.A. Biz* on June 14, 2012. Accessed via <http://www.bizjournals.com/losangeles/news/2012/06/14/riverside-san-bernardino-posts.html>.

County. A small share of units (2.3% or 2,164 units) lack complete kitchen and/or plumbing facilities. The incidence of severe housing problems are also more pronounced for minority households.

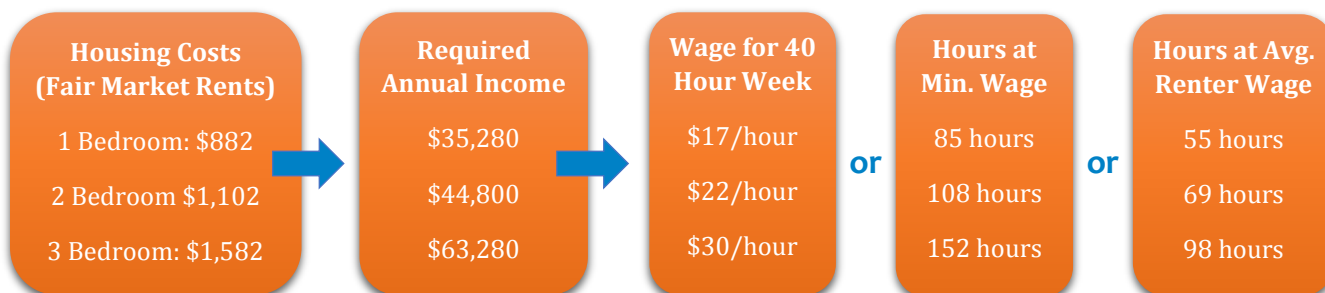
Housing Problems for Households with Incomes 80% AMI or Less in San Bernardino County				
Housing Problem	Renter Households	Owner Households	Total Households	Share of Total Households
Cost Burden	32,826	27,725	60,551	64.3%
Severe Cost Burden	18,526	17,007	35,533	37.7%
Overcrowded	8,097	5,084	13,181	14.0%
Lacking Complete Kitchen or Plumbing	1,293	871	2,164	2.3%
Total Households Under 80% AMI			94,156	100.0%

Source: 2007-2011 CHAS

Renter Affordability and Wages

Cost burdened households, especially renters, may be least able to cope with unforeseen financial setbacks such as a job loss or reduction in work hours, temporary illness, or divorce. The National Low Income Housing Coalition's annual *Out of Reach* report examines rental housing rates relative to income levels for counties throughout the U.S. Figure 4 shows annual household income and hourly wages needed to afford Fair Market Rents (FMRs) in San Bernardino County for one, two, and three bedroom rental units.

Required Income, Wages, and Hours to Afford Fair Market Rents in San Bernardino County, 2014



Note: Required income is the annual income needed to afford Fair Market Rents without spending more than 30% of household income on rent. Minimum wage in San Bernardino County when the National Low Income Housing Coalition prepared these figures was \$8.00; average renter wage was \$12.44. Minimum wage in San Bernardino County increased to \$9.00 an hour as of July 1, 2014.

Source: National Low Income Housing Coalition *Out of Reach* 2014, Accessed from <http://nlihc.org/oor/2014>

Subsidized Housing

San Bernardino County residents who are unable to afford housing at market rents often turn to subsidized housing and/or similar housing programs for assistance. In the County 85% of public housing residents and 83% of housing choice voucher (HCV) holders are minorities, compared to 67% of the population countywide. The majority of these units are concentrated in central San Bernardino County and in its southwest corner, including the City of San Bernardino, Colton, Loma Linda, Montclair, Rancho Cucamonga, Redlands, Yucaipa, Rialto, Chino, Fontana, Ontario, and Upland.

Accessible Housing

HUD's Inventory Survey of Units for the Elderly and Disabled identifies multifamily housing that serves persons with disabilities and elderly populations include 2,451 federally-assisted units. Out of the total number of assisted units, 491 or 20.0%, are designated for elderly persons and 177 (7.2%) are designated for disabled persons. A total of 325 units (13.3%) include accessible features.

Home Mortgage Disclosure Act (HMDA) Analysis

The Home Mortgage Disclosure Act of 1975 (HMDA) requires most mortgage lending institutions to disclose detailed information about their home-lending activities annually. The objectives of the HMDA include ensuring that borrowers and loan applicants are receiving fair treatment in the home loan market.

The analysis of loans to residents of San Bernardino County found differences in loan approvals and denials by gender, race, and ethnicity varied depending on income levels, as summarized below:

- For low income level applicants
 - female applicants had higher approval rates and lower denial rates than both male/female co-applicants and male applicants. As incomes increased, male/female co-applicants had higher loan approval rates.
- Applicants at moderate incomes
 - male/female co-applicants saw approval rates that were 2.3 percentage points above those of male applicants and 1.9 points above female applicants. These spreads widened slightly to 3.8 and 2.6 points, respectively, for high income applicants.
- A 7.6% point gap in approval rates exists between low income White and Hispanic loan applicants and a 15.1% point gap between low income White and Black loan applicants.
- This race/ethnicity gap is reduced somewhat to 5.8 and 10.6 points, respectively, for moderate income applicants.

- In the highest income category, approval rates are more similar for each of these applicant groups, varying by 2.5 percentage points for Whites and Hispanics and 5.1 percentage points for Whites and Blacks.
- Regardless of race, ethnicity, or gender, the most common reason for loan denials was debt-to-income ratio. Collateral and credit history were also frequent barriers.
- Comparing denial reasons for White and Black applicants shows that Blacks were more likely to be denied due to debt-to-income ratio, employment history, and “other” reasons; Hispanics were more likely to be hindered by unverifiable information and “other” reasons. Denial reasons varied little by applicant gender.
- It is not possible to determine if the lender motivation for this disparate treatment was due to economic reasons, social discrimination or both.

Fair Housing Organizations & Activities

The goal of fair housing education is to ensure that citizens know their rights and what to do if their rights have been violated. This section of the AI provides an overview of fair housing organizations, educational activities, and services available to residents in the County.

The U.S. Department of Housing and Urban Development (HUD) oversees, administers, and enforces the federal Fair Housing Act. HUD’s Region IX office in San Francisco, California oversees housing, community development, and fair housing enforcement in American Samoa, Arizona, California, Guam, Hawaii, and Nevada. The Office of Fair Housing and Equal Opportunity (FHEO) within HUD’s San Francisco office enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in the County of San Bernardino. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP).

Locally, the Inland Fair Housing Mediation Board (IFHMB) coordinates fair housing services and education within the County Consortium. The County contracts with IFHMB to administer the County’s fair housing services which include education, mediation, investigation, or referrals of housing discrimination complaints. The IFHMB was established in 1980 to combat housing discrimination primarily by educating both tenants and landlords as to their rights and responsibilities according to fair housing laws.

Housing Discrimination Complaints

Complaints Filed With HUD and Inland Fair Housing and Mediation Board

Region IX of the Office of Fair Housing and Equal Opportunity [FHEO] receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout American Samoa, Arizona, California, Guam, Hawaii, and Nevada. From January 1, 2006 and

September 30, 2014, 523 housing complaints were filed with HUD FHEO from San Bernardino County. Of these complaints, 112 were determined to have cause and were settled through conciliation or judicial consent order. A total of \$418,748 in settlement compensation was paid regarding the “with cause” claims. A total of 78 complaints were withdrawn for no cause, lack of jurisdiction or failure of complainant to cooperate. The County currently has no open complaints.

The review of complaints filed with HUD shows that the overwhelming majority of complaints investigated by the San Francisco FHEO Office from San Bernardino County were based on disability status (38%) and color or race (35%). Other complaint bases were familial status (18.3%) and national origin (18.1%). A lack of filed complaints does not always indicate that a problem does not exist. It should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint (see Table 4). No complaint data was received from the Inland Fair Housing and Mediation Board.

San Bernardino County Complaints Filed by Basis January 1, 2006 - September 30, 2014											
Disability	Color/ Race	Fam. Stat.	Mar. Stat.	Sex	Nat. Origin	Age	Citizenship	Religion	Retaliation	Harrassment	TOTAL COMPLAINTS FILED
201	186	96	0	41	94	0	0	9	72	0	523

Housing Discrimination Lawsuits

A search of housing discrimination lawsuits and administrative complaints that were filed and/or adjudicated between January 2009 and November 2014 revealed that few significant cases were found that specifically involved San Bernardino County litigants or local governments. However, cases were adjudicated in the federal Ninth Circuit and the District for the Central District of California and California state appeals court do present precedent for future legislation, litigation or fair housing policy choice in the County.

Cases analyzed in this section of the A.I. fall under eight main fair housing topics: (1) a complaint brought against a roommate matching service for allegedly facilitating discriminatory housing preferences; (2) a complaint brought against a local government for alleged post-acquisition discriminatory practices; (3) a complaint brought against a local municipality for alleged familial status discriminatory zoning or land use practices; (4) complaints brought against local governments and housing providers for housing discrimination against persons with disabilities; (5) complaints brought against major banks and a mortgage lending company for alleged discriminatory lending; (6) a complaint brought against a housing provider for discriminatory rental policies based on race and national origin; (7) a complaint challenging a local zoning ordinance that requires a minimum set aside of affordable housing for new developments that

conflicts with the state density bonus law; and (8) a case against a housing provider's policies regarding the supervision of children on the property for familial status discrimination.

Hate Crimes

As defined by the federal Hate Crime Statistics Act of 1990 (28 U.S.C. § 534), hate crimes are “crimes that manifest evidence of prejudice based on race, gender or gender identity, religion, disability, sexual orientation, or ethnicity.” Because these protected classes significantly overlap those classes protected under the Fair Housing Act, an examination of data on hate crimes is conducted as part of this AI. The FBI's Uniform Crime Reporting Program data shows that five incidences of hate crimes were reported in San Bernardino County from 2010 to 2012, the majority of which (3) were motivated by race (3 incidences).

Impediments and Recommendations

Impediments identified through this research are summarized below with supporting examples noted. Each impediment listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, the related impediment. It should be noted that these barriers are largely systemic and will require effort from both private sector and public sector actors to correct.

Impediment #1: Cost of Affordable Housing Limits Housing Choice

The quantitative data obtained from the Census Bureau and HUD, supported by comments provided by County residents, key stakeholders, and the Community Survey, demonstrate that a significant number of households in San Bernardino County have insufficient income to afford appropriate housing. The impact of these housing costs are particularly challenging for households with children in the County, where only 34.9% of the rental stock has three or more bedrooms.⁶ It is noteworthy that the HUD CHAS 2007-2011 data estimate that members of protected classes (Hispanic, African-American, and American Indian residents of the County) had disproportionately greater housing cost burden needs when compared to the entire population.

Recommendations:

The County and its public and private sector partners should develop a new long-term strategy that would serve as an ongoing affordable housing vision and would set measurable goals for housing production and preservation. The strategy should be developed by a Task Force with public input and participation that is critical to the success of establishing and following this plan. The Task Force should complete the housing strategic plan by June 30, 2016, and then continue to monitor progress

⁶ County of San Bernardino, Consolidated Plan 2016-2020 (Draft); and, U.S. Department of Housing and Urban Development, 2007-2011 CHAS and HUD Fair Market Rents/HOME Rents

in achieving plan goals on an annual basis and report this information to the Board of Supervisors and to the residents of the County.

Moving forward, the strategy should serve as the guiding affordable housing planning instrument containing housing goals and objectives that are to be followed in the Consolidated Plan and its Annual Action Plans. It is critical that additional non-HUD funding streams be identified and made available if this initiative is to be successful.

Impediment #2: Aging Housing Stock Needs Preservation to Maintain its Serviceability and Affordability

The County's housing stock includes obsolete homes that are either in disrepair or no longer align with contemporary housing preferences. These housing units were built prior to 1980 and include considerable maintenance costs which are a burden to low income households and to property owners and managers. To prevent further deterioration of sound housing stock it is important for the County, its municipalities, and the private sector to re-create opportunities for the preservation of housing.

Recommendations:

The Housing Task Force recommended under Impediment #1 of this analysis should include as a part of its long-term housing strategy development a rehabilitation component that would address the need to preserve the multifamily housing stock for qualifying renters. The actions of the Task Force should outline how the rehabilitation needs can be met and should include public and private funding sources not restricted to grant monies received by the County from HUD.

Impediment #3: Inadequate Supply of Permanent Supportive Housing for Special Populations Including Persons with Disabilities, Elderly Persons, and Persons Who are Homeless

The County of San Bernardino has a large and diverse population, including a special populations including homeless individuals, persons with disabilities, and elderly people. One of the greatest challenges faced by persons in these special needs categories is the availability of appropriate affordable housing. Throughout the development of this analysis and of the Consolidated Plan 2015-2020, residents of the County and key stakeholders consistently mentioned that the current housing stock is not adequate to serve the needs of individuals from these populations.

Recommendations:

Persons with Disabilities:

Organizations that serve persons with physical and mental disabilities are important advocates for these individuals. These organizations and persons with disabilities should be engaged as participants in the housing strategy development to ensure that policies, programs, and potential

funding streams are identified and included that will result in the development or rehabilitation of housing that is accessible and affordable for persons with disabilities. These projects should also be planned to include supportive services that are essential to this population, as appropriate.

Elderly:

The proportion of county residents who are elderly (age 62 and older) is projected to grow by 250% by the year 2050. A large number of these individuals are currently homeowners who occupy single-unit detached housing located throughout the County. Unless elderly individuals need specialized care, such as skilled nursing facilities, it is likely that many of these individuals will prefer to remain in their own homes and to retain their own independence by doing so.

To serve this growing segment of the population, who choose to remain independent and live in their own homes, accessibility modifications to their housing will be necessary to achieve this objective. The Housing Task Force should carefully examine this need as it develops the long-term housing strategy to ensure that these individuals and households may be assisted through some form of public/private partnership accessibility program that should be made a part of the housing strategy.

While it is important to provide opportunities for County residents who are elderly to “age in place” by remaining in their own homes, growing numbers of elderly county residents will need other types of housing that may not currently exist in sufficient numbers. The Housing Task Force should address this need as a part of the housing strategy. Types of housing that should be addressed include fair market rental properties, subsidized rental properties, and supportive elderly housing that may include healthcare and other appropriate services.

Homeless:

The Housing Task Force should consult with the County of San Bernardino Homeless Partnership and its member organizations to ensure that the needs of homeless individuals and families are adequately addressed in the proposed long-term housing strategy. Careful attention must be given to the adopted Continuum of Care structure and procedures that should be incorporated as vital components of the parts of the housing strategy dealing with housing for the homeless. One of the most important resources for this effort should be the County’s 10 year plan to eliminate homelessness. Public and private organizations that serve the homeless and homeless individuals should be invited to engage in the policy development process to ensure that the needs of the homeless are adequately and appropriately served.

Impediment #4: Improvements Are Needed Between Planning Processes for Transportation Improvements and the Development of Affordable Housing

Residents of affordable housing or persons who need affordable housing are typically dependent on some form of public transportation to access services and/or employment. One of the recurring

issues throughout the nation and in the County is the development of housing that is not interconnected with the transportation planning process. The result may be housing that is not reasonably accessible to bus stops or rail stations.

Recommendations:

The County and its cooperating municipalities should examine their existing planning processes for transportation and housing development and make any necessary improvements that can make these processes more collaborative and inclusive to ensure that transportation opportunities are available and accessible near affordable housing developments.

Impediment #5: “NIMBY” (“Not in My Backyard”) Attitudes Toward Protected Classes

During the public participation process for the development of this analysis, comments were received that NIMBY (not in my backyard) sentiments still prevail in some portions of the County, particularly in the rural areas. The NIMBY attitudes may be directed toward affordable housing, Housing Choice Voucher (Section 8) units or recipients, the homeless, persons with disabilities, racial or ethnic groups, and other protected classes. While “NIMBYism” is not a new phenomenon, it continues to be a vexing problem in our nation. From the analysis of data and comments received, this does not appear to be a widespread issue in the County, but occurs in some localized areas.

Recommendations:

In the County of San Bernardino, additional education efforts are needed to inform the public about the Fair Housing Act and the protections it provides to protected classes under the Act. The County and its cooperating cities should encourage residents to productively engage with their neighbors to foster inclusive, safe, and cohesive neighborhoods for all. Community-based organizations should be integral participants in this initiative and should serve as liaisons between governmental entities and individual residents.

Impediment #6: Acts of Housing Discrimination/Lack of Knowledge of Fair Housing Rights and Responsibilities

A Community Survey conducted by the County and its cooperating cities received 810 English and Spanish responses. A small percentage (13.69%) of survey respondents reported experiencing housing discrimination. Minority respondents were more likely to have experienced housing discrimination (20.20%) compared with 9.43% of non-minority respondents. As minorities comprise almost 40% of the sample but experienced discrimination at over double the rate of non-minorities they disproportionately experienced discrimination.

Nearly one-half (48.89%) of survey respondents indicated that they did not report the housing discrimination because they did not know what good it would do. Similarly, nearly one-half (49.16%) reported that they knew their fair housing rights, while a smaller percent (12.89%) reported not knowing their fair housing rights.

Despite disproportionately experiencing housing discrimination, racial and ethnic minorities were less likely to report “yes” when asked if they knew their fair housing rights and are more likely to report not understanding their rights. Respondents who lived in a home where language other than English is spoken (86.15%) were more likely to report not understanding their fair housing rights. When income is considered, 66.90% of the highest income households (\$100,000 or more) responded that they did know their fair housing rights versus 31.25% for the lowest income households (\$10,000 or less). Lower income households were less likely to understand their fair housing rights despite experiencing housing discrimination at higher rates than other respondents.

The percentage of survey respondents with a person with a disability living in the household who had experienced discrimination was 22.70%.

The survey responses to a question asking who was responsible for acts of housing discrimination indicated that 70.71% of discriminatory acts were committed by landlords or property managers, 24.24% by real estate agents, 18.18% by mortgage lenders, 20.20% by city/county staff, and 10.10% other.

Recommendations:

Outreach and Education to Residents

The County and its cooperating cities should focus increased attention and outreach on the subject to fair housing education for residents of the County. Fair Housing organizations such as Inland Fair Housing and Mediation Board should carry out targeted outreach to racial and ethnic minority groups and to areas of concentrations of low income persons throughout the County to ensure that as many individuals and households as possible understand what are acts of housing discrimination, the protections provided for protected classes under the Fair Housing Act, how and where to report acts of housing discrimination; and the remedies available to victims of housing discrimination, including potential monetary settlements.

Outreach and Education for Property Owners and Property Managers, Real Estate Agents, Mortgage Lenders, and Public Employees

As with the recommendation to expand educational efforts to County residents, a similar process should be carried out to educate property owners (landlords) and property managers, real estate professionals, mortgage lenders, and city and county employees on the requirements and penalties under the federal Fair Housing Act. These educational activities should be carried out by HUD-approved Fair Housing organizations using funding provided by HUD or the County and its cooperating cities.

The County and/or its cooperating cities (as appropriate) should provide monitoring and oversight of these outreach and education efforts to report on their effectiveness as a part of their annual report (CAPER) submitted to HUD.

Conclusion

Through this Analysis of Impediments to Fair Housing Choice, barriers have been identified that may restrict the housing choices available to residents of San Bernardino County and its cooperating cities. The barriers may also prevent residents from realizing their right to fair and equitable treatment under the Federal Fair Housing Act of 1968 (the Act). County residents who are members of protected classes under the Act should know their fair housing rights and should understand the actions that they may take if they think their rights may have been violated.

The recommendations proposed in this document address impediments relative to the high cost of affordable housing, the need to preserve the affordable housing stock, the presence of an inadequate supply of permanent supportive housing for special populations (including persons who are homeless, disabled, and elderly), the need to improve the coordination of planning processes for transportation and housing development, “Not in My Backyard” (NIMBY) attitudes toward protected classes; and acts of discrimination/lack of knowledge of fair housing rights and responsibilities. The implementation of the recommendations in this report can assist San Bernardino County and its cooperating cities in providing a supportive environment for achieving fair housing choice for all of its residents.

Information collected from residents and stakeholders through interviews and surveys indicate that the processes and agencies available to assist victims of housing discrimination are not widely known and that residents have low expectations for any positive results should they report discriminatory acts. While this is only one of the impediments identified, it should receive the highest priority attention to assist the County as it acts to affirmatively furthers fair housing.

The County of San Bernardino and the cities covered by this AI will work cooperatively to achieve fair housing choice for their residents, using the recommendations in this document that are directed toward addressing the identified impediments. Each jurisdiction has an important role to play but cannot, on its own, bring about the change necessary to reduce or remove these impediments to fair housing choice without a collaborative effort by all public and private parties.

Introduction

Equal access to housing choice is a cornerstone principle of America's commitment to equality and opportunity for all. Title VIII of the Civil Rights Act of 1968, more commonly known as the Fair Housing Act, ensures protection of housing opportunity by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The U.S. Department of Housing and Urban Development (HUD), and specifically HUD's Office of Fair Housing and Equal Opportunity (FHEO), is responsible for the administration and enforcement of the Fair Housing Act and other civil rights laws.

Provisions to affirmatively further fair housing (AFFH) are principal and long-standing components of HUD's housing and community development programs. These provisions flow from the mandate of Section 808(e)(5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department's housing and urban development programs in a manner to affirmatively further fair housing.⁷ A fair housing study, known as an Analysis of Impediments to Fair Housing Choice (AI), is required of HUD grantees, such as the County of San Bernardino, receiving funds under the Community Development Block Grant (CDBG) program. To perform this Analysis of Impediments, the grantee contracted with WFN Consulting.

The County of San Bernardino participates together with various municipalities as an Urban County in order to receive CDBG and ESG funds and also leads a Consortium for the purpose of accessing federal affordable housing funds under HUD's Home Investment Partnerships Act (HOME) program. Because of the collaborative affordable housing planning undertaken by the County and participating municipal governments, this AI intends to provide a streamlined county-wide approach to fair housing and to identify and address impediments to fair housing choice that often do not strictly follow jurisdictional boundaries.

The county-wide approach to fair housing planning embodied in this AI makes smart use of limited resources and results in an analysis of fair housing policy for governments and organizations throughout the area. The communities represented in this analysis will have the informational basis from which to promote fair housing choices for all persons, provide opportunities for racially and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities. By analyzing and taking actions to address identified impediments, the participants in the Urban County and members of the Consortium can meet their obligations and certifications to HUD to affirmatively further fair housing.

⁷ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 1: Fair Housing Planning Historical Overview, Page 13)*. March 1996.

Definitions & Data Sources

Definitions

Affirmatively Further Fair Housing – In keeping with the latest proposed guidance from HUD, to Affirmatively Further Fair Housing Choice (AFFH) is to comply with “the 1968 Fair Housing Act’s obligation for state and local governments to improve and achieve more meaningful outcomes from fair housing policies, so that every American has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status.”⁸

Fair Housing Choice - In carrying out its Analysis of Impediments to Fair Housing Choice, the County utilized the following definition of “Fair Housing Choice”:

- The ability of persons of similar income levels to have available to them the same housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

Impediments to Fair Housing Choice - As adapted from the *Fair Housing Planning Guide*, impediments to fair housing choice are understood to include: ⁹

- 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.
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

Protected Classes - In carrying out its Analysis of Impediments to Fair Housing Choice, the County utilized the following definition of Protected Classes:

- Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

Affordable - Though local definitions of the term may vary, the definition used throughout this analysis is congruent with HUD’s definition:

- HUD defines as "affordable" housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs.
- For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners’ association fees.

⁸ U.S. Department of Housing and Urban Development. “HUD Publishes New Proposed Rule on Affirmatively Furthering Fair Housing Choice.” Press Release No. 13-110. July 19, 2013.

⁹ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

- Data shows that the average monthly rent for a two-bedroom apartment in the study area is \$1,565, which means 58% of households cannot afford the average monthly rent.

Data Sources Used in this Analysis

Decennial Census Data – Data collected by the Decennial Census for 2010 and 2000 is used in this Assessment (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100 percent data”, meaning that it contains the data collected from every household that participated in the 2010 Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census; therefore, SF 3 data from the 2000 Census was the only tract-level data source available for some variables.

American Community Survey (ACS) – The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like the Decennial Census’s SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- 2012 ACS 1-Year Estimates – Based on data collected between January 2012 and December 2012, these single-year estimates represent the most current information available from the U.S. Census Bureau, however; these estimates are only published for geographic areas with populations of 65,000 or greater.
- ACS Multi-Year Estimates – More current than Census 2010 data and available for more geographic areas than the ACS 1-Year Estimates, this dataset is one of the most frequently

used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 3-year estimates. ACS datasets are published for geographic areas with populations of 20,000 or greater. The 2008-2012 ACS 5-year estimates are used most often in this assessment.

Previous Works of Research – This AI is supported by, and in some cases builds upon, previous works of significant local research conducted for the County of San Bernardino. These include the following:

- County of San Bernardino - Analysis of Impediments to Fair Housing Choice – This 2010 document was prepared by Swiger Consulting for the San Bernardino County Economic Development Agency’s Department of Community Development and Housing. The study is the immediate predecessor to this new AI being prepared by WFN Consulting and assesses fair access to housing throughout each geography, and identifies impediments to housing choice. Elements include demographic and economic analyses, assessments of mortgage lending, housing complaints and fair housing resources, an identification of impediments, and recommendations for overcoming these impediments.
- County of San Bernardino - Consolidated Plan 2010-2015 - The 2010 document was a companion report prepared in the same fashion as the previous AI, with Swiger Consulting, LLC assisting the San Bernardino County Economic Development Agency’s Department of Community Development and Housing. This Consolidated Plan is being replaced with a new Consolidated Plan 2016-2020 being prepared for the County by WFN Consulting. The Consolidated Plan is the multiyear strategic plan that governs the investment of HUD grant funds received by the County.
- County of San Bernardino - Community Indicators Report 2014 – A report produced by The Community Foundation in San Bernardino County that examines a number of key factors affecting the economy, education, community health and wellness, public safety, the environment, and community life.
- County of San Bernardino - Housing, Community and Economic Development Needs Identification Report, 2010-2015 - This document, also prepared by Swiger Consulting for the County during 2010 was used for the preparation of the Consolidated Plan 2010-2015 and for the 2010 AI.
- County of San Bernardino - Countywide Vision 2011 - A report that sought to communicate a unified strategy for the County’s future which sought to capitalize on the diversity of the county its geography and its economy and to provide a broad range of choices for residents in the way that they live work and play. The process looked at topics such as job/economy, education, housing, public safety, infrastructure, quality-of-life, environment, wellness, and

future image of the County. The process sought to engage the entire community through collaboration and inclusiveness.

- County of San Bernardino - Limited English Proficiency Plan 2014 - The document provides the policies and operating procedures that are followed by the Department of Community Development and Housing for the administration of its HUD grant programs.
- San Bernardino County Homeless Partnership - 10-Year Strategy to End Homelessness in San Bernardino County. 2009 - This document represents the County's collaboratively developed long-range plan to attack the problems and opportunities faced in serving the homeless in the County.

Stakeholder Engagement

Fair Housing Survey – This survey was designed to collect input from a broad spectrum of the community and received responses from residents across the study area. The survey consisted of 29 distinct questions, allowing a mixture of both multiple choice and open-ended responses. In all, there were 810 responses to this survey, though not every question was answered by every respondent. As a result, where a percentage of survey respondents is cited in this analysis, it refers only to the percentage of respondents to the particular question being discussed and may not be a percentage of the full 810 survey respondents. Surveys were received over a 74-day period, from September 12, 2014 to November 24, 2014. Paper surveys received were manually entered by the Survey Administrator into SurveyMonkey for tabulation and analysis. To prevent “ballot stuffing,” the SurveyMonkey software bars the submission of multiple surveys from a single IP address. The link to the online survey was distributed through various email distribution lists and posted on the County's website. A Spanish translation of the survey was also made available in hard copy and online. While the Spanish version of the survey received only 18 responses (included in the total of 810), it should be noted that nearly 20% of those responding to the English version of the survey reported regularly speaking a language other than English.

Stakeholder Interviews – Key community stakeholders were identified, contacted, and interviewed either individually or in small groups as part of this Analysis. These stakeholders included elected officials, representatives of nonprofit organizations, municipal and county staff, fair housing advocates, lenders, and real estate agents. Other stakeholders not belonging to any of these groups were occasionally interviewed as dictated by the course of research carried out for this Analysis.

Informal Resident Interviews

A limited number (34) of random interviews were performed among members of the public at public places such as shopping centers, public libraries, bus stops, and on public sidewalks using modified versions of standard questions used in stakeholder interviews and public meetings.

Public Meetings – Twenty-two public meetings were held in order to provide forums for residents of the study area and other interested parties to contribute to the identification of problems, issues, and barriers to fair housing choice for this AI. Meeting dates, times, and locations are listed below. Meetings were held both during the day and in the evenings in various locations across the region, providing a variety of options for residents to attend. These meetings were advertised via flyers and emails distributed by the County and its cooperating cities using their various email distribution lists. The format of these meetings ranged from small-group roundtable discussions to moderated forums. In several cases, AI education and input opportunities were added to the agendas of existing community meetings and workshops. Notes were taken of the public comments at all meetings and comments received are compiled and summarized.

County of San Bernardino Needs Identification Community Meetings					
Date	Area	Time	Location	County Meeting	City Meeting
10/13/2014	Joshua Tree	6:30 PM	Sunburst Park Community Center, 6171 Sunburst Ave.	X	
10/14/2014	Muscoy	5:00 PM	Baker Family Learning Center, 2818 Macy Street	X	
10/15/2014	Big Bear Lake	2:00 PM	Civic & Performing Arts Center – Training Room (downstairs) 39707 Big Bear Boulevard		X
10/15/2014	Twentynine Palms	5:30 PM	Community Service Building, 74365 Joe Davis Drive		X
10/15/2014	Redlands	6:30 PM	Redlands Community Center, 111 W. Lugonia Avenue		X
10/16/2014	Hinkley	11:30 AM	Hinkley Senior Center, 35997 Mountain View Road	X	
10/16/2014	Lucerne Valley	5:00 PM	CSA Pioneer Park Community Center, 33187 Old Woman Springs Road	X	
10/16/2014	El Mirage	7:00 PM	El Mirage Community Center, 1588 Milton Street	X	
10/20/2014	Colton	6:00 PM	Luque Center, 292 E. “O” Street		X

10/20/2014	Grand Terrace	6:00 PM	Community Room, City Hall/ Civic Center, 22795 Barton Rd		X
10/22/2014	Barstow	4:00 PM	Council Chambers, 220 E. Mountain View Street		X
10/22/2014	Adelanto	7:00 PM	Council Chambers, 11600 Air Expressway		X
10/27/2014	Colton	6:00 PM	Gonzalez Community Center, 670 Colton Avenue		X
10/30/2014	Highland	5:00 PM	City Hall, 27215 Base Line, Highland		X
10/30/2014	Montclair	6:00 PM	City Hall, Council Chambers, 5111 Benito Street		X
11/4/2014	Crestline	11:00 AM	San Moritz Lodge Senior Center, 24658 San Moritz Drive	X	
11/4/2014	Yucca Valley	6:00 PM	Yucca Valley Community Center, 57090, 29 Palms Hwy		X
11/4/2014	Bloomington	7:00 PM	Ayala Park Community Center, 18313 Valley Boulevard	X	
11/5/2014	Needles	10:00 AM	Council Chambers, 1111 Bailey Avenue		X
11/5/2014	Loma Linda	5:30 PM	City of Loma Linda Community Room, 25541 Martin Rd.		X
11/5/2014	South Montclair	5:30 PM	Ramona Elementary School, 4225 Howard, Montclair	X	
11/6/2014	Yucaipa	5:00 PM	City Hall, Community Meeting Room, 34272 Yucaipa Boulevard		X

Limitations of this Analysis

This Analysis of Impediments to Fair Housing Choice was prepared by WFN Consulting for the County of San Bernardino. This report seeks to analyze the current fair housing climate in the region, identify impediments to fair housing choice and equity, and set forth recommended strategies for overcoming the identified impediments. Some of the impediments identified in this report will require additional research and on-going analysis by entities within the region. This report does not constitute a fair housing action plan or any other type of community plan, however, it should be a key resource to inform such plans as they are developed.

HUD's primary guidance for developing Analyses of Impediments is found in the Fair Housing Planning Guide, published in 1996. Since that time, HUD's approach to fair housing has greatly evolved and formal guidance has largely yet to catch up. In 2013, HUD released a new proposed rule titled "Affirmatively Furthering Fair Housing" that outlines significant changes to the development of local fair housing studies. Because this proposed rule has yet to be finalized, the methodology and components of this AI, to the greatest extent possible, meet both the revised criteria of the proposed rule as well as the traditional AI requirements found in the Fair Housing Planning Guide.

Though licensed attorneys with land use and fair housing experience have participated in the research contained herein, no portion of this Analysis shall constitute or be relied upon as legal advice or as a legal opinion.

Throughout this analysis, the authors have made careful decisions regarding which datasets to use. The choice of a dataset often involves tradeoffs between criteria. For example, more recent datasets often have a limited number of data variables available for analysis. Additionally, there is the unavoidable tradeoff between geographic and socio-economic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Finally, all source data used in the preparation of this analysis, whether from national sources (e.g. the U.S. Census Bureau), local sources (e.g. the 2014 San Bernardino County Community Indicators Report), or from proprietary sources (e.g. the National Low Income Housing Coalition's *Out of Reach* report) is assumed to be accurate.

Historical Overview

An Introduction to San Bernardino County

San Bernardino County has the fifth highest population in the state of California and has the twelfth highest county population in the United States. It is included in the Riverside-San Bernardino-Ontario California Metropolitan Statistical Area (MSA), which is also referred to as the Inland Empire. The County is also a part of the Los Angeles-Long Beach, California Combined Statistical Area.¹⁰

San Bernardino County's Geography

San Bernardino County is located in the southern region of California. The County of San Bernardino was created from Los Angeles County. Los Angeles County annexed part of San Diego County in 1851. Both Los Angeles and San Diego Counties were created around 1850 when California became a state in 1851. Los Angeles expanded along the eastern border of the state to include parts of San Diego. San Bernardino County was created from the eastern region of Los Angeles County in 1853, with additional land added from Los Angeles County in 1878. In 1893, land within the southern part of the territory were given to Riverside County. San Bernardino is the largest County, in terms of land mass, in both the state of California and nationally. The County is bordered by Nevada (Clark County) and Arizona (Mohave and La Paz County) to the East and Southeast. It is bordered by the counties of Los Angeles and Kern to the West, Riverside to the South, and Inyo to the North.

The geographic composition of the County is diverse with mountain and desert regions. The vast majority of residents of the County live South of the San Bernardino Mountains in the San Bernardino Valley. The mountains are home to several established communities including: Crestline, Lake Arrowhead, Big Bear City, and Big Bear Lake. The Valley includes cities such as: Ontario, Chino, Chino Hills, Upland, Fontana, Rialto, Colton, Rancho Cucamonga, Redlands, Grand Terrace, Loma Linda, Highland, Yucaipa, and the City of San Bernardino. The eastern desert region of the County includes the cities of Needles and Barstow. Victor Valley is located in the Mojave Desert and includes Adelanto, Apple Valley, Hesperia, and Victorville. Twentynine Palms, Yucca Valley, Joshua Tree, and the Morongo Valley are located in the southern area of the County. The County includes numerous additional unincorporated communities including, but not limited to: Bloomington, Hinkley, Lucerne Valley, Muscoy, Sugarloaf, and Phelan.¹¹

¹⁰ "2010 Census P.L. 94-171 Summary File Data". United States Census Bureau. Accessed: December 12, 2014.

¹¹ "2010 Census P.L. 94-171 Summary File Data". United States Census Bureau. Accessed: December 10, 2014.

Early History

Pedro Rages, a military commander in California, and a missionary priest named Francisco Garces, are the first known explorers to enter the County region in 1772. Spain claimed ownership of California in the state's early history and Spain began several religious missions. Father Francisco Dumetz is thought to have named the area San Bernardino on May 20, 1810 after San Bernardino of Siena, the daily patron saint based on the Catholic Calendar. The San Gabriel mission was established in what is now the San Bernardino Valley in 1819.¹² The Mission Period ended in 1832, 10 years after Mexico gained ownership of California from Spain. Mexico discontinued the missions and divided the land and holdings in to "grants," many of which were given based on wealth, prestige, and the political climate of the time. The "grants" were called ranchos. Several modern towns and cities in the County carry the name of previous ranchos, such as, Chino, Cucamonga, and San Bernardino. The Lugo family was given the Rancho San Bernardino in 1842. The Rancho consisted of 37,700 acres and made up the entire San Bernardino Valley.¹³

In 1851, Brigham Young, leader of the Mormon Church, allowed several followers from Utah to establish a Mormon colony and outpost in southern California. In February of 1852, the followers purchased the San Bernardino Rancho from the Lugos family and set aside an area from their purchase to establish a town. However, five years later in 1857, Brigham recalled the San Bernardino colonists and closed the settlement. The departure of the Mormon settlements resulted in a breakdown of previously established social structures that helped maintain order. Between 1859 and 1860, a strong secessionist faction existed in the area. And while the region remained on the side of the Union during the Civil War, several areas, such as Holcomb Valley, established organizations to guard routes against residents seeking to assist the Confederacy. During this time, the San Bernardino region had a reputation as a difficult place to live with high rates of lawlessness and violence. Native Americans who had lived on and had been assisted by the missions also faced challenges as they lost provisions for housing and food, with many lapsing into homelessness, vagrancy, and starvation.¹⁴

San Bernardino County's Early Cultural & Residential History

The County has historically had many migration routes utilized by emigrant settlers. Prior to the official establishment of the County, several Native American groups lived in the region. The Serrano lived in the mountain and high desert areas, the Cahuilla lived in the region that would become Riverside, the Chemehuevi and Mojave resided along the Colorado River, and the Gabrielenos lived in the southwest region. Many of these Native groups still exist in the region

¹² San Bernardino County History. <http://www.sbcounty.gov/main/history.asp>. Accessed: December 10, 2014.

¹³ Pastoral History of San Bernardino County.

http://www.californiagenealogy.org/sanbernardino/pastoral_history.htm. Accessed: December 14, 2014.

¹⁴ Mormon History in San Bernardino County. <http://www.californiagenealogy.org/sanbernardino/index.htm>. Accessed: December 14, 2014.

in smaller numbers. The Serrano and Cahuilla intermarried and occupy valleys in the vicinity of San Bernardino. Currently, raising livestock and agriculture are the primary economic activities. In the early days the County's settlement tensions existed between settlers and Natives mainly due to animosity over settler's land occupation and stolen livestock from settlements. However, several Native families resided in or near missions and received food and housing assistance from the mission settlers.^{15 16}

The first Chinese immigrants are believed to have arrived in the County area in August of 1867. U.S. census records for 1870 indicate that there were 16 Chinese males ages 19-31 with occupations, such as, laundry men, cooks, and houseboys. The Great Depression of 1875 caused tension between White residents and Chinese workers as San Bernardino residents criticized Chinese worker for working at lower rates. The tensions resulted in an Anti-Chinese Movement that resulted in all Chinese businesses having to move outside of city limits. Chinese residents moved east along Third Street between Arrowhead Avenue and Sierra Way in what is now the City of San Bernardino, and established their own community. During the late 1890s, San Bernardino's Chinatown had between 400 and 600 residents, wooden "shack" homes, and a number of business establishments including groceries, restaurants, and mercantile shops. Chinatown was considered to be a "booming area." However, by the mid 1920's, fires had destroyed most of the homes and the remaining homes were purchased and used for office space.¹⁷

Economic History

The mission of San Bernardino was established as a branch of the mission of San Gabriel. The mission was selected for its location in the southern portion of the valley with access to a pure water source and the plains. The surrounding area was highly fertile and good for agriculture. Many residential buildings used adobe as the primary building material. Despite the fertile ground, the mission settlements grew fruits and vegetables in small quantities, for supplies and home consumption. Revenues for mission settlements were made from the produce of livestock, hides, and tallow.¹⁸

San Bernardino County has several mineral deposits. In 1849, Salt Spring, located along a trail connecting Salt Lake City and San Bernardino, became the first confirmed gold discovery. Gold was discovered in Holcomb Valley in 1860 bringing several settlers from the mountains to the area in hopes of having success with gold panning. During this time, Belleville, located in Holcomb Valley, was the largest city in southern California with 10,000 residents. Belleville

¹⁵ Serrano Tribe. <http://www.accessgenealogy.com/native/serrano-tribe.htm>. Accessed: December 11, 2014.

¹⁶ California's Indian Tribes. <http://www.accessgenealogy.com/native/california-indian-tribes.htm#Cahuilla>. Accessed: December 11, 2014.

¹⁷ San Bernardion's Chinatown. <http://sbcity.org/about/history/chinatown.asp>. Accessed: December 18, 2014.

¹⁸ San Bernardino County, California History. <http://www.californiagenealogy.org/sanbernardino/index.htm>. Accessed: December 13, 2014.

nearly became the county seat, losing to San Bernardino by only one vote. In the 1860s, ore was discovered in mountain areas located near major travel routes, such as, the Colorado River. Gold and silver mining was common in the time period between 1870 and World War I, giving rise to several smaller gold rush towns. Mining steadily decreased throughout the 1920s due to declines in the price of metal and overall inflation. However, the Great Depression in the 1930s brought a rise in gold prices and mining returned in regions near Barstow and Dale, making this region a major center of mining through World War II.¹⁹

The 1870s, marked the beginning of navel oranges as a primary regional export. The oranges were successfully planted and allowed San Bernardino Valley to participate in farming and orchard business and economic ventures over the next 30 years. Successful agricultural and orchard ventures occurred in Ontario, Upland, Fontana, Rialto, Highland, and Redlands.²⁰ In the late 1880s Cow Camp, located in Joshua Tree National Park, was established. The Camp was used for cattle rustling in the 1880s and 1890s. Later, the camp became a line camp for cattle ranching.²¹

In 1875, the Southern Pacific Railroad began railway service in the region. The introduction of the railway system transformed the region from a “sleepy” town to a thriving city. Eleven years later, the Santa Fe Railroad began service, making San Bernardino Santa Fe's "gateway" to Southern California. The presence of Santa Fe, Union Pacific, and the Southern Pacific railroads, made San Bernardino the hub of Southern California transit and operations. The railroads competed over rates, and the completion helped generate population, residential, and economic growth for the region. The railroad industry has been a crucial part of the County's economy for over a century.²²

At the end of the 1800s, entrepreneurs in the San Bernardino Valley invested in new railroad construction. They helped build short rail and streetcar lines to serve the various cities developing around the region. In 1888, the San Bernardino and Redlands Railroad Companies collaborated to build a 10-mile line between the two cities which served as the main mode of transportation between the two cities until 1903. Further railway construction and investments helped connect the cities of Colton and Waterman and helped make Redlands economically prosperous. However, the increased use of automobile transportation throughout the 1930s and

¹⁹ San Bernardino County Mining History. <http://mojavedesert.net/desert-fever/san-bernardino-county.html>. Accessed: December 8, 2014.

²⁰ San Bernardino County California Local History. <http://www.usgenet.org/usa/ca/county/sanbernardino>. Accessed: December 8, 2014.

²¹ San Bernardino County, California History. <http://www.californiagenealogy.org/sanbernardino/index.htm>. Accessed December 14, 2014.

²² San Bernardino Railroad Historic Society. <http://sbrhs.org/>. Accessed: December 14, 2014.

1940s led to the decline of the railway industry with the route from San Bernardino and Colton closing in 1953.²³

²³ Early Mass Transit of the San Bernardino Valley. http://sbcity.org/about/history/mass_transit.asp. Accessed: December 16, 2014.

Socioeconomic Overview

This section presents demographic and economic information collected from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, San Bernardino County Community Indicators Reports 2010-2014, and other sources. Data was used to analyze a broad range of socioeconomic characteristics, including population growth, age, employment, income, poverty, and health care access and status. Ultimately, the information presented in this section helps illustrate the underlying conditions that have shaped housing market behavior and housing choice in the study area.

To supplement 2000 and 2010 census data, information for this analysis was also gathered from the Census Bureau's American Community Survey (ACS). The ACS data covers similar topics as the decennial counts, but also includes data not appearing in the 2010 census such as household income and poverty. The key difference in these datasets is that ACS data represents samples as opposed to a 100 percent count; however, population distributions from the ACS data can be compared to those from the census.

Population Dynamics

San Bernardino County has the largest population in the state of California and the twelfth largest county nationally, with an estimated population of over 2 million in 2013. Overall population growth for the County has been steady with a 21% growth rate between 2000 and 2013. The most recent available annual growth rate, 2012-2013, is 0.5%. This growth rate is lower than the state average of 0.9% and less than annual growth averages in the 1970s (3%) and the 1990s (6%). Projections are for annual growth to continue at a rate of 1% to 2% through 2035, bringing the population to approximately 2.75 million. Population estimates for 2050 have the County's population rising to 3.6 million. While previous population growth has been due to migration, growth since the 1990's has been primarily due to births within the County outpacing deaths.²⁴

The table below shows the population count in San Bernardino County, as drawn from the 2000 and 2010 censuses and 2013 American Community Survey estimates.

Population Change in the County of San Bernardino, 2000 to 2013				
Jurisdiction	2000	2010	2013	% Change 2000-2013
San Bernardino County	1,709,434	2,042,441	2,088,371	21%

Source: 2000 and 2010 U.S. Census and American Community Survey 2013 1-Year Estimates

²⁴ San Bernardino Community Indicators Report 2014.

Population by Age

San Bernardino County can be characterized as young with a median age of 33 in 2012, compared to the national median age of 37. In 2010, residents over the age of 65 accounted for only 9% of the County's population.²⁵ However, estimates anticipated the senior citizen population will grow by 250% rising to a 19% share of the overall population by 2050. The table below depicts trends in the population by age since 2000.²⁶

Population By Age County of San Bernardino							
Age	2000 Census		2010 Census		2013 ACS		00 - 13 % Change
	Population	Share of Total	Population	Share of Total	Population	Share of Total	
Under 5 years	143,076	8.4%	158,961	7.8%	154,133	7.4%	-1.0%
5 to 19	463,192	27.3%	507,687	24.8%	339,168	23.6%	-3.7%
20 to 24	121,579	7.1%	160,557	7.9%	174,910	8.4%	1.3%
25 to 34	243,028	14.2%	282,559	13.8%	299,357	14.3%	0.1%
35 to 54	476,603	27.8%	551,460	27.0%	542,790	27.2%	-0.6%
55 to 64	115,797	6.8%	198,414	9.8%	219,198	10.5%	3.7%
65 and Over	146,459	8.5%	182,803	9.0%	208,815	9.9%	1.4%
Total	1,709,434	100.0%	2,042,441	100.0%	2,088,371	100.0%	21%

Source: 2000 and 2010 U.S. Census and American Community Survey 2013 1-Year Estimates

Since 2000, both the child and adolescent population have decreased throughout the County. Additionally, the County has had increase in young adult, ages 20-24, and a slight increase in 25-34 year old residents, there was a decrease in residents ages 35-54. Residents ages 34-54 are typically mid-career to senior level professionals commanding salaries that allow for disposal income. Decreases in the 35-54 year old population in addition to decrease in child and adolescent population present a risk to the County's standing as a younger county. Rises in the population residents ages 55 plus indicate that current projections for senior citizen growth have merit.

²⁵ San Bernardino County Community Indicators Report 2014

²⁶ San Bernardino County Area Agency on Aging Planning and Service Areas 20 2009-2012 Area Plan.
<http://www.aarp.org/content/dam/aarp/livable-communities/plan/planning/san-bernardino-county-age-plan-2009-2012-aarp.pdf>. DOI: November 18, 2014

Economic Analysis

Data regarding the labor force, defined as the total number of persons working or looking for work, and employment, or the number of persons working, as gathered from the decennial census and American Community Survey estimates are presented below.

Labor Force and Total Employment

According to the Bureau of Labor Statistics, San Bernardino County has had an unemployment rate that exceeds national averages in the time between 2010 and 2014.²⁷ The San Bernardino County rate of unemployment has exceeded state and national averages since 2007, and the County's rate ranks 24th of 58 state of California counties²⁸. However, the unemployment rate has dropped over 5% in four years, and is currently 9.3%. The chart below depicts County unemployment rates between 2010 and 2014:

Unemployment Rates County of San Bernardino					
Year	2010	2011	2012	2013	2014
Unemployment Rate	14.2%	13.4%	12.0%	10.1%	9.3%

Source: Bureau of Labor Statistics Local Area Unemployment,
<http://www.bls.gov/lau/lamtrk09.htm>

As of 2012, Trade Transportation, and Utilities (27% of employment), Government (19%), Educational and Health Services (14%), Professional and Business Services (12%), Leisure and Hospitality (9%), Manufacturing (8%), Construction (4%), and Financial Activities (4%) comprise the largest employment markets for the County. Projections for sector job growth through 2013-2016 indicate that Construction (3.9%) and Health Care and Social Services (3.7%) will be the fastest growing sectors in the immediate future. Between 2011 and 2012 growth was the highest (5% annually) for Construction/Housing Related industries and Primary Metals Manufacturing (5%).

Analysts predict that the County will have a competitive advantage in the fields of Health Care and Social Assistance, Transportation and Warehousing, and Wholesale Trade, Retail Trade, and Utilities. Currently, the County has an employment hub in the field of logistics with 16,000 jobs added and a growth rate of 32% between the years of 2003-2012. Other fields that experienced rapid growth between 2003 and 2012 are: Food Manufacturing (45%), Professional/Technical Services (20%), and Primary Metals Manufacturing (12%).

²⁷ Bureau of Labor Statistics

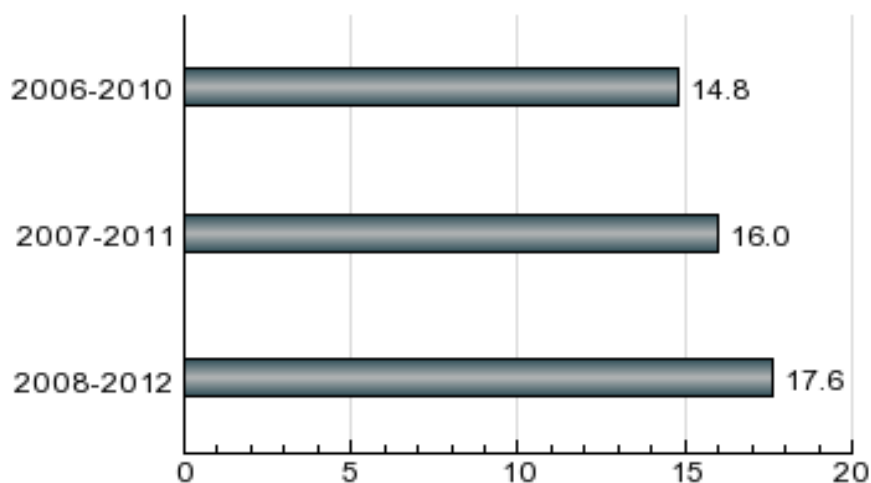
²⁸ San Bernardino County Community Indicator Reports 2010-2014.

The majority of the County's economy consists of smaller firms with less than 100 employees (98%), with a majority of firms having four employees or less (67%).²⁹

Poverty

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts income before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Further, poverty is not defined for persons in military barracks, institutional group quarters, or for unrelated individuals under age 15 such as foster children.

Poverty rates, similar to trends in national and state rates, have increased throughout the County. However, San Bernardino County has had an especially high poverty rate when compared to national and state rates. In 2011, the County had the second highest poverty rate nationally. According to the 2012 American Community Survey, the County poverty rate was 31.4% in 2012 and averaged 17.4% in the period from 2008-2012, exceeding the state poverty rate (15.3%) for the same time frame. The table below shows changes in the County's poverty rate over time:



Source: <http://www.healthysanbernardinocounty.org/modules.php?op=modload&name=NS-Indicator&file=indicator&iid=8392967>. DOI: November 12, 2014

The San Bernardino County poverty rate is calculated as the share of individuals in households with \$23,000 or less in annual income, for a family of four. Poverty rates have been especially high amongst children under the age of 18. Between 2008 and 2012, the highest poverty rate based on age for the County was children under the age of 6 (27.0%), followed by children ages

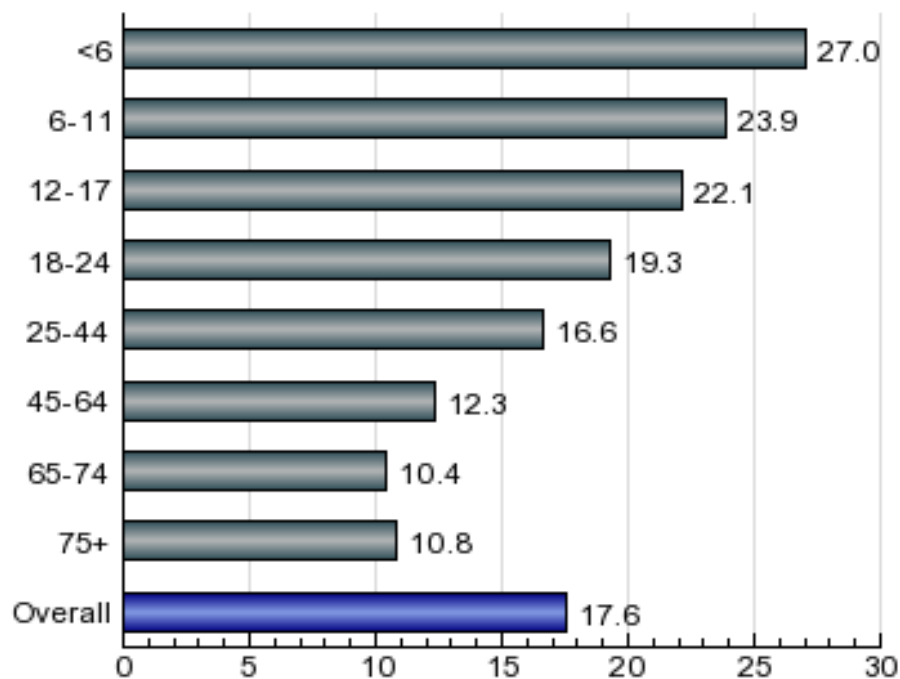
²⁹ San Bernardino County Community Indicator Reports 2010-2014.

6-11 (23.9%) and children ages 12-17 (22.1%). According to the County's Community Indicator report for 2013, 23% of County families in poverty have children under 18 in residence, and 28% of the County's children under 18 are in poverty, an increase of 7% within the past five year.

Childhood poverty is linked to negative outcomes in child development, health, and education. For example, children who experience early and persistent poverty are more likely to experience childhood and adult depression and anxiety, become high school drops outs, not seek higher education, and have higher rates of unemployment, criminal histories, use of public welfare, and experiences of poverty as an adult.³⁰ Each of these personal outcomes carry negative economic outcomes in lost earnings, revenue, disposable income for local economies, and increased public expenditures on public welfare programs and social services.

County poverty rates decrease as resident's age increases with the exception of residents who are ages 75+ in which the rates increase by 0.4% over the previous age group. This increase in poverty rates for the frail elderly, age 75+, is notable for the County due to projections of an increasing elderly and senior population for the County.

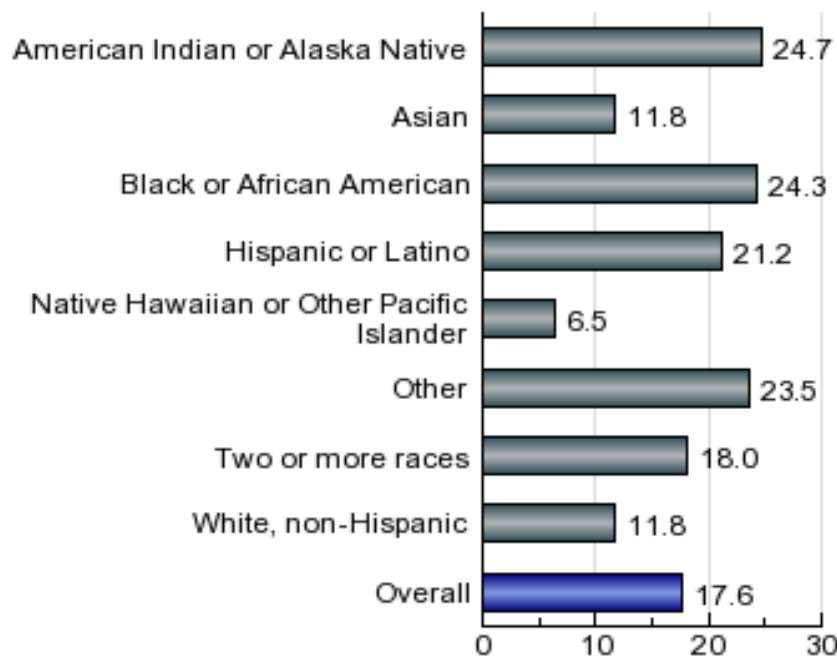
The table below reflects the persons in poverty by age throughout the County in the period of 2008-2012, according to the American Community Survey.



³⁰ Duncan, Greg J., Kathleen M. Ziol-Guest, and Ariel Kalil. "Early-Childhood Poverty and Adult Attainment, Behavior, and Health." *Child development* 81, no. 1 (2010): 306-325.

Source: <http://www.healthysanbernardinocounty.org/modules.php?op=modload&name=NS-Indicator&file=indicator&iid=8392967>. DOI: November 12, 2014

Poverty rates for the County also differ based on racial and ethnic group. According to the American Community Survey, the highest poverty rates are experienced by American-Indian or Alaskan Natives (24.7%), Black or African-American (24.3%), and Hispanic/Latino (21.2%). The following chart depicts poverty rates based on race and ethnicity:



Source: <http://www.healthysanbernardinocounty.org/modules.php?op=modload&name=NS-Indicator&file=indicator&iid=8392967>. DOI: November 12, 2014

Additionally, poverty rates have been persistent and high throughout varying cities in the region. For example, the City of San Bernardino experienced a poverty rate of 31.1% in 2012 and 25.6% in 2008 and neighboring Ontario experienced rates of 17.5% in 2012 and 11.6% in 2008, rates which exceeded both state and national rates. Nearby Redland also experienced high poverty rates in 2012 (12.4%) and 2008 (9.4%).³¹

Household Income

Median household income decreased for County residents by nearly 13% from 2008-2012 from \$58,208 to \$50,770, according to the American Community Survey. The following table presents the number of households in the County of San Bernardino by income range, as derived from the 2012 and 2013 ACS estimates.

³¹ 2008-2012 American Community Survey

County of San Bernardino Households by Income, 2010 and 2013				
Income Range	2000		2013	
	Households	Percent	Households	Percent
Less than \$10,000	38,268	6.4%	45,831	7.6%
\$10,000 to \$14,999	31,303	5.2%	32,191	5.3%
\$15,000 to \$24,999	64,934	10.9%	61,358	10.2%
\$25,000 to \$34,999	61,351	10.3%	59,152	9.8%
\$35,000 to \$49,999	83,271	14.0%	89,940	14.9%
\$50,000 to \$74,999	118,633	19.9%	113,523	18.8%
\$75,000 to \$99,999	77,435	13.0%	74,844	12.4%
\$100,000 to \$149,999	76,982	12.9%	80,006	13.2%
\$150,000 to \$199,999	26,430	4.4%	26,381	4.4%
\$200,000 or more	16,568	2.8%	20,864	3.5%
TOTALS	594,975	100.0%	604,090	100%

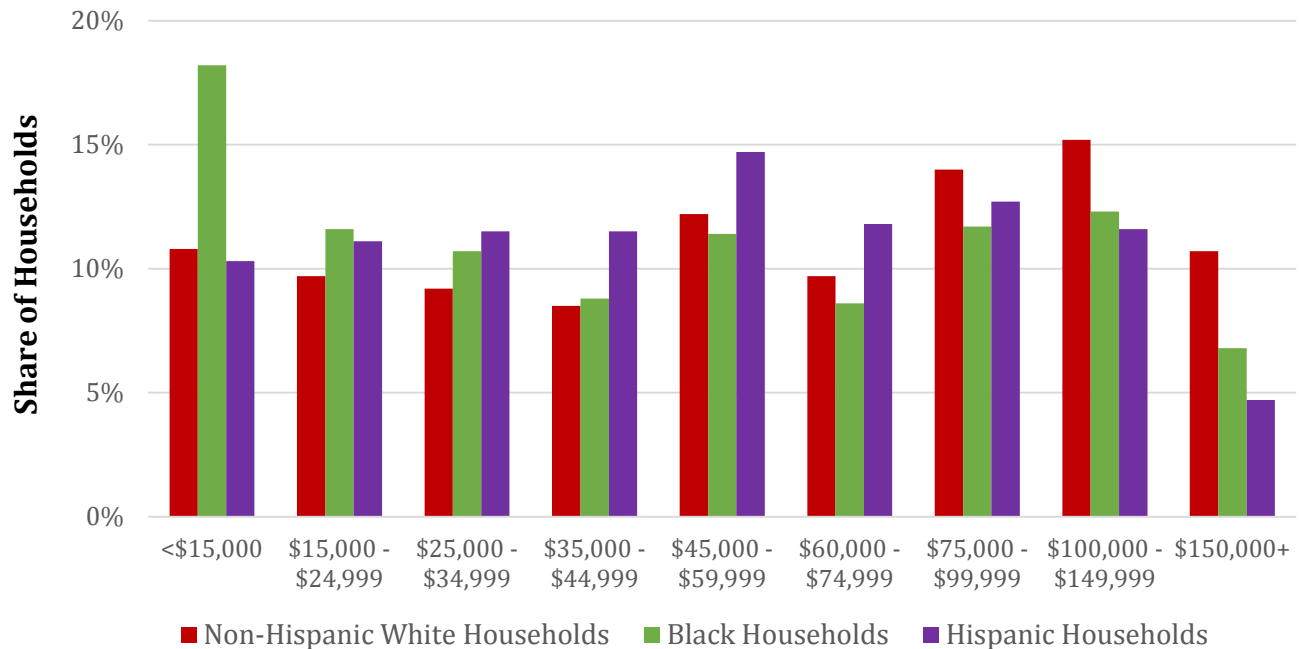
Source: U.S. Census Bureau, American Community Survey 2010 and 2013 1-Year Estimates

Median income for 2013 was \$52,323. Income from wage earnings accounted for 79.9% of family household income in 2013. Social security benefits (24.6%), Supplemental Security Income (7.3%), retirement income (15.9%) and cash public assistance income (5.7%) also contributed to household income. Additionally, 15.4% of County residents received food stamp/SNAP benefits in 2013. Approximately, 35.7% of County households made within 80-120% of 2013 median income. Notably over 20% of County households had \$100,000 plus in income. However, over 20% of households also had under \$25,000 in income (poverty for the County is defined as \$23,000 or less annually for a family of four). Income distribution between 2010 and 2013 overall showed little change with the exception of a 0.8% rise in families making less than \$10,000 annually and a 1.1% drop in households earning between \$50,000 and \$74,000 per year.

With household income being the major determinant of one's budget for housing, income differences amongst racial and ethnic groups translate to varying abilities to afford housing. Household income distribution by race and ethnicity for San Bernardino County is provided in the figure below. As shown, Black householders are more likely to have household incomes under \$25,000 than are non-Hispanic Whites or Hispanics (29.8% versus 20.5% and 21.4%, respectively). On the other end of the income spectrum, 25.9% of White households have incomes above \$100,000 versus 19.1% of African American households and 16.3% of Hispanic households. Median household income for non-Hispanic Whites in the County is \$59,465, compared to \$46,165 for Blacks and \$50,618 for Latinos. Lower household incomes for minority households are likely to limit their housing choices in terms of location, type, and quality; for

households eligible for subsidized housing, choice of location will be dependent on the geographic availability of such housing.

San Bernardino County Household Income Distribution, 2008-2012



Sources: 2008-2012 American Community Survey Tables B19001B, B19001H, B19001I

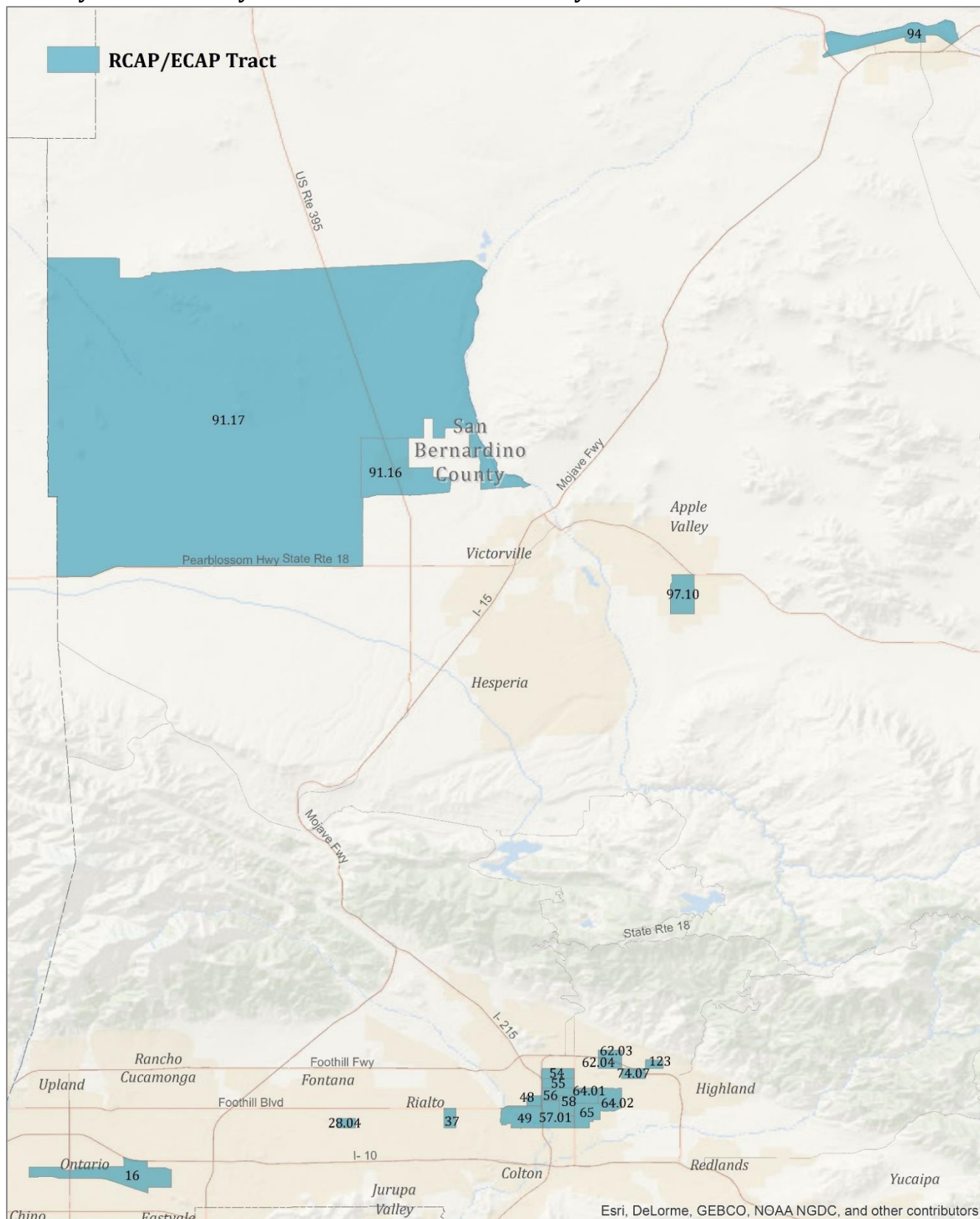
Racially and Ethnically Concentrated Areas of Poverty

HUD has developed a methodology that combines demographic and economic indicators to identify racially or ethnically concentrated areas of poverty (RCAP/ECAPs). These areas are defined as census tracts that have an individual poverty rate of 40% or more (or an individual poverty rate at least 3 times that of the tract average for the metropolitan area, whichever is lower) and a non-White population of 50% or more. According to the 2008-2012 American Community Survey, there are 21 tracts in San Bernardino County that are areas of concentrated poverty and majority non-White population. These tracts are home to 108,667 residents, or 5.3% of the County's total population. More than any other minority groups, African Americans and Hispanics tend to reside in these areas: 8.2% of the County's Black residents and 7.2% of Latinos live in an RCAP/ECAP. Notably, every census tract with a poverty rate above 40% had a majority minority population (i.e., there were no majority White tracts with a concentration of poverty).

The map on the following page identifies RCAP/ECAP locations based on poverty and racial composition data from the 2008-2012 American Community Survey. As shown, 14 of the County's 21 RCAP/ECAP tracts are in or near the City of San Bernardino. Others are scattered

throughout Ontario, Fontana, and Rialto in the County's western portion, and Apple Valley, Adelanto, and Barstow in the north. To examine housing conditions in the County's racially/ethnically concentrated areas of poverty, data and discussions are provided for the RCAP/ECAP tracts throughout the AI, to the extent possible.

Racially and Ethnically Concentrated Areas of Poverty



Source: U.S. Census 2008-2012 5-Year American Community Survey Tables B03002 and B17001

Access to Opportunity

Among the many factors that drive housing choice for individuals and families are neighborhood factors including access to quality schools, jobs, and healthcare. This section examines these dimensions geographically relative to locations of RCAP/ECAPs, and evaluates levels of access to opportunity by race and ethnicity.

HUD Opportunity Indicators

To measure economic and educational conditions at a neighborhood level, HUD's Office of Policy Development and Research developed a methodology to "quantify the degree to which a neighborhood offers features commonly associated with opportunity."³² For each block group in the U.S., HUD provides a score on several "opportunity dimensions," including poverty, school proficiency, labor market engagement, and jobs access, calculated based on the following:

- Poverty index – family poverty rates and share of households receiving public assistance;
- School proficiency index – school-level data regarding elementary school student performance on state exams;
- Labor market engagement index – employment levels, labor force participation and educational attainment; and
- Job access index – distance to job locations and labor supply levels.

For each block group, a value is calculated for each index and results are then standardized on a 0 to 100 scale based on relative ranking within the metro area (or non-metro balance of the state). For each opportunity dimension, a higher index score indicates more favorable neighborhood characteristics. The maps that follow show the HUD-provided opportunity scores for block groups in San Bernardino County for poverty, labor market engagement, and jobs access.³³ In each map, lighter shading indicates areas of lower opportunity and darker shading indicates higher opportunity.

Poverty Index

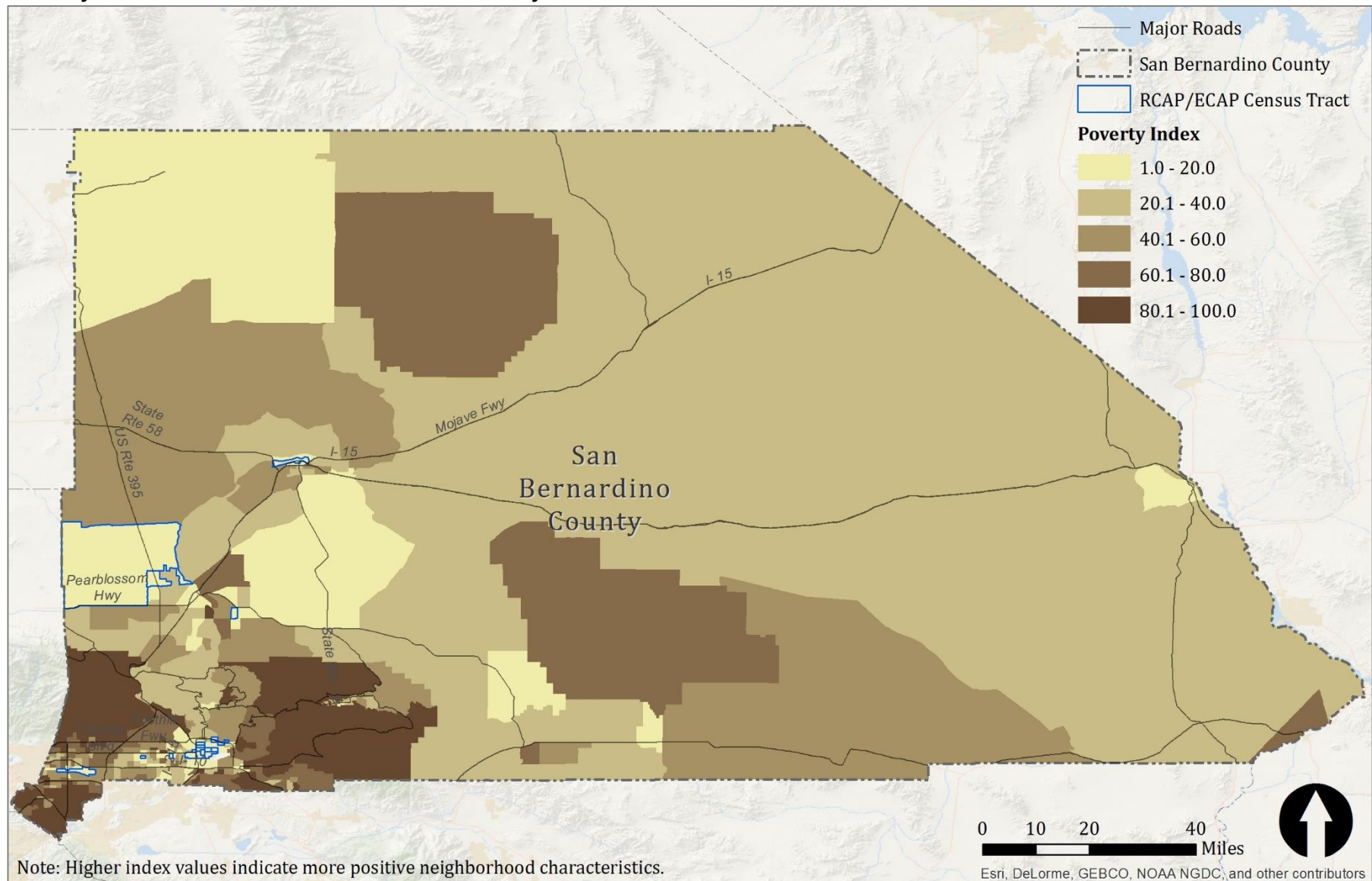
Looking at the poverty index, highest indicator values (i.e., lowest poverty and public assistance rates) are in unincorporated parts of the valley, including a set of block groups to the northeast of Redlands and Yucaipa and west of Big Bear City. A second set of block groups to the north of Rancho Cucamonga and Fontana and south of Phelan and Pinon Hills. Block groups with the lowest index scores (under 10) are all in incorporated areas, including Barstow, Victorville, Adelanto, Hesperia, Apple Valley, San Bernardino, Muscoy, and Colton. Seventeen of the 21 RCAP/ECAPs have poverty index scores under 10; no RCAP/ECAP tracts have poverty index

³² HUD Office of Policy Development and Research, "FHEA Data Documentation," Draft. 2013. p. 4.

³³ A map and discussion of school proficiency indices is provided in Education Analysis section of this document.

values above 39, not surprising given that high poverty rates are one of the defining characteristics of these tracts.

Poverty Index Values for San Bernardino County



Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Labor Market Engagement Index

The next map shows labor market engagement scores for San Bernardino County, which are calculated by HUD based on unemployment rate, labor force participation rate, and the share of the population with a bachelor's degree or higher. Highest scores, and thus greatest relative labor market engagement, are in block groups in the western portion of the county, specifically in the valley's more urban areas. Block groups with the highest index values (90 or above) are located in the incorporated cities of Oak Glen, Redlands, Loma Linda, Chino Hills, Rancho Cucamonga, Highland, Upland, and Yucaipa, and in the unincorporated area to the south of Big Bear City.

Labor market engagement scores are lowest (under 10) in portions of the cities of San Bernardino, Victorville, Hesperia, and Apple Valley; in and around Adelanto; and in several rural block groups in the middle of the County. RCAP/ECAP census tracts tend to have lower labor market engagement scores than others in the County: thirteen of 21 have scores under 10, and none of the remaining 8 have index values above 41.

Job Access Index

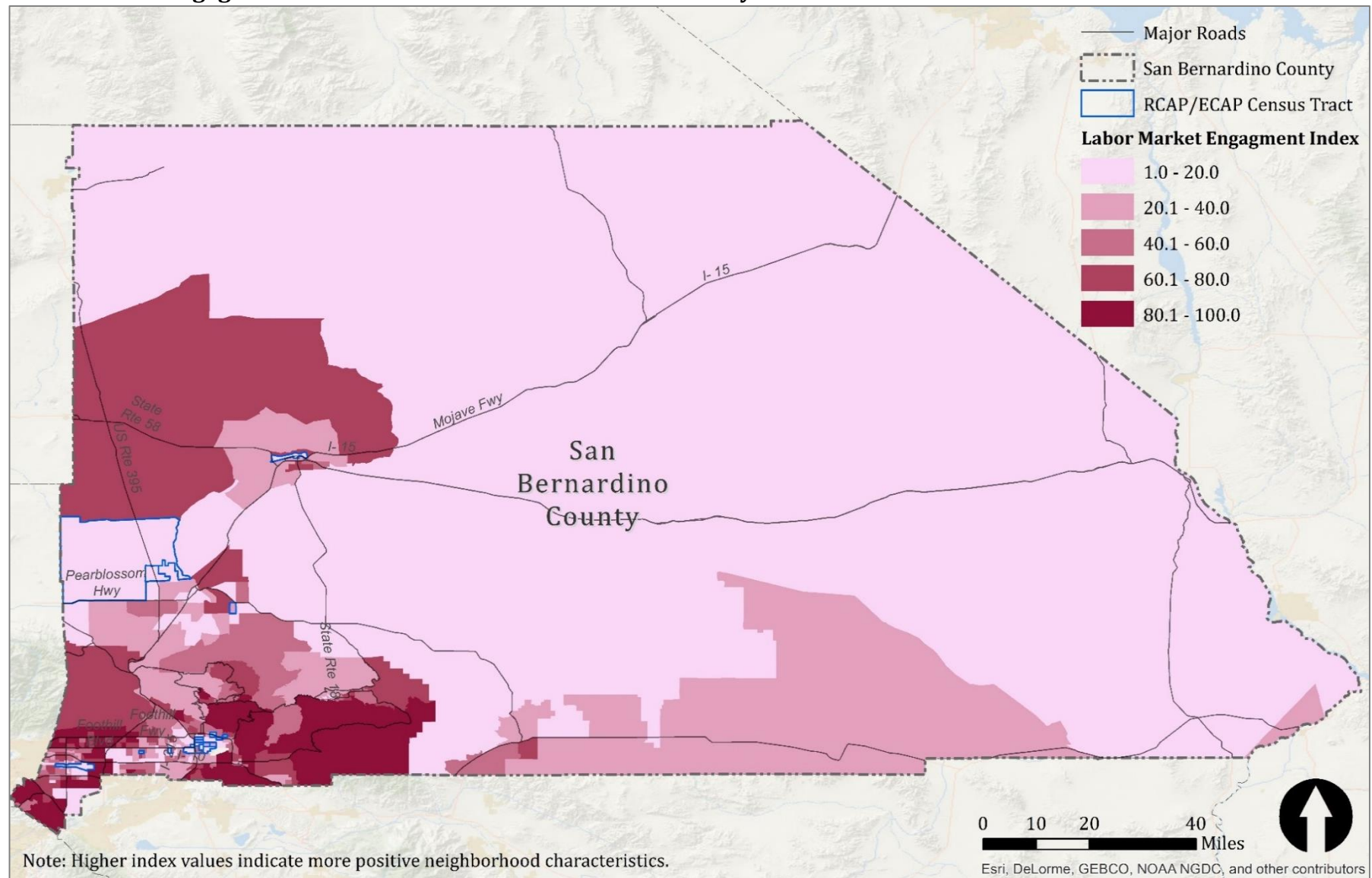
The final indicator examined here – job access – refers to the distance to jobs relative to the number of workers in the area. Highest job access scores occur in several rural block groups in the central and northeastern portions of San Bernardino County, where jobs greatly outnumber workers living there. Many block groups in incorporated areas in the valley also have high job access index values (90 or above). Areas with low job access scores (under 10) are scattered throughout the valley. Of the 63 block groups within RCAP/ECAP census tracts, the majority (73.0%) have job access scores above 50. Only one block group, located in Fontana, had a score below 10.

Overall, poverty and labor market engagement scores indicate reduced levels of opportunity on both of these dimensions in RCAP/ECAPs. Job access in most of these areas is above the average for the metro area, although HUD scores do not indicate whether nearby jobs are held by RCAP/ECAP residents or compensation levels for those jobs.

Opportunity Levels by Race and Ethnicity

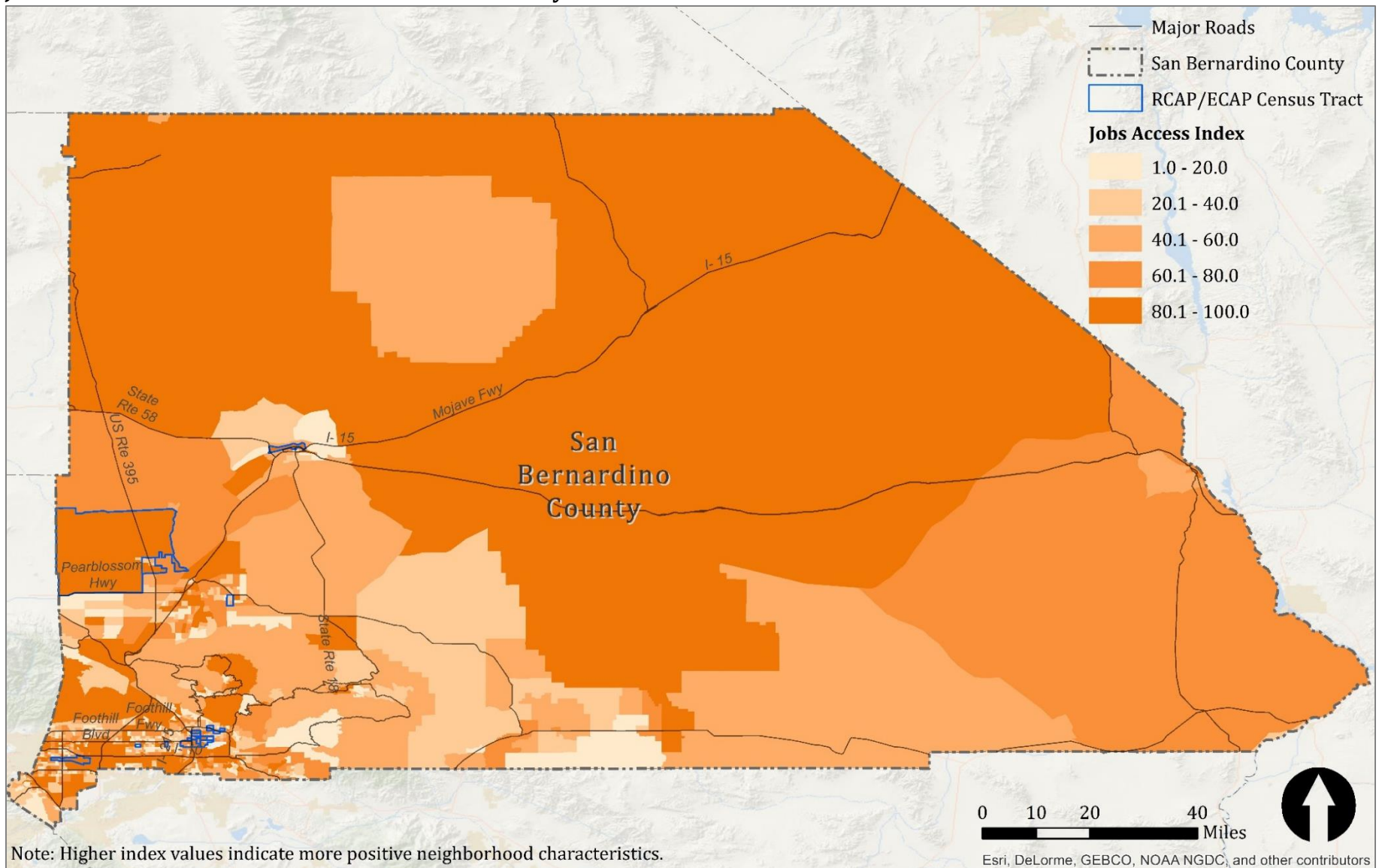
In addition to looking at opportunity scores for RCAP/ECAPs, access to opportunity for protected classes can be examined using a methodology developed by HUD that compares relative exposure to neighborhood opportunity dimensions for different population subgroups (e.g., racial and ethnic groups). An average index score for each subgroup is found by averaging the block group scores weighted by the subgroup population. Comparing these average scores reveals any potential disparities in access to opportunity based on residential patterns of subgroups. In other words, the analysis assesses whether some subgroups tend to live in higher opportunity areas than others.

Labor Market Engagement Index Values for San Bernardino County



Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Job Access Index Values for San Bernardino County



Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

The tables that follow compare average opportunity scores for several racial and ethnic groups in San Bernardino County. Indices for each minority group are compared to those for Whites to arrive at an estimate of disparity.³⁴ Positive disparity numbers indicate that Whites, on average, reside in more favorable neighborhood conditions (higher values for the opportunity dimensions) than the minority group being compared. Negative values indicate that the minority group tends to live in neighborhoods with more favorable conditions than their White counterparts.

The first comparison is between the general population of San Bernardino County and that portion of the population in poverty. For persons in poverty, school proficiency and labor market engagement index values are uniformly lower than for the general population, meaning people in poverty tend to reside in communities with less opportunity, when measured by these dimensions. Disparities between job access index values do not substantially vary between the general population and the subpopulation of people in poverty.

Disparities between index values for Whites and each major minority group are also measured by poverty status. Comparing opportunity index values between White and Black residents reveals disparities for poverty, school proficiency, and labor market engagement, regardless of poverty status. Opportunity indices for White residents are uniformly higher than for Black residents along these dimensions, with disparities ranging from 9 to 13 points. For access to jobs, opportunity is relatively equal amongst White and Black residents regardless of poverty status.

Hispanic residents also tend to live in lower opportunity neighborhoods when compared to White residents, regardless of poverty status. Opportunity gaps between the two groups in terms of poverty, school proficiency, and labor market engagement range from 10 to 13 points. Hispanic residents' jobs access is roughly equivalent to that of Whites.

For nearly all opportunity dimensions, Asians in the general population and in poverty had index values above those of Whites. Differences ranged from as low as 1 for job access to as high as 14 for labor market engagement; school proficiency index scores were identical for Whites and Asians in poverty.

The data from HUD included a second comparison, this one between the general population of children in the region and those children living in poverty. In general, children in San Bernardino County live in neighborhoods with similar opportunity levels as all residents (adults and children) for each racial and ethnic group. No opportunity index score for the general population

³⁴ The analysis of access to opportunities includes data for Hispanics, Non-Hispanic Whites, Non-Hispanic Blacks, and Non-Hispanic Asians. As in the segregation analysis, these groups are referred to as "Hispanics," "Whites," "Blacks," and "Asians" for simplicity.

of children varied from that of the total population by more than 6 points regardless of the dimension or the racial/ethnic group.

When compared to opportunity dimensions for all children, the index values for poor children dropped in three areas – poverty, school proficiency, and labor market engagement, while the difference in job access is nominal. These findings remain true when looking at opportunity by race and ethnicity. In comparison to White children, both Black and Hispanic children tend to live in neighborhoods with lower opportunity in terms of poverty, school proficiency, and labor market engagement, irrespective of poverty status (disparity levels range from 7 to 15 points). Asian children typically reside in areas with higher levels of opportunity than Whites, regardless of whether they are poor.

In terms of elementary school proficiency – a key dimension for children – White children live in neighborhoods with an average opportunity score that is 12 points higher than that of Black children and 14 points higher than that of Hispanic children. For children in poverty, school proficiency gaps are slightly narrower – 10 points between White and Black children and 11 points between White and Hispanic children.

Overall, Black and Hispanic residents – adults and children – face opportunity gaps relative to White residents. They are more likely to live in neighborhoods with higher poverty, lower school proficiency, and less labor market engagement, and these disparities persist regardless of poverty status. For job access, values were relatively consistent across all subgroups, suggesting that distance to employment centers is not related to race, ethnicity, or poverty status. However, access to employment centers and living wage jobs may depend on the availability of transportation (including public transit), educational attainment and training, and the types of jobs available, among other factors.

Disparity in Access to Neighborhood Opportunity – All Persons in San Bernardino County								
All Persons						Disparity		
Opportunity Dimension	All Persons	White Persons	Black Persons	Hispanic or Latino Persons	Asian Persons	White - Black Persons	White - Hispanic Persons	White - Asian Persons
Poverty	46	53	42	40	63	11	13	-10
School Proficiency	44	50	41	38	56	9	12	-6
Labor Market Engagement	48	54	44	42	68	10	12	-14
Job Access	50	50	52	49	51	-2	1	-1
Counts	2,035,210	677,598	170,700	1,001,145	123,978			
Persons in Poverty						Disparity		
Opportunity Dimension	All Poor Persons	Poor White Persons	Poor Black Persons	Poor Hispanic or Latino Persons	Poor Asian Persons	Poor White - Black Persons	Poor White - Hispanic Persons	Poor White - Asian Persons
Poverty	29	37	24	25	41	13	12	-4
School Proficiency	34	42	31	31	42	11	11	0
Labor Market Engagement	33	40	31	30	50	9	10	-10
Job Access	51	51	53	51	56	-2	0	-5
Counts	291,023	67,150	35,194	169,513	11,786			

Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Disparity in Access to Neighborhood Opportunity - All Children in San Bernardino County								
All Children						Disparity		
Opportunity Dimension	All Children	White Children	Black Children	Hispanic or Latino Children	Asian Children	White - Black Children	White-Hispanic Children	White-Asian Children
Poverty	43	53	38	38	64	15	15	-11
School Proficiency	42	51	39	37	57	12	14	-6
Labor Market Engagement	46	54	42	40	69	12	14	-15
Job Access	49	49	51	49	51	-2	0	-2
Counts	594,588	151,866	55,412	331,001	30,490			
Children in Poverty						Disparity		
Opportunity Dimension	All Poor Children	Poor White Children	Poor Black Children	Poor Hispanic or Latino Children	Poor Asian Children	Poor White-Black Children	Poor White - Hispanic Children	Poor White - Asian Children
Poverty	25	34	22	24	35	12	10	-1
School Proficiency	32	41	31	30	40	10	11	1
Labor Market Engagement	31	37	30	29	44	7	8	-7
Job Access	50	50	52	50	57	-2	0	-7
Counts	120,334	17,459	16,073	81,648	3,425			

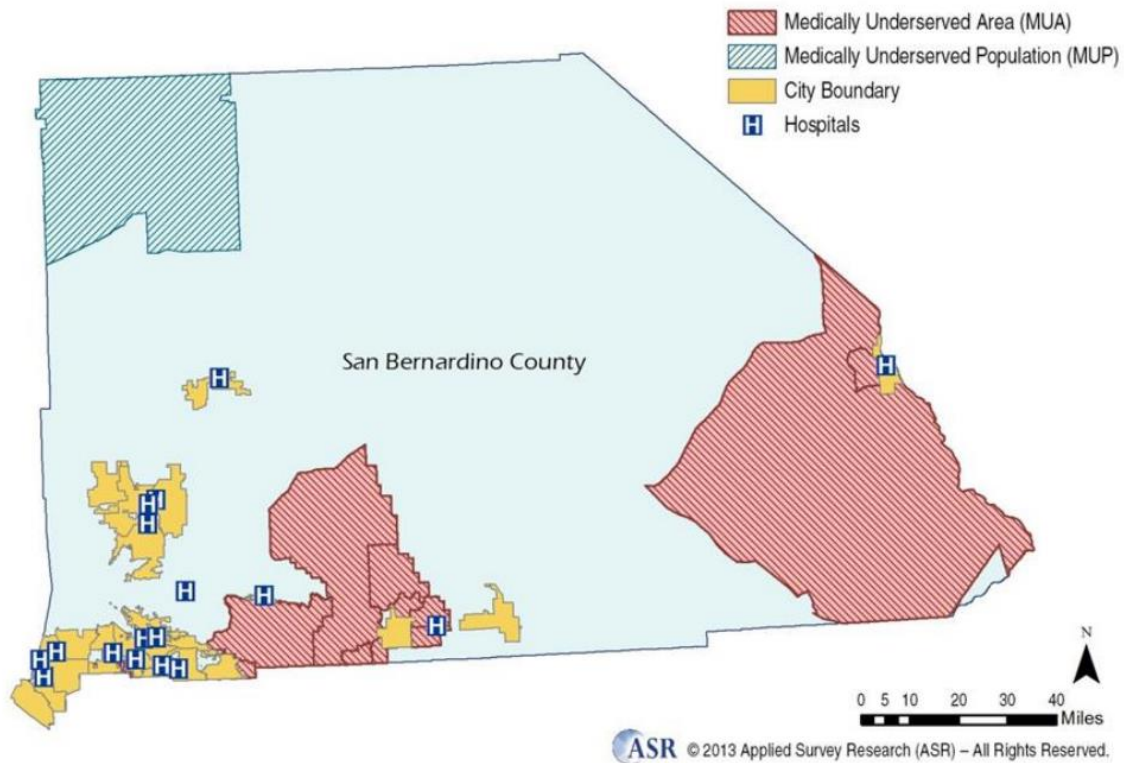
Source: U.S. HUD Office of Policy Development & Research, Regional Planning Grant Program Raw Block Group Data, Retrieved from <http://www.huduser.org/portal/Sustainability/grantees/data.html>

Health Care Access and Status

In May of 1994 the California Healthcare Workforce Policy Commission designated San Bernardino County as a medically underserved area. Medically underserved areas (MUA) indicate areas in which the general population has limited access to primary health care. Decreased access to care can be due to residents residing in rural or remote locations or an overall shortage in primary health care physicians and workers in a certain area. Low-income and poor residents are particularly vulnerable in MUA regions due to inability to afford to travel for medical care or may have public health insurance that is not accepted by physicians and hospitals due to low reimbursement rates. Lowered access to primary care typically results in less routine and preventive care and higher individual and government health care costs.

Most of the state of California's most populous counties are designated as medically underserved. Overall, 48 of the state's 58 counties have a region with medically underserved populations. In California, approximately 6 million people reside in MUA areas, 16% of general hospitals, 31% of primary care clinics, and 13% of long-term care facilities are located in MUA areas. San Bernardino County has several health clinics located within the MUA region including: H Street Clinic, LLC, High Desert Pregnancy Clinic, Inc., Inland Family Community Health Center, Sac-Norton, and Sac-Arrowhead. The County is also bordered by or in close proximity to other MUA areas, such as, Eastside/Downtown Riverside and the Riverside Service Area. The map on the following page, taken from the County's 2013 Community Vital Sign's report (an effort to improve County health outcomes), illustrates the MUA region and hospital placement throughout the County.

San Bernardino County has high rates of uninsured residents, 20.6% of residents in 2012 were uninsured. Current estimates are that 1 in 5 County residents are not insured. Residents who have not graduated high school are most likely to be uninsured (37%) a rate which has strong negative economic consequences for the County due to the County's high drop-out rate (economic consequences will be discussed further in the education section). Young adults ages 18-24 have the highest rate of uninsured residents (33%). Hispanic and Latinos are the ethnic group with the highest uninsured rate (26%). And County residents with an income range between \$25,000 and \$49,000 annually had the highest rate of uninsured residents (28%) compared to other income groups.



Source: San Bernardino County, Our Community Vital Signs Key Findings 2013.

<http://communityvitalsigns.org/Portals/41/Meetings/2013Stakeholder/SanBernardinoPowerpoint.pdf>. DOI: November 17, 2014.

Rates of chronic disease and mental health needs have been consistently high for the County region. Chronic diseases are long-term, require consistent medical maintenance, and frequently result in impairments in functioning, i.e. disabilities. According to the Center for Disease Control, chronic diseases are the leading cause of disability and death in the United States (accounting for 70% of all deaths) and is a leading cause of premature death. Chronic diseases are also responsible for 75% of health care costs in the United States. Research associates chronic diseases with higher rates of absenteeism and lower productivity at work, higher rates of unemployment, and lowered rates of income and educational attainment. The County has seen sharp increases in the diagnosis of asthma, diabetes and high blood pressure. San Bernardino County has the highest rates of asthma (21.4% in children, 13.8% in adults), diabetes (10.8%) and high blood pressure (32.2%) compared to state and comparable county rates. High blood pressure and diabetes rates have both increased by 15% in the past five years, and the County ranks 58th of 58 counties in deaths associated with diabetes.

The County estimates that in 2012-2013, 65,000 of its low-income residents had serious mental illness (SMI). SMI is a medical condition that disrupts mood, feeling, and thinking in a manner that interferes with or impairs daily functioning and social interactions. Mental

illness is also a leading cause of disability and nationally, accounts for 25% of years lost to disability and premature death. Within the County, 44,705 residents (unduplicated) received services for mental illness, a gap from the 65,000 low income residents estimated to have and SMI. This gap is the lowest gap since 2005/2006, but is still substantial.

According to the National Alliance on Mental Illness, untreated mental illness can result in disability, unemployment, substance abuse, homelessness, and high rates of incarceration. In the County, drug induced death (overdose) are down, but deaths associated with abuse of alcohol, such as, cirrhosis and liver disease are up and exceed state and comparable county rates. Untreated mental illness also had staggering economic costs, NAMI estimates that untreated mental illness results in an annual cost of \$100 billion per year in the United States. Experiences with mental illness can also negatively impact health, making it difficult for those with mental illness to participate in preventive, routine, and health promoting behaviors. Additionally, having a chronic disease can also trigger serious mental illness, like major depression or anxiety disorders. Finally, the County has a high rate of childhood and adolescent poverty as discussed earlier in this section. High and persistent rates of childhood poverty are the leading cause post-traumatic stress disorder, an SMI.

Protected Class Analysis

The Fair Housing Act and similar state or local fair housing laws list seven prohibited bases for housing discrimination:³⁵ race, color, national origin, gender, familial status, disability, and religion. This Protected Class (PC) Analysis systematically addresses each of these areas for San Bernardino County.

The choice of a dataset often involves tradeoffs between criteria. For example, more recent datasets often have a limited number of data variables available for analysis. As always, there is the unavoidable tradeoff between geographic and socio-economic detail (less detailed data for smaller geographies) that sometimes restricts the availability of data. Also, the detailed definitions of data variables can change over time limiting their comparability.

Race and Ethnicity

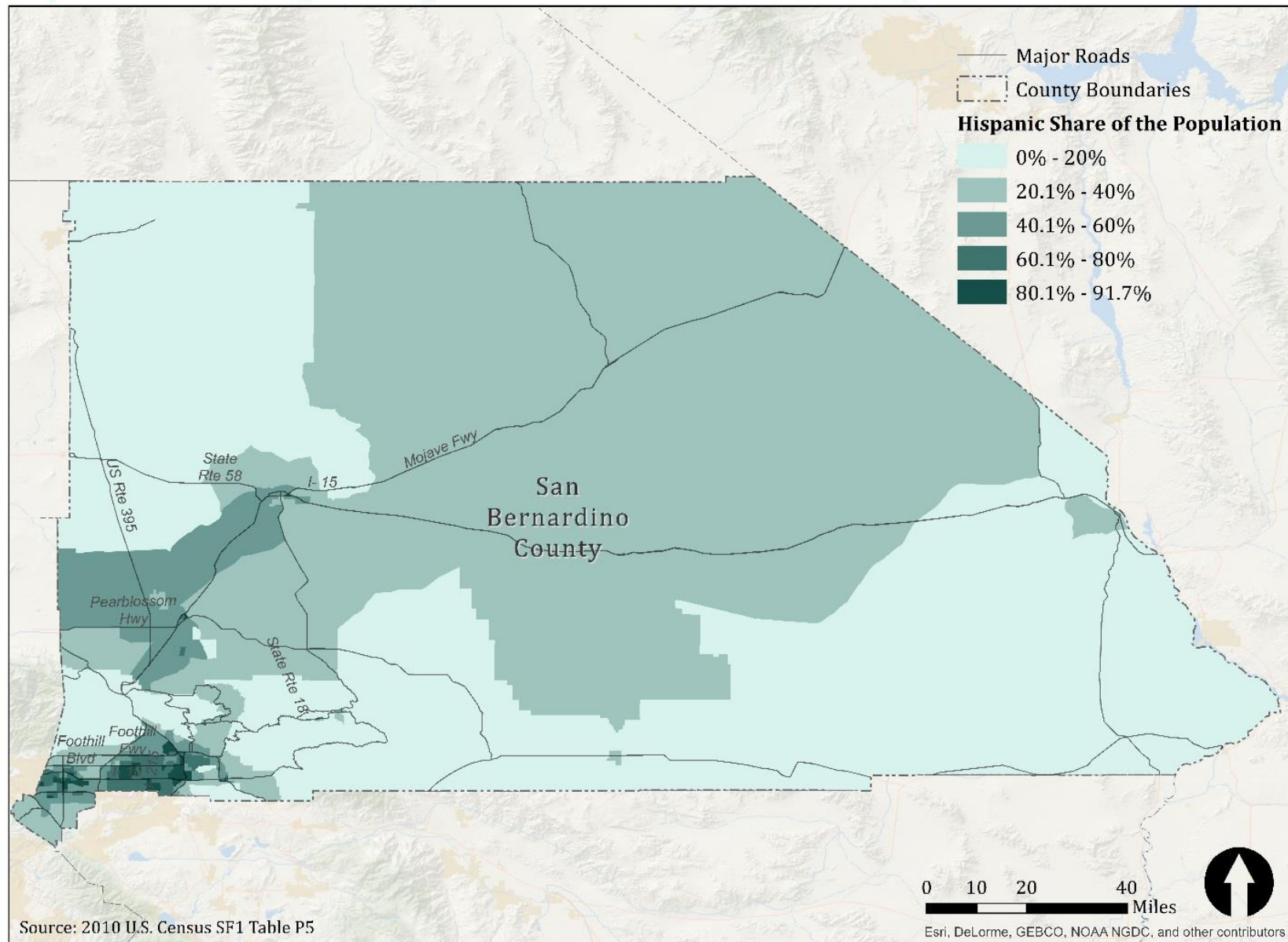
As of 2010, the vast majority of the population within the study area was either Hispanic (49.2%) or non-Hispanic White (33.2%). Between the last two censuses, the majority of population change by race and ethnicity were due to changes within two groups, with the Hispanic population increased by over 10 percentage points, while the non-Hispanic white population decreased by just over 10 percentage points. Hispanic population growth and a stagnant/decreasing White population are not unique to the study area. Nationally, the Hispanic population grew by 43.0% from 2000 to 2010, well above the population growth rate for Whites of 1.2%. The maps that follow illustrate the racial and ethnic concentration by 2010 Census tract,

Population by Race and Ethnicity in the County Study Area					
Race by Ethnicity	2000		2010		2000-2010 Share Change
	Count	Share	Count	Share	
White	752,222	44.0%	677,598	33.2%	-10.8%
Black or African American	150,201	8.8%	170,700	8.4%	-0.4%
American Indian/Alaska Native	9,804	0.6%	8,523	0.4%	-0.2%
Asian	78,154	4.6%	123,978	6.1%	1.5%
Native Hawaiian/Pacific Islander	4,387	0.3%	5,845	0.3%	--
Other race	3,039	0.0%	4,055	0.2%	0.2%
Two or more races	42,240	2.5%	43,366	2.1%	-0.4%
Hispanic or Latino	669,387	39.0%	1,001,145	49.2%	10.2%
Total Population	1,709,434	100.0%	2,035,210	100%	

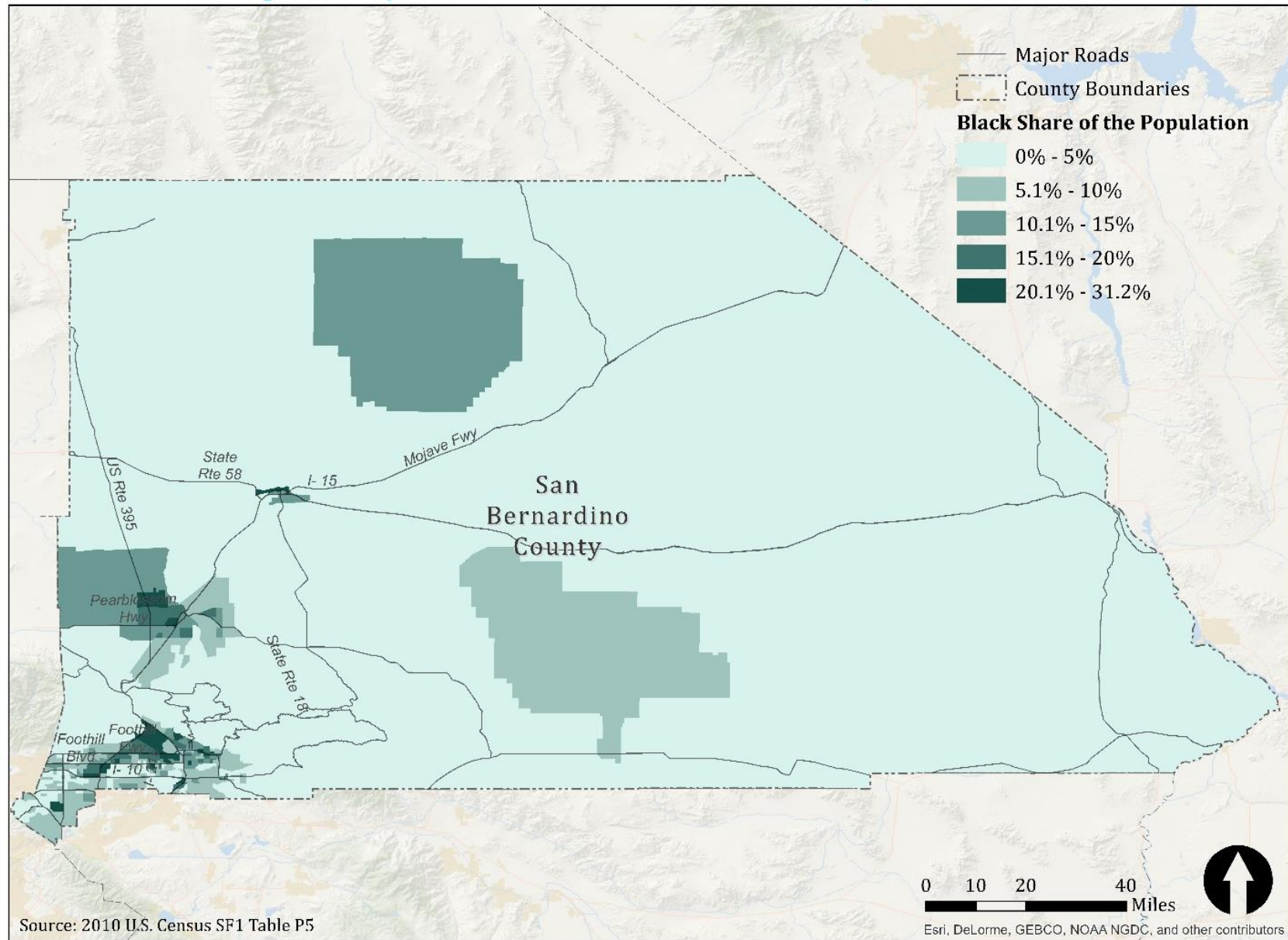
Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

³⁵Live Free: Annual Report on Fair Housing FY 2010, U.S. Department of Housing and Urban Development.

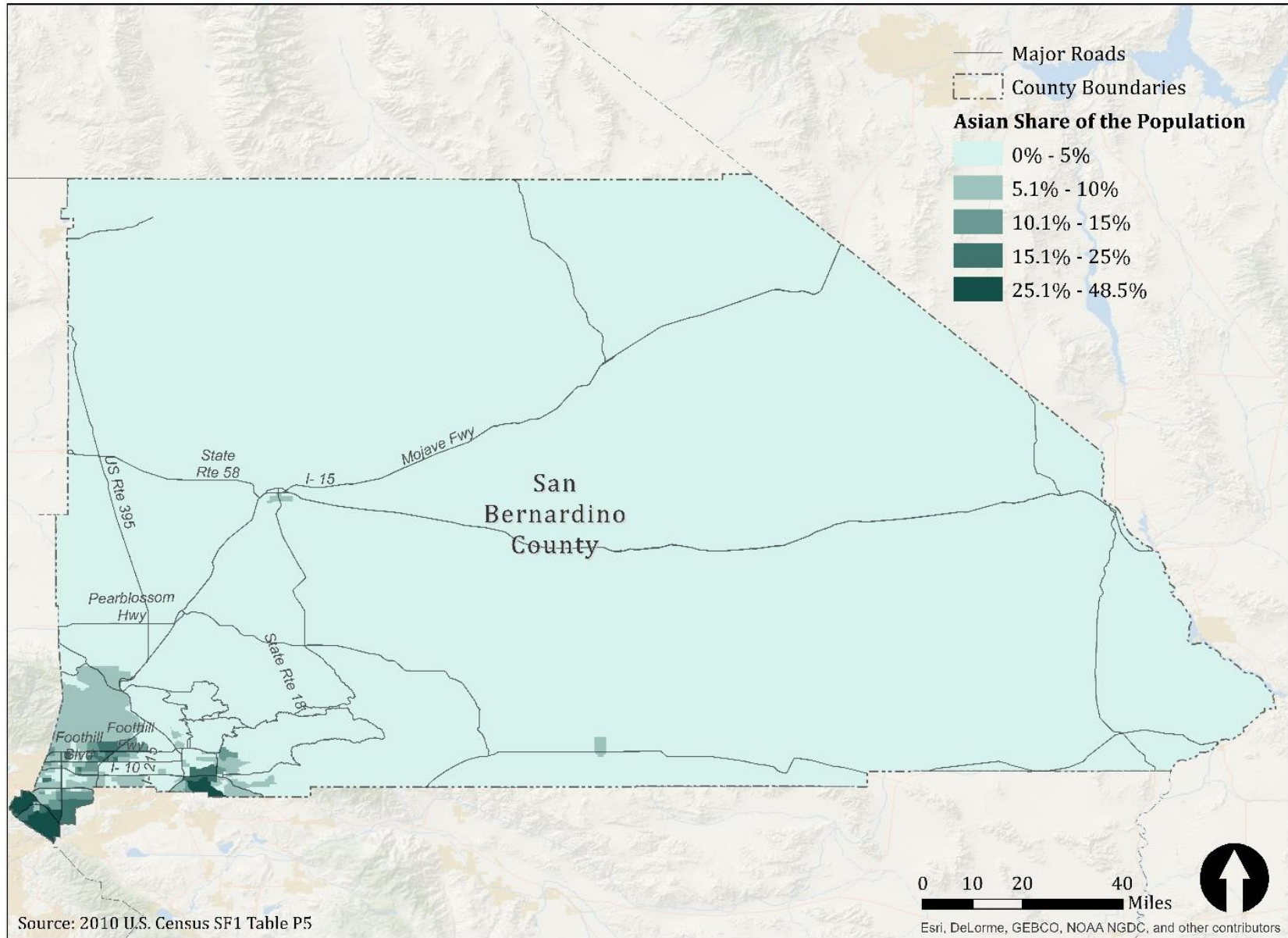
Hispanic Share of the Population by Census Tract in San Bernardino County, 2010



Black Share of the Population by Census Tract in San Bernardino County, 2010



Asian Share of the Population by Census Tract in San Bernardino County, 2010



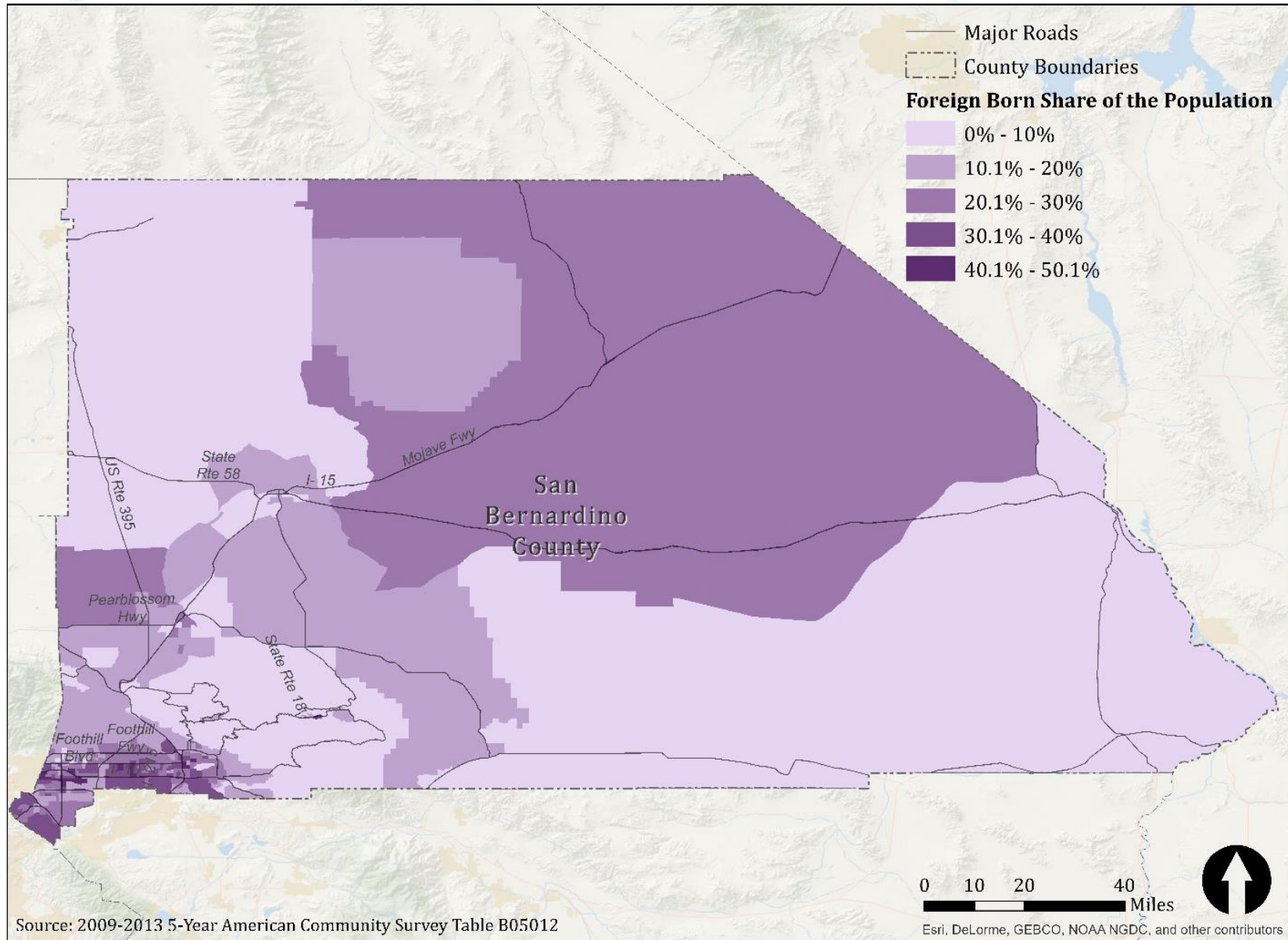
National Origin

As of the 2011-2013 American Community Survey, 21.5% of the County's population was foreign born, considerably above the U.S. rate of 12.9%. Since the 2000 Census, the study area's non-native population grew by a margin of 37.2%, surpassing the U.S. growth rate of (27.9%). While nearly half of the nation's foreign born population is from the Caribbean and Central America, these regions make up over 60% of the study area's non-US natives. The Asian population makes up one-fifth (22.9%) of the foreign born population in San Bernardino County, and has increased by over 3% since 2000. The majority of Asian residents are from South East Asia such as the Philippines and Vietnam. The graph and map below further depict national origin demographics and population concentrations for the region.

National Origin of Foreign Born Population in the County Study Area					
National Origin	2000		2011-2013		Share Change
	Count	Share	Count	Share	
Europe	17,536	5.5%	13,303	3.0%	-2.5%
Asia	61,071	19.2%	100,175	22.9%	3.7%
Africa	4,475	1.4%	10,252	2.3%	0.9%
Oceania	2,022	0.6%	1,940	0.4%	-0.2%
Americas	233,543	73.3%	311,604	71.3%	-2.0%
Caribbean & Central America	220,812	69.3%	295,468	67.6%	-1.7%
South America	7,698	2.4%	12,108	2.8%	0.4%
North America	5,033	1.6%	4,028	0.9%	-0.7%
Foreign Born Population	318,647	100.0%	437,274	100%	
Foreign Born Population as Share of Total	18.6%		21.5%		2.9%

Sources: U.S. Census 2000 SF3 Table PCT019 and 2011- 2013 3-Year American Community Survey Table B05006

Foreign Born Share of the Population by Census Tract in San Bernardino County, 2009-2013



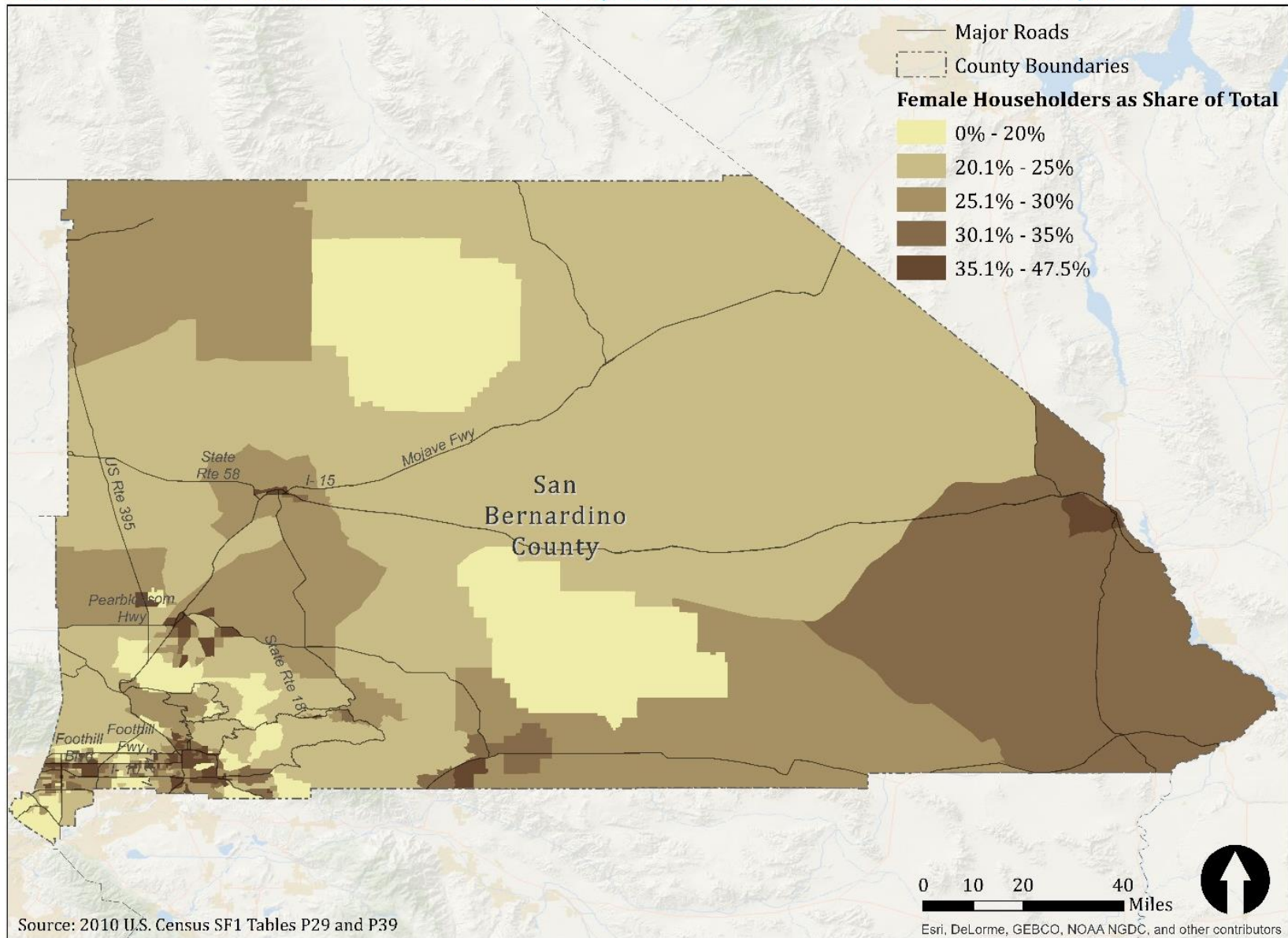
Familial Status and Householder Sex

As of the 2010 Census, there were 611,618 households in the study area, of which 76.9% were families. Nearly sixty percent of families (59.3%) and one-half of total households (45.6%) included children. About one-fifth of family households (21.1%) had female householders, as did 27.9% of all households. Overall, households with children as a share of total households decreased by 2.5 percentage points from 2000 to 2010. Nationally, two-thirds of households were family households (66.4%) in 2010, about one-third (31.3%) of all households had children, and 34.9% had female householders in 2010.

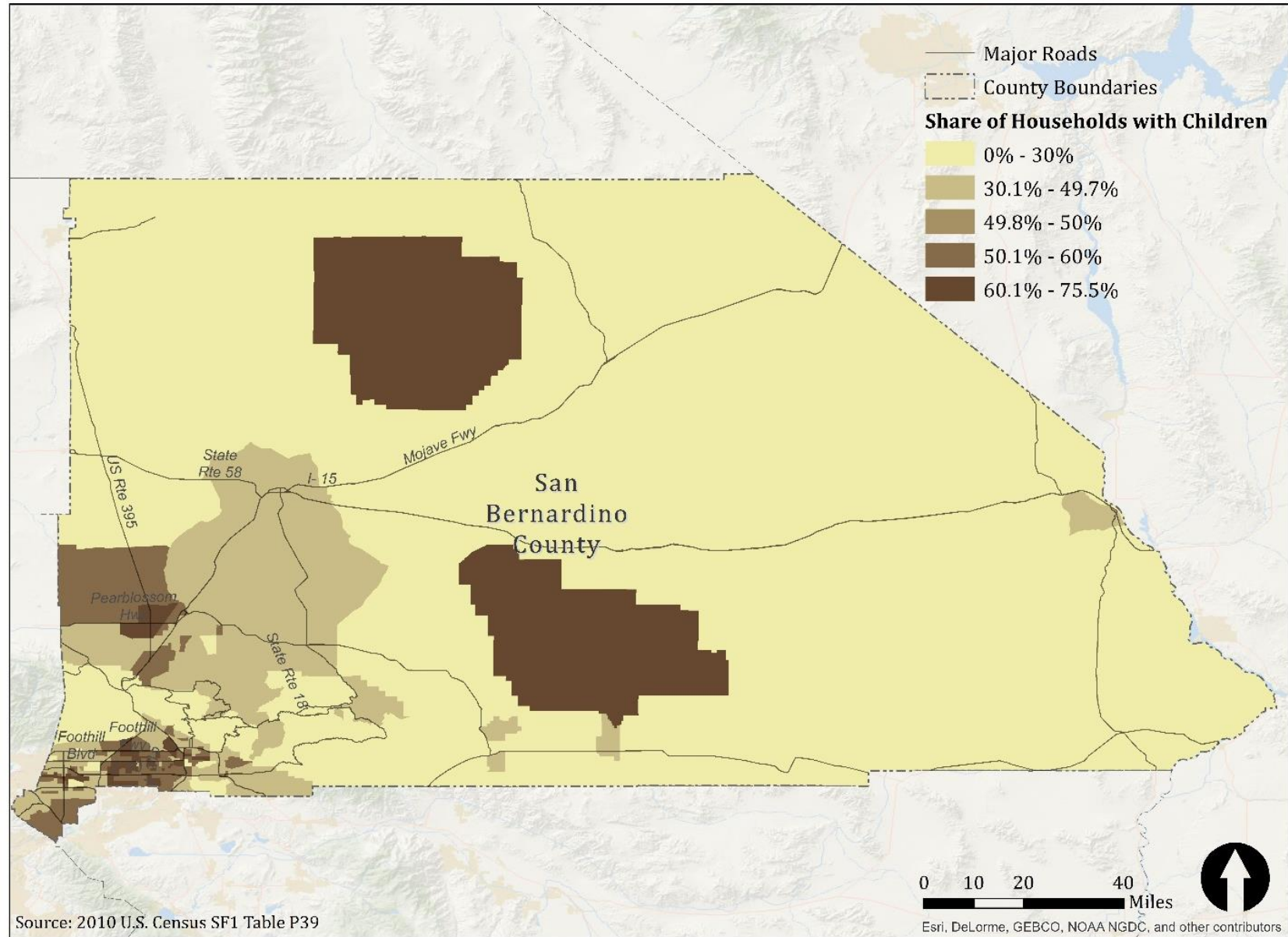
Familial Status and Sex of Householder in the County Study Area					
Household Type	2000		2010		2000-2010
	Count	Share	Count	Share	Share Change
Family Households	404,327	76.5%	470,444	76.9%	0.4%
Married couple householders	294,701	55.8%	326,927	53.5%	-2.3%
With related children under 18	174,980	33.1%	183,731	30.0%	-3.1%
No related children under 18	119,721	22.6%	143,196	23.4%	0.8%
Male householder, no wife	31,437	5.9%	44,384	7.3%	1.3%
With related children under 18	21,122	4.0%	27,937	4.6%	0.6%
No related children under 18	10,315	2.0%	16,447	2.7%	0.7%
Female householder, no husband	78,189	14.8%	99,129	16.2%	1.4%
With related children under 18	58,114	11.0%	67,392	11.0%	0.0%
No related children under 18	20,075	3.8%	31,737	5.2%	1.4%
Nonfamily Households	124,267	23.5%	141,178	23.1%	-0.4%
Male householders	60,572	11.5%	69,504	11.4%	-0.1%
Female householders	63,695	12.0%	71,674	11.7%	-0.3%
Total Households	528,594	100.0%	611,618	100.0%	
Total female householders	141,884	26.8%	170,803	27.9%	1.1%
Total households with children	254,216	48.1%	279,060	45.6%	-2.5%

Sources: U.S. Census 2000 SF1 Tables P027 and P035 and 2010 SF1 Tables P29 and P39

Share of Households with Female Householders by Census Tract in San Bernardino County, 2010



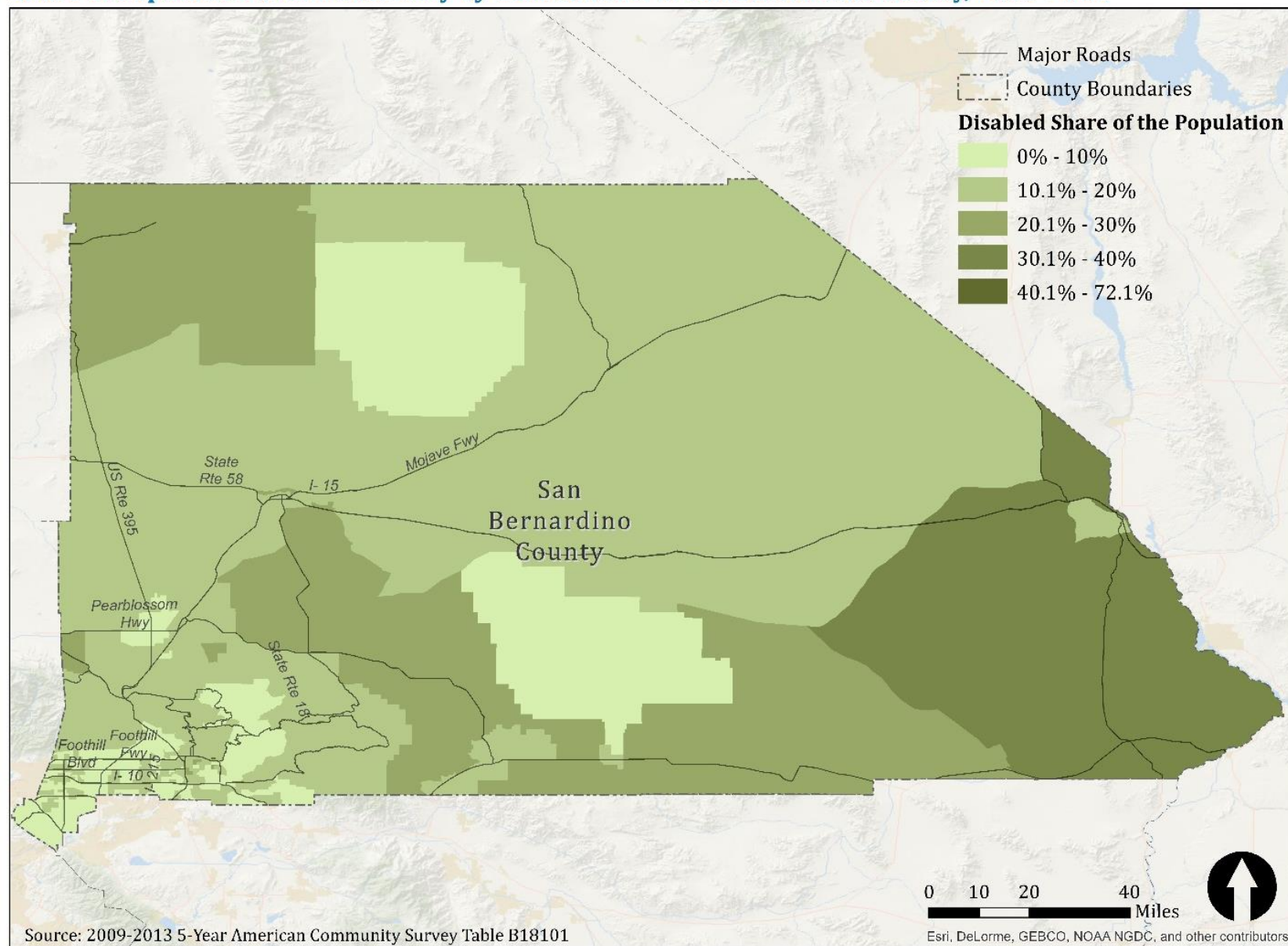
Share of Households with Children by Census Tract in San Bernardino County, 2010



Disability

Disability is defined by the Census Bureau as a lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from being able to go outside the home alone or to work. According to the most recent three-year American Community Survey data (2011-2013), the study area had a disability rate of 10.9%, which represented 222,004 persons living with a disability, including 1,116 children under the age of 5, 17,224 children and adolescents ages 5 to 17, 121,413 adults ages 18 to 64, and 82,251 seniors (age 65 and over). Over 1 in 5 (29.0%) disabled residents over the age of 65 had disabilities which inhibited ambulatory functioning and movement, and large percentages had disabilities which resulted in difficulties with independent living (20.7%) and self-care (12.0%). These difficulties may not only inhibit daily functioning but also require housing accommodation and supportive services. The study area's ability to meet the housing needs of its disabled residents is impacted by an array of factors – such as zoning regulations for group homes, the ease with which modifications may be made to existing homes, and the availability of fair housing services – which are each examined in other sections of this report. The illustration below depicts the concentration of residents with disabilities by Census tract.

Share of Population with a Disability by Census Tract in San Bernardino County, 2009-2013



Religious Affiliation

Religion is not one of the questions surveyed by the U.S. Census Bureau making dependable, comprehensive data on religious affiliation difficult to find. The data used in this report is made available by the University of Southern California's Center for Religion and Civic Culture and details demographics of the ten largest faith groups in the County. The largest denominational faiths and their percentage of members from the total County population are:

1. Catholic, 445,334 members, 21.88% of County population
2. Nondenominational, 105,314 members, 5.17% of County population
3. Mormon, 52,314 members, 2.57% of County population
4. Southern Baptist Convention, 45,066 members, 2.21% of County population
5. Seventh Day Adventist, 32,831 members, 1.61% of County population
6. Assemblies of God, 13,916 members, 0.68% of County population
7. Muslim, 12,321 members, 0.61% of County population
8. Buddhism, Theravada, 7,587 members, 0.37% of County population
9. National Baptist Convention, 2,868 members, 0.14% of County population
10. Lutheran Church-Missouri Synod, 5,781 members, 0.28% of County population

Sexual Orientation and Gender Identity

Sexual orientation and gender identity are not specifically named as protected classes under the federal Fair Housing Act, however, a lesbian, gay, bisexual, or transgender person may experience discrimination due to his or her sexual orientation or gender identity that is considered to be unlawful under one of the existing classes protected by the statute. Additionally, discrimination on the basis of sexual orientation or gender identity may violate federal regulations if perpetrated by an entity funded or insured by HUD or the Federal Housing Administration.

Currently no comprehensive, uniform data on sexual orientation is collected, however, analysis of Census data can approximate the distribution and concentration of same sex couples. The Williams Institute at the UCLA School of Law adjusts Census 2010 tabulations of state-level data where a head of household has indicated a "husband/wife" or "unmarried partner" relationship with another same-sex adult in the household. While this methodology is not perfect (e.g. same-sex couples where neither is the head of household are not counted and different-sex couples who may have miscoded their gender are included), it is a reasonably reliable source in the absence of a more direct sexual orientation question in the census surveys. It must also be noted that data on same-sex couples, while related to issues of sexual orientation, does not approximate or substitute for data on the lesbian, gay, bisexual, and transgender population as a whole.

The Williams Institute's 2010 data showed 98,153 same-sex couples in California, or 7.8 per 1,000 households.³⁶ While adjusted tract-level data is mapped for the state as a whole, the raw data is available only down to the county level. By that count, San Bernardino County ranked 27th of California's 58 counties for its number of same-sex couples, with an adjusted total of 3,016 or 4.93 per 1,000 households.³⁷ The table below compares San Bernardino County with neighboring counties.

The county comparison is noteworthy for the large degree of variation, even between neighboring counties, in the presence of same-sex couples. As a percentage of total households, Riverside County has more than twice the rate of same-sex couples as does San Bernardino County. Also significant is the difference in male versus female same-sex couples between these two counties. More than three in four same-sex couples in San Bernardino were female whereas in Riverside County, two-thirds of same-sex couples were male.

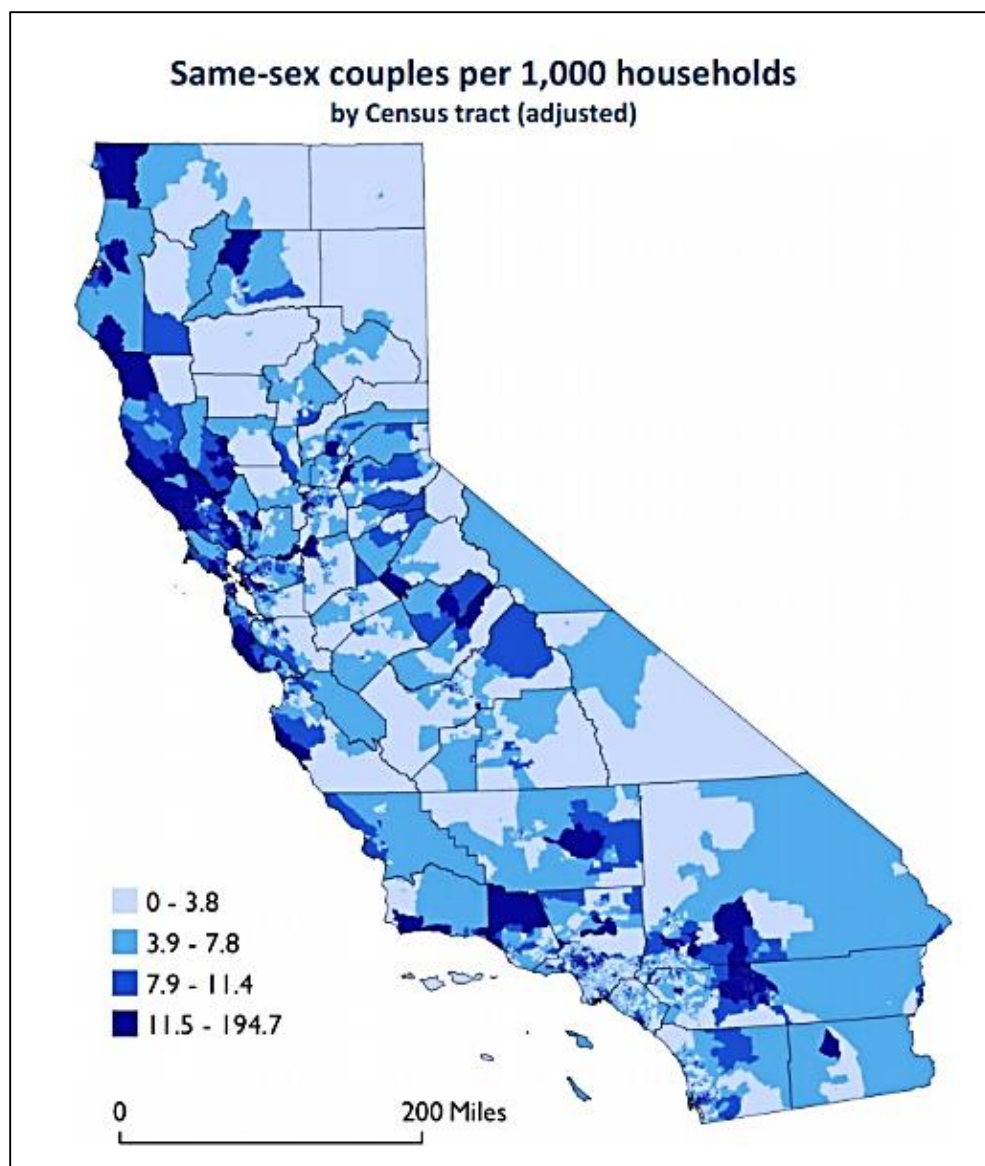
Same-Sex Couples: 2010 County Comparison					
County	State Rank	Number of Same-Sex Couples	Same-Sex Couples per 1,000 Households	Percent Same-Sex Male Couples	Percent Same-Sex Female Couples
San Bernardino	27	3,016	4.93	23.04%	76.96%
Los Angeles	13	26,286	8.11	60.18%	39.82%
Orange	33	4,625	4.66	42.98%	57.02%
Riverside	5	7,237	10.55	67.24%	32.75%

Source: The Williams Institute: UCLA School of Law, "California Census Snapshot: 2010"

Although the Williams Institute only provides the raw data down to the county level, it offers state maps of tract level data. The map below shows that San Bernardino County has concentrations of same-sex couples in the Morongo Basin, in mountain communities such as Running Springs and Lake Arrowhead, and in Highlands, Ontario, and Victorville.

³⁶ The Williams Institute: UCLA School of Law, "California Census Snapshot: 2010," Accessed January 27, 2014. http://williamsinstitute.law.ucla.edu/wp-content/uploads/Census2010Snapshot_California_v2.pdf

³⁷ Ibid.



Source: The Williams Institute: UCLA School of Law, "California Census Snapshot: 2010"

Segregation Analysis

Segregation, or the degree to which two or more racial or ethnic groups live geographically separate from one another, can directly affect the quality of life in cities and neighborhoods. A study by the Federal Reserve Bank of Cleveland compared the economic growth of more than 100 areas in the U.S. between 1994 and 2004 and concluded that racial diversity and inclusion was “positively associated with a host of economic growth measures, including employment, output, productivity, and per capita income.”³⁸ In general, diverse communities have been found to benefit from greater innovation arising out of the varied perspectives within the community. Additionally, multilingual and multicultural regions are best positioned for success in the global marketplace.

Despite the economic and other advantages of diversity, patterns of racial and ethnic segregation remain prevalent in many regions and cities. Segregation is typically perceived of negatively, but it is important to note that it is not always due to overt housing discrimination. In fact, there could be at least three reasons why patterns of segregation exist:

- personal preferences cause individuals to want to live in neighborhoods with others of a particular race and ethnicity;
- income differences across race and ethnic groups limit the selection of neighborhoods where persons of a particular race and ethnicity can live; and
- illegal discrimination in the housing market limits the selection of neighborhoods where persons of a particular race and ethnicity live.

Regardless of the causes of segregation, its effects can be detrimental. “Numerous studies have focused on the possible effects of residential neighborhoods on social and economic outcomes. Persistent economic and racial residential segregation is implicated in enduring racial and ethnic inequality.”³⁹ For example, research demonstrates that African American homeowners earn less equity in their non-rental homes because their incomes are lower and they reside in areas that are more segregated. “Individuals take account of the race-ethnic composition of neighborhoods when deciding if and where to move. These patterns may result from a number of underlying social processes. While race-ethnic prejudice may govern residential choices to some degree, the ethnic composition of a neighborhood is also

³⁸ PolicyLink. 2011. “America’s Tomorrow: Equity is the Superior Growth Model.” http://www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5eca3bbf35af0%7D/SUMMIT_FRAMING_WEB_FINAL_20120127.PDF

³⁹ Bruch, E. 2005. “Residential Mobility, Income, Inequality, and Race/Ethnic Segregation in Los Angeles.” Princeton, NJ: Princeton, University, pp. 1.

correlated with other factors that determine neighborhood attractiveness. For example, neighborhoods vary in levels of crime, quality housing, and poverty.”⁴⁰

The task in this Segregation Analysis is to determine the degree to which residents of the County of San Bernardino are segregated by race and ethnicity, based on population counts from the 2000 and 2010 U.S. Censuses.

Residential segregation is the degree to which two or more racial or ethnic groups live geographically separate from one another. Early in the field of residential segregation analysis Duncan and Duncan⁴¹ defined a “dissimilarity index” which became the standard segregation measure for evenness of the population distribution by race. By 1988 researchers had begun pointing out the shortcomings of dissimilarity indices when used apart from other measures of potential segregation. In a seminal paper, Massey and Denton⁴² drew careful distinctions between the related spatial concepts of sub-population distribution with respect to evenness (minorities may be under- or over-represented in some areas) and exposure (minorities may rarely share areas with majorities thus limiting their social interaction).

This analysis will use the methodology set forth by Duncan and Duncan for the measurement of evenness of the population distribution by race (dissimilarity index) as well as measures of exposure of one race to another (exposure and isolation indices), based on the work of Massey and Denton. Workers in the field generally agree that these measures adequately capture the degree of segregation. These measures have the advantage of frequent use in segregation analyses and are based on commonsense notions of the geographic separation of population groups. An additional analysis for the entropy index will provide a measure of multi-group diversity not accounted for by the other indices which necessarily are limited to two racial or ethnic groups at a time.

Dissimilarity Index

The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology requires a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas (census tracts in this analysis) have the same proportion of minority and majority members as the larger area in which they live (here, the County of San Bernardino). Evenness is not measured in an absolute sense, but is scaled relative to some

⁴⁰ Bruch, 2005.

⁴¹ Duncan, Otis D., and Beverly Duncan. 1955. “A Methodological Analysis of Segregation Indices.” *American Sociological Review*, Vol. 20.

⁴² Massey, Douglas, S. and Denton, N. A., 1988. “The Dimensions of Residential Segregation.” *Social Forces*, Vol. 67, No. 2, University of North Carolina Press.

other group. The DI ranges from 0.0 (complete integration) to 1.00 (complete segregation). HUD identifies a DI value between 0.41 and 0.54 as a moderate level of segregation and 0.55 or above as a high level of segregation.

The countywide proportion of the minority population can be small and still not be segregated if evenly spread among tracts. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to achieve a distribution matching that of the majority (or vice versa).

Although the literature provides several similar equations for the calculation of the DI, the one below is the most commonly used. This equation differences the magnitude of the weighted deviation of each census tract's minority share with the tract's majority share which is then summed over all the tracts in the region:⁴³

$$D = \left(\frac{1}{2} \right) \sum_{i=1}^n \left| \frac{Min_i}{Min_T} - \frac{Maj_i}{Maj_T} \right|$$

where:

D = Dissimilarity Index;

Min_i = Minority group population of census tract i;

Min_T = Minority group regional population;

Maj_i = Majority group population of census tract i;

Maj_T = Majority group regional population; and

n = Total number of census tracts in the region.

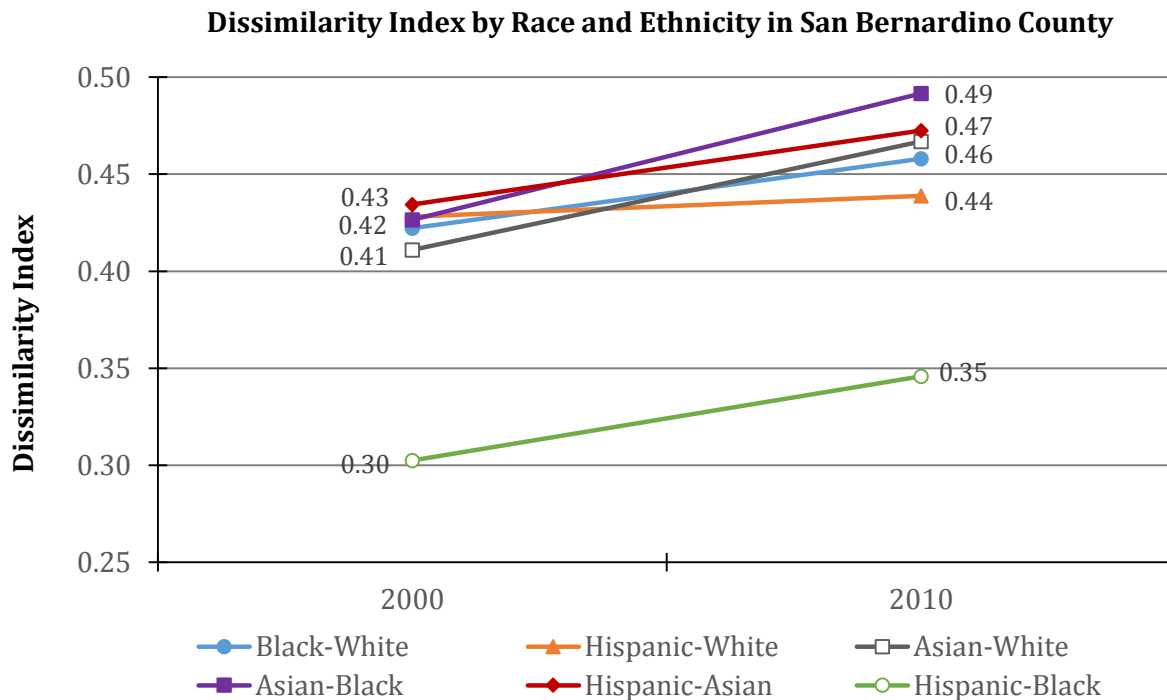
The table below presents the results of these calculations between non-Hispanic Whites, non-Hispanic Blacks, non-Hispanic Asians, and Hispanics in the County of San Bernardino.⁴⁴ The graph that follows presents the same data in a visual format so that trends can be more readily identified.

⁴³ Calculation after Desegregation Court Cases and School Demographics Data, Brown University, Providence, Rhode Island. Source: <http://www.s4.brown.edu/schoolsegregation/desegregationdata.htm>. Accessed February 27, 2013.

⁴⁴ The DI methodology requires that each group be distinct from each other. Each racial or ethnic group cannot overlap. This study focuses primarily on four groups: Hispanics, non-Hispanic Whites, non-Hispanic Blacks, and non-Hispanic Asians (to be called "Whites," "Blacks," and "Asians" for simplicity).

Dissimilarity Index for San Bernardino County			
Group Exposure	2000	2010	Change
Black-White	0.42	0.46	0.04
Hispanic-White	0.43	0.44	0.01
Asian-White	0.41	0.47	0.06
Asian-Black	0.43	0.49	0.07
Hispanic-Asian	0.43	0.47	0.04
Hispanic-Black	0.30	0.35	0.04

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Overall, the DI calculations show a moderate level of segregation between most pairs of population segments as of 2010, ranging from 0.44 for Hispanic and White residents to 0.49 for Asian and Black residents. Only one pairing had a low level of segregation – Hispanic and Black residents at a DI of 0.35.

For Blacks and Whites, dissimilarity in San Bernardino County was 0.46 as of 2010, up from 0.42 in 2000. This can be interpreted as meaning that 46% of Black residents *or* 46% of

White residents would have to move census tracts in order for the two groups to be identically distributed geographically and thus eliminate segregation. For Hispanic residents, segregation in 2010 was highest in comparison to Asians (DI = 0.47), followed by Whites (DI = 0.44), and Blacks (DI = 0.35).

Since 2000, the dissimilarity index fell for every pairing, with increases ranging from 0.01 for Hispanics and Whites to 0.07 for Asians and Blacks. Higher DIs in 2010 indicate that residential growth and migration patterns over the last decade occurred in such a way as to make each of the four largest racial and ethnic group less likely to reside in similar census tracts.

Exposure Index

Two basic, and related, measures of racial and ethnic interaction are exposure (this section) and isolation (next section). These two indices, respectively, reflect the possibility that a minority person shares a census tract with a majority person (Exposure Index, EI, this section) or with another minority person (Isolation Index, II, next section).

“Exposure measures the degree of potential contact between minority and majority group members.”⁴⁵ Exposure is a measure of the extent two groups share common residential areas and so it reflects the degree to which the average minority group member experiences segregation. The EI can be interpreted as the probability that a minority resident will come in contact with a majority resident, and ranges in value from 0.0 to 1.0, where higher values represent lower segregation.

As with the Dissimilarity Index, each calculation of EI involves two mutually exclusive racial or ethnic groups. The EI measures the exposure of minority group members to members of the majority group as the minority-weighted average (the first term in the equation below) of the majority proportion (the second term) of the population in each census tract, which can be written as:

$$Prob = \sum_{i=1}^n \left(\frac{Min_i}{Min_T} \right) \left(\frac{Maj_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members interact with majority group members

Min_i = Minority group population of census tract i;

Min_T = Minority group regional population;

⁴⁵ Massey and Denton, 1988.

Maj_i = Majority group population of census tract i ;

Tot_i = Total population of census tract i ; and

n = Total number of census tracts in the region.

The EI is not “symmetrical” so the probability of a typical Black person meeting a White person in a tract is not the same as the probability of a typical White person meeting a Black person in that tract. An illustrative example of this asymmetry is to imagine a census tract with many White residents and a single Black resident. The Black person would see all White people, but the White residents would see only one Black person. Each would see a much different world with respect to group identification.

The maximum value of the EI depends both on the distribution of racial and ethnic groups and on the proportion of minorities in the area studied. Generally, the value of this index will be highest when the two groups have equal numbers and are spread evenly among tracts (low segregation). If a minority is a small proportion of a region’s population, that group tends to experience high levels of exposure to the majority regardless of the level of evenness.⁴⁶

The “Exposure Index” table shows that in 2010 the typical probability of a Black person interacting with a White person within their census tract was 27%, while the probability of a White person interacting with a Black person was much lower at 7%. These rates can also be interpreted to mean that on average 27 of every 100 people a Black person met were White, but only 7 of every 100 people a White person met were Black.

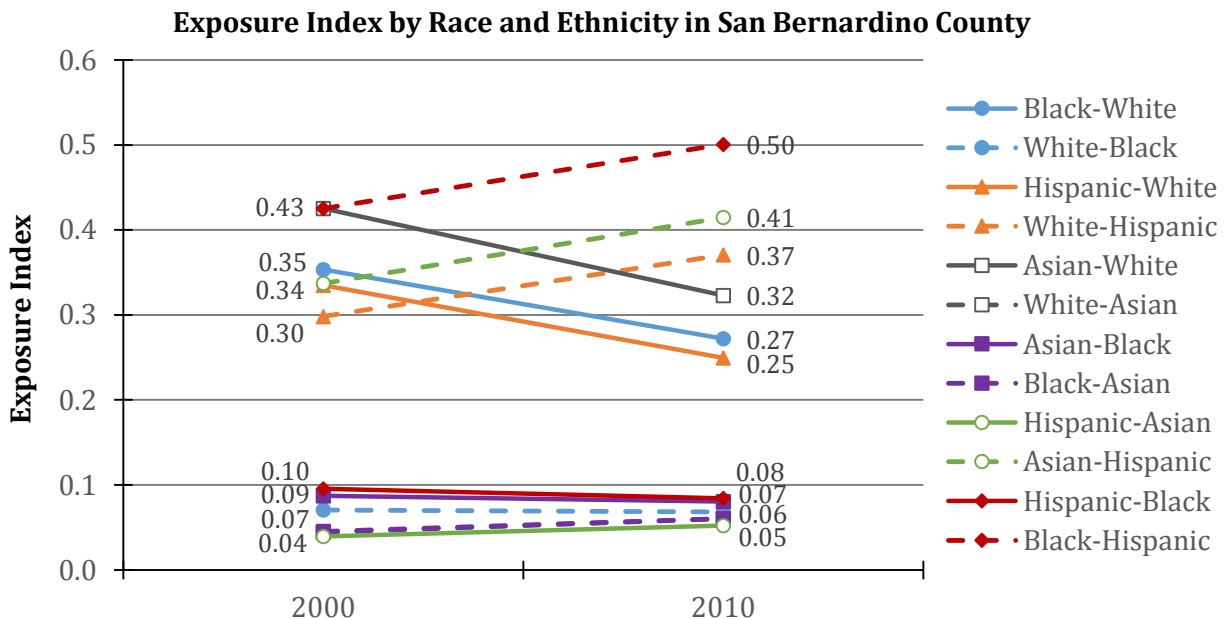
Asians and Hispanics had relatively similar likelihoods of interacting with Whites as did African Americans (27% and 32%, respectively). White residents’ exposure to Asian residents was low (6%), yet exposure to Hispanic residents was considerably higher at 37%. This figure is not surprising given the large share of the population in San Bernardino County that is Hispanic. Black and Asian residents showed even higher EIs when compared with Hispanic residents at 0.50 and 0.41, respectively. Other minority group pairings all have relatively low EIs (0.08 or below), indicating limited interaction between these groups.

The “Exposure Index by Race and Ethnicity” graph shows three downward sloping lines indicating declines in exposure of each minority population segment to Whites, ranging from a fall of 0.08 for Blacks to 0.10 for Asians. For all population groups, exposure to Hispanic residents increased from 2000 to 2010 by 0.07-0.08. Only small changes (-0.01 to 0.02) were seen in the remaining seven cases.

⁴⁶ John Iceland, Weinberg D.H., and Steinmetz, E. 2002. “Racial and Ethnic Residential Segregation in the United States: 1980-2000.” U.S. Census Bureau. Paper presented at the annual meetings of the Population Association of America, Atlanta, Georgia.

Exposure Index in San Bernardino County			
Interacting Groups	2000	2010	Change
Black-White	0.35	0.27	-0.08
White-Black	0.07	0.07	0.00
Hispanic-White	0.34	0.25	-0.09
White-Hispanic	0.30	0.37	0.07
Asian-White	0.43	0.32	-0.10
White-Asian	0.04	0.06	0.02
Asian-Black	0.09	0.08	-0.01
Black-Asian	0.05	0.06	0.01
Hispanic-Asian	0.04	0.05	0.01
Asian-Hispanic	0.34	0.41	0.08
Hispanic-Black	0.10	0.08	-0.01
Black-Hispanic	0.43	0.50	0.08

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Isolation Index

The Isolation Index (II) measures “the extent to which minority members are exposed only to one another” (Massey and Denton, p. 288). Not a measure of segregation in a strict sense, the II is a measure of the probability that a member of one group will meet or interact with a member of the same group. The II can be viewed more as a measure of sociological isolation.

A simple change in notation from the Exposure Index equation yields the formula for the Isolation Index given below. This measure is calculated for one racial or ethnic group at a time so unlike the DI or EI, it does not compare the distribution of two groups. Instead, each calculation measures the isolation of a single group.

Similar to the EI, this index describes the average neighborhood for racial and ethnic groups. It differs in that it measures social interaction with persons of the same group instead of other groups. The II is the minority weighted average (the first term of the equation) of each tract’s minority population (the second term) and can be defined as:

$$Prob = \sum_{i=1}^n \left(\frac{Min_i}{Min_T} \right) \left(\frac{Min_i}{Tot_i} \right)$$

where:

Prob = Probability that minority group members share an area with each other;

Min_i = Minority group population of census tract i;

Min_T = Minority group regional population;

Tot_i = Total population of census tract i; and

n = Total number of census tracts in the region.

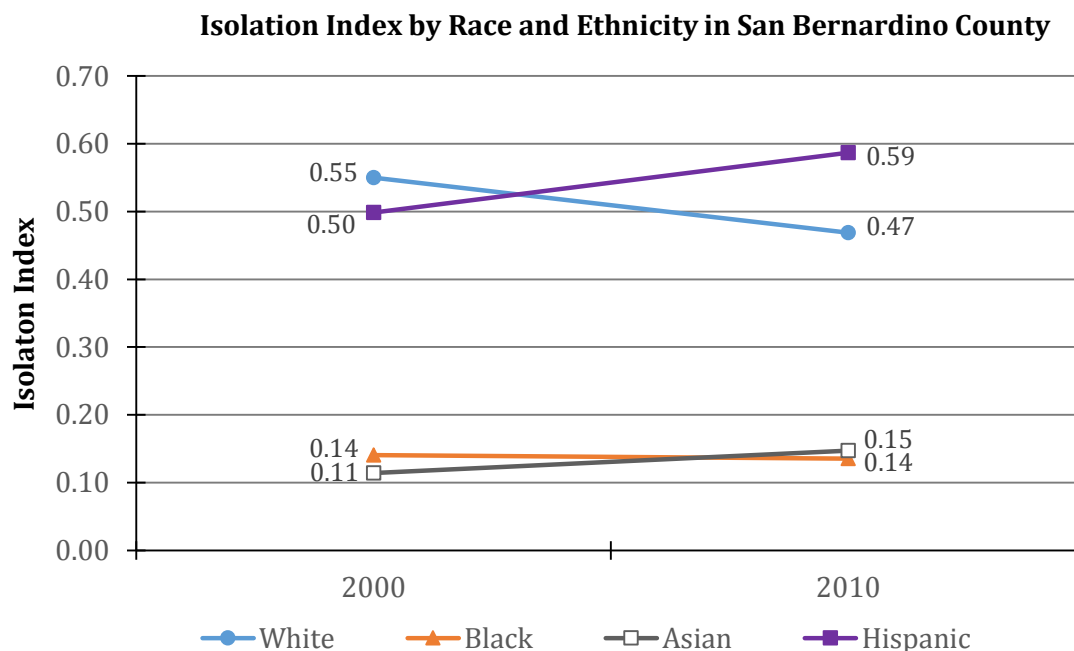
The II is a region-level measure for each race/ethnicity summed up from tracts within the region. The II can be interpreted as a probability that has a lower bound of 0.0 (low segregation corresponding to a small dispersed group) to 1.0 (high segregation implying that group members are entirely isolated from other groups).

The Isolation Index values for San Bernardino County show Hispanics to be the most isolated, in effect segregated, from other racial and ethnic groups. In 2010, the average Hispanic resident lived in a tract that was 59% Hispanic, up from an average of 50% in 2000. Isolation for Whites declined over the decade, from 0.55 in 2000 to 0.47 in 2010. Isolation Index values were lower for racial groups comprising lower shares of the population – the average Black

resident lived in a tract that was 14% Black and the average Asian resident in a tract that was 15% Asian.⁴⁷

Isolation Index in San Bernardino County			
Group	2000	2010	Change
White	0.55	0.47	-0.08
Black	0.14	0.14	0.00
Asian	0.11	0.15	0.03
Hispanic	0.50	0.59	0.09

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5



Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Entropy Index

Entropy, a mathematical concept based on the spatial evenness of the distribution of population groups, can be used to calculate diversity among racial and ethnic groups in a

⁴⁷ The Exposure and Isolation Index methodologies implicitly assumes that the tract populations are evenly distributed within a census tract so that the frequency of social interactions is based on the relative population counts by tract for each race or ethnicity. Within actual neighborhoods racial and ethnic groups are not homogenous (e.g., families or small area enclaves) so that the chances of one group meeting another of the same group may be different than an even distribution might imply.

geographical area.⁴⁸ Both the Dissimilarity Index and Exposure Index can only measure the segregation of two groups relative to each other, but the Entropy Index has the advantage of being able to measure the spatial distribution of multiple racial and ethnic groups simultaneously.

The Entropy Score (h) for a census tract is given by:

$$h_i = - \sum_{j=1}^k p_{ij} \ln(p_{ij})$$

where:

k = Number of groups;

p_{ij} = Proportion of population of jth group in census tract i (= n_{ij}/n_i);

n_{ij} = Number of population of jth group in tract i; and

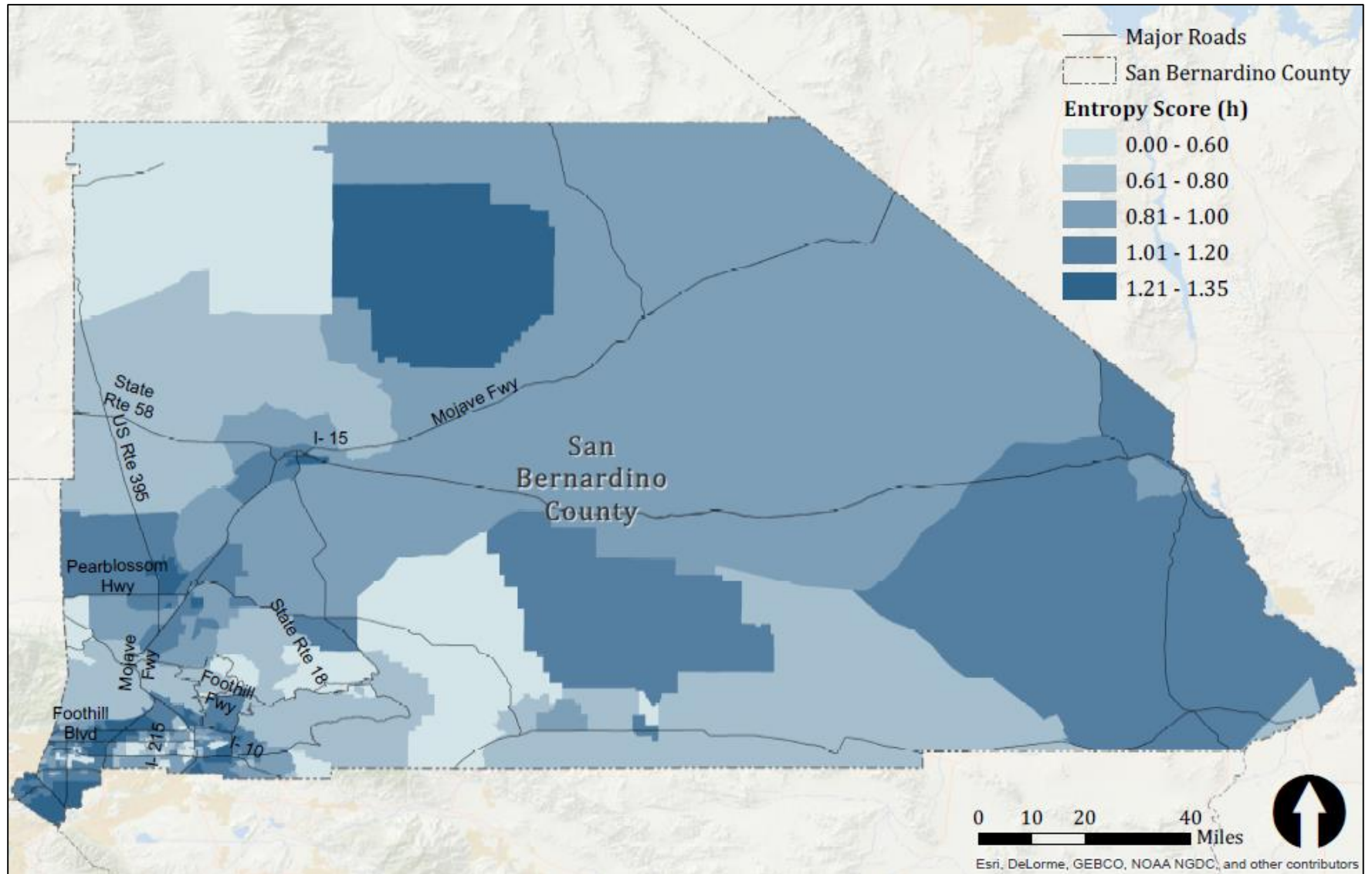
n_i = Total population in tract i.

The higher the calculated value for h, the more racially and/or ethnically diverse the tract. The maximum possible level of entropy is given by the natural logarithm (ln) of the number of groups used in the calculations. The maximum score occurs when all groups have equal representation in the geographic area. In this case k = 4 (non-Hispanic Whites, non-Hispanic Blacks, other non-Hispanic populations, and Hispanics) so the maximum value for h is $\ln(4) = 1.39$. A tract with h = 1.39 would have equal proportions of all groups (high diversity) and a tract with h = 0.0 would contain only a single group (low diversity).

The Diversity Index map below shows the results of the tract-level calculations of the Entropy Score as a measure of diversity in the County of San Bernardino in 2010. Visually, it can be seen that most of the tracts with the highest diversity levels (h values above 1.2) are in the southwest portion of the County. Specifically, areas containing these high diversity tracts include the Cities of Chino Hills, Chino, Rancho Cucamonga, Loma Linda, Fontana, Grand Terrace, and parts of the City of San Bernardino. Further north, parts of Victorville, Adelanto, and Barstow are highly diverse, along with the census tract surrounding Fort Irwin.

⁴⁸ Iceland, John. 2004. "The Multigroup Entropy Index (Also Known as Theil's H or the Information Theory Index)." University of Maryland.

Diversity Index by Census Tract San Bernardino County, 2010



Source: U.S. Census 2010 SF1 Table P5

The Entropy Score is not a true measure of segregation because it does not assess the distribution of racial and ethnic groups across a region. A region can be very diverse if all minority groups are present but also highly segregated if all groups live entirely in their own neighborhoods (or census tracts). However, Entropy Scores, measures of tract-level diversity, can be used to calculate the Entropy Index⁴⁹ (EI) which measures the distribution of multi-group diversity across tracts and an entire region.

The EI measures unevenness in the distribution of multiple racial and ethnic groups in a region by calculating the difference in entropy between census tracts and the larger region as a whole. The Entropy Index (H) for a region is the weighted average variation of each tract's entropy score differenced with the region-wide entropy as a fraction of the region's total entropy (Iceland 2004):

where:

$$H = \frac{\hat{H} - \bar{H}}{\hat{H}}$$

\hat{H} = Entropy for the region's tracts as a whole;

\bar{H} = Average of the individual census tracts' values of h weighted by the population; and

H = Entropy Index for the region.

The EI ranges between H = 0.0 when all tracts have the same composition as the entire region (minimum segregation) to a maximum of H = 1.0 when all tracts contain one group only (maximum segregation).⁵⁰ Regions with higher values of H have less uniform racial distributions and regions with lower values of H have more uniform racial distributions.

The below Entropy Index table gives the result of an entropy calculation for the County of San Bernardino as a whole. Over the 2000-2010 decade the EI increased slightly, from 0.13 to 0.15. This method of entropy analysis gives a concise summary statement that levels of diversity in San Bernardino County census tracts are relatively similar to diversity countywide, although the County has become slightly more segregated over the last ten years.

⁴⁹ Iceland, John. 2002. "Beyond Black and White: Metropolitan Residential Segregation in Multi-Ethnic America," U.S. Census Bureau, Housing and Household Economic Statistics Division, paper presented at the American Sociological Association meetings, Chicago, Illinois.

⁵⁰ White, Michael J. 1986. "Predicted Ethnic Diversity Measures for 318 U.S. Metropolitan Areas by Census Region, 1980." *Population Index*, Vol. 52.

Entropy Index in San Bernardino County		
2000	2010	Change
0.13	0.15	0.02

Sources: U.S. Census 2000 SF1 Table P008 and 2010 SF1 Table P5

Reconciliation of the Four Segregation Indices

One important question concerns whether the overall racial and ethnic segregation in San Bernardino County has worsened, improved, or remained about the same between 2000 and 2010. The methodologies used in this analysis indicate that segregation is relatively modest between most population segments, but increased in many cases over the 2000 to 2010 decade. In both years, White residents were moderately segregated from each minority group, and had little exposure to Black and Asian residents. Isolation decreased for Whites over the ten year period, as exposure to Hispanic and Asian residents grew.

In both years, Black residents were moderately segregated from Whites and Asians, with lower levels of segregation from Hispanics. Making up only a small share of the population, isolation levels were low; exposure levels were highest to Hispanic residents, who tend to have a similar geographic distribution across the County.

Hispanic residents make up the majority of the County and are moderately segregated from Whites and Asians. They have the highest isolation index value, and low levels of exposure to other racial/ethnic groups, with the exception of Whites, although that exposure value declined by 26.4% between the two Censuses.

In comparison to other U.S. metro areas, the level of Black/White segregation in the Riverside-San Bernardino-Ontario, CA metro area is moderate – of the 384 metro areas included in the US 2010 project, it is ranked 213th with a DI of 0.44. In terms of segregation between Whites and Hispanics, Riverside-San Bernardino-Ontario is ranked 118th with a DI of 0.42. The level of Hispanic isolation within the metro area, however, is notably high. Of the 384 metro areas studies, Riverside-San Bernardino-Ontario ranks 23rd for with an index value of 0.57.⁵¹

⁵¹ US 2010: America in the First Decade of the New Century. Residential Segregation data. Accessed on July 1, 2014. <http://www.s4.brown.edu/us2010/SegSorting/Default.aspx>

Housing Profile

This housing profile presents a snapshot of current housing conditions in San Bernardino County, including characteristics of the housing stock, recent market activity, affordability, subsidized housing locations, and the availability of accessible housing. To the extent data is available, each factor is examined relative to the location of protected classes, including racially and ethnically concentrated areas of poverty.

Housing Stock Characteristics

According to the 2009-2013 American Community Survey, there are an estimated 701,332 housing units in San Bernardino County, up 16.6% from 601,369 in 2000. Approximately 13.9% of the current housing stock is vacant (97,453 units), an increase of 1.8 percentage points since 2000. Vacancy rate in the County is well above the statewide rate of 8.6%, and slightly above the national rate of 12.5%. High residential vacancy can be symptomatic of imbalances in the housing market, such as an oversupply of housing, lack of demand for available units, or lack of appropriate housing options and price points.

Housing Units by Occupancy Status in San Bernardino County			
	2000	2009-2013	Change from 2000 to 2009-2013
Total Housing Units	601,369	701,332	16.6%
Occupied Housing Units	528,594	603,879	14.2%
Vacant Housing Units	72,775	97,453	33.9%
Vacancy Rate	12.1%	13.9%	+1.8 points

Sources: U.S. Census 2000 SF1 Table H003 and 2009-2013 5-Year American Community Survey Table B25002

As the table on the following page shows, the majority of housing units in the County are single-family detached (70.3%). Small multifamily structures with between 2 and 19 units make up 14.4% of the housing stock, while larger multifamily properties with 20 or more units constitute 5.4%, together totaling 19.8%. In comparison, multifamily units are nearly one-third of housing in California (31.0%) and one-quarter of housing throughout the U.S. (25.9%). Mobile homes make up 6.1% of units in the County, above the share in the state (3.8%) but comparable to that of the nation (6.5%).

Variety in terms of structure type is important in providing housing options suitable to meet the needs of all residents, including members of protected classes. Multifamily housing, including rental apartments, are often more affordable than single-family homes for low and moderate income

households, who are disproportionately likely to be racial or ethnic minorities. Multifamily units may also be the preference of elderly and disabled householders who are unable or do not desire to maintain a single-family home.

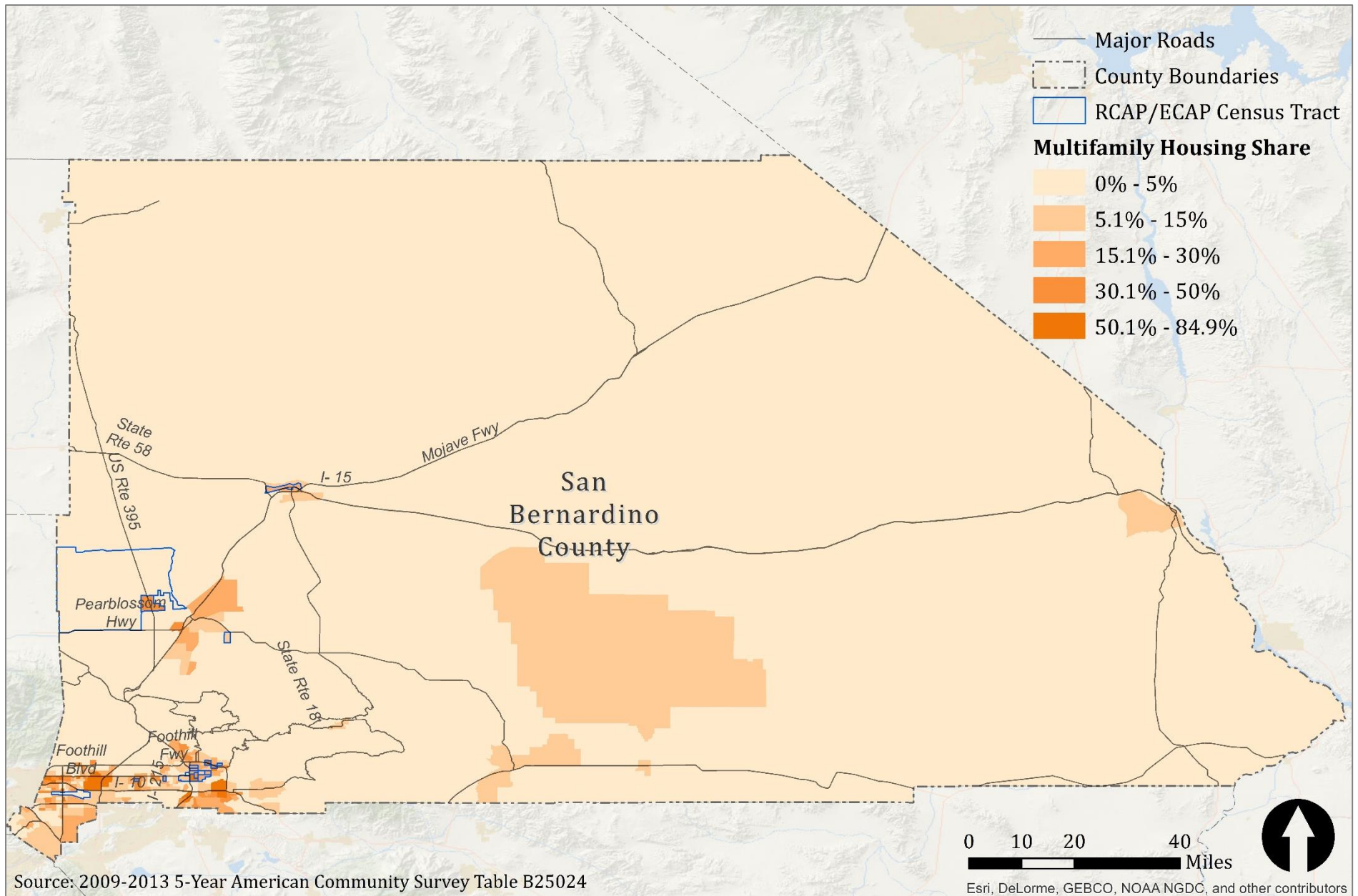
Since 2000, the biggest change in terms of structure type in San Bernardino County was the addition of 28,577 units in multifamily structures with 2 to 49 units and the loss of 6,255 units in structures with 50 or more units. The number of households living in other forms of housing (boats, RVs, vans, etc.) also declined – from 1,459 units in 2000 to 1,022 units in the 2009-2013 ACS estimates.

Housing Units by Structure Type in San Bernardino County					
Units in Structure	2000		2009-2013		Percent Change
	Number	Share	Number	Share	
1, detached	416,121	69.2%	493,098	70.3%	18.5%
1, attached	26,833	4.5%	25,767	3.7%	-4.0%
2-4	38,888	6.5%	47,898	6.8%	23.2%
5-19	36,586	6.1%	52,940	7.5%	44.7%
20-49	10,699	1.8%	13,912	2.0%	30.0%
50 or more	30,408	5.1%	24,153	3.4%	-20.6%
Mobile home	40,375	6.7%	42,542	6.1%	5.4%
Other (boat, RV, van, etc.)	1,459	0.2%	1,022	0.1%	-30.0%
Total	601,369	100.0%	701,332	100.0%	16.6%

Sources: U.S. Census 2000 SF3 H030 and 2009-2013 5-Year American Community Survey Table B25024

The map on the following page depicts units in structures with 5 or more units as a share of total housing units by census tract for San Bernardino County. As shown, multifamily units are concentrated in a few locations within the county, predominately in its more densely populated southwest corner. Eighteen of the 369 census tracts in the County are majority multifamily and together they total 21,230 units, which is 23.3% of all multifamily units countywide. Each of these tracts is within an incorporated area, including Rancho Cucamonga, Redlands, Colton, Grand Terrace, the City of San Bernardino, Fontana, Ontario, and Upland. Nearly half (45.8%) of census tracts in the County are fewer than 5% multifamily, including many incorporated areas, indicating that the availability of multifamily housing varies considerably.

Multifamily Housing (5 or More Unit Structures) as a Share of Total Units in San Bernardino County, 2009-2013



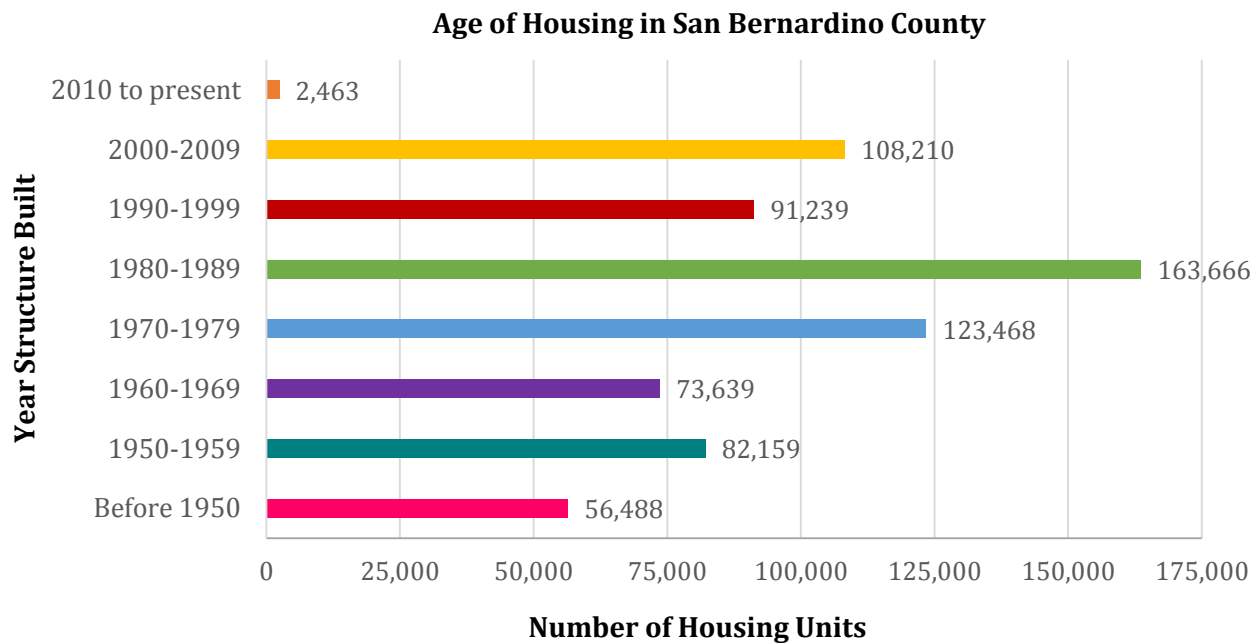
While not all multifamily housing are rental units, limitations on apartment development are more likely to affect Black and Hispanic households than Whites. As the table below shows, tenure varies by householder race, with renters making up 59.3% of Black and 43.5% of Hispanic households, compared to only 29.5% of White households. Other portions of this analysis including the zoning and land use section delve further into the link between multifamily housing regulations and potential impacts on fair housing choice.

Housing Units by Tenure in San Bernardino County, 2009-2013				
Tenure	All Units	Occupied Units		
		White Householder	Black Householder	Hispanic Householder
Occupied Units	603,879	260,646	55,705	235,889
Renter-Occupied Units	230,066	76,771	33,018	102,726
Renter Share	38.1%	29.5%	59.3%	43.5%
Owner-Occupied Units	373,813	183,875	22,687	133,163
Owner Share	61.9%	70.5%	40.7%	56.5%

Sources: 2009-2013 5-Year American Community Survey Tables B25003, B25003B, B25003H, and B25003I

The age of an area's housing stock can have substantial impact on housing conditions and costs. As housing ages, maintenance costs rise, which can present significant affordability issues for low- and moderate-income homeowners. Aging rental stock can lead to rental rate increases to address physical issues, or deteriorating conditions if building owners opt to defer maintenance. Additionally, homes built prior to 1978 present the potential for lead exposure risk due to lead-based paint.

The figure on the following page shows the age of housing stock for San Bernardino County. The largest share of homes were built during the 1980s (23.3%), followed by the 1970s (17.6%). Recent home construction (since 2000) constitutes 15.8% of housing in the County, compared to 15.3% statewide and 12.2% in the U.S. San Bernardino County has a lower share of pre-1950s homes than the comparison geographies. Eight percent (8.1%) of homes countywide were built prior to 1950 versus about 16-19% in the state and nation. Homes at elevated risk for lead hazard exposure (those built before 1980) are nearly half (47.9%) of the County's housing stock, indicating that continued education and remediation efforts are needed.



Source: 2009-2013 5-Year American Community Survey Table B25034

Housing conditions in the RCAP/ECAP census tracts are summarized in the table that follows, with comparisons to San Bernardino County, the State of California and the U.S. As shown, of the 32,669 units located in RCAP/ECAP, 13.6% are vacant, a rate on par with that of the County but above vacancy levels for the state and nation.

The majority of households in RCAP/ECAPs rent their homes (69.8%), which is a considerably higher share than any of the comparison geographies. In terms of structure type, single family homes make up the majority of the units in the RCAP/ECAPs, although these areas have a more diverse housing stock than San Bernardino County, California, or the U.S.: 29.5% of units are in small multifamily structures (2 to 19 units), 12.7% are in large multifamily structures (20 or more units), and 6.1% are mobile homes. Other forms of housing (boats, RVs, vans, etc.) make up 0.4% of housing, four times the level in comparison geographies.

Housing in RCAP/ECAPS tends to be older. Over one-fifth of units (22.9%) were built before 1950, and 68.0% were built before 1980. The median year built is 1967, fourteen years earlier than the median for San Bernardino County.

Finally, RCAP/ECAP housing tends to cost less than comparison geographies, not surprising given that households in poverty have less income to spend on housing. The median gross rent of \$834 is \$268 below the median for the County, but only \$70 below the median for the nation. These comparisons reflect that while rental rates in RCAP/ECAPs may be more affordable than San Bernardino County and California, they are not remarkably so in comparison to the U.S. The median

monthly owner cost for households with a mortgage is \$1,167 in the RCAP/ECAP tracts, which is \$661 less than the median for the County and \$1,103 less than that of the state.

Housing Indicators in RCAP/ECAP Census Tracts				
Indicator	RCAP/ECAP Census Tracts	San Bernardino County	State of California	United States
Total Units	32,669	701,332	13.7 million	132.1 million
Vacancy Rate	13.6%	13.9%	8.6%	12.5%
Occupied Units	28,228	603,879	12.5 million	115.6 million
Renter Share	69.8%	38.1%	44.7%	35.1%
Owner Share	30.2%	61.9%	55.3%	64.9%
Structure Type				
Single Family (detached or attached)	51.3%	74.0%	65.1%	67.5%
Small Multifamily (under 20 units)	29.5%	14.4%	19.5%	17.4%
Large Multifamily (20+ units)	12.7%	5.4%	11.5%	8.5%
Mobile Homes	6.1%	6.1%	3.8%	6.5%
Other (boat, RV, van, etc.)	0.4%	0.1%	0.1%	0.1%
Age of Housing				
Built before 1950	22.9%	8.1%	15.9%	18.9%
Built from 1950 to 1980	45.1%	39.8%	45.9%	38.0%
Median Year Built	1967	1981	1974	1976
Cost of Housing				
Median Rental Rate	\$834	\$1,102	\$1,224	\$904
Median Monthly Owner Costs (mortgage)	\$1,167	\$1,828	\$2,270	\$1,540
Median Monthly Owner Costs (no mortgage)	\$318	\$412	\$483	\$452

Sources: 2009-2013 5-Year American Community Survey

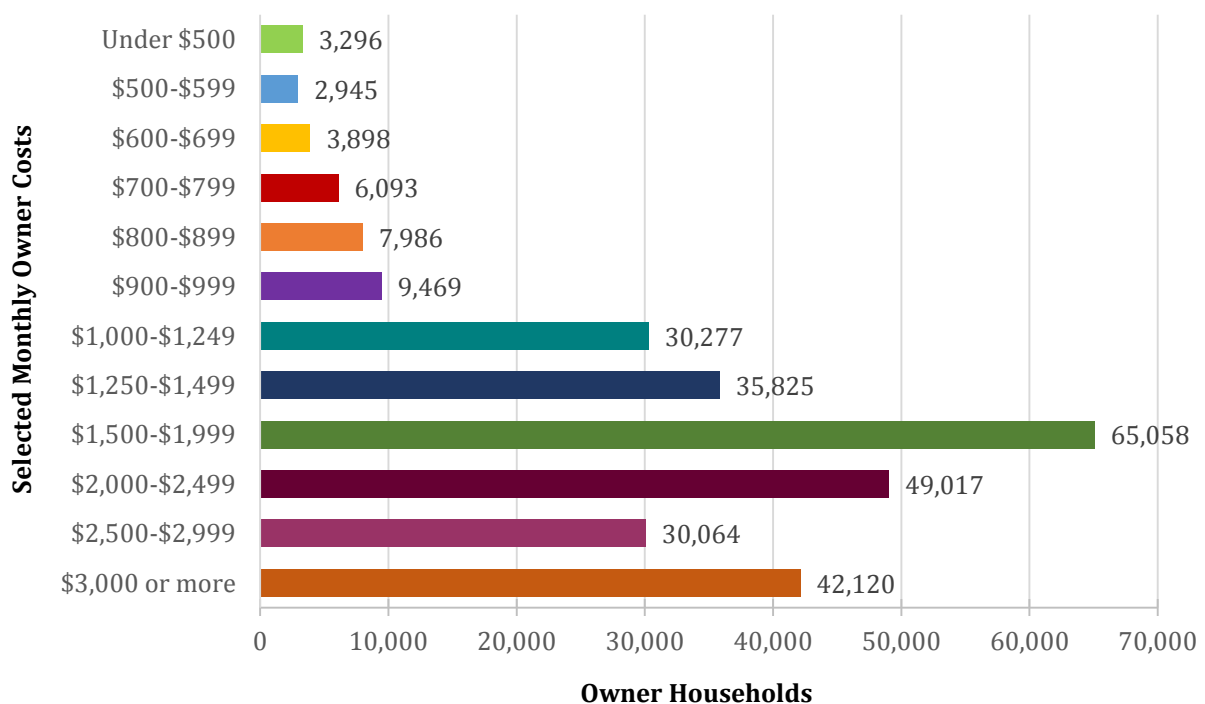
Housing Costs and Market Activity

The for-sale housing market in San Bernardino County is continuing to recover after sales prices and volumes fell during and following the Recession. As of January 2014, the median sales price for existing single-family detached homes in the County was \$190,540, representing steady increases from medians of \$154,500 in January 2013 and \$129,920 in January 2012. While prices have climbed in recent years, they remain below those of pre-Recession years; the January 2014 median sales price is 26% below that of January 2008.⁵²

⁵² San Bernardino County 2014 Community Indicators Report by the Community Foundation, Accessed via http://cms.sbcounty.gov/Portals/21/Resources%20Documents/CIR_2014_Report.pdf

The distribution of monthly owner costs, including mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees, for San Bernardino County households with mortgages is provided below. The most common range of monthly housing costs is from \$1,500 to \$1,999 (which includes 22.7% of homeowners), followed by \$2,000 and \$2,499 (17.1%), and over \$3,000 (14.7%). Only 11.8% of homeowners with mortgages spend less than \$1,000 a month on housing costs. According to the 2009-2013 ACS data, the median monthly owner costs for households with a mortgage is \$1,828, which is \$442 below the California median but \$288 above the national median. San Bernardino County owners without a mortgage have median monthly housing costs of \$412.

Selected Monthly Owner Costs for Households in San Bernardino County



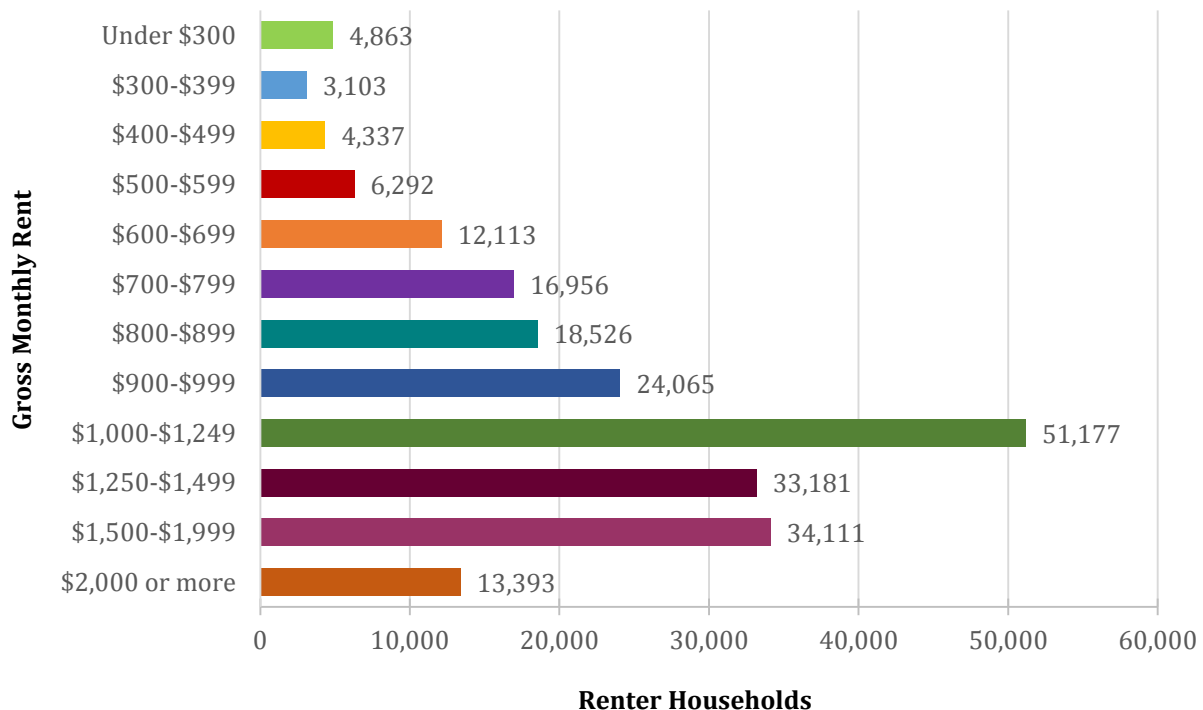
Source: 2009-2013 5-Year American Community Survey Table B25087

In their Fourth Quarter 2014 *Apartment Research Market Report*, Marcus & Millichap describe a strong apartment market in the Riverside-San Bernardino metro area, fueled by continued demand from young adults and employment gains as the area recovers from the Recession. The *Market Report* estimates rental apartment vacancy in the metro area at 4.0%, down from 4.9% a year ago. Average monthly rent is estimated at \$1,156, up from \$1,099 in January 2013.⁵³

⁵³ Apartment Research Market Report for the Riverside-San Bernardino Metro Area, Fourth Quarter 2014, Marcus & Millichap, Accessed via <http://www.marcusmillichap.com/research/researchreports/reports/2014/11/14/riverside-apartment-research-report>

Gross rent, which includes contract rent plus utilities (electricity, gas, heating fuel, and water and sewer), for San Bernardino County households is shown below. The largest share of renters (23.0%) spend between \$1,000 and \$1,249 on housing costs each month; about 15% of renters spend between \$1,250 and \$1,499 and another 15% between \$1,500 and \$1,999. Less than one-tenth of renters spend under \$500 on housing costs per month. The 2009-2013 ACS shows a median rent of \$1,102 for San Bernardino County. Like median owner costs, this figure is below the state median (by \$122) but above the national median (by \$198). Housing costs relative to income will be assessed in the discussion of affordability and housing problems.

Gross Rent for Renter Households in San Bernardino County



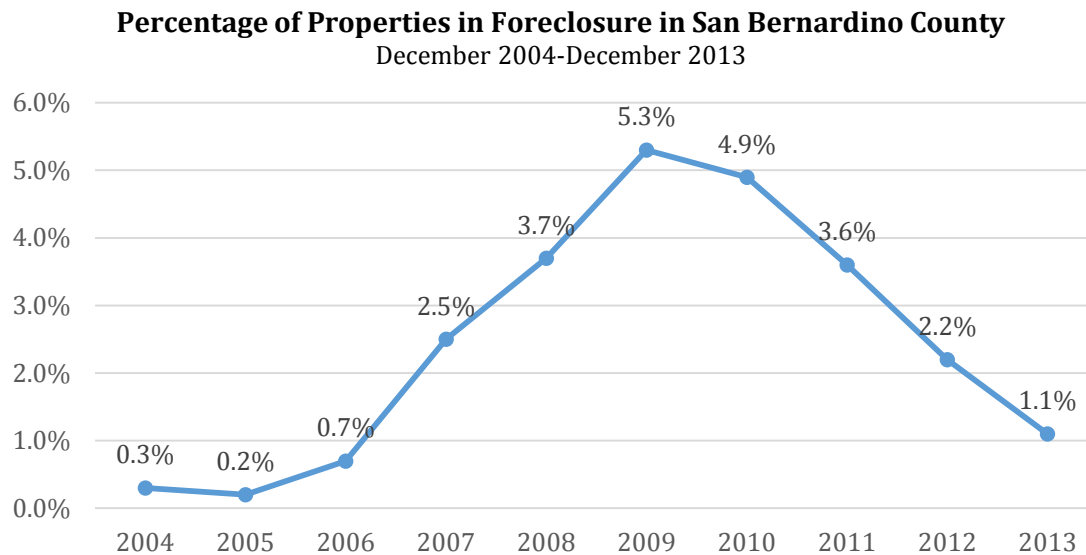
Source: 2009-2013 5-Year American Community Survey Table B25063

Foreclosures

The Riverside-San Bernardino County metro area faced a high number of foreclosures during and following the 2007 to 2009 Recession. As of mid-2012, the MSA showed the highest rate of foreclosure filings among the country's 20 largest metropolitan areas, with one in every 179 housing units in some form of foreclosure.⁵⁴ The *San Bernardino County 2014 Community Indicators Report* tracks the rate of foreclosures in the County from 2004 through 2013. They show a sharp

⁵⁴ "Riverside-San Bernardino posts nation's highest foreclosure rate," from *L.A. Biz* on June 14, 2012. Accessed via <http://www.bizjournals.com/losangeles/news/2012/06/14/riverside-san-bernardino-posts.html>.

rise from 0.2% of all residential properties in 2005 to 5.3% in 2009, falling considerably since then to reach 1.1% in 2013.



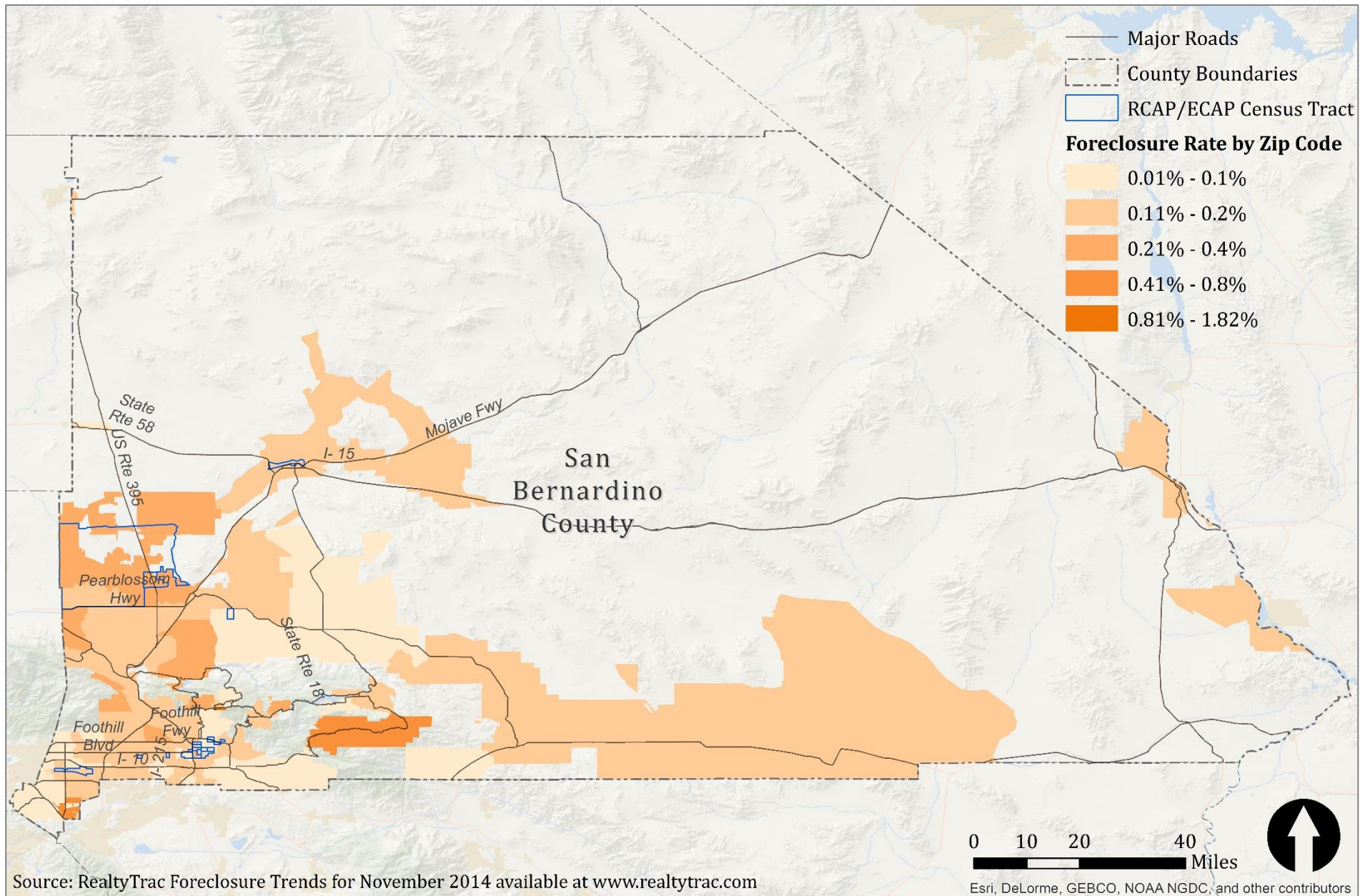
Source: San Bernardino County 2014 Community Indicators Report by the Community Foundation, Accessed via http://cms.sbcounty.gov/Portals/21/Resources%20Documents/CIR_2014_Report.pdf

High foreclosure and mortgage default rates often lead to large numbers of short sales and REO (real estate owned) sales, in which properties are sold for less than what is owed on the mortgage. The 2014 *Community Indicators* study reports that 18% of homes sold in San Bernardino County were either short sales or REO sales as of December 2013, down from 64% in December 2009. This inventory of bank-owned properties expands the local supply of homes available for sale, while stricter lending requirements enacted following the foreclosure crisis constrict the demand pool, together leading to lower sale prices and decreased property values. This decline in property values may put many mortgages underwater, a situation in which a homeowner owes more on their mortgage than the property is worth. According to the *Community Indicators*, one-fifth (21%) of San Bernardino County homes with mortgages were underwater as of September 2013, down from over half (54%) in September 2009.

While the housing market in San Bernardino County shows signs of recovery, foreclosure levels in the County remain above those of the state and nation. According to RealtyTrac's November 2014 estimates, 1 in 791 housing units in the County is in foreclosure (0.13%), compared to 0.07% for the State of California and 0.09% for the U.S. The map on the following page identifies foreclosure rates by zip code for San Bernardino County as of November 2014. Most high foreclosure rates are in unincorporated parts of the County, including Big Bear City and the area to its south, Silver Lakes and the surrounding area, Pinon Hills, Crestline, and the area west of Adelanto. Incorporated areas

with more than 0.2% of homes in foreclosure include Adelanto, northern Rialto, and southern Chino. For the most part, the high foreclosure rate areas do not include RCAP/ECAP census tracts, with the exception of two tracts in Adelanto.

Share of San Bernardino County Housing Units in Foreclosure by Zip Code, November 2014



Affordability and Housing Problems

To assess affordability and other types of housing needs, HUD identifies four types of housing problems:

1. A household is cost burdened if monthly housing costs (including property taxes, insurance, energy payments, water/sewer service, and trash collection for owners and utilities for renters) exceed 30% of monthly household income. A severe cost burden occurs when more than 50% of monthly household income is spent on monthly housing costs.
2. A household is overcrowded if there is more than 1.0 persons per room, not including kitchens and bathrooms. A household is severely overcrowded if there are more than 1.5 persons per room, not including kitchens or bathrooms.
3. A housing unit lacks complete kitchen facilities if it lacks one or more of the following facilities: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit lacks complete plumbing facilities if it lacks one or more of the following facilities: hot and cold piped water, a flush toilet, and a bathtub or shower.

HUD receives a special tabulation of data from the U.S. Census Bureau's American Community Survey that is largely not available through standard Census products. This data, known as the Comprehensive Housing Affordability Strategy (CHAS) data, counts the number of households that fit certain combinations of HUD-specified criteria, such as housing needs by income level, race, and ethnicity. CHAS data for low- and moderate-income households in San Bernardino County (households with incomes of 80% area median income or less) is provided below.

Housing Problems for Households with Incomes 80% AMI or Less in San Bernardino County				
Housing Problem	Renter Households	Owner Households	Total Households	Share of Total Households
Cost Burden	32,826	27,725	60,551	64.3%
Severe Cost Burden	18,526	17,007	35,533	37.7%
Overcrowded	8,097	5,084	13,181	14.0%
Lacking Complete Kitchen or Plumbing	1,293	871	2,164	2.3%
Total Households Under 80% AMI			94,156	100.0%

Source: 2007-2011 CHAS

According to the 2007-2011 CHAS data, there are an estimated 60,551 low- to moderate-income households in San Bernardino County with a cost burden. Of these, 35,533 have a severe cost burden. After affordability, overcrowding is the second most common problem, affecting 13,181 households or 14.0% of all low- or moderate-income households in the County. A small share of units (2.3% or 2,164 units) lack complete kitchen and/or plumbing facilities. Stakeholder input and

community survey results echo these findings, indicating that affordability is one of the primary concerns for San Bernardino County households.

CHAS data also identifies the incidence of housing needs by householder race and ethnicity, provided in the table below for low- and moderate-income households in San Bernardino County. As shown, 74.1% of all households with incomes below 80% AMI have at least one housing problem. For Black, Hispanic, and Pacific Islander householders, this rate is higher, ranging from 80.5% for Hispanics to 88.7% for Pacific Islanders. In comparison, 64.3% of White householders have one or more housing problems.

The incidence of severe housing problems are also more pronounced for minority households. Forty percent (39.6%) of White householders have a severe housing need, compared to 60.0% for African Americans, 56.8% for Asians, 69.8% for Pacific Islanders, and 59.6% for Hispanics. As these data show, the need for affordable housing of appropriate size and with complete facilities is more acute for minority households. Thus, limitations on the development of affordable units or other housing assistance are more likely to affect Black and Hispanic households than Whites.

Housing Problems for Households with Incomes 80% AMI or Less in San Bernardino County					
Householder Race	All Households	Households with Housing Problems*		Households with Severe Housing Problems**	
		Number	Rate	Number	Rate
Non-Hispanic					
White	98,250	63,140	64.3%	38,930	39.6%
Black	24,755	21,045	85.0%	14,845	60.0%
Asian	9,595	7,175	74.8%	5,450	56.8%
American Indian	1,859	1,400	75.3%	915	49.2%
Pacific Islander	530	470	88.7%	370	69.8%
Other/multiple races	4,261	3,080	72.3%	2,125	49.9%
Hispanic	105,200	84,735	80.5%	62,715	59.6%
Total Households	244,450	181,045	74.1%	125,350	51.3%
Minority Households	146,200	117,905	80.6%	86,420	59.1%

* Includes households with one or more of the following housing problems: cost burden, overcrowding, lack of complete kitchen, and lack of complete plumbing.

** Includes households with one or more of the following severe housing problems: severe cost burden, severe overcrowding, lack of complete kitchen, and lack of complete plumbing.

Source: 2007-2011 CHAS

The map on the following page shows the share of households within each census tract that have one or more of these housing needs. Areas with the highest concentration of housing needs (above 80% of households) include five census tracts – three in the City of San Bernardino, one in Big Bear Lake, and one in Rialto.

Other areas with high concentrations of housing needs (60.1% to 80% of households having 1 or more needs) are predominately located in the City of San Bernardino, Big Bear Lake, Highland, Montclair, Fontana, and Rialto. Three tracts in Adelanto had between 60.1% and 80% of households with needs, as did two unincorporated County areas – one to east of Lake Arrowhead and one to the west of Fontana.

Five of the census tracts with housing need concentrations (over 60% of households with one or more needs) are also areas of concentrated poverty and minority population. These include tracts 64.02, 65, and 74.07 in San Bernardino, tract 91.16 in Adelanto, and tract 37 in Rialto.

Renter Affordability and Wages

As we have seen, low- and moderate-income minority households are more likely to face housing needs than their White counterparts. Members of other protected classes, including people with disabilities and female householders with children, may also have lower incomes and thus face greater difficulty finding suitable affordable housing. Cost burdened households, especially renters, may be least able to cope with unforeseen financial setbacks such as a job loss or reduction in hours, temporary illness, or divorce. These constraints may force a choice between covering housing costs, purchasing food, or paying for healthcare, potentially putting households at risk for foreclosure, bankruptcy, or eviction. The National Low Income Housing Coalition's annual *Out of Reach* report examines rental housing rates relative to income levels for counties throughout the U.S. The figure below shows annual household income and hourly wages needed to afford Fair Market Rents (FMRs) in San Bernardino County for one, two, and three bedroom rental units.

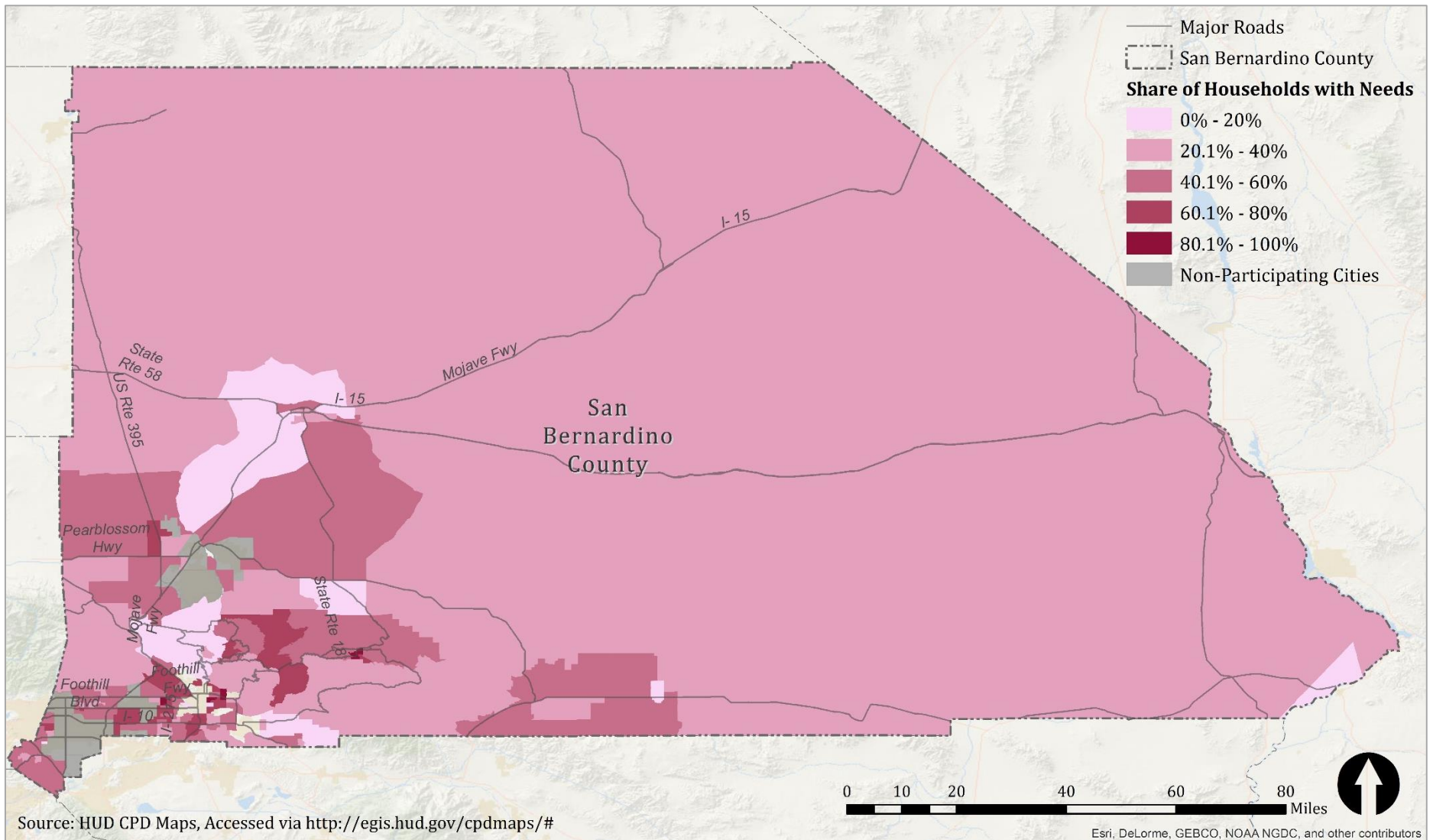
Required Income, Wages, and Hours to Afford Fair Market Rents in San Bernardino County, 2014

Housing Costs (Fair Market Rents)	Required Annual Income	Wage for 40 Hour Week	Hours at Min. Wage	Hours at Avg. Renter Wage
1 Bedroom: \$882	\$35,280	\$17/hour	85 hours	55 hours
2 Bedroom \$1,102	\$44,800	\$22/hour	108 hours	69 hours
3 Bedroom: \$1,582	\$63,280	\$30/hour	152 hours	98 hours

Note: Required income is the annual income needed to afford Fair Market Rents without spending more than 30% of household income on rent. Minimum wage in San Bernardino County at the time of this analysis was \$8.00; average renter wage was \$12.44.

Source: National Low Income Housing Coalition *Out of Reach* 2014, Accessed from <http://nlihc.org/oor/2014>

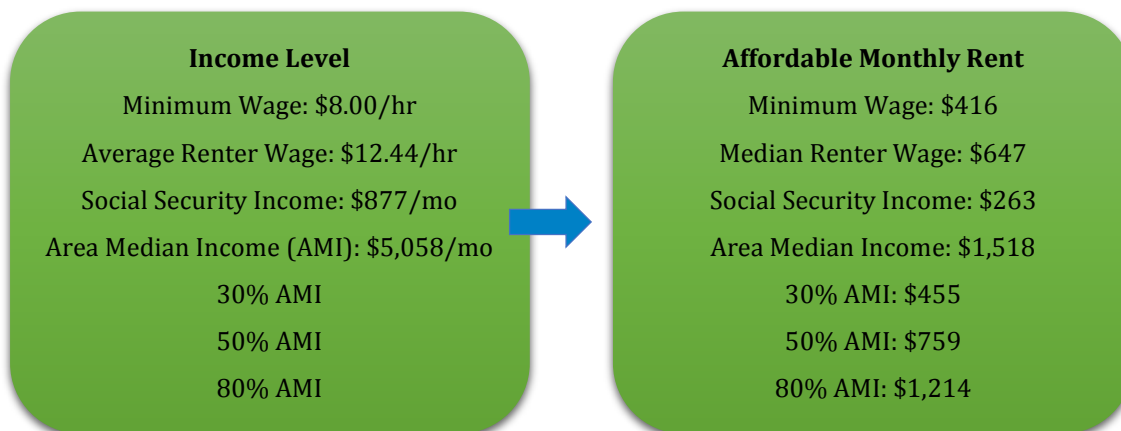
Share of Households with One or More Housing Needs by Census Tract in San Bernardino County



To afford a one bedroom rental unit at the San Bernardino County FMR of \$882 without being cost burdened would require an annual income of at least \$35,280. This amount translates to a 40 hour work week at an hourly wage of \$17, an 85 hour work week at the a minimum wage of \$8, or a 55 hour work week at the average renter wage of about \$12. (Note that since the time the Low Income Housing Coalition prepared these figures, the minimum wage in California was raised to \$9.) The two bedroom FMR of \$1,102 translates to an hourly wage of \$22, a 108 hour work week at minimum wage, or a 69 hour work week at the average renter wage. Statewide, a minimum wage employee would need to work more hours than in San Bernardino County: 102 hours to afford a one bedroom unit and 130 hours for a two bedroom. At the statewide average renter wage, however, only 44 hours are needed to afford a one bedroom apartment and 56 for a two bedroom. These figures indicate that while rents may be lower in San Bernardino County than they are statewide, lower renter wages make rental housing less affordable overall.

The figure below, also generated based on *Out of Reach* data, identifies affordable monthly rents in San Bernardino given a range of incomes. The only income levels at which the one and two bedroom FMRs of \$882 and \$1,102 are affordable are at the area median income (AMI) and 80% AMI. The three bedroom FMR of \$1,582 is not affordable at any of the income levels examined here.

Affordable Monthly Rent by Income Level in San Bernardino County, 2014



Source: National Low Income Housing Coalition Out of Reach 2014, Accessed from <http://nlihc.org/oor/2014>

Subsidized and Accessible Housing

San Bernardino County residents who are unable to afford housing often turn to subsidized housing and/or housing programs for assistance. The subsidized housing options available in the County include traditional public housing units, Housing Choice Vouchers, housing units financed by Low-Income Housing Tax Credit (LIHTC), and properties funded in part by federal funds provided under the HOME program. Though the structures of each of these programs vary considerably, they all generally reduce a tenant's cost burden through the application of some form of subsidy.

The table below characterizes public housing residents and housing choice voucher holders by race, ethnicity, sex, familial status, and disability status. As shown, 85% of public housing residents and 83% of housing choice voucher (HCV) holders are minorities, compared to 67% of the population countywide. More specifically, African American residents comprise 34% of public housing residents and 55% of voucher holders, well above the 8% population share throughout the County. Hispanic residents make up 49% of the County, 45% of public housing residents, and 27% of voucher holders.

Female householders make up a majority of subsidized housing residents (79% of public housing households and 85% of voucher households) compared to only 28% of all San Bernardino County households. Households with children are also overrepresented in the subsidized housing population (60% and 50%) compared to the County as a whole (46%). Similarly, disabled residents constitute 11% of the County population, 13% of public housing residents, and 20% of housing choice voucher holders.

Profile of Subsidized Housing Residents in San Bernardino County, 2013		
Characteristic	Public Housing	Housing Choice Vouchers
Housing Characteristics		
Total Units	1,380	9,618
Occupancy Rates	93%	99%
Total Persons Housed	3,959	25,093
Average Tenure	7.7 years	8.0 years
Average Waiting List	1.5 years	6.7 years
Resident Characteristics		
Racial Composition		
Minority	85%	83%
Black	34%	55%
Asian	8%	2%
Hispanic	45%	27%
Sex of Householder		
Female Householder	79%	85%
Familial Status		
Households with Children	60%	50%
Female Householders with Children	53%	46%
Disability Status		
Disabled Residents	13%	20%

Source: HUD Picture of Subsidized Households, Accessed from <http://www.huduser.org/portal/datasets/picture/yearlydata.html>

Overall, subsidized housing residents are considerably more likely to be members of protected classes based on race, sex, familial status, and disability status than are residents throughout the County. Geographic concentrations of public housing and housing choice voucher units may, therefore, contribute to concentrations of protected classes.

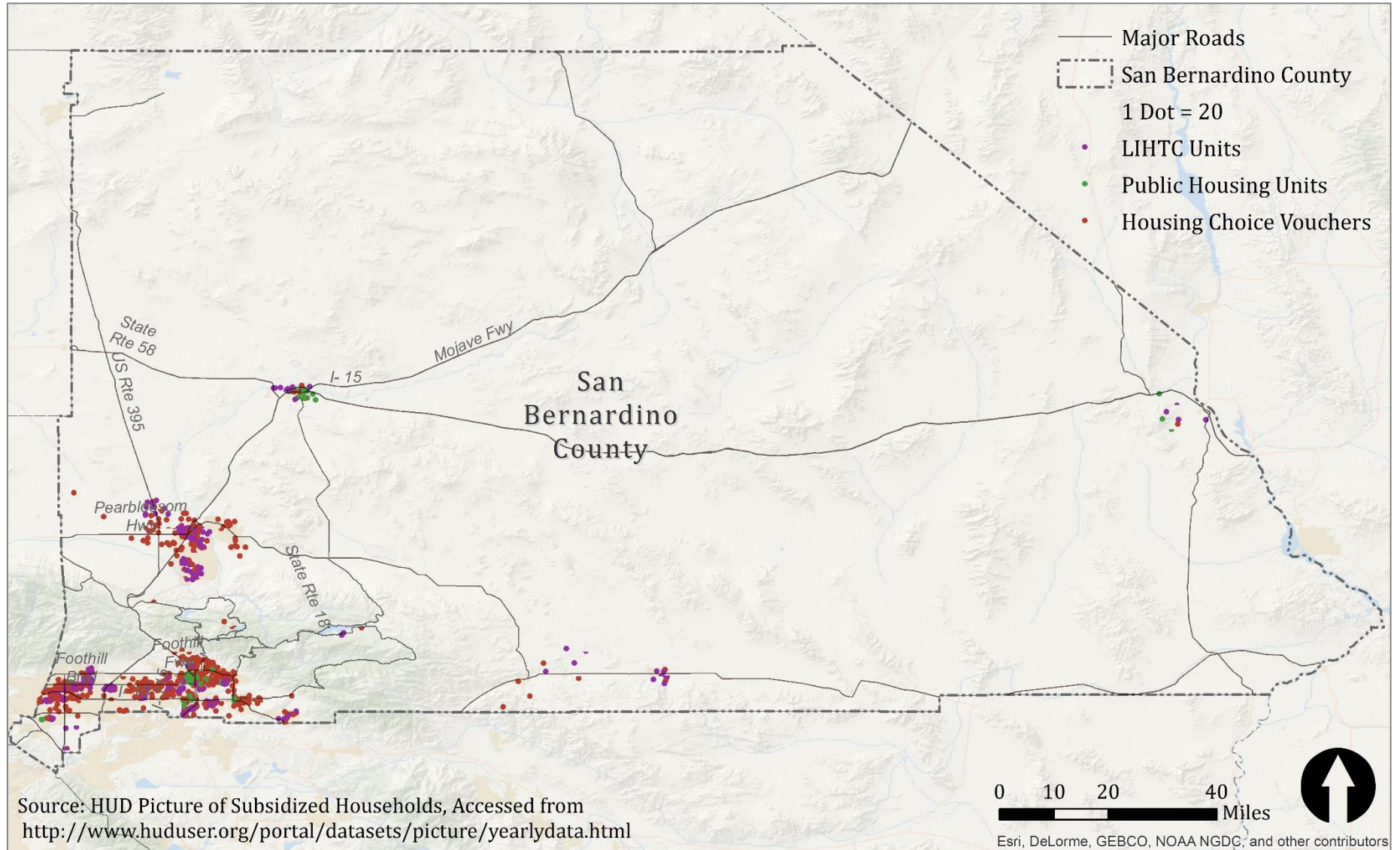
The map that follows identifies locations of public housing, HCV, and LIHTC units throughout San Bernardino County. As shown, the majority of these units are concentrated in the City of San Bernardino, Colton, Loma Linda, Montclair, Rancho Cucamonga, Redlands, Yucaipa, Rialto, Chino, Fontana, Ontario, and Upland. A second concentration of subsidized housing is further north along I-15, in Victorville, Adelanto, Hesperia, and Apple Valley. Barstow also includes a significant number of LIHTC, HCV, and public housing units.

To get a sense of areas where there is a disproportionate number of subsidized housing units, the geographic distribution of rent-assisted housing in San Bernardino County was compared to the geographic distribution of all housing units. Twenty tracts showed a noticeably higher share of the County's subsidized housing than of its total units. They include four tracts in Victorville, four in the City of San Bernardino, two in Hesperia, two in Upland, and one each in Rancho Cucamonga, Montclair, Redlands, Fontana, Rialto, Adelanto, Highland and Colton. Together these 20 tracts account for 34.5% of subsidized units, compared to 5.9% of total units. This analysis shows that while rent-assisted units exist within many of the incorporated areas throughout the County, they tend to be concentrated within a few tracts within those cities. Going forward, the County should develop an affordable housing strategy that closely considers locations of potential subsidized housing developments relative to community amenities; educational, economic, and other opportunities; and concentrations of existing low-income housing.

Accessible Housing

The availability and location of accessible housing units is important in assessing housing choice for persons with a disability. While a comprehensive database of all accessible units in the County is not available, HUD's Inventory Survey of Units for the Elderly and Disabled identifies multifamily housing that serves persons with disabilities and elderly populations. The inventory database is designed to assist prospective applicants with locating units in HUD-insured or HUD-subsidized multifamily properties. These units tend to offer rental assistance and housing credit programs funded through various federal sources. The properties listed below offer a combined total of 2,451 federally-assisted units. Out of the total number of assisted units, 491 or 20.0%, are designated for elderly persons and 177 (7.2%) are designated for disabled persons. A total of 325 units (13.3%) include accessible features.

Subsidized Housing Units by Census Tract in San Bernardino County, 2013



Multifamily Housing Units for the Elderly and Disabled in San Bernardino County							
Property Name	Occupancy Eligibility	Number of Units					Bedrooms Available
		Total	Assisted	Designated for Elderly	Designated for the Disabled	With Accessible Features	
City of Barstow							
Virginia Terrace	Family	76	75	0	0	4	1, 2, 3
City of Chino							
Steelworkers Oldtimers Center	Elderly & Disabled	84	84	84	0	9	1
Vista Park Chino	Family	40	40	0	2	2	2, 3
City of Claremont							
Access Village	Elderly & Disabled	24	22	0	24	19	1, 2
Claremont Village Commons	Family	150	148	0	0	0	2, 3
City of Colton							
Rancho & Mill Apartments	Family	129	129	0	0	129	1, 2, 4, 6
City of Fontana							
Dino Papavero Senior Centre	Elderly & Disabled	150	149	0	0	15	1
Marygold Gardens Apartments	Family	80	80	0	0	0	1, 2, 3, 6
Sonrise Senior Citizen Villa	Elderly & Disabled	80	79	N/A	N/A	3	0, 1
City of Montclair							
Briarwood Manor	Elderly & Disabled	100	40	100	100	0	0, 1, 2
City of Needles							
Lilly Hill Apartments	Family	52	50	0	2	2	1, 2, 3
City of Ontario							
Ontario Townhouses	Family	86	86	0	0	0	2, 3
The Grove	Elderly & Disabled	101	100	0	0	0	1
City of Pomona							
Subsidized Housing Corp 65	Family	31	31	0	0	0	5

Source: HUD's Multifamily Housing Inventory Survey of Units for the Elderly and Disabled, Accessed via <http://www.hud.gov/offices/hsg/mfh/hsgrent.cfm>

Multifamily Housing Units for the Elderly and Disabled in San Bernardino County (continued)							
Property Name	Occupancy Eligibility	Number of Units					Bedrooms Available
		Total	Assisted	Designated for Elderly	Designated for the Disabled	With Accessible Features	
City of Redlands							
Casa de la Vista	Elderly & Disabled	75	N/A	68	N/A	6	0, 1
Citrus Arms	Elderly & Disabled	61	60	0	0	61	1, 2
City of Rialto							
Willow Village	Family	100	100	0	0	0	2, 3
City of San Bernardino							
Arrowhead Vista Apartments	Disabled	40	39	0	40	30	0, 1, 2
Beautiful Light Inn	Elderly/Disabled	100	100	0	0	10	1, 2
Foothill Villas	Family	239	237	0	0	0	1, 2, 3
Meadowbrook Park & Tower Apts.	Family	306	211	0	0	0	0, 1, 2, 3
San Bernardino Village Green	Family	184	65	0	0	0	2, 3
St. Bernardine Plaza	Elderly	150	150	150	0	15	1
City of Twentynine Palms							
Adobe Villas Apartments	Family	35	35	0	0	2	1, 2, 3
The Twentynine Palms	Family	48	47	0	0	3	1, 2, 3
City of Upland							
Sycamore Terrace	Elderly & Disabled	100	98	89	9	9	1, 2
City of Victorville							
Rodeo Drive Apartments	Family	98	98	0	0	0	1, 2, 3
Sherwood Villa	Family	101	98	0	0	6	2, 3
SAN BERNARDINO COUNTY TOTALS		2,820	2,451	491	177	325	

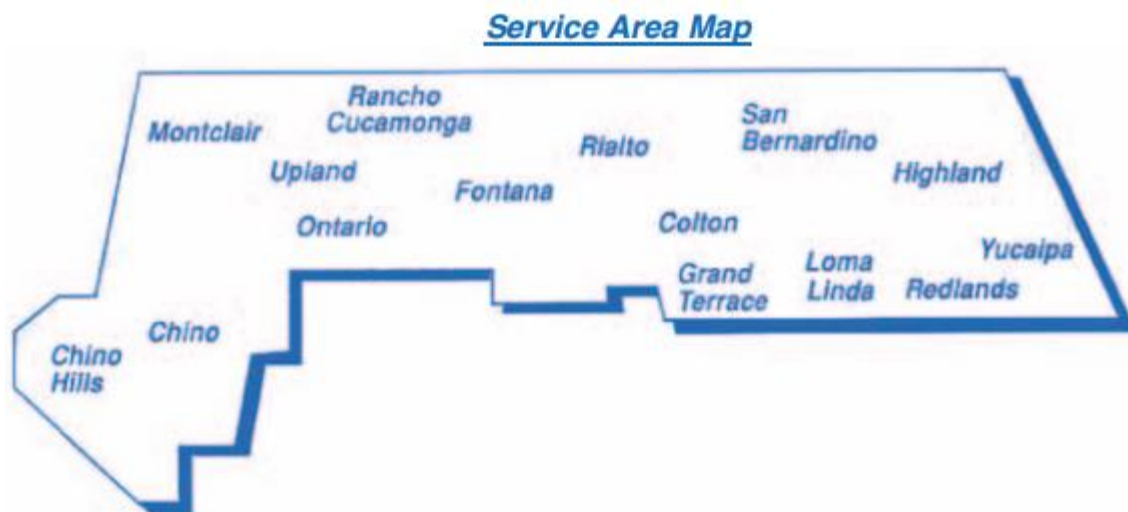
Source: HUD's Multifamily Housing Inventory Survey of Units for the Elderly and Disabled, Accessed via <http://www.hud.gov/offices/hsg/mfh/hsgrent.cfm>

Public Investment, Infrastructure, & Education

Public investment in transportation and infrastructure has an impact on both housing availability and affordability. Within the county study area, the availability and affordability of housing are linked to public resources that are expended for essential services. This section addresses transportation services, the availability of safe and accessible water, and the availability of sanitary sewer systems that collect, treat, and discharge wastewater.

Transportation

Since 1976, San Bernardino County has been served by the OmniTrans public transit system in the urbanized areas of the County. OmniTrans is the major public transportation provider in the San Bernardino Valley, with a service area of approximately 456 square miles, serving fifteen municipalities, and many unincorporated areas of San Bernardino County. Additionally, Omnitrans travels beyond the service area to neighboring transit agencies in Pomona and Riverside. The service area is bordered by the Los Angeles County line to the west, the San Gabriel and San Bernardino Mountains to the north, Yucaipa in the east and the Riverside County line to the south. The map below shows the Omnitrans service area.

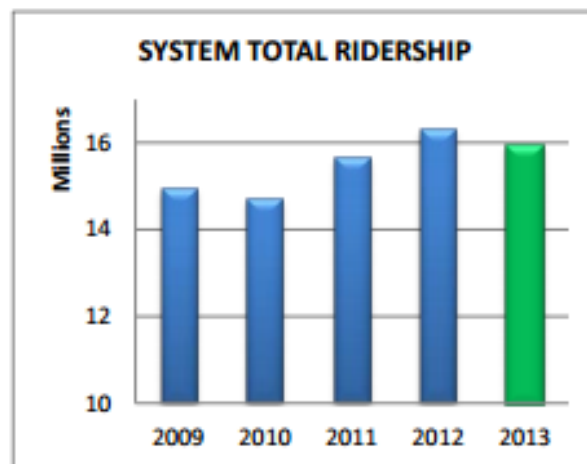


Omnitrans uses a multimodal approach to meet the bus transportation service demands of the County to include: 27 local fixed route services, express fixed route services, Metrolink Regional commuter rail feeder service, Access para-transit service, OmniLink demand-response service, and OmniGo circulator service.

Fares for local buses, express routes, and OmniGo bus service are the same. A one-way trip is \$1.75, an all-day pass is \$5.00, a pass for seven days is \$18.00, and a pass for 31 days is \$55.00. Reduced fares are offered for youth, senior citizens, disabled, and youth with proof

of eligibility. Reduced fares are: \$.75 for a one-way trip, \$2.25 for an all-day pass, \$8.00 for a seven day pass, and \$27.50 for a 31 day pass. A different fare structure is used for ADA bus transit which includes \$3.25 for zone 1-3, \$1.00 per additional zone, and \$5.00 to travel outside of the boundaries.⁵⁵

In 2013, ridership on all of Omnitrans' services totaled 15,908,748 trips, which is a 2.3 percent decrease from 2012. On the national level, public transit ridership was up 1.1 percent overall but transit bus ridership was down 0.1 percent and for transit systems serving populations similar to Omnitrans, ridership decreased by 1.1 percent compared to 2012. The chart at left displays the system-wide ridership trend from 2009-2013.

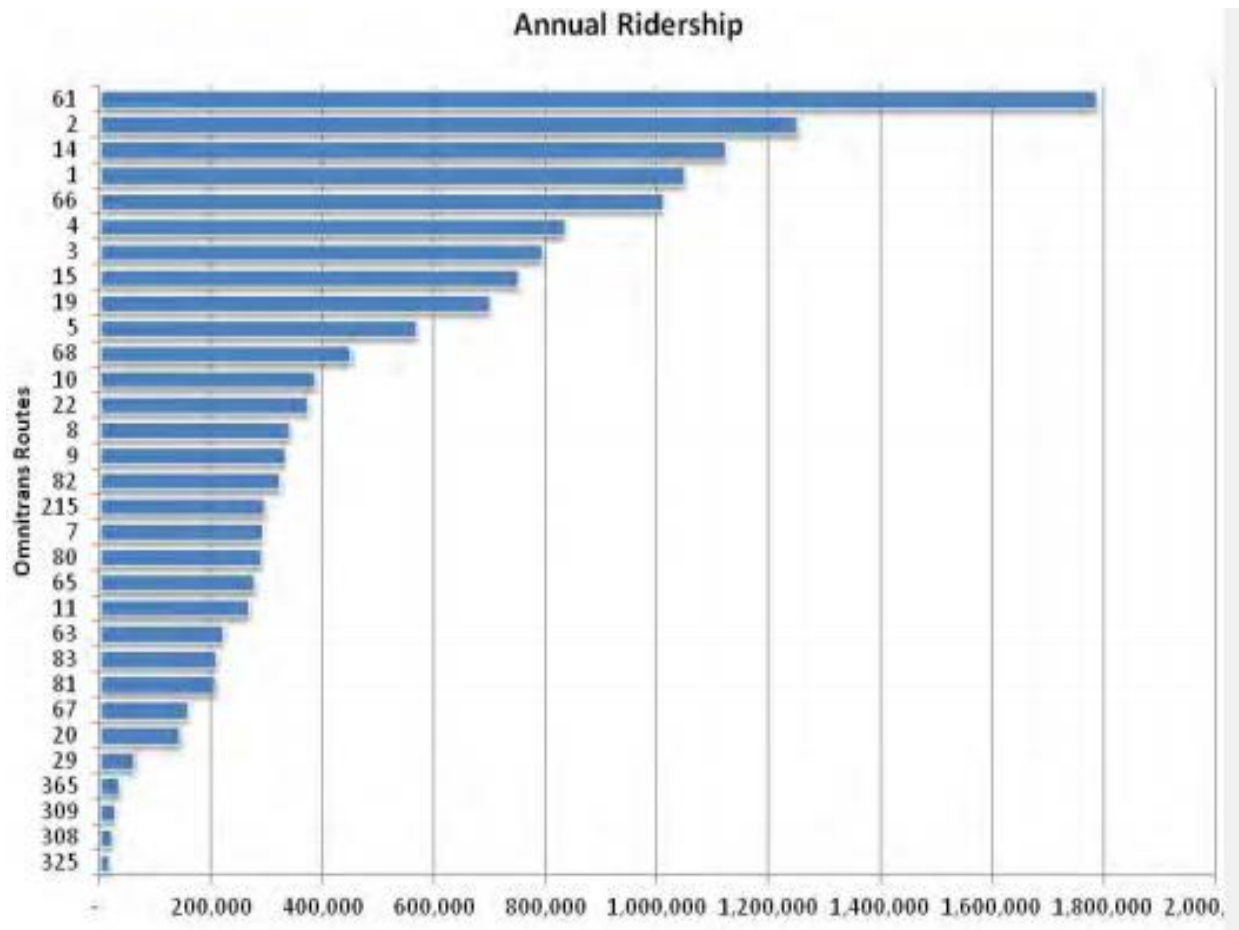


Source: OmniTrans 2014-2015 Marketing Element:

<http://www.omnitrans.org/about/reports/pdf/FY15M-PlanFinal.pdf>

Route 61, which serves Fontana, Ontario, and Pomona, is the highest ridership route in Omnitrans' system as shown in the figure below, providing more than 1.86 million boardings in 2012 and approximately 5,800 boardings per average weekday. This represents approximately 11.5% of Omnitrans' total system ridership.

¹<http://www.omnitrans.org/fares-passes/>. Accessed: January 7, 2015



Public transportation is supported through federal, state, and local funding including local and state sales taxes from the County of San Bernardino and the State of California. Residents of the County passed a ½ cent sales tax to fund transportation improvements. These improvements include the system-wide transit corridor plan for the San Bernardino Valley which identifies potential corridors to develop into major fixed route transit investments. This plan support existing efforts to develop a regional express bus network⁵⁶. Omnitrans is also conducting a study on the West Valley Connector Corridor to explore providing premium bus service on the Holt and Foothill Corridors in the Western San Bernardino Valley. Additionally, the OmniConnects Short-Range Transit Plan establishes a plan for service enhancements by reducing service duplications in an effort to improve service frequency, and reliability while seeking to improve travel directness and time⁵⁷.

⁵⁶ *System-Wide Transit Corridor Plan for the San Bernardino Valley, 2010* [PDF]

⁵⁷ *OmniConnects: Omnitrans' FY2015-2020 Short-Range Transit Plan (SRTP)*

In addition to the Omnitrans system, the County also has several transit systems that provide service to the non-urbanized areas of the County. Below is a list of transit systems in non-urban areas of the County:

- Barstow Area Transit – Barstow and limited areas around Barstow;
- Morongo Basin Transit Authority – bus service in Yucca Valley, Joshua Tree, and Twentynine Palms with limited service to Palm Springs;
- Mountain Area Regional Transit Authority (MARTA) – bus service in the Lake Arrowhead and Big Bear regions with limited service to downtown San Bernardino;
- Needles Area Transit – bus service in Needles and the surrounding county area;
- Victor Valley Transit Authority – bus service in Victorville, Hesperia, Adelanto, Apple Valley, and the surrounding county area;
- Foothill Transit – bus services connecting Chino, Pomona, and Montclair to the San Gabriel Valley and downtown Los Angeles; and
- Riverside Transit Agency (RTA) – bus service connecting Ontario and Loma Linda to Riverside County.

Roads

The County encompasses several major roadways for commuting in and around the County. The County of San Bernardino's Public Works Department maintains all public roadways and continuously monitors road conditions. The following major thoroughfares in the County include:

- | | |
|------------------|-------------------|
| • Interstate 10 | • State Route 127 |
| • Interstate 15 | • State Route 138 |
| • Interstate 40 | • State Route 142 |
| • Interstate 210 | • State Route 173 |
| • Interstate 215 | • State Route 178 |
| • U.S. Route 95 | • State Route 189 |
| • U.S. Route 395 | • State Route 210 |
| • U.S. Route 66 | • State Route 247 |
| • State Route 18 | • State Route 259 |
| • State Route 38 | • State Route 330 |
| • State Route 58 | |
| • State Route 60 | |
| • State Route 62 | |
| • State Route 66 | |
| • State Route 71 | |
| • State Route 83 | |

The highways mentioned above are part of a freeway network that allows residents and workers to move through the County in several facets. The County has several major roads that provides commuters with access to the Omnitrans bus service and Metrolink commuter service.

Water & Sewer

The availability of water and wastewater services are strong determinants of land use. Without these services, land use is limited by the ability of the soils to assimilate waste and the ability of the aquifers to provide clean water. The availability of centralized water and wastewater services is essential to the development of the housing concentrations required for the creation of affordable housing. Without central systems, the ability to develop smaller lots is severely constrained by the need to maintain separation distances between wells and septic systems.

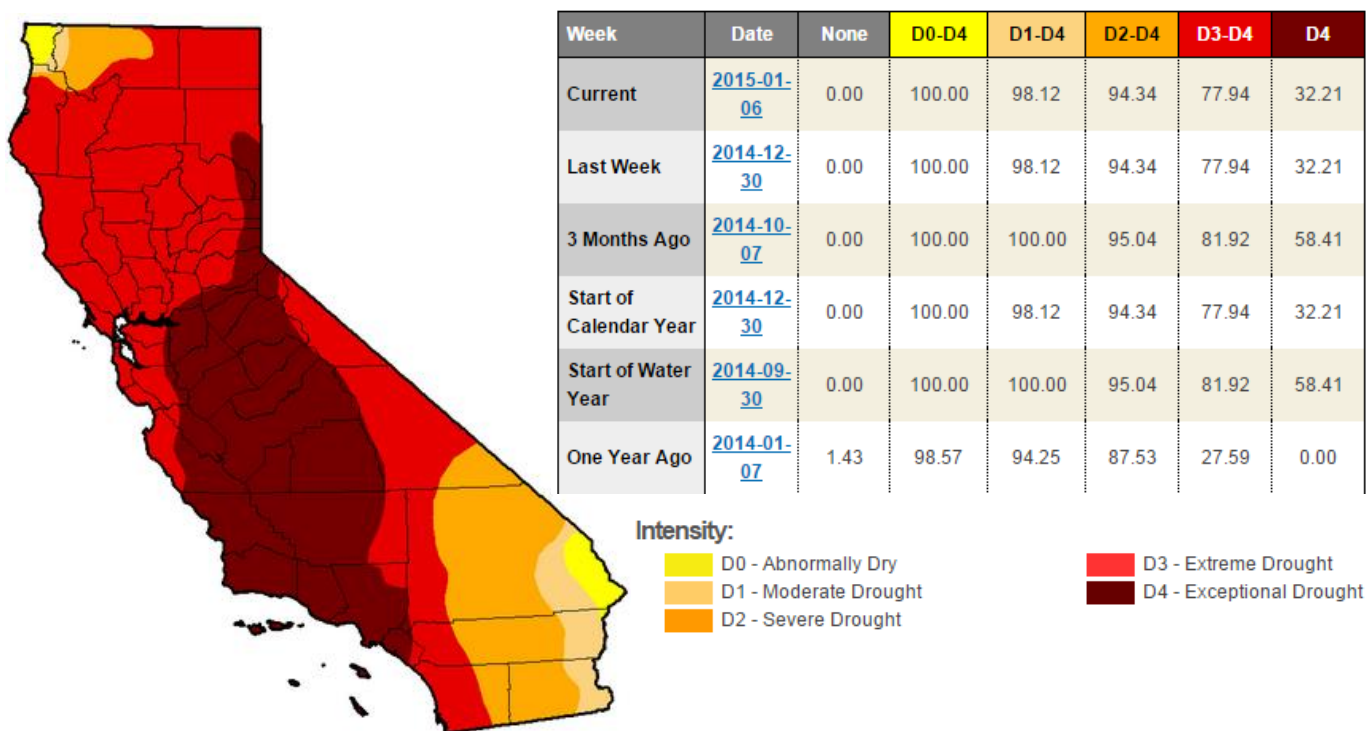
There is wide availability of water and wastewater systems within the County. There is currently no database of existing municipal or community wastewater systems in the County of San Bernardino. According to the US Environmental Protection Agency's Safe Drinking Water Information System (SDWIS), the County has 351 "active" water systems. The water systems in the County of San Bernardino are listed in the following three categories:

- 151 Community Water Systems (serve the same people year-round — e.g. homes, businesses).
- 39 Non-Transient Non-Community Water Systems (serve the same people but not year-round —e.g. schools).
- 161 Transient Non-Community Water Systems (do not consistently serve the same people — e.g.rest stops, campgrounds, gas stations).

Although public water systems are regulated by the County of San Bernardino Department of Public Health (DPH), the DPH does not maintain a centralized database for information related to water systems and service areas to show the location of these systems. The physical system type, available capacity and the potential for capacity expansion should be known to help facilitate the provision of community and affordable housing development.

The State of California is facing one of the most severe droughts on record and the Governor declared a drought State of Emergency in January 2015. Extreme drought conditions exist in California due to a lack of rain and snowfall over the last three years. This drought is causing economic harm to farmers and ranchers, threatening the water supply to cities and towns;

and jeopardizing food supply for animals that rely on water. State and federal agencies have worked closely to protect water supplies which are vital to health and human safety. The Real Time Drought Operations Management Team has the primary focus to ensure that adequate supplies of water can be directed to communities. The table below shows the severity of drought conditions throughout the state and in San Bernardino County. As depicted below drought conditions range from abnormally dry in the east to extreme drought conditions in the west.



Because of these drought conditions in the county, conservation is critical to ensuring that there is enough water to supply communities, the environment, farms and other important parts of the economy. On July 15, 2014, the State Water Resources Control Board adopted a resolution that prohibits:

- The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
- The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
- The application of potable water to driveways and sidewalks.

- The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

Residents of the County and the State have been asked to implement a voluntary 20% reduction in water usage. However, if water reductions are not realized the state will issue more stringent water restrictions up to and including issuing fines for non-compliance. The Special Districts Department of the Water and Sanitation Division in the County of San Bernardino is a member agency of the Alliance for Water Awareness and Conservation. The County has implemented the Toilet Rebate Program to provide property owners with cash incentives for the replacement of their older model toilets. The Cash for Grass program offers cash incentive rebates to property owners who choose to remove living and maintained lawn and replace it with water-efficient landscaping. The picture below provides a before and after photo of low water-use landscaping techniques.



The Division of Environmental Health Services (DEHS) Small Drinking Water System Program protects public health and safety by inspecting water systems to ensure pure and safe drinking water is supplied throughout San Bernardino County⁵⁸. Currently, there are 272 small drinking water systems throughout the County.

Communities and developers are faced with many challenges in the provision of water and wastewater infrastructure. The lack of critical data, funding, and groundwater contamination may negatively impact public support. Although the County of San Bernardino has hundreds of water and wastewater systems, there is no central database to locate those systems or to provide information about capacity. This is a major drawback to determining if and where a development could be located; especially a development that may involve smaller homes on smaller lots, or even multi-family units, in an effort to provide

⁵⁸http://www.sbcounty.gov/dph/dehs/Depts/EnvironmentalHealth/BusinessServices/safe_drinking_water.aspx - accessed January 2015

more affordable housing options. In addition to this challenge, there is very little public funding available for such systems, and homeowners who have been paying to install and maintain individual wells and septs may not be interested in or able to forego those investments in favor of the new financial commitment brought on by a centralized system.

Education

Research indicates that the presence of high quality and high performing educational systems and facilities is a key criteria utilized by residents as they choose where to live. This section reports on the performance of public schools serving the residents of the County of San Bernardino. The relationships between educational attainment, educational resources, and housing choice will also be explored.

Overview of School District

San Bernardino County is served by 533 public schools that provide education services for 407,515 students.⁵⁹ Enrollment of students from racial and ethnic minority groups (79%), primarily Hispanic, exceeds enrollment for minority students in the state of California (74%). And, the overall student to teacher ratio of 24:1 also exceeds the state ratio of 22:1.⁶⁰

The chart below depicts basic demographic information for the varying types of schools in the County of San Bernardino:

San Bernardino County School Demographics				
Type of School	Number of Schools	Number of Students	Minority Student Enrollment	Student/Teacher Ratio
Pre-K	5	3,188	86%	24:1
Elementary	355	214,301	79%	25:1
Middle School	105	80,720	78%	22:1
High School	529	137,280	76%	23:1
Charter	28	15,603	65%	23:1
Private	183	19,037	62%	12:1
State of California	11,485*	6,750,947*	74%	22:1

Sources: publicschoolreview.com & <http://www.cde.ca.gov/ds/sd/cb/ceffingertipfacts.asp>

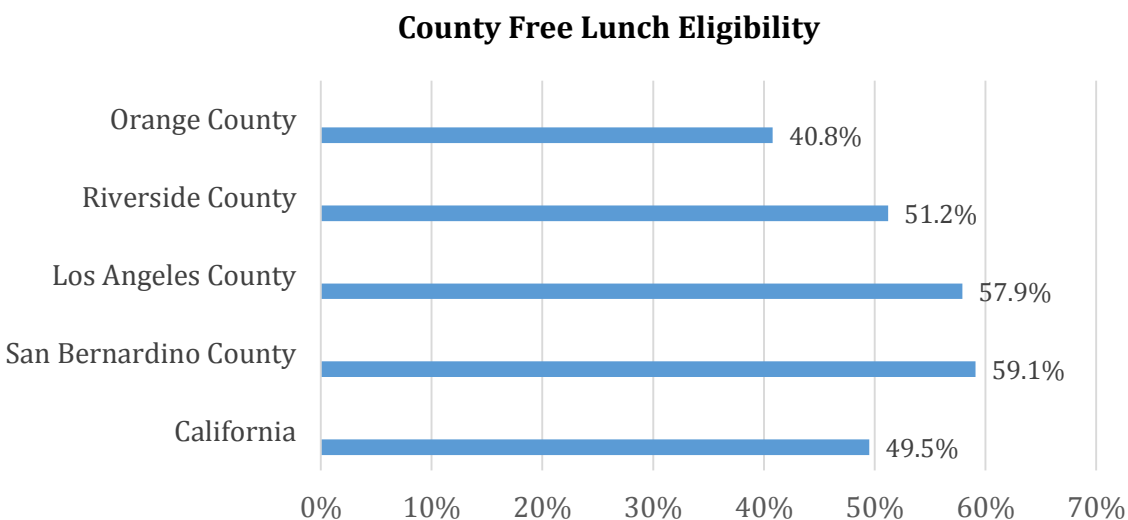
*Public and public charter school. Private schools are not included.

⁵⁹ California Department of Public Education.

⁶⁰ www.publicschoolsreview.com. Accessed: November 22, 2014

Overall, students in the San Bernardino County public school system experience high rates of poverty or being from poor or low- income families. According to the Association for Supervision and Curriculum development, children from lower income families and children experiencing poverty have higher rates of absenteeism and tardiness and lowered rates of concentration, attention span, comprehension, memory, and academic performance. Children attending schools in areas with high levels of poverty and classmates who are poorer, are more likely to perform poorly in school even if they are not experiencing poverty themselves.

The free and reduced school lunch program is often used to identify children from low-income and poverty stricken areas. Use of the free and reduced lunch program can also indicate factors, such as, lack of food at home that can inhibit concentration and academic performance. In the 2012-2013 academic year, 68.4% of students qualified for free or reduced school breakfast and/or lunch program. The number of eligible student has increased by 27% in the past decade, nearly doubling the state growth rate of 14%. In the County, 162,994 use the free lunch program, while an additional 86,354 students, representing 35% of total enrollment qualify. The County ranks 49th of 58 counties in qualification for the free lunch program. The free-breakfast program is also used by 56,204 students, while 106,780 students or 66% of enrolled students qualify. The County ranks 51st of 58 counties in qualification for the free breakfast program.⁶¹ The County has the highest rate of student eligible lunch in 2013 amongst nearby counties as depicted below.



Source: kidsdata.org

⁶¹ California Food Advocates. 2010 San Bernardino County Food and Nutrition Profile. <http://cfpa.net/GeneralNutrition/CFPAPublications/CountyProfiles/2010/CountyProfile-SanBernardino-2010.pdf>. Accessed: December 1, 2014.

Homelessness is also a factor impacting high numbers of school age children within the County. The 2014 County Community Indicators report indicates that for the 2012-2103 academic year, 30,122, 8.1% of total student enrollment, County students were homeless. The number of homeless students in the County has increased by 10% over the past 10 years, and the County has the highest rates of homeless students or students in lacking stable conditions compared to state averages (4.3%)and other nearby counties including Riverside County (5.2%), Orange County (6.1%), and Los Angeles County (3.9%). ⁶²

Homelessness is proven to present academic barriers with students missing more days from schools and having frequent transfers between schools. Homeless students are also twice as likely to have learning disabilities, four times more likely to experience developmental delays(motor, visual, and speech impairments), and are three times more likely to have emotional or behavioral problems. These barriers frequently resulted in being retained for one or more grades, decreased overall educational attainment, and adulthood poverty requiring use of public assistance programs.⁶³ Quantifying the economic costs of homelessness and poverty is difficult, but studies undertaken by the states of Pennsylvania⁶⁴ and Virginia⁶⁵ tallied costs exceeding \$40,000 per year for each homeless child based on use of public, social, and mental health services, and future loss income and tax revenue from homeless students who would later drop-out of school. Homeless students are more likely to experience poverty and homelessness as adults. Current estimates indicate that homelessness and poverty costs \$35,000- \$120,000⁶⁶ per person annually based on use of public, social, health care, and mental health care services and increased likelihood of detention and incarceration.

Educational Attainment Levels

San Bernardino County has lower completion rates for higher education among high school graduates with rates ranging from 6.1 to 17.1% based on age. Rates for likely mid-career and senior level workers, ages 35-64, range between 18.7 to 20.6% falling significantly below national averages which, according to the US Census Bureau, rose to just above 30 percent in 2013. Additionally, rates for high school completion are low for all age groups as compared to national averages that are approximately 90 percent. Both the state of California and the County of San Bernardino have high school drop-out rates that exceed national averages,

⁶² www.kidsdata.org. Accessed: November 22,2014 and San Bernardino County Community Indicators Report 2014

⁶³ National Association of Child Psychologists. <http://www.nasponline.org/educators/HCHSIIHomeless.pdf>. Accessed: November 22, 2014.

⁶⁴ http://www.icphusa.org/PDF/americanalmanac/Almanac_State_PA.pdf

⁶⁵ http://www.homelesschildrenamerica.org/pdf/report_cards/short/va_short.pdf

⁶⁶ National Center for Children in Poverty. http://nccp.org/publications/pub_888.html. Accessed: November 20, 2014.

which will be discussed later in this section. The chart below depicts educational attainment in the County of San Bernardino:

San Bernardino County Educational Attainment					
	Age 18-24	Age 25-34	Age 35-44	Age 45-64	Age 65+
Less than High School	14.2%	16.0%	22.2%	22.1%	25.2%
High School Completion or Equivalent	34.4%	84.0%	77.8%	77.9%	74.8%
Bachelor's degree or higher	6.1%	19.6%	20.6%	18.7%	17.1%

Source: 2013 American Community Survey, Table S1501

Poverty rates were higher for residents with lower educational attainment, while median income grew higher as educational attainment increased. Poverty rates for residents who did not complete high school(27.2%) are high, which is of importance because of the County's high rate of high school drop-outs and lowered rates for high school completion, which will be discussed later in this section. These residents are more likely to experience poverty and lower incomes. Below is a graphic depiction of poverty rates and median income in relation to educational attainment:

San Bernardino County Poverty Rates		
Educational Attainment	Poverty Rate	Median Income
Less than High School	27.2%	\$20,342
High School Completion or Equivalency	16.4%	\$29,099
Some college or Associate's Degree	12.6%	\$35,850
Bachelor's degree or higher	6.0%	\$48,411
Graduate or professional degree	---	\$64,754

Source: 2013 American Community Survey, Table S1501

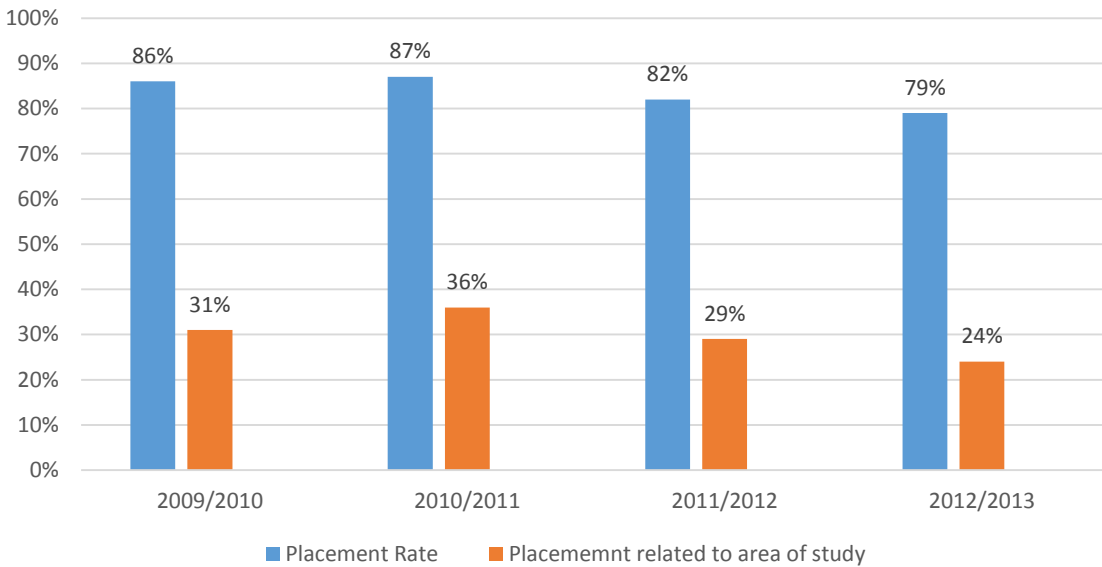
According to the 2013 Community Survey estimates, the County has poverty rates that exceed national rates for the following educational attainment levels: high school completion or equivalency (1.8% higher), some college or associate's degree (1.7% higher), and

completion of a Bachelor's degree or higher (1.2% higher). County rates also exceed state poverty rates in all categories of educational attainment: less than high school education (1.0% higher), high school completion or equivalency (0.4% higher), some college or Associate's degree (1.1%) and Bachelor's degree or higher (0.3%).

Within the County, median incomes exceed national median incomes for those completing high school (\$1,749 annually) and those having some college or an Associate's degree (\$3,463 annually). However, median income for the County then falls below national averages for higher educational attainment, Bachelor's degree or higher (\$1,639 less annually) and Graduate degree or higher (\$811 less annually). The pattern holds true for state median incomes with residents who have completed high school having a median income of \$1,837 more annually while residents with a Bachelor's degree have a median income of \$6,520 less annually and residents with a graduate degree have a median income of \$12,399 less annually. These patterns are likely to complicate County efforts to attract new educated professional residents or retain residents with high level of educational attainment.

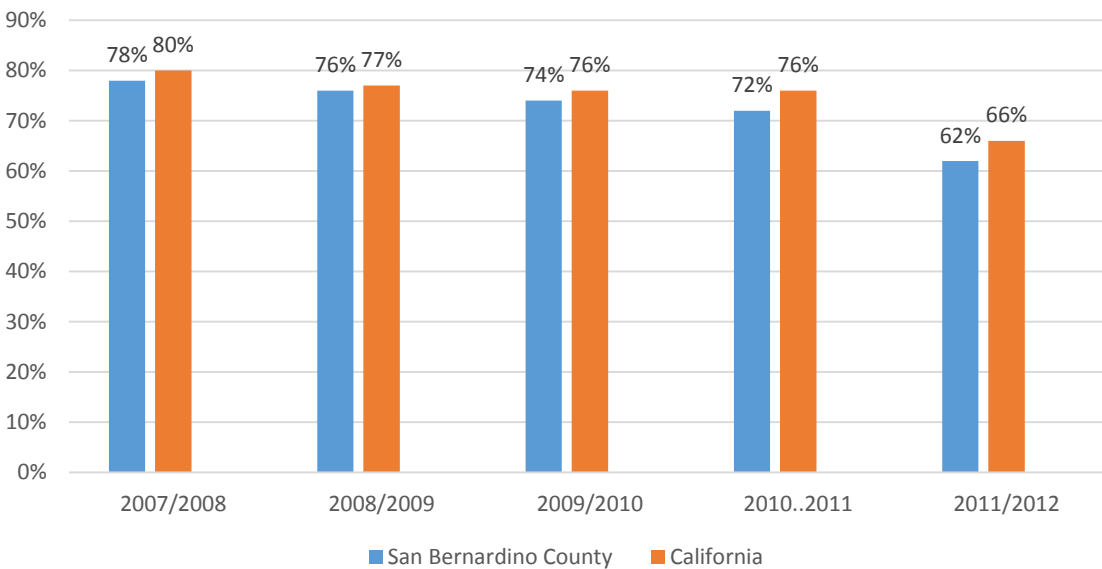
According to the County's 2014 Community Indicator report, educational attainment is increasing as more adults earn a college degree. However, job placement rates for students recently completing regional occupation programs and career technical training fell in the academic years 2011-2012 and 2012-2013, down by 7% from 2009-2010 placement highs. Placement rates for jobs related to area of study remained low, never peaking 36%, in the time between 2009 and 2013 and decreases in the years between 2010 and 2013. The chart below depicts placement rates for County students completing Career Assistant Technical Training and Regional Occupational Programs:

San Bernardino County Placement Rates



Source: San Bernardino County Community Indicators Report 2014.

Community College Placement Rates



Source: 2014 County of San Bernardino County Community Indicator Report

County job placement rates lag behind California state placement rates from 2007-2012 for residents attending community colleges. The County's rate for job placement has also decreased for each year measured since 2007. The job placement rate for 2011-2012 (62%) is 16% below the 2007-2008 job placement high of 78%.

School Performance

In 2010, the State of California enacted the Parent Empowerment Act of 2010. The act allows parents to transform chronically underperforming schools if 50% of parents agree to change the school. The act also requires the California Department of Education to create an annual listing of schools ranked by their Academic Performance Index (API), which due to methodology, frequently lists the 1,000 most underperforming schools with the lowest API scores. The law requires that parent's be notified if their child's school is listed and advised of their right to transfer their child to a higher performing schools.

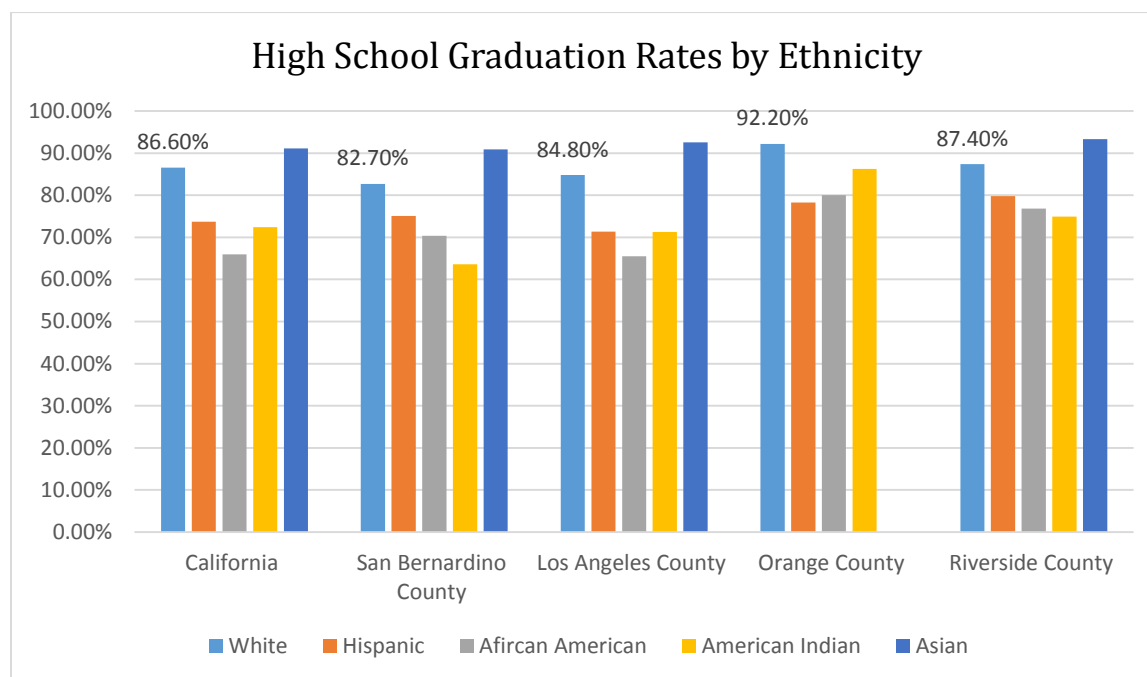
Interviews with stakeholders indicated that few eligible students were able to transfer due to difficulties related to transportation to and from the desired school. Additionally, students with special education needs are excluded from the right to transfer to schools with improved performance. San Bernardino County has 58 schools on the list with schools being located in the following districts: Adelanto Elementary, Barstow Unified, Chaffey Joint Union High, Chino Valley Unified, Colton Joint Unified, Cucamonga Unified, Fontana Unified, Helendale Elementary, Morongo Unified, Needles Unified, Ontario-Montclair, Redlands Unified, Rialto Unified, Rim of the World Unified, San Bernardino City Unified, Victor Elementary, Victor Valley Union high School, Hesperia Unified, Lucerne Valley Unified, Apple Valley Unified, Upland Unified, Snowline Joint Unified, Silver Valley Unified, Yucaipa-Calimesa Joint Unified.

An analysis of the 58 County schools represented on the list indicated several common characteristics including: student to teacher ratios that exceed state averages, high enrollment of students from racial and ethnic minority groups (primarily Hispanic), constant and unchanging rates of diversity, and high student enrollment growth rates for either the district or the specific school within the past five years.

According to the County's 2013 Community Indicators report, in 2012, 71% of County schools met or exceeded API growth targets and 64% of County schools showed improvement in their API scores. Achievement gaps between students from economically disadvantaged families were prominent with proficiency in English Language Arts (45%) and math (42%) falling well below proficiency rates for students not from disadvantaged backgrounds; English Language Arts (69%) and math (57%).

High School Graduation Rates

Within the County, the rate of high school graduation has steadily increased between 2000 and 2013. In 2011, the high school graduation rate of 78%, fell below both state (81%) and national (86%) averages. According to the California Department of Public Education, high school graduation rates varied by racial and ethnic group in 2012.



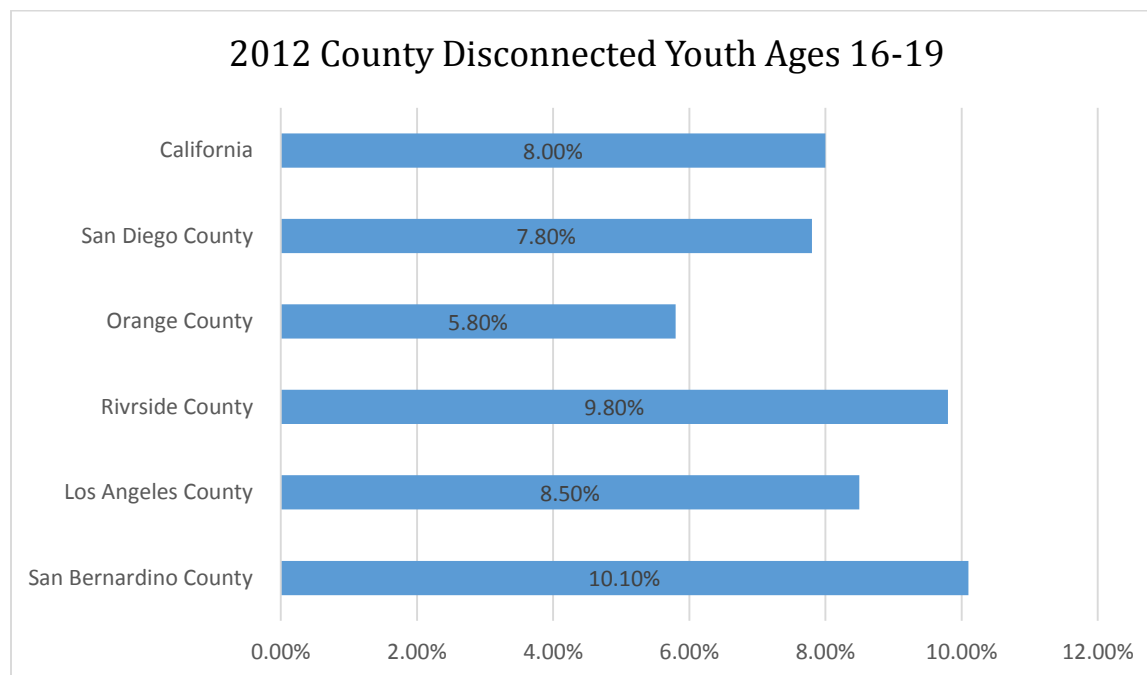
Source: kidsdata.org

The chart above depicts 2012 high school graduation rates by ethnicity in the County as compared to state and nearby county rates. The County has the lowest rate of White high school graduates (82.7%) compared to both the state and other counties. The graduation rate for Hispanic and Latino students (75.1%) exceeds the state rate (73.7%) and the Los Angeles rate (71.4%) but is below the rates for nearby Orange County (78.3%) and Riverside County (79.8%). Similarly the rate for African-American high school graduates (70.4%) exceeds the state rate (66.0%) and the rate for nearby Los Angeles County (65.5%), but falls significantly below the rate for Orange County (80.0%) and Riverside County (76.8%). The graduation rates for American Indian students (63.6%) and Asian students (90.9%) fall below the rate for the state and each of the nearby counties.

High School Drop Out Rates

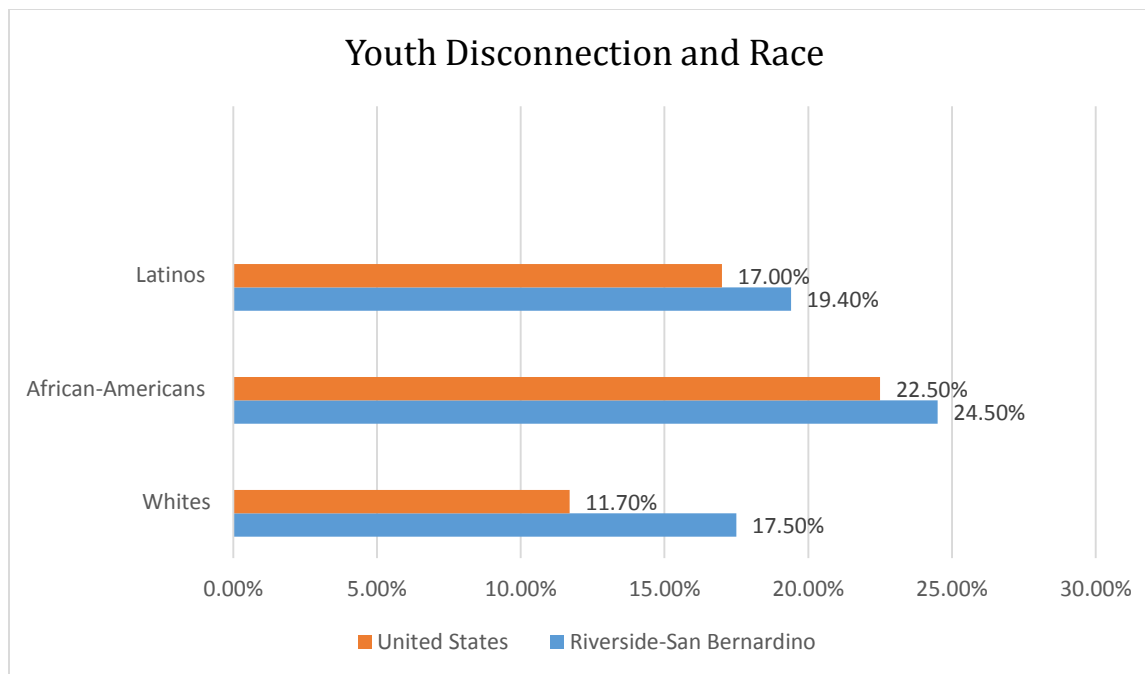
In the 2011-2012 school year, the high school drop-out rate for the County was 13.3% a decreased from 19.1% in the 2009-2010 school year and 15.7% in the 2010-2011 school year. The County rate nearly mirrors the state rate of 13.2%,

The State of California has a high rate of disconnected youth, youth who are not enrolled in school and are not working, at 8.0%. Using data from the 2013 American Community Survey, the estimation of San Bernardino County youth ages 16-19 who are disconnected is 10.1% exceeding all nearby County estimates with the exception of Kern County. The chart below depicts disconnected youth ages 16-19 in San Bernardino County and neighboring counties:



Source: 2013 American Community Survey. Accessed 12/01/2013

The disconnection rate increases when the age of youth is increased to 24. San Bernardino County and the Inland Empire, according to the report "Halve the Gap by 2030: Youth Disconnection in America's Cities", the County and Inland Empire have the nation's worst disconnected youth rate (18.8%) or nearly 1 out of every 5 youth. The area's youth unemployment rate is high at 28.6%. A gap exists between disconnected White and racial minority youth with minority youth having higher disconnection rates. However, in the Inland Empire, the disconnection rate for White youth exceeds national averages by nearly 50%. The graph below compares national and Inland Empire disconnection rates by ethnic group:



In the Inland Empire, the highest rates of youth disconnection are seen in disconnected neighborhoods. While high rates of disconnection are seen in the City of San Bernardino (22.5%), areas located southwest of Lake Arrowhead (22.8%) and northwest of Lake Arrowhead (22.5%) also have high youth disconnection rates. The three areas with the lowest disconnection rate are: Rancho Cucamonga (10.6%), Redlands (13.9%), and Chino Hills (13.4%). Notably, the Riverside-San Bernardino County region is the only area nationally in which the most connected neighborhoods have a disconnection rate exceeding 10%.

Approximately 117,000 of the area's 620,000 youth are disconnected. A staggering number because the Measure of America Halve the Gap report estimates indicate that each disconnected youth cost \$37,450 annually in increased public welfare expenses. According to the report, many of the County's disconnected youth are high school drop-outs and/or teen parents. Research indicates that disconnected youth are more likely to have mental illness and substance abuse issues, become teen parents, experience violence, engage in illegal activities, enter into the criminal justice system, have decreased work productivity and earnings, and have a higher use of public welfare benefits.⁶⁷

⁶⁷ www.kidsdata.org. Accessed: November 19, 2014.

Land Use & Zoning

Introduction

We live, work and play within the confines of comprehensive land use planning. Comprehensive land use planning is a critical means by which governments address the interconnection and complexity of their respective jurisdictions. The interconnectedness of land uses means that a decision as to the use of a particular piece of property has consequences not only for surrounding property, but for a myriad of other issues as well. The decision regarding how a parcel of land will be used, be it for a farm, a high-density apartment complex, an industrial fabrication plant or as a park, directly impacts the character and value not only of the affected parcel but also for each parcel of land around it. It has been said that “[t]he land-use decisions made by a community shape its very character – what it’s like to walk through, what it’s like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive one or an ugly one.”⁶⁸ By extension, a communities decisions regarding land use through the implementation and enforcement of zoning codes have a direct and significant impact on makeup of its residents by either promoting or discouraging affordable housing and fair housing choice. With the goal of better understanding how and to what extent housing choice is effected by the zoning codes of the County of San Bernardino and 15 of the municipalities within the county, a review of those codes will be discussed in this section.

Local governments are best suited to provide assistance and guidance to realize fair housing opportunities for local individuals. Local governments exercise authority on how land within their borders may be used. From a regulatory standpoint, local government measures to control land use typically rely upon zoning codes. These codes often define the scope and density of housing resources available to residents, developers and other organizations within certain areas. It is through the use of zoning codes, that the local government can provide assistance or impediments to fair housing choice. Examples of zoning provisions that most commonly result in impediments to fair housing choice include the following:

- Restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, or require larger lot sizes that deter affordable housing development.

⁶⁸ John M. Levy. Contemporary Urban Planning, Eighth Edition. Upper Saddle River, NJ: Pearson Prentice Hall, 2009.

²http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/progdesc/title8

- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit.
- Placing administrative and siting constraints on group homes.

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, the zoning codes for San Bernardino County and 15 of its municipalities were obtained and individually reviewed against a set of fair housing issues (see the Table beginning on page 124 for a list of issues). For each issue, the ordinance was assigned a risk score, with the possible scores defined as follows:

1 = low risk – the provision poses little risk for discrimination or limitation of fair housing choice;

2 = medium risk – the provision is neither among the most permissive nor most restrictive; while it could complicate fair housing choice, its effect is not likely to be widespread; and

3 = high risk – the provision causes or has potential to result in systematic and widespread housing discrimination or the limitation of fair housing choice.

The 15 individual risk scores, some with multiple parts, were averaged for each municipality, yielding a composite score indicative of the probability of the municipality's zoning ordinance, in general, limiting fair housing choice. The risk scores for all reviewed city ordinances were normed against the county ordinance by secondary review. Complete reports for the individual municipalities are included as an appendix to this document, however, the composite scores lend themselves to comparative analysis here.

Analysis by Jurisdiction

The overall risk scores ranged from a low of 1.07 to a high of 2.4. With the lowest risk score of 1.07, the County of San Bernardino and the cities of Big Bear Lake, Rancho Cucamonga, Yucaipa and Yucca Valley were the most permissive and present the least risk for discrimination or limitation of housing choice. With the highest risk score of 2.40, the City of Loma Linda was the least permissive and presents the highest risk for discrimination or limitation of housing choice. The next highest score belonged to the City of Rialto with an average risk score of 2.0. It is of note that the cities of Loma Linda and Rialto are the only two municipalities reviewed whose zoning ordinance risk score was listed as a medium risk (2.0) or higher (>2.0). The average across all municipalities reviewed yields a mean risk score of 1.428 with a median risk score of 1.27.

The County of San Bernardino's Zoning Ordinances were reviewed separately and became the control group for norming the reviews of the municipalities. As the normative control, the scores for San Bernardino's ordinance are not included within the above calculations for

mean and median scores. Therefore, the county's score is listed separately. Two municipalities (Big Bear Lake and Rancho Cucamonga) have adopted the County of San Bernardino's zoning ordinance in its entirety. These municipalities have been included within the calculations and have been notated.

Two municipalities, Needles and Yucca Valley, had begun the process of review and amendment of their zoning ordinances at the time of this review. Per discussion with an official of the City of Needles, the zoning ordinance was in the process of revision. However, no such code had been completed nor presented for adoption as of this review. Therefore, the then current zoning ordinance of record became the basis of comparison. The City of Yucca Valley had, at the time of this review, already been partially adopted (as to the development of subdivisions within the city limits) and the revised code had already been introduced by the City Council for hearing and approval. As this process was already significantly advanced as of the date of this review, the amended code was used.

Zoning Code Analysis by County	
County	Risk Score
San Bernardino	1.07
Zoning Code Analysis by Municipality	
Municipality	Risk Score
Adelanto	1.27
Big Bear Lake¹	1.07
Chino Hills	1.13
Colton	1.13
Grand Terrace	1.27
Highland	1.4
Loma Linda	2.4
Montclair	1.87
Needles²	1.8
Rancho Cucamonga¹	1.07
Redlands	1.2
Rialto	2
Twenty-nine Palms	1.67
Yucaipa	1.07
Yucca Valley³	1.07

¹ These municipalities have adopted the zoning code of San Bernardino County in its entirety.

² Analysis based on existing zoning code. Per City of Needles revised code is being prepared for adoption.

³ Analysis based on revised code which has been partially adopted and is significantly advanced towards adoption that its use in this analysis was justified.

Analysis by Issue

Another dimension for analysis involves averaging the risk scores for all municipalities for each of the 15 fair housing issues evaluated in the zoning analysis. Using this approach highlights specific fair housing issues and the degree to which their application may be problematic or restrictive throughout the region in general. Below is a listing of the issues and the average score across the municipalities for each question. As before, the Zoning Ordinance of San Bernardino County is not included within these averages.

Not specifically listed, but impacting the score of many of the issues below is the California Fair Employment and Housing Act (CaFEHA). Among its provisions, the CaFEHA directly references and supplements the 1998 Amendments to the Fair Housing Act. Accordingly, many of the jurisdictions have adopted ordinances which bear the hallmarks of a modern, responsible comprehensive land use plan, including but not limited to:

- Inclusionary Zoning by virtue of density bonuses for low and moderate income households
- Density Bonuses for insuring the affordability of certain percentages of multifamily development within the jurisdiction
- Specific Zoning for Senior Citizen Housing and Communities in accordance with the 1988 Amendments to the Fair Housing Act
- Inclusionary zoning by definition for manufactured homes
- Allowance of group homes and residential care facilities throughout residential zones
- Expanded definitions regarding the makeup of household units

Zoning Code Issue Analysis	
ISSUE	RISK SCORE
1. Does the jurisdiction's definition of "family" have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?	1.53
2. Does the definition of family discriminate against unrelated individuals with disabilities (or members of any other protected class) who reside together in a congregate or group living arrangement?	1.53

Zoning Code Issue Analysis	
ISSUE	RISK SCORE
3a. Does the zoning code treat housing for individuals with disabilities differently from other single family residential and multifamily residential uses by requiring a special or conditional use permit in certain residential districts? Is housing for individuals with disabilities allowed in the same manner as other housing in residential districts?	1.60
3b. Is such housing mischaracterized as a “boarding or rooming house” or “hotel”?	
4. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services?	1.53
5. Does the jurisdiction’s policies, regulations, and/or zoning ordinance allow persons with disabilities to make reasonable modifications or provide reasonable accommodation to specific zoning or regulatory requirements?	1.46
6a. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities?	1.40
6b. Is the hearing only for applicants with disabilities rather than for all applicants?	
7. Does the ordinance impose spacing or dispersion requirements on certain housing types, creating a disparate impact on certain populations?	1.20
8. Does the jurisdiction restrict any inherently residential uses protected by fair housing laws (such as residential substance abuse treatment facilities) only to non-residential zones?	1.33
9. Does the jurisdiction’s zoning and land use rules constitute exclusionary zoning that precludes development of affordable or low-income housing by imposing unreasonable residential design regulations (such as high minimum lot sizes, wide street frontages, large setbacks, low FARs, large minimum building square footage, and/or low maximum building heights)?	1.13
10. Does the zoning ordinance fail to provide residential districts where multi-family housing is permitted as of right?	1.33
11. Are unreasonable restrictions placed on the construction, rental, or occupancy of alternative types of affordable or low-income housing (for example, accessory dwellings or mobile/manufactured homes)?	1.60
12a. Is the process by which a use permit (CUP, SUP, SLUP) is obtained unreasonably lengthy, complex and costly, effectively discouraging applicants?	1.00
12b. Is there a clear procedure by which denials may be appealed?	

Zoning Code Issue Analysis	
ISSUE	RISK SCORE
13. Does the zoning ordinance include an inclusionary zoning provision?	1.40
14. Does the zoning ordinance or municipal code include a discussion of fair housing?	1.53
15a. Do the jurisdiction's codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? 15b. Are the jurisdiction's accessibility standards (as contained in the zoning ordinance or building code) congruent with the requirements of the Fair Housing Act? 15c. Is there any provision for monitoring compliance?	1.73

Of the 15 issues studied, the reviewed zoning codes handled very well the matter of establishing reasonable, uncomplicated processes for obtaining use permits and setting forth transparent appeal procedures (Issue 15). This issue received the lowest average risk score, with all municipalities' ordinances assigned a 1, or low-risk designation, for this issue. This is important because zoning codes can sometimes unnecessarily complicate these processes with many layers of review and long spans of time between them, effectively discouraging all but the most determined permit seekers from even applying for a permit. An applicant seeking to develop property for a use requiring special permitting would likely select a site elsewhere rather than navigate these types of processes. The finding that San Bernardino's zoning ordinances generally do not impose such burdens is a feature that advances fair housing choice. Many of the jurisdictions reviewed included inclusionary zoning with density bonuses that were instrumental in the second lowest risk score of 1.13 for avoidance of exclusionary zoning due to unreasonable residential design regulations (Issue 9). Rounding out the top three scores, the reviewed jurisdictions also scored very highly on the issue of spacing and dispersion requirements on protected housing types (Issue 7) with an average score of 1.2, another low-risk designation.

The highest risk score of 1.73 is assigned to whether or not the 1988 amendments to the Fair Housing Act are specifically referenced or monitored for compliance (Issue 15). While several of the jurisdictions refer to the Fair Housing Act, the California FEHA or both, many jurisdictions do not. While some jurisdictions may incorporate portions of the Acts in their building codes, incorporating specific reference to the Fair Housing Act (1988 Amendments) and the FEHA in the zoning ordinance itself would better provide clear guidance to potential residents and development partners. It is of note that, while this issue scored the highest average risk of any issue reviewed, the averaged risk score is still considered less than medium or moderate risk. The second highest-scoring issue with a score of 1.6 involves the

use of restrictions on alternative housing types (Issue 11). The increase in risk was primarily due to the failure of jurisdictions to provide for the use of accessory structures as dwellings throughout the residential zones. Most of the jurisdictions allow for extensive siting of manufactured homes, mitigating the potential risk. The third highest score of 1.53 was shared by a trio of issues (Issue 1, Issue 2 and Issue 14). Issue 14 involves whether or not the ordinance included a discussion of fair housing. While several jurisdictions included references to the FEHA and/or its relative provisions, it would be helpful for all jurisdictions to include a direct reference to the 1988 FHA as well as the FEHA. As per Issue 15, this stems largely from an issue of clarity and to ensure the codification of the protections of the FHA. Issues 1 and 2 revolve around the definition of “family.” This definition is important as the basis for potential discrimination against congregate living arrangements for several protected classes. The most permissive definitions allowed for unlimited number of persons functioning as a single-household unit. Some jurisdictions, such as Adelanto, failed to define “family,” while others were overly restrictive in the definition, such as Loma Linda which defines family as not more than three (3) unrelated individuals.

The County of San Bernardino’s Zoning Ordinance has an excellent risk score of 1.07. This represents a low risk of discrimination or limitation of housing choice for protected classes under the 1988 Amendments to the Fair Housing Act. While slightly higher, the average risk score of 1.428 still represents a generally low risk of discrimination or limitation to the protected classes. While all jurisdictions are advised to review the attached analysis relevant to their jurisdiction for areas of potential improvement; they are also advised to review those of their neighbors in San Bernardino County for additional ideas to ensure they are providing the best possible and most comprehensive land planning for their constituents. Adherence to the standards of the 1988 Amendments to the Fair Housing Act and the California Fair Employment and Housing Act will continue to enhance the freedom of choice in housing and the value of diversification in San Bernardino County and its local municipalities.

Home Mortgage Disclosure Act (HMDA) Analysis

Homeownership is vital to a community's economic well-being. To live up to the requirements of fair housing law, all persons must have the ability to live where they want and can afford. Prospective homebuyers need access to mortgage credit, and programs that offer homeownership should be available without discrimination. The task in this Home Mortgage Disclosure Act (HMDA) analysis is to determine the degree to which the housing needs of San Bernardino County residents are being met by home loan lenders.

The Home Mortgage Disclosure Act of 1975 (HMDA) requires most mortgage lending institutions to disclose detailed information about their home-lending activities annually. The objectives of the HMDA include ensuring that borrowers and loan applicants are receiving fair treatment in the home loan market.

The national 2013 HMDA data consists of information for 17.0 million home loan applications reported by 7,190 home lenders, including banks, savings associations, credit unions, and mortgage companies.⁶⁹ HMDA data, which is provided by the Federal Financial Institutions Examination Council (FFIEC), includes the type, purpose, and characteristics of each home mortgage application that lenders receive during the calendar year. It also includes additional data related to those applications including loan pricing information, action taken, property location (by census tract), and additional information about loan applicants including sex, race, ethnicity, and income.

The source for this analysis is tract-level HMDA data for San Bernardino County census tracts for the year 2013, which includes a total of 20,850 home purchase loan application records.⁷⁰ Within each HMDA record some of the data variables are 100% reported: "Loan Type," "Loan Amount," "Action Taken," for example, but other data fields are less complete. For San Bernardino County, 5.0% of the records lack complete information about applicant and co-applicant sex, and 10.0% lack complete data regarding race and ethnicity. According to the HMDA data, these records represent applications taken entirely by mail, Internet, or phone in which the applicant declined to identify their sex, race, and/or ethnicity.

Missing race, ethnicity, and sex data are potentially problematic for an assessment of discrimination. If the missing data are non-random there may be adverse impacts on the accuracy of the analysis. Ideally, any missing data for a specific data variable would affect a

⁶⁹ Federal Financial Institutions Examination Council, "Home Mortgage Disclosure Act: Background and Purpose," <http://www.ffiec.gov/hmda/history.htm>

⁷⁰ Includes mortgage applications for the purchase of one-to-four family dwellings in which the property will be occupied as the owner's principal dwelling and in which the mortgage will be secured by a first lien. Includes applications for conventional, FHA-insured, VA-guaranteed, and FSA/RHS-guaranteed mortgages.

small proportion of the total number of loan records and therefore would have only a minimal effect on the analytical results.

There is no requirement for reporting reasons for a loan denial, and this information was not provided for 19.6% of loan denials in San Bernardino County. Further, the HMDA data does not include a borrower's total financial qualifications such as an actual credit score, property type and value, loan-to-value ratio or loan product choices. Research has shown that differences in denial rates among racial or ethnic groups can arise from these credit-related factors not available in the HMDA data.⁷¹ Despite these limitations, the HMDA data play an important role in fair lending enforcement. Bank examiners frequently use HMDA data in conjunction with information from loan files to assess an institution's compliance with the fair lending laws.

Loan Approvals and Denials by Applicant Sex

The 2013 HMDA data for San Bernardino County includes complete information about applicant sex and household income for 18,878 of the total 20,850 loan application records (90.5%). About one-quarter of applications (23.2%) were by female applicants, and the remainder were roughly split between male applicants (41.0% of the total) and male/female co-applicants (35.8%). The table on the following page presents a snapshot of loan approval rates and denial rates for low, moderate, and upper income applicants by sex.⁷²

Regardless of sex, loan approval rates were lowest and denial rates highest for low income applicants. Within that category, female applicants had the highest approval rate at 76.7%, compared to 74.6% for male applicants and 75.5% for male/female co-applicants. Male/female co-applicants had a relatively small number of applications in this category (143 completed applications), reflecting their greater likelihood of being dual income households and thus having incomes above 50% of the area's median.

In both the moderate and high income brackets, male/female co-applicants had the highest approval rates (85.9% and 88.5%, respectively). Approval rates for females lagged by 1.9 percentage points at moderate incomes and 2.6 percentage points at high incomes. In both of these income categories, male applicants had the lowest approval rates and highest denial rates, although by slim margins. At the moderate income level, approval rates for male applicants were 0.4 percentage points below those for female applicants and 2.3 percentage

⁷¹ R. B. Avery, Bhutta N., Brevoort K.P., and Canne, G.B. 2012. "The Mortgage Market in 2011: Highlights from the Data Reported Under the Home Mortgage Disclosure Act." Board of Governors of the Federal Reserve System. Federal Reserve Bulletin, Vol. 98, No. 6.

⁷² The low income category includes applicants with a household income below 50% of area median family income (MFI). The moderate income range includes applicants with household incomes from 50% to 120% MFI, and the upper income category consists of applicants with household incomes above 120% MFI. In 2013, the San Bernardino County MFI was \$62,600, with a 50% MFI threshold of \$31,300 and a 120% MFI threshold of \$75,120.

points below those for male/female co-applicants. These disparities were slightly more pronounced for high income applicants: male applicants were had approval rates 1.2 percentage points behind females and 3.8 percentage points behind male/female co-applicants.

Overall, male/female co-applicants were denied loans in 12.8% of cases, compared to 16.5% for female applicants and 16.9% for male applicants. While these figures suggest a small discrepancy in access to loans based on applicant sex, it is not possible to tell from this data whether this discrepancy is due to financial reasons, social discrimination, or a combination of the two.

Loan Approval and Denial Rates by Sex San Bernardino County, 2013				
Applicant Income	Female Applicant(s)*	Male Applicant(s)*	Male/Female Co-Applicants	All Applicants
Low Income				
Total Applications	647	798	187	1,632
Completed Applications	532	661	143	1,336
Approval Rate	76.7%	74.6%	75.5%	75.5%
Denial Rate	23.3%	25.4%	24.5%	24.5%
Moderate Income				
Total Applications	2,638	4,585	2,643	9,866
Completed Applications	2,281	3,980	2,346	8,607
Approval Rate	84.0%	83.6%	85.9%	84.4%
Denial Rate	16.0%	16.4%	14.1%	15.6%
High Income				
Total Applications	1,098	2,361	3,921	7,380
Completed Applications	934	2,039	3,431	6,404
Approval Rate	85.9%	84.7%	88.5%	86.9%
Denial Rate	14.1%	15.3%	11.5%	13.1%
Total				
Total Applications	4,383	7,744	6,751	18,878
Completed Applications	3,747	6,680	5,920	16,347
Approval Rate	83.5%	83.1%	87.2%	84.6%
Denial Rate	16.5%	16.9%	12.8%	15.4%

*Includes applications with a single male or female applicant and applications with male/ male or female/female co-applicants.

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Under the provisions of the HMDA, reporting institutions may choose to report the reasons they deny loans, although there is no requirement to do so. Of the 2,684 loan denials examined here, reasons are provided in 80.3% of total cases; reporting rates by applicant sex range from 78.8% for male applicants to 83.0% for male/female co-applicants.

The table that follows breaks down the reasons for loan denials by sex. For each applicant group, the three most common denial reasons were the same: debt-to-income ratio, credit history, and collateral. Over one-fifth of all applicants were denied loans based on debt-to-

income ratio (20.9% of male/female co-applicants, 22.3% of male applicants, and 24.3% of female applicants). For male/female co-applicants, credit history was cited in 15.7% of denials and insufficient collateral in 14.9%. Collateral was the second most common issue for both male and female applicants, triggering 13.4% and 12.7% of denials, respectively. Credit history followed, affecting 13.0% of males and 10.7% of females who were denied loans. These three factors each relate to the applicant's long-term ability to repay the loan, rather than short-term availability of cash (for downpayment and closing costs) or incomplete/unverifiable information.

Reasons for Loan Denial by Applicant Sex San Bernardino County, 2013						
Reasons for Denial	Female Applicant(s)*		Male Applicant(s)*		Male/Female Co-Applicants	
	Count	Share	Count	Share	Count	Share
Total Denials	670	100.0%	1,216	100.0%	798	100.0%
Reason provided	536	80.0%	958	78.8%	662	83.0%
Collateral	85	12.7%	163	13.4%	119	14.9%
Credit application incomplete	64	9.6%	102	8.4%	84	10.5%
Credit history	72	10.7%	158	13.0%	125	15.7%
Debt-to-income ratio	163	24.3%	271	22.3%	167	20.9%
Employment history	11	1.6%	18	1.5%	17	2.1%
Insufficient cash	27	4.0%	40	3.3%	19	2.4%
Mortgage insurance denied	1	0.1%	4	0.3%	1	0.1%
Unverifiable information	40	6.0%	60	4.9%	38	4.8%
Other	73	10.9%	142	11.7%	92	11.5%
Reason not provided	134	20.0%	258	21.2%	136	17.0%

*Includes applications with a single male or female applicant and applications with male/male or female/ female co-applicants.

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Of the other, less common reasons for loan denials, incomplete credit applications affected 10.5% of male/female co-applicants, 9.6% of females, and 8.4% of males. Female applicants are more likely to have insufficient cash for downpayment/closing costs and unverifiable information than are male/female co-applicants; male applicants are more likely to have insufficient cash and to be denied mortgage insurance. These disparities, however, tend to be small, ranging from gaps of 0.2 to 1.6 percentage points. In general, denial reasons follow similar patterns regardless of applicant sex, with debt-to-income ratios, credit history, and collateral being the most common barriers to loan approval.

Loan Approvals & Denials by Applicant Race & Ethnicity

The table that follows disaggregates loan approval rates by race and ethnicity for different levels of income. Complete race, ethnicity, and income data was available for 17,869 loan records, or 85.7% of the 20,850 total records for San Bernardino County. About two-fifths (41.1%) of loan applicants were non-Hispanic White and another two-fifths (41.4%) were

Hispanic. Asian applicants made up 11.2%, followed by African Americans at 5.1% and persons of other races at 1.2%.

Loan Approval and Denial Rates by Applicant Race and Ethnicity San Bernardino County, 2013						
Applicant Income	Non-Hispanic				Hispanic	All Applicants
	White	Black	Asian	Other*		
Low Income						
Total Applications	487	58	94	14	911	1,564
Completed Applications	405	46	83	13	746	1,293
Approval Rate	82.5%	67.4%	62.7%	84.6%	74.9%	76.3%
Denial Rate	17.5%	32.6%	37.3%	15.4%	25.1%	23.7%
Moderate Income						
Total Applications	3,336	483	908	105	4,544	9,376
Completed Applications	2,961	399	815	86	3,929	8,190
Approval Rate	88.8%	78.2%	81.1%	79.1%	83.0%	84.6%
Denial Rate	11.2%	21.8%	18.9%	20.9%	17.0%	15.4%
High Income						
Total Applications	3,526	368	997	99	1,939	6,929
Completed Applications	3,087	326	869	85	1,670	6,037
Approval Rate	88.8%	83.7%	85.6%	80.0%	86.3%	87.2%
Denial Rate	11.2%	16.3%	14.4%	20.0%	13.7%	12.8%
Total						
Total Applications	7,349	909	1,999	218	7,394	17,869
Completed Applications	6,453	771	1,767	184	6,345	15,520
Approval Rate	88.4%	79.9%	82.5%	79.9%	82.9%	84.9%
Denial Rate	11.6%	20.1%	17.5%	20.1%	17.1%	15.1%

*Includes American Indians and Alaska Natives, Native Hawaiians, and other Pacific Islanders.

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

For low income applicants, loan approval rates ranged from 62.7% for Asians to 84.6% for applicants of other races. Note, however, that rates for “other” applicants are based on only 13 completed applications. White applicants were approved loans in 82.5% of cases, which is 7.6 percentage points above approval rates for Hispanic applicants and 15.1 percentage points above approval rates for Black applicants.

Moderate income applicants had higher approval rates and lower denial rates than the low income group for all races/ethnicities except the “other” category. In the moderate income band, minority applicants had approval rates from 78.2% for Blacks to 83.0% for Hispanics, compared to 88.8% for Whites. Approval rate gaps ranged from 10.6 percentage points between Blacks and Whites to 5.8 between Hispanics and Whites.

At the high income level, approval and denial rates for White applicants show less variation from those of minority applicants. Approval rates ranged from 80.0% for persons of other races to 88.8% for Whites. Hispanic applicants were approved loans in 86.3% of cases and Black applicants in 83.7% of cases.

Overall, this analysis indicates that loan outcomes for Whites were consistently better than for most minority applicants (with the exception of the limited number of applicants of other races). These differences were most pronounced at low incomes and least so at high incomes. Approval rates for minority applicants were more strongly correlated to income than for White applicants, who saw considerably less variation in loan outcomes relative to income.

The table on the following page identifies reasons for loan denials for White, Black, Asian, and Hispanic applicants. Data is not presented for persons of other races due to the low number of observations for this group. For each minority group, the distribution of loan denial reasons is compared to that of White applicants (as a reference group). Findings are summarized below:

- Denial reasons were less likely to be provided for Black applicants than for Whites and Hispanics. Reasons for loan denial were not reported in 19.5% of denials to Whites and 19.8% to Hispanics, compared to 23.2% for Blacks.
- Regardless of race or ethnicity, the most common reason for loan denials was debt-to-income ratio. This factor was behind from 20.2% of denials to Asians to 26.8% of denials to Blacks, and it speaks to a household’s overall long-term ability to repay home loans.
- Subsequent reasons for denial vary by race and ethnicity. Collateral and credit history were most likely to affect White applicants, triggering 17.2% and 14.6% of denials, respectively. These were both also top denial reasons for Black and Hispanic applicants, but at lower rates. Black applicants were denied loans due to insufficient collateral 0.60 times as frequently as Whites, and Hispanics 0.81 times as frequently. Similarly, credit history affected 0.79 times as many Black and 0.88 times as many Hispanic applicants as Whites.
- In comparison to Whites, Black applicants were more likely to be denied loans due to employment history (1.21 times), unverifiable information (1.09 times), and “other” reasons (1.38 times). Incomplete credit applications and insufficient cash were less likely

to be issues. Unverifiable information and other reasons were also more likely to affect Hispanic applicants than Whites (by factors of 1.45 and 1.38, respectively).

- For Asian loan applicants, incomplete credit applications, unverifiable information, employment history, and “other” reasons were more likely to be barriers to loan approval than for White applicants by factors ranging from 1.49 to 1.77. Collateral, credit history, and insufficient cash were less likely to be issues.

Reasons for Loan Denial by Applicant Race and Ethnicity San Bernardino County, 2013							
Reasons for Denial	Non-Hispanic					Hispanic	
	White	Black		Asian			
	Share	Share	Ratio to Whites	Share	Ratio to Whites	Share	Ratio to Whites
Total denied loan applications	793	164		372		1,132	
Denial reason provided	80.5%	76.8%	0.95	82.8%	1.03	80.2%	1.00
Collateral	17.2%	10.4%	0.60	11.8%	0.69	14.0%	0.81
Credit application incomplete	8.8%	7.3%	0.83	15.6%	1.77	7.7%	0.87
Credit history	14.6%	11.6%	0.79	10.5%	0.72	12.9%	0.88
Debt-to-income ratio	21.7%	26.8%	1.24	20.2%	0.93	22.8%	1.05
Employment history	1.5%	1.8%	1.21	2.2%	1.42	1.5%	0.99
Insufficient cash	3.7%	2.4%	0.67	3.0%	0.81	3.4%	0.94
Mortgage insurance denied	0.3%	0.0%	-	0.3%	1.07	0.1%	0.35
Unverifiable information	3.9%	4.3%	1.09	6.2%	1.58	5.7%	1.45
Other	8.8%	12.2%	1.38	13.2%	1.49	12.2%	1.38
Reason not provided	19.5%	23.2%	1.19	17.2%	0.88	19.8%	1.01

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Loan Actions by Census Tract Minority Percentage

Census tracts often approximate neighborhoods and can provide a convenient measure of the small area effects of loan discrimination. The following table (HMDA Loan actions by

Census Tract Minority Percentage) provides the counts and rates of loan actions⁷³ for San Bernardino County census tracts by level of minority population.

The categories shaded in green show loans that were approved by a HMDA-reporting loan institution. Many loans were approved and resulted in a mortgage (Loan Originated), although in some cases an application was approved but the applicant decided not to finalize the loan; these are categorized as “Approved But Not Accepted.”

Over half of loan applications (51.9%) were for homes in census tracts with minority population shares from 60% to 90% of the tract total. Loan applications from tracts with minority population shares below 30% made up 10.7% of the total. Overall, loan origination rates tended to decline as the share of minority population increased. For tracts that were 20-50% minority, loan origination rates were about 70%; this rate fell to the mid-60s for tracts with 50-90% minority population and down to 58.6% for tracts that were over 90% minority.

⁷³ Loan approvals include “Loan Originated” and “Approved but Not Accepted.” “Application Denials by the Financial Institution” was the single category used to calculate Denial Rates. Other loan action categories included “Application Withdrawn by Client” and “File Closed for Incompleteness.”

HMDA Loan Actions by Census Tract Minority Percentage San Bernardino County, 2013						
Tract Minority Percentage	Loan Originated	Approved, Not Accepted	Denied by Financial Institution	Withdrawn by Applicant	Closed Incomplete	Total
Loan Action (Counts)						
0.0%-9.9%	0	0	0	0	0	0
10%-19.9%	177	11	39	33	4	264
20%-29.9%	1,335	92	257	177	41	1,902
30%-39.9%	1,672	94	291	257	40	2,354
40%-49.9%	1,464	116	258	207	44	2,089
50%-59.9%	1,598	127	353	288	53	2,419
60%-69.9%	2,344	210	531	416	84	3,585
70%-79.9%	2,800	212	564	484	88	4,148
80%-89.9%	2,168	227	575	378	86	3,434
90%-99.9%	767	80	252	176	33	1,308
Total	14,325	1,169	3,120	2,416	473	21,503
Loan Action (Rates)						
0.0%-9.9%	---	---	---	---	---	---
10%-19.9%	67.0%	4.2%	14.8%	12.5%	1.5%	100.0%
20%-29.9%	70.2%	4.8%	13.5%	9.3%	2.2%	100.0%
30%-39.9%	71.0%	4.0%	12.4%	10.9%	1.7%	100.0%
40%-49.9%	70.1%	5.6%	12.4%	9.9%	2.1%	100.0%
50%-59.9%	66.1%	5.3%	14.6%	11.9%	2.2%	100.0%
60%-69.9%	65.4%	5.9%	14.8%	11.6%	2.3%	100.0%
70%-79.9%	67.5%	5.1%	13.6%	11.7%	2.1%	100.0%
80%-89.9%	63.1%	6.6%	16.7%	11.0%	2.5%	100.0%
90%-99.9%	58.6%	6.1%	19.3%	13.5%	2.5%	100.0%
Total	66.6%	5.4%	14.5%	11.2%	2.2%	100.0%

Source: FFIEC 2013 Home Mortgage Disclosure Act Data, Accessed via <http://www.consumerfinance.gov/hmda/>

Denial rates tended to increase as minority population shares rose, although the change was not as pronounced as the change in loan origination rates. Lowest loan denial rates were in

tracts that were 30-50% minority (denial rates of 12.4%) compared to a high of 19.3% for tracts that were over 90% minority.

Tracts with a higher share of minority residents also showed a greater likelihood of having loans approved but not accepted by the applicant. For tracts with minority population shares under 40%, less than 5% of loans were approved but not accepted. In tracts that were more than 80% minority, this outcome occurred in more than 6% of cases.

Summary of HMDA Analysis

This analysis found differences in loan approvals and denials by sex, race, and ethnicity varied depending on income levels, as outlined below:

- At the low income level, female applicants had higher approval rates and lower denial rates than both male/female co-applicants and male applicants. As incomes increased, male/female co-applicants had higher loan approval rates. At moderate incomes, male/female co-applicants saw approval rates that were 2.3 percentage points above those of male applicants and 1.9 points above female applicants. These spreads widened slightly to 3.8 and 2.6 points, respectively, for high income applicants.
- A comparison of loan outcomes by applicant race/ethnicity shows that there is a 7.6 percentage point gap in approval rates between low income White and Hispanic loan applicants and a 15.1 percentage point gap between low income White and Black loan applicants. This gap is reduced somewhat to 5.8 and 10.6 points, respectively, for moderate income applicants. In the highest income category, approval rates are more similar for each of these applicant groups, varying by 2.5 percentage points for Whites and Hispanics and 5.1 percentage points for Whites and Blacks.
- Regardless of race, ethnicity, or sex, the most common reason for loan denials was debt-to-income ratio. Collateral and credit history were also frequent barriers. Comparing denial reasons for White and Black applicants shows that Blacks were more likely to be denied due to debt-to-income ratio, employment history, and “other” reasons; Hispanics were more likely to be hindered by unverifiable information and “other” reasons. Denial reasons varied little by applicant sex.

While this data uncovers disparity in loan approvals by race, ethnicity, and sex at some income levels, it is not possible to determine if the lender motivation for this disparate treatment was due to economic reasons, social discrimination or both.

Fair Housing Organizations & Activities

Public awareness of fair housing issues and laws is critical to reducing fair housing violations and is a means to ending housing discrimination. This awareness of fair housing rights is also a critical component in ensuring that residents have equitable access to healthy, opportunity-rich neighborhoods that are in line with their needs and preferences. In general, fair housing services can typically include the investigation and resolution of housing discrimination complaints; discrimination auditing and testing; and education and outreach; including the dissemination of fair housing information such as written material, workshops, and seminars. In addition, fair housing agencies may also provide counseling services that educate landlords and tenants of their rights and responsibilities under fair housing law and other consumer protection legislations. In some instances these agencies also mediate disputes between tenants and landlords.

The goal of fair housing education is to ensure that citizens know their rights and what to do if their rights have been violated. This section provides an overview of fair housing organizations, educational activities, and services available to residents in the County.

The U.S. Department of Housing and Urban Development (HUD) oversees, administers, and enforces the federal Fair Housing Act. HUD's Region IX office in San Francisco, California oversees housing, community development, and fair housing enforcement in American Samoa, Arizona, California, Guam, Hawaii, and Nevada. The Office of Fair Housing and Equal Opportunity (FHEO) within HUD's San Francisco office enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in San Bernardino County. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP).

Locally, the Inland Fair Housing Mediation Board (IFHMB) coordinates fair housing services and education within the County Consortium. The County contracts with IFHMB to administer the County's fair housing services which include education, mediation, investigation, or referrals of housing discrimination complaints. The IFHMB was established in 1980 to combat housing discrimination primarily by educating both tenants and landlords as to their rights and responsibilities according to fair housing laws.

IFHMB sponsors public fair housing educational activities, fair housing outreach activities, and fair housing referral activities. IFHMB assists with fair housing plans, offers fair housing education to the real estate industry, prepares and disseminates information to members of the housing industry, provides technical information for conciliation, participates in area

trade shows, conducts training conferences for attorneys and advocates, and conducts tests and audits to investigate possible discrimination.

Housing Discrimination Complaints

The Office of Fair Housing and Equal Opportunity [FHEO] administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Individuals who believe they are victims of housing discrimination can choose to file a fair housing complaint through the respective Regional FHEO. Typically, when a complaint is filed with the agency, a case is opened and an investigation of the allegations of housing discrimination is reviewed.

If the complaint is not successfully mediated, the FHEO determines whether reasonable cause exists to believe that a discriminatory housing practice has occurred. Where reasonable cause is found, the parties to the complaint are notified by HUD's issuance of a "Determination", as well as a "Charge of Discrimination", and a hearing is scheduled before a HUD administrative law judge. Either party [complainant or respondent] may cause the HUD-scheduled administrative proceeding to be terminated by electing instead to have the matter litigated in Federal court. "How Much Do We Know" published by HUD in 2002, reports that only half of the public could correctly identify as "unlawful" six out of eight scenarios describing illegal fair housing conduct. Less than one-fourth of the public knows the law in two or fewer of the eight cases.

In addition, 14 percent of the adult population claims to have experienced some form of housing discrimination at one point or another in their lives. Of those who thought they had been discriminated against, 83% indicated they had done nothing about it, while 17 percent say they did pursue a complaint. In HUD's follow-up study "Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law" [published in 2006] "41 percent of the former survey respondents said it was "very likely" they would do something about future discrimination compared to only 20 percent in the 2005 survey of which African Americans are even somewhat more prone to say they would be likely to respond"⁷⁴. The survey revealed that 46 percent of those who reported having experienced discrimination in the past and done nothing about it said they would very likely do something about future discrimination.

Individuals with more knowledge are more likely to pursue a complaint than those with less knowledge of fair housing laws. Therefore, there is an association between knowledge of the law, the discernment of discrimination, and attempts to pursue it. Locally, it is critical that there are efforts in place to educate, to provide information, and to provide referral

⁷⁴Martin D. Abravanel and Mary K. Cunningham, *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*, U.S. Department of Housing and Urban Development, February 2006. Source: <http://www.fhco.org/pdfs/DoWeKnowMoreNowSurvey2006.pdf>

assistance regarding fair housing issues in order to better equip persons with the ability to assist in reducing impediments.

Each year National Fair Housing Alliance [NFHA] collects data from both private, non-profit fair housing organizations and government entities to present an annual snapshot of fair housing enforcement in the United States.⁷⁵ In August 2014, NFHA released its 2014 Fair Housing Trends report, “Expanding Opportunity: Systemic Approaches to Fair Housing.” The report highlights how the federal government and nonprofit organizations have increased systemic fair housing enforcement through broad-based approaches and traditional case-by-case practices. The report also peers into housing discrimination on a regional level, drawing connections between the rate of segregation and the level of reported housing discrimination.

In 2013, there were 27,352 complaints of housing discrimination, compared to 28,519 in 2011. As noted in the NFHA 2013 Fair Housing Trends Report, more disability complaints have been filed than any other type of fair housing complaints. NFHA suggest that this may be contributed to the apartment owner’s direct refusal to make reasonable accommodations or modifications for people with disabilities. Architects and developers continue to design and construct obviously inaccessible apartment buildings and condominium complexes that do not meet the Fair Housing Act’s standards, despite HUD’s 10 year “Fair Housing Accessibility FIRST” education campaign educating architects and builders about their fair housing responsibilities although, HUD has devoted an office solely to disability issues.

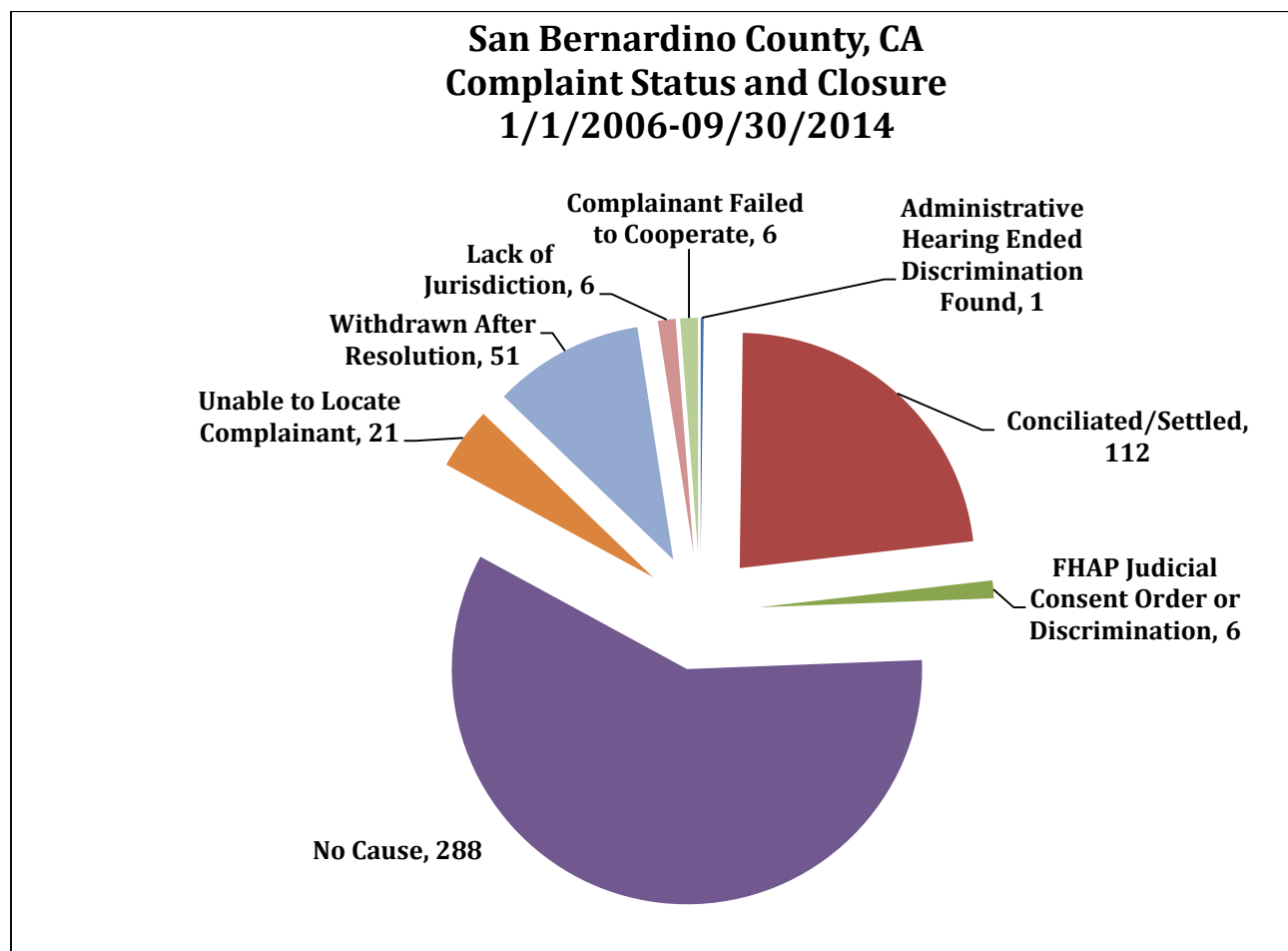
Complaints Filed With HUD

Region IX of the Office of Fair Housing and Equal Opportunity [FHEO] receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout American Samoa, Arizona, California, Guam, Hawaii, and Nevada. The mission of the FHEO is to protect individuals from employment, housing and public accommodation discrimination, and hate violence. To achieve this mission, the FHEO maintains databases of and investigates complaints of housing discrimination, as well as complaints in the areas of employment, housing, public accommodations and hate violence. The following table identifies the number of complaints filed by location of which the complaint occurred, the status of the complaint, and the bases for the complaint.

From January 1, 2006 and September 30, 2014 there were 523 housing complaints filed with HUD FHEO for the County of San Bernardino. Of these complaints, 112 were determined to have cause and were settled through conciliation or judicial consent order. A total of \$418,748 in settlement compensation was paid regarding the “with cause” claims. A total of

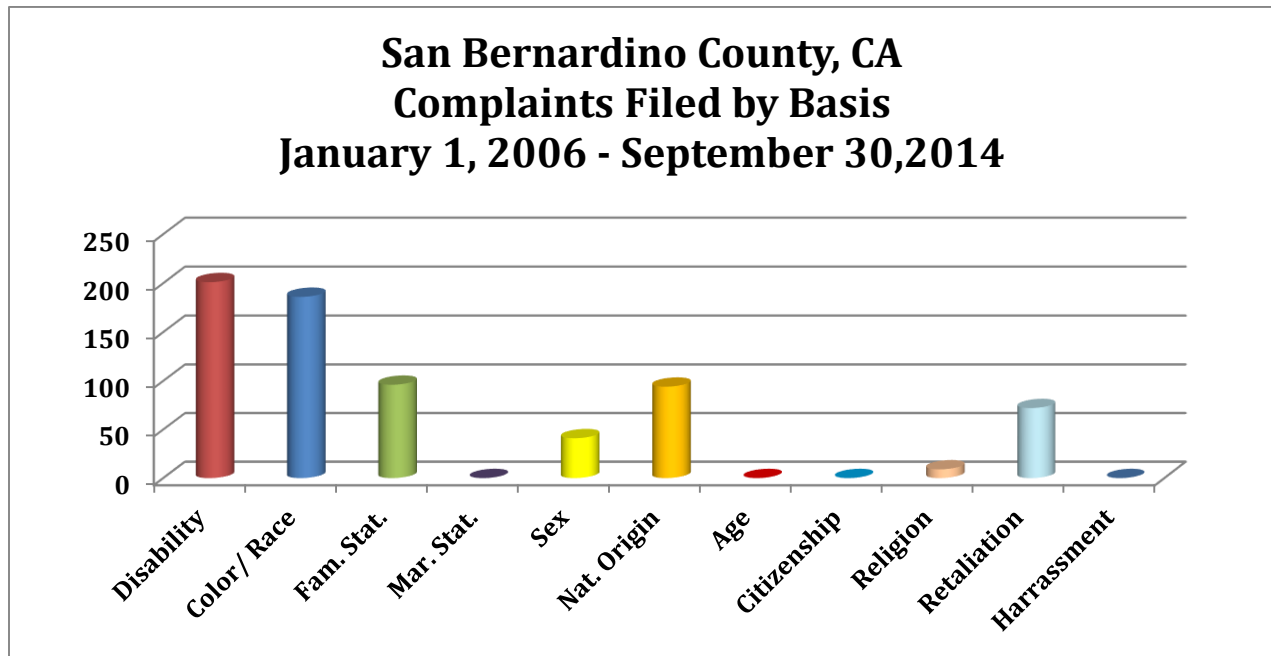
⁷⁵National Fair Housing Alliance 2013 Fair Housing Trends Report
<http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=rJOodoEJhG4%3d&tabid=3917&mid=5321>

78 complaints were withdrawn for no cause, lack of jurisdiction or failure of complainant to cooperate. The County currently has no open complaints.



The review of complaints shows that the overwhelming majority of complaints investigated by the San Francisco FHEO Office for the County of San Bernardino were based on disability status and color or race, respectively at 38% and 35% of the total types of Protected Class complaint filings with familial status and national origin as the next largest complaints at 18.3% and 18.1%. A lack of filed complaints does not indicate that a problem does not exist. It should be noted that these complaint numbers may exceed the total number of filings, due to multiple discrimination allegations within a single complaint.

San Bernardino County Complaints Filed by Basis January 1, 2006 - September 30,2014											
Disability	Color/ Race	Fam. Stat.	Mar. Stat.	Sex	Nat. Origin	Age	Citizenship	Religion	Retaliation	Harrassment	TOTAL COMPLAINTS FILED
201	186	96	0	41	94	0	0	9	72	0	523



As noted in the following table, a review of fair housing complaints filed by issue corresponds reflect 182 or 34.7% of the 523 complaints noted resulted from discrimination in terms, conditions, privileges relating to rental housing in the County of San Bernardino. Other issues, such as discriminatory acts under Section 818 (coercion, etc.) and discriminatory refusal to rent also had significant number of cases filed at 158 and 126 of the total cases filed in San Bernardino. The complaints as presented from the FHEO are found in full in the Appendix of this document.

San Bernardino County, CA Complaints Filed by Basis January 1, 2006 - September 30, 2014	
Issues	Filed Cases
Discriminatory Refusal to Sell	15
Discriminatory Refusal to Rent	126
Discriminatory Refusal to Rent and Negotiate for Rental	1
Discriminatory Advertising, Statements, and Notices	92
False Denial or Representation of Availability - Rental	12
Discriminatory Financing (Includes Real Estate Transactions)	13
Discrimination in the Making of Loans	12
Discrimination in the Terms, Conditions, Privileges, or Services and Facilities	122
Discrimination in Terms/Conditions/Privileges Relating to Sale	14
Discrimination in Terms/Conditions/Privileges Relating to Rental	182
Otherwise Deny or Make Housing Unavailable	4
Discriminatory Acts under Section 818 (Coercion, etc.)	158
Failure to Permit Reasonable Modification	7
Failure to Make Reasonable Accommodation	144
TOTAL NUMBER OF COMPLAINTS FILED BY BASIS	1024
TOTAL CASES	523

Complaints Inland Fair Housing and Mediation Board

The Inland Fair Housing and Mediation Board (IFHMB) is a non-profit organization that assists individuals in resolving issues related to housing discrimination, homeownership sustainability, rental complaints, and disputes in court through the provision of resource recommendations, education, and mediation. IFHMB provides services to the County of San Bernardino, areas of Riverside and Imperial Counties. No complaints have been reported by the IFHMB at this time.

Discrimination on the Basis of Sexual Orientation or Gender Identity

Sexual orientation and gender identity are not specifically named as protected classes under the federal Fair Housing Act, however, a lesbian, gay, bisexual, or transgender person may experience discrimination due to his or her sexual orientation or gender identity that is considered to be unlawful under one of the existing classes protected by the statute. Additionally, discrimination on the basis of sexual orientation or gender identity may violate

federal regulations if perpetrated by an entity funded or insured by HUD or the Federal Housing Administration. The housing discrimination complaints described in this section do not include sexual orientation or gender identity as bases, however, survey-based research has repeatedly shown that lesbian, gay, bisexual, and transgender individuals may be targets of housing discrimination.

More rigorous research recently published by HUD's Office of Policy Development and Research studied responses to rental housing inquiries made by same-sex couples and found that heterosexual couples are significantly more likely than same-sex couple counterparts to receive responses from prospective landlords.⁷⁶ Specifically, "heterosexual couples were favored over gay male couples in 15.9 percent of tests and over lesbian couples in 15.6 percent of tests."⁷⁷ A further finding of this study was that, for those same-sex couples whose inquiry received an initial response, subsequent treatment by the prospective landlord was generally equal to that of the heterosexual control group. This finding suggests that the most pervasive form of housing discrimination against same-sex couples in the rental market involves a simple refusal on the part of the landlord to respond the initial inquiry.

Although the complaint data in this section does not address housing discrimination on the bases of sexual orientation or gender identity, this type of discrimination is likely to occur and may limit the housing choice of some groups of county residents.

⁷⁶ M. Davis and Company, Inc., "An Estimate of Housing Discrimination Against Same-Sex Couples," Report for the U.S. Department of Housing and Urban Development Office of Policy Development and Research, September 2013.

⁷⁷ Ibid.

Hate Crimes

Hate crimes are crimes that are committed because of a bias against race, religion, disability, ethnicity, or sexual orientation. In an attempt to determine the scope and nature of hate crimes, the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program collects statistics on these incidents. However, it was not until early in this decade that the federal government began to collect data on how many and what kind of hate crimes are being committed, and by whom.

Fair housing violations due to hate crimes occur when people will not consider moving into certain neighborhoods, or have been run off from their homes for fear of harassment or physical harm.

To a certain degree, hate crimes are an indicator of the environmental context of discrimination. These crimes should be reported to the police or sheriff's department. On the other hand, a hate incident is an action or behavior that is motivated by hate but is protected by the First Amendment right to freedom of expression. Examples of hate incidents can include name calling, epithets, distribution of hate material in public places, and the display of offensive hate-motivated material on one's property. The freedom guaranteed by the U.S. Constitution, such as the freedom of speech, allows hateful rhetoric as long as it does not interfere with the civil rights of others. Only when these incidents escalate can they be considered an actual crime.

Hate crimes become a fair housing concern when residents are intimidated or harassed at their residence or neighborhood. Fair housing violations due to hate crimes also occur when people will not consider moving into certain neighborhoods, or have been run off from their homes for fear of harassment or physical harm. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate or act violently toward a person who has exercised their right to free housing choice. Persons who break the law have committed a serious crime and can face time in prison, large fines or both, especially for violent acts, serious threats of harm, or injuries to victims. In addition, this same behavior may violate similar state and local laws, leading to more punishment for those who are responsible. Some examples of illegal behavior include threats made in person, writing or by telephone; vandalism of the home or property; rock throwing; suspicious fires, cross-burning or bombing; or unsuccessful attempts at any of these.

Reporting hate crimes is voluntary on the part of the local jurisdictions. Some states started submitting data only recently, and not all jurisdictions are represented in the reports. Many jurisdictions, including those with well-documented histories of racial prejudice, reported zero hate crimes. Another obstacle to gaining an accurate count of hate crimes is the reluctance of many victims to report such attacks.

Hate crime statistics compiled for the County of San Bernardino show that a total of five hate crimes were committed between 2010 and 2012. Race and ethnicity based hate crimes were the most common. There was no hate crimes recorded on the basis of disability in the County. The following tables will present hate crime incidents per bias motivation from 2010 to 2012.

CALIFORNIA

Hate Crime Incidents

Per Bias Motivation and Quarter by Agency, 2010- 2012

Year	Agency name	Number of incidents per bias motivation					Number of incidents per quarter ¹				Population ²
		Race	Religion	Sexual orientation	Ethnicity	Disability	1st quarter	2nd quarter	3rd quarter	4th quarter	
Total		3	0	1	1	0	0	3	0	2	
2012	San Bernardino	1	0	0	0	0	0	1	0	0	214,987
2011	San Bernardino	1	0	0	1	0	0	0	0	2	212,392
2010	San Bernardino	1	0	1	0	0	0	2	0	0	199,214

Source: U.S. Department of Justice Federal Bureau of Investigation, <http://www.fbi.gov/about-us/cjis/ucr/hate-crime/2010/tables/table-13/California>

Housing Discrimination Lawsuits

This section will provide a summary of the nature, extent, and disposition of significant housing discrimination lawsuits and administrative complaints filed and/or adjudicated between January 2009 and November 2014 which may impact future fair housing choice within San Bernardino County, California. After a thorough search, few significant cases were found specifically involving San Bernardino litigants or San Bernardino local governments. However, significant housing discrimination cases involving parties and jurisdictions outside the San Bernardino study area for this time period are discussed —specifically fair housing cases reviewed by the United States Court of Appeals for the Ninth Circuit, cases brought in the federal Central District of California (which includes San Bernardino County, Riverside County, Orange County, Los Angeles County, Ventura County, Santa Barbara County, and San Luis Obispo County), and cases adjudicated under state fair housing laws within the central region —because the issues presented may impact future legislation and litigation or fair housing choice within San Bernardino County.

California has adopted a parallel version of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 *et seq.* (the “Fair Housing Act” or “FHA”), known as the *Fair Employment and Housing Act* (“FEHA”) (CAL. GOV. CODE § 12900 - 12996). Both the FHA and FEHA prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on sex (which under the FEHA also includes specifically pregnancy, childbirth, breastfeeding or medical conditions related to pregnancy, childbirth or breastfeeding), race, color, disability (physical and mental), religion, national origin, or familial status (families with children). In addition, the FEHA separately prohibits discrimination in housing based on gender, gender identity, and gender expression, sexual orientation, marital status, source of income, age, genetic information, and retaliation for protesting illegal discrimination. The FEHA prohibits discrimination and harassment in all aspects of housing including sales and rentals, evictions, terms and conditions, mortgage loans and insurance, and land use and zoning. Like the FHA, it requires housing providers to make reasonable accommodation in rules and practices to permit persons with disabilities to use and enjoy a dwelling and to allow persons with disabilities to make reasonable modifications of the premises.

Under California’s *Unruh Civil Rights Act*, all persons are entitled to full and equal accommodations, advantages, facilities, privileges, or services in all “**business establishments**,” including both private and public entities. The Unruh Act has been consistently construed to apply to rental housing, and is an additional claim often included in housing discrimination cases. The *Unruh Civil Rights Act* protects all persons against arbitrary and unreasonable discrimination by a business establishment (Civil Code section 51).

An individual who believes he or she has been the victim of an illegal housing practice under the FHA may file a complaint with the Department of Housing and Urban Development ("HUD") or file a lawsuit in federal or state court. The Department of Justice ("DOJ") may bring suit on behalf of individuals based on referrals from HUD.

The FEHA provides an alternative procedure for the administrative complaint process than the federal act provides. Persons who believe they have experienced housing discrimination may file a pre-complaint inquiry with the Department of Fair Employment and Housing (DFEH). The Department accepts cases based on possible violations of the FEHA, the Unruh Civil Rights Act, the Ralph Civil Rights Act, and the Disabled Persons Act. Complaints must be filed with DFEH within one year from the date of the alleged discriminatory act. If a complaint is accepted for investigation by the Department, the investigator will draft the complaint. The complaint may be dual-filed with HUD. During the investigation phase, DFEH has the authority to issue subpoenas and take depositions. If the investigation does not show a violation of the law, DFEH will close the case. Before DFEH issues a finding, it may facilitate voluntary dispute resolution through conciliation or mediation. After DFEH issues a merit finding, the opposing parties are required to participate in mandatory dispute resolution. A no-fault resolution can be negotiated at any time during the process. If dispute resolution fails, the DFEH may elect to file a complaint to be heard before the Fair Employment and Housing Commission (FEHC) or in civil court on behalf of the aggrieved complainant.

Unlike an employment discrimination case, it is not necessary for an aggrieved party to exhaust all administrative remedies before filing a housing discrimination lawsuit in court. Persons wishing to file a lawsuit directly in court may bypass the administrative process with the Department as they do **not** need a "right-to-sue" letter/recommendation from the DFEH. Aggrieved persons retain the right to bring their own civil action within the statute of limitations under either the federal FHA or the FEHA.

Though the FHA and FEHA are not identical, they are congruent, and accordingly California courts have historically been guided by both state and federal law in deciding claims of housing discrimination. "FEHA in the housing area is thus intended to conform to the general requirements of federal law in the area and may provide greater protection against discrimination." *Brown v. Smith*, 55 Cal. App. 4th 767, 780 (1997).

Cases brought in state superior court generally proceed more quickly and are less costly in terms of litigation expenses than cases adjudicated in federal district court, which provides a strong incentive for complainants to seek relief under state fair housing laws. While the complainants in each state case described below could have filed in federal district court for alleged violations of the FHA, the FEHA is substantially similar in terms of its protections, and may even provide greater protections based on the protected class status of the complainant.

Housing discrimination claims have been brought against local governments and zoning authorities and against private housing providers. The cases reviewed below reflect the interests of a wide variety of aggrieved plaintiffs including individuals and families impacted by discrimination, local civil rights advocacy groups on behalf of protected classes, and the U.S. Department of Justice to protect the public interest. The cases brought by the U.S. DOJ are highlighted because they demonstrate the government's interest in protecting fair housing choice and redressing housing discrimination even on a small, localized scale where the case raises an issue of general public importance under the FHA.

Disparate Impact Claims and the FHA

All of the federal circuits, including the Ninth Circuit which has jurisdiction to hear appeals from California district courts, have held or implied that the FHA affords plaintiffs the ability to prove fair housing violations on the theory of disparate impact. *See Pfaff v. U.S. Department of Housing and Urban Development*, 88 F.3d 739 (9th Cir. 1996) (applying a burden-shifting analysis); *Keith v. Volpe*, 858 F.2d 467 (9th Cir. 1988), *cert. denied*, 493 U.S. 813, 110 S. Ct. 61, 107 L.Ed.2d 28 (1989).

Moreover, on February 15, 2013, HUD issued a Final Rule establishing that disparate impact claims are cognizable under the FHA (the "Disparate Impact Rule"). *See* 78 Fed. Reg. 11460 (Feb. 15, 2013) (codified at 24 C.F.R. § 100.500 (2013)). The Disparate Impact Rule formalizes HUD's recognition that liability under the FHA may arise from a facially neutral practice that has discriminatory effects on certain protected groups of people, regardless of whether discriminatory intent can be shown. The Disparate Impact Rule also establishes a three-step burden-shifting approach to deciding disparate impact claims. Despite the federal circuit courts' recognition of disparate impact claims under the FHA and HUD's codification of the theory through its rule-making authority, the Disparate Impact Rule has received a lot of pushback and criticism, especially from the lending and insurance industries. Housing advocates and legal scholars fear that if the disparate impact theory were struck down by the Supreme Court, it would essentially gut the purpose and effectiveness of the FHA.

Now the U.S. Supreme Court is poised to finally determine whether disparate impact claims are cognizable under the Fair Housing Act or whether the aggrieved protected class must meet a higher standard by proving intentional discrimination. On October 2, 2014, the Supreme Court granted the petition for certiorari by the Texas Department of Housing and Community Affairs in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.*, 747 F.3d 275 (5th Cir. 2014), *cert. granted*, 189 L. Ed. 2d 896 (2014), after the Texas DHCA was sued over the allocation of tax credits for low-income building projects.

The case, which will be considered in the first half of 2015, gives the Supreme Court its third opportunity since 2012 to rule on the issue. The prior two cases, *Mt. Holly Gardens Citizens*

in Action, Inc. v. Township of Mount Holly, 658 F.3d 375 (3d Cir. 2011), *cert. granted*, 133 S. Ct. 2824, 186 L. Ed. 2d 883 (2013) and *Magner v. Gallagher*, 619 F.3d 823 (8th Cir. 2010), *cert. granted*, 132 S. Ct. 1306 (2012) were both settled after the completion of briefing but before the Court could hear oral argument and answer the question presented.

Under California and Ninth Circuit precedent, a plaintiff can establish a violation under the FHA or FEHA by proving discrimination in the form of: (1) disparate treatment or intentional discrimination; (2) disparate impact of a law, practice or policy on a covered group; or (3) by demonstrating that the defendant failed to make reasonable accommodations in rules, policies, or practices so as to afford people with disabilities an equal opportunity to live in a dwelling. See *Budnick v. Town of Carefree*, 518 F.3d 1109, 1114 (9th Cir. 2008); *Iniestra v. Cliff Warren Invs., Inc.*, 886 F. Supp. 2d 1161, 1166 (C.D. Cal. 2012); *Sisemore v. Master Financial, Inc.*, 151 Cal. App. 4th 1386, 1420 (Cal. App. 6th Dist. 2007) (“housing discrimination under the FEHA may be established either by disparate treatment or by disparate impact”). The cases discussed below in Section III generally proceed under one or more of these theories of housing discrimination.

Analysis of Case Law

The cases presented in this section fall under eight main fair housing categories: (1) a complaint brought against a roommate matching service for allegedly facilitating discriminatory housing preferences; (2) a complaint brought against a local government for alleged post-acquisition discriminatory practices; (3) a complaint brought against a local municipality for alleged familial status discriminatory zoning or land use practices; (4) complaints brought against local governments and housing providers for housing discrimination against persons with disabilities; (5) complaints brought against major banks and a mortgage lending company for alleged discriminatory lending; (6) a complaint brought against a housing provider for discriminatory rental policies based on race and national origin; (7) a complaint challenging a local zoning ordinance that requires a minimum set aside of affordable housing for new developments that conflicts with the state density bonus law; and (8) a case against a housing provider’s policies regarding the supervision of children on the property for familial status discrimination.

Again, these cases may not specifically involve San Bernardino County litigants or the San Bernardino local governments, but because they were adjudicated by the federal Ninth Circuit and district court for the Central District of California and by California state appeals courts, the issues presented provide precedent for future legislation and litigation or fair housing choice policy within San Bernardino County.

Issue 1: Does the FHA extend to the selection of shared living or roommate situations?

- ***Fair Housing Council of San Fernando Valley v. Roommate.com, LLC*, 666 F.3d 1216 (9th Cir. 2012) (appeal from C.D. Cal, Civil Action No. 2:03-cv-09386-PA-RZ).**

Multiple fair housing councils sued Roommates.com, an Internet website provider that helps match roommates in thousands of cities, alleging that the Defendant's roommate-matching business violated the Fair Housing Act (FHA), 42 U.S.C.S. § 3601 *et seq.*, (and state fair housing laws). Users of the site are asked to create a profile that lists their preferences for roommate characteristics, including sex, sexual orientation, and familial status, and it then matches them to other seekers meeting the criteria. Users also can search available listings based on roommate characteristics, including sex, sexual orientation and familial status. Plaintiffs alleged that the website's questions requiring disclosure of sex, sexual orientation and familial status, and its sorting, steering and matching of users based on those characteristics violate fair housing laws.

The district court for the Central District of California granted summary judgment for the Plaintiffs holding that the website operator violated the FHA (and state law) by prompting discriminatory preferences from users, matching users based on that discriminatory information, and publishing these preferences. The lower court enjoined Defendant from those activities. Defendant appealed to the Ninth Circuit Court of Appeals.

The Ninth Circuit considered whether anti-discrimination provisions of the FHA and California FEHA extend to the selection of roommates: If the FHA and FEHA extend to shared living situations, then what Roommates.com does amounts to a violation.

The FHA prohibits discrimination on the basis of "race, color, religion, sex, familial status, or national origin" in the "sale or rental of a dwelling." 42 U.S.C. § 3604(b) (emphasis added). The FHA also makes it illegal to "make, print, or publish ... any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination" based on those protected characteristics. *Id.* § 3604(c) (emphasis added). In the Court's view, the reach of the statute turns on the meaning of "dwelling."

The Court reasoned that while it is possible to read dwelling to mean sub-parts of a home or an apartment (such as a bedroom plus common areas), doing so leads to constitutional concerns. First, the Court found there is no indication that Congress intended to interfere with personal relationships *inside* the home, and the Supreme Court has consistently protected the freedom to enter into and carry on certain intimate or private relationships. The roommate relationship easily qualifies as the type of intimate association protected by the constitutional scheme. Citing multiple hypothetical examples, the Court noted that

holding that the FHA applies inside a home or apartment would allow the government to restrict our ability to choose roommates compatible with our lifestyles. This would be a serious invasion of privacy, autonomy and security.

The Court concluded that reading “dwelling” to mean an independent housing unit is a fair interpretation of the text and consistent with congressional intent, and the Court adopted the narrower construction of “dwelling” that excludes roommate selection from the reach of the FHA. The Court applied the same reasoning to its analysis under the FEHA. Accordingly, it is not unlawful to discriminate in selecting a roommate, and Roommate’s facilitation of discriminatory roommate searches does not violate the FHA or FEHA. The lower court’s ruling was vacated.

Issue 2: Are post-acquisition intentional discrimination claims, specifically failure of the local government to provide equal and adequate public services, cognizable under the FHA?

- *Comm. Concerning Cmty. Improvement v. City of Modesto*, 583 F.3d 690 (9th Cir. 2009) (appeal from the E.D. Cal. Civil Action No. CV-04-06121-LJO-DLB).

Plaintiffs, the residents of four predominantly Latino neighborhoods and two community groups, brought suit against Defendants, a city and county, alleging intentional discrimination based on lack of adequate public services. The urban neighborhoods were located in unincorporated areas or “islands” but were alleged to fall within the City’s “sphere of influence.” The communities had not been included in a tax sharing agreement between the County in which they were located and the City while communities with majority-white populations were included in the agreement. Neighborhoods included to the agreement were more likely to be annexed by the City at some point in the future. Plaintiffs contended that Defendants failed to provide the Latino unincorporated neighborhoods basic services and facilities in connection with housing such as sidewalks, street lights, storm drains, sewer lines, gutters, and road maintenance, adequate law enforcement protection and emergency services based in substantial part on the race, ethnicity, ancestry, color, or national origin of the residents, which constituted a violation of the FHA, 42 U.S.C. 3604(b).

The district court dismissed the FHA claim, holding that the statute is limited to “discrimination in the provision of services in connection with the acquisition of a dwelling,” rather than discrimination in the provision of services to existing homeowners and renters. The Ninth Circuit took up the question of post-acquisition discrimination claims under the FHA, recognizing that there is a split among the federal circuit courts. *See, e.g., Halprin v. Prairie Single Family Homes of Dearborn Park Ass’n*, 388 F.3d 327 (7th Cir. 2004) (holding that post-sale harassment of homeowners did not violate the FHA’s prohibition on

discrimination in the sale of a dwelling), reversed in part by *Bloch v. Frischholz*, 587 F.3d 771 (7th Cir. 2009) (ruling that under specific and limited circumstances the FHA *can* reach post-occupancy discrimination); *Cox v. City of Dallas*, 430 F.3d 734, 745 (5th Cir. 2005) (following *Halprin* in concluding that the FHA does not protect post-acquisition occupancy of housing).

The Ninth Circuit ruled that the district court erred in holding that § 3604(b) of the FHA did not apply to post-acquisition discrimination claims. That section of the statute prohibits discrimination “in the terms, conditions, or privileges of sale or rental of a dwelling, or in provision of services or facilities in connection therewith.” 42 U.S.C. § 3604(b). The Court reasoned that inclusion of the word “privileges” implicates continuing rights and encompasses claims regarding services or facilities perceived to be wanting after the owner or tenant has acquired possession of the dwelling. The Court noted that the regulations promulgated by HUD to implement the FHA also support permitting post-acquisition claims. For example, sections prohibiting “[f]ailing or delaying maintenance or repairs of sale or rental dwellings” and “[l]imiting the use of privileges, services or facilities associated with a dwelling” imply claims about problems arising after the tenant or owner has acquired the property. 24 C.F.R. § 100.65. Additionally, limiting the FHA to claims brought at the point of acquisition would limit the act from reaching a whole host of situations that, while perhaps not amounting to constructive eviction, would constitute discrimination in the enjoyment of a dwelling or in the provision of services associated with that dwelling.

The City argued that the neighborhoods from the tax sharing agreement could not maintain an intentional discrimination claim because the excluded communities had significant white populations, and those white residents would also suffer as a result of the alleged discrimination. The Ninth Circuit rejected that argument, concluding that the relevant question was whether the excluded neighborhoods were treated differently because of their *overall* racial composition, not whether the City’s discriminatory actions would affect *only* racial minorities. The City’s willingness to discriminate against both minorities *and* white citizens living in majority-minority communities did not cleanse it of any discriminatory intent that it may have harbored. A different conclusion would only encourage defendants to over discriminate.

While the FHA may apply to post-acquisition or post-occupancy discriminatory conduct, in this case, the Court did not reinstate all of Plaintiffs’ FHA claims. In analyzing Plaintiffs’ equal protection claims, the Court had concluded that Plaintiffs did not put forth enough evidence of disparate impact with regard to the provision of sewer services or infrastructure, and their factual averments supporting the alleged violations of the FHA are largely the same as the allegations supporting the equal protection claims. It therefore limited reinstatement of Plaintiffs’ FHA claims to those regarding the timely provision of law-enforcement personnel.

Issue 3: Whether the senior exemption to familial status protection under the FHA and HOPA applies when the intent to provide senior housing is that of a local government and not of the private housing provider?

- *Putnam Family Partnership v. City of Yucaipa*, 673 F.3d 920 (9th Cir. 2012) (appeal from C.D. Cal. Civil Action No. 5:09-cv-02203-VAP-OP).

In September 2009, the City of Yucaipa in San Bernardino County adopted an Ordinance which created a Senior Mobile Home Park Overlay District (the “Overlay District”). The Ordinance prohibits any of the existing twenty-two mobile home parks in the City currently operating as senior housing, defined as a park in which either eighty percent of the spaces are occupied by or intended for occupancy by at least one person who is age fifty-five or older or one hundred percent of the spaces are occupied by or intended for occupancy by people who are age sixty-two or older, from converting to all-age housing. The City sought to preserve affordable housing and independent living options for its significant senior population.

Citing § 3604 & 3617 of the FHA, Plaintiffs, mobile home park owners currently operating senior-housing parks in the City, filed suit alleging that the Ordinance violated the FHA by forcing them to discriminate on the basis of familial status and by interfering with their ability to aid or encourage families with children in the enjoyment of fair housing rights. The Plaintiffs argued that whether to provide senior housing belongs exclusively to the housing provider, and, therefore, the “intent” required to satisfy the senior exemption in the fair housing laws must be that of Plaintiffs and not the City. They also argued that the Ordinance was preempted by the FHA because it required them to take action that the FHA prohibited.

The district court granted the City’s motion to dismiss, finding that the Ordinance fell within the senior housing exemptions carved out in the FHAA and Housing for Older Persons Act (“HOPA”), and that the statutes’ required “intent” to provide senior housing need not be that of the private property owner but could also include the City under its zoning scheme. Plaintiffs timely appealed to the Ninth Circuit federal court.

The Ninth Circuit first reviewed the FHAA and HOPA. The FHAA provides two exemptions to the prohibition against familial-status discrimination: the prohibition cannot affect local, state, or federal restrictions on maximum occupancy and cannot apply to “housing for older persons.” 42 U.S.C. § 3607(b)(1). HOPA replaced the FHAA’s definition of “housing for older persons” with a provision defining “housing for older persons” as housing (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 of HUD for verification of occupancy. The Court found that HOPA removed the FHAA requirement that the intent to provide senior housing (demonstrated in published policies and procedures) must be that of the “owner or manager.” Rather the duty to publish and adhere to such policies and procedures lies with the “housing facility or community.”

If the requirements for the senior exemption are met, any limits that the Ordinance places on Plaintiffs’ ability to sell units in its mobile home park are lawful under the FHAA and Plaintiffs cannot satisfy a claim for violation of the FHAA. The FHAA, as amended by HOPA, is silent on the issue of whether municipally zoned senior housing can qualify for the senior exemption, and the Court noted that the question of whether the federal senior exemption can apply when the intent to provide senior housing is that of a city is one of first impression in the courts of appeals. The more precise issue addressed by the Court was whether the City’s Overlay District can qualify as a “housing facility or community.” The Ninth Circuit deferred to HUD regulations allowing for such housing as a reasonable interpretation of the statute.

HUD’s regulations interpreting the amended senior exemption lists “a municipally zoned area” as an example of a “housing facility or community” that can qualify for the senior exemption. *See 24 C.F.R. § 100.304(b)*. Further, HUD guidelines explain that a housing facility or community satisfies the senior exemption’s intent requirement if, inter alia, “[z]oning requirements include the 55-or-older requirement” and “[z]oning maps containing the ‘senior housing’ designation are available to the public.” *64 Fed. Reg. at 16332 ex. 2*. Thus, the Court found that the City’s Overlay District of senior housing is clearly allowed and its actions reflect the City’s “intent” to provide senior housing.

(The Court also noted that it would be a different question and analysis if the Ordinance required parks that did not already maintain an 80% senior population or describe themselves as senior parks to do so, but stated, “[W]e leave that question for another day.”)

The Court concluded that because the FHAA permits the senior housing which the Ordinance requires, compliance with the Ordinance does not violate the FHAA. Likewise, the FHAA does not either expressly or impliedly preempt the Ordinance because the FHAA allows for zoning laws like the Ordinance. Therefore, the Ninth Circuit affirmed the district court’s judgment and dismissal of the action against the City.

Issue 4: The extent of the protection afforded by fair housing laws for persons with disabilities, for example zoning ordinances that limit group homes for persons with disabilities; and housing providers' failure to grant a reasonable accommodation or modification for persons with disabilities.

- ***Pacific Shores Properties, LLC v. City of Newport Beach*, 730 F.3d 1142 (9th Cir. 2013) (appeal from C.D. Cal. Civil Action No. 8:08-cv-00457-JVS-RNB).**

Prior to 2008, group homes for recovering alcoholics and drug users who live communally and mutually support each other's recovery were generally permitted to locate in residential zones in the City of Newport Beach, Orange County. However, under pressure from some residents opposed to such homes to restrict or eliminate them, the City passed an Ordinance which had the practical effect of prohibiting new group homes from opening in most residential zones, requiring new group homes to submit to a burdensome permit process, and requiring existing group homes also to undergo the same permit process within 90 days in order to continue their operations. On its face, the Ordinance did not just single out group homes for persons in recovery, but also restricted other types of group living arrangements. The Ordinance amended the definition of "single housekeeping unit" to require that (1) a single housekeeping unit have a single, written lease and (2) the residents themselves must decide who will be a member of the household. As a result of these amendments, group homes no longer qualified as "single housekeeping units" because the residents do not sign written leases and are chosen by staff (instead of by each other) to ensure the maintenance of a sober environment. Several existing group home providers sued the City after being required to apply for a use permit in order to continue operating in residential areas, alleging that the Ordinance discriminated against them as facilities that provide housing opportunities for persons with disabilities recovering from addiction.

The district court granted summary judgment to the City "with respect to [all of the] Plaintiffs' disparate treatment and selective enforcement claims brought under the FHA, ADA, FEHA, and the Equal Protection Clause," because the Plaintiffs failed to show that they were "treated differently than similarly situated non-disabled individuals in the enforcement of [the] Ordinance." On appeal to the Ninth Circuit, the panel held that the district court erred in disregarding the evidence that the City's sole objective in enacting and enforcing its ordinance was to discriminate against persons deemed to be disabled under state and federal housing discrimination laws. The district court incorrectly held that in order to prevail Plaintiffs must demonstrate the existence of a similarly situated entity which was treated better than the Plaintiffs. However, anti-discrimination case precedent establishes that proving the existence of a similarly situated entity is only *one* way to survive summary judgment on a disparate treatment claim. An aggrieved party also may "simply produce direct or circumstantial evidence demonstrating that a discriminatory reason more likely than not motivated" the defendant and that the defendant's actions adversely affected the

plaintiff in some way. Applying the multi-factor inquiry articulated by the Supreme Court in *Arlington Heights v. Metropolitan Housing Corp.*, 429 U.S. 252, 266, 97 S. Ct. 555, 50 L. Ed. 2d 450 (1977), to determine whether the Plaintiffs had created a triable issue of fact that the City enacted the Ordinance with a discriminatory intent of limiting group homes and, therefore limiting the housing options available to persons with disabilities recovering from addiction, the Ninth Circuit found ample evidence that Plaintiffs had satisfied their burden.

The Plaintiffs' evidence showed that the Ordinance was enacted for the purpose of eliminating or reducing the number of group homes throughout the City. Statistics, *provided by the City*, proved that the Ordinance had the effect of reducing group home beds by 40% in the City. The Plaintiffs also provided evidence that group homes were specifically targeted for enforcement. For example, the City created a task force to locate group homes, undertake surveillance of them, and enforce the zoning code strictly against them. Every existing group home was required to submit a detailed application for a special use permit and/or reasonable accommodation in order to continue operating and to attend public hearings at which those applications were subjected to public comment. After the Ordinance was enacted, every nonconforming group home in the City that did not apply for a use permit or reasonable accommodation was served with an abatement notice within three days of the 90-day use permit application deadline, whereas no abatement notices were sent to any other entities engaged in a nonconforming use until the Plaintiffs pointed out those entities during the litigation. Furthermore, every public meeting leading up to the City Council's ultimate enactment of the Ordinance was marked by angry comments from citizens who referred to the residents of the group homes in derogatory terms. The record suggests that City Council members were responsive to the public's views. Although the Ordinance adversely affects some other facilities that are not group homes, the record included evidence that the Ordinance had been enforced against few, if any, other types of facilities. Finally, the Court noted that the City engaged in three notable procedural irregularities leading up to the enactment of the Ordinance – creating an ad hoc committee to work off record in private to draft the new ordinance, conducting a survey of residents primarily opposed to group homes to justify new regulations, and creating a task force to work with residents to locate and strictly enforce the ordinance against group homes but not other types of group living facilities.

The Court also found that Plaintiffs had submitted sufficient evidence that the Ordinance had adverse effects upon them and reversed the district court's dismissal of most of the Plaintiffs' damages claims. The Court held that subjecting an entity protected by anti-discrimination laws to a permit or registration requirement, when the requirement is imposed for a discriminatory purpose is sufficient to establish injury in a disparate treatment claim. First, the unrebutted evidence shows that the group homes expended substantial time, effort, and resources applying for special use permits and reasonable accommodations, none of which

would have been necessary had the Ordinance not been enacted. Second, Plaintiffs produced evidence that the Ordinance led to the closure of approximately one third of the City's group homes and barred new group homes from being established in all but multi-family residential zones. This resulted in a reduced diversity of housing options for the disabled individuals served by group homes.

For the foregoing reasons, the Court reversed the district court's dismissal of the Plaintiffs' disparate treatment claims, and remanded the case to the district court. At present no further action has been taken.

- ***United States v. City of San Jacinto*, Civil Action No. 5:12-cv-01966 (C.D. Cal.) (complaint filed Nov. 9, 2012; amended consent order entered June 16, 2014).**

On November 9, 2012, the United States filed suit against the City of San Jacinto, Riverside County. The government accused the City of violating the FHA and Americans with Disabilities Act (ADA) on the basis of disability by unlawfully restricting the operation of group homes for persons with disabilities within the City. Specifically, the Complaint alleged that the City: 1) amended and applied its zoning code with the intent and effect of excluding group homes from single and two-family zones and also restricting them in multifamily zones; 2) singled out group homes for persons with disabilities for enforcement activities; and 3) conditioned requests for reasonable accommodation to operate group homes for persons with disabilities in residential zones on the acceptance of burdensome and unjustified requirements.

Under the City's code, group homes that were not licensed by the State were not permitted-by-right in any zoning district, and could only operate in multifamily zones if they sought and were granted a conditional use permit. The City's enforcement efforts included an unannounced, early morning sweep of unlicensed homes by city officials and Riverside County sheriff's deputies acting as agents for the city who interrogated the residents from a prepared questionnaire, asking them such questions as whether they were mentally ill, whether they were on "psych meds," whether they were currently using illegal drugs and whether they were registered sex offenders.

The government argued that these actions violated the FHA and ADA by making housing unavailable because of disability in violation of FHA Sec. 3604(f)(1); imposing different terms, conditions, or privileges because of disability in violation of FHA Sec. 3604(f)(2); failing or refusing to make reasonable accommodations in rules, policies, practices, or services when such accommodations may have been necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling in violation of FHA Sec. 3604(f)(3)(b); coercing, intimidating, threatening, or interfering with persons in the exercise or enjoyment of rights under the FHA in violation of FHA Sec. 3617; excluding persons with

disabilities from participating in and denying them the benefits of services, programs, or activities of the City in violation of ADA Sec. 12132; and constituting a pattern or practice of discrimination or a denial of rights that raises an issue of general public importance.

On December 12, 2012, individual group home owners/operators filed a separate suit against the City with similar allegations as the government's complaint. The City filed answers in both actions denying the allegations and any liability. The Court then entered an order consolidating the two actions for purposes of discovery. In order to avoid further litigation, the City agreed to a settlement of the government's and private plaintiffs' claims. The Court entered a Consent Decree resolving the cases on June 16, 2014.

Under the Consent Decree, the City is prohibited from imposing restrictions on housing for persons with disabilities not imposed on housing for an equal or greater number of persons without disabilities. For example, the injunction includes, but is not limited to, a prohibition against the imposition of numerical occupancy limits on group homes for unrelated persons with disabilities that is more restrictive than numerical occupancy limits for families or other unrelated persons. The City also is enjoined from any efforts to close or bring enforcement actions against housing for persons with disabilities operated in accordance with the FHA and ADA and the City's zoning ordinances adopted in conformance with the Consent Decree.

As required by the Consent Decree, the City adopted an ordinance establishing a new zoning classification, "Group Homes for Persons with Disabilities," and which expressly deems such use as a permitted use in all residential zoning districts within the City without special approvals. The City also adopted an ordinance establishing a reasonable accommodation procedure wherein decisions regarding a request for reasonable accommodation by a person with or housing provider to persons with disabilities may be made by the Planning Director without the need for a public hearing or special/conditional permit.

The City is also required to designate a City employee as a Fair Housing Compliance Officer, who shall have the responsibility to receive complaints of alleged housing discrimination against the City and coordinate the City's compliance with the Consent Decree. The Consent Decree also requires fair housing training approved by the DOJ for members of the City Council, Planning Commission, Code Enforcement Department, and all other employees with authority to make recommendations or decisions related to or affecting zoning matters.

The Consent Decree imposes reporting and monitoring requirements on the City's activities including a requirement that the City provide the United States with a copy of any proposed change to the zoning code that relates to or in any way affects housing for persons with disabilities. The City must prepare biannual compliance reports that detail all actions it has taken to fulfill its obligations under the Consent Decree.

Finally, the Consent Decree requires the City to pay compensation: \$390,599.00 to the private plaintiffs, \$356,000 total to individuals identified the United States as “aggrieved persons”; and \$10,000 to the United States as a civil penalty.

The Consent Decree remains in effect for five years from the effective date of June 16, 2014, and the Court retains jurisdiction to enforce its terms for that period.

- ***United States v. Westminster Asset Corp.*, Civil Action No. 8:14-cv-01774 (C.D. Cal.) (complaint filed Nov. 6, 2014).**

On November 6, 2014, the Department of Justice filed a civil action against the corporate entities that own, control, and operate a 312 unit apartment complex named the “Huntington Westminster Senior Living Apartment Homes,” located in Westminster, Orange County. The case was filed on behalf of individual complainants and the Fair Housing Council of Orange County (“FHCOC”) after referral from HUD. The Complaint alleges that the defendants violated the FHA after they refused to rent a unit to a woman with a mobility disability because she requires the use of an electric mobility scooter. Although a unit was available for rent and the complainant qualified financially to rent the unit, the defendants refused to make the housing available to her. The aggrieved party then filed a complaint with HUD.

One of FHCOC’s activities is to perform fair housing testing investigations at rental properties. Fair housing testing consists of individuals posing as prospective home seekers (i.e., testers) simulating housing transactions with a housing provider. The Complaint shows that on June 15, 2012, the FHCOC conducted testing at the subject property with one prospective tenant who had a disability (required a mobility scooter for long distances) and another prospective tenant who did not. The Defendants’ agent offered tenancy in vacant units to the tester without a disability, but advised the tester with a disability that there was a waiting list, offered lease options to the tester without a disability while not offering any lease options to the tester with a disability, and made inquiries into the nature and severity of the disability of the prospective tenant. After finding discriminatory treatment against its tester with a disability, the housing advocacy group also filed a complaint with HUD. HUD conducted an investigation and issued a charge of discrimination. After conciliation efforts failed, Defendants made a timely election to have the claims asserted in the charge decided in a civil action pursuant to 42 U.S.C. § 3612(a). HUD referred the matter to the DOJ for further civil prosecution of the complainants’ claims.

The Complaint states claims for relief under the FHA because the Defendants allegedly discriminated in the rental of a dwelling or otherwise made housing unavailable to a complainant because of a disability in violation of 42 U.S.C. § 3604(f)(1)(A); discriminated against a complainant in the terms, conditions, or privileges of a rental of a dwelling, or in the provision of services or facilities in connection with such a dwelling, because of a

disability in violation of 42 U.S. C. § 3604(f)(2)(A); and made, printed, or published one or more notices or statements to complainant with respect to the rental of a dwelling that indicate a preference, limitation, or discrimination based on disability. The Complaint also alleges that Defendants' conduct constitutes "a pattern or practice" of resistance to the full enjoyment of rights granted by the FHA.

The governments seeks injunctive relief, monetary damages to aggrieved persons, and punitive damages against Defendants.

Defendants filed an Answer on December 2, 2014, denying the major allegations of the complaint and any liability under the FHA. A scheduling conference before the judge has been ordered for February 9, 2015.

Issue 5: The extent of the protection afforded by fair housing laws for discriminatory lending practices where the bank/lending institution contends the disparities alleged in lending practices are attributable to legitimate, nondiscriminatory factors.

- ***United States v. Countrywide Financial Corporation*, Civil Action No. 2:11-cv-10540 (C.D. Cal.) (complaint filed Dec. 21, 2011; consent order entered Dec. 28, 2011).**

On December 21, 2011, the United States filed a "discriminatory pattern or practice" lawsuit against Countrywide Financial Corporation and its residential lending affiliates following a referral by the Federal Deposit Insurance Corporation (FDIC). The government alleged that the Bank violated the FHA and the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691-1691f ("ECOA") by discriminating on the basis of race and national origin against African-American and Hispanic borrowers. African-American and Hispanic borrowers were charged higher interest rates, fees, and costs and were twice as likely to be placed in subprime loans as compared to non-Hispanic White borrowers who had similar credit qualifications. The Complaint also alleged that at least until June 1, 2008, Countrywide engaged in discrimination on the basis of marital status in the extension of residential credit in violation of the ECOA by following policies and practices that had the effect of requiring married borrowers applying for credit in one spouse's name to have the non-applicant spouse to give up their rights and interests in the property securing the loan.

The complaint alleged that the victims of Countrywide's alleged discriminatory lending practices were located in at least 180 geographic markets across 41 states, and nearly one third of victims were in California.

The Countrywide defendants denied the allegations, but to avoid costly litigation agreed to a settlement. On December 28, 2011, the Court entered a Consent Order between the parties. (By this time, Countrywide had been taken over by Bank of America and closed its wholesale

mortgage lending division, but the Consent Order requires Countrywide to notify the DOJ if it resumes origination of wholesale residential mortgage loans and be subject to monitoring designed to prevent and detect potential fair lending violations.) The Consent Order does not contain any injunctive measures against the current operations of Bank of America or any of its subsidiaries.

Under the settlement, Defendants agreed to pay \$335 million into a Settlement Fund to be disbursed to African-American and Hispanic borrowers who were victims of FHA discrimination by Countrywide and its mortgage brokers. The U.S. was tasked with identifying aggrieved persons and the amount each should receive to compensate for monetary damages suffered, provided the claimant executes a written release. The fund is to be managed by an appointed Settlement Administrator. Defendants must provide data to help identify potential aggrieved borrowers. In addition, Defendants and the Administrator shall provide reasonable assistance to any non-borrowing spouse who the government has determined was aggrieved because he or she transferred his or her property rights, in the execution and filing of instruments necessary to re-transfer to the non-borrowing spouse his or her property interest, if he or she so chooses, the borrower spouse agrees to such a transaction, and the property interest can still be recovered.

The Consent Order provides that any money remaining in the Settlement Fund, including accrued interest, 24 months from the date of the initial notifications to affected borrowers, must be distributed to one or more organizations that provide services such as credit and housing counseling, legal representation of borrowers seeking loan modification or foreclosure prevention, or financial education programs targeted to assist African-American and Hispanic communities where Countrywide presently or formerly operated.

The Court retains jurisdiction to oversee and enforce the terms of the Consent Order, for at least four years from the effective date of December 28, 2011, unless extended upon motion for good cause.

- ***United States v. Luther Burbank Savings*, Civil Action No. 2:12-cv-07809 (C.D. Cal.) (complaint filed Sept. 12, 2012; consent order entered October 12, 2012).**

The United States brought this action against the Bank, headquartered in Santa Rosa, California, on September 12, 2012, to enforce provisions of the FHA and the Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq. ("ECOA"). The regulatory authority of the Office of Thrift Supervision ("OTS") conducted an examination of the Bank's residential lending. Finding evidence of disparate impact, the OTS referred the matter to the Attorney General for proper enforcement. The Complaint alleged that from 2006 to mid-2011, the Bank carried out a \$400,000 minimum loan amount policy for its wholesale single-family

residential mortgage loan program. The policy allegedly had a disparate impact on the basis of race and national origin throughout California in violation of the FHA and ECOA.

As an example of the Bank's discriminatory treatment, the Complaint alleged that from 2006 through 2010, the Bank originated only 5.2% of its single-family residential mortgage loans in majority-minority census tracts in the greater Los Angeles area and only 5.8% of loans to African-American and Hispanic borrowers. However, during the same time period, other prime lenders in the same area, which made a similar volume of single-family residential loans as the Bank, originated 41.7% of their single-family residential mortgage loans in majority-minority census tracts and 31.8% of loans to African-American and Hispanic borrowers. The Complaint argued that the government's analysis of the Bank's lending activities indicated statistically significant disparities in the origination of loans to African-American and Hispanic borrowers.

The Defendant Bank denied the allegations and maintained that the disparities alleged in the Complaint were attributable to legitimate, nondiscriminatory factors, but notwithstanding agreed to a settlement of the claims to avoid further risk and cost of litigation.

The Consent Order enjoins the Bank from a policy or practice similar to the \$400,000 minimum loan amount policy at issue in the Complaint. (In June 2011, the Bank lowered the minimum loan amount for its wholesale single-family residential loan program to \$20,000.) Any change in its minimum loan amount policy must be submitted to the government for review 60 days prior to implementing any new policy. The Bank is required to provide periodic training to all bank and bank subsidiary employees with significant involvement in single-family residential lending to ensure that their activities are conducted in a nondiscriminatory manner. This training shall encompass their fair lending obligations under the FHA, ECOA, and responsibilities under this Agreement.

The Bank is required to employ at least one Community Development Lender, whose primary responsibilities shall include generating residential mortgage loans to qualified borrowers in majority-minority census tracts within the primary areas of California in which the Bank operated from 2006 through 2010 and facilitating the special financing program described in the Consent Agreement.

The Agreement also imposes specific investment requirements: (i) \$450,000 in community development partnerships that provide credit and financial services to minorities; (ii) \$300,000 in targeting advertising and marketing to improve its performance in meeting the single-family lending needs of residents in majority-minority census tracts; (iii) \$150,000 in consumer education to provide credit counseling, financial literacy, and other related education programs, including 12 outreach seminars per year targeted to residents in majority-minority census tracts; and (iv) \$1.1 million in special financing programs (including interest rates and/or terms that are more advantageous to the borrower than the

bank would normally provide) designed to increase the residential mortgage credit that the bank extends to qualified borrowers seeking loans of \$400,000 or less within the primary areas of California in which the Bank operated from 2006 through 2010;

The Bank must submit an annual report to the United States on its progress in fulfilling the goals of this Agreement in addition to the submission of any other plans or reports specified in the Agreement. The Consent Agreement terminates (a) three months after the submission of the Bank's third annual report to the United States, if the Bank has fully complied with all its terms or (b) if the bank has not completed its investment requirements within three years from the date of entry of the Order, three months after the submission of the bank's final report to the United States, which shall be submitted after the bank completes its investment requirements.

The Court retains jurisdiction for the duration of the Consent Agreement to enforce its terms.

- ***Gomez v. Quicken Loans, Inc.*, Civil Action No. 2:12-cv-10456 (C.D. Cal.) (complaint filed Dec. 6, 2012); Case No. 13-56084 (9th Cir.).**

Plaintiff Ricardo Gomez sued Quicken Loans on December 6, 2012, claiming that Quicken discriminated against him on the basis of disability under the FHA, California Fair Employment and Housing Act and the California Unruh Act, and discriminated on the basis of source of income under the Equal Credit Opportunity Act and the FEHA in the terms and conditions of mortgage loan transactions.

Mr. Gomez has a disability and receives Social Security Disability Insurance ("SSDI") income. Because Gomez has a disability and derives part of his income from SSDI, Quicken refused to lend to Gomez unless Gomez provided Quicken with medical proof of his current and future disability. Gomez challenged Quicken's policy of requiring persons with disabilities who derive income from disability benefits to disclose medical information about their current and future disability status as facially discriminatory, or in the alternative, as disproportionately burdening persons with disabilities.

Plaintiff argued that Quicken's actions violated the FHA, ECOA, and FEHA (1) by using different qualification criteria or applications, or lending standards or procedures, such as income standards, application requirements, credit analysis, or loan approval procedures or standards because of disability or source of income or both; (2) by imposing different terms or conditions for the availability of mortgage loans based on disability or source of income or both; (3) by using different policies, practices, or procedures in evaluating or in determining creditworthiness of any person based on disability or source of income or both; and (4) by determining the terms or conditions for a mortgage loan based on disability or source of income or both.

Quicken filed a Motion to Dismiss. The United States, through the Department of Justice, filed a Statement of Interest in the case pursuant to 28 U. S.C § 517, because the litigation implicates the proper interpretation and application of the FHA and ECOA. The United States took no position on the merits of Plaintiff's case, but due to the issues raised by Defendant's Motion to Dismiss, the U.S. sought clarify for the Court its interpretation of the proper standard for claims of discrimination under the FHA and the ECOA. In its motion, Quicken argued that *Smith v. City of Jackson*, 544 U.S. 228 (2005), reversed precedents holding that disparate impact claims may be brought under the FHA. However, the United States argued that Quicken had misinterpreted and misapplied the holding in *Smith*, and cited for the Court a list of Ninth Circuit authority both before and after the Smith case, which show that the Ninth Circuit has held and continues to hold that the FHA permits disparate impact claims. The United States' brief also cited precedent from the other ten circuit courts of appeals and HUD's Disparate Impact Rule. The United States also argued against Quicken's assertions that disparate treatment claims require proof of ill intent and that claims under the ECOA require denial of credit.

The district court granted Quicken's Motion to Dismiss and denied the Plaintiff's motion to reopen the case and file an amended complaint. The district court held "that Defendant had a legitimate, non-discriminatory reason for requesting medical proof of Plaintiff's disability – the need to evaluate Plaintiff's creditworthiness."

Gomez timely appealed to the Ninth Circuit in June 2013. The Plaintiff argued that although the district court correctly concluded that a lender may seek "information related to the source of current and future income" of an applicant, the court failed to recognize the distinction drawn by Gomez – that while requiring evidence of an applicant's *receipt of disability income* to establish creditworthiness is lawful, requiring evidence of an applicant's *underlying disability* is not. In the alternative, Gomez alleged that Quicken's policy, even if found to be facially neutral, disproportionately burdened persons with disabilities relying on disability income. The district court erred in disregarding the alternative nature of that pleading and in ruling that Gomez had failed to identify a facially neutral policy or show its disparate impact.

Plaintiff seeks review of whether the district court erred in dismissing his complaint for failure to state a claim of disparate treatment and disparate impact, and if not whether the district court erred by refusing to reopen the case to allow Plaintiff to file an amended complaint.

As of December 10, 2014, the parties have submitted their briefs and written arguments to the Ninth Circuit, but an order or opinion has not yet been issued by the Court.

Issue 6: The extent of the protection afforded by fair housing laws where a housing provider discriminates on the basis of race and national origin.

- ***United States v. Sterling*, Civil Action No. 2:06-cv-04885 (C.D. Cal.) (complaint filed Aug. 7, 2006; consent order entered Nov. 12, 2009).**

The United States filed its action against the Defendants on August 7, 2006, for violations of the FHA. Individual Plaintiffs then filed separate suits on November 27, 2006 (collectively, the “Tyrells”) and on November 2, 2007 (collectively, the “Rhodes”) against the Defendants alleging violations of the FHA, the California Fair Employment and Housing Act (FEHA), the California Unruh Civil Rights Act (California Civil Code § 51, et seq.), and other state and municipal code sections. The Court consolidated the three actions for purposes of discovery and settlement.

The Defendants owned and/or managed multifamily residential rental properties located in Los Angeles County, California. The Complaints alleged that Donald Sterling, Rochelle Sterling, the Sterling Family Trust, and the Korean Land Company, L.L.C. violated the FHA on the basis of race, national origin and familial status by refusing to rent to non-Korean prospective tenants, misrepresenting the availability of apartment units to non-Korean prospective tenants, and providing inferior treatment to non-Korean tenants in the Koreatown section of Los Angeles. The complaint also alleged that the Sterling Defendants refused to rent to African-American prospective tenants and misrepresented the availability of apartment units to African-American prospective tenants in the Beverly Hills section of Los Angeles. In addition, the complaint alleged that the Sterling Defendants refused to rent to families with children and misrepresented the availability of apartment units to families with children throughout the buildings that they own or manage in Los Angeles County. The United States also alleged that the Sterling Defendants made statements and published notices or advertisements in connection with the rental of apartment units that expressed a preference for Korean tenants in the Koreatown section of Los Angeles and expressed discrimination against African-Americans and families with children in Los Angeles County.

Defendants filed answers denying violating the FHA or engaging in any wrongful conduct of any type or nature as alleged in the Complaints, and further denied discriminating against any tenant or prospective tenant on the basis of race, color, national origin, or familial status. However, to avoid further litigation, Defendants agreed to a settlement of all claims, and the Court entered a Consent Order on November 12, 2009, as to all three complaints.

The Consent Order applies to the 119 buildings comprising approximately 5,706 dwelling units that Defendants currently own or manage, and any additional properties that Defendants otherwise acquire or manage, in Los Angeles County during the term of the

Consent Order. The conditions of the Consent Order are meant to ensure that these dwellings are made available for rent on an equal basis and on the same terms and conditions for all persons, irrespective of race, color, national origin or familial status

The Consent Order required Defendants to adopt an approved Nondiscrimination Policy and adopt an approved Nondiscrimination Procedure for receiving, handling, processing, rejecting, and approving rental inquiries, assigning prospective tenants to new units, and transferring existing tenants to different units. All agents or employees of the Defendants who have responsibility for showing, renting, or managing dwellings must attend and complete a fair housing training program, approved by the United States, at the Defendants' expense.

Defendants, bearing all costs, also are required to retain an independent company or organization, approved by the United States, to develop and implement a testing program to audit and monitor the Defendants' compliance with the FHA and the Consent Order. The testing program consists of a total of 100 paired tests of Defendants' Properties in the first year of, and 75 paired tests in the second and third years, for a total of 250 paired tests. The tests shall be designed to determine whether Defendants are providing equal treatment to all prospective applicants for housing. If the United States determines that testing results indicate a possible violation of the FHA or the Consent Order, it shall notify Defendants of its concerns, and, the parties must work together to establish corrective actions.

Defendants were required to pay \$100,000 to the United States as a civil penalty pursuant to 42 U.S.C. § 3614(d)(1)(C).

In addition, the Consent Order also required Defendants to pay a total of \$2,625,000, into a Settlement Fund to be disbursed by an appointed Fund Administrator in accordance with a separate order ("Disbursement Order") submitted by the United States and approved by the Court. The Disbursement Order shall set forth the amounts to be paid to plaintiffs in these consolidated actions and to other allegedly aggrieved persons identified in the Disbursement Order.

Upon submission by the United States, the Court entered a revised Disbursement Order on March 2, 2010, which identified a list of aggrieved persons to be paid from the Settlement Fund and the amounts going to each person.

The Court retained jurisdiction of this case for three years from the date of entry of the Consent Order.

Issue 7: Whether the California Density Bonus Law preempts local zoning laws requiring a minimum set aside of affordable housing above that required by the state law.

***Latinos Unidos del Valle d Napa y Solano v. County of Napa*, Civil Action No. 26-50568 (Sup. Ct. Napa County); Case No. A135094 (Ct. Appeal, 1st App. Dist.); 217 Cal. App. 4th 1160; 159 Cal. Rptr. 3d 284 (Ct. App. July 11, 2013).**

Latinos Unidos, a nonprofit that advocates for nondiscriminatory development policies in Napa County, and individual plaintiffs sued the County in November 2009 seeking a writ of mandate and for declaratory and injunctive relief. Plaintiffs alleged that the County's zoning scheme discriminates against low-income and very-low-income persons in violation of California Gov. Code § 65008; that the zoning scheme violates the federal FHA, the California Fair Employment and Housing Act, and California Gov. Code § 65008 in that it discourages and interferes with the development of affordable housing, which has a disparate impact on Latinos and people with disabilities; that the County's housing element fails to comply with California's Housing Element Law, Gov. Code § 65580 *et seq.*; and that the County's density bonus ordinance conflicts with the state Density Bonus Law Gov. Code § 65915.

The trial court found in favor of the County on all of Plaintiffs' claims. The Plaintiffs timely appealed. The Court of Appeals affirmed the trial court's findings on all but one of the Plaintiffs' claims. In the published portion of its opinion, the Court concluded that the County's density bonus ordinance unlawfully conflicts with the state density bonus law. The Court reversed the trial court's judgment in that one respect and remanded the matter.

As to the claim regarding the County's housing element, the Court concluded that the County's housing element substantially complies with the requirements of the state Housing Law and does not constitute an abuse of discretion. The Court acknowledged the Plaintiff's "well-founded concern over the lack of affordable housing within the county," but found that the County's housing element complied with the minimum mandates of state law.

Plaintiffs asserted housing discrimination claims under three statutes: 42 United States Code section 3604, subdivisions (a) and (f) of the FHA, which makes it unlawful to "make unavailable or deny[] a dwelling to any person because of race" or because of a household member's disability; section 12955, subdivision (l) of the California FEHA, which makes it unlawful to discriminate through public or private land use practices, including the use of zoning laws to "make housing opportunities unavailable" because of race or disability; and section 65008 of the Planning and Zoning Law, which invalidates planning actions that deny the enjoyment of a residence because of race or disability, or to "discriminate against any residential development . . . [b]ecause the development . . . is intended for occupancy by persons and families of very low, low, or moderate income" However, the Ninth Circuit also concluded that the trial court correctly rejected Plaintiffs' claims of discrimination

under the FHA and state law, in part because of Plaintiffs' failure to identify any specific action or inaction by the County that could be deemed to have had a discriminatory impact. While recognizing that there is a shortage of affordable housing in the County, the trial court found that the shortage was not caused by the County's land use policies. The Court of Appeals agreed. The evidence did not demonstrate that the County's existing land-use rules or actions will result or have resulted in the County "having, overall, fewer housing units affordable to households with very low, low and moderate incomes than would exist under a different system of county land-use rules or actions."

As an aside, however, the Court noted that if the County renewed its housing element with knowledge that there is no realistic possibility that it will result in the actual development of affordable housing—because, for example, it rezones too small an area to make such development feasible—such action might well provide evidence of unlawful discrimination.

Section II of the Ninth Circuit opinion, the only published and citable portion of the opinion, addresses the claims under the state Density Bonus Law. In 1979, the California Legislature enacted the Density Bonus Law, *Gov. Code § 65915*, which aims to address the shortage of affordable housing in California. Under the Act, when a developer agrees to construct a certain percentage of the units in a housing development for low or very low income households, or to construct a senior citizen housing development, the city or county must grant the developer one or more itemized concessions and a "density bonus," which allows the developer to increase the density of the development by a certain percentage above the maximum allowable limit under local zoning law. If a developer agrees to dedicate a certain percentage of the overall units in a development to affordable or senior housing, the Density Bonus Law requires the municipality to grant the developer a density bonus of at least a certain percentage, ranging from a low of 5% (for moderate income housing) or 20% (for senior and all other affordable housing) to a maximum of 35%, depending on the number of affordable housing units provided over the minimum number necessary to qualify for a bonus. The 35% is not an absolute cap, and developers may negotiate for more concessions and a higher density bonus. *Citing Friends of Lagoon Valley v. City of Vacaville*, 154 Cal.App.4th 807, 823 (2007).

To ensure compliance with Sec. 65915, local governments are required to adopt an ordinance establishing procedures for implementing the directives of the statute. In 2010, the County amended its ordinance implementing the state Density Bonus Law. (Napa County Mun. Code, § 18.107.150.) At the same time, the County adopted an "inclusionary requirement" (Section 18.107.080(D)), which requires up to 20% of new dwelling units in a residential development project be made available at prices affordable to moderate-income households. The "inclusionary requirement" ordinance reiterates that "units that qualify a project for a density bonus pursuant to Government Code section 65915 and section

18.107.150 must be provided in addition to the affordable units required by this section and do not meet the affordable housing requirements contained in this section.”

Plaintiffs allege that the County ordinance impermissibly requires the developer to include a higher percentage of affordable units than Gov. Code § 65915 requires in order to obtain a density bonus. “For example, while under state law, density bonuses, concessions and incentives must be allowed where a developer agrees to restrict 10% of the project’s units to lower-income households, under the county’s ordinance, a developer only qualifies when it has restricted at least 22% of a projects units to lower-income households.” The Court found that allowing the County to increase the minimum number of affordable units required for a density bonus would conflict the Density Bonus Law, which bases the amount of density bonus on the percentage of affordable housing units in the project. (Gov. Code § 65915, subd. (f).) The Ninth Circuit agreed with Plaintiffs that the County’s ordinance, which fails to credit low cost units satisfying the County’s inclusionary requirement toward satisfying the state density bonus requirements, places a greater burden on developers than is permissible under state law and to that extent the ordinance is void.

The case was remanded to the trial court for entry of a writ of mandate requiring the County to remove from its ordinance the requirement that units satisfying the inclusionary requirement do not count towards the number of units necessary to qualify for the density bonus.

Plaintiffs filed a petition for review by the California Supreme Court, which was denied on October 16, 2013.

Issue 8: Whether a housing provider may impose a blanket policy requiring children of residents be supervised/accompanied in common areas of the development.

- ***Inestria v. Cliff Warren Investments, Inc.*, Civil Action No. 8:11-cv-01235 (C.D. Cal.) (case filed Aug. 18, 2011; settled and dismissed Dec. 3, 2012); 886 F. Supp. 2d 1161 (C.D. Cal. July 41, 2012).**

In August 2011, Plaintiffs (two sets of parents and their minor children) filed suit against the owner and manager of an apartment complex in Anaheim, Orange County. When Plaintiffs moved into the complex, they were given a copy of the “House Rules” and “Pool Rules,” which included various restrictions requiring that, among other things, (1) children be supervised by an adult at all times, (2) children under the age of 7 be accompanied by an adult at all times, (3) no children under 18 be in the pool area unaccompanied by an adult, and (4) all children be in their apartments when the building lights come on. Plaintiffs contended that these policies were discriminatory against families with children, and asserted claims under the FHA, the California FEHA, the California Unruh Civil Rights Act, *Cal. Civ. Code § 51*, and for negligence.

In a published opinion, 886 F. Supp. 2d 1161 (C.D. Cal. July 41, 2012), the district court granted Plaintiffs summary judgment on the issue of liability under the first three claims. The Court found that the four policies raised by Plaintiffs were facially discriminatory against children and families with children, violating Sections 3604(b) and 3604(c) of the FHA. Because the California FEHA is based on the Fair Housing Act, liability under the FHA also supports liability under FEHA. Plaintiffs also met the standard for a violation of the Unruh Act, which protects against discrimination by “business establishments” (which term has been construed as including rental housing).

The Court laid out the standard that Defendants must meet to counter the facially discriminatory policies identified by Plaintiffs: Defendants must establish those regulations were the least restrictive means to meet a compelling business necessity. Defendants claimed safety and noise were the compelling business interests they sought to protect. However, the Court found that even if the underlying safety and noise concerns were compelling business necessities, the four policies at issue are not the least restrictive means of achieving Defendants’ stated goals. For example, the pool rule prevents even a 17-year old certified lifeguard from swimming unaccompanied whereas a less adept person a year older would not be restricted. The overly restrictive requirement “transforms this rule from one that could be reasonably interpreted as a safety precaution to one that simply limits children and their families.” The other adult supervision rules were also overly broad because the “desire for peace and quiet--while a worthy goal--is not a valid justification for denying access to common facilities on the basis of familial status.”

The parties disputed whether any of these Rules or Memos were enforced, and whether these rules had any impact on Plaintiffs’ quality of life or emotional state as Plaintiffs were never evicted or served with a notice to vacate for violation of the policies. Defendants argued that Plaintiffs could not succeed because they had not shown an injury as part of their prima facie case. However, citing the Ninth Circuit, the Court noted that injury is assumed once a violation of a civil rights statute is established. Further, because Plaintiffs made a successful showing under a theory of disparate treatment, the Court chose not to examine whether Plaintiffs could also establish a violation under a disparate impact analysis.

Following the Court’s decision, the parties settled the case and filed a voluntary dismissal on December 3, 2012.

Public Perceptions of Fair Housing

Community Survey of Fair Housing and Community Needs

Additional evaluation of perceptions related to fair housing and community needs in the County of San Bernardino was conducted via a community survey designed to gather insight into the knowledge, experience, opinions, and feelings of local residents, employees, and service providers. A total of 792 residents completed the English survey and 18 respondents completed the Spanish version. Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although several questions allowed respondents to offer written comments. While a summary of findings and comments are presented in this section, complete results are available in the Appendix to this report.

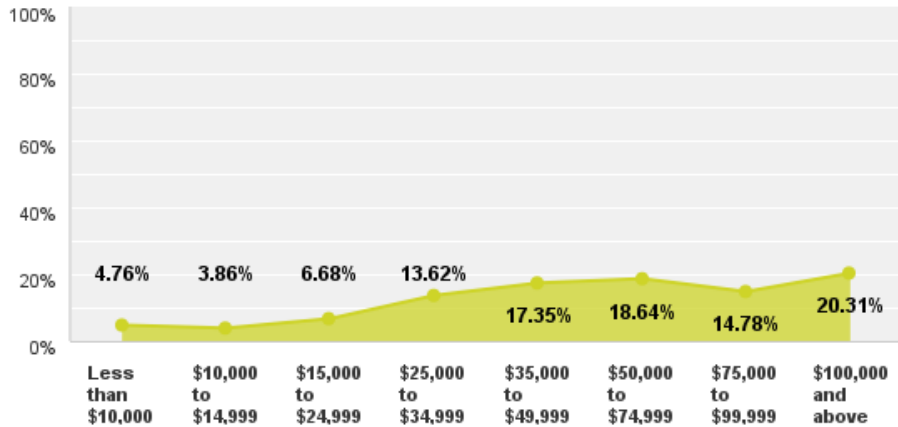
Respondent Demographics

English survey respondents came from differing geographic regions throughout the County representing over 24 different zip codes. The most frequently reported zip codes by respondents were: 92284, 92313, 92346, 92374, 92252, 92325, and 92404. The most widely reported occupations were educational services (25.35%) and public administration (21.48%), representing over 40% of survey respondents.

A large percentage of survey respondents were primarily from upper middle class income groups with 35.09% of households earning \$75,000 or more annually. However, the largest percentage of respondents (49.59%) were from households earning between \$25,000 and less than \$75,000 per year, income which exceeds the County’s poverty level. Several respondents (15.3%) had annual incomes falling within the County’s poverty level.

Q2 Please SELECT the ONE income range that most accurately reflects your total household income.

Answered: 778 Skipped: 14



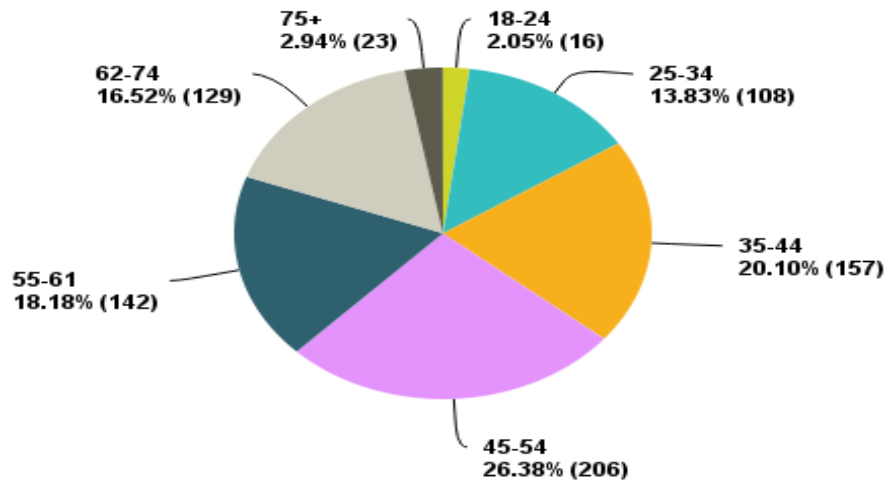
	Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 and above	Total
Q6: Yes	6.11% 19	3.86% 12	4.18% 13	16.72% 52	21.86% 68	18.33% 57	13.83% 43	15.11% 47	311
Q6: No	3.74% 17	3.74% 17	7.91% 36	11.87% 54	13.85% 63	19.34% 88	15.38% 70	24.18% 110	455
Total Respondents	36	29	49	106	131	145	113	157	766

Annual household income varied by minority versus non-minority status as indicated by the cross tabulation chart above in which “yes” indicated self-identification as a racial or ethnic minority and “no” indicates not self-identifying. The income disparities are most notable at the lowest and highest income levels. Respondents who identified as minorities, had higher percentages of lower incomes than non-minorities. The percentage of minorities earning \$14,999 or less, which is below the poverty level for the County, was 9.97% compared to 7.48 percent for residents who do not identify as minorities. Minorities had a lower percentage of households (28.83%) earning \$75,000 or more compared to non-minorities (39.56%).

Young adult residents age 18-24 represented the lowest percentage of respondents (2.05%) followed by the frail elderly, residents ages 75+ (2.94%). Senior citizens ages 62+ accounted for 16.52% of survey respondents. The majority of survey participants were between the ages of 25-61, with residents between the ages 45-54 representing the largest percentage of respondents (26.30%), or over one quarter of survey takers.

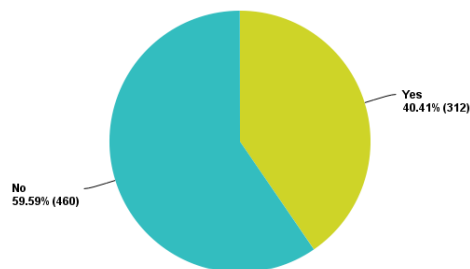
Q3 Which is your age group?

Answered: 781 Skipped: 11



Q6 The U.S. Census Bureau considers the following to be "minority groups:" Black, Hispanic, Asian, Native Hawaiian, Pacific Islander, American Indian, and Alaska Native. Are you a member of one of the groups listed above?

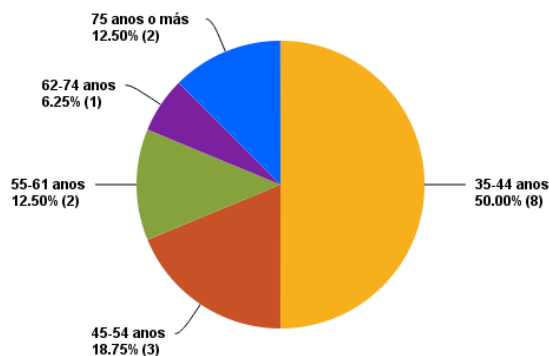
Answered: 772 Skipped: 20



A large percentage of respondents, 40%, self-identified as a member of a racial or ethnic minority group according to the U.S. Census Bureau definition.

Q3 ¿Cuál grupo de edad le pertenece a usted?

Answered: 16 Skipped: 2



The majority of Spanish survey respondents, 14 out of 18 total respondents, reported 92301 as their zip code of residence. This zip code has an RCAP/ECAP rate exceeding 80%. Respondents completing the Spanish survey were poorer overall than English respondents, with one-third, or 33.33%, having annual household incomes below \$10,000 and over half, 55.56%, had incomes within or near the poverty level for the County. None

of the respondents to the Spanish survey had incomes exceeding \$75,000 annually. Public administration and construction were each reported as the primary occupation by 12.5% of respondents, accounting together for one-quarter of reported occupations. A large percentage, 43.75%, reported that they were not currently working.

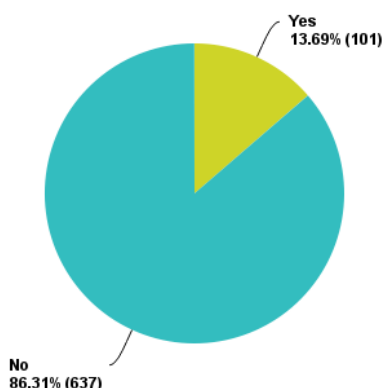
There were no respondents for ages 18-34. The most frequently reported age group was 35-44 at 50%, Senior citizens ages 62-74 were 6.25% of respondents while the frail elderly, ages 75 years or more, represented 12.5% of respondents. A large majority, 94.2%, of respondents self-identified as members of a minority group. Notably, 19.9% of English-language surveys and 83.3% of Spanish language surveys reported that a language other than English was spoken regularly in their households, which may account for the low number of survey completed in Spanish.

Housing Discrimination and Fair Housing Rights

A small percentage (13.69%) of survey respondents reported experiencing housing discrimination.

Q20 Since living in the County of San Bernardino have you experienced housing discrimination?

Answered: 738 Skipped: 54



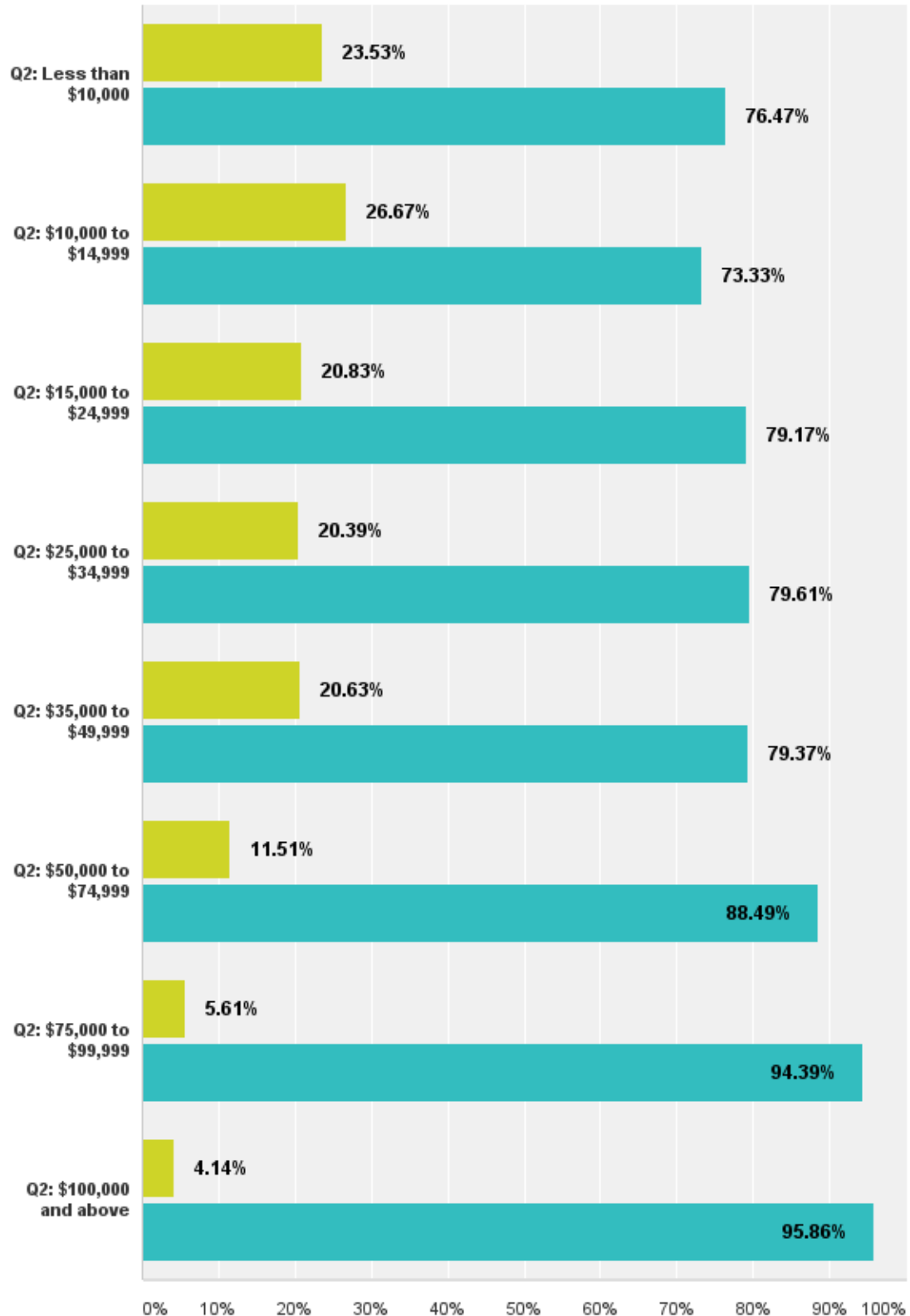
As indicated in the cross tabulation, minority respondents(indicated as “yes”) were more likely to have experienced housing discrimination, with an experience rate of 20.20%, or nearly 1 in 5 respondents, compared to a rate of 9.43% for non-minority respondents. As minorities comprise approximately 40% of the sample but experience discriminate at over double the rate of non-minorities, they disproportionately experience discrimination.

	Yes	No	Total
Q6: Yes	20.20% 60	79.80% 237	297
Q6: No	9.43% 41	90.57% 394	435
Total Respondents	101	631	732

Annual income also correlated with experiences of housing discrimination. Respondents with incomes ranging from under \$10,000-49,999 experienced discriminate at a rate of over 20%, or 1 in 5, per income group. Respondents making \$75,000 per year or more, experienced discrimination at rates under 6%.

Q20 Since living in the County of San Bernardino have you experienced housing discrimination?

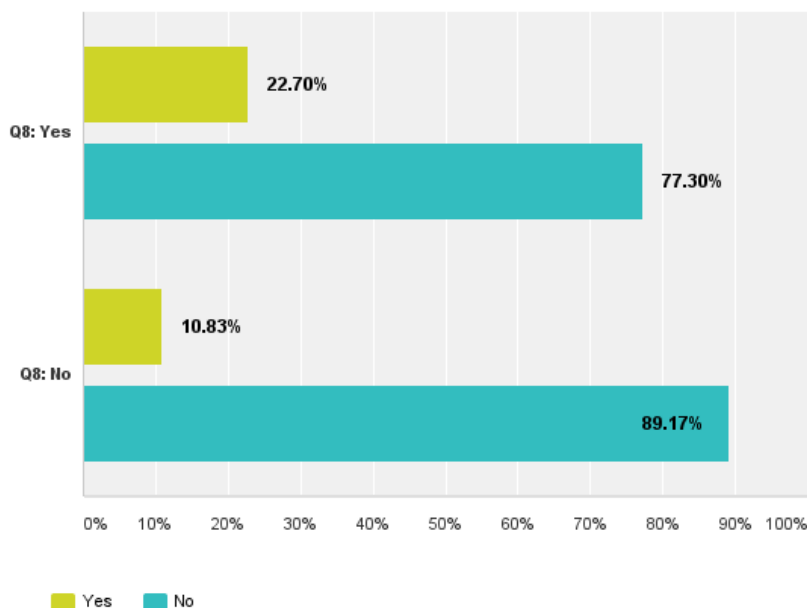
Answered: 732 Skipped: 46



Respondents with a person with a disability living in the household also experienced discrimination at more than twice the rates.

Q20 Since living in the County of San Bernardino have you experienced housing discrimination?

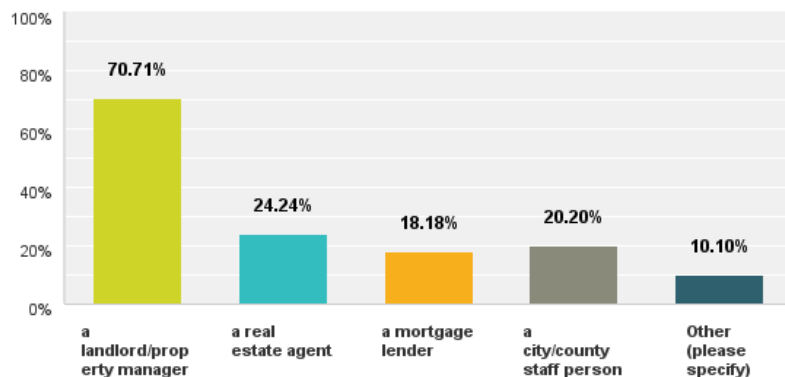
Answered: 730 Skipped: 39



And, of those who reported discrimination, the majority (70.7%) attributed the discrimination to a landlord.

**Q21 Who discriminated against you?
(SELECT ALL THAT APPLY)**

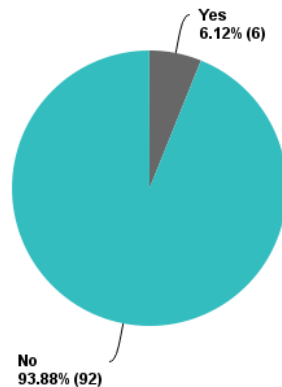
Answered: 99 Skipped: 693



And, only a small percentage, 6.12%, reported the discrimination.

Q22 Based on your response reporting that you have experienced discrimination, did you file a report of that discrimination?

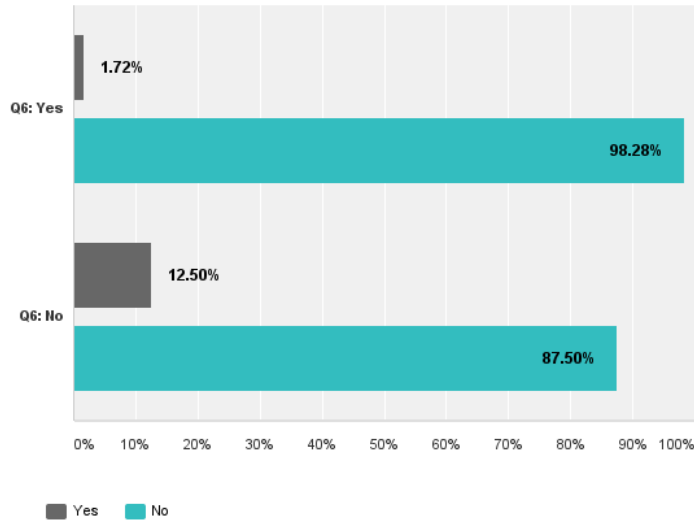
Answered: 98 Skipped: 694



Minority applicants were less likely to report discrimination, despite having a higher rate for experiencing discrimination as shown in the chart below (“yes” indicates minority group membership). Less than 2% of minorities reported discrimination compared to over 12% for non-minorities. Annual income has no impact on rates of filing a report. Households with a resident with a disability were more likely to file a report (9.76%) compared to other households (3.5%).

Q22 Based on your response reporting that you have experienced discrimination, did you file a report of that discrimination?

Answered: 98 Skipped: 674

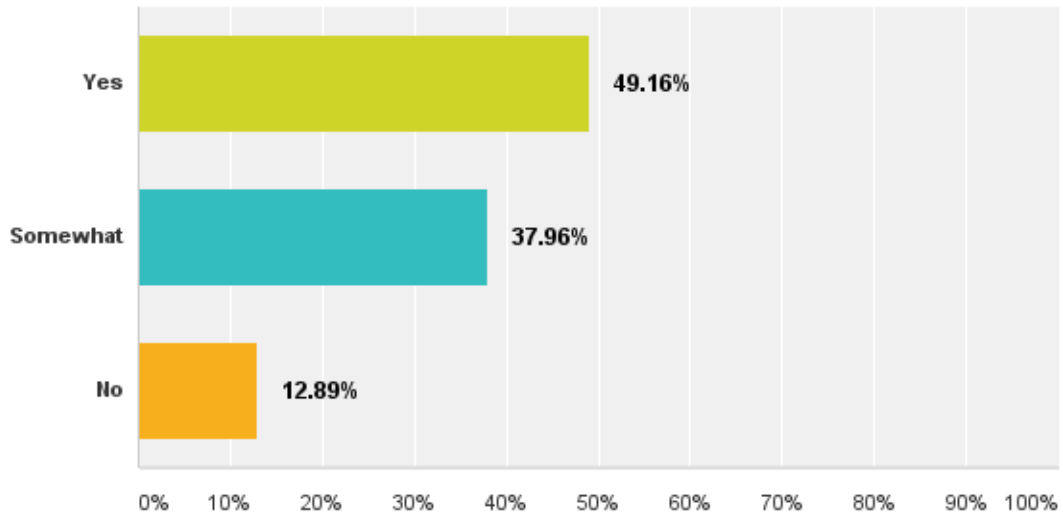


Most respondents, 48.89%, indicated that they did not report the discrimination because they did not know what good it would do. The top three reasons for not reporting discrimination amongst minorities were: being unsure what good filing a report would do (50%), not realizing the discrimination was a legal violation (14.2%), and not knowing where to file (10.71%). Amongst non-minorities, the top three reasons were: unsure of the good filing a report would do (47.06%), unsure where to file a report (17.65%), and fear of retaliation (14.71%).

A large percentage of respondents (49.16%) reported knowing their fair housing rights, while a small percent (12.89%) reported not knowing their fair housing rights.

Q24 Do you understand your fair housing rights?

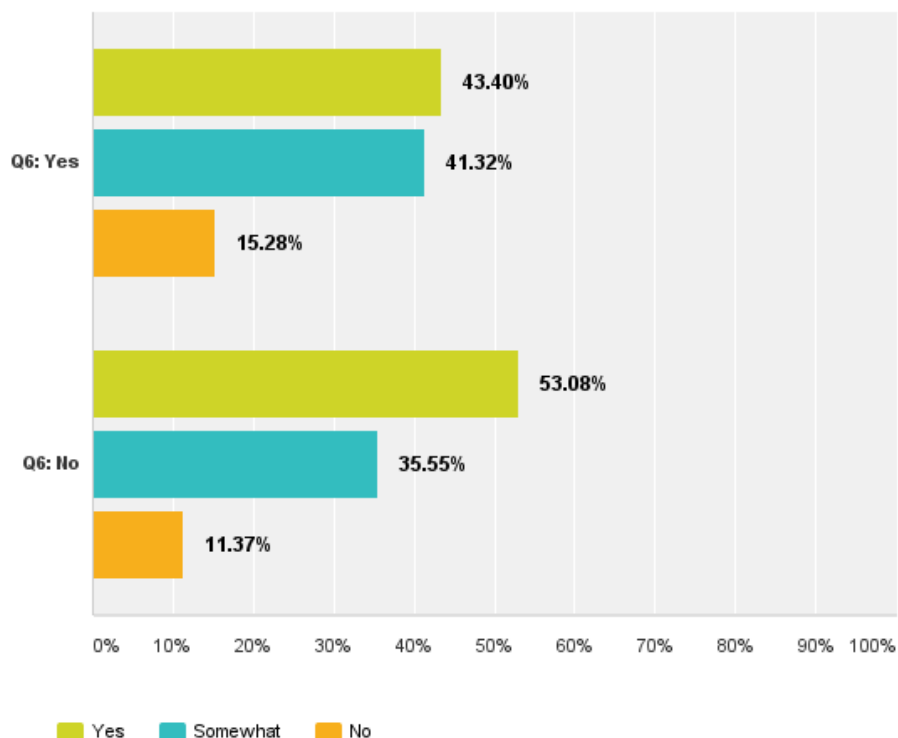
Answered: 714 Skipped: 78



Despite disproportionately experiencing housing discrimination, racial and ethnic minorities were less likely to report “yes” when asked if they knew their fair housing rights and more likely to report not understanding their rights. Respondents completing the survey in Spanish were also had high a rate, 40.18%, of not understanding their fair housing rights. The depiction below, in which “yes” indicates a self-report of minority status and “no” indicates non-minorities, indicates minority respondent’s understanding of their fair housing rights:

Q24 Do you understand your fair housing rights?

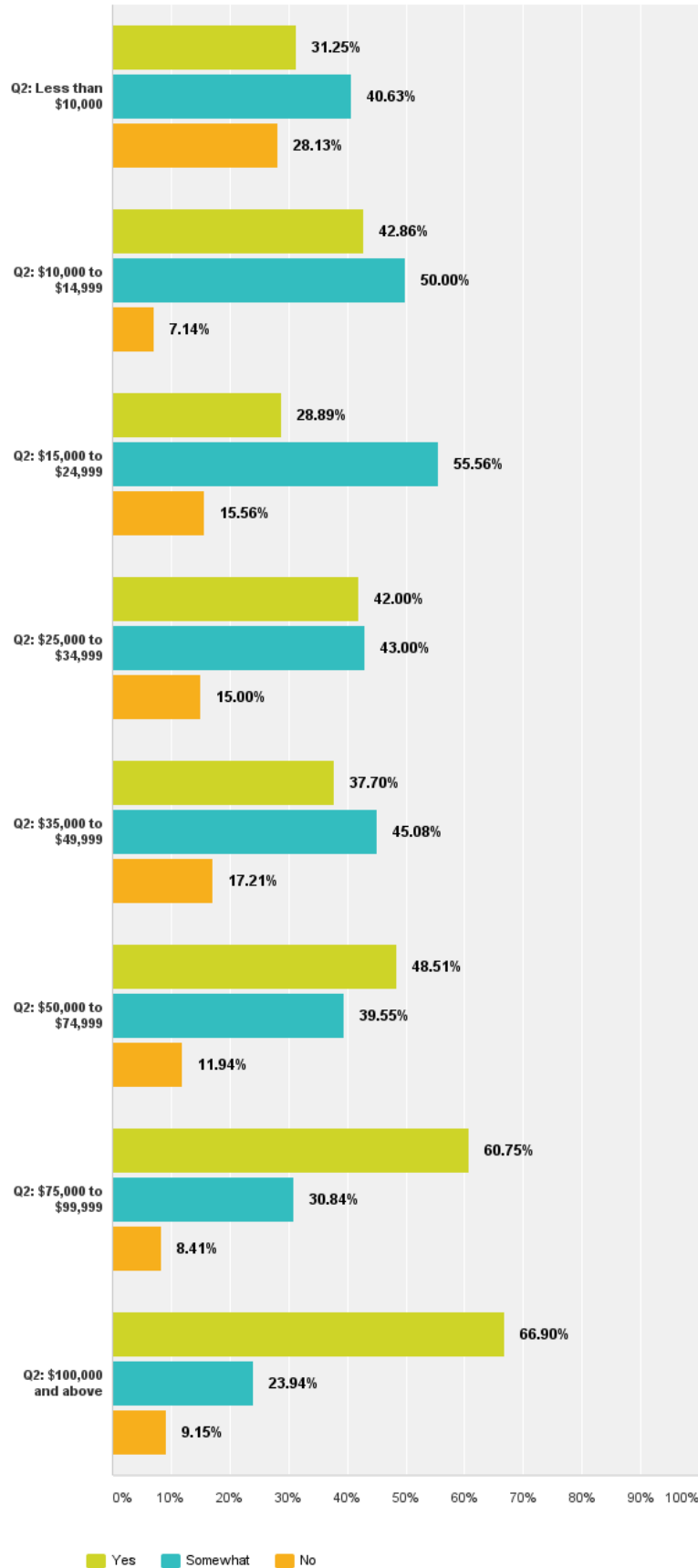
Answered: 710 Skipped: 62

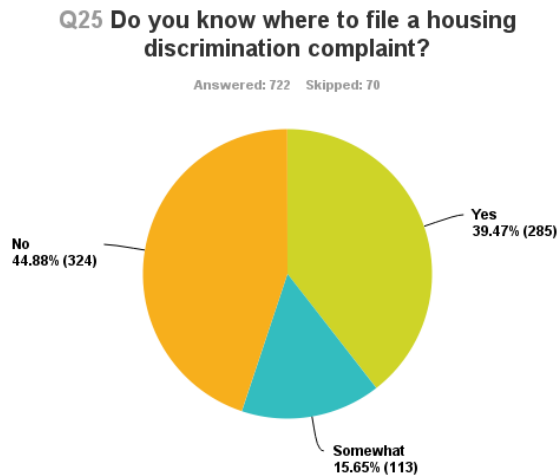


Respondents who lived in a home where a language other than English is also spoken were more likely to report not understanding their fair housing rights (86.15%) than residents reporting that only English is spoken in the home (78.07%). Income also correlated with respondent's understanding of their fair housing right with the understanding of fair housing rights increasing as income rises for most income groups. The gap is notable with 66.90% of the highest income households, \$100,000 or more per year, answering "yes" they understand their fair housing rights versus 31.25% for the lowest income households, less than \$10,000 annually answering "yes" to understanding their fair housing rights. Lower income households were less likely to understand their fair housing rights despite experiencing housing discrimination at higher rates.

Q24 Do you understand your fair housing rights?

Answered: 710 Skipped: 68





A large percentage of overall respondents, 44.88%, reported that they did not know where to file a housing discrimination complaint. A higher percentage of respondents completing the Spanish version of the survey (70.59%) reported not knowing where to file a complaint.

Survey respondents were asked to determine what they believed were barriers to fair housing within the County. The responses provided in the English and Spanish surveys are listed below, ranked **Highest to Lowest**.

English Survey (654 responses)

- Lack of adequate zoning for manufactured housing
- Limitations on density of housing
- Restrictive covenants by homeowner associations or neighborhood organizations (two-way tie)
- Lack of knowledge among real estate agents regarding fair housing (two-way tie)
- Lack of knowledge among bankers/lending regarding fair housing (two-way tie)
- Concentration of group homes in certain neighborhoods (two-way tie)
- Limited capacity of a local organization devoted to fair housing investigation/testing
- Lack of knowledge among large landlords/property managers regarding fair housing
- Concentration of low-income housing in certain areas
- Income levels of minority and female-headed households (two-way tie)
- Lack of knowledge among residents regarding fair housing (two-way tie).

Impediments & Recommendations

In the *Fair Housing Planning Guide*, HUD defines an impediment to fair housing choice as an action, omission or decision based on race, color, religion, sex, disability, familial status, or national origin that restricts or has the effect of restricting housing choices or the availability of housing choices.⁷⁸ Throughout this assessment various community issues have surfaced, both positive and negative. Some of these issues represent general community needs (e.g. the uniqueness of the needs of urbanized areas and those of the rural desert communities) and, while valid, do not restrict or have the effect of restricting housing choice and thus do not constitute impediments.

For this analysis, qualitative data received in the form of input from interviews and community meetings was combined with quantitative data from the U.S. Census and from the other sources consulted. In some cases, the quantitative data collected from a single source was clear and compelling enough on its own to indicate the existence of an impediment. In other cases, and particularly with the use of qualitative data, the cumulative effect of a comment or criticism repeated many times over in many different settings was sufficient to indicate a barrier. Sometimes a weak or inconclusive correlation of quantitative data from one source could be supported by public comments and input or data from another source to constitute an impediment.

In this section, the impediments identified are summarized with supporting information. Each impediment listed is followed by recommendations, the implementation of which will correct, or begin the process of correcting, that impediment. A common theme found in many of the recommendations is the use of collaborative partnerships from the private and public sectors.

Impediment #1: Cost of Affordable Housing Limits Housing Choice

The quantitative data obtained from the Census Bureau and HUD, supported by comments provided by County residents, key stakeholders, and the Community Survey, demonstrate that a significant number of households in San Bernardino County have insufficient income to afford appropriate housing. Forty percent (40%) of the housing units in the County are rental stock, with only 15,008 of the rental units affordable by extremely low income (30% HAMFI) and very low income (50% HAMFI) households. Fair Market Rents for 2- bedroom units cost \$753 and 3-bedroom apartments are \$1,099. The impact of these housing costs

⁷⁸ U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

are particularly challenging for households with children in the County, where only 34.9% of the rental stock has three or more bedrooms.⁷⁹

Research shows that members of protected classes are more likely to face difficulties affording housing. Minority households tend to have lower incomes and, according to HUD CHAS 2007-2011 data to have disproportionately greater housing cost burden needs when compared to the entire population. Additionally, members of protected classes, including minorities, female householders, households with children, and disabled persons, are more likely to reside in public housing or use housing choice vouchers than the population overall.

Recommendation:

The County and its public and private sector partners should develop a new long-term strategy that would serve as an ongoing affordable housing vision and would set measurable goals for housing production and preservation. The strategy should be developed with public input and participation that is critical to the success of establishing and following this plan. Moving forward, the strategy should serve as the guiding affordable housing planning instrument containing housing goals and objectives that are to be followed contained in the Consolidated Plan and its Annual Action Plans. It is critical that additional non-HUD funding streams be identified and made available if this initiative is to be successful.

The initial step in developing a long-term affordable housing strategy should be the creation of a broadly based Housing Task Force with participation from the County, municipalities, private developers and lenders, nonprofit advocacy groups, Fair Housing organizations, and community representatives from throughout the County of San Bernardino. The Task Force should utilize information already collected and available through this analysis, from the Consolidated Plan 2016-2020, and other pertinent data sources that include input from County residents and stakeholders. The strategy should include collaborative partnerships among task force members and others which can work together to seek and invest resources necessary to provide appropriate types of affordable and accessible housing for residents of the County. The Task Force should include representatives from organizations that serve persons who are members of Protected Classes under the Fair Housing Act. The Task Force should complete its housing strategic plan by June 30, 2016, shall continue monitor progress in achieving plan goals on an annual basis and report this information to the Board of Supervisors and to the residents of the County.

To provide a mechanism to implement the plan, the County should partner with private sector housing developers and lenders, municipalities, Fair Housing organizations, nonprofit organizations and representatives from other community organizations from all parts of the

⁷⁹ County of San Bernardino, Consolidated Plan 2016-2020 (Draft); and, U.S. Department of Housing and Urban Development, 2007-2011 CHAS and HUD Fair Market Rents/HOME Rents

County to develop programs and funding options that will provide new and rehabilitated affordable rental housing for lower income and protected class households. While the County provides HOME Program funds for a limited number of affordable rental housing units each year, the availability of HOME funds allocated to the County by HUD has been shrinking as a result of budget decisions being made at the national level. The level of affordable housing need in the County cannot be satisfied solely through the investment of the limited amount of HOME dollars received from HUD each year.

Impediment #2: Aging Housing Stock Needs Preservation to Maintain its Serviceability and Affordability

The County's housing stock includes obsolete homes that are either in disrepair or no longer align with contemporary housing preferences. These housing units were built prior to 1980 and include considerable maintenance costs which are a burden to low income households and to property owners and managers. Older housing is especially prevalent in the racially and ethnically concentrated areas of poverty in the County, where over two-thirds of housing units were built prior to 1980. To prevent further deterioration of sound housing stock it is important for the County, its municipalities, and the private sector to re-create opportunities for the preservation of housing.

In the past, the County operated and or funded rehabilitation programs directly from its grants received from HUD. Currently the County provides gap financing from HOME Program funds for multifamily rental projects that are financed, in part, using Low Income Housing Tax Credits. However, the annual grant awards to the County from HUD through the HOME Program allow the County to provide funding for one or two rental projects per year. As important as these two projects are, they do not reach the large number of households who need appropriate and affordable housing that is in standard condition.

Recommendation:

The Housing Task Force recommended under Impediment #1 of this analysis should include as a part of its long-term housing strategy development a rehabilitation component that would address the need to preserve the multifamily housing stock for qualifying renters. The actions of the Task Force should outline how the rehabilitation needs can be met and should include public and private funding sources not restricted to grant monies received by the county from HUD. Any existing organizations or programs currently providing rehabilitation services should be examined and, if feasible, potentially incorporated as a part of the implementation components of the long-term housing strategy. Unless the Task Force recommends and the Board of Supervisors directs the

County to carry out a rehabilitation program, it should be operated by other private for-profit or non-profit organizations, as directed in the Housing Strategy plan.

Impediment #3: Inadequate Supply of Permanent Supportive Housing for Special Populations Including Persons Who are Homeless, Persons with Disabilities, and Elderly Persons

The County of San Bernardino has a large and diverse population, including a special populations including homeless individuals, persons with disabilities, and elderly people. One of the greatest challenges faced by persons in these special needs categories is the availability of appropriate affordable housing. Throughout the development of this analysis and of the Consolidated Plan 2016-2020, residents of the County and key stakeholders consistently mentioned that the current housing stock is not adequate to serve the needs of individuals from these populations.

The State of California Proposition 63 was the basis for the Mental Health Services Act of 2004 that provides funding that makes possible the development of more accessible housing. However, the challenge facing the County and its municipalities is the growing population of persons with disabilities and elderly persons (who may also have disabilities) who need housing that is accessible for their needs. But this source of funding is not adequate or appropriate to address the needs of all these residents. Finally, as the County of San Bernardino is predicted to “grow older” over the next 30 years and as the population ages, the ability of this older group of residents to afford to maintain and improve their own housing is expected to diminish.

Persons who are homeless continue to be inadequately housed in the County of San Bernardino. Emergency shelters provide only temporary short-term housing for these individuals and families and may include no supportive services or long-term follow-up and care. This problem is particularly acute for persons who have recurring homelessness and are known as “chronically homeless.” In many instances “chronically homeless” persons have mental disabilities, substance abuse problems, and are often veterans of our military services.

Recommendations:

Persons with Disabilities:

Organizations that serve persons with physical and mental disabilities are important advocates for these individuals. These organizations and persons with disabilities should be engaged as participants in the housing strategy development to ensure that policies, programs, and potential funding streams are identified and included that will result in the development or rehabilitation of housing that is accessible and affordable for persons with disabilities. These projects should also be planned to include supportive services that are essential to this population, as appropriate.

Elderly:

The proportion of County residents who are elderly (age 62 and older) is projected to grow by 250% by the year 2050. A large number of these individuals are currently homeowners who occupy single-unit detached housing located throughout the County. Unless elderly individuals need specialized care, such as skilled nursing facilities, it is likely that many of these individuals will prefer to remain in their own homes and to retain their own independence by doing so.

To serve this growing segment of the population, who choose to remain independent and live in their own homes, accessibility modifications to their housing will be necessary to achieve this objective. The Housing Task Force should carefully examine this need as it develops the long-term housing strategy to ensure that these individuals and households may be assisted through some form of public/private partnership accessibility program that should be made a part of the housing strategy.

While it is important to provide opportunities for County residents who are elderly to “age in place” by remaining in their own homes, growing numbers of elderly County residents will need other types of housing that may not currently exist in sufficient numbers. The Housing Task Force should address this need as a part of the housing strategy. Types of housing that should be addressed include fair market rental properties, subsidized rental properties, and supportive elderly housing that may include healthcare and other appropriate services.

Homeless:

The Housing Task Force should consult with the County of San Bernardino Homeless Partnership and its member organizations to ensure that the needs of homeless individuals and families are adequately addressed in the proposed long-term housing strategy. Careful attention must be given to the adopted Continuum of Care structure and procedures that should be incorporated as vital components of the parts of the housing strategy dealing with housing for the homeless. One of the most important resources for this effort should be the County’s 10 year plan to eliminate homelessness. Public and private organizations that serve the homeless and homeless individuals should be invited to engage in the policy development process to ensure that the needs of the homeless are adequately and appropriately served.

Impediment #4: Improvements Are Needed Between Planning Processes for Transportation Improvements and the Development of Affordable Housing

Residents of affordable housing or persons who need affordable housing are typically dependent on some form of public transportation to access services and/or employment. One of the recurring issues throughout the nation and in the County is the development of housing that is not interconnected with the transportation planning process. The result may be housing that is not reasonably accessible to bus stops or rail stations.

Recommendations:

The County and its cooperating cities should examine their existing planning processes for transportation and housing development and make any necessary improvements that can make these processes more collaborative and inclusive to ensure that transportation opportunities are available and accessible near affordable housing developments.

Impediment #5: “NIMBY” (“Not in My Backyard”) Attitudes Toward Protected Classes

During the public participation process for the development of this analysis, comments were received that NIMBY (not in my backyard) sentiments still prevail in some portions of the County, particularly in the rural areas. The NIMBY attitudes may be directed toward affordable housing, Housing Choice Voucher (Section 8) units or recipients, the homeless, persons with disabilities, racial or ethnic groups, and other protected classes. While “NIMBYism” is not a new phenomenon, it continues to be a vexing problem in our nation. From the analysis of data and comments received, this does not appear to be a widespread issue in the County, but occurs in some localized areas.

Recommendations:

In the County of San Bernardino, additional education efforts are needed to inform the public about the Fair Housing Act and the protections it provides to protected classes under the Act. The County and its municipalities should encourage residents to productively engage with their neighbors to foster inclusive, safe, and cohesive neighborhoods for all. Community-based organizations should be integral participants in this initiative and should serve as liaisons between governmental entities and individual residents.

Impediment #6: Acts of Housing Discrimination/Lack of Knowledge of Fair Housing Rights and Responsibilities

A Community Survey conducted by the County and its cooperating cities received 810 English and Spanish responses. A small percentage (13.69%) of survey respondents reported experiencing housing discrimination. Minority respondents were more likely to have experienced housing discrimination (20.20% or one in five responses) compared with 9.43% of non-minority respondents. As minorities comprise almost 40% of the sample but experienced discrimination at over double the rate of non-minorities they disproportionately experienced discrimination.

Annual income also correlated with experiences of housing discrimination. Respondents with incomes ranging from under \$10,000-\$49,999 experienced discrimination a rate of over 20% while respondents with \$75,000 per year or more of income experienced discrimination at rates under 6%.

Nearly one-half (48.89%) of survey respondents indicated that they did not report the housing discrimination because they did not know what good it would do. Similarly, nearly one-half (49.16%) reported that they knew their fair housing rights, while a smaller percent (12.89%) reported not knowing their fair housing rights.

Despite disproportionately experiencing housing discrimination, racial and ethnic minorities were less likely to report “yes” when asked if they knew their fair housing rights and are more likely to report not understanding their rights. Respondents who lived in a home where language other than English is spoken (86.15%) were more likely to report not understanding their fair housing rights. When income is considered, 66.90% of the highest income households (\$100,000 or more) responded that they did know their fair housing rights versus 31.25% for the lowest income households (\$10,000 or less). Lower income households were less likely to understand their fair housing rights despite experiencing housing discrimination at higher rates than other respondents.

The percentage of survey respondents with a person with a disability living in the household who had experienced discrimination was 22.70%.

The survey responses to a question asking who was responsible for acts of housing discrimination indicated that 70.71% of discriminatory acts were committed by landlords or property managers, 24.24% by real estate agents, 18.18% by mortgage lenders, 20.20% by city/county staff, and 10.10% other.

Recommendations:

Outreach and Education to Residents

The County and its cooperating municipalities should focus increased attention and outreach on the subject to fair housing education for residents of the County. Fair Housing organizations such as Inland Fair Housing and Mediation Board or other similar Fair Housing organizations should carry out targeted outreach to racial and ethnic minority groups and to areas of concentrations of low income persons throughout the County to ensure that as many individuals and households as possible understand:

- what are acts of housing discrimination;
- the protections provided for protected classes under the Fair Housing Act;
- how and where to report acts of housing discrimination; and
- remedies available to victims of housing discrimination, including potential monetary settlements.

Outreach and Education for Property Owners and Property Managers, Real Estate Agents, Mortgage Lenders, and Public Employees

As with the recommendation to expand educational efforts to County residents, a similar process should be carried out to educate property owners (landlords) and property managers, real estate professionals, mortgage lenders, and city and county employees on the requirements and penalties under the federal Fair Housing Act. These educational activities should be carried out by HUD-approved Fair Housing organizations using funding provided by HUD or the County and its cooperating cities.

The County and/or its cooperating cities (as appropriate) should provide monitoring and oversight of these outreach and education efforts to report on their effectiveness as a part of their annual report (CAPER) submitted to HUD.

Conclusion

Through this Analysis of Impediments to Fair Housing Choice, barriers have been identified that may restrict the housing choices available to residents of San Bernardino County and its cooperating cities. The barriers may also prevent residents from realizing their right to fair and equitable treatment under the Federal Fair Housing Act of 1968 (the Act). County residents who are members of protected classes under the Act should know their fair housing rights and should understand the actions that they may take if they think their rights may have been violated.

Information collected from residents and stakeholders through interviews and surveys indicate that the processes and agencies available to assist victims of housing discrimination are not widely known and that residents have low expectations for any positive results should they report discriminatory acts. While this only one of the impediments listed below, it should receive the highest priority attention to assist the County as it acts to affirmatively furthers fair housing.

The recommendations proposed in this document address impediments relative to the high cost of affordable housing, the need to preserve the affordable housing stock, the presence of an inadequate supply of permanent supportive housing for special populations (including persons who are homeless, disabled, and elderly), the need to improve the coordination of planning processes for transportation and housing development, “Not in My Backyard” (NIMBY) attitudes toward protected classes; and acts of discrimination/lack of knowledge of fair housing rights and responsibilities. The implementation of the recommendations in this report can assist the County San Bernardino County and its cooperating cities in providing a supportive environment for achieving fair housing choice for all of its residents.

The County of San Bernardino and its cities covered by this AI will work cooperatively to achieving fair housing choice for their residents, using the recommendations in this document that are directed toward addressing the impediments identified in this report. Each jurisdiction has an important role to play but cannot, on its own, bring about the change necessary to reduce or remove these impediments to fair housing choice.