

# Analysis of Impediments

To Fair Housing Choice

City of Chico, February, 2015



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## I. Introduction

### A. Purpose

The U.S. Department of Housing and Urban Development (HUD) requires that all states and cities in the country receiving Community Development Block Grant funds conduct an Analysis of Impediments to Fair Housing Choice every five years. Impediments to fair housing choice are:

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

Impediments can be public (i.e. General Plan actions or Zoning Ordinance requirements), private (i.e. tenant selection policies and procedures), or financial (i.e. discriminatory loaning practices).

Fair Housing Planning is a process to eliminate impediments to fair housing choice. The Analysis of Impediments identifies impediments and provides the substantive basis for Fair Housing Planning. The Analysis of Impediments also provides important information about the current state of local fair housing to policy makers, administrative staff, housing providers, lenders and fair housing advocates.

### B. Process

The Analysis of Impediments involves:

- An analysis of data that describes the local conditions for fair housing choice, including the availability of affordable, accessible housing in a range of unit sizes
- A comprehensive review of the jurisdiction's laws, regulations and administrative policies, procedures and practices
- An assessment of how those laws, regulations and administrative policies, procedures and practices affect the location, availability, and accessibility of housing

- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes

The City undertook the following process to develop the Analysis of Impediments:

1. Reviewed HUD guidance on Fair Housing Planning, the 2010-2014 City of Chico Analysis of Impediments, and the Chapter 6 Constraints Analysis of the 2014-2022 City of Chico Housing Element.
2. Engaged fair housing organizations, other governments, advocacy groups, housing providers, service providers, financial institutions, educational institutions, and the general public, concurrent with Consolidated Plan outreach.
3. Consulted with the following entities in identifying impediments, and appropriate responses, to fair housing:
  - City of Chico staff
  - Housing Authority of the County of Butte
  - Local Housing Providers (CHIP, NVCSS, CAA)
  - Legal Services of Northern California
  - Independent Living Services of Northern California
  - North Valley Property Owners Association (NVPOA)
  - Chico Association of Realtors
4. Reviewed relevant data collected for the 2015-2019 Chico Consolidated Plan.
5. Collected additional fair housing information, U.S. Census, HUD, Home Mortgage Disclosure Act (HMDA), and occupancy data in Section 8, public, and subsidized rental housing.
6. Drafted the Analysis of Impediments document for City of Chico staff review and public review.

### C. Goals

The goals of this analysis are:

- To create an ongoing process for the examination of fair housing in Chico, and strive for the elimination of housing discrimination in the jurisdiction
- To build working relationships among the various agencies involved with housing provision, both public and private

- To provide opportunities for racially and ethnically inclusive patterns of housing occupancy
- To promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities
- To educate both the public and private sector on the need for, and benefits of, fair housing

## II. Jurisdictional Background Data

To be consistent with the 2015-2019 City of Chico Consolidated Plan, this report predominantly uses two data sources: the U.S. Census 2007-2011 American Community Survey, and the 2007-2011 HUD Comprehensive Housing Affordability Strategy (CHAS). The 2007-2011 time period is the most recent available from these sources for use with the Consolidated Plan. These data sources provide a great amount of detail that is useful for the analysis of fair housing conditions, such as housing conditions, overcrowding and housing cost burden, cross-tabulated by race, income and household size. While more recent data would be preferable, the data sources used are the most relevant and complete available for the Analysis of Impediments.

### A. Demographics

As of 2011, the City of Chico had a population of 85,605, with 33,891 households (U.S. Census, 2007-2011 American Community Survey). Below are tables with key demographic indicators.

	Number of Persons	Percent of Total Population
Persons 5 years and over that do not speak English	595	0.70%
Persons in Poverty	17,806	20.80%
Persons in Poverty in Family Households	7,660	8.95%
Persons in Poverty in non-Family Households	10,146	11.85%

Source: U.S. Census, 2007-2011 American Community Survey

Race or Ethnicity	Number of Persons	Percent of Total Population
White (not Hispanic)	63,140	73.76%
Black or African American (not Hispanic)	1,494	1.75%
American Indian and Alaska Native (not Hispanic)	528	0.62%
Asian (not Hispanic)	3,956	4.62%
Native Hawaiian and Other Pacific Islander (not Hispanic)	186	0.22%
Some other race (not Hispanic)	146	0.17%

Two or more races (not Hispanic)	3,492	4.08%
Persons of Hispanic Origin (any Race)	12,663	14.79%

Source: U.S. Census, 2007-2011 American Community Survey

Age	Number of Persons	Percent of Total Population
0-17	15,968	18.65%
18-24	21,736	25.39%
25-64	39,416	46.04%
65 and over	8,485	9.91%

Source: U.S. Census, 2007-2011 American Community Survey

## B. Income

In 2011, the Chico median household income was \$41,632. Almost one-third of Chico households earned less than \$25,000, which is near half of median income. The table below shows that the large majority of Chico households earn middle to low incomes, with 65% of households earning less than \$60,000.

Household Income in the Past 12 Months	Number of Households	Percent of Total Households
Less than \$24,999	10,298	30.38%
\$25,000 to \$44,999	7,801	23.02%
\$45,000 to \$59,999	4,087	12.06%
\$60,000 to \$74,999	2,809	8.29%
\$75,000 to \$99,999	3,901	11.51%
\$100,000 to \$124,999	2,370	6.99%
\$125,000 or more	2,625	7.75%

Source: U.S. Census, 2007-2011 American Community Survey

## C. Employment

As of 2011, Chico had 39,978 employed persons over 16 years of age. The average commute time for these employees is 18 minutes. (Source: U.S. Census, 2007-2011 American Community Survey)

The table below shows characteristics of the full-time, year-round employed population in Chico as of 2011. As of 2011, the estimated number of full-time, year-round employed persons in this category was 21,618, which was 54% of the total number of employed persons in Chico. The median annual earnings for males in this category were about \$8,000 higher than for females. The Management, business, science, and arts occupations category in the table below encompasses a wide variety of occupations, including the areas of education, social services and healthcare. Median earnings in this category range from \$41,199 for Community and social services occupations to \$92,717 for Legal occupations. The Service

occupations category includes healthcare support, fire fighters, law enforcement, food preparation and serving, building and grounds maintenance, and personal care.

Occupation	Number of Persons	Median Earnings
Full-time, year-round civilian employed population 16 years and over	21,618	\$42,601
Management, business, science, and arts occupations	9,504	\$55,817
Service occupations	3,170	\$26,667
Sales and office occupations	5,284	\$36,040
Natural resources, construction, and maintenance occupations	1,680	\$40,900
Production, transportation, and material moving occupations	1,980	\$38,900

Source: U.S. Census, 2009-2011 American Community Survey

#### D. Housing

The above table points to the need for affordable housing in Chico. In order to afford the 2011 Chico median contract rent of \$827, a household must earn at least \$35,480 (assuming ave. monthly utility costs of \$60; paying 30% of income toward rent and utilities). This income is about \$9,000 more than the median earnings for Service occupations. Housing affordability is even more challenging for part-time and unemployed persons. For these reasons, an estimated 16,679 Chico households (49% of all Chico households) paid more than 30% of their income toward housing in 2011 (U.S. Census, 2007-2011 American Community Survey).

Section NA-10 of the 2015-2019 City of Chico Consolidated Plan illustrates that housing affordability is the most common housing problem in Chico. This is particularly the case for Low Income and Extremely Low Income households, as well as elderly and single-person households.

In terms of race and ethnicity, Hispanic, Asian and Black African-American households have a disproportionate share of the City’s Housing Problems and Severe Housing Problems, as described in Sections NA-15 and NA-20 of the Consolidated Plan. A Housing Problem, as defined by HUD, is a unit that: 1) lacks complete kitchen facilities; 2) lacks complete plumbing facilities; 3) has more than 1 person per room; or 4) has a housing cost burden over 30% of income. A Severe Housing Problem, as defined by HUD, is a unit that: 1) lacks complete kitchen facilities; 2) lacks complete plumbing facilities; 3) has more than 1.5 persons per room; or 4) has a housing cost burden over 50% of income.

The table below shows demographic data for Butte County in order to compare it to the 2013 Home Mortgage Disclosure Act (HMDA) data tables for Butte County that follow it. (HMDA data is not available for City of Chico only.)

### Butte County Race and Ethnicity

Race or Ethnicity	Number of Persons	Percent of Total Population
White (not Hispanic)	165,531	75.48%
Black or African American (not Hispanic)	3,105	1.42%
American Indian and Alaska Native (not Hispanic)	1,761	0.80%
Asian (not Hispanic)	9,217	4.20%
Native Hawaiian and Other Pacific Islander (not Hispanic)	477	0.22%
Some other race (not Hispanic)	176	0.08%
Two or more races (not Hispanic)	8,566	3.91%
Persons of Hispanic Origin (any Race)	30,476	13.90%

Source: U.S. Census, 2007-2011 American Community Survey

The table below shows owner-occupied home purchases by racial and ethnic category for Butte County. The percent of total originations by White non-Hispanic buyers is about 11% higher than the White non-Hispanic percentage of the population. The percent of total originations by Persons of Hispanic Origin is about 7% lower than the Hispanic percentage of the population.

### 1st Lien Mortgage Originations for 1-4 Unit Owner-Occupied Home Purchases

All Mortgages

Racial or Ethnic Category	Total Number of Originations	Percent of Total Originations
White (not Hispanic)	1,269	86.39%
Black or African American (not Hispanic)	13	0.88%
American Indian and Alaska Native (not Hispanic)	20	1.36%
Asian (not Hispanic)	54	3.68%
Native Hawaiian and Other Pacific Islander (not Hispanic)	5	0.34%
Persons of Hispanic Origin (any Race)	108	7.35%
Total	1,469	

Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2013 Data for Butte County

The table below shows the total number of Higher Price Originations and Percent of Total Originations by racial or ethnic category, for the same types of loans as shown above. Higher Priced Mortgages are defined by the Consumer Financial Protection Bureau as loans with annual percentage rates that exceed the average prime offer rate for a comparable transaction by at least 1.5%. The percentage of Higher Price Originations was higher for Native Hawaiian and Other Pacific Islander, Black or African American, and Persons of Hispanic Origin than for White, Asian or American Indian and Alaska Native homebuyers.

**1st Lien Mortgage Originations for 1-4 Unit Owner-Occupied Home Purchases**  
Higher Priced Mortgages

<b>Racial or Ethnic Category</b>	<b>Total Number of Higher Price Originations</b>	<b>Percent of Total Originations by Racial/Ethnic Category</b>
White (not Hispanic)	104	8.20%
Black or African American (not Hispanic)	2	15.38%
American Indian and Alaska Native (not Hispanic)	0	0.00%
Asian (not Hispanic)	3	5.56%
Native Hawaiian and Other Pacific Islander (not Hispanic)	2	40.00%
Persons of Hispanic Origin (any Race)	10	9.26%
<b>Total</b>	<b>121</b>	

Note: Higher Priced Mortgages are defined by the Consumer Financial Protection Bureau as loans with annual percentage rates that exceed the average prime offer rate for a comparable transaction by at least 1.5%  
Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2013 Data for Butte County

The table below shows the percent of total originations denied or not accepted by racial or ethnic category. American Indian and Alaska Native, Persons of Hispanic Origin and Asian applicants had higher rates of denial than White, Black or African American, or Native Hawaiian and Other Pacific Islander applicants.

**1st Lien Mortgage Applications Denied or Not Accepted for 1-4 Unit Owner-Occupied Home Purchases**

<b>Racial or Ethnic Category</b>	<b>Total Number of Denials</b>	<b>Percent of Total Originations by Racial/Ethnic Category</b>
White (not Hispanic)	217	17.10%
Black or African American (not Hispanic)	0	0.00%
American Indian and Alaska Native (not Hispanic)	6	30.00%
Asian (not Hispanic)	11	20.37%
Native Hawaiian and Other Pacific Islander (not Hispanic)	0	0.00%
Persons of Hispanic Origin (any Race)	31	28.70%
<b>Total</b>	<b>265</b>	

Source: Consumer Financial Protection Bureau, Home Mortgage Disclosure Act 2013 Data for Butte County

### III. Evaluation of Jurisdiction’s Current Fair Housing Legal Status

The City is not currently named in any fair housing lawsuits.

### IV. Identification of Impediments to Fair Housing Choice

#### A. Public Sector

This section focuses on possible actions or omissions in the public sector (including public housing, community development, transportation, and community services) that may affect housing choice. A determination should be made to see if any action or omission is influenced by public policies, practices, and procedures such as those regarding site selection for the construction of public and private housing, building, occupancy, and health and safety codes.

#### 1. Zoning and Site Selection

In order to adhere to fair housing law, planning and building policies and codes should avoid restricting housing choices in the following ways:

- High concentrations of low-income housing;
- Limited availability of housing affordable to Low-Income and Moderate-Income households; and
- Exclusions or limitations on special needs housing, including shelter and housing for homeless persons, persons with disabilities, seniors, and racial and ethnic minorities.

This section analyzes how government policy and regulations may affect these restrictions on housing choice. The City of Chico 2014-2022 Housing Element and 2015-2019 Consolidated Plan provide extensive detail on this topic.

#### *High concentrations of low-income housing*

The City of Chico belongs to the Butte County Association of Governments (BCAG), which guides regional planning. BCAG produces, in accordance with State law, a Regional Housing Allocation Plan. This plan directs each jurisdiction within the County to produce its fair share of housing affordable to all income levels.

The Appendix has maps showing income and demographic information for the City of Chico. The Low Income Households Map shows one census tract (6.04) with over 60% Low Income households (earning less than 50% of AMI), and two census tracts (5.02 and 10.00) with 40% to 60% Low Income households. These three census

tracts combined have a poverty rate of 48%, compared to 22% for the City as a whole. About 39% of households in these census tracts earn less than \$15,000 annually, compared to 17% for the City as a whole. These census tracts constitute some of the oldest neighborhoods in Chico, where home prices and rents are less expensive than elsewhere in the City. Many of the residents are students, as the census tracts are located near Chico State University. (Source: U.S. Census, American Community Survey, 2007-2011)

The Race Map shows two census tracts that have less than 60% White non-Hispanic persons (5.02 and 13.00). Census tract 5.02 has a higher than City average percentage of Asian and Multi-racial persons. Census tract 5.02 also has one of the City's highest concentrations of Low Income households. Census tract 13.00 has a higher than City average percentage of Asian persons, persons of Hispanic origin, and persons of two or more races. The Overcrowding Map shows that Census tract 13.00 also has a higher than City average percentage of Low Income households living in overcrowded housing.

These geographic characteristics are strongly influenced by market trends, as older structures and the abundance of student residents provide less permanence to the lower income neighborhoods. City zoning policy does not appear to play a significant role, as the zoning districts in these neighborhoods can also be found in other, higher income neighborhoods. A variety of zoning districts allow for a wide range of housing types in the lower income neighborhoods as well (City of Chico 2030 General Plan). There is no indication that low-income, publicly-assisted housing is concentrated in the City. The Affordable Housing Projects in Chico Map shows that these projects are spread throughout the City.

#### *Limited availability of housing affordable to Low-Income and Moderate-Income households*

As shown in the City of Chico 2014-2022 Housing Element, Tables 20 and 21, the City has 1,684 permanently affordable, subsidized rental units, and 477 shelter and transitional housing beds. The Chico 2030 General Plan and Municipal Code encourage affordable housing development in a number of ways, as described in the 2014-2022 Housing Element, Chapter 6: Constraints Analysis, and summarized below.

- Flexible zoning districts with:
  - High densities of up to 22 units/acre in R3 and 70 units/acre in R4
  - Allowance for residential uses in most commercial zoning districts
  - Allowance for live-work units, boarding houses and (Single Room Occupancies) SROs in certain commercial zoning districts without a discretionary permit
  - Overlay zones that allow greater flexibility, higher densities and reduced off-street parking

- Reduced off-street parking for restricted-rent studios or SROs located near public transit or commercial facilities
- Density Bonus for affordable housing, consistent with State law (Government Code 65915)
- Allowance for emergency shelters without a discretionary permit in the Public/Quasi-Public Zoning District
- Allowance for supportive and transitional housing without a discretionary permit in all zoning districts that allow residential development, subject to only the same restrictions placed on other permitted residential uses

*Exclusions or limitations on special needs housing, including shelter and housing for homeless persons, persons with disabilities, seniors, and racial and ethnic minorities.*

As described above, the City's zoning code does not unfairly exclude emergency shelters, housing for homeless persons, or special needs housing. Also as described above, higher density and small lot housing is encouraged in many zoning districts, which makes senior housing, as well as affordable housing in general, more feasible. Furthermore, the City's planning policy and regulations meet fair housing requirements, and do not encourage limitations to housing choice for racial and ethnic minorities.

The City's zoning code does not limit the development of housing that is accessible to persons with disabilities. Residential care homes for six or fewer residents are permitted as a matter of right in all residential districts, as well as the Office Residential and Neighborhood Commercial districts. Residential care homes for seven or more persons are permitted in most residential districts, the Office Residential District, and commercial districts with a use permit. There are not development standards that regulate the concentration or spacing of residential care homes.

The City's Municipal Code allows the Community Development Director to approve modifications to development standards in order to accommodate improvements that provide access to persons with disabilities. The 2014-2022 Housing Element Goal H.4.1.1 modifies this provision with clarifying language to read "the community development director may approve modifications or exceptions to the regulations, standards and practices for the siting, development and use of housing or housing related facilities, or other matters related to zoning and land use, that would eliminate regulatory barriers and provide an individual with a disability equal opportunity to housing of his or her choice."

## 2. Community Revitalization

One aspect of fair housing choice is neighborhood revitalization and the provision of good services to areas in which low- and moderate-income families live. Racial and ethnic minorities, who are most concentrated in such neighborhoods, will benefit from better neighborhood environments so critical to good housing.

Frequently, the quality or extent of public services and facilities varies dramatically among residential neighborhoods. Public services and facilities include schools, recreational facilities and programs, social service programs, parks, roads, transportation, street lighting, trash collection, street cleaning, crime prevention, and police protection activities. Lower-income, densely populated residential areas too often lack the level and array of services that are provided in less impacted, more affluent neighborhoods. Jurisdictions should strive to equalize services as part of Fair Housing Planning.

As described in Section IV.A.1, Census Tracts 5.02, 6.04 and 10.00 have the highest concentrations of Low Income households in the City. The Race Map shows that Census Tract 5.02 has one of the lowest percentages of persons that are White non-Hispanic, at just under 60%. Census Tracts 6.04 and 10.00 have close to average percentages of White non-Hispanics.

Census Tract 13.00, a portion of which is under county jurisdiction, encompasses the Chapman and Mulberry Neighborhoods, and has one of the highest concentrations of racial and ethnic minorities in the City, including one of the highest concentrations of persons of Hispanic origin, Asians and Multi-racial persons. The City's Housing Conditions Inventory, included in the City of Chico 2014-2022 Housing Element and referred to in Section MA-20 of the City of Chico 2015-2019 Consolidated Plan, identifies blocks within the Chapman and Mulberry Neighborhoods as high need for housing rehabilitation and public improvements. Independent Living Services of Northern California (ILSNC) works with disabled persons who often need housing assistance, many of whom are racial minorities. An interview with ILSNC revealed that many of their Hmong clients live in the Chapman and Mulberry Neighborhoods because of the more stringent application and screening process that is carried out at apartment complexes in other parts of the City. Due to language barriers, many Hmong households lease housing with lower barriers to entry. This housing is more likely to have substandard conditions and accessibility issues. This has led to a concentration of Hmong households in the Chapman and Mulberry Neighborhoods and limited access to other parts of the City. As a result, many disabled Hmong seniors occupy housing that is not accessible or appropriate for their circumstances.

***Fair Housing Impediment 1: High concentration of racial minorities in Census Tracts 5.02 and 13.00, which also have high concentrations of Low Income households, substandard housing and inadequate public improvements.***

***Fair Housing Objective 1:*** Hold public workshops in the Census Tract 5.02 and 13.00 neighborhoods on fair housing, the Americans with Disabilities Act, and tenant rights. Provide information and resources to tenants in these areas so that they can advocate for their housing rights.

This Community Revitalization section analyzes the following with respect to fair housing in the City of Chico:

- The extent to which municipal and other services (transportation, social services, schools, health services, hospitals, banks and other lending institutions) are equally distributed throughout the City
- Efforts to link transportation, job creation and housing opportunities for Low Income households
- Efforts to revitalize or enhance lower income neighborhoods
- Financial resources to fund affordable housing, community facilities and services, and small and disadvantaged business opportunities in neighborhoods in need of revitalization

*The extent to which municipal and other services (transportation, social services, schools, health services, hospitals, banks and other lending institutions) are equally distributed throughout the City*

**Transportation:** Most of the City of Chico, particularly lower income neighborhoods, is relatively compact, with walkable blocks and streets that are accessible to a comprehensive transit system— the B-Line Bus System. The centrally located transit center connects riders to all parts of the City, as well as the nearby towns of Paradise and Oroville. The B-Line Bus System includes Paratransit, which is available throughout the City.

**Social Services:** The City of Chico is home to a wide variety of social services, with offices distributed throughout the area. The County Departments of Employment and Social Services, and Behavioral Health, have service offices located in both the north and south sides of the City.

**Schools:** Elementary, Junior and Senior High schools are evenly distributed throughout the community, serving those neighborhoods with a large enough child population to justify their need. Due to Chico’s relatively small physical size, ease of access is not a significant issue at this time.

**Hospitals and Health Services:** There is presently one hospital to serve the community’s needs, Enloe Medical Center. This facility is located in one of the oldest

residential areas of the City, near some of the City's lowest income neighborhoods. There are also a number of walk-in medical care facilities situated in various locations around the City.

Banks: Banks and other financial services are scattered in commercial areas around the community. There are concentrations in the Downtown Central Business Core, North Valley Plaza Mall, Chico Mall / Skyway, as well as other commercial strip locations around town. 3CORE is a tri-county Community Development Financial Institution that is based in Chico, with a mission of providing capital and financial services to Low Income households and communities.

*Efforts to link transportation, job creation and housing opportunities for Low Income households*

As described in Section IV.A.1, the City's 2030 General Plan lays out a broad strategy to connect housing to jobs and reduce vehicle trips. This strategy has been implemented through the Municipal Code, and in particular, the Zoning Code. Key aspects of the City's "smart growth" strategy include:

- a "Green Line" which limits development in agricultural areas to the west of the City, thereby focusing new growth on infill and redevelopment;
- a focus on infill development, with higher densities and greater zoning flexibility to encourage development in the downtown, community and neighborhood centers, and along transit/commercial corridors;
- a Corridor Opportunity Site Overlay Zone that encourages higher density and mixed uses along underutilized transit corridors. The overlay zone allows residential uses above ground floor office or retail, and reduced parking standards;
- a new Traditional Neighborhood Development Zoning District, encompassing 271 acres, intended to create compact and complete neighborhoods with a mix of residential and non-residential uses within walking distances of one another; and
- master-planned new growth areas within the City limits that emphasize a mix of uses, walkable neighborhoods, and easy access to jobs, transportation, recreation, and retail and community amenities.

Almost all affordable housing projects located in Chico are financed with tax credits administered by the California Tax Credit Allocation Committee (CTCAC). CTCAC prioritizes projects that are close to public transit, grocery stores, libraries, schools, hospitals, health clinics, pharmacies and senior centers. Almost all of the City's large

low-income affordable housing developments (50+ units) built over the last 15 years, representing about 800 units, are located on or near commercial/transit corridors and employment centers.

### *Efforts to revitalize or enhance lower income neighborhoods*

The City adopted plans for two lower income neighborhoods about 10 years ago—one for the Chico Avenues Neighborhood, and one for the Southwest Chico Neighborhood. Both of these neighborhoods meet the CDBG definition of “low-income area”, in that at least 50% of the residents earn less than 80% of Area Median Income. These plans described a multi-year approach to address a broad range of infrastructure needs for these neighborhoods, in addition to addressing other neighborhood priorities, such as historic preservation and traffic calming.

Since adoption of the neighborhood plans, the City of Chico has undertaken significant efforts to enhance its lower income neighborhoods through the use of HUD funds, redevelopment funds and community partnerships. These efforts have predominantly focused on lower income, older, central city neighborhoods as described in this Analysis of Impediments. Below is a summary of these efforts by neighborhood.

#### Chapman/Mulberry Neighborhood (Census Tract 13.00)

- partnership with Habitat for Humanity to build a 13-unit subdivision with homes affordable to low-income homebuyers, including improvement of surrounding streets, sidewalks, gutters, storm drain and sewer system
- conversion of septic systems to the City sewer system, in compliance with State directives, including a CDBG-funded grant program to assist Low-Income homeowners in connecting their laterals to the sewer system
- extensive use of the City’s Housing Rehabilitation Program, funded by CDBG and HOME, to improve the housing stock
- future plans, budgeted in 2014-15, to improve storm water drainage in the north part of the Chapman neighborhood around 10<sup>th</sup> Street
- future plans, budgeted in 2014-15, for the City to partner with Habitat for Humanity to build two new homes on 11<sup>th</sup> Street east of Park Avenue
- continued use and maintenance by the Chico Area Recreation District, and other community organizations, of the Dorothy Johnson Center, located at the heart of the Chapman neighborhood

#### Southwest Chico Neighborhood (Census Tract 12.00)

- development of 1200 Park Avenue, an affordable tax credit housing project for Low Income seniors, which enhanced an entire city block
- street, sidewalk and median improvements along Park Avenue
- use of the City’s Housing Rehabilitation Program, funded by CDBG and HOME, to improve the housing stock

Nord Avenue/North Campus/West Avenues Neighborhood (Census Tracts 5.02, 6.03 and 6.04)

- Expansion of the Enloe Medical Center main campus, supported by the City, which included improvements to the surrounding street infrastructure
- Expansion and improvements to the Chico State University campus, including the new Gateway Science Museum, which has educational programs for local schools
- Rehabilitation and preservation of Transpacific Gardens II, 125 units of housing affordable to Low Income households

***Fair Housing Impediment 2:*** *Census Tracts 5.02, 6.03, 6.04 and 12.00 are lower income neighborhoods that continue to have concentrations of substandard housing and inadequate public infrastructure.*

***Fair Housing Objective 2:*** *Continue to support use of the Housing Rehabilitation Program in Census Tracts 5.02, 6.03, 6.04 and 12.00, and target public improvements in these areas over the next five years.*

*Financial resources to fund affordable housing, community facilities and services, and small and disadvantaged business opportunities in neighborhoods in need of revitalization*

Financial resources available include:

The HOME Program: The City of Chico is a Participating Jurisdiction for the HOME program.

Community Development Block Grant: The City of Chico is an entitlement community for the CDBG program.

Other HUD programs: As appropriate, housing providers in Chico also apply directly to HUD for funding assistance through the Section 202 and 811 programs, as well as Continuum of Care programs.

Low Income Housing Tax Credits: Equity is provided to most affordable housing projects in Chico by investors who then obtain tax credits through the Low Income Housing Tax Credit program administered at the State level by the California Tax Credit Allocation Committee.

North Valley Housing Trust (NVHT): A newly formed local housing trust fund that received a \$500,000 grant from the State Local Housing Trust Fund Program in 2014. NVHT has been established as a nonprofit entity through partnerships with the City of Chico, the North Valley Community Foundation, and 3CORE (a local CDFI).

### 3. Public Housing

Areas of analysis for this section include:

- Public housing agency and other housing assistance provider policies and procedures for :
  - Selecting individuals and families to receive the benefits of Federal, State, or local publicly assisted housing programs that provide rental or ownership opportunities for lower-income persons and families
  - Advertising rental vacancies to the public and establishing and maintaining waiting lists
  - Assisting certificate and voucher holders to find suitable rental units throughout the jurisdiction.
- Coordination and cooperation among jurisdictions in surrounding metropolitan or regional areas in planning and carrying out housing and related activities

*Selecting individuals and families to receive the benefits of Federal, State, or local publicly assisted housing programs that provide rental or ownership opportunities for lower-income persons and families*

The effective Admissions and Occupancy Plan and Section 8 Administrative Plan for the Housing Authority of the County of Butte (HACB), both adopted in 2014, are available on their website at <http://butte-housing.com/resources/policies/>. These plans comply with federal and state fair housing law, and they post and enforce a policy of non-discrimination. There are no statements or rules in the HACB policies that are or could be construed as discriminatory towards any protected classes. The plans contain detailed policies and procedures regarding non-discrimination, reasonable accommodation for persons with disabilities, and accessibility for persons with Limited English Proficiency.

Public Housing Authorities are allowed to establish local preferences for selecting applicants. The principal preference for HACB public housing is the date and time of receipt of application, which is a “first come first serve” criteria. In addition, federal regulations require that Extremely Low Income Households make up at least 40% of families admitted to public housing during the PHA’s fiscal year. HACB also has a policy and procedure for poverty deconcentration within its housing. Beyond date and time of receipt of application, HACB’s Section 8 waiting list has the following local preferences: families displaced by government action; participation in the Child Welfare Program’s Family Unification Program; and in the event that the

leasing rate falls below 97%, preference for families that are willing and able to lease in place.

*Advertising rental vacancies to the public and establishing and maintaining waiting lists*

HACB draws from an existing waiting list to fill vacancies in public housing and available Section 8 vouchers. When waiting lists open or close, HACB provides notice through its website, at its offices, in local newspapers, public libraries and through its housing and service provider network. Notices are provided in Spanish and Hmong, and other languages as requested. HACB maintains fair housing outreach policies. These include: identifying underserved populations; implementing strategies to reach underserved populations; and avoiding outreach methods that exclude protected classes.

After receiving an application, HACB conducts a preliminary assessment of the family's eligibility. Applicants that appear to be eligible receive written notice that they have been placed on the waiting list. Eligibility is verified at the time that a unit becomes available. HACB maintains separate waiting lists for each city within its service area, and within that service area, separate waiting lists for public housing and for Section 8 Housing Choice Vouchers. Section 8 waiting lists are updated periodically to ensure that all application information is current and timely, in adherence to HACB procedure as described in the Administrative Plan.

HACB provides units designed for persons with mobility, sight and hearing impairments, referred to as accessible units. No non-mobility impaired families will be offered these units until all eligible mobility-impaired applicants have been considered. The Housing Authority has a policy of requiring non-handicapped families and individuals residing in handicap-accessible units to move to an available non-accessible unit within 30 days when they have a family or individual on the waiting list who requires an accessible unit.

*Assisting certificate and voucher holders to find suitable rental units throughout the jurisdiction*

The HACB Section 8 Administrative Plan has a policy of recruiting participating property owners with property located outside of areas of poverty and minority concentration. HACB actively promotes and markets the Section 8 program to meet this policy goal. HACB also provides attentive customer service to participating property owners in order to retain existing relationships. The HCV Vouchers Map in the Appendix shows that Section 8 Vouchers are widely distributed throughout the City with minimal concentrations.

The HACB provides informational materials about the Section 8 program in Spanish and Hmong. All individuals with limited English proficiency are assisted in finding

suitable rental units in order to remove barriers to housing. The HACB also individually assists persons with disabilities to find accessible housing.

*Coordination and cooperation among jurisdictions in surrounding metropolitan or regional areas in planning and carrying out housing and related activities*

HACB has a countywide service area, which facilitates coordination among jurisdictions in Butte County. Given its service footprint, HACB works with the Butte County Association of Governments in carrying out the Regional Housing Allocation Plan. In addition, HACB is an active participant in the Butte Countywide Homeless Continuum of Care.

#### **4. Sale of Subsidized Housing and Possible Displacement**

In the sale of subsidized housing, the objective should be to preserve lower-income housing opportunities to the maximum extent feasible. However, if any displacement of current minority or disabled low-income families occurs, the objective then should be to provide other housing opportunities to displaced households by giving them a real choice to relocate inside and outside minority neighborhoods or predominantly minority occupied buildings. Because a relocation plan often places sole reliance on the provision of certificates or vouchers to displaced households, a good program to promote real choice in the use of certificates and vouchers is essential.

The City is not aware of any plans to sell subsidized housing, either by HACB, local nonprofits, or by other HUD contract holders. In the event that relocation is part of a federally funded project, the City conforms with requirements of the Federal Uniform Relocation Law. In instances where Federal funds are not involved, then California's Relocation Laws apply.

As required by State Housing Element Law, the City of Chico identifies units at risk of losing affordability over the next five years in its Housing Element. The City of Chico 2014-2022 Housing Element identifies six at-risk projects in Table 22. The policy of the City is to try to prevent the conversion of subsidized housing if possible. The current policy is that upon notification by HUD that an at-risk housing project will be converted (due to the inability of HUD to find a workable financial incentives package that will keep the project affordable and provide a sufficient rate of return for the owners) the City will evaluate the property in terms of its physical condition, bedroom mix, and location. The City will work with the HACB and local housing providers to determine whether the project should be preserved and if so, whether the cost required to acquire and rehabilitate the units makes economic sense. If it makes sense to acquire and rehabilitate the units, the City will work with HACB and housing providers to raise funds and execute the project.

None of the projects listed in Table 22 of the Housing Element with contract expiration dates prior to 2015 have lost rent restriction contracts to date, and none of the remaining projects are likely to lose them over the next five years. Fortunately, the City has not lost any at-risk units in the past. The major reason for this is that HUD contract extensions tend to be more favorable to property owners than market rents. Market rents in Chico are generally not high enough to incentivize a conversion to the private market. Most recently, Trans Pacific Gardens II, a 125-unit affordable family apartment complex, was refinanced and rehabilitated with a HUD contract extension in 2013.

## **5. Property Tax Policies**

The Butte County Assessor administers property taxes in Butte County. The property tax rate, not including local assessments, is uniform throughout the County and does not vary by locality. The property tax rate is set at 1% of the net property value, and is divided among the county, city, school and special districts. Most types of publicly assisted housing properties are eligible for a Property Tax Welfare Exemption and are not required to pay property taxes. Owners who suffer damage to their property as the result of a calamity or disaster (such as accident, fire, earthquake, or flood) may be eligible for certain, limited forms of property tax relief under Revenue and Taxation Code Section 170 (R&T 170).

An independent Appeals Board resolves disputes between the County and taxpayers over values of locally assessed property. Assessment appeals hearings are held before a three-member Board consisting of citizens appointed by the Board of Supervisors. The Appeals Board does not fix tax rates, levy taxes or change the tax rate.

## **6. Planning and Zoning Boards**

Jurisdictions should pay close attention to the importance of the relationship between the membership of planning and zoning boards and the decisions they make regarding neighborhood revitalization activities and lower-income housing site selection. Diversity in representation of citizens in the community, including lower-income racial and ethnic groups, gender categories, persons with disabilities, and families with children should be a basic element of a jurisdiction's efforts to further fair housing process.

The City's Planning Commission is composed of seven members. All are Caucasian, and three are women. These are voluntary positions, and they are chosen at large from the community, appointed by the City Council (no districts). Recruitment for a vacant seat on the Planning Commission is an open process. When the City advertises for such a position, they place wording in the ad encouraging members of

the various protected classes to apply. The City has a policy of requiring that any Planning Commission member with a conflict of interest relative to a deliberation recuse himself or herself from the discussion and voting.

## **7. Building Codes and Accessibility**

The City's site improvement standards and building codes do not unfairly impact the feasibility of developing affordable housing. This assessment is further described in the City of Chico 2014-2022 Housing Element, Chapter 6: Constraints Analysis. The City of Chico has adopted Model Codes consisting of the Uniform Building Code, Uniform Fire Code, Uniform Mechanical Code, Uniform Plumbing Code and National Electric Code. These codes conform with federal and state fair housing law.

As described in Section 1 above, the City's Municipal Code allows the Community Development Director to approve modifications to development standards in order to accommodate improvements that provide access to persons with disabilities. Housing Element Goal H.4.1.1 expands and clarifies this policy.

## **B. Private Sector**

Under the broad term "private sector" are many specific aspects of the jurisdiction's housing market that should be examined to determine whether fair housing objectives are being served. The following housing market issues and activities are included under this heading:

1. Banking and insurance policies and practices pertaining to the financing, sale, purchase, rehabilitation, and rental of housing that may affect the achievement of fair housing choice
2. The sale and rental of housing and real estate practices such as blockbusting, deed restrictions, trust or lease provisions, conversions of apartments to all-adult occupancy, inaccessible design, or management firm "occupancy quotas"

This section will explore these issues.

### **1. Lending Policies and Practices**

The Housing Background section of this Analysis of Impediments identified some disproportionate racial and ethnic differences in the number of owner-occupied mortgage originations, number of higher priced mortgage originations, and mortgage denials in Butte County. While the differences are moderate, and somewhat skewed by the small number of originations in some cases, the data for Persons of Hispanic Origin should be noted as a concern. Some of the data regarding disproportionate originations, higher proportion of higher priced mortgages, and

percent mortgage denials may also be influenced by lower incomes for racial and ethnic minority groups.

While the City has not conducted formal surveys of community lending and insurer practices, the City has worked very closely with the lending community in operating its Mortgage Subsidy Program. In the course of administering this program which has benefited over 700 low and moderate income households, the City has found no indications of discrimination occurring within the local lending and appraising community. However, despite the City's experience with the Mortgage Subsidy Program, mortgage data indicates that racial minorities face fair housing impediments in the private lending market.

***Fair Housing Impediment 3: Unequal access to mortgage lending for racial minorities, especially Persons of Hispanic Origin.***

***Fair Housing Objective 3: Work with Legal Services of Northern California (LSNC), the Chico Association of Realtors (CAR), and Hispanic and racial minority groups to provide fair housing education for borrowers and lenders through workshops and written materials.***

## **2. Real Estate Policies and Practices**

### *Realtor Policies and Practices*

The California Department of Real Estate has made fair housing education mandatory for all real estate licensees. In response to this mandate, the various associations of realtors in Butte County do conduct fair housing workshops. Course highlights include:

- Who is protected by the fair housing laws
- What acts are prohibited
- Preventing violations of the fair housing laws

In order for participants to receive Department of Real Estate Mandated Credits for this workshop, they must take and pass a written exam based upon the information presented.

### *Restrictive Covenants*

State law prohibits the creation or enforcement of any CC&Rs that are discriminatory in nature. As far as City staff knows, there are no discriminatory CC&Rs active in the Chico, outside of those specifically allowed by law. These of course are for retirement communities where the sole discriminatory factor allowed is age.

### *Leasing Practices*

The City has in the past reviewed the various rental policies of the large property management companies in the jurisdiction and found no discriminatory language or policies in those documents. However, many property owners within the City do not use property management companies. Therefore, a large number of leasing practices have not been reviewed. To discourage discriminatory practices in their tenant selection process, the North Valley Property Owners Association (NVPOA) used to send out “undercover” shoppers to determine fair housing compliance. However, NVPOA has not operated this program in recent years.

***Fair Housing Impediment 4:*** *Lack of oversight to discourage discriminatory leasing practices.*

***Fair Housing Objective 4:*** *Work with NVPOA to reinstate testing of leasing practices to determine fair housing compliance. In addition, continue to allocate CDBG Public Services funds to LSNC to represent Low Income tenants in fair housing violation cases.*

## **V. Assessment of Fair Housing Programs and Activities**

### *Training and Education*

The City of Chico sponsors four fair housing workshops each year with CDBG funds. Two are organized by NVPOA to educate property owners and managers about fair housing law and best practices. Two are organized by LSNC primarily for nonprofits, housing providers and tenants. All workshops have strong participation.

### *Fair Housing Enforcement*

The City provides CDBG funds to LSNC to address fair housing issues. Fair housing complaints that are brought to the City’s attention are directed to LSNC, who represents Low Income individuals and families who are alleging a fair housing violation. Many such cases are resolved with settlement agreements. As appropriate, complaints may be further referred to the Federal Office of Fair Housing and Equal Opportunity, or the State of California Fair Housing & Employment Commission.

The City is not aware of any HUD findings of violation of the Fair Housing Act in any publicly funded housing or housing related activities in the City. The City will continue to work with housing and legal providers in the jurisdiction, primarily LSNC and HACB, to determine if any such findings have occurred without the City's knowledge.

## VI. Conclusions and Recommendations

Below is a summary of Fair Housing Impediments and Objectives identified in this Analysis of Impediments.

***Fair Housing Impediment 1:*** High concentration of racial minorities in Census Tracts 5.02 and 13.00, which also have a high concentrations of Low Income households, substandard housing and inadequate public improvements.

***Fair Housing Objective 1:*** Hold public workshops in the Census Tract 5.02 and 13.00 neighborhoods on fair housing, the Americans with Disabilities Act, and tenant rights. Provide information and resources to tenants in these areas so that they can advocate for their housing rights.

***Fair Housing Impediment 2:*** Census Tracts 5.02, 6.03, 6.04 and 12.00 are lower income neighborhoods that continue to have concentrations of substandard housing and inadequate public infrastructure.

***Fair Housing Objective 2:*** Continue to support use of the Housing Rehabilitation Program in Census Tracts 5.02, 6.03, 6.04 and 12.00, and target public improvements in these areas over the next five years.

***Fair Housing Impediment 3:*** Unequal access to mortgage lending for racial minorities, especially Persons of Hispanic Origin.

***Fair Housing Objective 3:*** Work with Legal Services of Northern California (LSNC), the Chico Association of Realtors (CAR), and Hispanic and racial minority groups to provide fair housing education for borrowers and lenders through workshops and written materials.

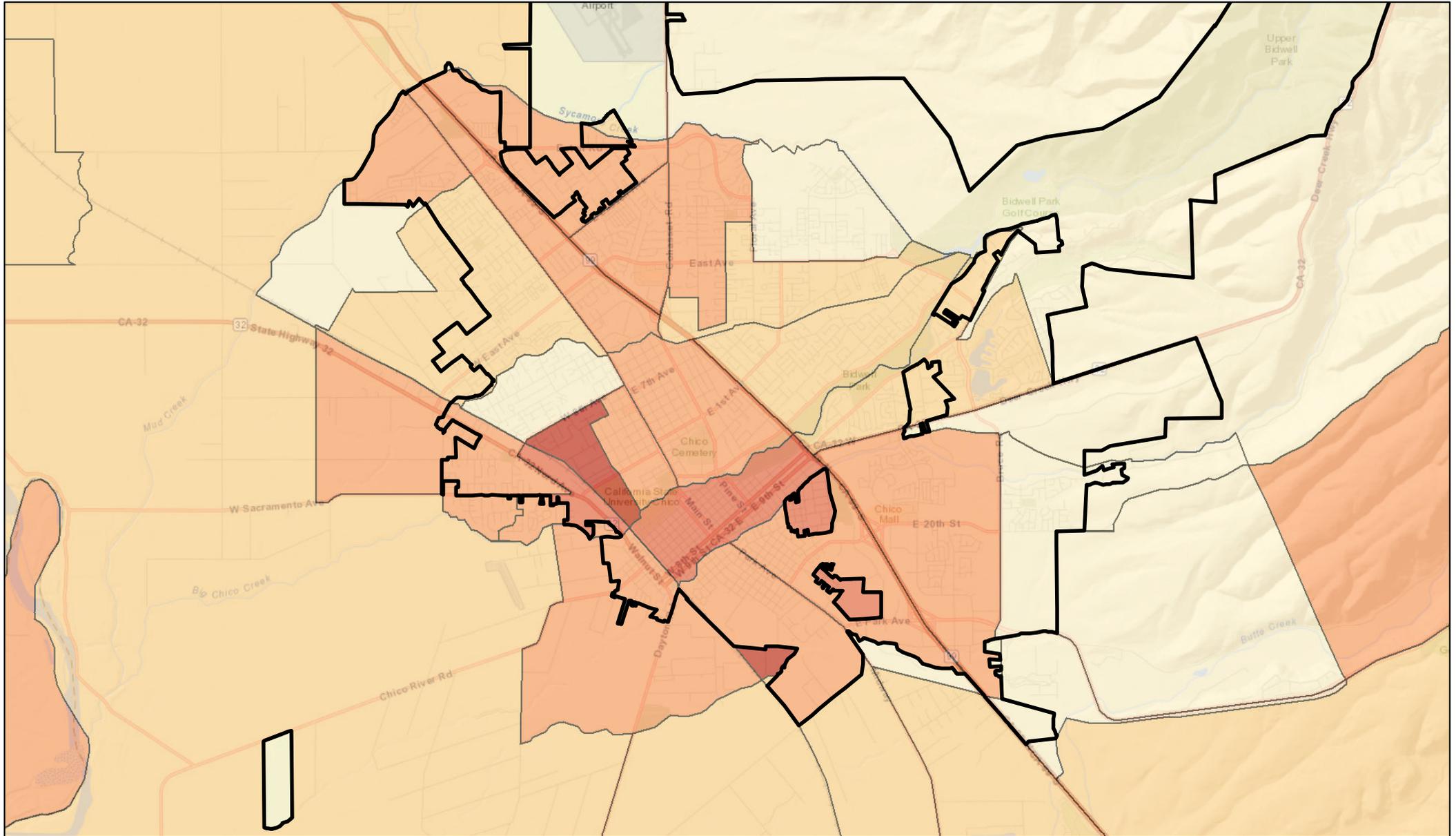
***Fair Housing Impediment 4:*** Lack of oversight to discourage discriminatory leasing practices.

***Fair Housing Objective 4:*** Work with NVPOA to reinstate testing of leasing practices to determine fair housing compliance. In addition, continue to allocate CDBG Public Services funds to LSNC to represent Low Income tenants in fair housing violation cases.

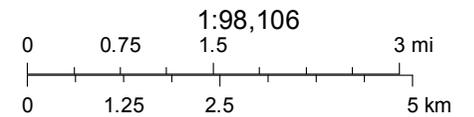
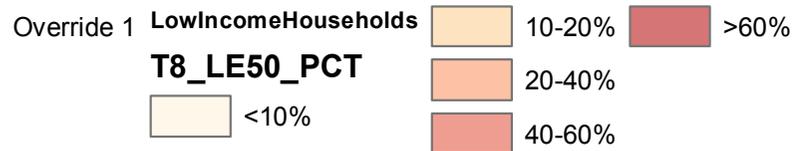
In addition to the Fair Housing Objectives outlined above, the City of Chico shall take the following actions to further Fair Housing:

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

# Low-Income Households - % of Households that earn less than 50% of Area Median Income -

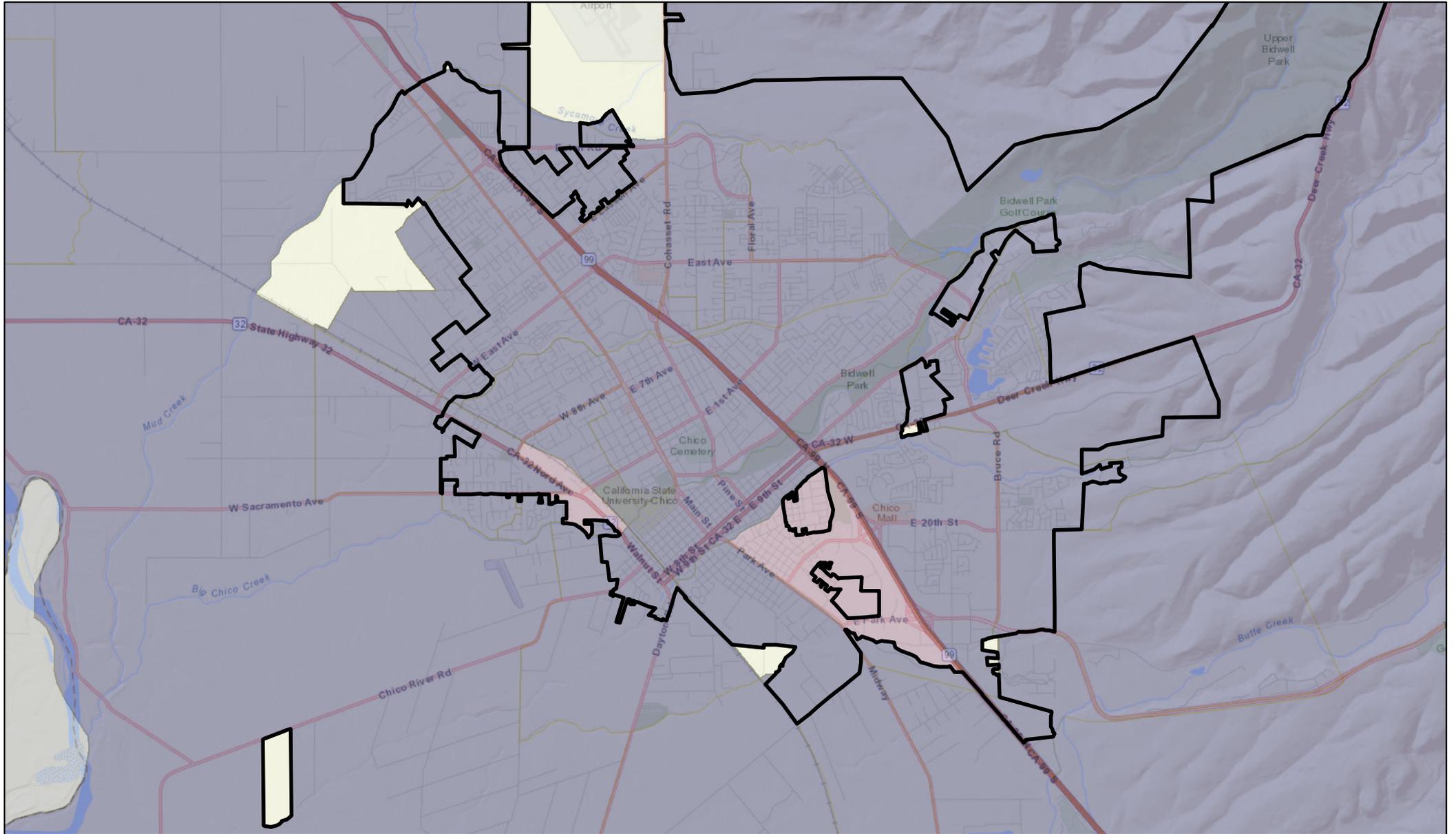


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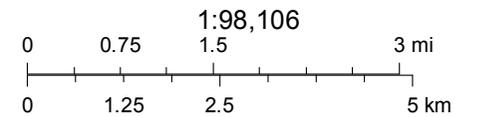
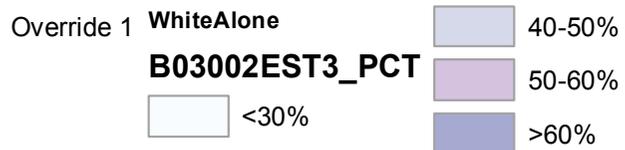


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# Race - % of Persons that are White Non-Hispanic -

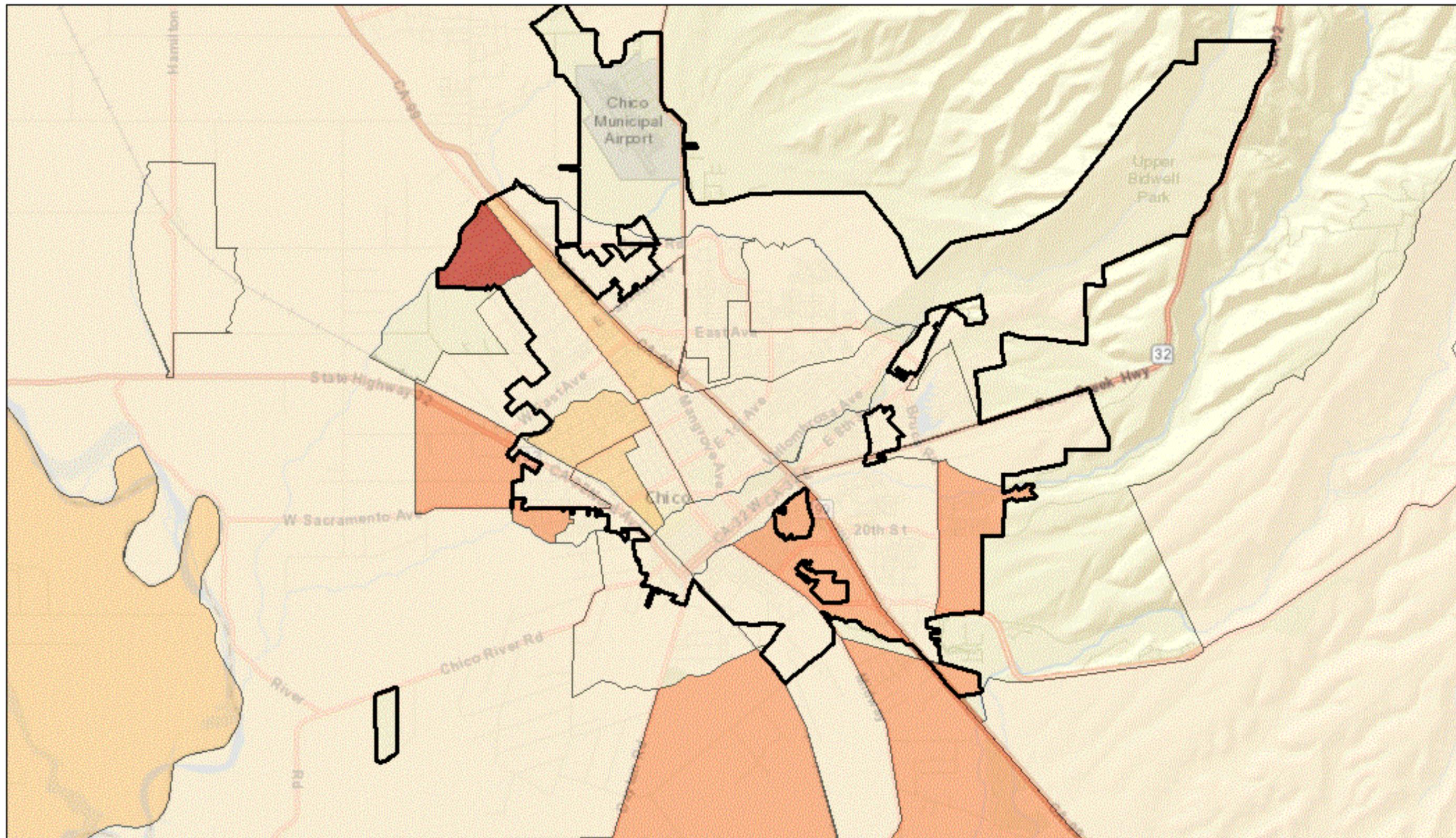


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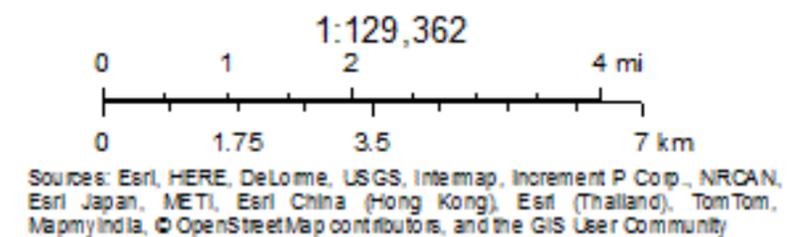
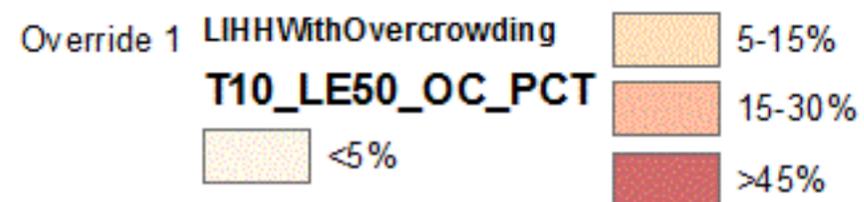


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# Overcrowding - % of Low Income households living in overcrowded housing

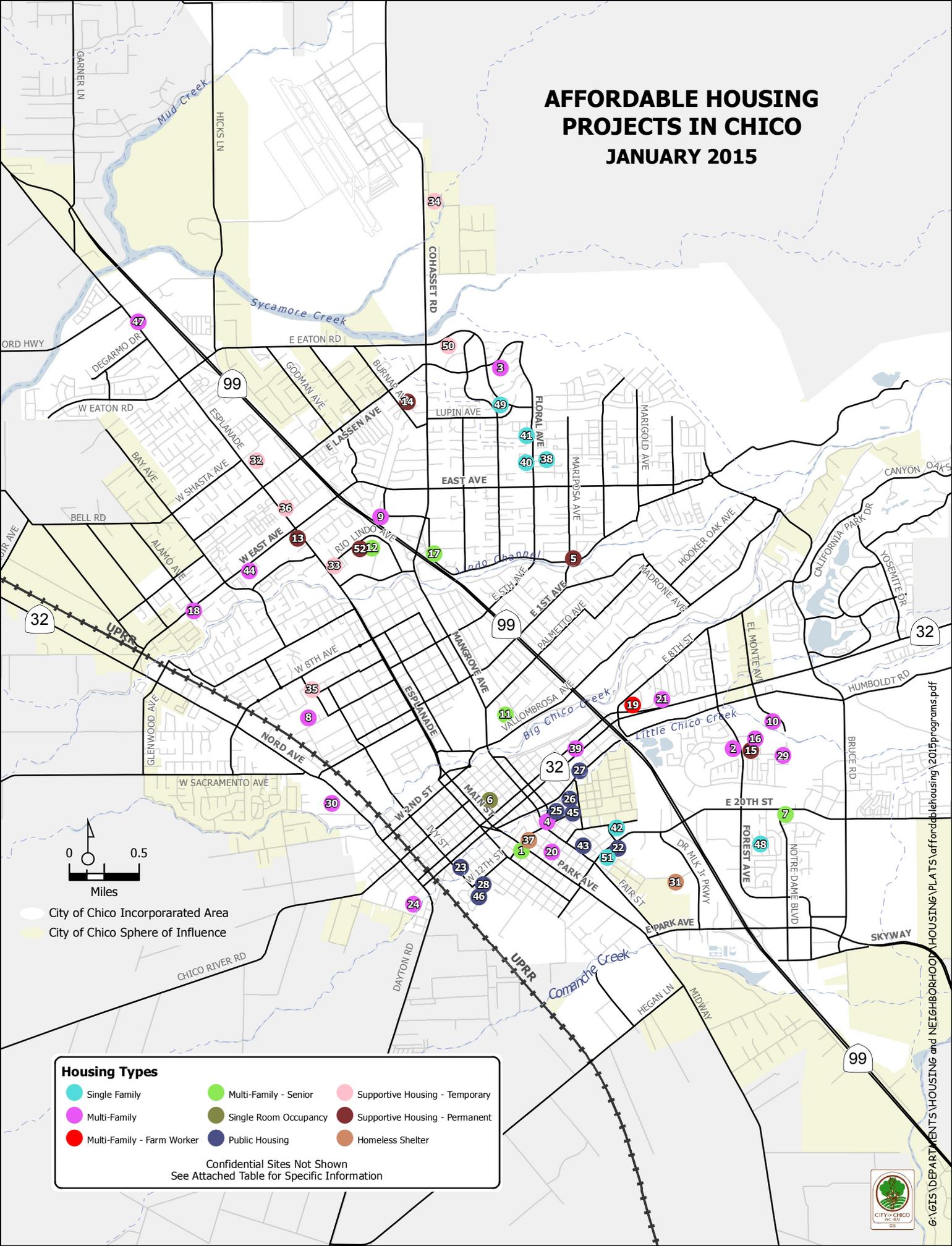


January 6, 2015



# AFFORDABLE HOUSING PROJECTS IN CHICO

## JANUARY 2015



### Housing Types

- Single Family
- Multi-Family
- Multi-Family - Farm Worker
- Multi-Family - Senior
- Single Room Occupancy
- Public Housing
- Supportive Housing - Temporary
- Supportive Housing - Permanent
- Homeless Shelter

Confidential Sites Not Shown  
See Attached Table for Specific Information



ID	NAME	TYPE	ID	NAME	TYPE
1	1200 Park Ave Senior Housing	MF/S	27	Humboldt Ave	PH
2	Cinnamon Village Apts	MF	28	Hazel St	PH
3	East of Eaton Apts	MF	29	Parkside Terrace Apts	MF
4	Lincoln Apts	MF	30	Villa Sierra Apts (former Trans Pacific Gardens)	MF
5	Longfellow Apts	SH/P	31	Torres Shelter	HS
6	Campbell Commons	SRO	32	Esplanade House	SH/T
7	Jarvis Gardens Senior Housing	MF/S	33	Vectors	SH/T
8	Cedar Village Apts	MF	34	Salvation Army Adult Rehab Center	SH/T
9	Chico Courtyard Apts	MF	35	Orchard House	SH/T
10	Murphy Commons	MF	36	Well Ministry	SH/T
11	Walker Commons Senior Housing	MF/S	37	Sabbath House (Jesus Center)	HS
12	Lucian Manor Senior Housing	MF/S	38	Baywood Estates (Jackie Dr/Lobo Way)	SF
13	Avenida Apts	SH/P	39	Bidwell Park Apts	MF
14	Cordillera Apts	SH/P	40	Floral Gardens (Cortina Ln)	SF
15	Hartford Place	SH/P	41	Glenshire (Glenshire Ln)	SF
16	Chico Commons	MF	42	Habitat Greens (E 16th/19th Sts)	SF
17	Villa Rita Senior Housing	MF/S	43	Laurel St	PH
18	Alamont Apts	MF	44	Harvest Park Apts	MF
19	La Vista Verde	MF/FW	45	E 12th St	PH
20	1519 Locust St Apts	MF	46	Ivy St	PH
21	Turning Point Commons	MF	47	North Point Apts	MF
22	Rhodes Terrace	PH	48	Parkway Village 1 (Sterling Ct)	SF
23	Shelton Oaks	PH	49	Rawlins 2 (Keith Hopkins Pl)	SF
24	Chico Gardens	MF	50	Skyway House	SH/T
25	La Lieta Ct	PH	51	Sunrise Ct PUD (Sunrise Ct)	SF
26	Natoma Ct	PH	52	Villa Serena	SH/P
27	Humboldt Ave	PH			

Confidential Sites Not Shown

Catalyst Cottages

Catalyst Haven

Stairways

**Housing Types**

SF - Single Family

MF - Multi-Family

MF/FW - Multi-Family - Farm Worker

MF/S - Multi-Family - Senior

SRO - Single Room Occupancy

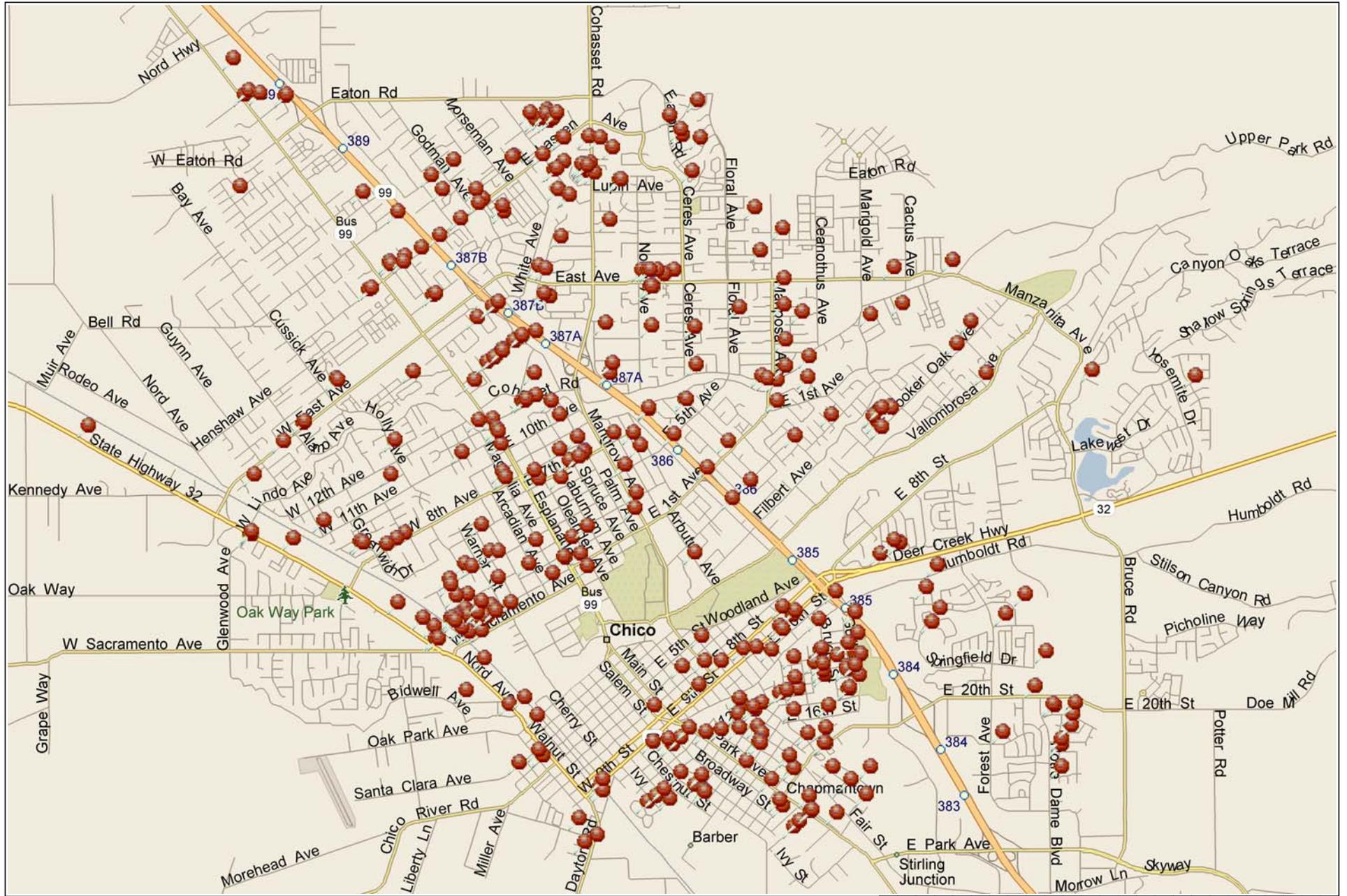
PH - Public Housing

SH/T - Supportive Housing - Temporary

SH/P - Supportive Housing - Permanent

HS - Homeless Shelter

# HCV Vouchers in Chico, CA - 1/21/2015



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