Executive Summary
Sacramento Valley Fair Housing Collaborative AI

The Analysis of Impediments to Fair Housing Choice, or AI, is a planning process for local governments and public housing agencies (PHAs) to take meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. This study was conducted for the Sacramento Valley region as a joint effort among the following entities:

- The City of Citrus Heights,
- The City of Davis,
- The City of Elk Grove,
- The City of Folsom,
- The City of Galt,
- The City of Isleton,
- The City of Rancho Cordova,
- The City of Rocklin,
- The City of Roseville,
- The City of Sacramento,
- The Housing Authority of Sacramento,
- Sacramento County,
- The Sacramento Housing and Redevelopment Agency,
- The City of West Sacramento,
- The City of Woodland, and
- Yolo County Housing.

Community Engagement

The community engagement process for the Sacramento Valley AI included focus groups with residents and stakeholders, "pop up" engagement at local events, and a resident survey. Stakeholder focus groups were supplemented with in-depth interviews as needed and as opportunities arose.

In partnership with the participating jurisdictions and nonprofit organizations throughout the region the project team facilitated six resident focus groups and six stakeholder focus groups. The 80 resident focus group participants included:

■   African American mothers hosted by Her Health First;

■   African American and Hispanic residents hosted by Sacramento Self-Help Housing;

■   Low income families with children hosted by the Folsom Cordova Community Partnership/Family Resource Center;

■   Residents with disabilities hosted by Advocates for Mentally Ill Housing;

■   Residents with disabilities hosted by Resources for Independent Living; and

■   Transgender residents hosted by the Gender Health Center.

Stakeholder focus groups included 35 participants representing organizations operating throughout the region. It is important to note that, for the purpose of this report, "stakeholders" include people who work in the fields of housing, real estate and development, supportive services, fair housing advocacy, education, transportation, economic equity, and economic development. We recognize that residents living in the region are also stakeholders. We distinguish them as "residents" in this report to highlight their stories and experiences.

A total of 577 residents participated in engagement activities at local events. A resident survey was available in Chinese, Korean, Russian, Spanish, and Vietnamese both online and accessible to participants using assistive devices (e.g., screen readers), and in a postage-paid paper mail-back format.

Community Engagement Participants

SAC VALLEY
FAIR HOUSING COLLABORATIVE

2019 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

COMMUNITY ENGAGEMENT BY THE NUMBERS

4,080
total participants

RESIDENT SURVEY
3,388 participants

RESIDENT FOCUS GROUPS
80 participants

COMMUNITY POP UPS
577 participants

STAKEHOLDER FOCUS GROUPS
35 participants

WHO PARTICIPATED IN THE SURVEY?

957
had children under 18 in the household

1,128
had a household member with a disability

1,016
had a household income of $25,000 or less
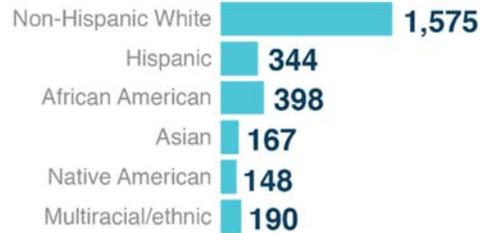
401
had large households (5 or more members)

450
had publicly supported housing

41
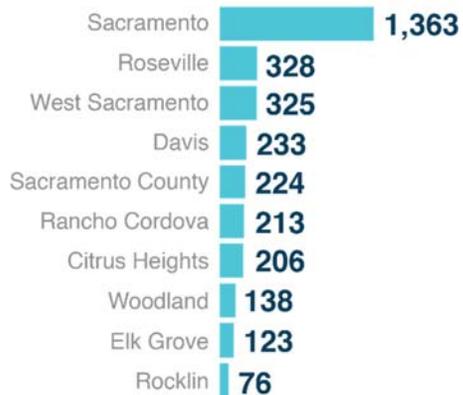were residents with Limited English Proficiency

RACE/ETHNICITY

Non-Hispanic White	1,575
Hispanic	344
African American	398
Asian	167
Native American	148
Multiracial/ethnic	190

HOUSING SITUATION

Homeowners	1,337
Renters	1,309
Precariously Housed	635

PLACE OF RESIDENCE

Sacramento	1,363
Roseville	328
West Sacramento	325
Davis	233
Sacramento County	224
Rancho Cordova	213
Citrus Heights	206
Woodland	138
Elk Grove	123
Rocklin	76

Source: Root Policy Research.

Primary Findings

Segregation and integration. Segregation and lack of access to economic opportunity persists in many areas of the region, both within and across jurisdictions. Although the region has grown more diverse, the effects of past systematic segregation and exclusion in housing still disproportionately impact members of protected classes.

■ **Family poverty.** Overall in the region, 16 percent of people live in poverty. Differences in the proportion of persons living in poverty range from a low of 9 percent (Rocklin and Roseville) to a high of 21 percent in Sacramento and 29 percent in Davis (inflated due to the student population). Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County). Residents with disabilities between the ages of 18 and 64 are twice as likely to live in poverty as their 18 to 64 year old neighbors without disabilities.

■ **Segregation.** By measures of both citywide and neighborhood diversity, the City of Sacramento has been ranked one of the most diverse and integrated large cities in the United States. However, like other American cities, Sacramento and the greater region have a past of systematic segregation and exclusion in housing. The suburbs east of Sacramento, such as Roseville, Rocklin, Citrus Heights and Folsom tend to be more non-Hispanic White or Asian than the city itself. Black residents tend to be predominantly located within the City of Sacramento more than other racial and ethnic groups. Concentrations of foreign-born residents are evident in Woodland, north Sacramento, Antelope (in northern Sacramento County) and across the south side of Sacramento. Segregation of persons with disabilities is low across the region.

Disproportionate housing needs. In the Sacramento Valley region, the most significant disproportionate housing needs are found in:

■ **Homeownership rates.** Homeownership rates vary widely by race and ethnicity both within and among jurisdictions. The lowest Black homeownership rate (17%) is found in Woodland and the lowest Hispanic homeownership rate (27%) is found in Davis. The Black/White homeownership gap exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento

County. Among resident survey participants, households that include a member with a disability are half as likely as non-disability households to own a home (25% v. 53%).

Across the board, all minority groups experience higher rates of mortgage loan denials than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance). While the share of loans categorized as subprime has fallen since the Great Recession, Hispanic households are more likely than any other group to receive a subprime loan.

- **Cost-burden and housing challenges.** African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region and in each jurisdiction.

  The resident survey and focus groups found meaningful differences in housing challenges experienced by members of protected classes. Worry about rent increases, being unable to buy a home, and worry about property taxes are among the concerns identified by the greatest proportions of members of protected classes. Households that include a member with a disability may experience housing challenges related to needed modifications to the home or accommodations from their housing provider. Overall, one in three (35%) households that include a member with a disability live in a home that does not meet the needs of the resident with a disability.

- **Displacement experience.** Overall, one in four (25%) survey respondents had been displaced from a housing situation in the Sacramento Valley in the past five years. The most common reasons for displacement—rent increased more than I could pay, personal reasons, landlord selling home, and living in unsafe conditions. African American, Hispanic, and Native American respondents, large families, households with children, and respondents whose household includes a member with a disability all experienced higher displacement rates than regional survey respondents overall. While displacement rates are higher, the reasons for displacement are generally the same as those of regional respondents.

Overall, by the above measures, the most equity in housing choice compared to the region exists in:

- Citrus Heights, Elk Grove, and Rancho Cordova—residents of these communities are as likely as regional residents to experience housing challenges; and

- Elk Grove, Rocklin, and Roseville have relatively high Black and Hispanic homeownership rates compared to other jurisdictions.

Access to opportunity. Access to economic opportunity varies by type of opportunity, across the region and within communities.

Areas where jurisdictions differed from the region in access to opportunity include:

- With the exceptions of a few school districts (e.g., Davis, Rocklin, Roseville)—there are disparities in school quality between low and higher income neighborhoods, and these quality differences disproportionately impact people of color. Residents of Citrus Heights, Rancho Cordova, Sacramento, and Woodland are least likely to live in neighborhoods with proficient schools.

- Resident survey respondents living in Sacramento and Sacramento County tend to give the lowest ratings of healthy neighborhood indicators among the participating jurisdictions.

- Public transportation issues—especially bus routes, availability of bus service, and connections between communities—are a pressing concern to residents throughout the region. The exception is on "the grid" in downtown Sacramento, where public transit is considered the best available in the region.

Positive differences include:

- Elk Grove, Rocklin, Roseville, and Davis residents are most likely to have access to economically strong neighborhoods.

- Residents of Rocklin, Roseville, Davis, and Elk Grove are most likely to have access to proficient schools. With the exception of Roseville, there are no meaningful differences in access to proficient schools by race or ethnicity in these communities.

- Resident survey respondents living in Davis, Roseville, Rocklin, Elk Grove, and Woodland tend to rate each healthy neighborhood indicator higher than the regional average.

- On average, community engagement participants give the area where they live good marks on most healthy neighborhood indicators—ease of getting to the places they want to go using their preferred transportation option, convenient access to grocery stores, job opportunities, and health care facilities, and park and recreation facilities of similar quality to other neighborhoods. The most glaring exception is that residents find it difficult to find housing people can afford that is close to good schools.

Disparities by protected class in access to opportunity were found in:

- Regionally, African American residents and Hispanic residents are least likely to have access to economically strong (low poverty) neighborhoods. Among residents in poverty, the gap in access by race and ethnicity narrows, but still persists. African American, Hispanic, and Native American residents of Sacramento and Hispanic and Native American residents of West Sacramento are least likely among all regional residents to have access to economically strong neighborhoods.

- Non-Hispanic White residents of Sacramento and Sacramento County are more likely to have access to proficient schools than residents of color, and this gap persists among residents in poverty. In addition to disparities in access to proficient schools, suspension rates in Sacramento County schools vary widely by race or ethnicity, with Black males suspended at a rate more than five times the state average.

- Disparities by race or ethnicity in labor market engagement index scores are greatest among residents of Rancho Cordova, Sacramento, Sacramento County, and West Sacramento. Only 39 percent of working age residents with disabilities are in the labor force and unemployment rates are high. The low labor force participation rates of residents with disabilities are suggestive of barriers to entering the labor force and high unemployment rates of those in the labor force indicate barriers to securing employment.

- Healthy neighborhood indicator ratings by survey respondents who are Native American, African American, Hispanic, living in households that include a member with a disability, and families with children are lower than the regional average, and tend toward neutral/somewhat agree rating levels.

- Access to public transit—areas of service, frequency, and hours of operation—and the cost of using transit limits where transit-dependent residents with disabilities, particularly those relying on disability income, can live and participate in activities of daily living.

- Stakeholder focus group participants identified a lack of supportive housing services as a critical need in helping the region's most vulnerable residents, including those with mental illness, to remain living in the most independent setting possible.

Residents' experience with housing challenges varies by jurisdiction and among members of protected classes as demonstrated by the following figures.

Top 12 Housing Challenges Experienced by Residents by Sacramento County Jurisdictions
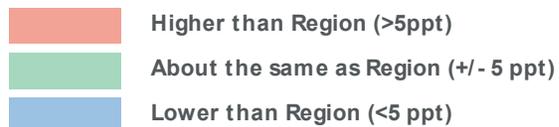
- 🟥 Higher than Region (>5ppt)
- 🟩 About the same as Region (+/- 5 ppt)
- 🟦 Lower than Region (<5 ppt)
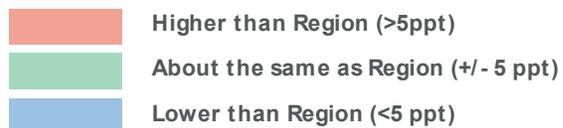
Percent of Residents Experiencing a Housing Challenge	Citrus Heights	Elk Grove	Rancho Cordova	Sacramento	Sacramento County	Region
I worry about my rent going up to an amount I can't afford	44%	39%	40%	49%	42%	50%
I want to buy a house but can't afford the downpayment	45%	42%	33%	38%	37%	41%
I worry about property taxes increasing to an amount I can't afford	43%	21%	32%	30%	25%	31%
I struggle to pay my rent (e.g., sometimes paying late, not paying other bills to pay rent, not buying food or medicine)	39%	30%	25%	31%	32%	30%
I have bad credit/history of evictions/foreclosure and cannot find a place to rent	29%	18%	22%	22%	19%	21%
I worry that if I request a repair it will result in a rent increase or eviction (be kicked out)	16%	13%	20%	20%	13%	18%
Too much traffic/too much street/highway noise	23%	14%	13%	20%	20%	17%
I have bad/rude/loud neighbors	18%	11%	18%	21%	17%	16%
High crime in my neighborhood	17%	4%	12%	29%	21%	16%
My house or apartment isn't big enough for my family members	14%	14%	16%	21%	17%	16%
My home/apartment is in poor condition (such as mold or needs repairs)	17%	8%	14%	22%	17%	16%
I am afraid I may get evicted (kicked out)	13%	13%	13%	17%	15%	14%

Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).

Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing Survey.

# Top 12 Housing Challenges Experienced by Residents by Placer and Yolo County Jurisdictions

■ Higher than Region (>5ppt)

■ About the same as Region (+/- 5 ppt)

■ Lower than Region (<5 ppt)

Percent of Residents Experiencing a Housing Challenge	Rocklin	Roseville	Davis	West Sacramento	Woodland	Region
I worry about my rent going up to an amount I can't afford	59%	61%	70%	59%	55%	50%
I want to buy a house but can't afford the downpayment	31%	52%	46%	60%	52%	41%
I worry about property taxes increasing to an amount I can't afford	33%	32%	19%	36%	35%	31%
I struggle to pay my rent (e.g., sometimes paying late, not paying other bills to pay rent, not buying food or medicine)	31%	28%	18%	27%	40%	30%
I have bad credit/history of evictions/foreclosure and cannot find a place to rent	14%	12%	7%	24%	14%	21%
I worry that if I request a repair it will result in a rent increase or eviction (be kicked out)	3%	16%	15%	25%	12%	18%
Too much traffic/too much street/highway noise	20%	21%	8%	15%	9%	17%
I have bad/rude/loud neighbors	11%	11%	7%	15%	17%	16%
High crime in my neighborhood	3%	4%	0%	7%	9%	16%
My house or apartment isn't big enough for my family members	9%	11%	10%	13%	12%	16%
My home/apartment is in poor condition (such as mold or needs repairs)	9%	6%	12%	16%	8%	16%
I am afraid I may get evicted (kicked out)	3%	7%	5%	14%	7%	14%

Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).

Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing Survey.

Housing Challenges Experienced by Residents who are Members of Selected Protected Classes

- ■ Higher than Region (>5ppt)
- ■ About the same as Region (+/- 5 ppt)
- ■ Lower than Region (<5 ppt)
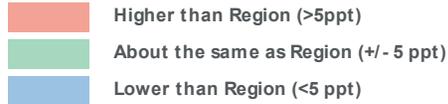
Percent of Residents Experiencing a Housing Challenge	African American	Asian	Hispanic	Native American	Non-Hispanic White	Disability	Children Under 18	Large Family	LEP	Region
I worry about my rent going up to an amount I can't afford	41%	54%	52%	51%	59%	50%	52%	47%	46%	50%
I want to buy a house but can't afford the downpayment	39%	46%	42%	40%	47%	40%	52%	46%	36%	41%
I worry about property taxes increasing to an amount I can't afford	46%	22%	39%	34%	34%	45%	33%	39%	20%	31%
I struggle to pay my rent (e.g., sometimes paying late, not paying other bills to pay rent, not buying food or medicine)	33%	18%	37%	31%	31%	36%	42%	37%	11%	30%
I have bad credit/history of evictions/foreclosure and cannot find a place to rent	24%	16%	29%	22%	19%	26%	31%	38%	11%	21%
I worry that if I request a repair it will result in a rent increase or eviction (be kicked out)	16%	19%	22%	19%	20%	21%	23%	22%	14%	18%
Too much traffic/too much street/highway noise	19%	13%	20%	18%	19%	20%	19%	17%	11%	17%
I have bad/rude/loud neighbors	18%	12%	23%	20%	16%	20%	19%	19%	13%	16%
High crime in my neighborhood	24%	10%	22%	21%	14%	22%	20%	21%	11%	16%
My house or apartment isn't big enough for my family members	31%	16%	23%	18%	12%	21%	29%	38%	24%	16%
My home/apartment is in poor condition (such as mold or needs repairs)	22%	16%	19%	18%	15%	24%	20%	22%	13%	16%
I am afraid I may get evicted (kicked out)	17%	13%	18%	18%	14%	20%	20%	20%	11%	14%

Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).

Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing.

Fair Housing Barriers and Contributing Factors

The primary housing barriers—and the factors that contributed to those barriers—identified in the research conducted for this AI include the following. Where protected classes are disproportionately impacted, those are noted.

Barrier: The harm caused by segregation is manifest in disproportionate housing needs and differences in economic opportunity.

Contributing factors: Past actions that denied housing opportunities and perpetuated segregation have long limited opportunities for many members of protected classes. This continues to be evident in differences in poverty rates, homeownership, and access to economic opportunity throughout the region.

Disproportionate impact: Across the region, Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families, and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County).[1] The narrowest homeownership gap among the jurisdictions between Black and Non-Hispanic White households is 18 percentage points (Roseville) and exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento County.

Barrier: Affordable rental options in the region are increasingly limited.

Contributing factors: 1) Growth in the region—particularly demand for rental housing—has increasingly limited the areas where low income households can live affordably, evidenced by the high rates of households with disproportionate housing needs. This perpetuates the limited economic opportunity that began with segregation. 2) Constraints on affordable housing development and preservation, ranging from lack of funding, the cost of development or preservation, public policies and processes, and lack of adequate infrastructure for infill redevelopment, all constrain the affordable rental market. 3) Suburban areas in the Sacramento Valley are rarely competitive for state or federal affordable housing development funds, further straining the capacity for creation or preservation of affordable rental housing. 4) For residents participating in the Housing Choice or other housing voucher programs, too few private landlords

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[1] Throughout, Balance of Sacramento County refers to areas of the County which exclude Citrus Heights, Elk Grove, Rancho Cordova, and the city of Sacramento, as data for these jurisdictions are reported independently.

accept vouchers. This leads to concentration of vouchers in certain neighborhoods and lack of mobility for voucher holders.

Disproportionate impact: African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region and in each jurisdiction. Through the community engagement process, residents participating in voucher programs described difficulty finding a landlord to accept their voucher; an analysis of concentration of voucher holders by neighborhood found that areas with greater proportions of voucher holders also tended to be R/ECAP neighborhoods or neighborhoods with less access to economic opportunity.

Barrier: Residents with disabilities need for and lack of access to affordable, accessible housing.

Contributing factors and disproportionate impact: 1) Insufficient number of mobility and sensory accessible units affordable to people living on SSI/SSDI (i.e., ADA accessible market rate units are unaffordable to those who need them most). 2) Much of the naturally occurring affordable housing stock is older and not accessible to residents with mobility disabilities. 3) Lack of transit access outside of the downtown core further limits the pool of accessible, affordable housing options for transit-dependent residents.

Barrier: Stricter rental policies further limit options.

Contributing factors and disproportionate impacts: 1) "3x income requirements" for rental units have a discriminatory effect on persons with disabilities whose income is primarily Social Security and Disability Insurance (SSDI), as well as renters who receive income from "unearned" sources such as child support. 2) Voucher tenants are not protected under California's source of income protections. 3) Onerous criminal look back periods that do not take into account severity of a crime or time period in which it was committed disproportionately impact persons of color, persons with mental illness, and persons in recovery.

Barrier: Disparities in the ability to access homeownership exist.

Contributing factors: 1) Past actions that have limited economic opportunity for certain residents (i.e., redlining, lending discrimination, other barriers to wealth). 2) Disparities in access to lending, including home improvement and refinance products.

Disproportionate impact: Analysis of lending data finds that denial rates for Hispanic applicants (24%) and other non-Asian minority groups (24%) were

significantly higher than for non-Hispanic White applicants (15%), and gaps persist (albeit narrower) after controlling for income. Across the board, all minority groups experience higher rates of loan denial than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance).

Barrier: Public transportation has not kept up with growth.

Contributing factors: Outside of the downtown Sacramento "grid" public transportation has not kept up with regional growth and lacks inner and intra city connections. Costs are high, especially for very low income households.[2]

Disproportionate impact: A lack of access to affordable public transportation (e.g., routes, connections, days/hours of service) is the 2nd most frequently cited barrier to economic opportunity mentioned by members of protected classes.

Barrier: Educational inequities persist in the region.

Contributing factors and disproportionate impacts: 1) Housing prices near high performing schools and school districts are out of reach for low and moderate income families. 2) In north and south Sacramento and in Woodland, children from predominantly African American and Hispanic neighborhoods are less likely to attend proficient schools. 3) Impact of 2013 education equity reforms (e.g., Local Control Funding Formula, Smarted Balanced Assessment System, educator prep standards) not yet fully realized. 4) Disparities in discipline/suspension rates of African American, Latino, and special needs children.

Barrier: Disparities in labor market engagement exist.

Contributing factors and disproportionate impact: 1) Unequal school quality across the region disproportionately disadvantages low and moderate income families. 2) Lack of economic investment directed to building skilled earning capacity in communities of color. 3) Lack of market rate job opportunities for people with disabilities.

Barrier: Residents with disabilities lack of access to supportive services and a spectrum of housing options to enable them, especially those with mental illness, achieve and maintain housing stability.

Contributing factors and disproportionate impact: 1) Lack of affordable housing. 2) Significant state budget cuts since the 1990s with little progress toward funding restoration. 3) Lack of funding for case management, mentors,

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[2] Note that all community engagement and publicly available data on access to public transit was collected prior to RT Forward implementation. Implementation should be carefully monitored to assess impacts on members of protected classes and the extent to which this impediment is mitigated with implementation of RT Forward.

other peer-supported services to support navigating systems and independent living skill development. 4) Loss of naturally occurring affordable housing options, including boarding homes, other small group living environments.

Solutions

This section summarizes proposed solutions to addressing the contributing factors discussed above. The participating partners focused on strategies that:

1) Expand affordable rental opportunities;

2) Increase homeownership among under-represented groups; and

3) Focus on a range of equity issues.

Implementation. It is the intention of the participating partners to incorporate the AI strategies into their individual and regional Housing Elements, Consolidated Plans, Annual Action plans, and other regional and municipal planning processes.

Goals and Strategies to Address Fair Housing Barriers

Goal 1. Incentivize development of affordable homeownership products. Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2. Expand affordable rental opportunities.

a) *Encourage reasonable policies for tenant criminal history, rental history, and credit history.* Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicants with poor rental/credit histories on a case-by-case basis.

b) *Increase accessible and affordable housing opportunities.* Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.

c) *Encourage residential infill opportunities.* Increase residential infill opportunities through changes in zoning and long range plans.

d) *Engage the private sector in solutions.* Through affirmative marketing requirements, development incentives, and mandatory

affordable housing contributions, further the private sector commitment to addressing barriers to housing choice.

Goal 3. Expand equity in access to economic opportunity.

a) *Improve infrastructure and public facilities* in disadvantaged communities.

b) *Connect low income residents to job opportunities.* Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.

c) *Reduce housing instability by closing service gaps.* Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.

SECTION VII.
Goals and Strategies

This section discusses the goals and strategies the Sacramento Valley Fair Housing Collaborative partners will take to address fair housing and economic opportunity barriers.

Considerations in Goal Development

The AI examines the many factors that contribute to equal housing choice and access to opportunity in the Sacramento Valley region. Many of the barriers are difficult to address and will require long-term regional solutions and resource commitments. Some are easier to address and can be accomplished quickly. In determining which challenges should be tackled first, and where resources should be allocated, the participating partners considered disproportionate needs and prioritization of fair housing issues.

Disproportionate needs. It is very important to note that many of the most significant challenges in the region affect residents who are "under" and "less" resourced compared to other residents. This is very often the result of historical patterns of segregation, denial of homeownership opportunities (a key component of wealth building in this country), limited access to good quality schools, and discrimination in both employment and housing markets. In many cases, these residents are also disproportionately likely to be racial and ethnic minorities, residents who have limited English proficiency, residents with disabilities, large families, and children living in poverty.

Residents with disproportionate needs and limited resources were given the most consideration in crafting solutions.

Prioritization of fair housing issues. Prioritization of the fair housing issues was guided by HUD's direction in the Assessment of Fair Housing (AFH) rule, as the AI guidance provides less direction on prioritization. In prioritizing the contributing factors to address, highest priority was given to those contributing factors that, for one or more protected classes:

- Limit or deny fair housing choice;
- Limit or deny access to opportunity; and
- Negatively impact fair housing or civil rights compliance.

Fair Housing Barriers and Contributing Factors

The primary housing barriers—and the factors that contributed to those barriers—identified in the research conducted for this AI include the following. Where protected classes are disproportionately impacted, those are noted.

Barrier: The harm caused by segregation is manifest in disproportionate housing needs and differences in economic opportunity.

Contributing factors: Past actions that denied housing opportunities and perpetuated segregation have long limited opportunities for many members of protected classes. This continues to be evident in differences in poverty rates, homeownership, and access to economic opportunity throughout the region.

Disproportionate impact: Across the region, Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families, and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County).[1] The narrowest homeownership gap among the jurisdictions between Black and Non-Hispanic White households is 18 percentage points (Roseville) and exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento County.

Barrier: Affordable rental options in the region are increasingly limited.

Contributing factors: 1) Growth in the region—particularly demand for rental housing—has increasingly limited the areas where low income households can live affordably, evidenced by the high rates of households with disproportionate housing needs. This perpetuates the limited economic opportunity that began with segregation. 2) Constraints on affordable housing development and preservation, ranging from lack of funding, the cost of development or preservation, public policies and processes, and lack of adequate infrastructure for infill redevelopment, all constrain the affordable rental market. 3) Suburban areas in the Sacramento Valley are rarely competitive for state or federal affordable housing development funds, further straining the capacity for creation or preservation of affordable rental housing. 4) For residents participating in the Housing Choice or other housing voucher programs, too few private landlords accept vouchers. This leads to

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[1] Throughout, Balance of Sacramento County refers to areas of the County which exclude Citrus Heights, Elk Grove, Rancho Cordova, and the city of Sacramento, as data for these jurisdictions are reported independently.

concentration of vouchers in certain neighborhoods and lack of mobility for voucher holders.

Disproportionate impact: African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region and in each jurisdiction. Through the community engagement process, residents participating in voucher programs described difficulty finding a landlord to accept their voucher; an analysis of concentration of voucher holders by neighborhood found that areas with greater proportions of voucher holders also tended to be R/ECAP neighborhoods or neighborhoods with less access to economic opportunity.

Barrier: Residents with disabilities need for and lack of access to affordable, accessible housing.

Contributing factors and disproportionate impact: 1) Insufficient number of mobility and sensory accessible units affordable to people living on SSI/SSDI (i.e., ADA accessible market rate units are unaffordable to those who need them most). 2) Much of the naturally occurring affordable housing stock is older and not accessible to residents with mobility disabilities. 3) Lack of transit access outside of the downtown core further limits the pool of accessible, affordable housing options for transit-dependent residents.

Barrier: Stricter rental policies further limit options.

Contributing factors and disproportionate impacts: 1) "3x income requirements" for rental units have a discriminatory effect on persons with disabilities whose income is primarily Social Security and Disability Insurance (SSDI), as well as renters who receive income from "unearned" sources such as child support. 2) Voucher tenants are not protected under California's source of income protections. 3) Onerous criminal look back periods that do not take into account severity of a crime or time period in which it was committed disproportionately impact persons of color, persons with mental illness, and persons in recovery.

Barrier: Disparities in the ability to access homeownership exist.

Contributing factors: 1) Past actions that have limited economic opportunity for certain residents (i.e., redlining, lending discrimination, other barriers to wealth). 2) Disparities in access to lending, including home improvement and refinance products.

Disproportionate impact: Analysis of lending data finds that denial rates for Hispanic applicants (24%) and other non-Asian minority groups (24%) were

significantly higher than for non-Hispanic White applicants (15%), and gaps persist (albeit narrower) after controlling for income. Across the board, all minority groups experience higher rates of loan denial than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance).

Barrier: Public transportation has not kept up with growth.

Contributing factors: Outside of the downtown Sacramento "grid" public transportation has not kept up with regional growth and lacks inner and intra city connections. Costs are high, especially for very low income households.[2]

Disproportionate impact: A lack of access to affordable public transportation (e.g., routes, connections, days/hours of service) is the 2nd most frequently cited barrier to economic opportunity mentioned by members of protected classes.

Barrier: Educational inequities persist in the region.

Contributing factors and disproportionate impacts: 1) Housing prices near high performing schools and school districts are out of reach for low and moderate income families. 2) In north and south Sacramento and in Woodland, children from predominantly African American and Hispanic neighborhoods are less likely to attend proficient schools. 3) Impact of 2013 education equity reforms (e.g., Local Control Funding Formula, Smarted Balanced Assessment System, educator prep standards) not yet fully realized. 4) Disparities in discipline/suspension rates of African American, Latino, and special needs children.

Barrier: Disparities in labor market engagement exist.

Contributing factors and disproportionate impact: 1) Unequal school quality across the region disproportionately disadvantages low and moderate income families. 2) Lack of economic investment directed to building skilled earning capacity in communities of color. 3) Lack of market rate job opportunities for people with disabilities.

Barrier: Residents with disabilities lack of access to supportive services and a spectrum of housing options to enable them, especially those with mental illness, achieve and maintain housing stability.

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[2] Note that all community engagement and publicly available data on access to public transit was collected prior to RT Forward implementation. Implementation should be carefully monitored to assess impacts on members of protected classes and the extent to which this impediment is mitigated with implementation of RT Forward.

Contributing factors and disproportionate impact: 1) Lack of affordable housing. 2) Significant state budget cuts since the 1990s with little progress toward funding restoration. 3) Lack of funding for case management, mentors, other peer-supported services to support navigating systems and independent living skill development. 4) Loss of naturally occurring affordable housing options, including boarding homes, other small group living environments.

Solutions

This section summarizes proposed solutions to addressing the contributing factors discussed above. The participating partners focused on strategies that:

1) Expand affordable rental opportunities;

2) Increase homeownership among under-represented groups; and

3) Focus on a range of equity issues.

Implementation. It is the intention of the participating partners to incorporate the AI strategies into their individual and regional Housing Elements, Consolidated Plans, Annual Action plans, and other regional and municipal planning processes.

Goals and Strategies to Address Fair Housing Barriers

Goal 1. Incentivize development of affordable homeownership products. Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2. Expand affordable rental opportunities.

a) *Encourage reasonable policies for tenant criminal history, rental history, and credit history.* Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicants with poor rental/credit histories on a case-by-case basis.

b) *Increase accessible and affordable housing opportunities.* Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.

c) *Encourage residential infill opportunities.* Increase residential infill opportunities through changes in zoning and long range plans.

d) ***Engage the private sector in solutions.*** Through affirmative marketing requirements, development incentives, and mandatory affordable housing contributions, further the private sector commitment to addressing barriers to housing choice.

Goal 3. Expand equity in access to economic opportunity.

a) ***Improve infrastructure and public facilities*** in disadvantaged communities.

b) ***Connect low income residents to job opportunities.*** Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.

c) ***Reduce housing instability by closing service gaps.*** Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.

	Guiding Principles for Goal Development
	1) Expand affordable rental opportunities
	2) Increase homeownership among under-represented groups
	3) Focus on a range of equity issues

Goal 1.	**Incentivize development of affordable homeownership products.**
Strategy	Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2.	**Expand affordable rental opportunities.**
	a) Encourage reasonable policies for tenant criminal history, rental history, and credit history.
	Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicants with poor rental/credit histories on a case-by-case basis.
	b) Increase accessible and affordable housing opportunities.
Strategies	Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.
	c) Encourage residential infill opportunities.
	Increase residential infill opportunities through changes in zoning and long range plans.
	d) Engage the private sector in solutions.
	Through affirmative marketing requirements, development incentives, and mandatory affordable housing contributions, further the private sector commitment to addressing barriers to housing choice.

Goal 3.	**Expand equity in access to economic opportunity.**
	a) Improve infrastructure and public facilities in disadvantaged communities.
	b) Connect low income residents to job opportunities.
Strategies	Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.
	c) Reduce housing instability by closing service gaps.
	Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.