



# CITY OF EL MONTE

Analysis of Impediments to Fair Housing Choice

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City of El Monte

# Analysis of Impediments to Fair Housing Choice

Economic Development Department  
11333 Valley Blvd  
El Monte, CA 91731

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# Acknowledgments

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## **EL MONTE'S HONORABLE MAYOR AND COUNCIL:**

Mayor Andre Quintero

Mayor Pro Tem Maria Morales

Council member Jessica Ancona

Council member Victoria Martinez Muela

Council member Jerry Velasco

## **CITY STAFF:**

City Manager- Alma Martinez

Economic Development Director- Betty Donovanik

Housing Program Manager- Lily Flores

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Finally, we would like to give a special thanks to the citizens of El Monte who allowed us the opportunity to visit their beautiful community, while providing us with critical survey information relating to their fair housing experience. Their participation was essential in shaping this analysis, which will influence fair housing activities in the El Monte for years to come.

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## Section 1

# INTRODUCTION AND BACKGROUND DATA

Equal access to housing is fundamental to each person in meeting essential needs and pursuing personal, educational, employment or other goals. In recognizing equal housing access as a fundamental right, the federal government and the State of California have both established fair housing choice as a right protected by law.

This report presents a demographic profile of El Monte, assesses the extent of housing needs among specific income groups, and evaluates the availability of a range of housing choices for residents. This report also analyzes the conditions in the private market and the public sector that could limit the range of housing choices or impede a person's access to housing. As the name of the report suggests, the document reviews "impediments" to fair housing. Although this report also assesses the nature and extent of housing discrimination, it primarily focuses on identifying impediments that could prevent equal housing access and developing solutions to mitigate or remove such impediments.

### What Is Fair Housing?

Federal fair housing laws prohibit discrimination in the sale, rental, or lease of housing, and in negotiations for real property, based on race, color, religion, sex, national origin, familial status, and disability. California fair housing laws build on the federal laws, including age, marital status, ancestry, source of income, and sexual orientation as the protected categories, and "any arbitrary discrimination" as prohibited practices, under the laws. The following definition is used for this report:

*"Fair housing describes a condition in which individuals of similar income levels in the same housing market have a like range of choice available to them regardless of race, color, ancestry, national origin, religion, sex, disability, age, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor."*

### Fair Housing Legal Framework

The federal Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988 (42 U.S. Code §§ 3601-3619, 3631) are federal fair housing laws that prohibit discrimination in all aspects of housing, such as the sale, rental, lease, or negotiation for real property. The Fair Housing Act prohibits discrimination based on race, color, religion, sex, and national origin.

In 1988, the Fair Housing Act was amended to extend protection to familial status and people with disabilities (mental or physical). In addition, the Amendments Act provides for “reasonable accommodations,” allowing structural modifications for persons with disabilities, if requested, at their own expense, for multi-family dwellings to accommodate the physically disabled.

The California Department of Fair Employment and Housing (DFEH) enforces California laws that provide protection and monetary relief to victims of unlawful housing practices. The Fair Employment and Housing Act (FEHA; Part 2.8 of the California Government Code, Sections 12900-12996) prohibits discrimination and harassment in housing practices.

The Unruh Act (California Government Code Section 51) protects Californians from discrimination in public accommodations and requires equal access to the accommodations. The Unruh Act provides broad protection and has been held by the courts to prohibit any arbitrary discrimination on the basis of personal characteristics or traits and applies to a range of types of housing.

The Ralph Civil Rights Act (California Civil Code Section 51.7) prohibits violence and threats of violence and specifies that housing situations are protected under this Act, including houses, apartments, hotels, boarding housing, and condominiums. Violators of the Ralph Act can be sued for actual or emotional damages, in addition to civil penalties.

The Bane Civil Rights Act (California Civil Code Section 52.1) provides another layer of protection for fair housing choice by protecting all people in California from interference by force or threat of force with an individual’s constitutional or statutory rights, including a right to equal access to housing. The Bane Act also includes criminal penalties for hate crimes. However, convictions under the Act are not allowed for speech alone unless that speech itself threatened violence.

In addition to these Acts, California Government Code Sections 111135, 65008 and 65589.5 prohibit discrimination in programs funded by the state and in any land-use decisions.<sup>1</sup>

### **Housing Issues, Affordability and Fair Housing**

The U. S. Department of Housing and Urban Development (HUD), Fair Housing and Equal Opportunity Division, distinguishes between housing affordability and fair housing. Economic factors that affect a household’s housing choices are not fair housing issues per se. Only when the relationship between household income, household type, race/ethnicity, and other factors create misconceptions, biases, and differential treatment would fair housing concerns arise.

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<sup>1</sup>Fair Housing Hotline Project, Legal Services of Northern California. March 2004. “Fair Housing in California: Families with Children: A Manual for Housing Providers, Tenants and Advocates.”

Tenant/landlord disputes are also typically not related to fair housing. Most disputes between tenants and landlords result from a lack of understanding by either or both parties regarding their rights and responsibilities. Tenant/landlord disputes and housing discrimination cross paths when fair housing laws are violated and result in differential treatment.

### **What Is an Impediment to Fair Housing Choice?**

According to HUD's *Fair Housing Planning Guide*, and based within the legal framework of federal and state laws, impediments to fair housing choice are:

- Any actions, omissions or decisions taken because of race, color, ancestry, national origin, religion, sex, disability, age, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor that restricts housing choices or the availability of housing choices, or
- Any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, ancestry, national origin, religion, sex, disability, age, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor.

To affirmatively promote equal housing opportunity, a community must work to remove impediments to fair housing choice. Furthermore, eligibility for certain federal funds requires compliance with federal fair housing laws. Specifically, to receive HUD Community Planning and Development (CPD) formula grants, a jurisdiction must:

- Certify its commitment to actively further fair housing choice.
- Maintain fair housing records.
- [Conduct an analysis of impediments to fair housing choice.](#)

### **Purpose of Report**

This Analysis of Impediments (AI) to Fair Housing Choice provides an overview of laws, regulations, conditions, and other possible obstacles that could affect an individual's or household's access to housing in El Monte. The AI includes:

- A comprehensive review of El Monte's laws, regulations and administrative policies, procedures, and practices, as well as an assessment of how they affect the location, availability, and accessibility of housing, and
- An assessment of conditions, both public and private, affecting fair housing choice.

The scope of analysis and the format used for this AI adhere to recommendations contained in the *Fair Housing Planning Guide* developed by HUD.

## Organization of Report

The AI is divided into six sections:

**Section 1: Introduction** defines *fair housing* and explains the purpose of this report; the public participation process; the status of prior impediments and recommendations; and summary of new impediment to fair housing choice and recommendation.

**Section 2: The Jurisdictional Background Data** presents the demographic, housing and income characteristics of El Monte. Major employers and transportation access to job centers are identified. The relationships among these variables are discussed.

**Section 3: Mortgage Lending Practices** analyzes private activities that could impede fair housing choices in El Monte.

**Section 4: Public Policies and Practices** evaluates various public policies and actions that could impede fair housing choices in El Monte.

**Section 5: Fair Housing Practices** evaluates the fair housing services available to residents and identifies fair housing complaints and violations in El Monte.

**Section 6: Conclusions, Impediments and Actions** provides conclusions and recommendations about fair housing issues in El Monte.

At the end of this report, a page is attached that includes the endorsement of the City Manager and a statement certifying that the AI represents El Monte's official conclusions regarding impediments to fair housing choice and the actions necessary to address identified impediments.

## Reporting Staff and Data Sources

This report, prepared through a collaborative effort between City staff and The Ramsay Group, LLC, under contract to the City of El Monte, is funded through Community Development Block Grant (CDBG) funds.

The following data sources were used to complete this AI. Sources of specific information are identified in the text, tables and figures.

- California Department of Finance Population and Housing Estimates
- El Monte's Annual Action Plan

- EL Monte’s Code of Ordinances
- El Monte’s Five-Year Consolidated Plan
- El Monte’s General Plan
- El Monte’s Housing Element, 2018-2019
- Home Mortgage Disclosure Act (HMDA) data regarding lending patterns
- U. S. Census Bureau American Community Survey (ACS), 2013-2017, 2014-2018,
- U. S. Census 2000 and 2010

## Public Participation

This AI has been developed to provide an overview of laws, regulations, conditions or other possible obstacles that could affect an individual’s or a household’s access to housing. As part of this effort, the report incorporates the issues and concerns of residents, housing professionals and service providers. To assure that the report responds to community needs, the development of the AI includes a community outreach program consisting of a resident survey, service provider interviews, and City Council and Planning Commission public hearings.

### **Community Advisory Meetings**

El Monte residents and public and private agencies either directly or indirectly involved with fair housing issues in El Monte were invited to participate in a public meeting on the following date and location:

DATE OF COMMUNITY MEETING: March 12 and March 25, 2020

TIME OF MEETING: 5:30 – 6:30 p.m.

LOCATION OF MEETING: El Monte City Hall West

The meeting provided the opportunity for the El Monte community to gain awareness of fair housing laws, and for residents and service agencies to share fair housing issues and concerns. To ensure that the fair housing concerns of low- and moderate-income and special needs residents were addressed, individual invitation letters were distributed via mail and e-mail, if available, to agencies and organizations that serve the low- and moderate-income and special needs community. Agencies and organizations that were invited and/or contributed directly to this report included the following:

- A Community of Friends
- Action Food Pantry
- California Housing Partnership Corporation
- Catholic Charities/Brother Miguel Center
- Citrus Valley Health Foundation

- Cold Weather Shelter
- Cory's Kitchen
- Delhaven Community Center
- East San Gabriel Valley Coalition for the Homeless
- El Monte/South El Monte Chamber of Commerce
- Filipino American Service Group
- Food Finders
- Habitat for Humanity
- House of Ruth
- Housing Authority of Los Angeles County
- Housing Rights Center
- Human Services Association
- Information Line/Los Angeles
- Inland Valley Hope Partners
- LA County Public Social Services
- Los Angeles Homeless Services Authority
- Love, Inc./World Vision
- Low Income Investment Fund
- Rio Hondo Community Development Corporation
- LA County Public Social Services

Notices of the meeting times and dates were published in El Monte's official newspaper and posted conspicuously at United States Post Office - El Monte Branch, Los Angeles County Public Library – El Monte (Tyler Avenue) and Norwood (Peck Road) locations, El Monte Senior Center, City's Clerk office - City Hall East, Housing Division Public Counter - City Hall West Counter, and on the City's website. There were no attendees during the community meeting.

### **Resident Survey**

To supplement the citizen advisory meetings, a survey was made available to El Monte residents at City Hall as well as online at the City's web site. Spanish versions of the survey were also provided to reflect the diversity of El Monte's residents. In total, 24 El Monte residents completed the survey. The following details the eight questions asked and the answer (s) with the highest percentage response:

1. Have you ever encountered any forms of housing discrimination or known someone who has?
  - Yes 37.50%
  - No 33.33%
  - Not Sure 33.33%
  
2. If you believe or think that you or someone you know encountered housing discrimination, what type was it?
  - *Refusing, discouraging or charging more to rent an apartment or buy a home* 37.50%
  - *Refusing to make a reasonable accommodation or not allowing a modification to be made to make an apartment more accessible for a person with a disability.* 31.25%
  
3. Do you feel that you are well-informed on the issue of Housing Discrimination?
  - *No* 43.48%
  - *Yes* 30.43%
  - *Somewhat* 21.74%
  
4. What would you do if you encountered Housing Discrimination?
  - *Report it* 70.83%
  - *Don't Know.* 29.17%
  
5. If you were to report Housing Discrimination, who would you report it to?
  - *City of El Monte* 65.22%
  - *Don't Know* 30.43%
  
6. If you think that Housing Discrimination is occurring, what types of discrimination do you think occur most frequently in the City of El Monte?
  - *Refusing, discouraging, or charging more to rent an apartment that is not in safe condition, failing to maintain the rental to safety standards.*
  - *Low income families.*
  - *Large families.*
  - *Age discrimination.*
  - *Race discrimination.*

- *Charging more due to race.*
  - *Size of family and service dogs.*
  - *Having a companion service dog.*
  - *Families with small children.*
7. What can be done to prevent housing discrimination in the City of El Monte?
- *Multi-language, multi-media outreach.*
  - *Talk to property to owners.*
  - *Build more family housing.*
  - *Have better policies on how to be accepted in a location regardless of race.*
  - *Rent controls, landlord limits, predatory rental fees, every home should get this info by mail at least twice a year.*
  - *Education of landlords and owners.*
8. Please choose the best response that describes your interest in completing this survey.
- *As a resident*      *82.61%*
  - *As a nonprofit*      *8.70%*

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### Summary of New Impediments to Fair Housing Choice and Recommendations

Below is a summary of impediments identified in the 2017-20 analysis and actions taken to overcome identified impediments:

Impediments	Recommendations	Actions Taken
<p><b>Discrimination against Persons with Disabilities.</b> Over the last three years, 73% of all fair housing discrimination cases were related to a physical or mental disability. This is a marked increase from the previous 2010-2015 AI report that saw 52% of housing discrimination cases pertaining to a mental or physical disability. Disabled persons are experiencing difficulties when requesting reasonable accommodations or modifications. In particular, persons with cognitive disabilities experience significantly more problems with these accommodations.</p>	<p>Expand existing fair housing workshops to specifically address the disabled and their particular housing needs and rights. Additionally, the City may consider providing for expanded testing of discriminatory practices against persons with disabilities to expand the base of knowledge surrounding specific types of housing discrimination against the mentally and physically disabled.</p>	
<p><b>Lack of Affordable Rental Housing Opportunities for Low-Income Families.</b> El Monte has 21 affordable rental projects, that provide subsidized, low-cost housing for more than 1,100 renter households. However, the City will need to build an additional 935 units to meet their RHNA goals and affordable housing continues to be a main concern of El Monte residents. Of the households reporting having a housing problem (13,380 renter and 4,814 owners), 70.2 percent report that the cost of housing continues to be the most significant problem they face.</p>	<p>The City should work with housing developers to increase the number of affordable housing rental units for small and large families. This could be accomplished through new construction or rehabilitation of existing market rate units where in exchange, affordability covenants can be acquired.</p>	<p>The City has taken proactive measures to construct market-rate and affordable units to meet their RHNA housing goals. A total of 168 dwelling units were completed in 2019 and 1,238 units were constructed between 2013-2019. The units for 2019 include several major projects such as the Baldwin/Rose Project (55 low/very low-income units) and portions of the Santa Anita/Owens (40 townhouse units) project. Furthermore, a number of residential projects were approved with entitlements during the same period. However, these units will not be added to the totals until building permits have been issued.</p>
<p><b>Increase in Fair Housing Discrimination Cases.</b> The Fair Housing Report beginning on page 66 reveals that fair housing discrimination has risen over the last three years- from 18 cases in 2017-2018 to 35 cases in 2019-2020. Of those who filed a housing discrimination complaint with the HRC, 77% fall in the extremely low-income bracket. These individuals will struggle to access housing opportunities because of income limitations and undue burdens in the housing market will only exacerbate housing disparities.</p>	<p>The City should continue to examine policies and outreach strategies that mitigate housing discrimination towards low-income households. It is recommended that the Housing Rights Center (HRC) continue to conduct fair housing workshops for residents, apartment owners, and property managers.</p>	
<p><b>High Cost Burden.</b> Across the Southern Californian region and California writ large, rental and housing price increases are outpacing income gains and in turn, residents are spending a disproportionate percentage of their income on housing. In El monte, between 2010 and 2018, there was an 8% increase in median home value and a 16% increase in the cost of rent, while the median household income has only increased 10% to \$47,121. Moreover, overpayment, defined as households paying more than 30 percent of their gross income on housing related expenses is especially pronounced for households making 0-30% the Average Median Income and of the 11,938 renters citing overpayment as a housing problem, 52.3% fall in this very low-income group.</p>	<p>Examine policies that may impede both affordable housing and market rate housing construction and work with developers to create a larger housing stock in the City. Leverage housing incentives including density bonuses and rollback any excessive development fees that significantly constrain housing construction.</p>	

## Section 2

# JURISDICTIONAL BACKGROUND DATA



El Monte is a residential, industrial, and commercial city in Los Angeles County . The city lies in the San Gabriel Valley east of the city of Los Angeles. El Monte's slogan is "Welcome to Friendly El Monte" and historically is known as "The End of the Santa Fe Trail." As of 2019, El Monte was the 54th largest city in California.

El Monte has 9.56 square miles of land area and 0.09 square miles of water area. As of July 2019, the El Monte population is 115,487, which has increased 1.7% from 113,475 in 2010. The population growth rate over the last decade is much lower than the state average rate of 12.39% and is lower than the national average rate of 11.61%. Between 2014-2018 the El Monte median household income was \$47,121 up from \$38,906 in 2010-2014. El Monte median property value was \$349,000 in 2010-2014 and has grown to \$401,000 by 2017, which is 1.75 times larger than the national average of \$229,700. Between 2016 and 2017 the median property value increased from \$374,900 to \$401,000, a 6.96% increase. The homeownership rate in El Monte is 40.5%, which is lower than the national average of 63.9%.

## Demographic Data

The primary sources for the demographic data used to prepare the AI were the United States Census Bureau, the American Community Survey and the California Department of Finance. The racial makeup of El Monte is 50,304 (43.5%) White, 659 (0.6%) African American, 964 (.8%) American Indian, 33,604 (29.1%) Asian (17.4% Chinese, 7.1% Vietnamese, 1.4% Filipino, 0.4%, 0.2% Japanese, 0.1% Korean, 0.2% Indian, 0.1% Pacific Islander), 28,939 (25.0%) from other races, and 3,205 (2.8%) from two or more races. 76,086 (65.8%) of the population is Hispanic or Latino of any race (60.2% Mexican, 0.2% Cuban, 0.1% Puerto Rican and 5.3% other Hispanic or Latino. According to Table 2-1, Hispanics as a percentage of El Monte's population is nearly double the state percentage and almost 4 times the national percentage. Asians are also a high percentage of the population in comparison to the State and nationally. The Asian population represents more than 1 in every 4 of the City's residents.

Table 2- 1 Population Based on Race and Ethnicity

Race	City	State	USA
Hispanic	65.8% 76,068 people	38.9% 15,221,577 people	17.8% 57,517,935 people
White	43.5% 50,304 people	60.1% 23,529,068 people	72.7% 234,904,818 people
Asian	29.1% 33,604 people	16.4% 6,431,018 people	5.4% 17,574,550 people
Two or more races	2.8% 3,205 people	3.0% 1,166,288 people	3.2% 10,435,797 people
American Indian and Alaska Native	0.8% 964 people	1.9% 757,628 people	0.8% 2,699,073 people
Black or African American	0.6% 659 people	7.0% 2,753,574 people	12.7% 40,916,113 people

Native Hawaiian or Pacific Islander	0.7% 851 people	0.8% 144,386 people	0.2% 582,718 people
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Source: American Community Survey Data, 2014-2018

\*Percentages may add to over 100% because many individuals identified as having multiple races and ethnicities.

There are 29,566 households, out of which 10,190 (34.5%) had children under the age of 18 living in them, 14,716 (49.8%) are married couples living together, 5,722 (19.4%) had a female householder with no husband present, 3,545 (12%) had a male householder with no wife present. There are 5,583 nonfamily households, with 4,277 (14.5%) householders living alone and 1,896 (6.4%) are 65 years of age or older and living alone. Roughly 9,233 (31.2%) of households have one more more people 65 years and over. The average household size is 3.87 and the average family size is 4.21.

Table 2-2 provides a perspective of the city’s population by age distribution. The population is widely spread out with 39,707 people (34.3%) under the age of 25, 32,740 people (28.4%) aged 25 to 44, 28,711 people (24.9%) aged 45 to 64, and 14,511 people (12.6%) 65 years of age or older. The median age is 35.3 years, up from 31.2 years in 2010.

Table 2-2 Population Based on Age

Age	City	State	USA
< 25	34.3% 39,707 people	35.5% 13,217,991 people	34.0% 104,853,555 people
25 - 44	28.4% 32,740 people	31.8% 11,848,422 people	30.3% 93,634,060 people
45 - 64	24.9% 24,567 people	24.9% 9,288,864 people	26.4% 81,489,445 people
> 64	12.6 % 14,511 people	11.4% 4,246,514 people	13.0% 40,267,984 people

Source: American Community Survey Data, 2014-2018

Analyzing the age distribution is important because it affects the future need for jobs, housing and other social services. With nearly 40% of the City’s 2018 population over the age of 45, future growth planning may need to include infrastructure for elderly and retired individuals, including hospital clinics and assisted living options.

### Income Data

Household income is the most important factor determining a household’s ability to balance housing costs with other basic life necessities. Although economic factors that affect a household’s housing choice do not fall under the umbrella of fair housing issues, the relationships among household income, household type, race/ethnicity, and other factors often create misconceptions and biases that raise fair housing issues.

The city’s income distribution is indexed to the Area Median Income (AMI) to provide a comparison of changes in El Monte over time and relative to the larger county and/or state area.

Households in El Monte have a median annual income of \$47,121, up 10% from the 2010 median household income of \$42,750. The median income is lower than the median annual income of \$59,039 across the United States and the median annual income of \$70,849 in California. The per capita income in El Monte is \$17,254 and across California the per capita income is \$35,021.

As shown in Table 2-3, median household income growth rate over the last ten years of 10.2% is also lower than the state average rate of 23.67% and lower than the national average rate of 19.4%. In regards to how residents travel to work, El Monte residents spend on average 30.4 minutes per day commuting, which is higher than the state average of 29.3 minutes and is higher than the national average of 26.1 minutes.

Table 2-3 Median Household Income

Location	MH Income	MHI % Increase Since 2010
El Monte, CA	\$47,121	10.22%
California	\$70,849	23.67%
U.S.	\$59,039	19.4%

Source: Data USA, 2018.

Table 2-4 shows the distribution of poverty across for El Monte, California, and the United States by race, based on Census American Community Survey data between 2014-2018. African Americans are most likely to live in poverty in El Monte, with 41.58% living below the poverty level. Pacific Islander are the least likely racial group to be in poverty in El Monte, with 4.80% living below the poverty level. Across the City, 20.8% percent of families are living in poverty, nearly 2% higher than the State average. The poverty rate among those that worked full-time for the past 12 months was 5.33%. Among those working part-time, it was 19.50%, and for those that did not work, the poverty rate was 29.22%.

Table 2-4 Poverty Distribution by Race/Ethnicity (2014-2018)

Race	City	State	USA
Black or African American	41.58%	21.9%	24.2% National Average
Asian	13.91%	10.7%	11.5% National Average
Native Hawaiian or Pacific Islander	4.8%	13.8%	18.3% National Average
White	12.74%	13%	11.6% National Average
Hispanic	24.32%	19.2%	21.0% National Average
American Indian or Alaska Native	27.4%	20.4%	25.8% National Average
Two or more races	17.86%	13.4%	17.5% National Average

Source: American Community Survey Data, 2014-2018.

### Housing Needs for Low-Income Households

The housing needs of the community are assessed by analyzing various demographic and economic indicators. Developing a picture of the current needs in the community begins by looking at broad trends

in population, area median income, the number of households, etc. The next step is intersecting those data points with a more nuanced analysis of variables such as family and household dynamics, race, and housing problems.

A key goal of the needs assessment is to identify the nature and prevalence of housing problems experienced by the residents of El Monte. The main housing problems looked at are: (a) cost-burdened households; (b) substandard housing; and (c) overcrowding. Furthermore, these housing problems are juxtaposed with economic and demographic indicators to discern if certain groups carry a disproportionate burden. Are African-Americans more cost-burdened than other racial groups? Do low-income households experience higher levels of overcrowding? Do large families have more housing problems than small families? These sorts of questions are empirically answered through data analysis. Understanding the magnitude and incidence of housing problems in the community is crucial in aiding the City to set evidence-based priorities for furthering fair housing choice.

To provide a context for housing planning, this section discusses a variety of demographic, economic, housing, special needs characteristics and trends to identify issues that affect the Cities existing and future housing needs. This section explores household characteristics and housing problems experienced by different income levels:

- 0-30% of AMI- Extremely low income
- 30%-50% of AMI- Very low Income
- 50%-80% of AMI- Low income
- 80%-100% OF AMI- Moderate Income

Table 2-5 Number of Households

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	8,815	7,290	6,860	2,435	5,355
Small Family Households	3,490	3,485	3,615	1,175	3,120
Large Family Households	1,720	1,625	1,650	655	1,185
Household contains at least one person 62-74 years of age	1,930	1,530	1,655	720	1,515
Household contains at least one person age 75 or older	1,520	765	670	315	590
Households with one or more children 6 years old or younger	2,270	1,695	1,355	375	555

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

**Housing Needs Summary Tables**

Table 2-6 (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking	90	65	35	10	200	10	15	20	0	45

complete plumbing or kitchen facilities										
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	610	435	215	40	1,300	4	105	125	55	289
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	1,225	835	660	190	2,910	85	180	195	205	665
Housing cost burden greater than 50% of income (and none of the above problems)	3,855	1,155	115	0	5,125	785	830	515	20	2,150
Housing cost burden greater than 30% of income (and none of the above problems)	570	1,750	1,485	40	3,845	215	410	680	360	1,665
Zero/negative Income (and none of the above problems)	190	0	0	0	190	75	0	0	0	75

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015.

Table 2-7 Housing Problems II

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

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	5,785	2,495	1,025	240	9,545	885	1,125	855	280	3,145
Having none of four housing problems	1,155	2,180	3,090	700	7,125	720	1,490	1,890	1,210	5,310
Household has negative income, but none of the other housing problems	190	0	0	0	190	75	0	0	0	75

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

Cost-burdened Households

Providing housing and support services are essential to meeting the fair housing needs of cost burdened households. Of the households reporting having a housing problem (13,380 renter and 4,814 owners), 70.2 percent report that the cost of housing continues to be the most significant problem they face. The second largest problem El Monte's households face is a housing cost burden at 30 percent (5,510 households). An overcrowded household comes in third, with 19 percent of households and severely overcrowded is reported as the fourth largest housing problem with 9 percent of households. Moreover, approximately 22.6% of the population live below the poverty line, a number that is higher than the national average of 13.1%. This group faces limited opportunities in housing choice and their needs must continue to be taken into consideration and addressed through the City's overall programs for housing affordability.

Table 2-8 Cost Burden Households (> 30% of household income)

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	2,660	1,880	935	5,475	485	835	760	2,080
Large Related	1,525	775	299	2,599	85	365	350	800
Elderly	1,390	365	134	1,889	455	165	155	775
Other	680	830	465	1,975	40	90	105	235
Total need by income	6,255	3,850	1,833	11,938	1,065	1,455	1,370	3,890

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

Table 2-9 Cost Burden Households (> 50% of household income)

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	2,355	565	55	2,975	460	615	325	1,400
Large Related	1,240	200	4	1,444	60	225	75	360
Elderly	1,045	90	15	1,150	270	60	75	405
Other	640	435	45	1,120	40	70	65	175
Total need by income	5,280	1,290	119	6,689	830	970	540	2,340

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

Substandard housing

Housing is considered substandard when conditions are found to be below the minimum standard of living conditions defined in Section 17920.3 of the California Health and Safety Code. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangement, due to threat to health and safety.

The City of El Monte has an older housing stock, which has a direct correlation with the amount and severity of housing rehabilitation needs. As a general rule, homes older than 30 years generally need repairs (e.g., new roof, plumbing, siding, etc.) and in some cases may require lead paint abatement. Homes

older than 50 years frequently need new electrical, plumbing, roofing, and other major subsystems. Homes older than 70 years, unless regularly maintained, require substantial rehabilitation. Approximately 80 percent of owner-occupied units and 83 percent of renter-occupied units are more than 30 years old, requiring some form of rehabilitation/ maintenance.

Homes built before or after certain dates are indicators of housing quality, because building codes have significantly changed over time. For example, homes built after 1971 typically have a greater level of seismic reinforcement, since they were built after seismic codes were changed following the Sylmar Earthquake. Homes built after 1978 also tend to have the least incidence of lead paint, a known health hazard for children. However, in both these cases, homes can be retrofitted to current standards.

According to the 2014-2018 ACS Data, 21,294 or 72 percent of units were built before 1980 and are at risk of lead-based paint hazard. Of those units, 8,476 or 70.9 percent of owner-occupied units and 12,819 or 72.84 percent of renter-occupied units are at risk of lead-based paint hazard, illustrating again that both owners and renters are equally vulnerable to LBP hazard. All contractors performing renovation, repair, and painting projects that disturb LBP in homes, childcare facilities, and schools built before 1978 must be certified and follow specific work standards to prevent lead contamination.

According to the 2013-2017 ACS, 76 units lacked complete plumbing facilities and 237 units lacked complete kitchen facilities in El Monte. At least 5 percent of single- and multiple-family homes require replacement and 10 percent need major repairs. Among mobile homes, an estimated 25 percent need repair or rehabilitation. Illegal garage conversions and second units are a significant issue. Many were built without building permits and do not meet current building, health, and safety codes. El Monte also understands that some need for an owner or rental rehabilitation may come from accessory dwelling units that may have been built without building permits, and do not meet current building, health, and safety codes. The City hopes that with recent state legislation passing on accessory dwelling units, residents will have an easier process to legalize their secondary units or build secondary units.

### Overcrowding

A persistent problem affecting fair housing choice is overcrowding. The U.S. Census defines overcrowding as at least 1.01 persons per room excluding kitchen, bathrooms, and hallways. Severe overcrowding is defined as more than 1.5 persons per room. Overcrowding is often an indicator of households that may be financially unable to obtain adequate space for their needs, or households that are required to house extended family members. It is not necessarily a reflection of inadequate physical conditions of the housing units themselves. The extremely low-income group is particularly prone to housing problems overcrowding, and thus requires special attention to make sure their fair housing needs are adequately addressed. The City is prepared to address these needs on a variety of levels, including its density bonus and second unit policies, preservation of Section 8, rehabilitation programs, and to encourage affordable housing development and activities.

Overcrowding occurs when a household is unable to afford a unit with suitable space to accommodate their household. Other situations (retirement, children moving back home, loss of job, etc.) can also result in housing problems. In these situations, a household can choose to either overpay for housing or find roommates in a small unit to afford housing, which can result in overcrowding. Like many other cities in California, the cost of housing continues to be a prevalent issue plaguing El Monte residents. One's

employment status, age, disability, family type, or other characteristics can lead to a more significant burden for payment and overcrowding.

Additionally, severe housing cost burden and overcrowding have a disproportionately greater effect on households making 0 - 30 percent AMI. As evidenced in Table 2-10, renters within the 0-30 percent AMI bracket, comprise almost half (44 percent) of the renters facing overcrowding.

Table 2-10 Overcrowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single-family households	1,595	985	540	170	3,290	84	200	155	79	518
Multiple, unrelated family households	240	315	330	60	945	0	90	175	175	440
Other, non-family households	35	0	4	0	39	4	0	0	4	8
Total need by income	1,870	1,300	874	230	4,274	88	290	330	258	966

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

Special Needs Housing

Special needs refer to the needs of population subgroups that have been identified by HUD as more commonly in need of housing assistance than the general population. Due to their economic, social, mental, and/or physical conditions, these populations have difficulty finding appropriate housing. These groups include:

- The elderly and frail elderly,
- Persons with disabilities,
- Persons with HIV/AIDS,
- Persons with alcohol or drug addictions; and
- Victims of domestic violence.

Additionally, individual regions often contain specific subgroups that face challenges unique to the region. This section is intended to identify the nature and extent of these needs as well as strategies being implemented to address these needs. Certain individuals and families in El Monte have greater difficulty in finding affordable housing due to their special circumstances. Special circumstances may be related to income, family characteristics, medical condition or disability, and/or household characteristics. A major emphasis of the Housing Element is to ensure that persons of all walks of life have opportunity to find suitable and affordable housing in El Monte. The City of El Monte's Housing Element defines special needs groups as the following: senior households, female-headed households, large families, disabled people, veterans, homeless people, and farm workers. These populations require housing and service support. The table below summarizes these special needs groups in the City and their housing status.

Table 2-11 Special Needs Group

Needs Group	Housing Needs	
	Number	Percent of Total
Senior Households	9,233	31.2%
Disabled Individuals	11,674	10.1%
Female Headed Households	5,772	19.4%
Large Families (with an AMI between 0-80%)	5,650	18.3%
Veterans	1,655	1.4%
Homeless People	428	<1%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2011-2015, American Community Survey, 2014-2018.

\*Note: Percentages may reflect either households or population at an individual level.

### *Seniors*

Senior households have special housing needs as a result of fixed/limited income, health care costs, and disabilities. Because of these needs, seniors often have greater difficulty finding suitable and affordable housing. Seniors may need to live near public transit and health care centers. Additionally, some may need to live in assisted living housing, have supportive services on-site or housing with handicap accessible features. With the aging of the baby boom generation, the number of seniors and elderly residents is anticipated to increase.

2014- 2018 ACS Estimates report that 12.6 percent of El Monte’s population is 65 years old or older, with 45.5 percent identified as male and 54.5 percent as female. Senior populations are also the second largest group of people living alone when compared to other one-person households, with a total of 1,894 households. Approximately half of the seniors living on their own are homeowners, while the other half are renters.

El Monte operates the Jack Crippen Senior Center, which serves as a meeting place and service center for seniors. The City provides property rehabilitation loans and other programs for seniors. The City also provides housing options for seniors, including 11 senior housing projects, ten skilled nursing facilities, and seven residential care facilities. Many of these projects also have on-site services, including assisted living, day care, health care, and other senior services.

### *Persons with Disabilities*

The City’s Housing Element defines a disability as having a mental, physical, mobility, or developmental disability. According to 2014- 2018 ACS Estimates, among the civilian noninstitutionalized population, 10.1 percent reported a disability. The likelihood of having a disability varied by age - from 3.5 percent of people under 18 years old, to 7.1 percent of people 18 to 64 years old, and to 38.7 percent of those 65 and over. Disabled persons may earn very low incomes or a fixed income, have higher health costs, and are often dependent on supportive services. As a result, supportive housing options, including group housing and shared housing, are essential means for meeting the needs of persons with disabilities. These housing choices include supportive services onsite to meet the social needs of persons with disabilities as well as physical accessibility features to meet the needs of those with mobility limitations.

The City enforces disabled accessibility requirements for new housing, allows residents to modify their homes to improve accessibility, and provides improvement and rehabilitation grants for homeowners. In many cases, however, disabilities could be mental or developmental in nature. For individuals requiring more specialized care, the City offers a range of group housing arrangements, including licensed community care facilities, alcohol and drug rehabilitation, and skilled nursing facilities.

#### *Persons with Developmental Disabilities*

According to Section 4512 of the Welfare and Institutions Code a "Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism.

Many persons with developmental disabilities can live and work independently within a conventional housing environment. Individuals who have more severe disabilities require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for those with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Gabriel/Pomona Regional Center is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. Information from the San Gabriel/Pomona Regional Center provides a closer look at the developmentally disabled population. According to the Regional Center, there are approximately 930 individuals (0.8 percent of the total population) diagnosed with a cognitive or developmental disability in the City of El Monte.

#### *Large Family Households*

El Monte is predominantly a family community. In recent years, soaring housing prices and rents have placed an increasing cost burden on families. Families earning low incomes experience high rates of overpayment today. Moreover, the City of El Monte is home to 5,772 female-headed families and 5,650 families of five or more members who fall in the 0-80 percent AMI bracket. Approximately 29 percent of all households in the city had 5 people or more and roughly 15 percent of the households were single person households. Single-parent and large households also have critical housing-related needs, with high levels of overpayment, lower incomes, and overcrowding.

The housing needs of families have commonalities, such as affordable childcare and affordable housing. Many residents rent housing because they cannot afford to buy quality housing. For those who rent, there is a limited choice of quality apartments. Similarly, the City does not currently have publicly subsidized rental housing for families. Although the County offers about 500 lower income households with rental vouchers, the waiting list is three times the number of units available.

### *Veterans*

2013- 2017 ACS Estimates report 1,665 veterans are residing in the City of El Monte. 50.6 percent of El Monte's veterans are over the age of 65, and 22.5 percent are between the ages of 35 and 64 years old. When looking at race, 62 percent or 1,034 veterans identify as "White alone" and 10 percent as "Asian alone." When looking at ethnicity, 50.5 percent or 841 veterans identified as Hispanic or Latino. When looking at education status, 34.9 percent of veterans identify as having "some college or associate degree," 31 percent identify with having a "high school graduate degree," and lastly, 19 percent have a "Bachelor's degree or higher."

Considering that 50 percent of El Monte's veterans are ages 65 or over, many veterans have similar needs as seniors, including affordable housing, onsite services, proximity to transit and health centers, as well as community care and skilled nursing facilities. Many veterans also experience high levels of post-traumatic stress disorders, injuries from service, and other conditions that can make it challenging for them to find a job post service. Veterans need access to mental health providers, affordable health care facilities, and educational advancement and workforce development services.

Veterans of foreign wars comprise a significant group in El Monte. The housing needs of the armed forces extend also to their families living in the states that need to maintain housing.

The Veterans Administration offers programs to help veterans find jobs, modify their homes, and obtain counseling and support. Housing programs include the Specially Adapted Housing Grants program, Guaranteed Home Loan, Independent Living Program, and the Home Improvement and Structural Alterations program. El Monte offers homebuyer down payment assistance and rehabilitation loan programs that could also be leveraged with VA programs to improve housing options for veterans. To date, Mercy Housing has provided 41 housing units to veterans in El Monte.

### *Homeless People*

Homelessness remains a significant crisis in California, with Los Angeles County experiencing the most significant number of homeless people in the State. El Monte is part of the countywide Los Angeles Continuum of Care (LACoC), which is coordinated by the Los Angeles Homeless Services Agency (LAHSA), a joint powers authority. LAHSA works with Cities to provide services throughout the County. According to LAHSA, the number of individuals experiencing homelessness in Los Angeles County increased by 44 percent from 33,243 in 2010 to 58,936 in 2019. Eviction, foreclosure, unemployment, rent increases, and substance abuse issues are some reasons for the rise in homelessness in the County. Governor Newsom's proposed 2020-21 Governor's Budget would offer more than \$1 billion to fight homelessness, including \$750 million allocated towards housing and services, and a significant new investment to reform Medi-Cal so that health providers transform health care to deliver integrated physical and behavioral health.

Los Angeles County is divided into eight Service Planning Agencies (SPAs). El Monte is located within SPA 3, which includes the City of Pasadena, Arcadia, Alhambra, Diamond Bar, Pomona, Azusa, Altadena, Baldwin Park, and others. According to the 2019 Greater Los Angeles Homeless Count for Service Planning Area (SPA) 3, there are a total of 4,489 homeless people. 1,197 (27 percent) are estimated to be sheltered, and 3,292 (73 percent) are expected to be unsheltered. The number of homeless people in SPA 3 has increased by 25 percent since 2018. It is estimated that approximately 616 (14 percent) are part of a family, with a significant increase in percent change from 2018, by 33.6 percent.

The LAHSA Homeless Count data reports a decrease in homelessness in El Monte, from 517 people in the year 2018 to 428 people in 2019. Health and mental health services are provided to homeless people in El Monte by using the City's police department, as well as its TOUCH program and HOST program. Family Promise of San Gabriel Valley and Operation Healthy Hearts provide employment services to people who are at risk or are currently experiencing homelessness in El Monte.

In June 2018, the City of El Monte also adopted a "Plan to Prevent and Combat Homelessness." Part of the plan assesses City-level data from the regional Coordinated Entry System (CES) about El Monte's homeless population between July 2016 and November 2017. The data indicates that 55 percent of the City's homeless reported being homeless 1-2 years and 24 percent for two or more years. Additionally, 39 percent reported chronic health issues related to the liver, kidneys, stomach, lungs, or heart, and 23 percent reported a mental health issue. The City intends to take that are listed within its Homeless Plan include:

- Explore funding allocations to outreach activities, including to fund prevention services (e.g., through L.A. County's 211 health and human services program).
- Explore feasibility of additional services capacity at the shelter site including medical and mental health services.

El Monte's Homelessness Plan also includes a goal to "expand access to workforce development and employment programs." Actions for that goal include:

- Employ CalWORKS-Subsidized Program participants in City assignments.
- Recruit a percentage of homeless or formerly homeless individuals for City assignments.
- Engage local business groups, business owners, and those doing business with the City to encourage participation in workforce development programs and job placement

### *Domestic Violence*

People facing domestic violence include those facing dating violence, sexual assault, and stalking. According to the National Coalition of Against Domestic Violence, more than 30 percent of women and 27 percent of men in the State of California have experienced some form of domestic violence in their lifetime. Additionally, 2019 LAHSA Homeless Count data identifies that within Service Planning Area (SPA) 3, where the City of El Monte is located, 38 percent of the homeless population (over the age of 18) have experienced domestic or intimate partner violence, and of that population 9 percent report being homeless due to fleeing those forms of violence. The Family Violence Prevention and Services Act (FVPSA), the Violence Against Women Act (VAWA), and the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act create federal protections and support lifesaving programs for victims of domestic violence, sexual assault, dating violence, and stalking. These advocates identify housing as a primary need of victims and a critical component in survivors' long-term safety and stability.

### *Farmworkers*

The State of California also recognizes the special housing needs of farmworkers, in particular migrant farm laborers earning very low incomes. The transitory nature of the labor force, the need for affordable housing, the unique educational needs, and the impact on the stability of children's lives make this group particularly vulnerable. The State of California also recognizes the special housing needs of farmworkers, in particular, migrant farm laborers earning very low incomes. 2013- 2017 ACS Estimates for the workforce in the agriculture, forestry, fishing and hunting, and mining industry estimate 345 civilians employed, the

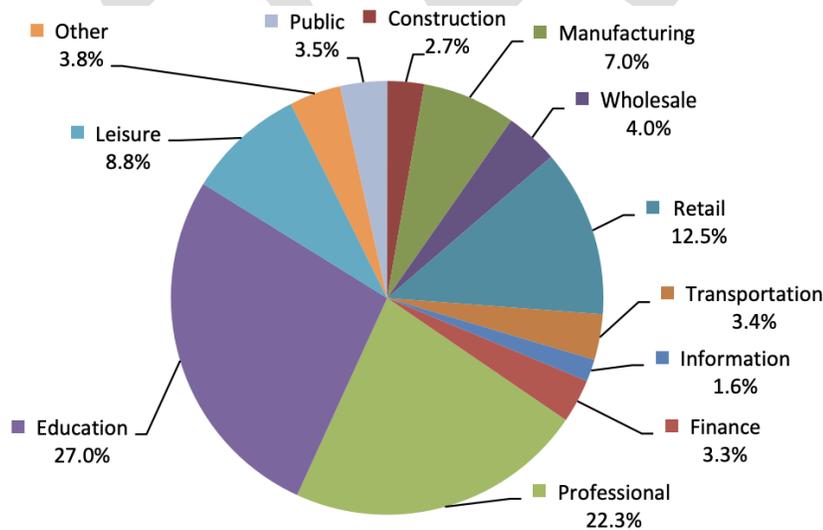
majority (68 percent) of whom are male. Their housing needs can best be met through existing permanent affordable rental housing in the community.

### Employment Data

Local economic characteristics, although not directly related to fair housing, influence local housing needs. Employment opportunities in El Monte determine, in part, the demand for different types of housing, as does the income earned by households. According to the 2014-2018 American Community Survey there are approximately 51,496 residents aged 16 or older that are employed and over this five-year period, the City's unemployment rate hovered around 4 percent. However, with significant layoffs from COVID-19 related shutdowns, the unemployment rate in the City has shot up to 23.4 percent in July 2020.

El Monte has several major employment districts—Flair Business Park, the Greater Downtown, Auto District, and the Northwest Industrial District. Major employers in Flair Park include the Wells Fargo Bank, governmental employers (state and county government), Cathay Bank, and others. In the Greater Downtown, the major employers include the Superior Court, El Monte school district offices, Longo Toyota-Lexus, and other auto dealers. In recent years, however, a significant number of heavy manufacturers have left El Monte, particularly from the Northwest Industrial District. Major employers that have left El Monte include St. Gobains (glass manufacturer), Crown Plating (metal plating), Howard's, Clayton Industries (boiler manufacturer), and Navcom (defense industry components). Between 2007 and 2017, the number of manufacturing jobs in the city decreased by 45.9 percent. New or expanded businesses include Sam's Club, Cathay Bank, and Vons. Below is occupation data for El Monte.

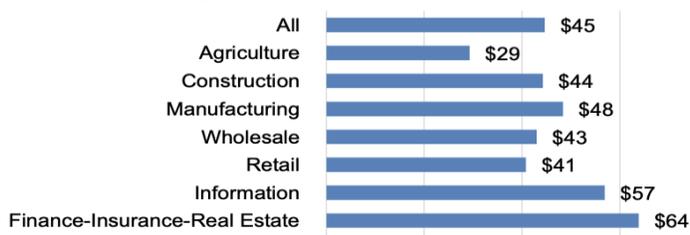
Chart 2-12 Top Jobs by Sector



Sources: California Employment Development Department, 2018; InfoGroup; & SCAG

In 2017, the Education sector was the largest job sector, accounting for 27 percent of total jobs in the city. Other major sectors included Professional (22.3 percent), Retail (12.5 percent), and Leisure (8.8 percent).

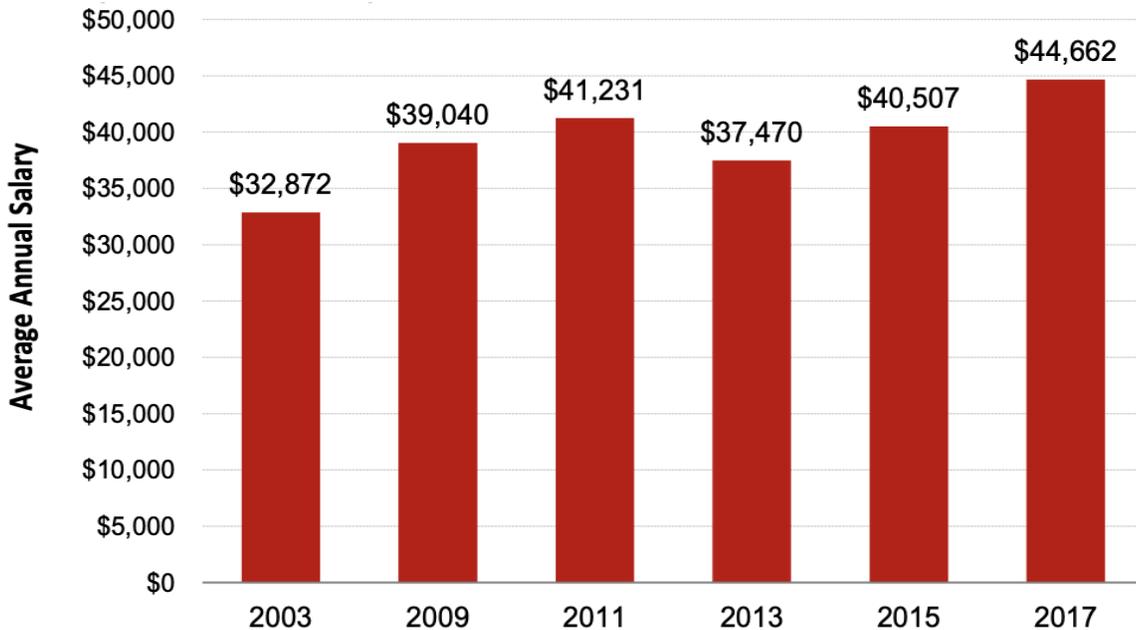
Chart 2-13 Average Annual Salary by Sector



Source: California Employment Development Department, 2018.

In 2017, the employment sector providing the highest salary per job in the city was Public Administration (\$93,786). The Leisure/Hospitality sector provided the lowest annual salary per job (\$18,510).

Chart 2-14 Average Annual Salary 2003-2017



Source: California Employment Development Department, 2003-2017

Note\* Dollars are not adjusted for annual inflation.

Average salaries for jobs located in the city increased from \$32,872 in 2003 to \$44,662 in 2017, a 35.9 percent gain.

## Transit System

Public transit information is important to the Analysis of Impediments to fair housing, as access to public transit is of paramount importance to households affected by low incomes and rising housing prices. Public transit should link lower-income persons, who are often transit-dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage rates and

increase housing mobility, which enables residents to locate housing outside of traditionally low- and moderate-income neighborhoods. The lack of a relationship between public transit, employment opportunities, and affordable housing could impede fair housing choice because persons who depend on public transit will have limited choices regarding places to live. In addition, elderly and disabled persons often rely on public transit to visit doctors, go shopping, or attend activities at community facilities. Public transit that provides a link between job opportunities, public services, and affordable housing helps to ensure that transit-dependent residents have adequate opportunity to access housing, services and jobs.

To help implement the vision for a sustainable, transit-oriented future, the Southern California Association of Governments (SCAG) is partnering with El Monte to apply for the High Quality Transit Area (HQT) Analysis Project, to develop HQT Vision Plans that will identify active transportation improvements, redevelopment strategies, and implementation plans to help communities take full advantage of the transit investment, and tap into regional and state funding opportunities and technical support. The overall goal will be to develop plans that reduce greenhouse gas emissions and vehicle miles traveled.

The City of El Monte operates its own in-town transit system. Previously known as "the El Monte Trolley Company", El Monte Transit operates ultra-low floor transit buses on five fixed routes that provide transportation for residents to most major shopping areas, recreation facilities and most schools within the city. The City of El Monte Commuter Shuttles are Metrolink "free transfer" eligible routes with a valid Metrolink Ticket or Pass. The City's Transportation Division offers both a shared curb-to-curb service for senior citizens ages 65 and older and/or those who are disabled and live in El Monte, and a fixed-route service. Fare is only .50 cents per ride. Hours of operation are Monday-Friday 6:00 am to 7:15 pm and Saturday-Sunday 9:20 am to 6:35 pm. The City of El Monte also provides subsidized bus passes to its residents. Below are other transit programs targeting protective classes:

#### *Senior Transportation*

Transportation Service for participants of the Community and Senior Services Division Nutrition Program is Monday through Friday at the Jack Crippen Multipurpose Senior Center. Reservations must be made 24 hours in advance. Transportation for Bingo and other special Community and Senior Services Division events are also available.

#### *Dial-A-Ride*

The City of El Monte offers a Dial-A-Ride service for seniors (55 years and older) and disabled residents (any age) of El Monte. This transportation program is a "shared ride" service. The Dial-A-Ride Program operates within the city limits of El Monte only, with the exception for medical or governmental appointments (within a five-mile radius). The City of El Monte's Dial-A-Ride Program is designed to assist our senior and disabled residents with their transportation needs.

## **Section 8 Housing Programs**

The Section 8 Housing Choice Voucher program is a rent subsidy program that helps low-income (up to 50% of AMI) families and seniors pay rents in private units. Voucher recipients pay a minimum of 30% of their income toward their contract rent, and the local housing authority pays the difference through federal funds up to the payment standard (fair market rent) established by the housing authority, as

shown below in table 2-15. Any amount in excess of the payment standard is paid by the voucher recipient.

Table 2-15 Fair Market Rates and Housing Choice Voucher Payment Standards

	Studio	One BR	Two BR	Three BR	Four BR
Fair Market Rent	\$1,279	\$1,517	\$1,956	\$2,614	\$2,857
Payment Standard Range	\$1,151 to \$1,407	\$1,365 to \$1,669	\$1,760 to \$2,152	\$2,353 to \$2,875	\$2,571 to \$3,143

Source: Affordable Housing Online El Monte, 2020.

<https://affordablehousingonline.com/housing-search/California/El-Monte>

On average, Section 8 Housing Choice vouchers pay El Monte landlords \$1,000 per month towards rent. The average voucher holder contributes \$500 towards rent in El Monte. The maximum amount a voucher would pay on behalf of a low-income tenant in El Monte, California for a two-bedroom apartment is between \$1,760 and \$2,152

The City of El Monte does not own public housing. The City works in close collaboration with the Housing Authority of Los Angeles County and Baldwin Park Housing Authority to provide public housing within the City. El Monte will continue to work independently and closely with the HA and local nonprofits to provide assistance to low-income families. As population demographics continue to change, the City will continue to work with the county housing authority and local (and regional) nonprofits to develop affordable housing projects in El Monte.

The Baldwin Park Housing Authority administers the housing voucher rental choice program for El Monte. Funded by the U.S. Department of Housing and Urban Development, the housing voucher program extends rental subsidies to very low income households by offering the tenant a voucher that pays the difference between the current fair market rent (FMR) established by the housing authority and 30 percent of the tenant’s income. The voucher is accepted on a voluntary basis by the landlord. A tenant may choose housing that costs more than the FMR if the tenant pays the extra rent. In some cases, rental assistance is needed on a shorter-term basis to prevent homelessness. In these cases, the City also provides rental assistance to local service agencies.

The HA offer rental assistance in the form of housing vouchers to very low-income households in El Monte. However, the waiting list is long and vouchers are available for only one of every three eligible households. Seniors and disabled people have preference, but the remaining disproportionate need is for affordable rental housing for families with children. El Monte has a severe need for subsidized apartments suitable for families with children.

**Affordable Housing Projects**

Apartment projects can receive housing assistance from a variety of sources to ensure that rent is affordable for lower-income households. In exchange for public assistance, owners are typically required to reserve a portion or all of the units as affordable housing for lower-income households. The length-of-use restrictions are dependent on the funding program.

El Monte has 21 affordable housing projects, shown below, that provide subsidized, low-cost housing for more than 1,100 renter households. Table 2-16 summarizes publicly subsidized affordable rental housing projects in El Monte.

Table 2-16 Affordable Housing Projects

#	Project Name	Address	Phone Number	Total Units	Unit Type
1	Blessed Rock of El Monte	4111 Tyler Ave.	(626) 448-2688	138	Senior
2	Casa De Esperanza	12000 Denholm Dr	(626) 444-8943	8	Disabled
3	CherryLee Apartments	11620 CherryLee Dr	(626) 443-4646	75	Senior
4	Flamingo Gardens	3711 Cogswell Rd	(626) 443-3285	58	Senior
5	Garvey Court	10117 E. Garvey Ave	(626) 444-4960	62	Senior
6	Ramona Property Managers, Inc.	3537 & 3541 Meeker Ave	(626) 448-7882	2 SFR*	Family
7	Ramona Property Managers, Inc.	11338 McGirk St	(626) 448-7882	1 SFR*	Family
8	Pacific Towers	10450 E. Valley Blvd	(626) 279-5255	100	Senior
9	Palm Garden Apartments	10310 Valley Blvd	(626) 279-1858	89	Senior
10	Rio Hondo Community Develop.	11154 Bonwood Rd	(626) 401-2784	4	Family
11	Rio Hondo Community Develop.	11332 & 11332 ½ Coffield Ave	(626) 401-2784	2 SFR*	Family
12	Rio Hondo Community Develop.	3850 Penn Mar Ave	(626) 401-2784	18	Family
13	Rio Hondo Community Develop.	4400, 4402 & 4406 Maxson Rd	(626) 401-2784	3 SFR*	Family
14	Singing Wood Apartments	10124 Valley Blvd.	(626) 453-0597	110	Senior
15	Telacu Amador Manor Apartments	3436 N. Tyler Ave	(626) 448-5463	70	Senior
16	Telacu El Encanto	3843 Maxson Road	(626) 401-3262	71	Senior
17	Villa Raintree	11905 Ferris Road	(626) 448-9105	70	Senior
18	El Monte Veterans Village	11240 Ramona Blvd	(626) 377-9901	40	Veteran
19	Tyler Court Apartments	3348 Tyler Ave	(626) 758-1160	20	Senior
20	The Exchange at Gateway	10562 Santa Fe Drive	(626) 478-0760	132	Family
21	Palo Verde	4704 Peck Road	(323) 454-6212	48	Family/Veterans

Source: City of El Monte, 2019.

Upcoming Affordable Housing Project:

- Baldwin Rose - Mercy Housing 4102-4156 Baldwin Avenue El Monte, CA 91731 ~ 54 Total Units (22 units reserved for Veteran households experiencing homelessness, and 32 units for low income Veteran households)

Map 2-17 of Affordable Housing Projects



Source: City of El Monte, 2019.

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### Section 3

## MORTGAGE LENDING PRACTICES

A key aspect of fair housing choice is equal access to credit for the purchase or improvement of a home. Lending policies and requirements related to credit history, current credit rating, employment history, and the general character of applicants permit lenders to use a great deal of discretion and in the process deny loans even though the prospective borrower would have been an acceptable risk. This section reviews the lending practices of financial institutions and the access to home loans for ethnic minorities of all income groups.

### Background

Discriminatory practices in home mortgage lending have evolved in the past five to six decades. In the 1940s and 1950s, racial discrimination in mortgage lending was easy to spot. From government-sponsored racial covenants to the redlining practices of private mortgage lenders and financial institutions, ethnic minorities were denied access to home mortgages in ways that severely limited their ability to purchase a

home. During the rise of the subprime loan market,<sup>2</sup> discriminatory lending practices became more subtle. By employing high-pressure sales practices and deceptive tactics, some mortgage brokers pushed minority borrowers into high-cost subprime mortgages that were not well suited to their needs and led to financial problems. According to 2007 HMDA data, four of every ten home purchase mortgages issued to minorities in 2006 were subprime loans - twice the number of subprime loans issued to White borrowers. The pattern and trend of subprime rate lending led to high-cost (subprime) loans and foreclosures being concentrated in low-income minority neighborhoods.<sup>3</sup>

## Legislative Protection

In the past, fair lending practices were not always employed by financial institutions. Credit market distortions and other activities such as redlining prevented some groups from enjoying equal access to credit. The passage of the Community Reinvestment Act (CRA) in 1977 was designed to improve access to credit for all members of the community. The CRA is intended to encourage regulated financial institutions to help meet the credit needs of entire communities, including low- and moderate-income neighborhoods. The CRA requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically. That record is taken into account in considering an institution's application for deposit facilities, including mergers and acquisitions.

In tandem with the CRA, HMDA, initially enacted in 1975 and substantially expanded in 1989, required banks to disclose detailed information about their mortgage lending. The law aimed to curb discrimination in such lending and to create more equal opportunity to access credit. The disclosure requirement compelled banks, savings and loan associations and other lending institutions to report annually the amounts and geographical distribution of their mortgage applications, origins, and purchases disaggregated by race, gender, annual income and other characteristics. The data, collected and disclosed by the Federal Financial Institutions Examination Council (FFIEC), were made available to the public and to financial regulators to determine if lenders were serving the housing needs of the communities where they were located.

The FFIEC data provide some insights regarding the lending patterns that exist in a community. However, the data are only an indicator of potential problems; the data lack the financial details of the loan terms to enable definite conclusions about redlining or discrimination.

## Availability of Financing

Mortgage interest rates have a large influence over the affordability of housing. Increases in interest rates decrease the number of persons able to afford a home purchase. Decreases in interest rates result in more potential homebuyers introduced into the market.

National policies and economic conditions determine interest rates, and there is little that local governments can do to affect these rates. Jurisdictions can, however, "leverage" funds by offering interest

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<sup>2</sup>TD Bank Corp. (2007, April 30). *A Primer on the U.S. Sub-Prime Market*. The subprime mortgage market ballooned in 2005 and 2006 to 20 percent–25 percent of all new mortgages, capturing more than twice the market share seen over the prior 10 years.

<sup>3</sup>Joint Center for Housing Studies of Harvard University. (2009). *The State of the Nation's Housing 2009*.

rate write-downs to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage down payment requirements.

First time homebuyers are the most impacted by financing requirements. As of January 2020, mortgage interest rates for new home purchases in California ranged from 2.88% - 5.88% with an average rate of 3.41% for a fixed rate 15-year mortgage. Lower initial rates may be available with Graduated Payment Mortgages (GPMs), Adjustable Rate Mortgages (ARM’s), and Buy-Down Mortgages. However, variable interest rate mortgages on affordable homes may increase to the point that interest rates exceed the cost of living adjustments, which is a constraint on affordability. Although interest rates are currently low, they can change significantly and substantially impact the affordability of the housing stock.

Interest rates in 2020 are not a constraint to affordable housing; however more strict lending standards could pose a constraint to affordable housing. An increase of one percentage point can make a monthly payment out of reach for many lower income households. As such, financing for long term mortgages is generally available in El Monte, subject to normal underwriting standards.

A more critical impediment to homeownership involves both the affordability of the housing stock and the ability of potential buyers to fulfill down payment requirements. Typically, conventional home loans will require 80% loan-to-value and represents the largest constraint to homebuyers. Other programs, such as those for first-time homebuyers, can find down payment requirements between 5% and 20%.

One of the greatest impediments to homeownership, however, is credit worthiness. According to the Federal Housing Authority, lenders consider a person’s debt-to-income ratio, cash available for down payment, and credit history, when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit rating. Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower-income residents, who have fewer financial resources with which to qualify for a loan. The FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to re-establish a good credit history.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to report lending activity by census tract. The data below in Table 3-1 presents the disposition of home conventional home purchase loan applications in 2016 by income of the applicants for the Los Angeles – Long Beach – Glendale MSA, which includes the City of El Monte. Table 3-2 Summarizes the findings.

Table 3-1 Disposition of Conventional Home Purchase Loan Applications

Race	>50% MSA Median		50-79% MSA Median		80-99% MSA Median		100-119% MSA Median		120% or More of MSA Median	
	Applications	Originated	Applications	Originated	Applications	Originated	Applications	Originated	Applications	Originated
Loans										
American Indian	3	0	18	5	34	17	33	26	165	108
Asian	157	74	621	407	845	600	1,093	768	11,183	7,906

Black	30	11	170	73	261	134	286	182	1,540	971
Native Hawaiian	9	2	30	15	26	17	36	24	314	217
White	545	213	2,039	1,103	2,732	1,758	3,138	2,124	33,621	32,845
2 or More Minority Races	0	0	4	2	4	4	2		58	37
Joint (White/Minority Race)	3	1	19	10	38	24	50	39	1,906	1,356
Race Not Available	80	21	305	134	420	236	507	317	7334	4,822

Home Mortgage Disclosure Act (HMDA), Accessed in July 2020.

Note: "Originated" refers to loans approved by the lender and accepted by the applicant.

Table 3-2 Summary of Conventional Home Purchase Loan Applications

Applicant Income	Total Applications	Percent Originated	Percent Denied
Very Low Income (<50% MSA/MD Median)	827	39%	36%
Low Income (50-80 MSA/MD Median)	3,206	55%	20%
Moderate Income (80-120% MSA/MD Median)	9,505	66%	12%
Upper Income (>120% MSA/MD Median)	56,121	70%	10%

Source: Home Mortgage Disclosure Act (HMDA), Accessed in July 2020.

In total 72,290 applications were received, and 49,217 conventional home purchase loans were issued in 2016. The data includes purchases of one to four-unit homes as well as manufactured homes. Over 75% of the loan applications were received from upper-income households or above (earning greater than 120% of Median Family Income [MFI]). The overall loan origination rate decreased as income decreased.

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions. Through analysis of HMDA data on the disposition of residential loan applications, an assessment can be made of the availability of residential financing within a community.

Under HMDA, lending institutions are required to disclose information on the disposition of loan applications as well as the income, gender, and race of loan applicants.

## Subprime Lending

According to the Federal Reserve, *prime* mortgages are offered to persons with excellent credit and employment history and income adequate to support the loan amount. *Subprime* loans are loans to borrowers who have less-than-perfect credit history, poor employment history, or other factors such as limited income. By providing loans to those who do not meet the credit standards for borrowers in the prime market, subprime lending can and does serve a critical role in increasing levels of homeownership. Households that are interested in buying a home but have blemishes in their credit record, insufficient credit history, or nontraditional sources of income might otherwise be unable to purchase a home. The subprime loan market offered these borrowers opportunities to obtain loans that they would be unable to realize in the prime loan market.

Subprime lenders generally have interest rates that are higher than those in the prime market and often lack the regulatory oversight required for prime lenders because they are not owned by regulated financial institutions. In the past decade, however, many large and well-known banks became involved in the subprime market either through acquisitions of other firms or by directly initiating loans that were subprime.

Most subprime loans provide families with payments for the first couple of years at a low “teaser” rate. After that, the loans reset every six months or year to a higher, fully indexed rate, which can cost borrowers hundreds of extra dollars each month.<sup>4</sup> This extra expense has increased the housing cost burden of many families and ultimately resulted in foreclosed homes for many.

Although subprime lending cannot in and of itself be equated with predatory lending, studies have shown a high incidence of predatory lending in the subprime market.<sup>5</sup> Unlike in the prime lending market, overly high approval rates in the subprime market are a potential cause for concern when the target clients are considered high-risk. Many large banks have also been involved in the subprime market but are not identified as subprime lenders exclusively. The FFIEC data does not provide information on which loans were subprime loans. As such, analysis on this topic is difficult.

### **Predatory Lending**

With an active housing market, potential predatory lending practices by financial institutions could arise. Predatory lending involves abusive loan practices usually targeting minority homeowners or those with less-than-perfect credit histories. The predatory practices typically include high fees, hidden costs, unnecessary insurance, and larger repayments due in later years. One of the most common predatory lending practices is placing borrowers into higher interest rate loans than called for by their credit status. Although the borrowers may be eligible for loans in the prime market, they are directed into more expensive and higher fee loans in the subprime market. In other cases, fraudulent appraisal data is used to mislead homebuyers into purchasing overvalued homes, or fraudulent or misrepresented financial data is used to encourage homebuyers into assuming a larger loan than can be afforded. Both cases almost inevitably result in foreclosure.

In recent years, predatory lending has also penetrated the home improvement financing market. Seniors and ethnic minority homeowners are the usual targets. In general, home improvement financing is more difficult to obtain than home purchase financing. Many homeowners have a debt-to-income ratio that is too high to qualify for home improvement loans in the prime market and become targets of predatory lending in the subprime market. Seniors are often swindled into installing unnecessary devices or making unnecessary improvements that are bundled with unreasonable financing terms.

Predatory lending is a growing fair housing issue. Predatory as well as discriminatory lending is addressed under the Fair Housing Act of 1968, which requires equal treatment in the terms and conditions of housing

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<sup>4</sup>Christie, L. (2007, March ). Subprime risk: Most vulnerable markets .2.2 million homeowners are endangered by the subprime crisis. Which markets may be hardest hit? *CNN Money*.

<sup>5</sup>California Reinvestment Committee. (2001, November). *Stolen Wealth: Inequities in California's Subprime Mortgage Market*.

opportunities and credit regardless of race, religion, color, national origin, family status, or disability. This applies to loan originators as well as the secondary market. The Equal Credit Opportunity Act of 1972 requires equal treatment in loan terms and availability of credit for all of the above categories, as well as age, sex and marital status. Lenders that engage in predatory lending would violate these acts if they were to target ethnic minority or elderly households to buy higher-priced and unequal loan products, treat loans for protected classes differently than those of comparably creditworthy White applicants, or have policies or practices that have a disproportionate effect on the protected classes.

Data available to investigate the presence of predatory lending are extremely limited. At present, the FFIEC data are the most comprehensive available for evaluating lending practices. However, as discussed before, the FFIEC data lack the financial details of the loan terms to conclude any kind of predatory lending. Efforts at the national level for increased reporting requirements in order to curb predatory lending are ongoing.

Predatory lending and unsound investment practices have resulted in a credit crunch that has spread well beyond the housing market and is now affecting the cost of credit for local government borrowing, as well as local property tax revenues. To curb the future negative impact of predatory lending, in June 2009 the Governor of California signed into law Assembly Bill 260, reforming mortgage lending and specifically banning predatory lending practices. The legislation created a fiduciary duty standard for mortgage brokers, eliminated compensation incentives that encourage the steering of borrowers into risky loans, and established regulations on prepayment penalties.<sup>6</sup>

### **State and Federal Programs**

The Federal “Mortgage Reform and Anti-Predatory Lending Act of 2007” (H.R. 3915) establishes reforms to protect consumers from predatory lending practices. The Act creates a licensing system for residential mortgage loan originators, establishes a minimum standard requiring that borrowers have a reasonable ability to repay a loan, and attaches a limited liability to secondary market securities. The Act also expands consumer protections for “high-cost loans,” includes protections for renters of foreclosed homes, and establishes an Office of Housing Counseling through HUD.

In February 2011, CalHFA launched the Keep Your Home California program using \$2 billion in federal funds from the 2008 rescue of the financial system. State officials hope to fend off foreclosure for about 95,000 borrowers and provide moving assistance to about 6,500 people who do lose their homes. As of April 2014, over 38,500 applicants had qualified for assistance. The program is limited to low and moderate-income households (up to 120 percent AMI), and the maximum benefit is \$100,000 for any household.

In February 2012, President Obama obtained approval from the U.S. Congress for \$5 to \$10 billion in financial aid to assist approximately 3.5 million distressed homeowners refinance debt-ridden mortgages. The proposed program is targeted to “underwater” homeowners that have stayed current on their mortgage payments but are unable to refinance under historically low interest rates as they owe more on their mortgage than their home is worth. Unlike the current federal Making Your Home Affordable programs that require loans to be backed or owned by Fannie Mae, Freddie Mac or FHA, the new program

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<sup>6</sup>State of California, AB 260

would be expanded to underwater homeowners whose loans are owned by banks or investors. Eligibility under the program includes:

- Six months of current on mortgage payments, with no more than one missed payment in the previous six months;
- Minimum credit score of 580;
- No more than 40 percent underwater on the loan; and
- Limited to mortgages below FHA's conforming loan limits (\$729,750 in Southern California).

The California Homeowners Bill of Rights, signed into law by Governor Jerry Brown, went into effect in January 2013. According to former Attorney General Kamala Harris, the Bill of Rights "prohibits a series of inherently unfair bank practices that have needlessly forced thousands of Californians into foreclosure." This legislation will make the mortgage and foreclosure process fairer and more transparent, which will benefit homeowners, their community, and the housing market as a whole. The primary tenets of the Homeowners Bill of Rights include:

- Restriction of Dual-Tracking - Dual tracking is when a lender proceeds in taking two simultaneous, yet inconsistent actions against a borrower, in this case, the foreclosure process and loan modification review.
- Single Point of Contact - Guarantees borrowers a single point of contact at their lender/servicer in regard to the foreclosure process or loan modification process.
- Ending "Robo-Signing" - Requiring a live person to verify whether a bank has the right to foreclose before foreclosure proceedings can begin.

## Section 4

# PUBLIC POLICIES AND PRACTICES

Public policies established at the state, regional and local levels can affect housing development and therefore could have an impact on the range of housing choices available to residents. This section discusses the various public policies that might influence fair housing choice in the city of El Monte.

### Public Policy

Public policies established at the state, regional and local levels can affect housing development and therefore could have an impact on the range of housing choices available to residents. This section discusses the various public policies that might influence fair housing choice in the City of El Monte.

Land use policies are fundamental to ensuring housing opportunities. The El Monte General Plan and the Zoning Ordinance regulate the amount, location, type and density of housing in the City of El Monte. Land use policies that do not promote a variety of housing options can impede housing choice.

Development standards include zoning ordinances, subdivision ordinances, and building code requirements. The most far-reaching constraints are those contained in a city's zoning ordinance, which is the most traditional tool used by a local jurisdiction to regulate the use of private land. Zoning regulates the use; density; floor area; setbacks; parking; and placement and mix of residential, commercial, and industrial projects to reflect the community's development goals and objectives.

### Housing Element

The Housing Element is one of seven mandated elements of El Monte's General Plan. Enacted in 1969, and revised in 2008 by Senate Bill Number 2, housing element law requires that local governments adequately plan to meet the existing and projected housing needs of all economic segments of their community.

Assembly Bill 686 (AB 686) which became law January 1, 2019 creates a duty to affirmatively further fair housing (AFFH) by requiring all federal agencies, including HUD, and their funding recipients to take steps to proactively address segregation in programs and activities related to housing and community development. In 2015, HUD issued a regulation requiring local governments receiving federal funds (e.g., Community Development Block Grants) and public housing authorities to complete an Assessment of Fair Housing as a condition of receiving HUD funds. The regulation required local governments and housing authorities to identify the policies, practices, or conditions that shaped disparities in access to housing and broader opportunities experienced by communities of color, persons with disabilities, and other groups protected by the Fair Housing Act ("protected groups"). More importantly, the regulation mandated that local governments and housing authorities identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected groups.

According to California state law, the housing element of any community's general plan is required to be reviewed by the state's Housing and Community Development (HCD) to assure compliance with housing

laws. An important criterion of HCD approval of any housing element includes a determination that the local jurisdiction's policies do not unduly constrain the maintenance, improvement and development of a variety of housing choices for all income levels.

The current El Monte Housing Element identifies strategies and programs that focus on:

- Promoting sufficient housing to meet the diverse housing needs of all economic segments of the present and future City of El Monte;
- Preserving existing housing stock within areas for which a desirable living environment can be provided; to promote conversion of such residential areas for which a desirable living environment cannot be sustained; and
- Providing adequate shelter opportunities and assistance programs for those families and individuals who are either homeless or are at risk of becoming homeless.

To implement these policies, the Housing Element contains different housing programs designed to support and implement the City's housing goals. Where relevant to this Analysis of Impediments Report, housing programs which affect fair housing are described.

### **Regional Housing Needs Assessment (RHNA)**

These goals accommodate the City's designated Regional Housing Needs Assessment (RHNA) allocation. The RHNA is not a mandate to construct the full number of housing units assigned to the jurisdiction. However, the City is obligated to make a "good faith effort" to accommodate the RHNA housing needs, and that the zoning code is permissive with respect to allowing construction of a variety of housing types to meet the special needs of the population.

The RHNA establishes two important parameters for future planning: the "short-term housing construction need" during the planning period which consists of the level of construction necessary to meet the housing needs of the projected population growth for the jurisdiction and takes into account adjustments to meet desired vacancy rates and anticipated housing demolitions; and the "fair share distribution of housing needs among income groups," which is the future housing need for the planning period distributed among the four income categories of very-low, low, moderate and above-moderate income.

Every five years, California law requires cities to plan to accommodate population and employment growth in their community through implementing responsive housing policies and programs. To assist in that effort, the Southern California Association of Governments (SCAG) prepares housing construction needs goals for each city in southern California as part of the Regional Housing Needs Assessment (RHNA). All local governments, including El Monte, are required to set aside sufficient land, adopt programs, and provide funding, to the extent feasible, to facilitate and encourage housing production commensurate with that need.

Total "housing construction need" comprises three components: 1) the number of housing units needed to accommodate future population and employment growth; (2) an additional allowance to allow for the replacement of demolished units and normal vacancy rates; and (3) a fair adjustment that determines

housing need by different affordability levels. The following discusses the specifics of each factor in El Monte.

### ***Population and Job Growth***

The first component of construction need represents the number of units needed to accommodate new households forming as a result of population and employment growth. El Monte's housing need is based on SCAG's regional growth forecast adopted in the 2012-2035 Regional Transportation Plan (RTP). The household growth component is determined by calculating the expected population growth that will occur in El Monte from 2014 to 2021. The majority of population growth will occur as a result of housing projects built in the downtown, along corridors, and as infill within neighborhoods. Job growth is an important factor because it creates an additional demand for new housing in a community. The RTP projects that El Monte's job base will increase by 2,000 jobs over the next 20 years.

The City's General Plan projects growth in the El Monte Gateway, Flair Business Park, Northwest Industrial District, and El Monte Downtown. The El Monte Gateway EIR projects an increase of 2,500 to 3,000 new jobs over buildout, with much larger increases slated for Flair Park and Northwest Industrial District.

### ***Housing Factors***

The RHNA goal for new construction incorporates additional units to accommodate two factors in the housing market. First, the housing market requires a certain number of vacant units to allow for sufficient choice for consumers, maintain rents and prices at adequate levels, and encourage normal housing maintenance and repair. For the latest RHNA cycle in the SCAG region, "healthy market vacancy" rates were estimated to be 1.5% for owner occupied housing and 4.5% for rental housing.

SCAG also adjusts the construction need goal to replace housing units lost from residential uses. Over time, the City of El Monte can expect that a certain number of housing units will be lost due to demolition, fire, conversion to nonresidential uses, recycling to other uses, or a variety of other reasons. Therefore, SCAG adjusts the City's housing production goals by a standard "replacement factor," which is based on the historical rate of units lost to demolition in each community.

### ***Fair Share Factor***

El Monte's construction need represents the total construction need to accommodate expected population and employment growth, while accommodating a normal amount of vacancies and replacement units. This need is further divided into four household income categories defined by state law. These include:

- Extremely low: households earning 30 percent or less of CMFI, that is, a maximum income of \$25,300 for a household of four.
- Very low: households earning 31 to 50 percent of CMFI, or a maximum income of \$42,150 for a household of four.
- Low: households earning 51 to 80 percent of CMFI, or a maximum of \$67,450 for a four-person household.
- Moderate: households earning 81 to 120 percent of CMFI, or a maximum income of \$77,750 for a household of four.

California law states that the RHNA is required to avoid or mitigate the overconcentration of income groups in a jurisdiction to achieve its objective of increasing supply and mix of housing types, tenure, and

affordability in an equitable manner. In theory, the idea is to require jurisdictions with a smaller proportion of lower income units to provide a larger share of those units as part of their construction need to compensate for other jurisdictions that already accommodate more than their fair share. SCAG adopted a regional policy that each city move 110 percent toward the county income distribution in each income category. Table 4-1 below presents El Monte’s Regional Housing Needs Allocation for the period of 2014 to 2021.

Table 4-1 RHNA Allocations by Income Category

Household Income Levels	Percent of CMFI	RHNA for 2014-2021
Very Low	Less than 50%	529
Low	50% to 80%	315
Moderate	81% to 120%	352
Above Moderate	Over 120%	946
Total		2,142

Source: City of El Monte Annual Housing Report, 2019.

The City has taken proactive measures to construct market-rate and affordable units to meet their RHNA housing goals. A total of 168 dwelling units were completed in 2019 and it is projected that a total of 935 additional units will need to be produced between 2020 and 2021 in order to meet the RHNA goals. The units for 2019 include several major projects such as the Baldwin/Rose Project (55 low/very low-income units) and portions of the Santa Anita/Owens (40 townhouse units) project. Furthermore, a number of residential projects were approved with entitlements during the same period. However, these units will not be added to the totals until building permits have been issued. Table 4-2 lists the number affordable housing units created between 2013-2019.

Table 4-2 Housing Construction by Income Category

Household Income Levels	Percent of CMFI	Units Constructed Between 2013-2019
Very Low	Less than 50%	331
Low	50% to 80%	71
Moderate	81% to 120%	12
Above Moderate	Over 120%	824
Total		1,238

Source: City of El Monte Annual Housing Report, 2019.

**Land Use Policy**

Higher-density housing reduces land costs on a per-unit basis and thus facilitates the development of affordable housing. Restrictive zoning that requires unusually large lots and building sizes can substantially increase housing costs and impede housing production. Although housing affordability alone is not a fair housing issue, many low- and moderate-income households are disproportionately concentrated in groups protected under the fair housing laws, such as persons with disabilities and persons of color. When the availability of affordable housing is limited, indirectly affecting the housing choices available to groups protected by fair housing laws, fair housing concerns may arise.

The Land Use Policy prescribes the allowable uses of land in El Monte. Land use categories are provided to guide the type of development, intensity or density of development, and the permitted uses of land.

The General Plan sets forth three primary residential land use categories and two mixed residential-commercial land use categories. The Zoning Code implements the General Plan by providing specific direction and development standards within each of the general land use categories. Each of the general plan land use designations corresponds to one or more specific zoning districts, described below in Table 4-3.

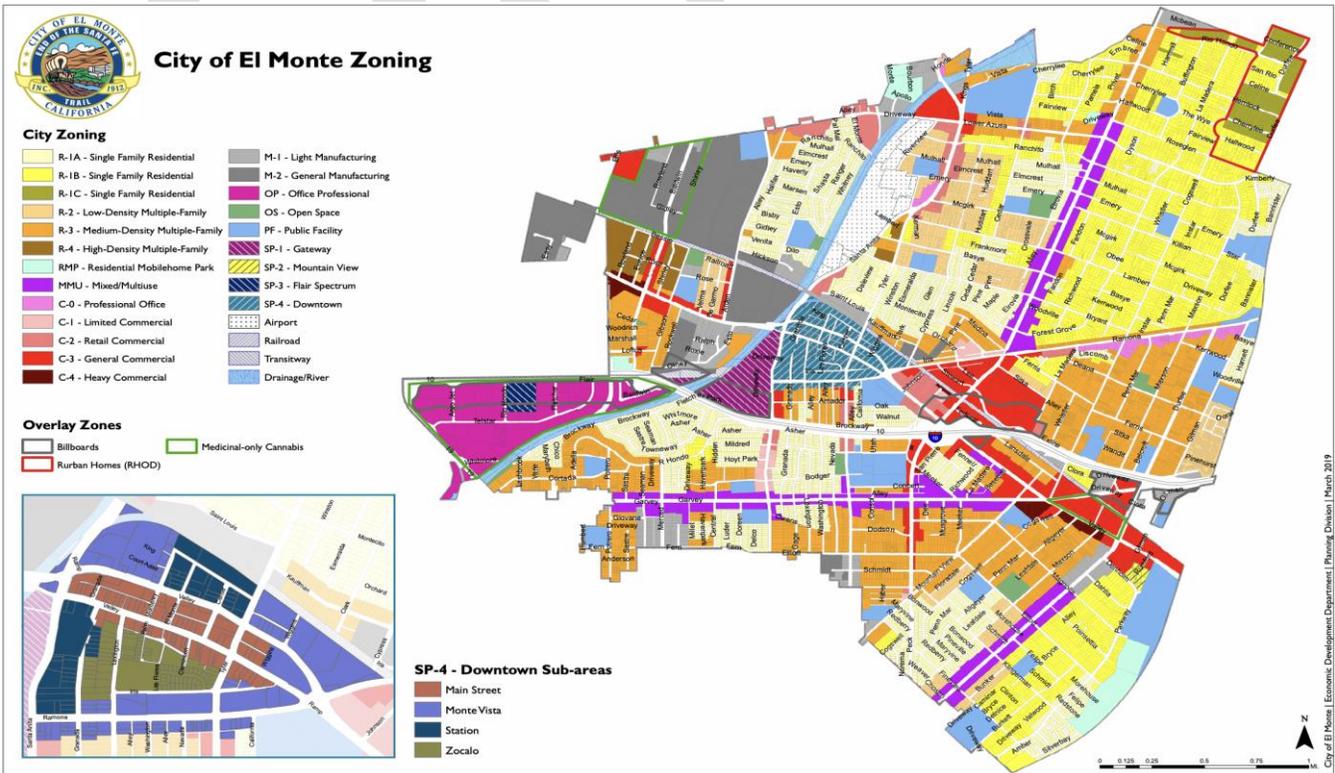
Table 4-3 Zoning in El Monte

General Plan Land Use Designation	Zoning Districts	Allowed Residential Uses
Low Density Residential (0 to 6 du/ac)	R-1	Single-family detached homes, many of which are on larger lots in the community, particularly in northwest El Monte and Norwood Village area.
Medium Density (6.1 to 14.0 du/ac)	R-2, R-3	Accommodates attached and detached single-family homes, townhomes, condominiums, low-rise apartments, and other multifamily residences in higher density residential neighborhoods.
High Density (14.1 to 25 du/ac)	R-4	Accommodates town homes, apartments, planned residential developments, and senior housing primarily in Downtown, near a mix of transportation, shopping, business, public services, and public facilities.
Mixed/Multi-Use Housing (25.1-35.0 du.ac)	M/MU	Intended to provide for a mixture of medium density residential and neighborhood commercial development, with a focus along transportation corridors.
Downtown Core (0-25.0 du/ac)	R-1, R-2, R-3, R-4	Intended to provide the widest variety of housing types as well as mixed use, both horizontal and vertical uses. This designation is focused in the Greater Downtown.

Source: El Monte General Plan, 2011.

Table 4-4 depicts the land use capabilities across the city.

Table 4-4 Land Use Map



Source: City of El Monte Economic Development, Planning Division, 2019.

## Housing Opportunities

Housing Element law requires that cities facilitate and encourage the provision of a range in types and prices of housing for all economic and special needs groups. Local government policies that limit or exclude housing for persons with disabilities, lower income people, people who are homeless, families with children, or other groups may violate the Fair Housing Act.

### **Single Family and Multi-Family Residential Housing**

The City of El Monte allows conventional single- and multiple-family housing in a wide variety of residential zones, including some commercial zones. Single-family housing is permitted in all residential zones and conditionally permitted in the C-1 zone. Presently, senior housing is being built or proposed in various commercial zones.

Multiple-family housing (e.g., projects with three or more attached or detached residential units) is conditionally allowed in the R-3 and R-4 zones and within the Mixed/Multi-Use zone and Downtown Core. Multiple-family housing is also a by-right use in the El Monte Gateway/Transit Village Specific Plan.

The City presently applies a conditional use permit for multiple-family housing to address many of the problems inherent in neighborhoods where older apartment projects were built. As the City has grown by annexation and as significant multiple-family projects were built before modern design and management standards, the City has seen significant deterioration of these apartment projects. These projects have led to a devaluation of adjacent properties and neighborhoods. The City therefore applies a conditional use permit process to ensure that infill housing development within existing residential neighborhoods are built to meet community expectations with respect to design and quality. The City mitigates the impact of the conditional use permit process by designating other areas in the community for mixed/multi-use by right. With the adoption of the 2025 General Plan, more than 100 acres of residential commercial, and industrial land was redesignated and rezoned for mixed/multi-use housing along several corridors and in the El Monte Gateway.

### **Mixed Uses**

Mixed use is allowed within the Neighborhood Commercial and Downtown Core land use districts. The 2025 General Plan also introduced a Mixed/Multi-Use designation which allows for mixed/multiuse housing along corridors. Mixed/multi uses can be vertically integrated (e.g., commercial frontage with residential and/or office uses above the first floor) or horizontal (housing adjacent to commercial and office uses). The scale, size, and mix of land uses vary based on the location and character of surrounding land uses. Densities of 25 to 35 units per acre and/or FAR of up to 1.00 are allowed.

As explained above, the City of El Monte updated its General Plan. As part of this effort, the City created a new Mixed/Multi-Use general plan designation and is in the process of implementing the zoning standards to facilitate quality housing along specific corridors in the city. This effort is intended to revitalize aging and underperforming corridors, accommodate future population and employment growth, and also

meet the City’s share of the region’s need for new housing, including affordable housing. Corridors to be redesignated for mixed/multiuses include Garvey Avenue, Durfee Avenue, and Peck Road. Additional programs will specify the permitting process for new housing.

**Second Dwelling Units/Accessory Dwelling Units**

In accordance with Assembly Bill (AB) 68, each single-family home may now construct at least one Accessory Dwelling Unit (ADU). Table 3-3 shows the permitted zones, maximum quantity and minimum lot size that will be ministerially permitted on any lot zoned to allow single-family or multifamily dwelling residential use and includes a proposed or existing dwelling. An urgency ordinance of the El Monte City Council amended chapters 18.04 (definitions), 17.06 (general regulations and 17.08 (parking) of Title 17 (zoning) of the El Monte Municipal Code regarding Accessory Dwelling Units to conform with new California Legislature Bills pertaining to ADUs. The new definition of “accessory dwelling unit,” as set forth in section 17.04.020 of the El Monte Municipal Code is listed below.

“Accessory dwelling unit” or “ADU” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. It shall include the following: (i) an efficiency unit, as defined in Health and Safety Code Section 17958.1; and (ii) a manufactured home, as defined in Health and Safety Code Section 18007.

Table 3-3 Accessory Dwelling Unit Zoning Structure

Zoning	Existing Structures On-Site	# of ADUs permitted	# of Junior ADUs permitted
Single-family	Single-family structure	One ADU	One Junior ADU
Multifamily or non-multifamily that allows residential	Single-family structure	One ADU	One Junior ADU
Single-family	Multifamily structure	Two detached ADUs and permit up to 25% of the existing multifamily units in each building to provide an ADU within the existing dwelling units, or one unit	None
Multifamily or non-multifamily that allows residential			None

Source: City of El Monte Planning Documents, 2020.

These additional units can provide an important source of affordable housing for persons and families of low and moderate income.

**Mobile Home Parks and Manufactured Housing**

California law (Government Code) specifies that permanently sited manufactured homes that are built to the HUD Code may generally not be excluded from lots zoned for single-family dwellings (unless more than 10 years old) and are subject to the same rules as site-built homes, except for certain architectural requirements. A city may not require an administrative permit, planning or development process, or other requirement that is not imposed on a conventional single-family dwelling.

The City of El Monte has amended the Zoning Code to define and distinguish manufactured housing from mobile homes, set forth appropriate architectural guidelines, and defined the process for approving or disapproving such uses. According to the 2014-2018 ACS, of the 31,157 housing units in El Monte, 5.5% were mobile homes. The City contains 33 mobilehome parks with 1,427 spaces for mobilehomes.

Mobile home parks in the City provide lower income residents with affordable housing. According to a 2015 study of mobile home parks conducted for the City of El Monte, the mobile home park residents are primarily low-income households. Half of the respondents to the resident survey reported an annual household income of \$15,000 or under. Thirty-seven percent of the households reported an annual income between \$15,000 and \$29,999. Households in mobile homes have almost twice the average percentage of households in poverty when compared to all households in the City.

Finding alternative sites for the relocation of mobile homes is difficult due to the shortage of vacant rental spaces, which is a function of the actual immobility of mobile homes and the scarce supply of land for mobile home parks and mobile home park spaces. The cost of moving a mobile home is substantial and the risk of damage to the mobile home is significant. Private sector ownership of mobile home parks brings with it economic incentives to raise rents, which in light of the scarcity of spaces and the prohibitive cost of mobile home relocation, makes mobile home owner susceptible to excessive or unfair rent increases.

To ensure that conditions are preserved to promote and enhance fairness in the economic relationship between mobile home park owners and mobile home owners, the City of El Monte is currently in the process of adopting a mobile home park rent stabilization ordinance. The City recognizes that mobile homeowners and residents should be protected from unreasonable space rental increases, while also recognizing the need of mobile home park owners to receive a just and reasonable return on their investment.

In 2013, the City Council adopted regulations governing the change of use of mobile home parks in order to balance the needs of protecting mobile home park residents from displacement and hardships with the rights of mobile home park owners to make decisions concerning their businesses and property use. The City has adopted Mobile Home Park Discontinuance and Tenant Relocation Regulations to set forth procedures for the conversion of an existing mobile home park or spaces to another use. These regulations are intended to benefit the general public by minimizing the adverse impact on the housing supply and on displaced persons by providing certain rights and benefits to tenants and by requiring tenant relocation assistance whenever an existing mobile home park or portion thereof is converted to another use. The regulations require mobile home park owners who wish to convert their property for another use to file an application to discontinue the mobile home park or mobile home park use. The application for discontinuance is required to include a relocation plan that will comply with standards and regulations developed by the Planning Commission.

### **Residential Care Facilities**

California law states that disabled persons and children and adults who require supervised care are entitled to live in normal residential settings. State law preempts cities from imposing many regulations on community care facilities. The Health and Safety Code (§§ 1500 et seq.) requires that group homes serving six or fewer persons be (1) treated the same as any other residential use, (2) allowed by right in all

residential zones, and (3) be subject to the same development standards, fees, taxes, and permit procedures as those imposed on the same type of housing in the same zone.

The City allows state-licensed care facilities serving six or fewer persons by right in all residential zones. In compliance with state law, these facilities are treated like any other residential use in the same single-family or multiple-family residential zone. The City also permits residential facilities serving seven or more residents in any zone pursuant to a conditional use permit as allowed in state law. In recent years, the City has received requests to establish sober living homes, boarding and lodging houses, parolee homes, and other uses not licensed by the State of California. Currently, the Zoning Code does not define these uses nor provide guidance regarding how to permit or regulate these facilities in a manner compatible with residential neighborhoods. As a result, some facilities could be unduly denied permission to locate in El Monte while others could be allowed by right, even in cases where the City actually has the authority to impose reasonable regulations.

The City has amended the Zoning Code to define residential care facilities consistent with state law and specified the permitting processes required for these uses under state law.

### **Housing for Homeless People**

Recent state legislation has dramatically changed the ways in which local governments address homelessness. The state legislature has recognized the growing problem of homelessness, the complex causes associated with homelessness (including lack of affordable housing, mental illness and substance abuse, and release from prison), the lack of facilities available for individuals and families, and the need for all communities to provide housing opportunities for this segment of the population. The state legislature thus enacted Senate Bill 2 to address this need, which allows for a continuum of housing opportunities for homeless people, including emergency shelter, transitional housing, and permanent supportive housing. El Monte's provisions for such are described below.

- **Emergency Shelters.** Emergency shelters are the first step in a homeless continuum of care program and are designed to allow homeless people a temporary place of stay. During the previous planning period, the Development Code was amended to define this use and permit an emergency shelter in the community.
- **Transitional Housing.** Transitional facilities typically accommodate homeless people for up to two years as they stabilize their lives. The City allows transitional facilities serving six or fewer residents in any residential zone and has clarified the definition of facility in the Development Code.
- **Supportive Housing.** Supportive housing is affordable housing with on-site or off-site services that help a person or family with multiple barriers to employment and housing stability. During the previous planning period, the Development Code was amended to define supportive housing and permit such facilities in the community.

The LAHSA Homeless Count data reports a decrease in homelessness in El Monte, from 517 people in the year 2018 to 428 people in 2019. Through a partnership with the East San Gabriel Valley Coalition for the Homeless, the Winter Shelter provides overnight shelter and support services to homeless and near-homeless neighbors. Shelter is provided at various places of worship located in San Gabriel Valley and transportation is available to transport persons in need to the Winter Shelter. The table below comes from the City's Homeless Plan and identified all shelters and supportive housing available in El Monte.

Table 3-5 Homeless Housing Options

Housing Project Type	Total Beds/ Units
Emergency Shelter	250
Transitional Housing	42
Rapid Re- Housing	6
Permanent Supportive Housing (El Monte Veterans Village, Mercy Housing)	44
Permanent Supportive Housing – Community Housing Options and Independent Supportive Sites (Alliance for Housing and Healing)	34

Source: El Monte Plan to Prevent and Combat Homelessness, 2018.

Pursuant to recent changes in State law, jurisdictions with an unmet need for emergency shelters are now required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, such uses.

The 2008-2014 Housing Plan designated the M-1 district, south of Garvey Avenue, as the appropriate zone for emergency shelters. During the previous planning period, the Zoning Code was amended to create an overlay district that will allow for emergency shelters as a by right use within the overlay zone, subject to the same development and management standards as other permitted uses in the zone. The development standards that apply to these areas are the least restrictive. The area allows a maximum FAR of 1.5, with no height restrictions. Parking is 1 space per 500 square feet of leasable space. The front setback is 40 to 50 feet, with only 20 to 25 feet side and rear setback. The M-1 overlay is well suited for an emergency shelter. Located near Flair Park and downtown, the zone is within 1 mile of service providers, transit, health care, employment training, and other services. Major transit routes run along Garvey Avenue, connecting users to all parts of El Monte. Heavy manufacturing uses have long left El Monte and the Zoning Code is being amended to allow light industrial uses compatible with the area. There are no environmental or health risks in the general area.

With respect to area, the subject area contains 94 parcels that total 21 acres. Many of the adjacent sites are owned by a single property owner. Thus, the average size of the 78 combined parcels is approximately 12,000 square feet. The area is highly underutilized with marginal businesses occupying many sites, including kennels, light industrial uses, warehousing or storage. Vacancy rates are high within the area, indicating that buildings are suitable for renovation/conversion to an emergency shelter. In addition to

application of M-1 development standards, pursuant to SB 2, the City can also specify written, objective standards to regulate the following aspects of emergency shelters to enhance compatibility:

- Maximum number of beds or persons permitted to be served nightly by the facility;
- Size and location of exterior and interior onsite waiting and client intake areas and lighting and security;
- Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial the size;
- Provision of on-site management;
- Proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart; and the length of stay.

## Regulatory Concessions

The City uses several planning tools to facilitate and encourage the development of a wide variety of creative housing products that are affordable to people earning a wide range of incomes. These regulatory concessions are described below:

**Density Bonus.** The City approves density bonuses for residential projects that allow up to 35 percent more units than otherwise authorized in a particular zone when affordability targets are met as specified in state law. The City has allowed density bonuses for many senior apartment projects built in recent years. This allows a project to achieve higher rental incomes, thus enabling the subsidization of units affordable to low- and moderate-income households.

- Very Low-Income Units. For each one percent increase above five (5) percent in affordable units for very low-income households, the density bonus shall be increased by two and one-half (2.5) percent up to a maximum of thirty-five (35) percent
- Lower Income Units. For each one percent increase above ten (10) percent in the affordable units for lower income households, the density bonus shall be increased by one and one-half (1.5) percent up to a maximum of thirty-five (35) percent,
- Moderate Income Units. For each one percent increase above ten (10) percent in affordable units offered for sale to moderate income households, the density bonus shall be increased by one percent up to maximum thirty-five (35) percent

**Planned Residential Development (PRD).** The City uses a PRD designation to foster and encourage innovative design, variety, flexibility in land use, and a broad mix of housing types that would not be allowed in certain zoning districts. Zoning regulations pertaining to yard requirements, lot dimensions, street frontage of lots, and limitations on the number of dwelling units need not be applied if the Planning Commission finds and determines otherwise.

**Modification-Variance.** A modification may be granted for a parcel with physical characteristics so unusual that complying with the Zoning Code creates an exceptional hardship to the applicant or the Local Government Development Fees surrounding property owners. The characteristics must be unique to the property and, in general, not shared by adjacent parcels. A three-member group that includes the Building Official, Planning Services Manager, and one Planning Commissioner reviews the request and decide subject to appeal by the applicant to the Planning Commission. Variances require Planning Commission approval.

## Development Fees and Taxes

The City of El Monte, like other cities in the region, charges various fees and assessments to cover the cost of processing development permits and ensure that adequate public facilities and services are available to support residential developments. Pro formas were analyzed based on different sizes of residential products.

Development fees range from \$15,800 to \$24,700 per unit depending on the size of the project, density, and location. City fees are approximately 6 percent of the project per-unit sales price, are generally comparable to other local jurisdictions, and are not considered to be a constraint to the development of affordable housing, given that many affordable senior projects have been built in the previous planning period.

In certain cases, however, the City has subsidized the cost of housing construction through the financing of site improvements, rebate of fees, and granting of density bonuses—all of which help to increase project revenues and mitigate the impact of fees on the construction of housing. Thus, although fees do add to the cost of residential development, the fees are not considered to constrain the production of affordable housing.

Table 3-4 Development Fees and Taxes

City Fees	Single Family Project	20 Unit Condo Project	40 Unit Apartment Project
Planning fees	\$310	\$11,410	\$10,125
Engineering fees	\$2,718	\$6,926	\$9,145
Building fees	\$4,800	\$37,196	\$55,212
Park in lieu fee	\$6,032	\$110,000	\$220,800
Streets (\$815/ unit)	\$815	\$16,300	\$32,600
Traffic (\$67.90/unit)	\$67.90	\$1,358	\$2,716
Drainage & Sewer (\$1,980/MF unit)	\$2,474	\$39,600	\$79,200

Source: Table 33 of the 2014- 2021 City of El Monte Housing Element Background Technical Report.

\*Note: This analysis assumed a single-family home is 2,000 square feet, condominium unit is 1,500 square feet; and apartment unit is 1,200 square feet. For park fees, Quimby fees range from \$6,000 to \$8,200 per residential unit.

## Building/Residential Codes

The City of El Monte has adopted the 2019 edition of the Los Angeles County Existing Building Code and the 2019 Los Angeles County Residential Code Building Code. California cities are required to adopt the

California Building Standards Code (Title 24 of the California Code of Regulations). The Code is a set of uniform health and safety codes covering building, electrical, mechanical, plumbing, fire safety, and other issues. Uniform codes are considered the minimum acceptable standards for health and safety.

Building codes regulate new construction and substantial rehabilitation. They are designed to ensure that adequate standards are met to protect against fire, collapse, unsanitary conditions, and safety hazards. The City follows the same building code standards as does Los Angeles County. These standards are set by the California Building Code. Building costs in El Monte do not appear to be unduly increased through local building codes. However, state regulations with respect to energy conservation, though perhaps cost effective in the long run, may add to initial construction costs.

State law allows cities to add local, more restrictive, amendments to the California Building Code, provided such amendments are reasonably necessary to address local climatic, geological, or topographic conditions. The City has adopted local amendments to address fire hazards, seismic conditions, wind conditions and minimal construction techniques for heavy rains and floods caused by special environmental conditions. None of these amendments directly or indirectly limits the type of housing opportunities available to disabled people nor limits access to housing. All local amendments are intended to strengthen and enhance building and safety standards to provide safer housing opportunities and disabled access to housing in excess of California's current requirements.

## Accessibility Standards

El Monte also enforces the requirements of the 2019 California Building Codes and the applicable amendments of the City of El Monte set forth in Ordinance No. 890. The City's Building and Safety Department requires plans with fully dimensioned details indicating compliance with disabled access requirements, including:

- Disabled unit(s) and disabled adaptable unit(s)
- Disabled parking spaces
- Paths of travel from disabled parking spaces to building entrance
- Building entrance and paths of travel within the building
- Disabled access to facilities within the building, including restrooms, telephones, drinking fountains, and counters

## Section 5

# FAIR HOUSING PRACTICES

This section provides an overview of the institutional structure of the housing industry with regard to fair housing practices. In addition, this section discusses the fair housing services available to residents, as well as the nature and extent of fair housing complaints received by the fair housing provider. Typically, fair housing services encompass the investigation and resolution of housing discrimination complaints, discrimination auditing/testing, and education and outreach, including the dissemination of fair housing information. Tenant/landlord counseling services are usually offered by fair housing service providers but are not considered fair housing services.

## Fair Housing Practices in the Homeownership Market

On December 5, 1996, the U.S. Department of Housing and Urban Development (HUD) and the National Association of Realtors (NAR) entered into a Fair Housing Partnership. Article VII of the HUD/NAR Fair Housing Partnership Resolution provides that HUD and the NAR develop a Model of Affirmative Fair Housing Marketing Plan for use by members of the NAR to satisfy HUD's Affirmative Fair Housing Marketing regulations. Even so, room for discrimination still exists in the housing market.

### The Homeownership Process

One of the main challenges in owning a home versus renting a home is the process. Buying a house takes considerably more time and effort than finding a home to rent. The major legal and financial implications surrounding the process also intimidate potential buyers. Typically, people are overwhelmed by the unique terminology, the number of steps required and the financial considerations involved. The process is costly, and fair housing issues may surface at any time during this process.

### Advertising

The first thing a potential buyer is likely to do when evaluating a home purchase is search advertisements either in magazines, in newspapers, or via the Internet to get a feel for what the market offers. Language in advertising is sometimes an issue within the realm of real estate. Advertisements cannot include discriminatory references such as the use of words describing current or potential residents, or the neighbors or the neighborhood in racial or ethnic terms. Some commonly used statements that are discriminatory include the following:

- Adults preferred
- Perfect for empty nesters
- Conveniently located by a particular church
- Ideal for married couples without children

Even the use of models in ads has been questioned, based on the idea that such advertising appears to appeal to a certain race. In addition, selecting media or locations for advertising that deny information on listings to certain segments of the housing market could also be considered discriminatory. Even if an agent does not intend to discriminate in an ad, it would still be considered a violation to suggest to a

reader whether a protected class is preferred. In cities where there is a sizable Hispanic/Latino population, the homeownership process offers opportunities for fair housing violations to arise due to the natural tendency to advertise in a specific language such as Spanish. Although the advertisements might not violate fair housing laws, these advertisements could limit opportunities for other racial/ethnic groups to find housing. Recent litigation has set a precedent for violations through advertising that hold publishers, newspapers, the Multiple Listing Service, real estate agents, and brokers accountable for discriminatory ads. As a reminder to choose words carefully, the Multiple Listing Service now prompts a fair housing message when a new listing is being added.

### **Lending**

Initially, buyers must find a lender that will qualify them for a loan. This part of the process entails an application, a credit check, an analysis of ability to repay and the amount for which one is eligible, choosing the type and terms of the loan, et cetera. Applicants are requested to provide a great deal of sensitive information, including their gender, ethnicity, income level, age, and familial status. Most of this information is used for the purposes of reporting required of lenders by the CRA and HMDA; however, there is no guarantee that individual loan officers or underwriters will not misuse the information. A report on mortgage lending discrimination by the Urban Land Institute<sup>7</sup> outlines four basic stages in which discrimination can occur:

- Advertising and outreach
- Pre-application inquiries
- Loan approval/denial and terms/conditions
- Loan administration

A number of different individuals take part in the various stages of this process, and any of them could potentially discriminate. Further areas of potential discrimination include differences in the level of encouragement, financial assistance, types of loans recommended, amount of down payment required, and level of customer service provided.

### **Real Estate Agents**

Finding a real estate agent is normally the next step, which can be done by looking in newspapers, searching the Internet, and primarily through referrals. The agent will find the home that fits a buyer's needs, desires and budget based on the amount for which he or she is qualified by the lending institution. Realtors may act as agents of discrimination by unintentionally or even intentionally steering potential buyers to or from a particular neighborhood. In a jurisdiction with a significant Hispanic/Latino population, a real estate agent might assume that a non-Hispanic/Latino buyer would not be interested in living in the community or that Hispanic/Latino buyers would prefer living in a Hispanic/Latino community. This situation could also apply to other protected classes who might be steered away from certain areas on the presumption that they might not want to live there based on the existing demographic makeup of the neighborhood.

Agents might also discriminate by whom they agree to represent, whom they turn away, and the comments they make about their clients. However, the California Association of Realtors (CAR) has included language on many of its forms disclosing fair housing laws to those involved. Many realtor

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<sup>7</sup>Turner, M.A., & Skidmore, F. (Eds.). (1999, June). *Mortgage Lending Discrimination: A Review of Existing Evidence*. Washington, DC: Urban Institute.

associations also host fair housing trainings and seminars to educate their members on the provisions and liabilities of fair housing laws. The Equal Opportunity Housing symbol is also located on all forms as a reminder.

### **Appraisals**

Banks order appraisal reports to determine whether a property is worth the amount of the loan requested. Generally speaking, appraisals are based on the comparable sales of properties surrounding the neighborhood of the property being appraised. Other factors are taken into consideration, such as the age of the structure, any improvements made, and location. Some neighborhoods with higher concentrations of minorities might appraise lower than like properties in neighborhoods with lower concentrations. Unfortunately, this practice is geared toward a neighborhood and not an applicant, and therefore is not a direct violation of fair housing law that can easily be addressed. One effect of this practice, however, is that it tends to keep property values lower in a given neighborhood, thereby restricting the amount of equity and capital available to those residents. Individual appraisers are the ones making the decisions on the amounts, thus there is room for flexibility in the numbers. As appraisers are individually licensed, similar to real estate agents, they risk losing their licenses for unfair practices.

### **Sellers**

A seller might not want to sell his/her house to certain purchasers based on classification biases protected by fair housing laws, or he/she might want to accept offers only from a preferred group. Often, sellers are at home when agents show the properties to potential buyers and could develop certain biases based on this contact. Sellers must sign the Residential Listing Agreement and Seller's Advisory forms, which disclose that a seller understands fair housing laws and practices of nondiscrimination. Yet, enforcement is difficult because a seller may have multiple offers and choose one based on a bias.

### **Covenants, Conditions and Restrictions**

Covenants, Conditions and Restrictions (CC&Rs) in the past were used to exclude certain groups such as minorities from equal access to housing in a community. Now, the California Department of Real Estate reviews CC&Rs for all subdivisions of five or more lots, or condominiums of five or more units. This review is authorized by the Subdivided Lands Act and mandated by the Business Professions Code, Section 11000. The review includes a wide range of issues, including compliance with fair housing laws. The review must be completed and approved before the Department of Real Estate will issue a final subdivision public report. This report is required before a real estate broker or anyone else can sell the units, and each prospective buyer must be issued a copy of the report. If the CC&Rs are not approved, the Department of Real Estate will issue a "deficiency notice," requiring the CC&Rs to be revised.

Communities with older subdivisions or condominium developments might still contain CC&Rs that do not comply with the fair housing laws. A typical example relates to occupancy standards, which an association might seek to enforce in order to oust a particular group or discriminate based on familial status or lack thereof. However, provisions in the CC&Rs that violate the fair housing laws are not enforceable by the homeowners association.<sup>8</sup>

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<sup>8</sup>In 1985, the Davis-Stirling Common Interest Development Act (Civil Code § 1353-1378) was passed by the State of California. The Davis-Stirling Act contains all laws pertaining to Common Interest Developments (CIDs) and requires all CIDs to be managed by an association. Developers are required to create CC&Rs and bylaws, which are the governing documents that dictate how the association operates and what

## **Insurance**

Insurance agents are provided with underwriting guidelines for the companies for whom they work to determine whether a company will sell insurance to a particular applicant. Currently, underwriting guidelines are not public information, however, consumers have begun to seek access to these underwriting guidelines in order to learn if certain companies have discriminatory policies. Some states are being more responsive than others to this demand and have recently begun to require that companies file their underwriting guidelines with the state department of insurance, which would then make the information public.

Many insurance companies have applied strict guidelines, such as not insuring older homes, that disproportionately affect lower-income and minority families who can only afford to buy in older neighborhoods. A California Department of Insurance (CDI) survey found that less than 1% of homeowner's insurance available in California is currently offered free from such stringent restrictions.<sup>9</sup> The CDI has also found that many urban areas are underserved by insurance agencies.

The California Organized Investment Network (COIN) is a collaboration of the CDI, the insurance industry, community economic development organizations, and community advocates. This collaboration was formed in 1996 at the request of the insurance industry as an alternative to state legislation that would have required insurance companies to invest in underserved communities, similar to the federal CRA that applies to the banking industry. COIN is a voluntary program that facilitates insurance industry investments to provide profitable returns to investors and economic and social benefits to underserved communities.

The California Fair Access to Insurance Requirements (FAIR) Plan was created by the legislature in 1968 after the brush fires and riots of the 1960s made it difficult for some people to purchase fire insurance due to hazards beyond their control. The FAIR Plan is designed to make property insurance more readily available to people who have difficulty obtaining it from private insurers because their properties are considered "high risk."

## **Credit and FICO Scores**

Credit history is one of the most important factors in obtaining a home purchase loan. Credit scores determine loan approval and the interest rate associated with a loan, as well as the type of loan an applicant will be given. Applicants with high credit scores are generally given conventional loans, whereas those with lower and moderate range scores often utilize government-backed loans or subprime loans. Applicants with lower scores also receive higher interest rates on their loans as a result of being perceived as a higher risk to the lender, and may even be required to pay points depending on the type of lending institution used.

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rules the owners—and their tenants and guests—must obey. The CC&Rs are legally enforceable by the association and individual owners, and nothing in the CC&Rs can take precedence over federal, state or local laws.

<sup>9</sup>California Department of Insurance. (2010, February 8). *Homeowners Premium Survey*. Section 12959 of the California Insurance Code requires the commissioner to publish and distribute a comparison of insurance rates report for those lines of insurance that are of most interest to individual purchasers of personal lines of coverage.

Fair Isaac & Company (FICO), which is the company used by the Experian (formerly TRW) credit bureau to calculate credit scores, has set the standard for the scoring of credit history. TransUnion and Equifax are two other credit bureaus that also provide credit scores, though they are typically used to a lesser degree.

In short, points are awarded or deducted based on certain items such as how long one has had credit cards, whether one makes payments on time, if credit balances are near the maximum, et cetera. Typically, the scores range from the 300s to around 850, with higher scores demonstrating lower risk. Lower credit scores require a more thorough review than higher ones, and mortgage lenders will often not even consider a score below 620.

FICO scores became more heavily relied on by lenders when studies conducted showed that borrowers with scores above 680 almost always make payments on time, whereas borrowers with scores below 600 seemed fairly certain to develop problems. Credit scores also made it easier to develop computer programs (electronic underwriting) that can make a “yes” decision for loans that should obviously be approved. Some of the factors that affect a FICO score are as follows:

- Delinquencies
- New accounts (opened within the last 12 months)
- Length of credit history (a longer history of established credit is better than a short history)
- Balances on revolving credit accounts
- Public records, such as tax liens, judgments or bankruptcies
- Credit card balances
- Number of inquiries
- Number and types of revolving accounts

There has been some debate recently regarding the accuracy of the credit scoring software used by lenders. In particular, soon after its release, the *Los Angeles Times* Real Estate section featured articles suggesting that the NextGen software model, which was designed by Fair Isaac & Company, was not being used by lenders due to the high cost of the software, even though it is a more fair and accurate version. The new model is said to increase scores by 50 to 100 points and has been on the market for several years. However, research performed by the research and consulting firm TowerGroup found that, for many lenders, the higher price for the NextGen software, including the evaluation, implementation, systems, and training costs, and the embedded mortgage industry commitment to classic FICO, did not warrant switching from the classic FICO standard. In March 2006, Experian introduced yet another credit score system, VantageScore, which is similar to FICO’s NextGen. VantageScore will likely face the same challenges as NextGen, but may have more success depending on ease of use and cost.

## National Association of Realtors

The National Association of Realtors (NAR) has developed a Fair Housing Program to provide resources and guidance to Realtors in ensuring equal professional services for all people. The term *Realtor* identifies a licensed professional in real estate who is a member of the NAR. However, not all licensed real estate brokers and salespersons are members of the NAR.

## **Code of Ethics**

Article 10 of the NAR Code of Ethics provides that “Realtors shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation or gender identity. Realtors shall not be a party to any plan or agreement to discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation or gender identity.” Article 10 was most recently updated January of 2014.

A Realtor pledges to conduct business in keeping with the spirit and letter of the Code of Ethics. Article 10 imposes obligations on Realtors and is a firm statement of support for equal opportunity in housing. A Realtor who suspects discrimination is instructed to call the local Board of Realtors. Local Boards of Realtors will accept complaints alleging violations of the Code of Ethics filed by a home seeker who alleges discriminatory treatment in the availability, purchase, or rental of housing. Local Boards of Realtors have a responsibility to enforce the Code of Ethics through professional standards, procedures, and corrective actions in cases where a violation of the Code of Ethics is proven to have occurred.

In addition, Standard of Practice Article 10-1 states that “REALTORS® shall not volunteer information regarding the racial, religious, or ethnic composition of any neighborhood and shall not engage in any activity which may result in panic selling. REALTORS® shall not print, display, or circulate any statement or advertisement with respect to the selling or renting of a property that indicates any preference, limitations, or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation or gender identity.”

## **Realtor Fair Housing Declaration**

In accordance with the Code of Ethics, each Realtor signs the following pledge, developed in 1996 as a result of the HUD/NAR agreement:

I agree to:

- Provide equal professional service without regard to race, color, religion, sex, handicap, familial status, or national origin of any prospective client, customer, or of the residents of any community.
- Keep informed about fair housing law and practices, improving my clients’ and customers’ opportunities and my business.
- Develop advertising that indicates that everyone is welcome and no one is excluded, expanding my client’s and customer’s opportunities to see, buy, or lease property.
- Inform my clients and customers about their rights and responsibilities under the Fair Housing Laws by providing brochures and other information.
- Document my efforts to provide professional service, which will assist me in becoming a more responsive and successful Realtor.
- Refuse to tolerate non-compliance.
- Learn about those who are different from me, and celebrate those differences.
- Take a positive approach to fair housing practices and aspire to follow the spirit as well as the letter of the law.
- Develop and implement fair housing practices for my firm to carry out the spirit of this declaration.

## California Association of Realtors

The California Association of Realtors (CAR) is a trade association of Realtors statewide. As members of an organized real estate profession, Realtors subscribe to a strict code of ethics as noted above. The CAR has recently created the position of equal opportunity/cultural diversity coordinator. The CAR holds three meetings per year for its general membership, and the meetings typically include sessions on fair housing issues.

### **Realtor Associations Serving El Monte**

Realtor associations are generally the first line of contact for real estate agents who need continuing education courses, legal forms, career development, and other daily work necessities. The frequency and availability of courses varies among these associations, and local association membership is generally determined by the location of the broker for which an agent works.

Complaints involving agents or brokers may be filed with these associations. Monitoring of services by these associations is difficult as statistics on the education/services the agencies provide or statistical information pertaining to the members is rarely available. The contact information for the Association of REALTORS servicing the city of El Monte is as follows:

CALIFORNIA ASSOCIATION OF REALTORS® INC  
525 South Virgil Avenue  
Los Angeles, California 90020

## California Department of Real Estate

The California Department of Real Estate (DRE) is the licensing authority for real estate brokers and salespersons. As noted earlier, not all licensed brokers and salespersons are members of the National or California Association of Realtors.

The DRE has adopted education requirements that include courses in ethics and fair housing. To renew a real estate license, each licensee is required to complete 45 hours of continuing education, including three hours in each of the four mandated areas: agency, ethics, trust fund handling, and fair housing. The fair housing course contains information that will enable an agent to identify and avoid discriminatory practices when providing real estate services to clients.

On or after January 1, 1996, a real estate salesperson renewing his/her license for the first time must complete separate three-hour courses in agency, ethics, trust fund handling, and fair housing to qualify for renewal. All licensees, with the exception of those renewing for the first time, are required to complete a full 45 hours of continuing education for each license renewal.

For the initial renewal on or after January 1, 1996, the law requires, as part of the 45 hours of continuing education, completion of four mandatory three-hour courses in agency, ethics, trust fund handling, and fair housing. These licensees will also be required to complete a minimum of 18 additional hours of

courses related to consumer protection. The remaining hours required to fulfill the 45 hours of continuing education may be related to either customer service or consumer protection, at the option of the licensee.

The DRE requires all licensees to provide proof of continuing education courses with the following exceptions:

- An applicant provides proof that he/she is 70 years of age or older.
- An applicant provides proof that he/she has been licensed for 30 consecutive years.

## Fair Housing Practices in the Rental Housing Market

Similar to the homeownership market, a major challenge to ensuring fair housing in the rental market is the complexity of the process. There are several stages in the process of renting a home or an apartment: 1) the advertising and outreach stage, 2) pre-application inquiries and responses, 3) the criteria for acceptance, 4) the lease, and 5) administration of the lease. This section discusses these phases of the rental process. Although a potential homebuyer may face discriminatory practices primarily during the process of purchasing a home, a renter may confront housing discrimination not only during the process of renting but throughout the tenancy.

### **The Apartment Rental Process**

Although the process of renting an apartment may be less expensive and burdensome upfront than the homebuying process, it may still be just as time-consuming, and potential renters may still face discrimination during various stages of the rental process.

#### *Advertising*

Like finding a home to purchase, the main sources of information are the classified advertisements in El Monte Examiner, word of mouth, signs, apartment guides, the internet, and apartment brokers. The same types of discriminatory language previously described under the homeownership process may be used by landlords or apartment managers to exclude “undesirable elements.”

A particularly difficult situation to address is the development of small apartment complexes during the housing boom. These new complexes are sometimes owned and operated by property owners who are new to the rental housing industry. Compliance with fair housing laws is difficult to monitor among the large number of small property owners. Outreach to this group is also difficult because many of these owners do not belong to the apartment owners’ or apartment managers’ associations and are not active in participating in events/trainings offered by these associations. Advertising by small property owners may not always comply with the fair housing laws. For example, rental ads in local Spanish-language newspapers do not always appear in the English-language newspapers, as required by law.

#### *Viewing the Unit*

Viewing the unit is the most obvious place where potential renters could encounter discrimination because landlords or managers might discriminate based on race or disability, or judge on appearance whether a potential renter is reliable or might violate any of the rules. For example, there have been cases where a manager tries to deter a family by indicating strict occupancy standards or frowning on the presence of young children accompanying a viewer. Furthermore, discrimination against families with children and people with disabilities is even more prevalent than racial discrimination.

### *Credit/Income Check*

Landlords may ask potential renters to provide credit references, lists of previous addresses and landlords, and employment history/salary. The criteria for tenant selection, if any, are typically not known to those seeking to rent. Many landlords often use credit history as an excuse when trying to exclude certain groups. Recent legislation provides for applicants to receive a copy of the report used to evaluate applications. In addition, applicants may request a copy of their credit report (for a fee) to verify that the information used to approve/deny their application is accurate.

### *The Lease*

Most apartments are rented under either a lease agreement or a month-to-month rental agreement. A lease is favorable from a tenant's point of view for two reasons: the tenant is assured the right to live there for a specific period of time, and the tenant has an established rent during that period. Most other provisions of a lease protect the landlord. Information written in a lease or a rental agreement includes the rental rate, the required deposit, length of occupancy, the apartment rules, and termination requirements.

In a tight housing market, when a landlord can "financially afford" to choose tenants, the tendency is to offer shorter lease terms. In this case, a landlord might simply ask the "not-so-desirable" tenant to leave with a 60-day notice to vacate. Short-term leases also allow the landlord to raise rent more frequently.

Typically, the lease or rental agreement is a standard form completed for all units within the same building. However, the enforcement of the rules contained in the lease or the agreement might not be standard for all tenants. A landlord might act in a discriminatory way and choose strict enforcement of the rules for certain tenants based on arbitrary factors, such as race, presence of children, or disability. Since the recent escalation of housing prices throughout California, complaints regarding tenant harassment through strict enforcement of lease agreements as a means of evicting tenants have increased.

### *Security Deposit*

A security deposit is typically required to rent a housing unit. To deter "less-than-desirable" tenants, a landlord might ask for a security deposit higher than usual. Tenants could also face differential treatment when vacating the units. The landlord might choose to return a smaller portion of the security deposit to some tenants, claiming excessive wear and tear. A landlord might require that persons with disabilities with service animals pay an additional pet rent, a monthly surcharge for pets, or a deposit, which is also a discriminatory act.<sup>10</sup>

### *During the Tenancy*

During tenancy, the most common forms of discrimination a tenant may face are based on familial status, race, national origin, sex, or disability. Usually, these types of discrimination appear in differential enforcement of rules, overly strict rules for children, excessive occupancy standards, refusal to make a

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<sup>10</sup>Okeon, Molly R. (2008, January 21). "Keeping the house in order: Watchdog organization has fought discrimination for three decades." *Pasadena Star-News*.

reasonable accommodation for handicapped access, refusal to make necessary repairs, eviction, notices, illegal entry, rent increases, or harassment. These actions might be used as a way to force undesirable tenants to move on their own without the landlord having to make an eviction.

### *Apartment Association*

The California Apartment Association (CAA) is the country's largest statewide trade association for rental property owners and managers. The CAA was incorporated in 1941 to serve rental property owners and managers throughout California. The CAA represents rental housing owners and professionals who manage more than 1.5 million rental units. Under this umbrella agency, various apartment associations cover specific geographic areas.

The CAA has developed the California Certified Residential Manager (CCRM) program to provide a comprehensive series of courses geared toward improving the approach, attitude, and professional skills of onsite property managers and other interested individuals. The CCRM program consists of 31.5 hours of training that includes training on fair housing and ethics issues.

The CAA supports the intent of all local, state, and federal fair housing laws for all residents without regard to color, race, religion, sex, marital status, mental or physical disability, age, familial status, sexual orientation, or national origin. Members of the CAA agree to abide by the following provisions of their Code for Equal Housing Opportunity:

- *We agree that in the rental, lease, sale, purchase, or exchange of real property, owners and their employees have the responsibility to offer housing accommodations to all persons on an equal basis;*
- *We agree to set and implement fair and reasonable rental housing rules and guidelines and will provide equal and consistent services throughout our residents' tenancy;*
- *We agree that we have no right or responsibility to volunteer information regarding the racial, creed, or ethnic composition of any neighborhood, and we do not engage in any behavior or action that would result in steering; and*
- *We agree not to print, display, or circulate any statement or advertisement that indicates any preference, limitations, or discrimination in the rental or sale of housing.*

The CAA, Los Angeles Division serves El Monte. This local chapter of the CAA provides members with information and training on such topics as ethics, credit checks, addressing code enforcement violations, property management, and pre-inspections.

## Fair Housing Report

In general, fair housing services include investigating and resolving housing discrimination complaints; discrimination auditing and testing; and education and outreach, such as disseminating fair housing information through written materials, workshops and seminars. Landlord/tenant counseling services involve informing landlords and tenants of their rights and responsibilities under fair housing law and other consumer protection legislation, and mediating disputes between landlords and tenants. The city holds a one-stop housing clinic every Wednesday afternoon.

The City contracts with the Housing Rights Center (HRC) to provide housing discrimination assistance and tenant/landlord information to El Monte residents, landlords, and property owners. The HRC is a private, non-profit organization established in 1958, whose mission is to eliminate housing discrimination. HRC provides fair housing services within the greater San Fernando Valley, Antelope Valley, Santa Clarita and Simi Valley, including the City of El Monte. One of the primary roles of the HRC is to provide investigation and response to allegations of illegal housing discrimination. As shown in Table 5-1, over the past three years, the HRC handled 73 discrimination inquiries in El Monte. Of these inquiries, only 12 rose to the level of a discrimination case and almost half (36 of the 74 cases) of the discrimination filings concluded with counselling. Furthermore, the number of fair housing discrimination cases in El Monte has risen from 18 in 2017-2018 to 35 in 2019-2020. The City should continue to work with HRC to develop more robust outreach strategies and protective policy measures that can mitigate instances of fair housing discrimination in the City. A deeper analysis may be needed to examine why those numbers have increased over the last three years.

Certain special needs groups evidenced a high incidence of discrimination complaints. Housing discrimination against individuals with physical and mental disabilities continues to be the top discrimination complaint in El Monte, consistent with other areas in Los Angeles served by the HRC. Of the 74 inquiries, 60 pertained to discrimination on the basis of a physical or mental disability. The HRC reports many landlords don't fully understand the requirements to provide reasonable accommodation for the disabled. HRC developed new resource materials, including a new disability brochure providing guidance to health care professionals. This brochure was developed because the Council observed that health care and other professionals were either providing too little or too much information regarding the disability status of their patients and clients, complicating the reasonable accommodation/modification process, which ultimately resulted in unnecessary delays and/or denials.

Table 5-1 also shows how housing discrimination materializes along racial, ethnic and income lines. Overwhelmingly (77%), of those who file a fair housing complain fall in the in the extremely low-income bracket. The HRC also indicates they have observed an increase in fair housing violations towards families with children throughout their service area, such as signs posted in common areas limiting usage by children. The HRC has developed new familial status outreach materials; these materials were developed in direct response to issues raised and observed in the various complaints received and investigated by HRC.

Table 5-1 Housing Rights Center Reports on Fair Housing Discrimination in El Monte

	FY 2017-2018	FY 2018-2019	FY 2019-2020	Total	
<b>Direct Services</b>					
<b>General</b>					
Discrimination	18	20	35	73	11.28%
General Housing	190	202	182	574	88.72%
<b>Total</b>	<b>208</b>	<b>222</b>	<b>187</b>	<b>647</b>	<b>100.00%</b>
<b>Discrimination Breakdown</b>					
Cases	1	5	6	12	16.22%
Inquiries	17	15	30	62	83.78%
<b>Total</b>	<b>18</b>	<b>20</b>	<b>36</b>	<b>74</b>	<b>100.00%</b>
<b>Demographics</b>					
<b>Race</b>					
Am Ind or Alsk	6	0	0	6	0.97%
Am Ind/Alsk and White	1	0	0	1	0.16%
Asian	15	16	7	38	6.17%
Black/African American	1	3	5	9	1.46%
Other	159	189	161	509	82.63%
White	25	14	14	53	8.60%
<b>Total</b>	<b>207</b>	<b>222</b>	<b>187</b>	<b>616</b>	<b>100.00%</b>
<b>Ethnicity</b>					
Cuban	1	1	1	3	0.49%
Mexican/Chicano	115	120	95	330	53.57%
Not Hispanic/Latino	44	50	59	153	24.84%
Other Hispanic/Latino	48	50	32	130	21.10%
<b>Total</b>	<b>208</b>	<b>221</b>	<b>187</b>	<b>616</b>	<b>100.00%</b>
<b>Income</b>					
Extremely Low	147	173	156	476	77.15%
Low	16	15	8	39	6.32%
Moderate	8	5	1	14	2.27%
Very Low	37	29	22	88	14.26%
<b>Total</b>	<b>208</b>	<b>222</b>	<b>187</b>	<b>617</b>	<b>100.00%</b>
<b>Special Groups</b>					
Disabled	21	17	38	76	39.58%
Female Headed	7	20	9	36	18.75%
Gov't Subsidized	4	3	5	12	6.25%
Rent Stabilized	1	0	0	1	0.52%
Senior	20	15	32	67	34.90%
<b>Total</b>	<b>53</b>	<b>55</b>	<b>84</b>	<b>192</b>	<b>100.00%</b>
<b>Type of Caller</b>					
In-Place Tenant	163	186	158	507	82.17%
Landlord	11	9	7	27	4.38%
Other	7	5	5	17	2.76%
Realtor	1	0	5	6	0.97%
Rental Home seeker	26	22	12	60	9.72%
<b>Total</b>	<b>208</b>	<b>222</b>	<b>187</b>	<b>617</b>	<b>100.00%</b>
<b>Discrimination Inquiries</b>					
<b>Protected Classification</b>					

Arbitrary			1	1	1.35%
Discrim. General Information	2	1	1	1	1.35%
Familial Status	3	2	1	6	8.11%
Gender	0	1	1	2	2.70%
Mental Disability	6	6	14	26	35.14%
National Origin	0	1	0	1	1.35%
Physical Disability	7	9	18	34	45.95%
<b>Total</b>	<b>18</b>	<b>20</b>	<b>36</b>	<b>74</b>	<b>100.00%</b>

**Dispositions**

Case Opened	1	5	2	8	10.81%
Counseled	14	14	8	36	48.65%
Pending	1	1	2	4	5.41%
Referred	2	0	12	14	18.92%
<b>Total</b>	<b>18</b>	<b>20</b>	<b>36</b>	<b>74</b>	<b>100.00%</b>

**Discrimination Cases**

<b>Protected Classification</b>					
Familial Status	0	1	0	1	8.33%
Mental Disability	0	2	2	4	33.33%
National Origin	0	1	0	1	8.33%
Physical Disability	1	1	4	6	50.00%
<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>12</b>	<b>100.00%</b>

**Findings**

Inconclusive Evidence	0	1	1	2	16.67%
Pending	0	1		1	8.33%
Sustains Allegation	1	3	5	9	75.00%
<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>12</b>	<b>100.00%</b>

**Dispositions**

Client Withdrew		0	1	1	8.33%
No Enforcement Action Possible		1	1	1	8.33%
Pending	1	2	1	4	33.33%
Successful Conciliation		2	3	5	41.67%
<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>12</b>	<b>100.00%</b>

**Tenant/Landlord Services**

<b>Housing Issue</b>					
Eviction	17	14	7	38	7.00%
Harassment	4	2	8	14	2.58%
L/T General Information	6	14	8	28	5.16%
Lease Terms	3	5	4	12	2.21%
Lockout	2	2	4	8	1.47%
Notices	54	58	33	145	26.70%
Other Issue	5	11	6	22	4.05%
Parking	1	1	0	2	0.37%
Pets	0	0	1	1	0.18%
Refusal to Rent	1	0	0	1	0.18%
Relocation	1	0	0	1	0.18%
Rent Increase	27	28	24	79	14.55%
Repairs	8	12	6	26	4.79%
Section 8 Information	1	1	0	2	0.37%

Security Deposit	12	4	7	23	4.24%
Seeking Housing	26	23	21	70	12.89%
Substandard Conditions	21	26	21	68	12.52%
Utilities	1	1	1	3	0.55%
<b>Total</b>	<b>190</b>	<b>202</b>	<b>151</b>	<b>543</b>	<b>100.00%</b>

**Dispositions**

Attorney	7	17	7	31	5.71%
Building and Safety	1	4	1	6	1.10%
Code Enforcement	10	6	8	24	4.42%
Consumer Affairs	1	0	0	1	0.18%
County Assessor	2	0	0	2	0.37%
Health Department	2	10	8	20	3.68%
Housing Authority	0	1	0	1	0.18%
Legal Aid	13	23	12	48	8.84%
Mediation	3	2	1	6	1.10%
Other GH Action	0	1	3	4	0.74%
Project Place	25	25	20	90	16.57%
Rent Control Stabilization	0	0	2	2	0.37%
Resolved	117	109	83	309	56.91%
Small Claims Court	5	3	6	14	2.58%
U. D. Assistance	4	1	0	5	0.92%
<b>Total</b>	<b>190</b>	<b>202</b>	<b>151</b>	<b>543</b>	<b>100.00%</b>

### **Housing Rights Center - City of El Monte (No Info Released for Updated AI)**

For the FY 15/16 program year, the Housing Rights Center delivered a comprehensive fair housing program for the City of El Monte, as reported to the City on a quarterly basis throughout the year. The following summary highlights program services specifically designed for El Monte residents, or those designed to have a *regional* impact.

ANNUAL HOUSING RIGHTS SUMMIT. HRC held its flagship event, the *Housing Rights Summit*, on April 21, 2016, attracting over 250 attendees from across the Southland and nationally. The program included presentations on a wide variety of social service issues, including the legal challenges facing American Indians, HUD's new Affirmatively Furthering Fair Housing Rule, and issues facing our homeless youth population.

HOUSING RIGHTS WORKSHOPS AND FAIR HOUSING PRESENTATIONS. During the 15/16 program year, HRC provided El Monte residents with three live outreach events of particular note, including: one workshop conducted for the general public and one workshop designed for housing industry professionals, both conducted at the El Monte Public Library, along with a presentation for clients of El Monte Veterans Housing. These presentations and workshops provided attendees with an overview of the fair housing laws, protected classes, and unlawful housing practices, along with information about HRC's programs and services. HRC distributed approximately 404 pieces of fair housing and promotional literature throughout the course of these events.

BOOTHS. HRC staffed informational booths at three events easily accessible to El Monte residents: the El Monte-Rosemead Adult School Resource Health Fair, the Foothill Family Holiday Resource Fair, and the El Monte Reentry Resource Fair. These events allowed HRC and other social, health, and nonprofit organizations, along with local businesses, to reach out to local residents individually and to increase the visibility of services available to the community. These events were attended by approximately 670 individuals, and provided HRC with the opportunity to distribute 612 pieces of fair housing literature.

PUBLIC SERVICE ANNOUNCEMENTS. HRC issues public service announcements (PSAs) during each program year to an extensive roster of media contacts in various cities throughout its service areas, including El Monte. These regional press releases, often bilingual, are designed to keep the public informed of HRC's community events and fair housing enforcement activities. HRC also issues PSAs of specific local interest which, during the 15/16 program year, included two bilingual PSAs submitted to El Monte's Channel 3 to promote HRC's fair housing workshops for the City of El Monte.

PRESS RELEASES. During the 15/16 program year, HRC issued five press releases of interest to El Monte residents, directed to various media contacts serving the El Monte area (including the Los Angeles Times, Mid Valley News, Inland Valley Newspaper, San Gabriel Valley Examiner, San Gabriel Valley Tribune, San Gabriel Valley Journal, and other regional and national news publications). These media efforts were made to advertise HRC's upcoming fair housing workshops for El Monte residents, the agency's conciliation of a disability discrimination case against a young cancer victim, HRC's efforts under its Fair Housing Initiatives Program grant from HUD, and to announce the Affirmatively Furthering Fair Housing Final Rule released by HUD.

NEWSLETTERS. During the 15/16 program year, HRC released its *Disability Rights Bulletin*, a newsletter featuring information about disability-related laws and issues. This publication is made available to all community-based organizations throughout HRC's service areas that assist people with disabilities.

GENERAL LITERATURE DISTRIBUTION. As noted above, HRC distributed 1,016 pieces of fair housing literature to attendees of HRC's presentations, workshops, and booths conducted specifically for El Monte residents. In addition, HRC conducts mass distributions of fair housing literature throughout the City of El Monte to provide local tenants, parents, students, and the general community with up-to-date information about discrimination and fair housing, and to announce HRC's upcoming fair housing events in the El Monte area, this year totaling over 1,089 pieces of literature.

## Section 6

# CONCLUSIONS, IMPEDIMENTS AND ACTIONS

The earlier sections of this AI identify common problems and potential barriers to fair housing in the city of El Monte. This section builds on the previous analysis, summarizes conclusions and outlines the City's commitment to actions for addressing the impediments to fair housing. Certain households and individuals may be more susceptible to discrimination due to special circumstances, needs or personal attributes.

## Conclusions and Impediments

The purpose of this analysis is to assess El Monte's local government's laws, ordinances, statutes, and administrative policies to determine if any local conditions affect the location, availability, and accessibility of housing. The analysis of barriers and impediments to fair housing choice, defined as the following: "Impediments" are any actions, omissions, or decisions taken which have the effect of restricting a person's housing choice or the availability of housing choice because of race, color, religion, gender, disability, familial status, or national origin. Such a limitation to fair housing choice constitutes housing discrimination. "Barriers" to housing choice are factors that limit a person's ability to choose from a variety of housing types and may not constitute "housing discrimination." Factors may include housing supply and location, physical accessibility of housing, zoning for group homes, source of income, accessibility of financing, and limited English proficiency. The following is a list of key conclusions and potential impediments that may exist in the City of El Monte.

### Jurisdictional Data

#### Housing Affordability

Across the Southern Californian region and California writ large, rental and housing price increases are outpacing income gains and in turn, residents are spending a disproportionate percentage of their income on housing. In El Monte, of the households reporting having a housing problem (13,380 renter and 4,814 owners), 70.2 percent report that the cost of housing continues to be the most significant problem they face. Overpayment, defined as households paying more than 30 percent of their gross income on housing related

expenses is especially pronounced for households making 0-30% the Average Median Income. Of the 11,938 renters citing overpayment as a housing problem, 52.3% fall in this very low-income group. Housing unaffordability is a product of interwoven policy decisions and economic circumstances that make housing production burdensome for developers and city governments. Some contributing factors are listed below.

### Barriers to Affordable Housing

Listed below are potential barriers to affordable housing. The City should examine these policies and determine if there are any impediments that can be rolled back or removed to help build more affordable housing units throughout the city. While individually these policies do not pose a direct constraint to housing construction, taken together these regulations may burden developers or increase building costs to a point where it no longer becomes economically feasible.

**Parking Costs:** Regardless of how dense a unit is (0 - 25 units), a parking space requirement of 2 - spaces for each unit is required. Parking requirements can lead to less units built or even making a project infeasible for a developer who may not have enough room or money to accommodate for parking requirements. The City of El Monte Municipal Code currently provides options for developers to use in order to achieve reduced parking standards, including shared parking agreements, use of parking studies, proximity to public transportation or other public facilities. Such choices give developers options if parking is considered to be a restriction to the development of new units.

**Development Fees and Taxes:** The City of El Monte charges various fees and assessments to cover the cost of processing development permits and ensure that adequate public facilities and services are available to support residential developments. Development fees range from \$15,800 to \$24,700 per unit depending on the size of the project, density, and location (See table below). City fees are approximately 6 percent of the project per-unit sales price and are generally comparable to other local jurisdictions. To mitigate affordability in development, the City has subsidized the cost of housing construction through the financing of site improvements, rebate of fees, and granting of density bonuses.

**Development and Permit Approval Process:** Costs to develop a property include cost of land, demolition, entitlement process, development review, environmental review and construction costs as well as a conditional use permit or general plan amendment/ zone change in some cases. El Monte's Housing Element Background Report states estimates the total time to process an application for residential development is two months for a single-family home and six months for a multiple-family project. Timeframes can increase if environmental clearance, zone change, modification, or general plan amendment is required, or the project is unusually complicated and requires enhanced review. Given the lack of vacant parcels, and continued rise in cost of housing in California, existing land prices often include a structure that must be either reused or demolished to build on the property, posing a challenge to build more affordable housing as well as housing in general.

### Homelessness

In June 2018, the City of El Monte adopted a "Plan to Prevent and Combat Homelessness." Part of the plan assesses City-level data from the regional Coordinated Entry System (CES) about El Monte's homeless population between July 2016 and November 2017. The data indicates that 55 percent of the City's homeless reported being homeless 1-2 years and 24 percent for two or more years. Additionally, 39 percent reported chronic health issues related to the liver, kidneys, stomach, lungs, or heart, and 23 percent reported a mental

health issue. The LAHSA Homeless Count reported a decrease in homelessness in El Monte, from 517 people in the year 2018 to 428 people in 2019. Health and mental health services are provided to homeless people in El Monte by using the City's police department, as well as its TOUCH program and HOST program. Family Promise of San Gabriel Valley and Operation Healthy Hearts provide employment services to people who are at risk or are currently experiencing homelessness in El Monte. These services and other wrap-around programs have proved successful in helping people off the streets. A one-year decrease does not mean the problem is solved, but only that the trend line is moving in the right direction and the City must continue to fund programs and shift resources to assist the homeless population and help those on the brink of homelessness.

### Fair Housing Discrimination

The Fair Housing Report beginning on page 66 illustrates the state of fair housing discrimination in El Monte and the disparate impact those with a disability face in the housing market. The three-year dataset reveals that fair housing discrimination has risen over the last three years- from 18 cases in 2017-2018 to 35 cases in 2019-2020. The City should continue to examine policies and outreach strategies that mitigate housing discrimination towards disabled groups, as well as low-income households. Of those who filed a housing discrimination complaint with the HRC, 77% fall in the extremely low-income bracket. These individuals will struggle to access housing opportunities because of income limitations and undue burdens in the housing market will only exacerbate housing disparities.

### **Actions**

The proposed actions to address the impediments to fair housing choice are organized by type.

### Housing Affordability

#### 1. Housing Development Assistance

Action 1.1 The City will provide development assistance to promote the development of affordable multifamily housing. This assistance can take the form of direct subsidies provided to affordable housing developers, provision of infrastructure, and/or the write-down of land costs.

The City will continue to seek replacement funding assistance for affordable housing. The City recently opened a new affordable housing development: Veterans Village, which will provide 41 units of supportive housing for veterans. The City partnered with New Directions to provide social services, and Mercy Housing, an affordable housing developer, manages the project. The City continues to actively pursue legislation that addresses funding mechanisms to preserve and develop more affordable housing in the area.

The City has taken proactive measures to construct market-rate and affordable units to meet their RHNA housing goals. A total of 168 dwelling units were completed in 2019 and 1,238 units were constructed between 2013-2019. However, it is projected that a total of 935 additional units will need to be produced between 2020 and 2021 in order to meet the RHNA goals. The units for 2019 include several major projects such as the Baldwin/Rose Project (55 low/very low-income units) and portions of the Santa Anita/Owens (40 townhouse units) project. Furthermore, a number of residential projects were approved with entitlements

during the same period. However, these units will not be added to the totals until building permits have been issued.

Time Frame: Ongoing

## 2. Home Mortgage Disposition Act (HMDA) Monitoring

Action 2.1 With over 70 percent of the loan applications received were from moderate-income households or above (earning greater than 80% of Median Family Income [MFI]), the City should use annual HMDA data to monitor participation in the home ownership market by moderate and below moderate households. Through analysis of HMDA data on the disposition of residential loan applications, an assessment can be made of the availability of residential financing within a community. If current patterns continue, the City should consider affirmative measures to increase homeownership for its moderate- and below-income residents, including the creation of a first-time homebuying program.

Time Frame: Annually

## 3. Homelessness Prevention

Action 3.1 The City of El Monte will continue to use Emergency Shelter Grant dollars to fund several public service activities and programs that help address the underlying causes of homelessness. Supported programs will provide temporary shelter and support services to families who are either homeless or are at risk of becoming homeless. Given the decrease in homeless population, while Los Angeles County saw an increase in homeless populations, the City should continue executing its Plan to Prevent and Combat Homelessness.

The City has a number of facilities that provide housing for people not living in permanent housing. Additional beds are available for individuals and families recovering from substance abuse or other conditions. The City has 250 emergency shelter beds, 42 transitional housing units, 6 rapid-re housing units 44 units of Permanent Supportive Housing (El Monte Veterans Village and Mercy Housing and 34 units of permanent supportive housing (alliance for Housing and Healing). Through a partnership with the East San Gabriel Valley Coalition for the Homeless, the Winter Shelter provides overnight shelter and support services to homeless and near-homeless neighbors. Shelter is provided at various places of worship located in San Gabriel Valley and transportation is available to transport persons in need to the Winter Shelter. The City will continue to focus on the development of sustainable and effective programming, including: applying for short and long-term available funding; partnerships with experienced service providers capable of leveraging other funding; the ability to create or secure affordable housing; perform homeless prevention and case management; and engage the homeless through a street outreach component in order to better connect them to available services.

The City also works with Volunteers of America, Los Angeles (VOALA) to help homeless persons navigate through multiple services, which include searching for rapid- rehousing, permanent supportive housing and placement services. VOALA has a database of more than 100 landlords and available housing listings. Staff assists homeless clients with finding housing and moving in. On average, it takes 30 - 45 days to enroll a client into permanent housing. VOALA also provides financial assistance to eligible households, aiding with costs related to one's security deposit, utility arrears, short-term rental assistance, and moving expenses. Based

on past experience with homelessness prevention, VOALA anticipates an average need of \$3,000 per household. Furthermore, actions the City intends to take that are listed within its Homeless Plan include:

- Explore funding allocations to outreach activities, including to fund prevention services (e.g., through L.A. County’s 211 health and human services program).
- Explore feasibility of additional services capacity at the shelter site including medical and mental health services.

El Monte’s Homelessness Plan also includes a goal to “expand access to workforce development and employment programs.” Actions for that goal include:

- Employ CalWORKS-Subsidized Program participants in City assignments.
- Recruit a percentage of homeless or formerly homeless individuals for City assignments.
- Engage local business groups, business owners, and those doing business with the City to encourage participation in workforce development programs and job placement

Timeframe: Ongoing

Fair Housing Practices

4. Fair Housing Services

Action 4.1 The City of El Monte will continue to contract with the Housing Rights Center (HRC) to provide Fair housing services. The City funds an annual contract for HRC to provide a variety of fair housing services including fair housing workshops for property managers, owners and tenants education, fair housing outreach, and enforcement of housing complaints within the Civil Rights (Federal and State) laws and tenant dispute resolution. The City should continue to examine policies and outreach strategies that mitigate housing discrimination towards low-income and disabled households.

Alma Martinez, City Manager, hereby certify that this Analysis of Impediments to Fair Housing Choice for the City of El Monte represents the City’s conclusions about impediments to fair housing choice, as well as actions necessary to address any identified impediments.

City Manager \_\_\_\_\_  
City of El Montee

Date \_\_\_\_\_

